

— PARTICIPANTS

Corporate Participants

Andrew Emerson – Executive Vice President, Chief Financial Officer & Treasurer, IDEXX Laboratories, Inc.

Jonathan J. Mazelsky – President, Chief Executive Officer & Director, IDEXX Laboratories, Inc.

Other Participants

Erin Wilson Wright – Analyst, Morgan Stanley & Co. LLC

Michael Ryskin – Analyst, BofA Securities, Inc.

Jonathan D. Block – Analyst, Stifel, Nicolaus & Co., Inc.

Chris Schott – Analyst, JPMorgan Securities LLC

Daniel Clark – Analyst, Leerink Partners LLC

Brandon Vazquez – Analyst, William Blair & Co. LLC

Andrea Alfonso – Analyst, UBS Securities LLC

Keith Devas – Analyst, Jefferies LLC

— MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to the IDEXX Laboratories Third Quarter 2025 Earnings Conference Call. As a reminder, today's conference is being recorded. Participating in the call this morning are Jay Mazelsky, President and Chief Executive Officer; Andrew Emerson, Chief Financial Officer; and John Ravis, Vice President, Investor Relations.

IDEXX would like to preface the discussion today with a caution regarding forward-looking statements. Listeners are reminded that our discussion during the call will include forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those discussed today.

Additional information regarding these risks and uncertainties is available under the forward-looking statements notice in our in our press release issued this morning as well as periodic filings with the Securities and Exchange Commission, which can be obtained from the SEC or by visiting the Investor Relations section of our website, idexx.com.

During this call, we will be discussing certain financial measures not prepared in accordance with generally accepted accounting principles or GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is provided in our earnings release, which may also be found by visiting the Investor Relations section of our website. In reviewing our third quarter 2025 results and updated 2025 guidance, please note all references to growth, organic growth and comparable growth refer to growth compared to the equivalent prior year period unless otherwise noted.

To allow broad participation in the Q&A, we ask that each participant limit their questions to one with one follow-up if necessary. We appreciate you may have additional questions, so please feel free to get back into the queue, and if time permits we'll take your additional questions. Today's prepared remarks will be posted in the Investor Relations section of our website after the earnings conference call concludes.

I would now like to turn the call over to Andrew Emerson.

IDEXX Laboratories, Inc.*Company ▲*

IDXX

Ticker ▲

Q3 2025 Earnings Call

Event Type ▲

Nov. 3, 2025

*Date ▲***Andrew Emerson, Executive Vice President, Chief Financial Officer & Treasurer, IDEXX Laboratories, Inc.**

Good morning. I'm pleased to take you through our third quarter results and provide an updated outlook for our full year 2025 financial expectations. In terms of highlights in the quarter, IDEXX delivered strong financial results supported by outstanding commercial execution in our Companion Animal business with benefits from recently launched IDEXX Innovations. Revenue increased 13% as reported and 12% organically, supported by over 10% organic growth in CAG Diagnostics recurring revenues, reflecting over 8% gains in the US and double-digit growth in international regions.

We achieved another quarter of strong premium instrument placements, including over 1,750 IDEXX inVue Dx analyzers, resulting in 71% organic growth of CAG instrument revenues. CAG Diagnostics recurring revenue growth in Q3 was negatively impacted by declines in US same-store clinical visits of 1.2%, driven by ongoing macro and sector pressures. IDEXX's operating performance was excellent in the quarter with comparable operating margin gains of 120 basis points, supported by gross margin expansion, which benefited from strong recurring revenue growth. High operating profit gains enabled earnings per share of \$3.40 in the quarter, resulting in EPS growth of 15% on a comparable basis.

We're increasing our full year revenue outlook by \$43 million at midpoint, with an updated range of \$4,270 million to \$4,300 million, an outlook for overall reported revenue growth of 9.6% to 10.3%. Our updated full year overall organic revenue growth outlook is for 8.8% to 9.5%, with organic CAG Diagnostics recurring revenue growth of 7.5% to 8.2%. These organic growth ranges represent approximately a 1% increase at midpoint to our previous guidance, supported by strong global execution in our CAG business.

We're increasing our full year EPS outlook to \$12.81 to \$13.01 per share, up \$0.33 per share at midpoint, reflecting 12% to 14% comparable EPS growth. We'll discuss our updated 2025 financial expectations later in my comments. Let's begin with a review of the third quarter results.

Third quarter organic revenue growth of 12% was driven by 12% CAG revenue gains, 7% growth in our Water business and 14% gains in LPD. Strong CAG results were supported by CAG Diagnostics recurring revenue growth of 10% organically, including average global net price improvement of 4% to 4.5% and benefits from CAG Diagnostic (sic) [CAG Diagnostics] instrument revenues increasing 71% organically, aided by global placements of inVue Dx.

US organic CAG Diagnostics recurring revenues grew 8% in Q3, supported by solid volume gains and 4% benefit from net price realization. US same-store clinical visits declined 1.2% in the quarter, reflecting an IDEXX US CAG Diagnostics recurring revenue growth premium to US clinical visits of approximately 950 basis points, highlighting outstanding performance by the IDEXX teams. Q3 benefited from aging pets with non-wellness visits declining only 30 basis points year-over-year, while wellness visits declined 2.5%. Health services continued to expand in the quarter, including increased diagnostic frequency and utilization per clinical visit for both well and non-well list visits as customers expand the use of diagnostics in their care protocols.

