



IDEXX Laboratories, Inc.

Jonathan Ayers, Chairman and Chief Executive Officer
36th Annual J.P. Morgan Healthcare Conference

January 10, 2018



Safe Harbor Disclaimer

The following information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors. You are cautioned not to put undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. The reports filed by the Company pursuant to United States securities laws contain discussions of these risks and uncertainties. The Company assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to review the Company's filings with the United States Securities and Exchange Commission (which are available from the SEC's EDGAR database at www.sec.gov and via the Company's website at www.idexx.com).

We refer in this presentation to 2017 outlook communicated on October 31, 2017; these references speak only as of October 31, 2017 and shall not be deemed to be a reiteration or affirmation of the guidance or an indication that our expectations have not changed since that time.

Non-GAAP Financial Measures

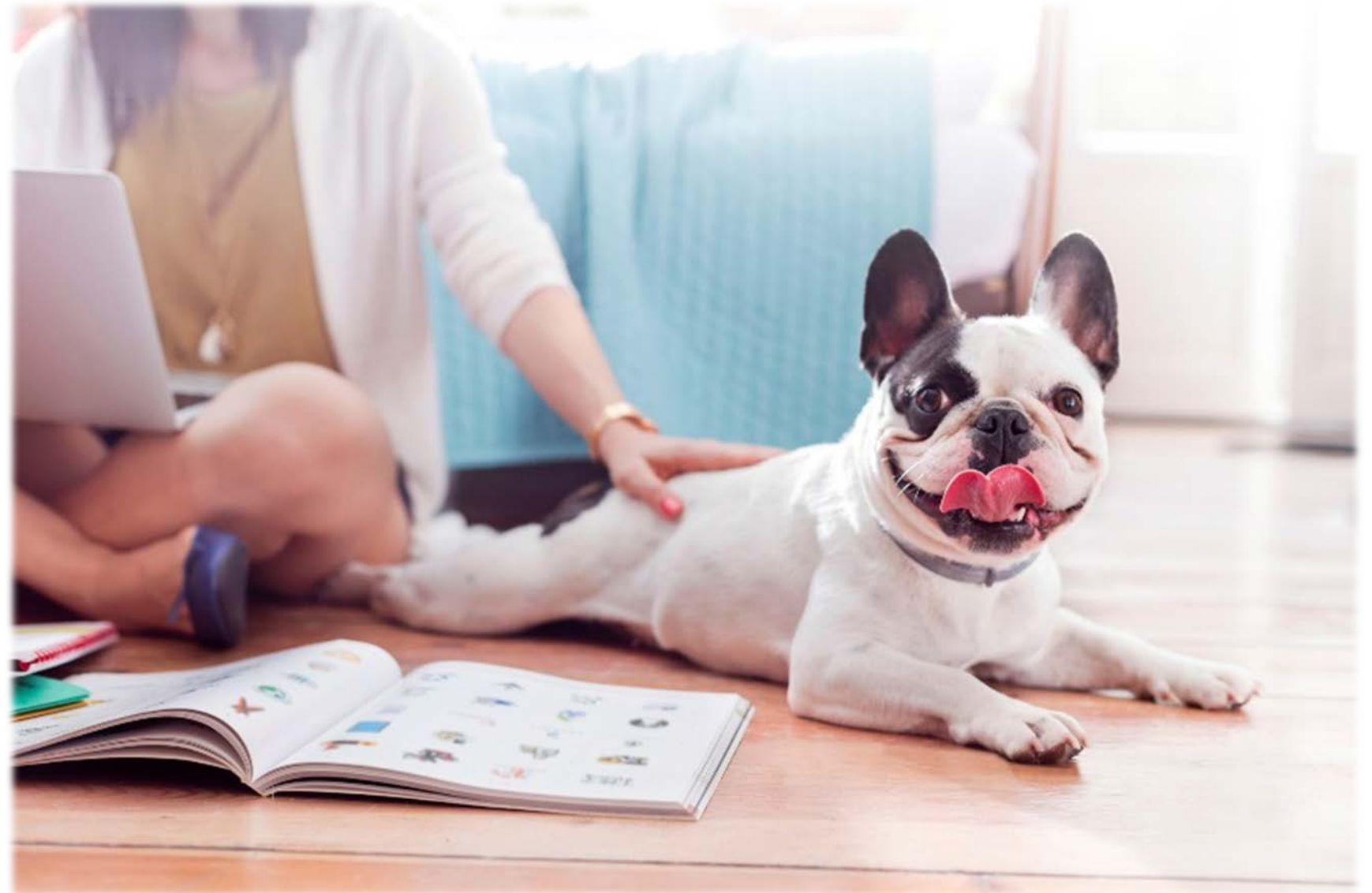
In this presentation, we refer to some non-GAAP financial measures. For a reconciliation to the most comparable GAAP financial measures, we refer you to our footnotes and the Appendix to this presentation, which also refer to our Definitive Proxy Statement filed March 23, 2017, which is available at <http://www.idexxproxymaterials.com>.

Please refer to additional footnotes in the Appendix.

IDEXX – Our Focus on Pet Healthcare Technology

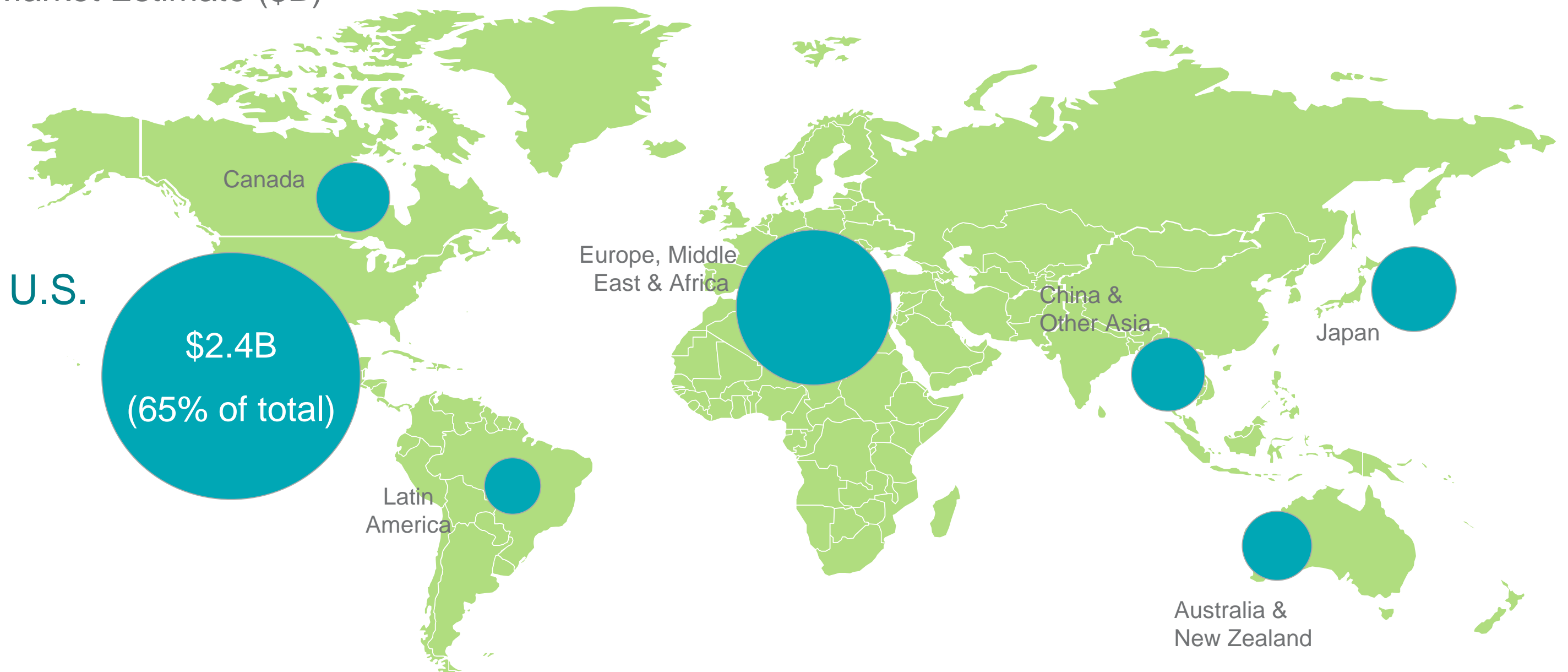
Diagnostics and Software

- Global leadership in an exceptionally attractive market
- Innovation that drives growth and competitive advantage
- Enduring recurring revenue model
- Exceptional financial returns



The Global Market Is \$3.8 Billion with Strong Secular Growth Trends

2016 Companion Animal Diagnostics and Software Market Estimate (\$B)*

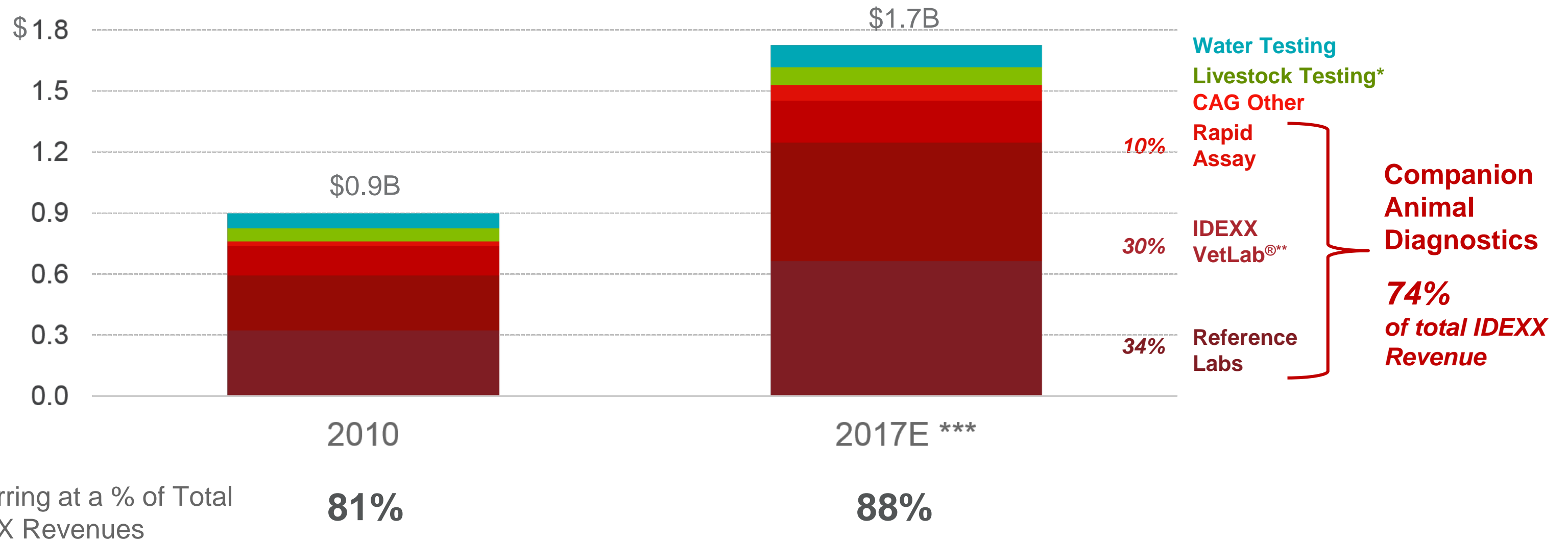


* Revenue at the manufacturer level. Includes reference lab, in-house instruments and consumables, rapid assay, digital, ultrasound and information management. Excludes bioresearch. Figures stated in USD, based on December 31, 2016 exchange rates.

