

IDEXX Q3 2024 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$976M

Reported growth: +7%

Organic growth: +6%

CAG Diagnostics Recurring

Organic growth: +7%



Operating Profit

\$304M

31.2% of Revenue

YoY change in basis points:

Reported

+110 bps

Comparable

+100 bps



Diluted Earnings Per Share

\$2.80

Reported growth: +11%

Comparable growth: +12%



CAG

Revenue

\$892M

Reported growth: +7%

Organic growth: +6%



Water

Revenue

\$50M

Reported growth: +13%

Organic growth: +13%



LPD

Revenue

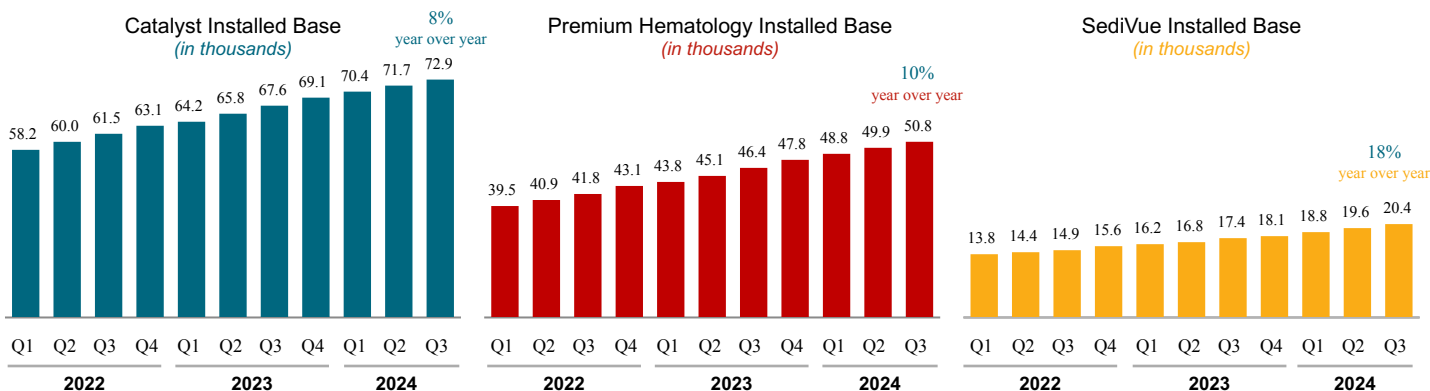
\$29M

Reported growth: -3%

Organic growth: -2%

| Net CAG Revenue | Q3 Revenue | Reported Growth year over year | Organic Growth year over year | Q3 Premium Instrument Placements | WW | U.S. | Intl |
|--|---------------|-----------------------------------|----------------------------------|----------------------------------|--------------|--------------|--------------|
| CAG Diagnostics Recurring | \$783M | +7% | +7% | Catalyst® | 1,612 | 570 | 1,042 |
| <i>IDEXX VetLab® Consumables</i> | \$329M | +11% | +11% | <i>New and competitive</i> | 1,153 | 301 | 852 |
| <i>Rapid Assay Products</i> | \$93M | +6% | +6% | <i>Second</i> | 445 | 267 | 178 |
| <i>Reference Laboratory Dx and Consulting Services</i> | \$328M | +3% | +2% | Premium Hematology | 1,678 | 486 | 1,192 |
| <i>CAG Diagnostics Services and Accessories</i> | \$33M | +10% | +10% | <i>New and competitive</i> | 1,181 | 333 | 848 |
| CAG Diagnostics Capital – Instruments | \$30M | -8% | -9% | <i>Upgrades</i> | 497 | 153 | 344 |
| Veterinary Software, Services and Diagnostic Imaging Systems | \$79M | +11% | +6% | SediVue® Dx | 838 | 336 | 502 |
| <i>Recurring revenues</i> | \$65M | +18% | +11% | TOTAL | 4,128 | 1,392 | 2,736 |
| <i>System and hardware</i> | \$14M | -12% | -12% | | | | |

IDEXX Premium Instruments Installed Base



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2024 third quarter earnings release issued on October 31, 2024 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

IDEXX Q3 2024 Earnings Highlights (NASDAQ: IDXX)

2024 Growth and Financial Performance Outlook Commentary

- Updates full year P&L guidance to incorporate more recent sector growth trends and sustained outlook for strong comparable operating margin and EPS gains
 - Updates revenue guidance to \$3,865 million - \$3,890 million, 5.5% - 6.2% growth as reported and 5.3% - 6.0% organic, lowering organic growth guidance by ~1.5% at midpoint of range and incorporating ~\$15MM favorable FX impact
 - Maintains consistent operating margin outlook of 28.7% - 29.0%, reflecting consistent midpoint goals for comparable operating margin improvement. Operating margins include 160 basis point impact from a discrete litigation expense accrual recorded in Q2.
 - Narrows EPS outlook to \$10.37 - \$10.53, with consistent midpoint as prior guidance. Negative EPS impacts from adjustments to the organic revenue growth outlook offset by favorable adjustments to FX, interest expense and effective tax rate estimates.

