

# IDEXX Q2 2017 Earnings Highlights (NASDAQ: IDXX)

“Our business continued to thrive in the second quarter, as we focused on delivering best-in-class diagnostic and software solutions, while supporting the profession in increasing the companion animal standard of care.”

- Jon Ayers, Chairman & CEO



## Revenue



## Operating Profit



## Diluted Earnings Per Share (EPS)

Q2 2017	\$509M	\$123M	\$0.95
Reported growth: + 9%		24.1% of Revenue	Reported growth: + 28%
Organic growth: + 10%		Yoy change in basis points: + 180 bps	Constant currency growth: + 30%
		Constant currency yoy change in basis points: + 180 bps	Constant currency growth normalized for 2017 share-based compensation accounting: + 19%

Region	Q2 Revenue	Reported Growth year over year	Organic Growth year over year	Selected Business Segments	Q2 Revenue	Reported Growth year over year	Organic Growth year over year
U.S.	\$316M	+10%	+10%	CAG	\$440M	+ 10%	+ 11%
International	\$193M	+7%	+10%	LPD	\$34M	+ 2%	+ 4%
				Water	\$29M	+ 6%	+ 7%

### CAG Detail

### Q2 Premium Instrument Placements

Catalyst®	1,191
Premium Hematology	861
SediVue® Dx	628
<b>TOTAL</b>	<b>2,680</b>
SNAP Pro®	1,811

### Net CAG Revenue

	Q2 Revenue	Reported Growth year over year	Organic Growth year over year
CAG Diagnostics Recurring	\$380M	+ 12%	+ 13%
<i>IDEXX VetLab® Consumables</i>	\$132M	+ 15%	+ 17%
<i>Rapid Assay Products</i>	\$60M	+ 8%	+ 9%
<i>Reference Laboratory Dx &amp; Consulting Services</i>	\$171M	+12%	+13%
<i>CAG Diagnostics Service and Accessories</i>	\$17M	+ 10%	+ 11%
CAG Diagnostics Capital – Instruments	\$28M	-14%	-13%
Veterinary Software, Services & Diagnostic Imaging Systems	\$32M	+ 9%	+ 9%

### Full Year 2017 Outlook

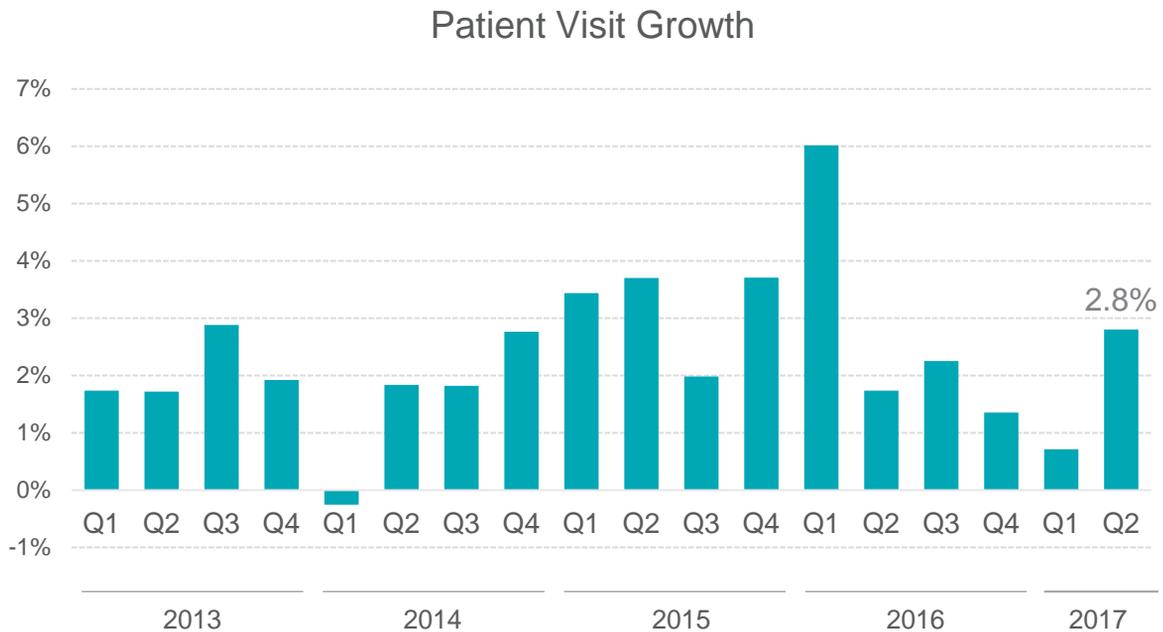
	2017 Outlook	Growth year over year	Comparison to 2017 Outlook Provided on Q1 Call (provided in Q1 2017 Earnings Call on April 28, 2017)
Revenue	<b>\$1,945 - \$1,965M</b>	Reported: + 10% - 11% Organic: + 10% - 11%	▪ Raising revenue outlook by \$17.5M at the midpoint of previous guidance, reflecting strong momentum, and including \$13M benefit from updated FX rate assumptions.
EPS	<b>\$3.12 - \$3.22</b>	Reported: + 28% - 32% Constant currency: + 29% - 33%	▪ +\$0.14 per share, reflecting +\$0.08 related to new share-based compensation accounting guidance, +\$0.04 per share from stronger operating performance net of additional R&D, enabling IT and acquisition integration investment, +\$0.02 per share related to change in FX assumptions. (All per share figures are approximate.)
Free Cash Flow As % of Net Income	<b>~ 95%</b>		

For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's fiscal year 2017 second quarter earnings release issued on August 1, 2017 available at <https://www.idexx.com/investors>.

# U.S. Companion Animal Practice Growth Update

## Quarterly U.S. Veterinary Practice Growth Rate

Weighted Average Year-to-Year % Change Per Practice



Source: IDEXX Practice Intelligence data (sample of 4,100 to 5,400 practices), weighted based on region and practice size.