The Core Business Model Consists of Profitable Recurring Revenue

CAG Diagnostics Recurring Revenue Leads the Way - 74% of total

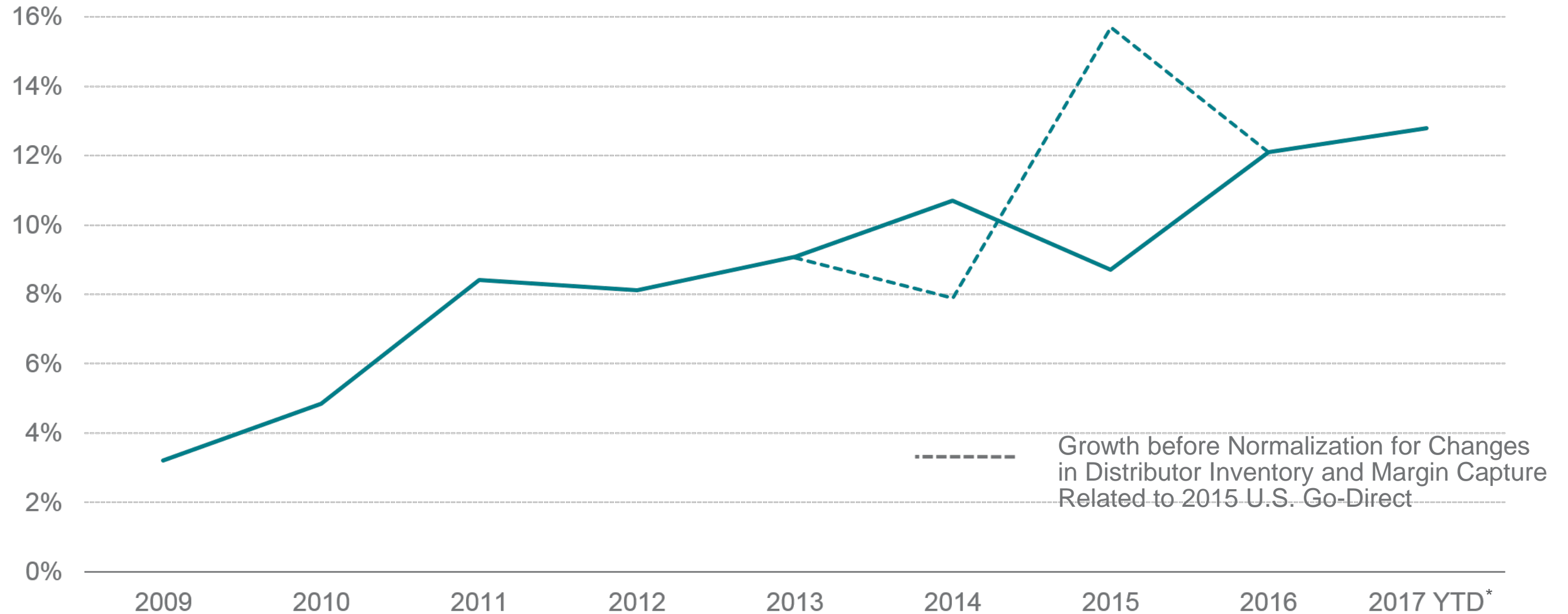
Annual Recurring Revenues (\$B)^{1,2}



* Livestock, poultry and dairy testing ** IDEXX VetLab includes instrument consumables, service and accessories. *** All references to 2017E reflect the midpoint of 2017 outlook communicated October 31, 2017. This slide's guidance speaks only as of October 31, 2017 and shall not be deemed to be a reiteration or affirmation of the guidance or an indication that the Company's expectations have not changed since that time. ^{1,2} Please refer to the Appendix for descriptive footnotes.

Accelerating Organic Revenue Growth Driven by CAG Diagnostics Recurring Annuity

Annual Worldwide CAG Diagnostics Recurring Normalized Organic Revenue Growth^{2,3,4}



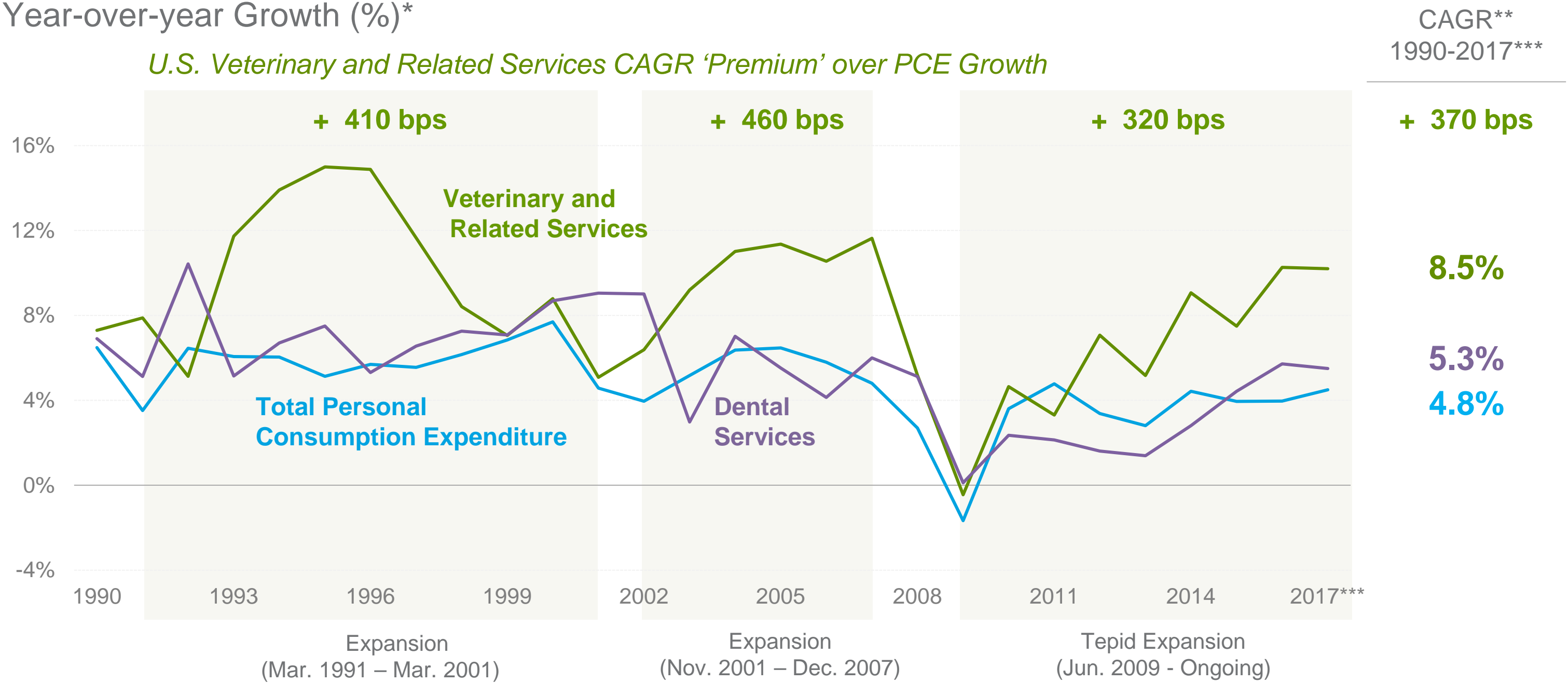
* All references to 2017 YTD mean January 1, 2017 through September 30, 2017.

^{2,3} Please refer to the Appendix for descriptive footnotes. ⁴ Non-GAAP financial measure, please refer to Appendix for descriptive footnotes.

Pet Healthcare Thrives in a Positive Economic Growth Environment

Year-over-year Growth (%)*

U.S. Veterinary and Related Services CAGR 'Premium' over PCE Growth



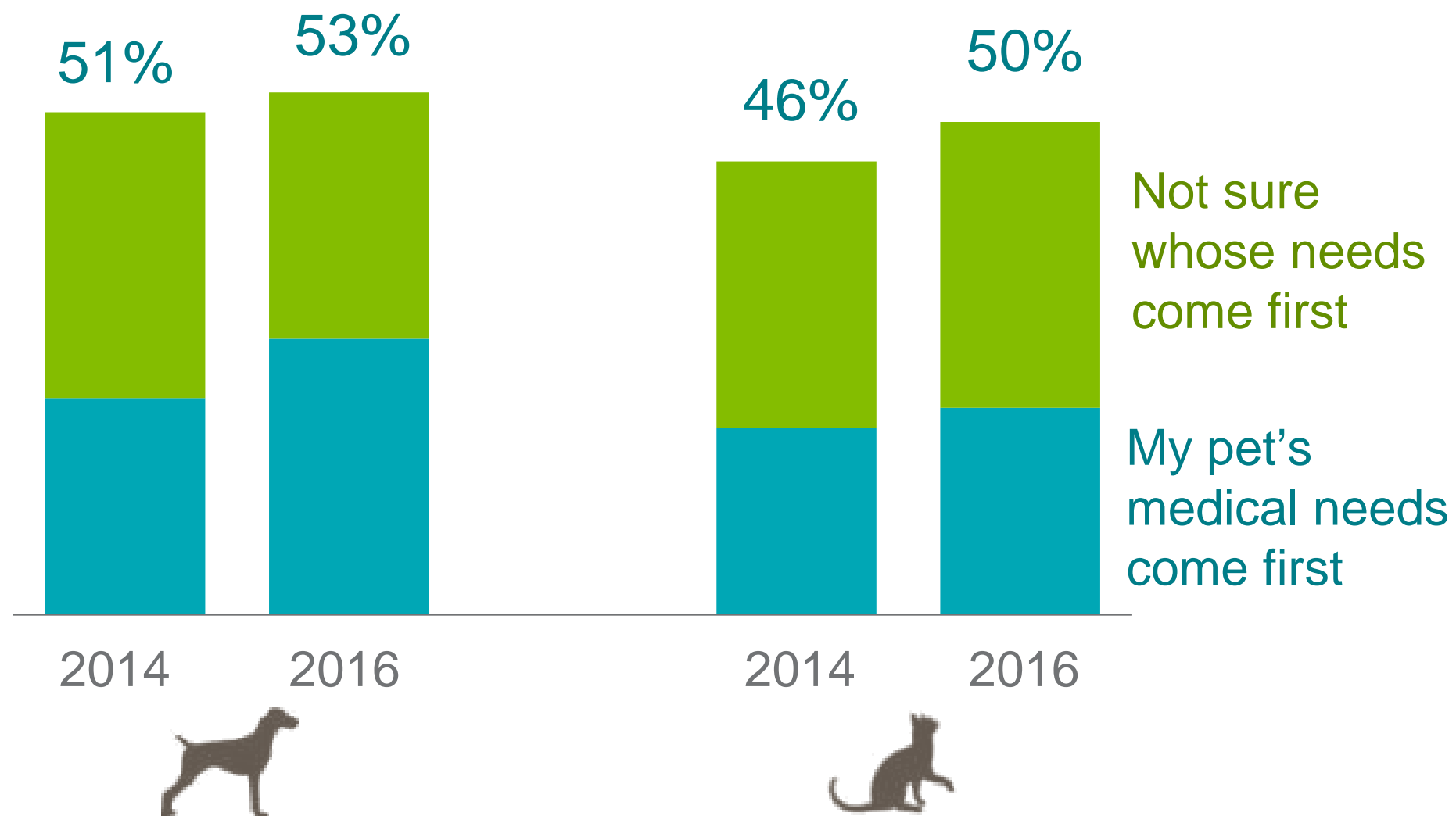
* Analysis based on data from Bureau of Economic Analysis, Personal Consumption Expenditure, last revised on November 29, 2017.