Growth and Financial Performance Outlook

2024


Revenue

\$3,865 - \$3,890
Reported growth
5.5% - 6.2%
Organic growth
5.3% - 6.0%
CAG Diagnostics Recurring Revenue Growth
Reported growth
5.6% - 6.2%
Organic growth
5.8% - 6.4%


Operating Margin

28.7% - 29.0%
Reported margin expansion
(130 bps) - (100 bps)
Negative impact of ongoing litigation matter
~ 160 bps
Comparable margin expansion
30 bps - 60 bps
Negative impact of 2023 customer contract resolution payment
~ 40 bps


EPS

\$10.37 - \$10.53
Reported growth
3% - 5%
Negative impact of ongoing litigation matter
~ 6%
Comparable growth
10% - 11%
Negative impact of 2023 customer contract resolution payment
~ 2%

Other Key Metrics

Net interest expense
~ \$19
Share-based compensation tax benefit
~ \$9
Effective tax rate
~ 20.7%
Reduction in average shares outstanding
0.5 % - 1%

Operating Cash Flow

110% - 115%

Free Cash Flow

90% - 95%

Capital Expenditures

~ \$160

Amounts in millions except per share data and percentages

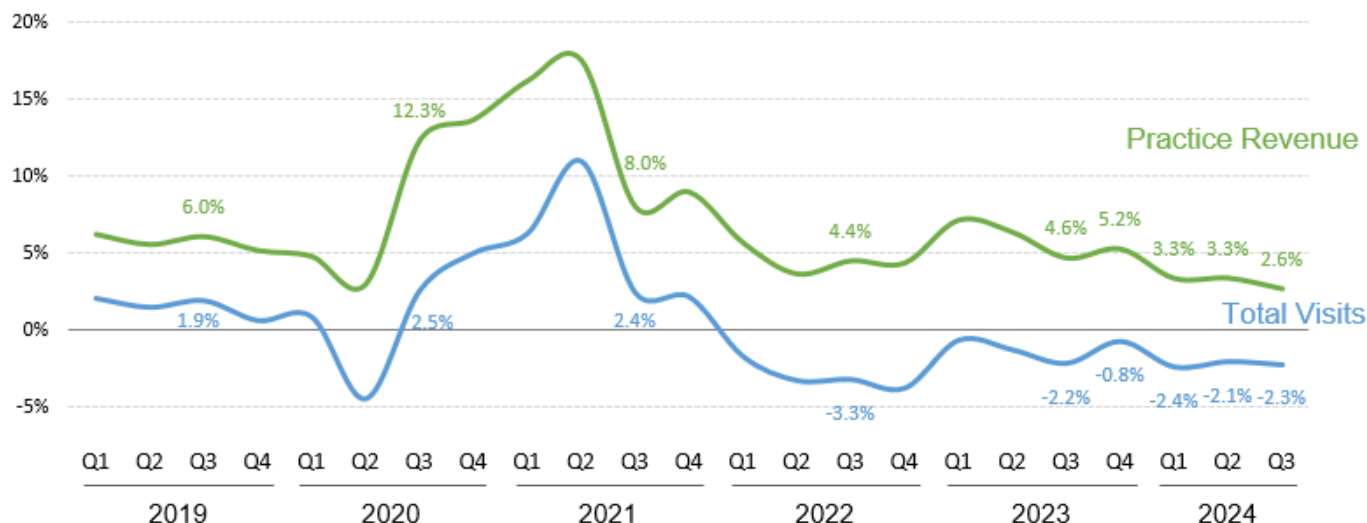
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U.S. Companion Animal Practice Growth Update