International CAG Diagnostics recurring revenue grew 14% organically in Q3, including approximately a 1% benefit related to equivalent days. Revenue performance was driven by volume gains, including benefits of net new customers and same-store sales utilization. International regions have sustained strong growth on a days adjusted basis for the past 10 quarters, highlighting the significant global opportunity as we invest in global commercial capabilities and expansions.

IDEXX Innovation and commercial execution also delivered strong organic revenue gains across testing modalities globally in the third quarter. IDEXX VetLab consumable revenues increased 16%

on an organic basis in the third quarter, reflecting double-digit growth in both the US and international regions. Consumable revenue growth was supported by expansion of our premium instrument installed base and expanded testing utilization, including benefits from recent product launches. inVue Dx utilization is tracking well to our recurring revenue estimates previously provided of \$3,500 to \$5,500 per analyzer, and we're excited for the upcoming launch of FNA starting with mast cell tumor detection.

CAG instrument placements increased significantly in Q3 compared to prior year levels. Total premium placements reached 5,665 units, an increase of 37% year-over-year. The quality of placements remains excellent, reflected in 1,203 global new and competitive Catalyst placements, including 347 in North America. Globally, we placed 1,753 IDEXX inVue Dx instruments as we continue to meet customer demand for this highly innovative analyzer. Ongoing progress of placing instruments combined with high customer retention levels supported the 10% year-over-year growth in our premium instrument installed base in the quarter.

IDEXX Global Reference Lab revenues increased 9% organically in Q3, up approximately 4% growth from the second quarter, driven by solid volume growth across regions, including expanded same-store volume benefits and net new customer gains. IDEXX Cancer Dx continues to gain further traction in North America, reaching nearly 5,000 customers through October. Global rapid assay revenues declined 5% organically in Q3. Rapid assay results continue to be impacted by customers shifting pancreatic lipase testing to our Catalyst instrument platform, which we estimate to be a 6% headwind in Q3 revenue growth.

Veterinary software and diagnostic imaging organic revenues increased 11%, driven by reoccurring revenues, which grew 10% during the quarter. Solid growth in veterinary software was supported by a strong double-digit growth of cloud-based PIMS installations and adoption of related reoccurring services. We also saw continued strong double-digit year-over-year growth of diagnostic imaging system placements in the quarter. Water revenues increased 7% organically in Q3, with strong growth in international regions and solid mid-single-digit growth in the US. Livestock, Poultry and Dairy revenues increased 14% organically in the quarter, with double-digit gains across most regions.

Turning to the P&L. Strong revenue growth enabled 16% comparable operating profit gains. Gross profit increased 15% in the quarter, as reported, and 13% on a comparable basis. Gross margins were 61.8%, up approximately 80 basis points on a comparable basis. These gains reflect benefits from strong reoccurring revenue growth and IDEXX VetLab consumables and reference lab volumes, along with operational productivity and pricing benefits, which offset inflationary cost pressures. Reported gross margin gains were moderated by 10 basis points of foreign exchange impacts, net of hedge positions.

On a reported basis, operating expenses increased 12% year-over-year as we advance investments in our global commercial and innovation capabilities. Q3 earnings per share was \$3.40 per share, including benefit of \$14 million, or \$0.17 per share, related to share-based compensation activity. Income tax includes a \$0.09 negative impact related to accelerating tax deductions for previously incurred research expenses allowed under the new US tax legislation, which benefits cash taxes while increasing our effective tax rate in the period.

Foreign exchange added \$1.9 million to operating profit and \$0.02 to EPS in Q3, net of hedge effects, reflecting a comparable EPS increase of 15%. Free cash flow was \$371 million in Q3 and \$964 million on a trailing 12-month basis, with net income to free cash flow conversion rate of 94%. For the full year, we're updating our outlook for free cash flow conversion to 95% to 100% of net income. This increase includes a 10% cash tax benefit primarily related to \$105 million of acceleration of tax deductions for previously incurred research expenses allowed under recent US tax legislation and a refined outlook for our full year capital spending of approximately \$140 million.

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Our balance sheet remains in a strong position. We finished the period with leverage ratios of 0.7 times gross and 0.5 times net of cash. We continue to deploy capital towards share repurchases, allocating \$242 million during the third quarter and contributing to \$985 million on a year-to-date basis, supporting a 2.7% year-over-year reduction in diluted shares outstanding through Q3.

Turning to our full year 2025. As noted, we're increasing our outlook for overall revenue to \$4,270 million to \$4,300 million. At midpoint, this reflects approximately \$43 million of operational improvement, building on strong third quarter performance, including CAG Diagnostics recurring revenue expansion and increased inVue Dx revenue expectations. Our updated revenue growth outlook is for 9.6% to 10.3% growth, as reported, including a 0.8% full year growth benefit and 2% growth benefit in Q4 from foreign exchange at the rates outlined in our press release.

As a sensitivity, a 1% strengthening of the US dollar would reduce revenue by approximately \$4 million and EPS by \$0.01 for the remainder of the year. The updated overall organic revenue growth outlook of 8.8% to 9.5% reflects an estimated organic growth range of 7.5% to 8.2% for CAG Diagnostics reoccurring revenue, including a consistent 4% to 4.5% benefit from global net price realization.