** Compound Annual Growth Rate.

*** Based on 2017 data through Q3 compared to similar 2016 period.

The Pet-Owner Bond Continues to Strengthen

Percentage of U.S. Pet Owners Responding Whether Their Pets' or Their Own Medical Needs Come First (%)



Source: American Pet Products Association 2016-17 Pet Owners' Survey. A total of 2,559 pet owner surveys were completed; Dog owner sample: 505, cat owner sample: 451; Surveys were conducted with a nationally representative sample of the Ipsos Online Panel.

Most Pet Owners Are Willing to Spend on Their Pet . . . And Millennials Are Taking it to a Whole New Level

How much money do you spend on your pet each month?



Millennials
(20 yrs to 36 yrs)



Gen X
(37 yrs to 52 yrs)

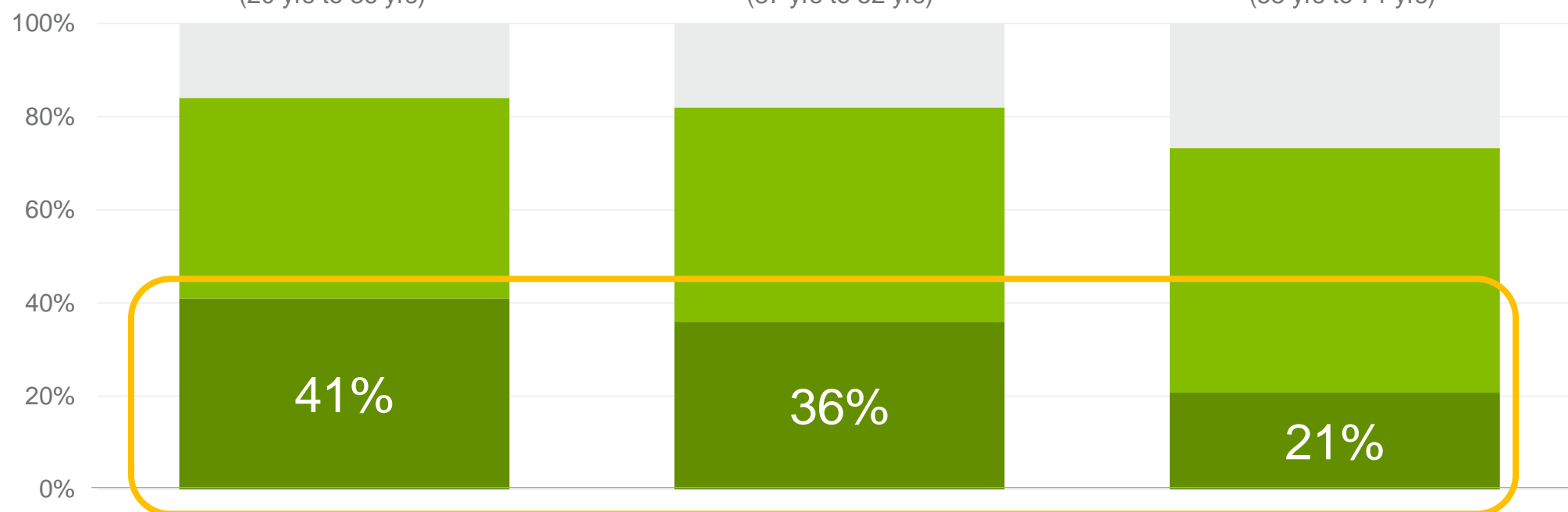


Baby Boomers
(53 yrs to 71 yrs)

*"I am **budget-conscious.**"*

*"I spend a **moderate amount** of money on my pet."*

*"**Money is no object** to me when it comes to my pets."*

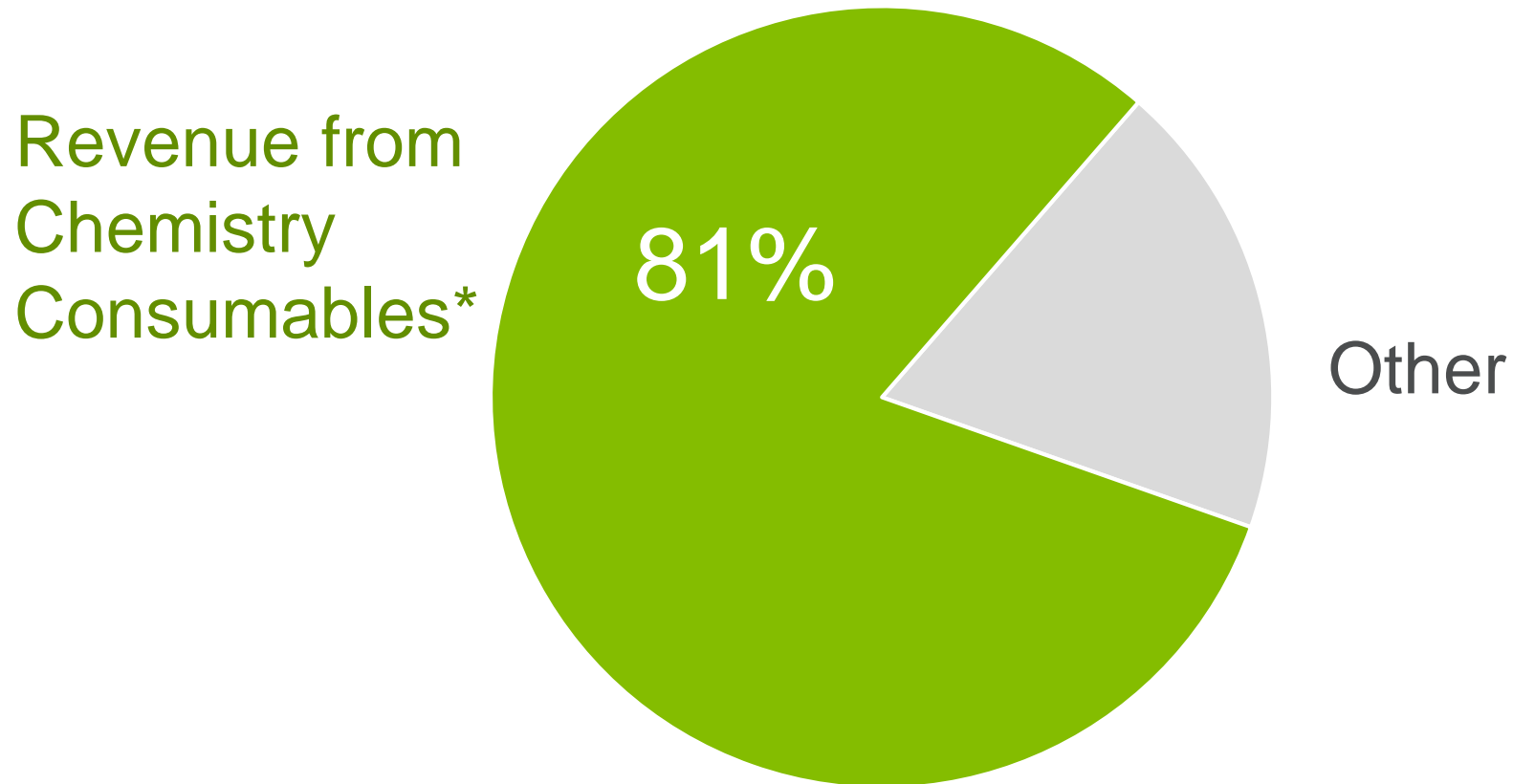


Average of **33%** where money is no object to me when it comes to my pets

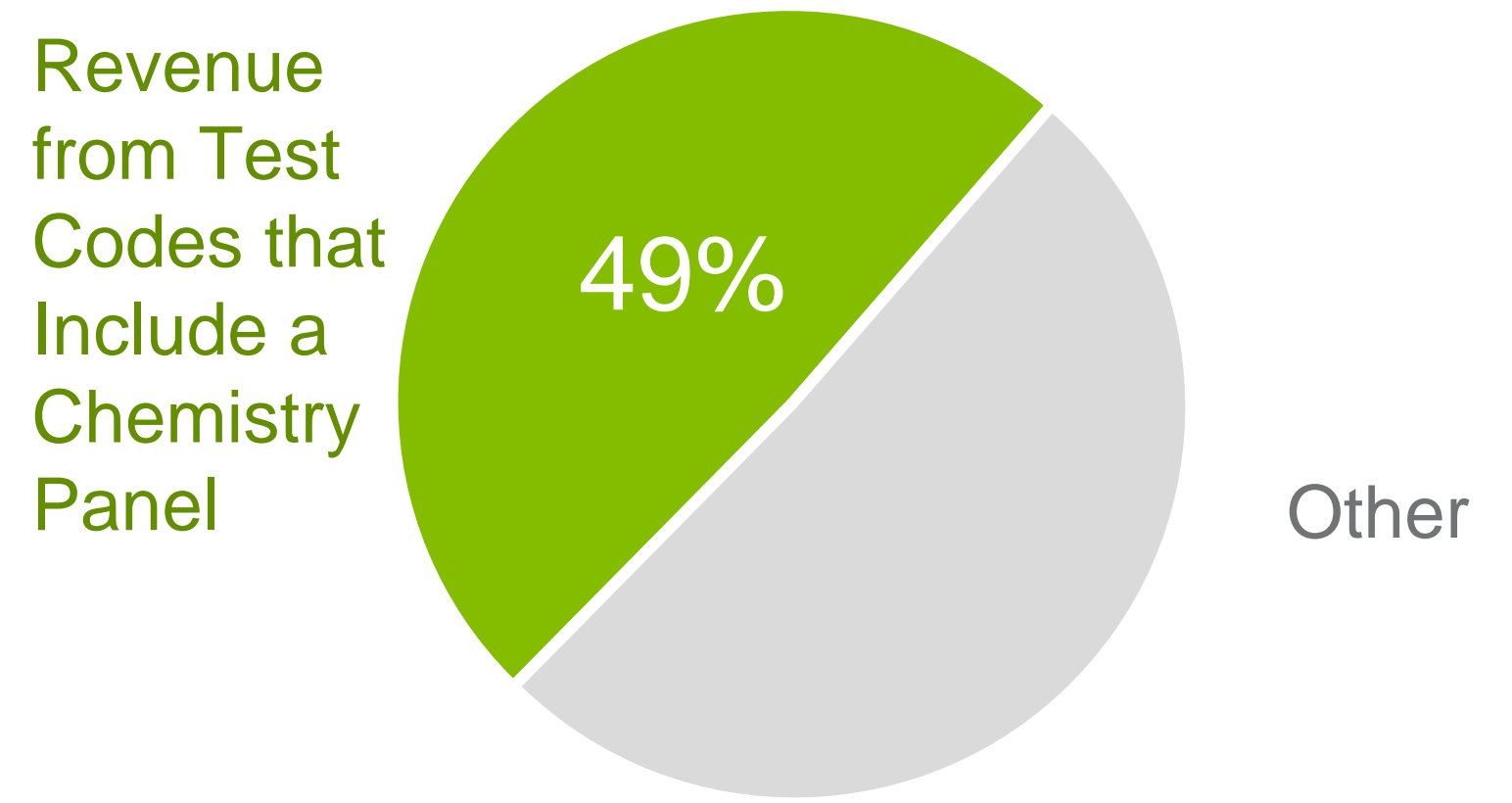
Source: Pet Owner Survey conducted in 2016 by The Human Animal Bond Research Institute (HABRI) Foundation in partnership with Cohen Research Group (n = 1,995 pet owners), which had a margin of error of plus or minus 2.2%.

