IDEXX Q2 2023 Earnings Highlights  (NASDAQ: IDXX)

**Revenue**

- **$944M**
  - Reported growth: +10%
  - Organic growth: +10%

**Operating Profit**

- **$296M**
  - YoY change in basis points: 31.4% of Revenue
  - Reported growth: +1,060 bps
  - Comparable growth: +1,130 bps

**Diluted Earnings Per Share**

- **$2.67**
  - Reported growth: +71%
  - Comparable growth: +77%

### CAG

- **$867M**
  - Reported growth: +11%
  - Organic growth: +11%

### Water

- **$43M**
  - Reported growth: +10%
  - Organic growth: +9%

### LPD

- **$30M**
  - Reported growth: 0%
  - Organic growth: +1%

**Net CAG Revenue**

<table>
<thead>
<tr>
<th></th>
<th>Q2 Revenue</th>
<th>Reported Growth year over year</th>
<th>Organic Growth year over year</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAG Diagnostics Recurring</td>
<td>$762M</td>
<td>+11%</td>
<td>+12%</td>
</tr>
<tr>
<td>IDEXX VetLab® Consumables</td>
<td>$304M</td>
<td>+14%</td>
<td>+15%</td>
</tr>
<tr>
<td>Rapid Assay Products</td>
<td>$97M</td>
<td>+11%</td>
<td>+12%</td>
</tr>
<tr>
<td>Reference Laboratory Dx and Consulting Services</td>
<td>$330M</td>
<td>+9%</td>
<td>+9%</td>
</tr>
<tr>
<td>CAG Diagnostics Services and Accessories</td>
<td>$31M</td>
<td>+13%</td>
<td>+14%</td>
</tr>
<tr>
<td>CAG Diagnostics Capital – Instruments</td>
<td>$34M</td>
<td>-6%</td>
<td>-6%</td>
</tr>
<tr>
<td>Veterinary Software, Services and Diagnostic Imaging Systems</td>
<td>$70M</td>
<td>+12%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q2 Premium Instrument Placements</th>
<th>WW</th>
<th>U.S.</th>
<th>Intl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalyst</td>
<td>2,261</td>
<td>757</td>
<td>1,504</td>
</tr>
<tr>
<td>New and competitive</td>
<td>1,471</td>
<td>434</td>
<td>1,037</td>
</tr>
<tr>
<td>Second</td>
<td>484</td>
<td>322</td>
<td>162</td>
</tr>
<tr>
<td>Premium Hematology</td>
<td>1,863</td>
<td>594</td>
<td>1,269</td>
</tr>
<tr>
<td>New and competitive</td>
<td>1,335</td>
<td>439</td>
<td>896</td>
</tr>
<tr>
<td>SediVue® Dx</td>
<td>616</td>
<td>308</td>
<td>308</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,740</td>
<td>1,659</td>
<td>3,081</td>
</tr>
</tbody>
</table>

**IDEXX Premium Instruments Installed Base**

- **Catalyst Installed Base** (in thousands)
  - 2021: 51.1, 52.7, 54.4, 56.6, 58.2, 60.0, 61.5, 63.1, 64.2, 65.8
  - 2022: 52.7, 54.4, 56.6, 58.2, 60.0, 61.5, 63.1, 64.2, 65.8
  - 2023: 54.4, 56.6, 58.2, 60.0, 61.5, 63.1, 64.2, 65.8

- **Premium Hematology Installed Base** (in thousands)
  - 2021: 35.1, 35.9, 36.8, 38.2, 39.5, 40.9, 41.8, 43.1, 43.8, 45.1
  - 2022: 35.9, 36.8, 38.2, 39.5, 40.9, 41.8, 43.1, 43.8, 45.1
  - 2023: 36.8, 38.2, 39.5, 40.9, 41.8, 43.1, 43.8, 45.1

- **SediVue Installed Base** (in thousands)
  - 2021: 11.3, 11.9, 12.5, 13.2, 13.8, 14.4, 14.9, 15.6, 16.2, 16.8
  - 2022: 11.9, 12.5, 13.2, 13.8, 14.4, 14.9, 15.6, 16.2, 16.8
  - 2023: 12.5, 13.2, 13.8, 14.4, 14.9, 15.6, 16.2, 16.8

For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX’s 2023 second quarter earnings release issued on August 1, 2023 available at https://www.idexx.com/investors. Amounts presented may not recalculate due to rounding.

