

IDEXX Q2 2021 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$826M

Reported growth: +30%

Organic growth: +25%

CAG Diagnostics Recurring

Organic Growth: +26%



Operating Profit

\$259M

31.4% of Revenue

YoY change in basis points:

Reported +110 bps

Comparable +110 bps



Diluted Earnings Per Share

\$2.34

Reported growth: +36%

Comparable growth: +33%



CAG

Revenue **\$746M**

Reported growth: +32%

Organic growth: +27%



Water

Revenue **\$37M**

Reported growth: +32%

Organic growth: +27%



LPD

Revenue **\$34M**

Reported growth: +4%

Organic growth: -2%

Net CAG Revenue

Q2 Revenue

Reported Growth
year over year

Organic Growth
year over year

Q2 Premium Instrument
Placements

WW

North
America

Intl

CAG Diagnostics Recurring

\$661M

+30%

+26%



Catalyst

1,975

771

1,204

IDEXX VetLab® Consumables

\$256M

+31%

+26%

New and competitive

1,246

308

938

Rapid Assay Products

\$84M

+30%

+28%



Premium
Hematology

1,119

519

600

*Reference Laboratory Dx and
Consulting Services*

\$294M

+28%

+25%



SediVue® Dx

662

409

253

*CAG Diagnostics Services and
Accessories*

\$27M

+32%

+27%

TOTAL

3,756

1,699

2,057

CAG Diagnostics Capital – Instruments

\$35M

+86%

+78%

Veterinary Software, Services and
Diagnostic Imaging Systems

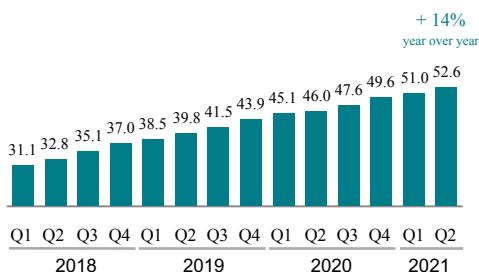
\$49M

+33%

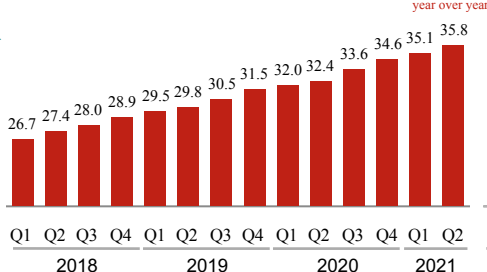
+26%

IDEXX Premium Instruments Installed Base

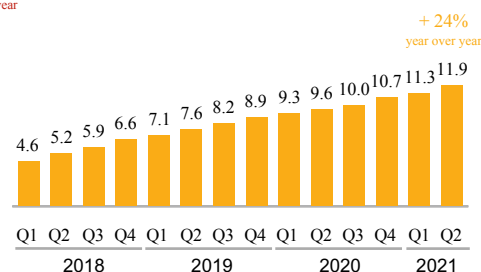
Catalyst Installed Base
(in thousands)



Premium Hematology Installed Base
(in thousands)



SediVue Installed Base
(in thousands)



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2021 second quarter earnings release issued on July 30, 2021 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

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2021 Growth and Financial Performance Outlook Commentary

- Increases outlook for 2021 revenue to \$3,170 million - \$3,205 million, reflecting projected reported revenue growth of 17% - 18.5% and organic revenue growth of 14.5% - 16%, driven by 16% - 17.5% CAG Diagnostics recurring revenue organic growth.
- Raises 2021 EPS estimate to \$8.20 - \$8.36, reflecting a targeted operating margin improvement of 290 - 340 basis points as reported and 175 - 225 basis points on a comparable basis. The updated EPS outlook reflects annual EPS growth of 22% - 25% as reported and 25% - 27% on a comparable basis.