Chemistry Testing Represents the Majority of IDEXX VetLab Consumables and Reference Lab Revenue

2016 Worldwide IDEXX VetLab Consumables Revenue (\$MM)



2016 U.S. Reference Labs Revenue (\$MM)



* IDEXX VetLab chemistry consumables excluding IDEXX VetStat® Electrolyte and Blood Gas Analyzer consumables.

“Well” Patient Visits with Testing Surface Sub-Clinical Disease

1 in 9

Adult

dogs 3 - 6 years; cats 2 - 8 years



1 in 7

Senior

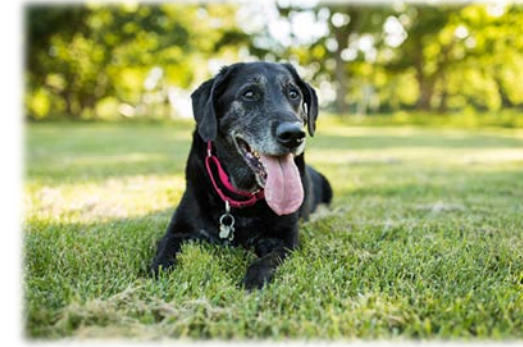
dogs 7 - 10 year; cats 9 -13 years



1 in 4

Geriatric

dogs 11+ years; cats 14+ years



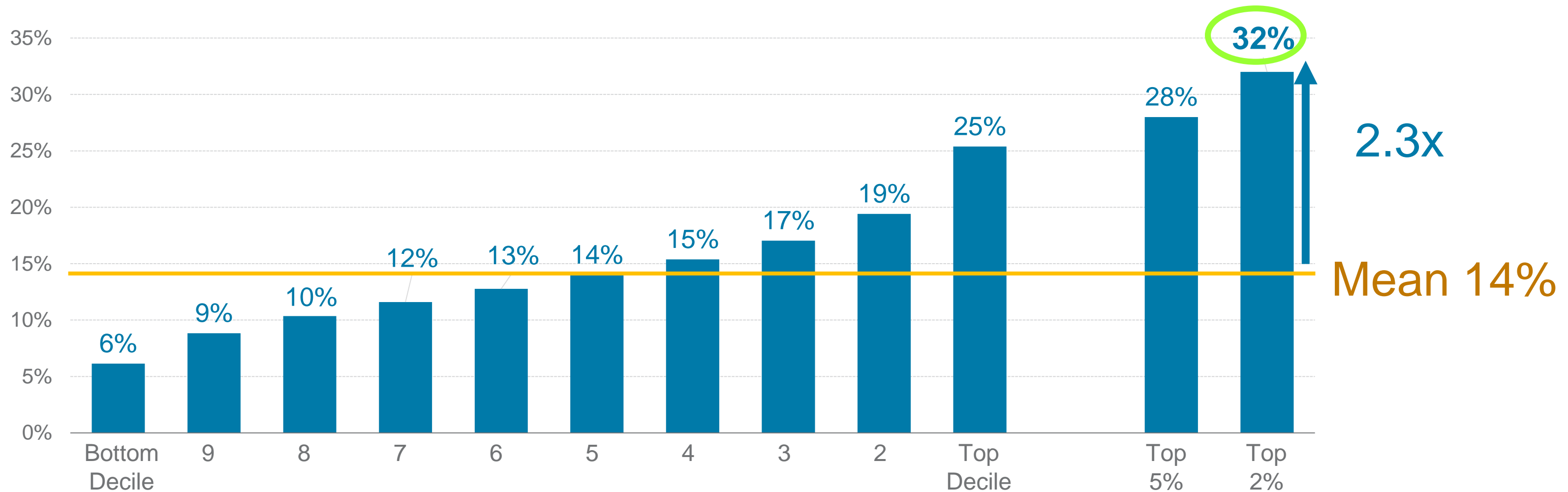
...well patients tested had *3 or more significant* findings on a Chemistry Panel

At every age - if you look, you will find

Source: Based on analysis of 3,000 practices with 119,000 visits where a customer was charged for a wellness exam, and a Chem 21 panel was run In-house or at the IDEXX Reference Lab, and proportion of visits at 76% Dogs; 24% Cats.

IDEXX Customers Use of Chemistry Panel Testing Is Higher than the Market at 14%, but Shows a Significant Gap Between the Average and Best Demonstrated Practice

IDEXX Practices: Percentage of 2017 Clinical Visits Including a Chemistry Panel*

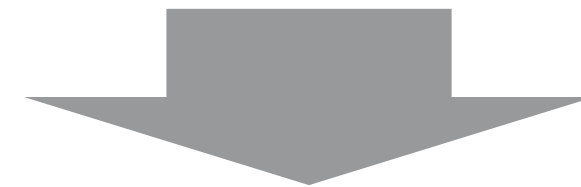


* Data for practices that use IDEXX for both their in-house and reference lab testing. Figures rounded to nearest 1%. 2017 based on trailing twelve months ending November, 2017. Source: Analysis of IDEXX Practice Intelligence and IDEXX Internal Data for 2,933 U.S. practices.

IDEXX Is Well-Positioned to Grow the Diagnostic Annuity



- Owners prioritize their pets
- Pets frequently don't show their illnesses
- Pets age 7 times faster than humans*
- Running diagnostics is essential to pet care, but underutilized

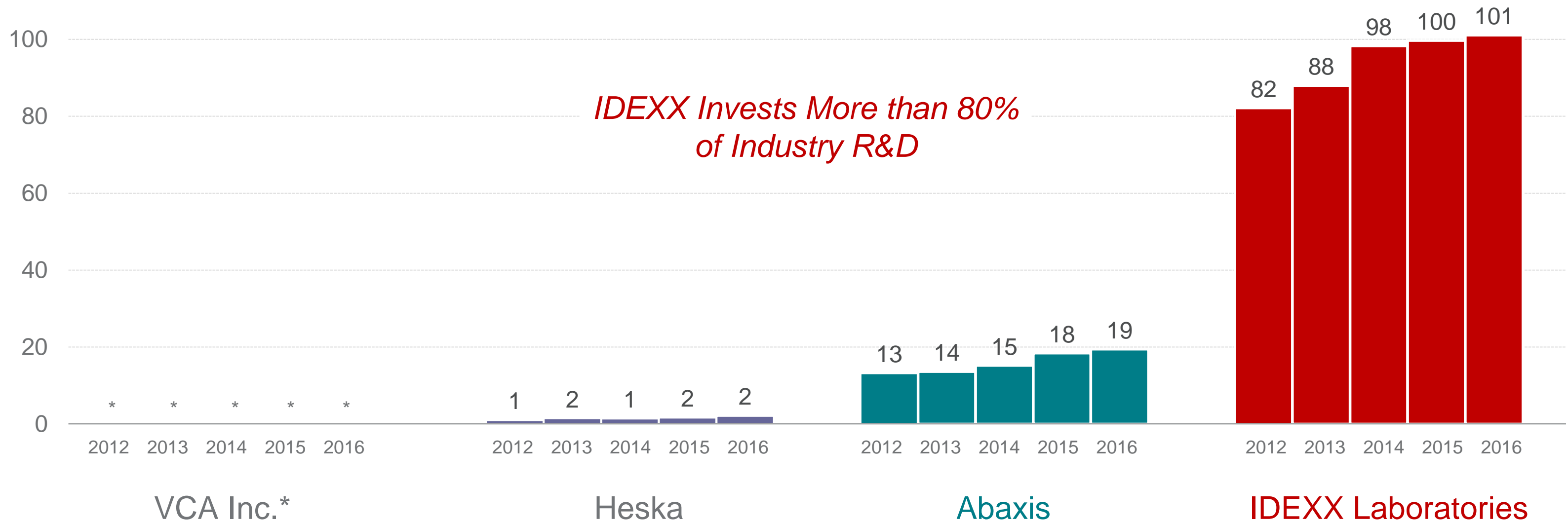


- IDEXX's innovation has uniquely expanded the toolset, increasing further the value of testing
- IDEXX has a growing field presence to influence vet practices utilization

* Example: A dog becomes a senior at age 7, geriatric at 11, cats at 9 and 14 respectively.

IDEXX's Diagnostic Innovation Is Creating a Unique Set of Diagnostic and Software Tools, While Advancing Veterinary Profitability

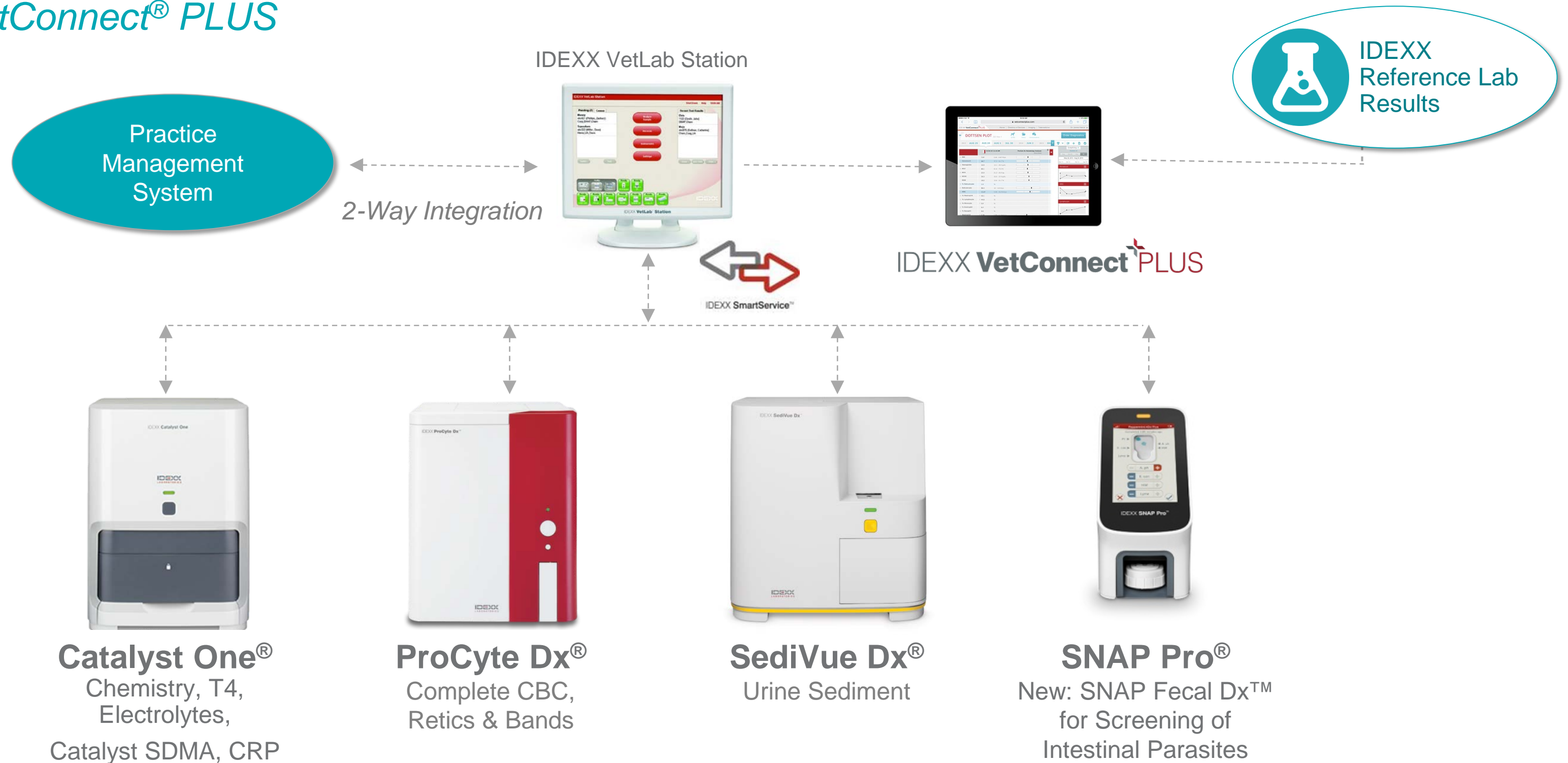
Comparison of Annual R&D Investment of Major Veterinary Diagnostics Companies
\$MM, calendar years shown



* VCA does not report any R&D investments in its filings with the U.S. Securities and Exchange Commission ("SEC").
Sources: Company SEC filings; earnings releases.