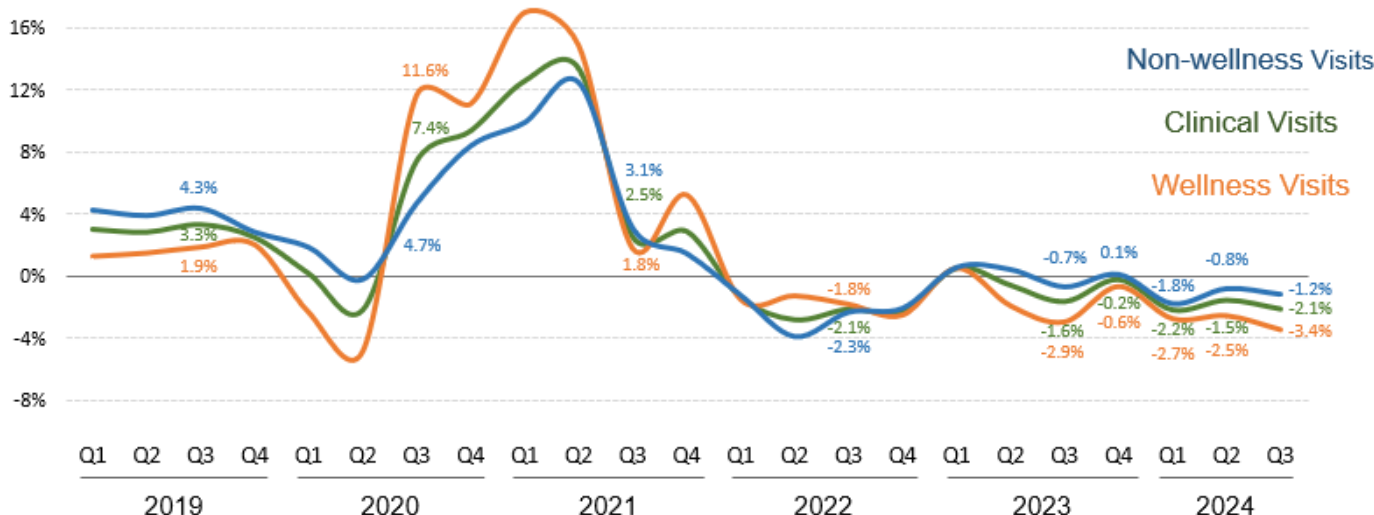
As of September 30, 2024

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



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



Total visits include clinical and non-clinical visits. In 2023, there were an estimated ~335 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.

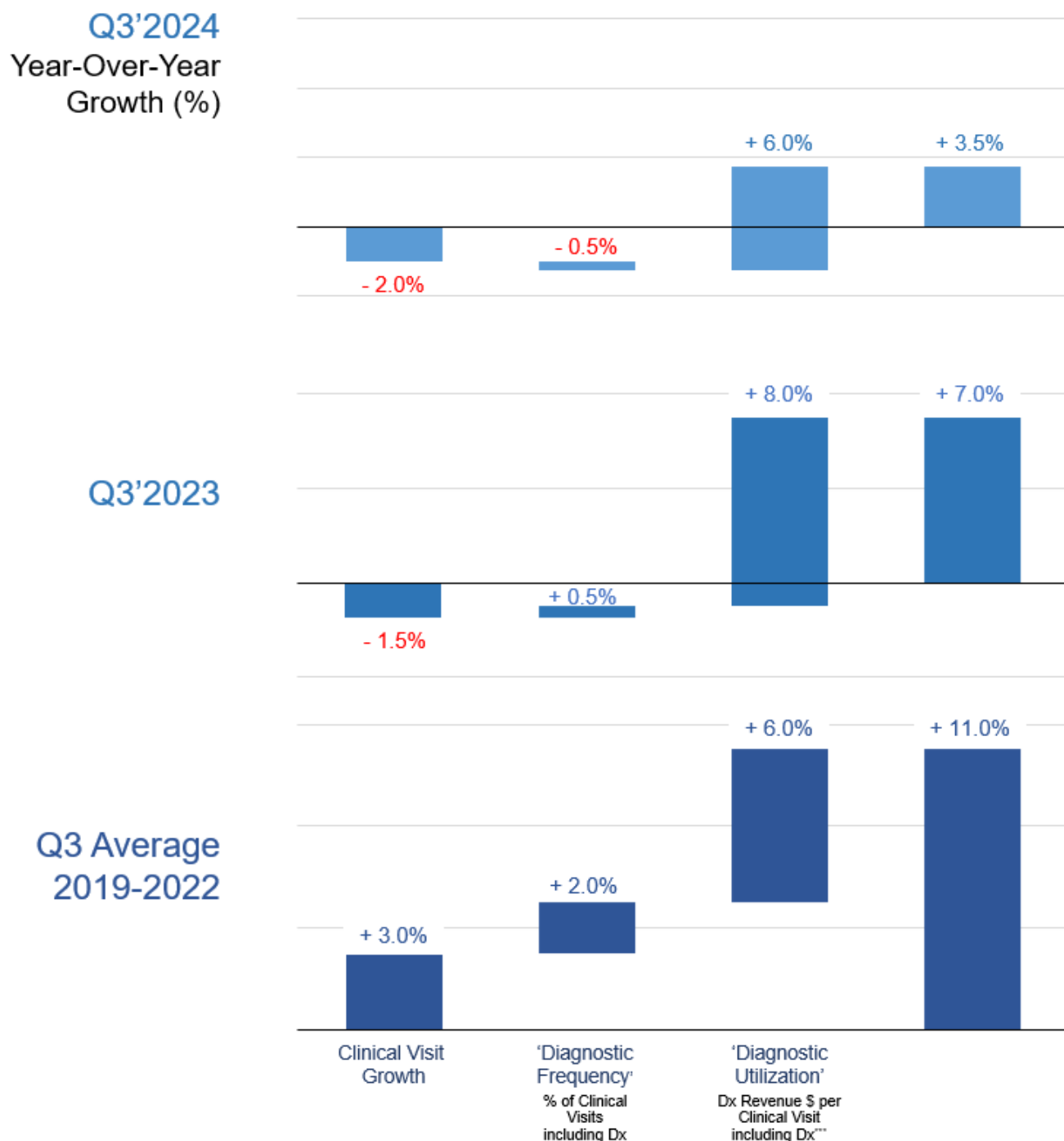
Source: IDEXX Practice Intelligence data; sample of 8,000 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

U.S. Companion Animal Practice Growth Update

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As of September 30, 2024

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 ~8,000 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.