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## 2023 Growth and Financial Performance Outlook Commentary

- Updates 2023 estimates to reflect solid first half results, consistent expectations for solid second half growth and updated foreign exchange rate impact estimates
  - Increases revenue guidance to $3,660 million - $3,715 million, reflecting 8.5% - 10% growth as reported and organically, driven by projected CAG Diagnostics recurring revenue growth of 10% - 11% as reported and organically
  - Raises EPS outlook to $9.64 - $9.90, a year-over-year increase of 20% - 23% as reported and 24% - 27% on a comparable basis, including ~12% combined growth benefit from a customer contract resolution payment in Q1 2023 and lapping of discrete 2022 R&D investments

### Growth and Financial Performance Outlook

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
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<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Reported growth</td>
<td>$3,660 - $3,715</td>
</tr>
<tr>
<td>Organic growth</td>
<td>8.5% - 10%</td>
</tr>
<tr>
<td><strong>CAG Diagnostics Recurring Revenue Growth</strong></td>
<td></td>
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<tr>
<td>Reported growth</td>
<td>10% - 11%</td>
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<td>Organic growth</td>
<td>10% - 11%</td>
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<tr>
<td><strong>Operating Margin</strong></td>
<td></td>
</tr>
<tr>
<td>Reported margin expansion</td>
<td>29.3% - 29.7%</td>
</tr>
<tr>
<td>Negative impact of foreign exchange</td>
<td>~ 60 bps</td>
</tr>
<tr>
<td>Comparable margin expansion</td>
<td>330 bps - 360 bps</td>
</tr>
<tr>
<td>Positive impact of 2022 discrete R&amp;D investments and customer contract resolution payment</td>
<td>~ 280 bps</td>
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<td><strong>EPS</strong></td>
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<td>Reported growth</td>
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<td>Positive impact of 2022 discrete R&amp;D investments and customer contract resolution payment</td>
<td>12%</td>
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### Other Key Metrics

- Net interest expense: ~ $40
- Share-based compensation tax benefit: ~ $9
- Effective tax rate: 21.5% - 22%
- Reduction in average shares outstanding: 0.5% - 1.0%
- Operating Cash Flow: 100% - 110% of net income
- Free Cash Flow: 80% - 90% of net income
- Capital Expenditures: ~ $180

Amounts in millions except per share data and percentages

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U.S. Companion Animal Practice Growth Update
As of June 30, 2023

Total Practice Revenue and Visit Growth
Weighted Average Year-over-Year % Change *Per Practice*

Practice Revenue
Total Visits

Clinical Visit Growth
Weighted Average Year-over-Year % Change *Per Practice*

Non-wellness Visits
Clinical Visits
Wellness Visits

Total visits include clinical and non-clinical visits. In 2022, there were an estimated ~340 million U.S. total visits. Approximately 70% of estimated U.S. companion animal diagnostic sector revenue is from non-wellness visits.

Clinical visits are those where the reason for visit involves an interaction between a clinician and a pet.

Non-wellness visits include those for which the reason for visit is sickness, procedure or monitoring.

Wellness visits include those visits for which the reason for visit is an annual exam, vaccination, or routine check-up.

* Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond per practice growth.
** Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.
Source: IDEXX Practice Intelligence data; sample of ~8,800 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.
U.S. Companion Animal Practice Growth Update
As of June 30, 2023

Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**

** Rounded to nearest 50 bps.
*** Diagnostic revenue per clinical visit includes volume/intensity of Dx activity and net price realization.

Source: IDEXX Practice Intelligence data; sample of ~8,800 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.

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