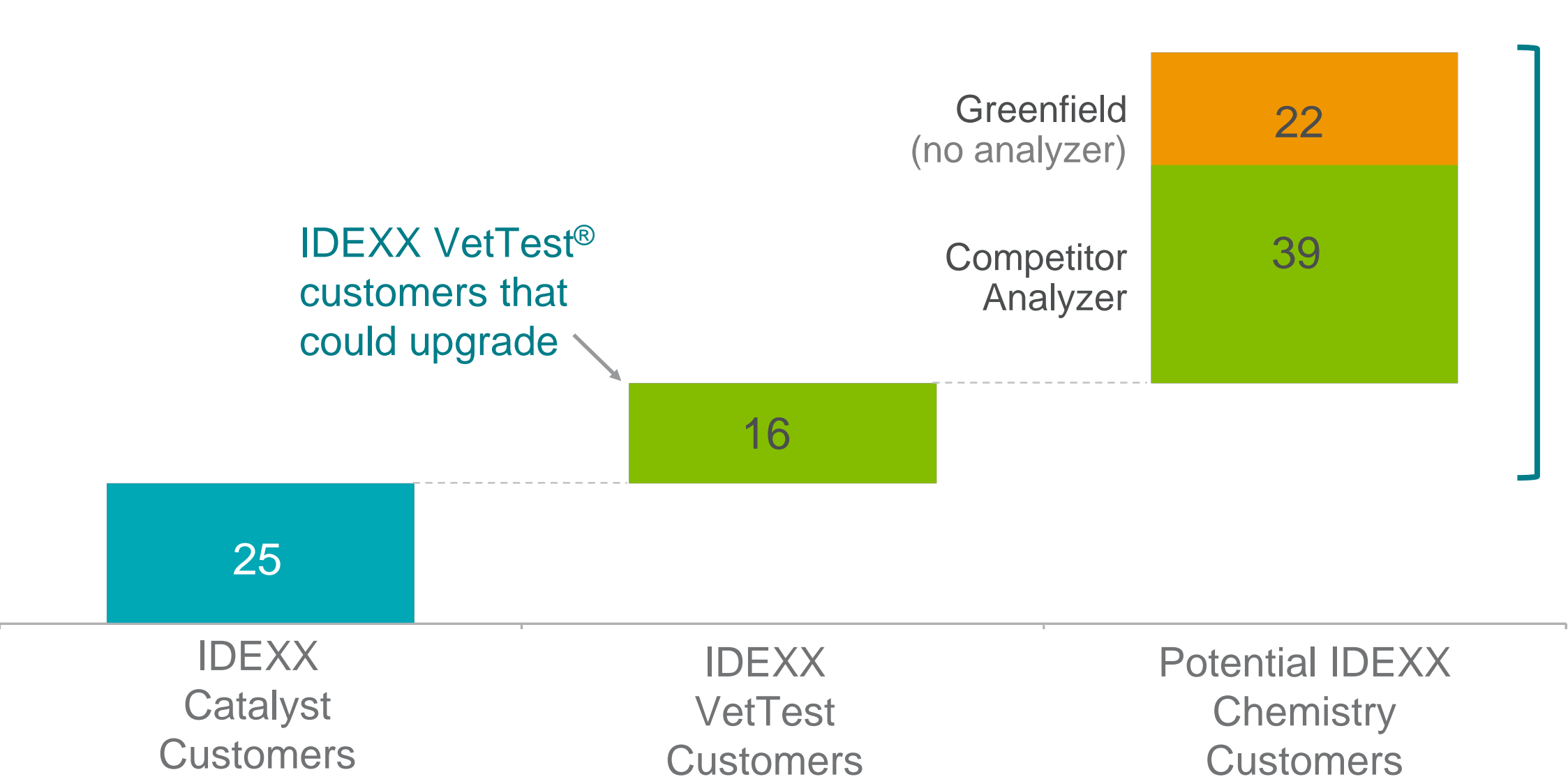
IDEXX VetLab Instrument Suite - Innovation that Uniquely Expands Utility

Fully Integrated Diagnostic Solution with IDEXX Reference Lab Ordering and Results Through VetConnect® PLUS



We Estimate ~77,000 Additional Worldwide Catalyst Placement Opportunities

Worldwide Catalyst Placement Opportunities by Type
(as of end 2016, in thousands)*



~77k
Opportunities for Catalyst Placements

- 16k North America
- 61k International



Catalyst One®

* All figures are rounded. Excludes practices too small to be likely candidates for chemistry analyzer placement at this time.

IDEXX SDMA – In-House Test to Launch January 16th

Increasing Evidence, Recognition and Adoption as *an Essential Element of the Common Chemistry Panel*

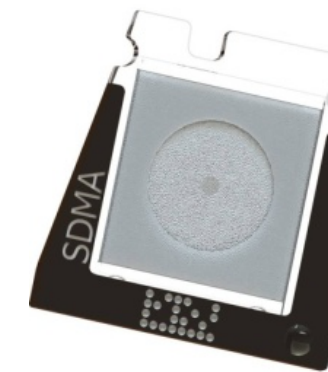
IDEXX SDMA[®] at the Reference Lab:

12+ Million
Tests and Counting



IDEXX SDMA for In-Clinic Testing on
Catalyst One and Catalyst Dx

Full Commercial Launch January 16th



Catalyst One[®]



Catalyst Dx[®]

IDEXX Applying Biotechnology to Fecal Testing

Fecal Antigen:

*In the Reference Lab
- Since 2015 -*

*In-Clinic SNAP to Launch
- Mid-2018 -*

*IDEXX Proprietary Innovation
Finds More Intestinal Parasites
and Finds Them Earlier*

Available at
IDEXX Reference Labs

SNAP Fecal Dx
In-Clinic Rapid Assay



Hookworm



Roundworm



Whipworm

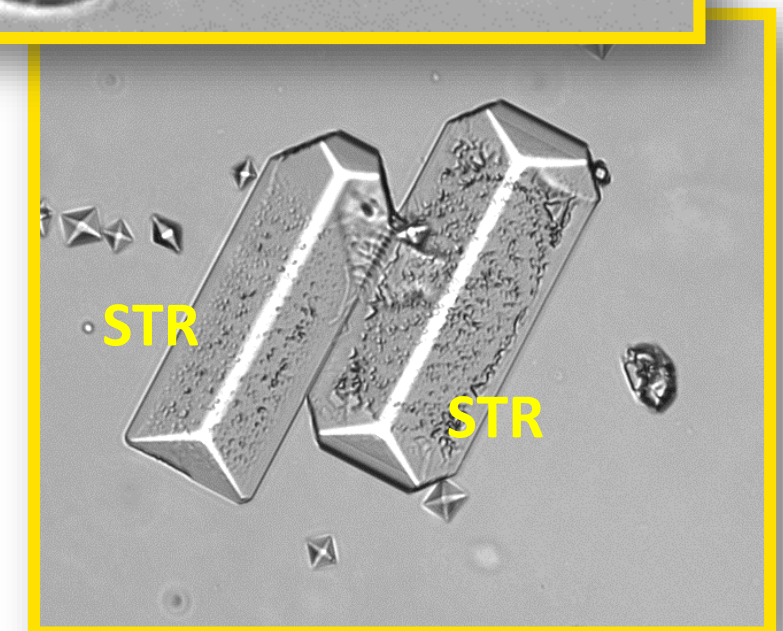
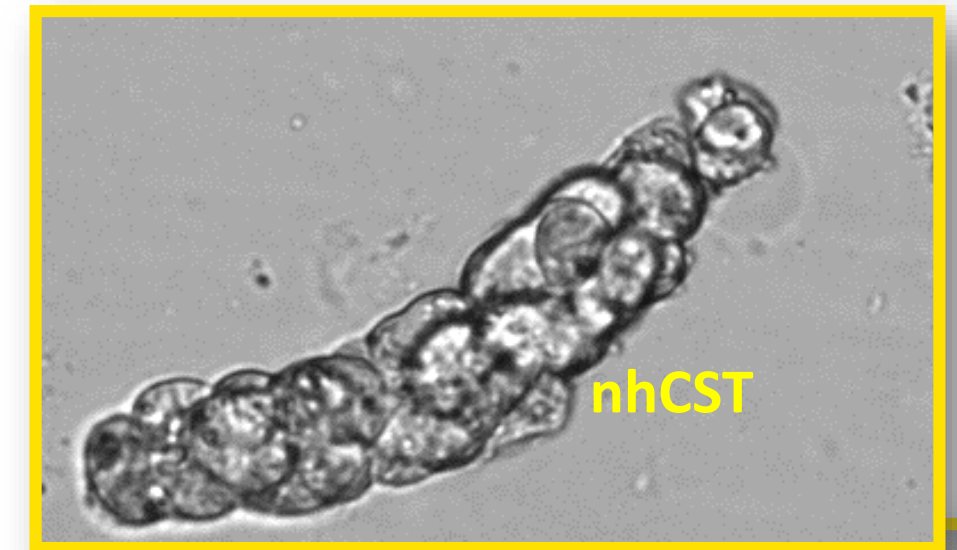
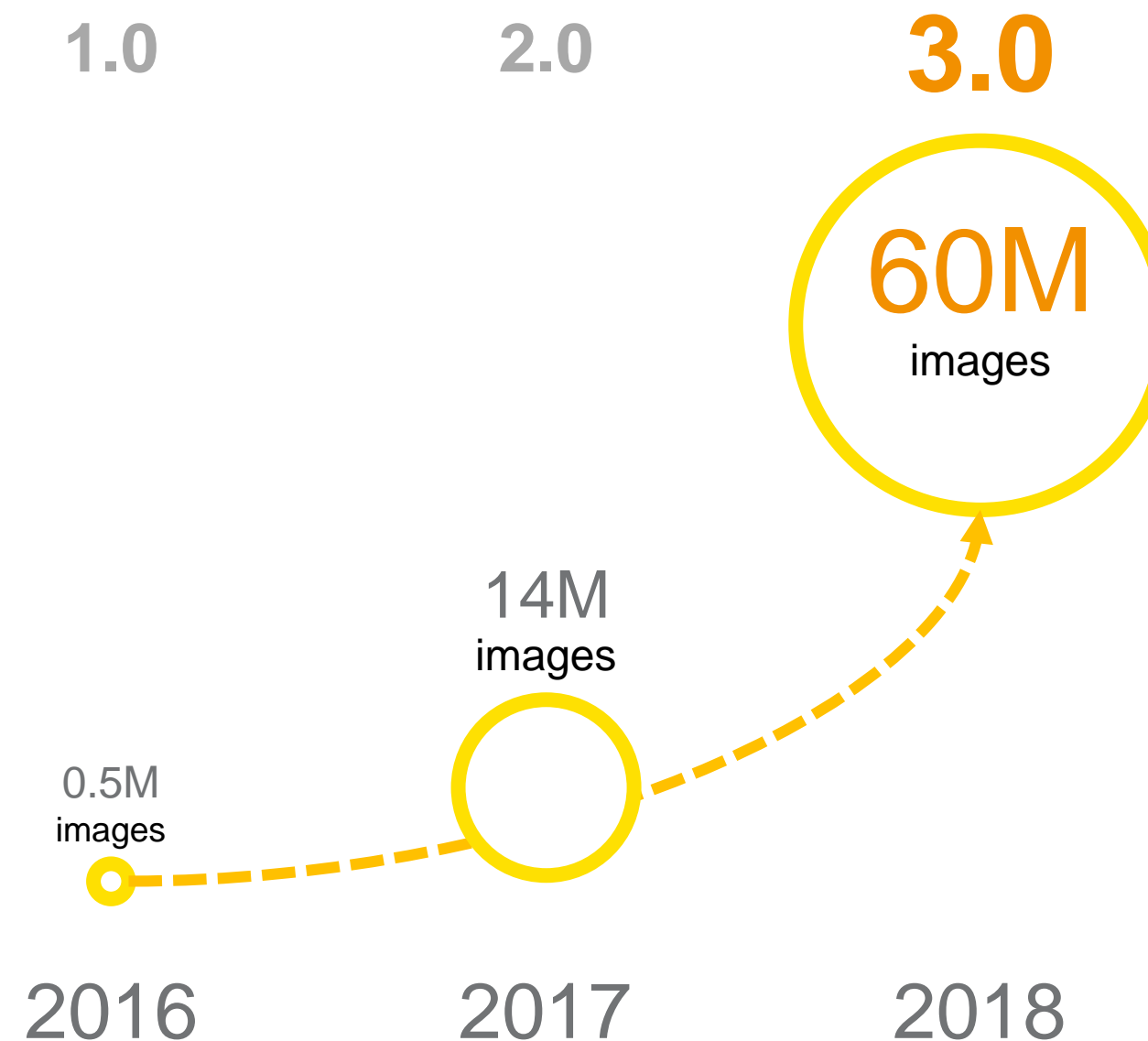