Growth and Financial Performance Outlook

2021

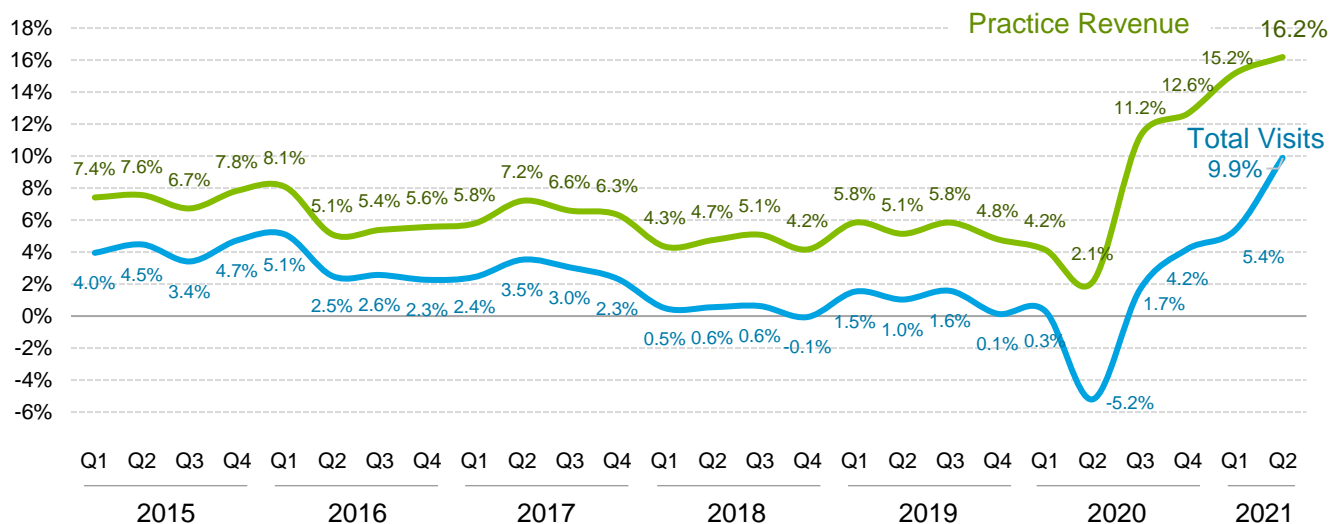
| | | |
|---|--|---------------------------|
|  | Revenue | \$3,170 - \$3,205 |
| | <i>Reported growth</i> | 17% - 18.5% |
| | <i>Organic growth</i> | 14.5% - 16% |
| | CAG Diagnostics Recurring Revenue Growth | |
| | <i>Reported growth</i> | 18% - 19.5% |
| | <i>Organic growth</i> | 16% - 17.5% |
|  | Operating Margin | 28.6% - 29.1% |
| | <i>Reported margin expansion</i> | 290 bps - 340 bps |
| | <i>Comparable margin expansion</i> | 175 bps - 225 bps |
|  | EPS | \$8.20 - \$8.36 |
| | <i>Reported growth</i> | 22% - 25% |
| | <i>Comparable growth</i> | 25% - 27% |
| Other Key Metrics | | |
| | <i>Net interest expense</i> | ~ \$30.5 |
| | <i>Share-based compensation tax benefit</i> | ~ \$22 |
| | <i>Effective tax rate</i> | 18.5% - 19.5% |
| | <i>Reduction in average shares outstanding</i> | 0% - 0.5% |
| | Operating Cash Flow | 100% - 110% of net income |
| | Free Cash Flow | ~80% of net income |
| | Capital Expenditures | \$150 - \$160 |

Amounts in millions except per share data and percentages

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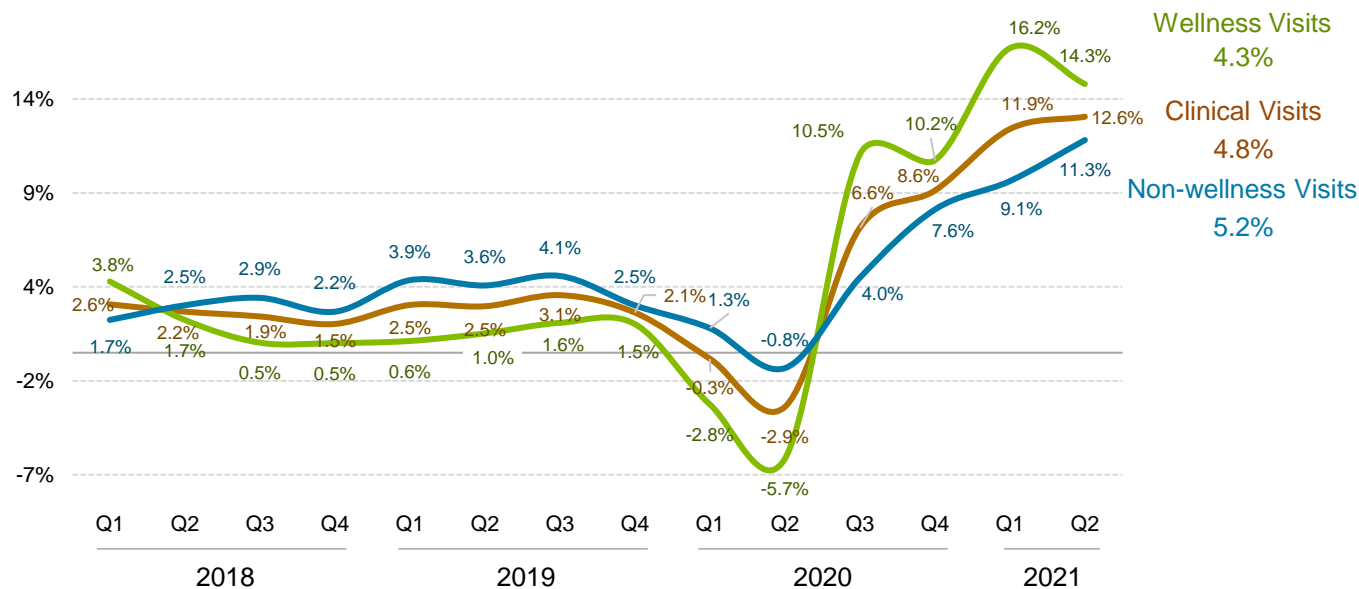
Total Practice Revenue and Visit Growth

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 2020, there were an estimated 320 million U.S. total visits. Approximately 70% of estimated U.S. companion animal diagnostic market 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.

Source: Based on analysis of IDEXX Practice Intelligence data (n = 8,028 practices). Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.
 * Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond *per practice* growth.