At midpoint, during Q4, we're assuming US clinical visits continue to decline at levels moderately better than the year-to-date average. We are again increasing our expectations for our inVue Dx placements, which we now expect to be approximately 6,000 during 2025, with instrument revenues of over \$65 million as we continue to see strong demand from this exciting new platform.

In terms of key financial metrics, we're increasing our reported operating margin outlook to 31.6% to 31.8% in 2025, reflecting an increased expectation for 80 basis points to 100 basis points of full year comparable operating margin improvement net of 180-basis-point operating margin benefit related to the discrete litigation, expense impacts and updated foreign exchange effects. As noted previously, IDEXX remains well positioned to navigate the ongoing changes in the trade landscape with a largely US-based manufacturing footprint.

We remain focused on continuous supply to customers while actively managing cost impacts, which will continue to play out into 2026. Our updated full year earnings per share outlook is \$12.81 to \$13.01 per share, an increase of \$0.33 per share at midpoint. Our EPS outlook incorporates increased projections for operational improvement of \$0.22 at midpoint compared to our prior guide. We've also incorporated lower effective tax rate benefits, including \$0.09 of share-based compensation activity compared to the prior outlook, partially offset by other tax impacts including the noted acceleration of research expense deductions under the new US tax legislation.

Updated estimates for interest expense, average share count reduction and foreign exchange impacts have also been incorporated, with additional details available in the tables in our press release and earnings snapshot.

That concludes our financial review. I'll now turn the call over to Jay for his comments.

Jonathan J. Mazelsky, President, Chief Executive Officer & Director, IDEXX Laboratories, Inc.

Thank you, Andrew, and good morning. IDEXX delivered very strong financial performance in the third quarter while advancing our strategic priorities globally. Our proven model of high-touch commercial engagement, combined with differentiated testing and workflow innovations continue to drive adoption of IDEXX's world-class diagnostic and software solutions. These capabilities directly support our customers' mission to deliver the highest standards of care, enabled through greater diagnostic frequency and utilization in everyday practice.

Diagnostics remains the fastest-growing revenue stream within veterinary clinics, a durable trend reflecting the central role testing plays in determining patient health status and guiding treatment decisions. Our financial results in the quarter were underpinned by accelerating gains in CAG Diagnostics recurring revenues across major regions. Growth in recurring revenues reflects multiple execution drivers, including double-digit growth of our premium installed base, instrument installed base, sustained strong new customer gains, solid net price realization and continued momentum in cloud-based software adoption.

Importantly, these results were supported by continued momentum in our innovation playbook, highlighted by strong placements of inVue Dx, growing adoption of Cancer Dx and benefits from the expanding Catalyst menu, including early uptake of Catalyst Cortisol. IDEXX solutions, anchored by our integrated software-enabled multimodality approach are well positioned to help clinics enhance efficiency, expand diagnostics reach and deliver exceptional patient care.

Building on the groundbreaking innovations we launched in 2025, and as highlighted at our August Investor Day, we will further expand our Cancer Dx franchise in 2026 with the addition of mast cell tumor, another high-impact cancer biomarker to the panel. We also plan to bring Cancer Dx panel to international markets starting in Q1 2026, extending its reach and accelerating our global leadership in veterinary cancer diagnostics.

Our commercial organization, again, delivered outstanding performance in Q3. Across geographies, our teams drove very strong instrument placements, with a high quality of placements supporting outstanding year-on-year growth of economic value placements, a key measure of future recurring revenue gains. Retention of our CAG Diagnostics recurring revenue remained in the high-90s, reflecting the enduring loyalty and trust that veterinarians place in IDEXX. This loyalty is not simply the result of world-class products. It reflects the strength of our customer engagement and support model where IDEXX representatives serve as true partners in helping practices improve medical outcomes and business performance.

In the US, growth was fueled by strong volume gains, including benefits from adoption of new innovations alongside sustained strong new and competitive Catalyst placements. Our teams are effectively engaging practices, whether start-ups outfitting their practice for the first time or established clinics seeking to upgrade and expand capabilities. Accelerated growth in the important diagnostics frequency metric as well as utilization per clinical visit is a critical driver of success, enhancing patient care while creating durable growth for both clinics and IDEXX.

We are also benefiting from corporate account relationship extensions and expansions. These relationships represent significant multiyear growth opportunities as practices transition volume into IDEXX's ecosystem of diagnostic software and services. Importantly, these partnerships are increasingly structured to elevate care at the practice level, to greater diagnostics frequency, utilization, workflow optimization and expanded menu adoption.

Internationally, we delivered double-digit installed base growth for the 11th consecutive quarter, with the step-up in the growth of CAG Diagnostics recurring revenue growth across major regions. Our commercial strategies are globally tailored to regional dynamics supported by strong reference laboratory networks and backed by an innovation approach that ensures high product market fit, such as with ProCyte One and SNAP Leishmania. Expanding diagnostic frequency in international regions continues to be a key growth lever, elevating the standard of care and expanding the sector opportunity.