SediVue Dx Instrument Introduced in 2016 - First and Only In-Clinic Urine Sediment Analyzer

Leveraging the Rapidly Expanding Image Database Neural Network



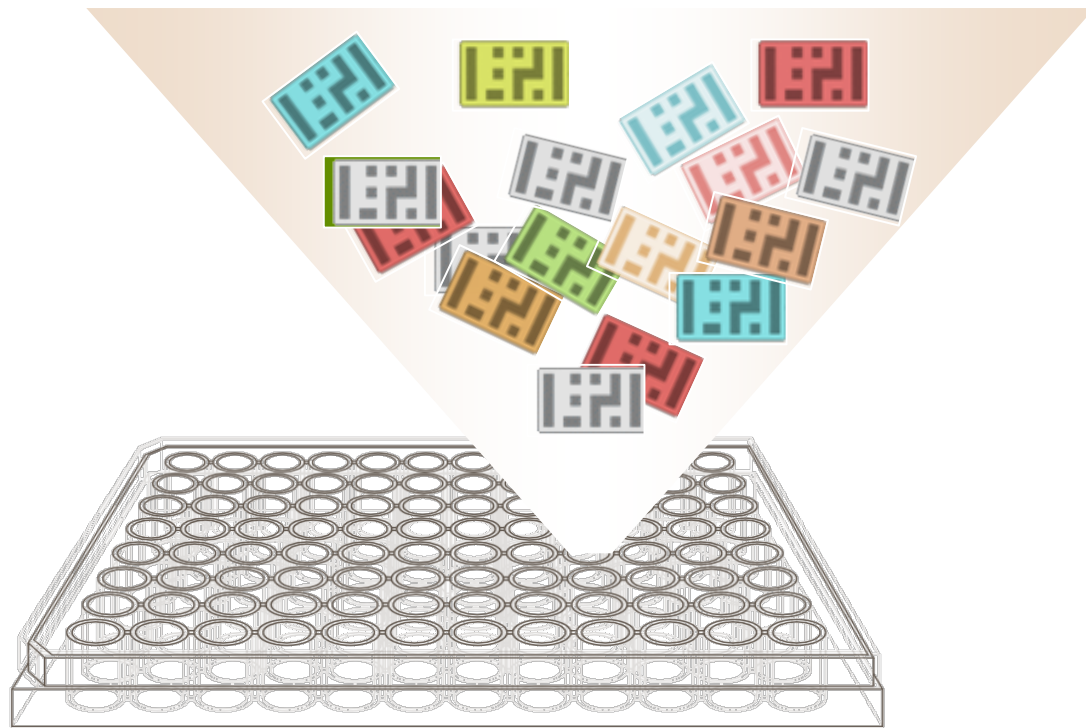
- 5 drops of urine, results in 3 minutes with digital images and algorithmic interpretation
- Novel 'pay per run' recurring revenue model



IDEXX's New Digital Multiplex Platform: Two Major Benefits Expected for Our Reference Lab Business

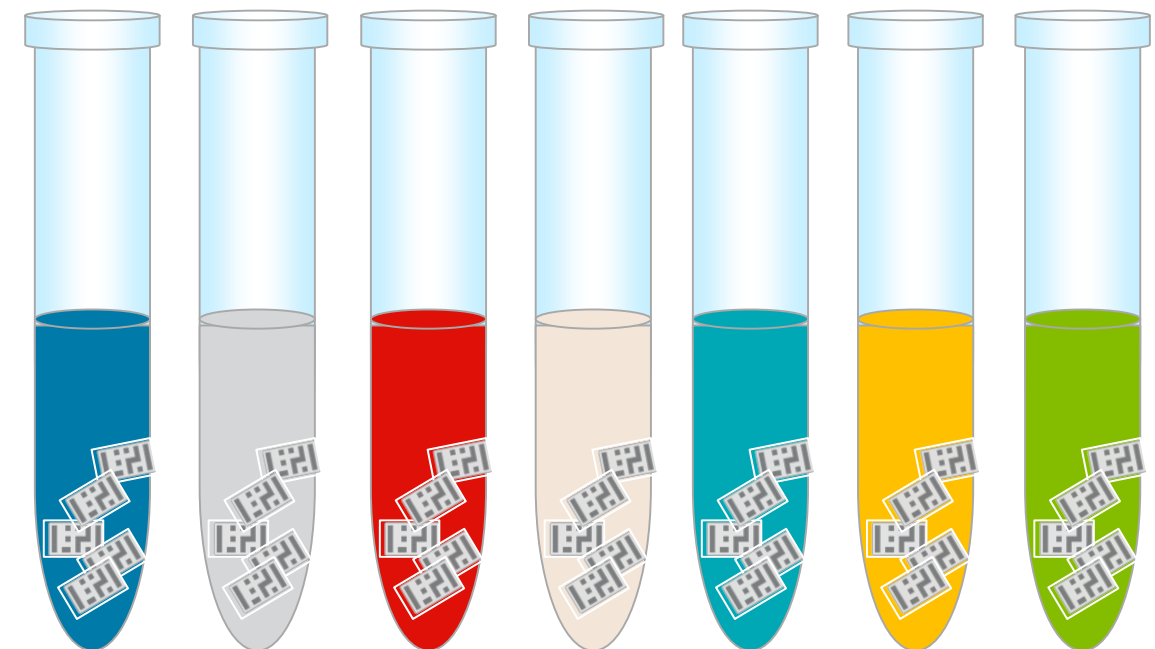
OPERATIONAL EFFICIENCY & COST SAVINGS

One Sample Provides Many Results,
Low Costs/High Throughput



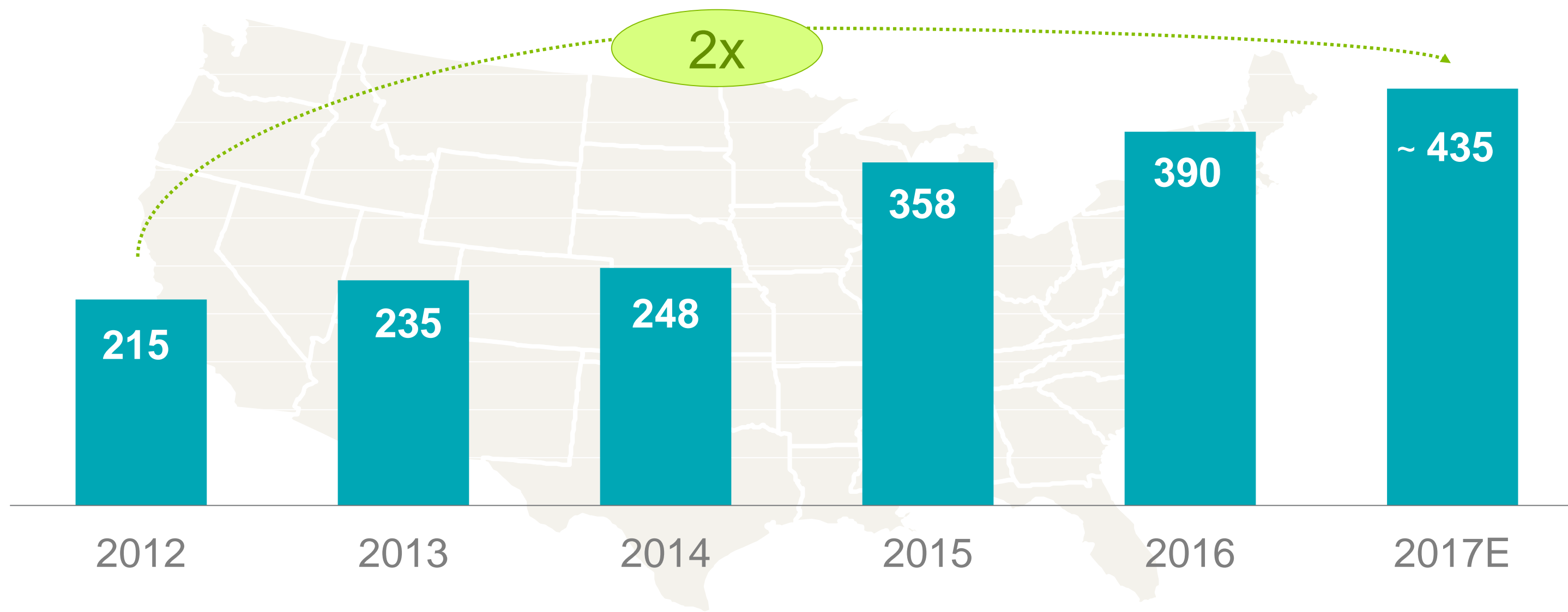
COMMERCIALIZATION OF MORE ASSAYS

Facilitating Expansion of IDEXX's Unique
Menu of Tests on a Single Sample



IDEXX U.S. Transformation Has Deepened Our Presence with Customers, Accelerating Adoption of our Unique Innovations