We remain committed to investing in our commercial footprint where the customer readiness and growth potential are strongest. We are on track with plans to expand in three international countries by the start of 2026, while also enhancing our US commercial footprint. These are high-return investments, reducing the number of customers per account manager, supporting more frequent engagement, strengthening loyalty and driving adoption of IDEXX solutions.

The commercial organization's ability to consistently deliver growth across varying geographies and macroeconomic conditions demonstrates the durability of our model. Practices continue to prioritize diagnostics and software, because they are foundational to their mission, and IDEXX is their partner of choice.

Turning to our innovation update, let me begin with Catalyst Cortisol, the newest addition to our Catalyst platform. Launched in North America in late July and at the end of the third quarter internationally, Catalyst Cortisol is already seeing strong momentum with over a quarter of Catalyst customers in North America adopting test within the first three months of launch. This is among the fastest adoptions for Catalyst menu expansion, underscoring both the clinical need and the level of customer anticipation.

Catalyst Cortisol enables veterinarians to rapidly measure cortisone levels at the point-of-care, supporting diagnosis and monitoring of adrenal conditions such as Cushing syndrome and Addison's disease. These conditions are often complex and require real-time insights to guide treatment decisions. With Catalyst Cortisol, veterinarians can deliver highly accurate results during the patient visit, avoiding delays, reducing callbacks and increasing confidence in treatment planning.

The addition of Cortisol was the most frequently requested Catalyst menu expansion from customers, a clear signal of its importance to clinical practice. The rapid uptake we've seen validates the power of listening closely to our customers, and then delivering innovation that directly addresses their highest priority needs from both a testing accuracy standpoint in workflow friendly way.

This is also a great example of our technology for life strategy. By continually expanding the Catalyst menu, we increase both medical and economic value of the installed base. With nearly 77,000 Catalyst instruments and practices globally, each new menu expansion represents a lever for increased utilization, improved care and long-term recurring revenue. Alongside Catalyst Pancreatic Lipase, which has already achieved adoption across over 50% of the available installed base and Catalyst SmartQC, which is simplifying quality control workflows, Catalyst Cortisol is strengthening Catalyst's position as the most versatile, value-creating chemistry, immunoassay and electrolyte platform in veterinary medicine.

Moving to inVue Dx. By the end of Q3, we have placed over 4,400 inVue Dx analyzers globally year-to-date, exceeding our expectations in reinforcing the momentum that began with preorders last year. This represents one of the most successful product rollouts in IDEXX's history. This strong start gives us confidence to once again raise our full year outlook to approximately 6,000 placements.

Customer feedback has been overwhelmingly positive, with veterinarians consistently highlighting workflow transformation, diagnostic confidence and powerful clinical insight as the most meaningful benefits. The slide-free cytology workflow reduces technicians' time, improves consistency and delivers results while the patients are still under practice.

At the same time, AI models, now trained on more than 60 million cellular images, provide reliable, high-quality insights that elevate standards of care. Frequent software updates, as often as every other week, continuously expand these capabilities, enhancing accuracy and ensuring clinicians always benefit from the latest advancements. A great example of this is a recent update that reduced time to result of an ear cytology to approximately eight minutes. Utilization for ear cytology or blood morphology has been robust and well aligned with our expectations.

Both of these broad-use categories have great use cases in everyday practice, serving as high-frequency diagnostics to support patient care across a wide range of conditions. Their adoption

underscores the value of inVue Dx in addressing routine, repeatable testing needs to drive workflow efficiency and strengthen clinical confidence.

Importantly, success in these initial categories provide a strong foundation for the platform, creating natural momentum as we expand the menu into additional high-value areas, such as oncology with the addition of fine needle aspirate which remains on track for rollout later this year.

Importantly, inVue Dx not only driving placements in consumables, but also strengthening customer loyalty and long-term contractual relationships. Many practices adopting inVue are expanding their broader IDEXX commitments with some extending agreements ahead of schedule to secure access to this transformative platform.

Turning to Cancer Dx, momentum remains strong with nearly 5,000 practices to date adopting these tests within just a few quarters of launch. Utilization is tracking well with expectations and we continue to be encouraged by competitive customer adoption, now over 17% of customers. This reflects growing awareness and underscores Cancer Dx's importance as a new standard in veterinary oncology. While the majority of samples are still being used to aid in the diagnosis of canine lymphoma, the number of practices incorporating the test into wellness protocols is nearing parity, enabling early detection and improved patient outcomes.

The clinical need for oncology screening is clear. Cancer remains one of the leading causes of death among dogs, and early detection is critical to improving outcomes. Cancer Dx provides veterinarians with a cost-effective, highly sensitive tool that integrates seamlessly into a standard wellness visit. Looking ahead, our Cancer Dx road map is ambitious, as we expand internationally and add mast cell tumor detection and one additional cancer next year.

With canine lymphoma and mast cell tumor detection, Cancer Dx platform will address over one-third of all canine cancer cases. Mast cell tumors are top of mind with pet parents, because they can often feel the lumps and bumps, while petting or cuddling with their dog and early detection can significantly improve the clinical outcome for an affected dog. The upcoming availability of FNA for lumps and bumps on inVue Dx will allow for cytology results during the patient visit, helping to provide clarity to a concerned pet parent.

We have a couple of important highlights in our software business, specifically related to the broad-based adoption of our cloud-based products, reflecting the strength of IDEXX's vertical SaaS model purpose built for animal health. Veterinarians across all stages of their careers recognize the workflow efficiencies and easy use that our solutions provide, enabling them to spend more time delivering care and less time on administrative tasks.

Our cloud-native PIMS platforms delivered double-digit installed base growth again this quarter, surpassing a milestone, now with over 10,000 locations, and strong adoption among both independent practices and enterprise customers with multi-location groups. Customers are choosing IDEXX for our growing vertical SaaS platform, where integrated modules create seamless workflows for clinicians and connectivity with diagnostics and increasingly for pet parents through Vello.

Vello, our client engagement platform continued to expand in Q3, with active clinics growing over 20% sequentially and over half of PIMS bookings in the quarter included a Vello subscription. Clinics using Vello report higher appointment adherence, increased diagnostics compliance and greater client satisfaction, all of which translated to higher visit volumes and revenue growth. The integration of Vello with our diagnostics and PIMS ecosystem further amplifies its value, making it an increasingly important part of IDEXX's long-term growth engine.

As we conclude, I want to extend my deep gratitude to our 11,000 IDEXX employees worldwide. Your commitment to innovation, customer partnership and operational excellence is what enables

us to deliver results like these. Q3 was another quarter where innovation and commercial execution came together to drive strong financial performance and advanced veterinary care. As diagnostics sit at the center of the veterinary system of care, IDEXX will remain at the forefront of advancing standards, unlocking practice productivity and driving sustainable growth.

Now, please open the line for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Erin Wright with Morgan Stanley.

<Q – Erin Wright – Morgan Stanley & Co. LLC>: Great. Thanks. I want to unpack a little bit the strength of consumables in the quarter and what's sustainable here. For instance, how much of the strength is actually inVue consumables, Lipase or just the new contracting terms when you do place an inVue? For instance, you used to give us this metric back when you launched Catalyst Dx, but you used to say, with every Dx upgrade, it translated into a considerable amount of consumables uplift. I guess, do you have that metric when you're placing kind of inVues you're establishing and re-contracting with new IDEXX 360 relationships? And presumably, this is an all inVue consumables contribution. I just want to unpack that. Thanks.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Good morning, Erin. Yeah, the growth in the VetLab consumables piece is very broad-based. So, there's obviously the large installed base growth of 10% and you can go back, yeah, many quarters and we continue to grow that very aggressively. And the quality of these placements is very high. We track economic value across the board. What we're seeing is high-quality placements competitive and greenfield is something we disclose, both for chemistry and hematology, so you get a sense of that.

Also the Technology for Life, the specialty tests, we've now had three within a period of a year, those contribute. There's Pancreatic Lipase and SmartQC and now Cortisol. So, these are tests that veterinarians prefer to do at the point-of-care, and that's clearly benefiting us. And I'd say – by the way, at an enterprise level, we're doing more testing in those areas. So, this isn't a case of substituting from the reference lab to point-of-care.

With respect to the inVue, yeah, I'd say that it's early stages. Obviously, it's all drop-through, because it didn't exist before at the point-of-care and it's proceeding well to plan. And so, that's an add and as our installed base grows, we expect that that will contribute greater amounts on a go-forward basis. But just to summarize, it's very broad-based growth across our point-of-care business.

<Q – Erin Wright – Morgan Stanley & Co. LLC>: Okay. Thanks. And then, are we still on track with FNA and the launch? And what are you seeing from some of the pilot programs with FNA so far? And do you think there's this backlog of customers kind of waiting for FNA that should support another leg of growth here for inVue?

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. We are on track. What inVue customers tell us is that they – there's very few customers that are just looking at one of the testing use cases, ear cytology or blood morphology or FNA testing for mast cell. They really are looking at as a broad portfolio of tests that they would use. And obviously, different mixes depending upon the practice and their preferences. So, we expect that most of the customers, I can't say 100%, but the vast, vast majority of customers who have purchased inVue for ear cytology and blood morphology will also use it for FNA testing. So, we're very excited by that.

<Q – Erin Wright – Morgan Stanley & Co. LLC>: Okay. Thank you.

Operator: The next question is from Michael Ryskin with Bank of America. Mr. Ryskin, your line is unmuted. If you could please check your mute button.

<Q – Mike Ryskin – BofA Securities, Inc.>: Hey. Can you guys hear me?

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: We got you.

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<A – Andrew Emerson – IDEXX Laboratories, Inc.>: We can.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yes.

<Q – Mike Ryskin – BofA Securities, Inc.>: Yes. Thanks for taking the question. Want to follow up on some of your comments on end market business trending a little bit better. You guys continue to put up really impressive numbers. Can you hear me?

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: We got you, Mike.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: We can.

<Q – Mike Ryskin – BofA Securities, Inc.>: Okay. Okay. Sorry. Just had some audio problems. You've been able to put up really good numbers despite the end market weakness. I was just wondering if you could parse out a little bit, you talked a lot about inVue and the strength of that rollout there, whether you're seeing sort of the ability to leverage that for the rest of the business, the uplift you're seeing in consumables that will add consumables in the reference lab. Just sort of – I don't know if I would call it the cross-selling opportunity, but just the ability to bring that into the vet clinic's office, if that's leading to a stronger IDEXX premium and just ability to really drive the performance, despite the continued softer macro. And I've got a follow-up. Thanks.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: Yeah. Thanks, Mike. This is Andrew. Maybe I'll just touch on your initial question on the sector, and then Jay may have a point of view on the portfolio side here. But ultimately, I think what we did see was the non-wellness visits were closer to flat in Q3. We did see some benefits from the pet population that was five years and older related to the clinical visits themselves. And then, as we've been highlighting, I think, with those adult dogs and cats transitioning to more seniors, we also see higher quality of the visits where we see expanded diagnostic frequency and utilization benefits with that as well. So, that was one of the key drivers.