Total U.S. CAG *Field-Based* Professional Headcount*



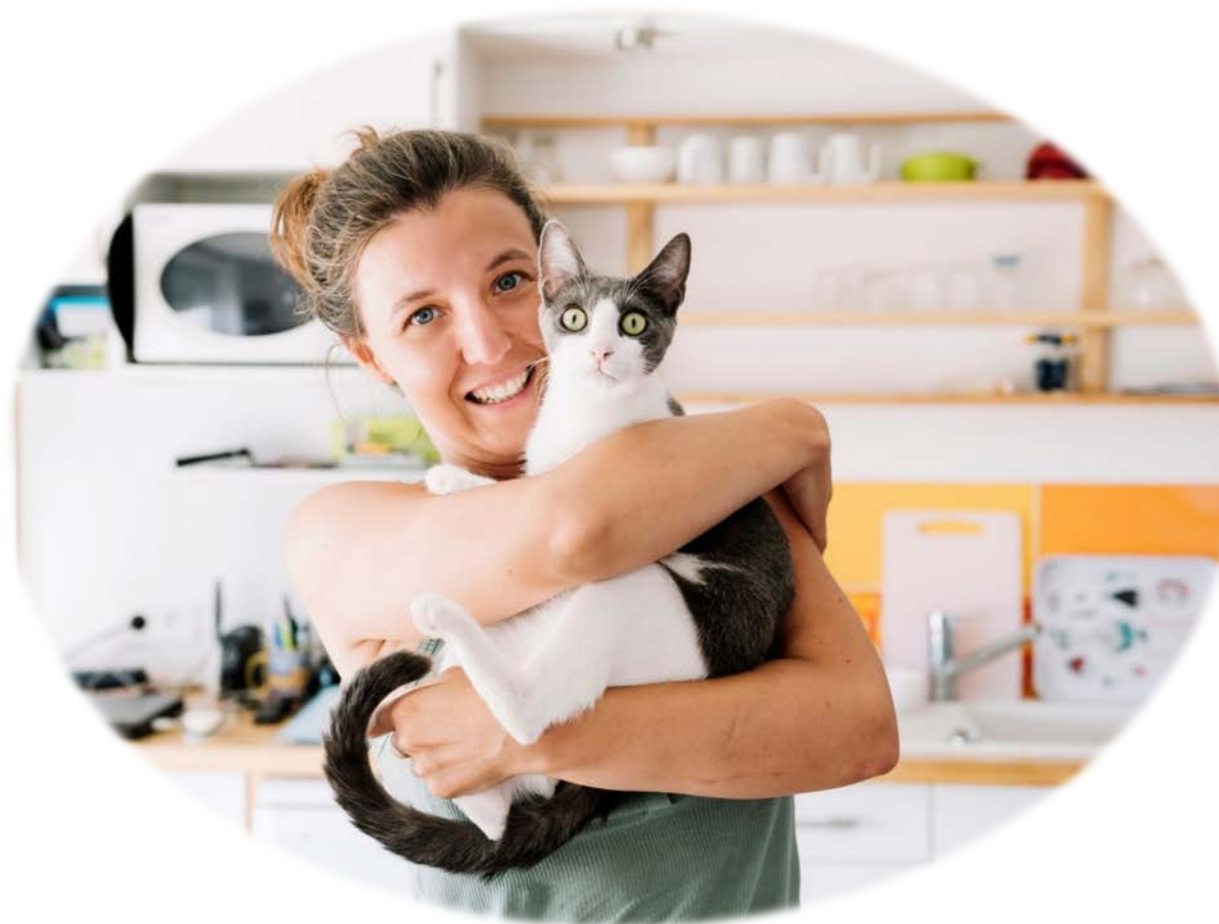
* Includes all field-based sales and technical services headcount, excluding management. 2012-2016 as of December 31 of each calendar year, 2017E projected as of December 31, 2017.

When Practices Adopt Preventive Care Testing, Volumes Surge

Preventive Care Challenge Program:
Increase in Annualized IDEXX CAG Dx Recurring Revenue per Practice Post-Implementation



All
Practices Enrolled*



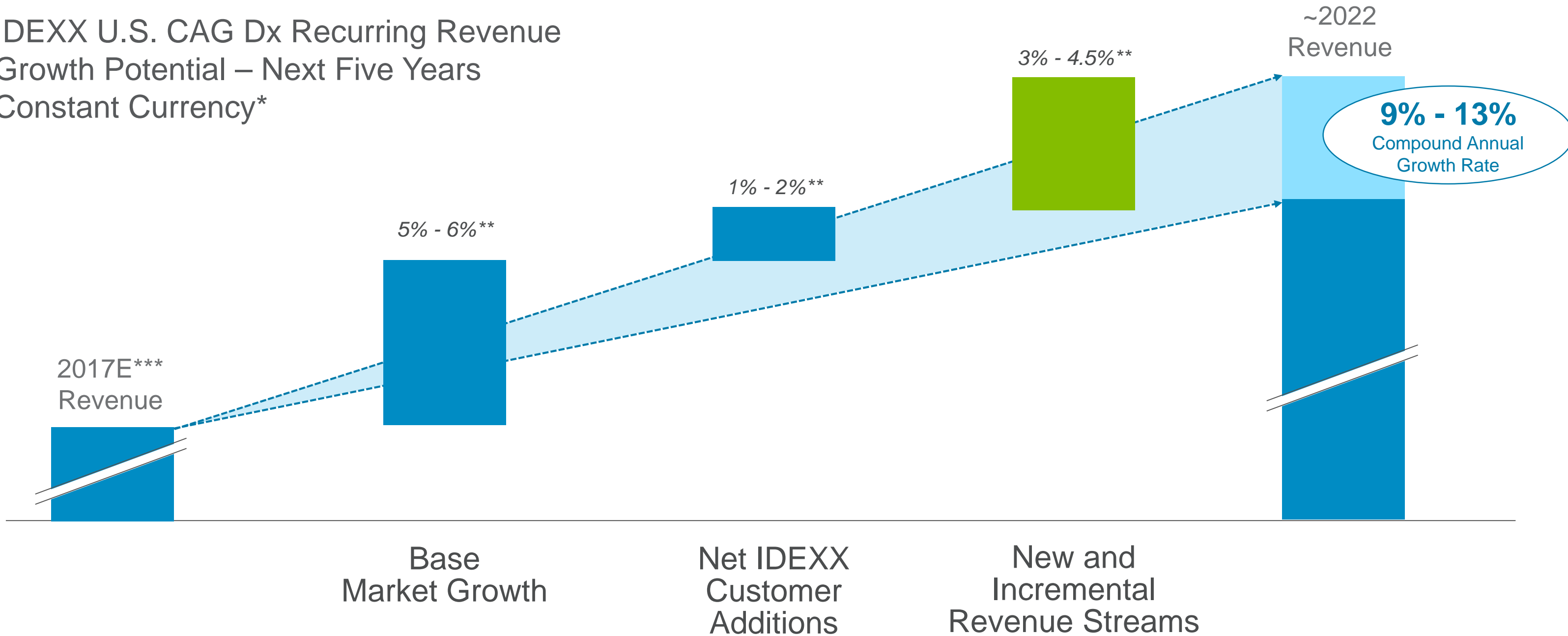
Top 150
Practices Enrolled**

* Median estimate for ~700 practices enrolled in IDEXX Preventive Care Challenge, with a minimum of six months post-enrollment.

** Median estimate for the 'Top 150' practices defined based on the greatest increase in CAG Dx recurring revenue post-enrollment.

In the U.S. IDEXX Innovation and Commercial Model Augments Solid Market Growth to Drive the Potential for Sustained Double-Digit CAG Diagnostics Recurring Revenue Growth

IDEXX U.S. CAG Dx Recurring Revenue Growth Potential – Next Five Years
Constant Currency*

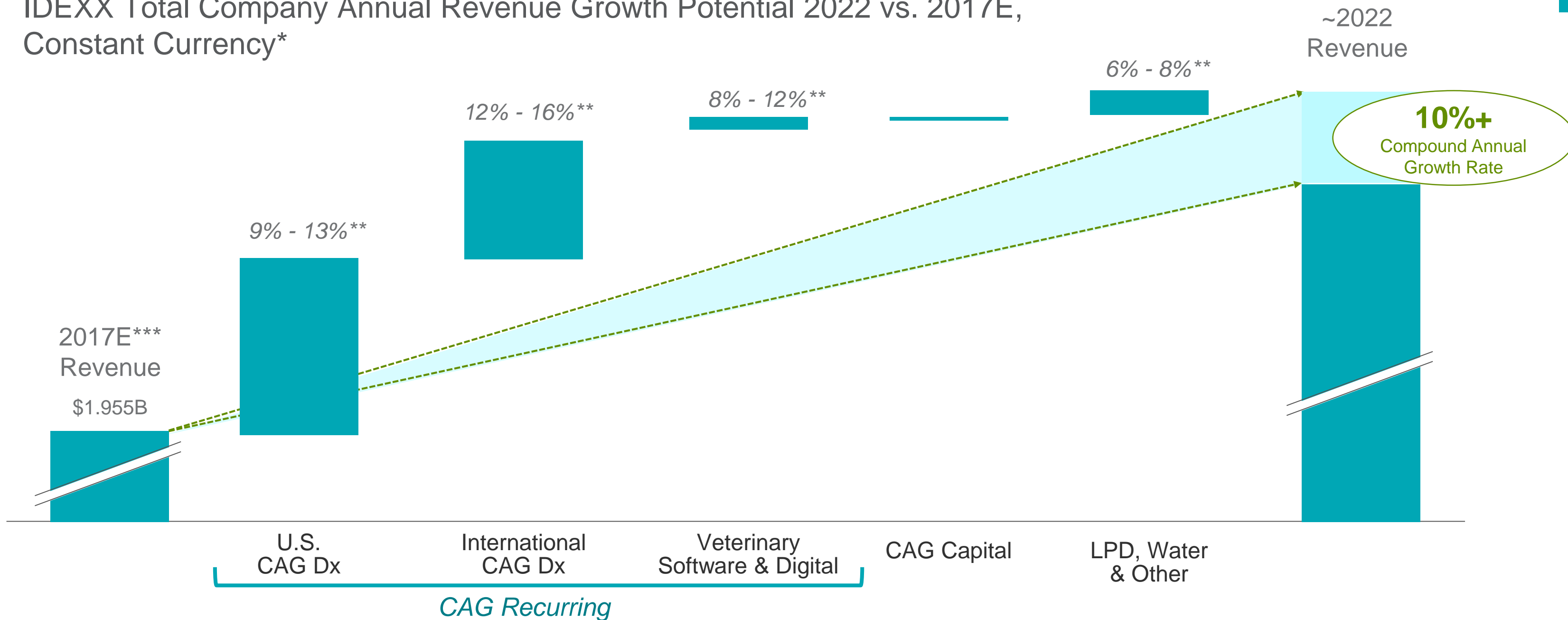


* These projections assume that foreign currency exchange rates will remain the same as in 2017. ** Estimated contribution to U.S. CAG Dx Recurring Revenue potential compound annual growth rate from this driver.

*** 2017E revenue based on midpoint of outlook communicated October 31, 2017. This slide's guidance speaks only as of October 31, 2017 and shall not be deemed to be a reiteration or affirmation of the guidance or an indication that the Company's expectations have not changed since that time.

IDEXX Total Global Revenue Growth Potential: Ongoing 10%+ Annually, Driven By Global CAG Diagnostics Recurring Revenue Growth Expansion

IDEXX Total Company Annual Revenue Growth Potential 2022 vs. 2017E, Constant Currency*



* These projections assume that foreign currency exchange rates will remain the same as in 2017. ** Estimated potential revenue compound annual growth rate.