What I would say is, on the wellness side, we continue to see pressures from a macro perspective. We know there's still challenges out there just related to the consumers and the macro trends. Wellness visits did continue to decline, more about 2.5% overall within the quarter. So, fairly consistent pressure on the more elective and wellness characteristics of that.

We'll continue to monitor this sector. But to your point, I do think that as we think about the broader portfolio, there's really an opportunity to continue to play that out. We see reference labs tends to be a little bit more weighted to wellness visits, same with rapid assay. And so, we do see a bit of a benefit in the IDEXX VetLab consumables, but I think there's an opportunity for us to continue to see benefits from the aging patients over time.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. Mike, with respect to your question around inVue and its broader impact, we've always had – when we come out with a new instrument – it's a big deal. There are a direct economic benefits and there are indirect benefits. Obviously, the direct, placing an instrument that that's capital revenue and over time you build an installed base and the flywheel for recurring revenue. But most of these instruments get placed in some sort of marketing program, like IDEXX 360. And so, the customer can satisfy volume commitments and is very often inspired to do more of their overall testing volume, including reference labs and rapid assay and our SaaS software solutions through us. And so, those are the indirect benefits.

And most of our – about two-thirds of the inVue placements to date have come out of North America, a third internationally. So, we're excited. It does have some leverage impact, and we'll see more direct benefits, as I indicated earlier, from just the recurring revenue stream of inVue.

<Q – Mike Ryskin – BofA Securities, Inc.>: Okay. Thanks. And if I could squeeze in a follow-up, you talked about investments a couple of times in the prepared remarks. Could you expand on that a little bit, between incremental R&D on future platforms and maybe to continue to work on MultiCue Dx, I don't know how much you'll be able to talk about that, or the commercial sales force. Just wondering the strength that you've had in the top line this year, how you're flowing that through the model and just sort of what are your relative priorities for investment from that strength? Thanks.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. I'll cover the investment piece and if Andrew would like to cover how we're thinking about the mix within the P&L, I'll hand it to him. From an investment standpoint, the way we think about it, there's commercial opportunity and sector development. We know that that takes investments in reach and frequency of our sales organization. And so, we're on track for the first of the year. They have three international and a modest increment in the US. We know these are good investments. These tend to be more of a short-return type thing with a high confidence level, because we have a playbook and a template in terms of how we think about it, and they fit well into our territories. And within three or four quarters are trained and onboarded and really very productive sales professionals.

The ongoing R&D investments, these tend to be multiyear in horizon across the board. There's biomarker investment, obviously, that can be leveraged both reference labs and point-of-care, new instruments, inVue and MultiCue Dx, those are ongoing and tend to be four, five years. And then, obviously, the software piece is a critical part of our strategy, and we're investing heavily both in cloud-based PIM Systems and Vello and the other software applications.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: Yeah. Maybe just, Mike, in Q3 in particular, we highlighted 12% year-over-year growth in our operating expenses. So, one of the things that we do always look at is, how we're performing from an overall company perspective and making the right investments to continue to drive future growth. Again, if I take a step back and think about our longer-term growth algorithm, we constantly want to reinvest back into the business while still continuing to deliver solid operating margin gains overtime here.

And I think Q3 was a good example of our ability to do that. With higher top line growth, we were able to both contribute from an operating margin gain benefit, but also invest heavily back into the business. And I think it's a really disciplined resource allocation approach to think about that mix across innovation and commercial and other support areas that Jay was highlighting that we want to make sure we get right.

<Q – Mike Ryskin – BofA Securities, Inc.>: Great. Thanks so much, guys.

Operator: The next question is from Jon Block with Stifel.

<Q – Jon Block – Stifel, Nicolaus & Co., Inc.>: Thanks, guys. Good morning. Maybe I'll just also start with inVue. The 2025 placement guidance, I think I've got my math right, implies roughly 1,500 systems for 4Q 2025. So, still solid, and I know you raised the full year, but that would be down sequentially. You flipped from an order number to a placement number. So, I guess the question here is, are you caught up with the orders when we think about where you are with inVue? And then, just even any high-level thoughts on, I believe I've got it right, the initial 20,000 over five years. You're running well ahead in year one in totality. Any thoughts on the longer-term goals that you guys had put out? And then I'll ask a follow-up.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: Yeah. Thanks, Jon. This is Andrew. So, from an inVue perspective on the longer-term goal, we certainly are still focused on the 20,000 over five years. We haven't updated that. We're off to a strong start here and we're targeting 6,000 placements by the end of 2025, which is really our first year of launch ultimately. So, we feel good about that 6,000 placement trajectory here, and that's well above our initial guide of 4,500 where

we started the year. We've seen really strong demand for the platform itself and I think we're going to continue to build on the impact that that can have with FNA, starting with mast cell tumor detection, as a great example of the extensibility of the platform overall. So, nothing I would call out specifically.

To your point, I think the math or the implied placement math that suggests 1,500 to 1,600 placements in Q4, and that's certainly still a very solid trajectory here and we feel good about the trajectory that we're on for the platform overall.

<Q – Jon Block – Stifel, Nicolaus & Co., Inc.>: Fair enough. And maybe I'll go to a different topic. I actually thought one of the most impressive metrics for the quarter was the international CAG Diagnostics recurring revenue growth of almost 14%. I think it's the highest growth rate since coming out of or emerging out of COVID. And arguably, it doesn't really reflect much of inVue, no Cancer Dx. I think it's before the additional sales reps really take hold in the field.

So, it's always more limited visibility in the international markets. I know you've spoken to the increased double-digit in the installed base for 11 consecutive quarters. But there's got to be more than that even as traction. So, any color you can provide there? And is this sort of the right run rate in the international markets, especially because you'll have those incoming tailwinds of innovation and sales reps going forward? Thanks for the time.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. So, there's a couple of dimensions to think about from just an international opportunity standpoint. One is, it's just more embryonic in terms of the use of diagnostics. And we have a tried and true approach from the standpoint of just developing the sector. And what we have found is, it's very translatable to the international market. So, obviously, the quantity of your sales professionals has a quality, while it's also being able to increase the sales organization. So, it's important, and we've been doing that now for four or five years.

But the other thing that I would just point out is the maturity of working within the system takes some time. So, it's not just about the account manager or the VDC, it's about the full commercial ecosystem of the professional service vet and the field service representative and the inside sales channel and all those working in a synchronized fashion.

The other piece is that we've invested in internationally is the reference lab network and really building out a network that enables next-day performance. We've invested in software localizations like VetConnect PLUS, all of those pieces come together. In terms – we just think there's an outstanding opportunity in the international geographies. We guided from a – at Investor Day that the international opportunity is a couple of hundred basis points, I think, faster than the US. We feel good about that. We think that that offers a pretty long-term horizon opportunity year-on-year that we can develop.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: Really great results in Q3. I would highlight that we did call out there's about 100 basis points of benefit related to equivalent days on the international business. So, very significant results overall regardless, but we did see some modest days benefit in the quarter.

<Q – Jon Block – Stifel, Nicolaus & Co., Inc.>: Fair enough. Thanks, guys.

Operator: [Operator Instructions] The next question is from Chris Schott with JPMorgan.

<Q – Chris Schott – JPMorgan Securities LLC>: Great. Thanks so much. Just a couple for me. Maybe just coming back on the aging pet commentary, it sounds like you're starting to see this supporting visits in the US. I guess is it fair to think about this point this now being a tailwind for the

business as we look out to 2026 and beyond and start thinking about posit at least clinical visit growth or could this remain kind of bumpy in near-term?

And just my follow-up was just on the international business and the discussion. Can you also elaborate on visit trends there? Or I guess, we see a similar dynamic to the US where the clinical visits are starting to pick up and wellness is still under some pressure, or is it more balanced in the international markets? Thank you.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. I'll cover your second question first. We don't have as good visibility into clinical visits internationally just because we don't have the installed base of PIM Systems, which allows us to access what is otherwise a very fragmented installed base of software. Our perspective, our market research suggests that it's largely stabilized from some of the choppiness we've seen over the last couple of years. So, I think it's a stable environment, and we're clearly being able to execute against an environment that we think over time will improve.

From the standpoint of the aging pets, the non-wellness visit essentially flat. We did see that adult dogs coming for more non-wellness visits. Some of that is likely pandemic dogs, designer breeds that are more heavily medicalized, larger breeds, larger dogs that get sicker earlier in their life spans. In terms of how that sustains quarter-to-quarter remains to be seen. This is just a data point. I think what we could say with a good degree of confidence is that these pets, as they age from the pandemic and the large step-up that we've seen, will come into the practice more for sick care and that from a clinical visit trend standpoint, it will be very positive.

Operator: The next question is from Daniel Clark with Leerink Partners.

<Q – Dan Clark – Leerink Partners LLC>: Great. Thanks. Good morning, everyone. Also wanted to ask on international, maybe in a little bit of a different way. On a days-adjusted basis, CAG recurring grew at least 13% in the quarter. As you mentioned on the call, your kind of growth potential is 13% to 16%. So, like, what gets us up to the 15%-16% range? Is it just continued sales rollout? Or what else should we be thinking about here?

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. It's really all the pieces that I mentioned. We're going to continue to invest in sales force expansions over time. That's really a function of time and distance and maturity of the sales organization. We're very disciplined about that. We want to make sure the market's ready. There's a product market fit dimension that we evaluate expansions and growth. For example, ProCyt One, that was a hematology analyzer, really designed at the inception for our international hematology first markets in terms of cost and footprint.

Super important is the reference lab network. So we continue to build out our reference labs on a global basis, both from a European geography, but also within various markets in Asia Pacific. We know that that's super important. And then making sure that the customer support or customer experience proceeds is ahead of the investment in commercial. We want to make sure that customers who may not know IDEXX and the first exposure to IDEXX, they get not just solutions that perform at a very high level, but the support organization is there in-country, supporting them when they have all challenges. We think all those things combined give us a lot of confidence that that 13% to 16% growth rate is achievable.