*** 2017E Revenue based on midpoint of outlook communicated October 31, 2017. This slide's guidance speaks only as of October 31, 2017 and shall not be deemed to be a reiteration or affirmation of the guidance or an indication that the Company's expectations have not changed since that time.

Well-Positioned to Drive Sustainable, Strong Financial Performance

Long-Term Financial Model*

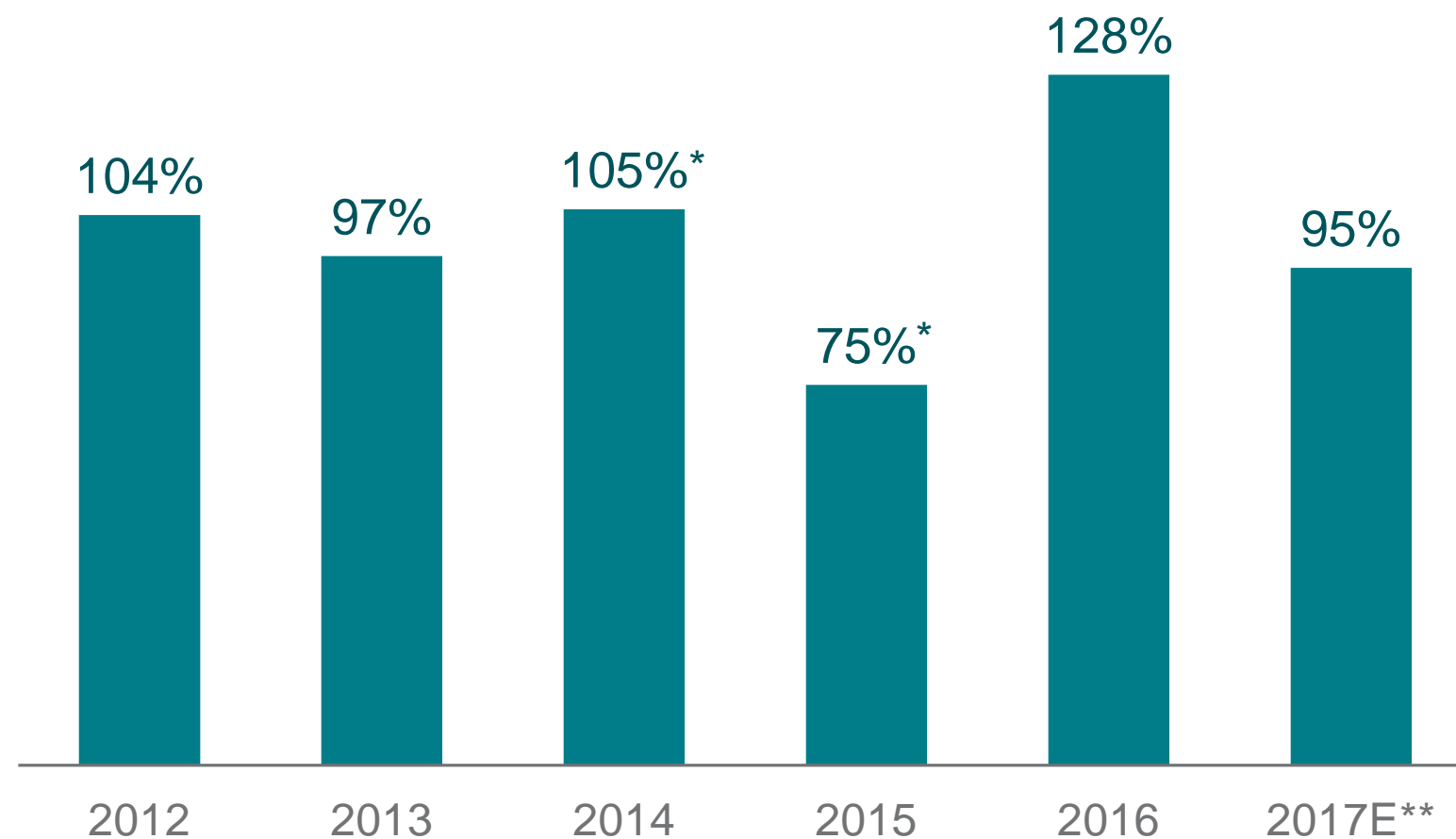


* These projections assume that foreign currency exchange rates will remain the same as in 2017.

** EPS growth potential outlook excludes year over year changes in share-based compensation tax benefits.

Driving Strong Cash Flow and Return on Invested Capital

Free Cash Flow⁵ as % of Net Income



- Model of consistent, strong free cash generation
- After-tax return on invested capital (ROIC)⁶, which excludes cash and investments, estimated at 38% for 2017**

* ~102% of net income in 2014 and ~86% in 2015 when adjusted for net working capital changes associated with the U.S. go-direct change.

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U.S. Tax Reform Will Benefit IDEXX

- Preliminary estimated benefit of ~750 bps - 850 bps to IDEXX ongoing effective tax rate
- Estimated 2017 one-time tax reform transition charge of \$35 million - \$45 million*
- Increased cash flow, ROIC and investment flexibility
- On 2017 year-end call, details will be provided, including
 - Updated 2018 outlook, including benefits from U.S. tax reform



* Due to the deemed repatriation of the Company's foreign profits, net of the remeasurement of U.S. deferred taxes at the lower enacted corporate tax rate and other adjustments.

IDEXX – Exceptional, Durable Growth and Returns

An Enduring Recurring Revenue Business Model with . . .

. . . favorable long-term global growth dynamics . . .

. . . augmented by IDEXX's unique innovation and commercial model . . .

. . . generating exceptional long-term financial returns.





Appendix

Footnotes

¹ IDEXX Reportable Segment Revisions and Divested Revenues: Prior to January 1, 2015, our Companion Animal Group (“CAG”) segment included herd testing diagnostic services processed within and managed by our CAG reference laboratories. We have transitioned the responsibility for these diagnostic services to our Livestock, Poultry and Dairy (“LPD”) segment to more effectively align our business with the nature and customers of these livestock services. Revenue and revenue growth calculations have been retrospectively revised to reflect this change in the composition of our reportable segments.

² Recurring Revenue: Annual recurring revenue for LPD, Water, Veterinary Software Services and Diagnostic Imaging Systems and IDEXX VetLab include and exclude the following as applicable: LPD excludes government sponsored eradication programs and herd health screening revenues, Water excludes sealer and filtration instruments, Veterinary Software Services and Diagnostic Imaging Systems excludes client server based placements and radiography instruments, Rapid Assay excludes SNAP Pro instruments, and IDEXX VetLab includes consumables, service and accessories.

³ Normalized Organic Revenue Growth: Normalized organic revenue growth is a non-GAAP financial measure, and it means organic revenue growth for the relevant period(s) in 2014 and 2015 normalized for the effects of our transition to an all-direct sales strategy in the U.S., which was effected fully by January 1, 2015, as described in this note. We incurred one-time transitional impacts related to the drawdown of distributor inventory in the fourth quarter of 2014, and reported revenues for 2014 have been adjusted to exclude this \$25 million impact. Further, during the three months ended December 31, 2014, we began recognizing revenue on rapid assay kits and instrument consumables upon delivery to end users in the U.S., instead of at distribution. We also began to capture additional revenue that was previously earned by our distribution partners, net of other changes related to this all-direct strategy, such as free next-day shipping and a new returns policy for expired product. We refer to this net additional revenue as distributor margin capture, and 2015 revenue has been adjusted ~\$40 million to exclude this impact. See **Exhibit A** for a reconciliation of normalized organic revenue growth to reported growth for the relevant periods.

⁴ Organic Revenue Growth: Organic revenue growth is a non-GAAP financial measure and excludes the impacts of acquisitions and changes in foreign currency exchange rates. Management believes that reporting organic revenue growth provides useful information to investors by facilitating easier comparisons of our revenue performance with prior and future periods and to the performance of our peers. We estimated the net impacts of currency on our revenue by restating results to the average exchange rates or exchange rate assumptions for the comparative period, which includes adjusting for the estimated impacts of foreign currency hedging transactions and certain impacts on our effective tax rates. The periods 2009-2016 were restated to 2017 forecast rates and may vary from previously reported constant currency figures. See **Exhibit A** for the impact of currency and acquisitions to CAG Diagnostics recurring revenue for 2009-2017 YTD.

⁵ Free Cash Flow: Free cash flow is a non-GAAP financial measure. Free cash flow, with respect to a measurement period, is the cash generated from operations during that period, including tax benefits attributable to share-based compensation arrangements, and specific to year ended December 31, 2012 a royalty prepayment to obtain exclusive patent rights, reduced by the Company’s investments in property and equipment. Management believes free cash flow is a useful measure because it indicates the cash the operations of the business are generating after appropriate reinvestment for recurring investments in property and equipment that are required to operate the business. Since adoption of ASU 2016-09 in 2017, the tax benefit from share-based compensation is included in cash generated from operations and will no longer be an adjustment in our free cash flow calculation. Refer to **Exhibit B** for our calculation of free cash flow for years ending December 31, 2011 through December 31, 2016, and calculation of estimated free cash flow for year ending December 31, 2017.

⁶ ROIC: After-tax return on invested capital, after-tax income from operations, and average invested capital are non-GAAP financial measures. After-tax return on invested capital represents after-tax income from operations divided by average invested capital using the beginning and ending balance sheet values. This measure is calculated both excluding and including cash and investments. Management believes that reporting after-tax return on invested capital provides useful information to investors for evaluating the efficiency and effectiveness of our use of capital. For further information on how ROIC is calculated, please see Appendix A in the *Company’s Definitive Proxy Statement* filed March 23, 2017 available at <http://www.idexxproxymaterials.com>.

Exhibit A: Reported to Organic Growth Reconciliation

Reconciliation of Annual Organic Revenue Growth <i>CAG Diagnostics Recurring²</i>	2009-2016 Year Ended December 31, 2017 YTD Ended 9/30/2017								
	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Reported Growth	2%	6%	11%	8%	9%	8%	11%	12%	13%
<i>Currency Impact</i>	(1%)	1%	2%	(2%)	0%	(1%)	(5%)	(1%)	(0%)
<i>Acquisition Impact</i>	0%	1%	0%	1%	0%	0%	1%	0%	0%
Organic Growth ⁴	3%	5%	8%	8%	9%	8%	16%	12%	13%
<i>Distributor Inventory Adjustment</i>						3%	(3%)		
<i>Margin Capture Adjustment</i>							(4%)		
Normalized Organic Growth^{3,4}	3%	5%	8%	8%	9%	11%	9%	12%	13%

^{2, 3, 4} See footnotes for detail and descriptions of IDEXX recurring revenue, normalization for our all-direct transition, and organic revenue growth.

Note that all years are restated to 2017 Forecast rates and currency impact will vary from previously reported figures. Figures may not calculate due to rounding.

Exhibit B: Operating to Free Cash Flow Reconciliation

Cash Flow Reconciliation <i>Amounts in thousands</i>	Year Ended December 31						
	2011	2012	2013	2014	2015	2016	2017E*
Net cash provided by operating activities	220,700	230,282	245,996	235,846	216,364	334,571	~360,000
Royalty prepayment to obtain exclusive patent rights	-	6,250	-	-	-	-	-
Financing cash flows attributable to tax benefits from share-based compensation arrangements	16,007	14,676	14,158	16,078	11,315	14,703	-
Investing cash flows attributable to purchases of property and equipment	(52,464)	(65,492)	(77,612)	(60,523)	(82,921)	(64,786)	~(90,000)
Free Cash Flow	184,243	185,716	182,542	191,401	144,758	284,488	~270,000

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