<Q – Dan Clark – Leerink Partners LLC>: Great. Thanks. Just had a quick follow-up on visits. Last third quarter, you talked about 1% to 1.5% growth benefit to visits from launch of a different company's pain medicine. Was there any impact on headline visit numbers in the quarter as you've lapped that launch? Thanks.

<A – Andrew Emerson – IDEXX Laboratories, Inc.>: Yeah, Dan. I think just in terms of the metric that you're quoting, I think that was from the prior year. We had highlighted that we have seen some effect on clinical visits and the inverse impact on diagnostic frequency. Really what we're just trying to call out is the change in the metrics themselves and not necessarily an impact on our IDEXX business directly. And so, yeah, there's nothing I'd call out or highlight as part of the change or impact that we saw here in Q3 related to that at this point. And again, I think we're in at least a clean view from both the sector metrics and what we've highlighted for the interim performance that we've had in IDEXX.

Operator: The next question is from Brandon Vazquez with William Blair.

<Q – Brandon Vazquez – William Blair & Co. LLC>: Hi, everyone. Thanks for taking the question and congrats on a nice quarter. I'll just ask one here because we're coming up on time. But you highlighted the ability to get into some competitive accounts with Cancer Dx. Just curious, given on the reference lab side, given there's a lot of contracts there, what's your ability to maybe use that as a foot in the door and start taking share, even more share, within that market? So, just talk a little bit about what that commercial process can look like and how long that might take, given you're kind of opening new doors there. Thank you.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yes. Good morning, Brandon. Our reference lab portfolio is very broad and differentiated. Clearly, that's a point that Cancer Dx test is a point of differentiation and having approximately 17% of test submissions coming from competitive reference lab customers, I think, is something that is gratifying, both from these pets getting a better standard-of-care and also that gives us an opportunity to put our best foot forward and reintroduce, in some cases, IDEXX and the IDEXX reference lab to these customers. So, it's an important piece, but I think it's just a piece.

Operator: The next question is from Andrea Alfonso with UBS.

<Q – Andrea Alfonso – UBS Securities LLC>: Hi, everyone. Good morning. I just had a question on Cancer Dx. And you noted the 5,000 ordering practice. I guess just with respect to adoption in terms of the screening panel, are you able to frame at all sort of how that sort of thinking in terms of just general cut-off plans as far as age and frequency, where there's sort of a green on the sweet spot? And obviously, wellness visits, you continue to lag, so how is the company engaging that as far as initiating those talking points?

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Sure. There's two separate use cases for Cancer Dx. One is an aid in diagnosis. So, these are typically dogs that come in, they have clinical symptoms consistent with lymphoma, and veterinarians are using this as a test. At this point, they represent the majority, but just bare majority of tests. And then the screening test that is more wellness screening, and that we think it makes sense for dogs that are seven years or older, as well as breeds that may have a higher incidence of cancer. So, we believe that over time, what we're going to see is, we're going to see the test use, it'll flip. It will be more as a screening test, but also aid in diagnosis for sick patients, but that will be the minority of cases.

The other thing that I would point out is, as the panel expands, so if you think about lymphoma, plus mast cell tumor detection, that represents over a third of cancer cases in dogs. It becomes a much more compelling value proposition as part of a wellness screening. And we've also indicated that there will be a third cancer screen in 2026. So, at that point, we think this – it's sufficient in terms of menu comprehensiveness to really be seen by customers as an attractive screening test.

Operator: The next question is from Keith Devas with Jefferies.

<Q – Keith Devas – Jefferies LLC>: Hey. Thanks guys. Good morning. Thanks for the question. Maybe just higher level, just thinking about the thoughts on the pace of innovation you guys have

IDEXX Laboratories, Inc.

Company▲

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Q3 2025 Earnings Call

Event Type▲

Nov. 3, 2025

Date▲

done a lot, obviously, in the last year. There's more coming next year. How do you guys know you're not doing too much too soon or too much that the market can or can't absorb it, macro environment is only slightly improving maybe from your standpoint?

And maybe the second follow-up is, do you think the planned reinvestment plans that you have from this year and into next year is enough? And how you might course-correct if things are a little bit better than anticipated? Thanks.

<A – Jay Mazelsky – IDEXX Laboratories, Inc.>: Yeah. We think the innovation agenda portfolio is aggressive, but aggressive from an intentional standpoint, that it represents a set of portfolio solutions, whether it's assays or new instruments or software that our customers are hungry for. Clearly, our commercial organization has a very large footprint, and they're subject matter experts and they're able to digest these testing solutions and bring them to customers in ways that allow testing growth. So, the opportunities abound. Ours is a sector development business model and innovation is a key driver behind being able to develop the sector.

Jonathan J. Mazelsky, President, Chief Executive Officer & Director, IDEXX Laboratories, Inc.

And so, with that, we'll now conclude the Q&A portion of the call. Thank you for your participation and engagement this morning. It's once again my pleasure to share how we executed against our organic growth strategy while delivering strong financial results in the third quarter. And so, with that, we'll conclude the call. Thank you.

Operator: This concludes today's call. Thank you for your participation. You may now disconnect.

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