

IDEXX Q1 2024 Earnings Highlights (NASDAQ: IDXX)



Revenue

\$964M

Reported growth: +7%

Organic growth: +7%

CAG Diagnostics Recurring

Organic growth: +7%



Operating Profit

\$299M

31.0% of Revenue

YoY change in basis points:

Reported (10 bps)

Comparable (10 bps)



Diluted Earnings Per Share

\$2.81

Reported growth: +10%

Comparable growth: +9%



CAG

Revenue

\$889M

Reported growth: +7%

Organic growth: +7%



Water

Revenue

\$43M

Reported growth: +11%

Organic growth: +11%



LPD

Revenue

\$28M

Reported growth: (3%)

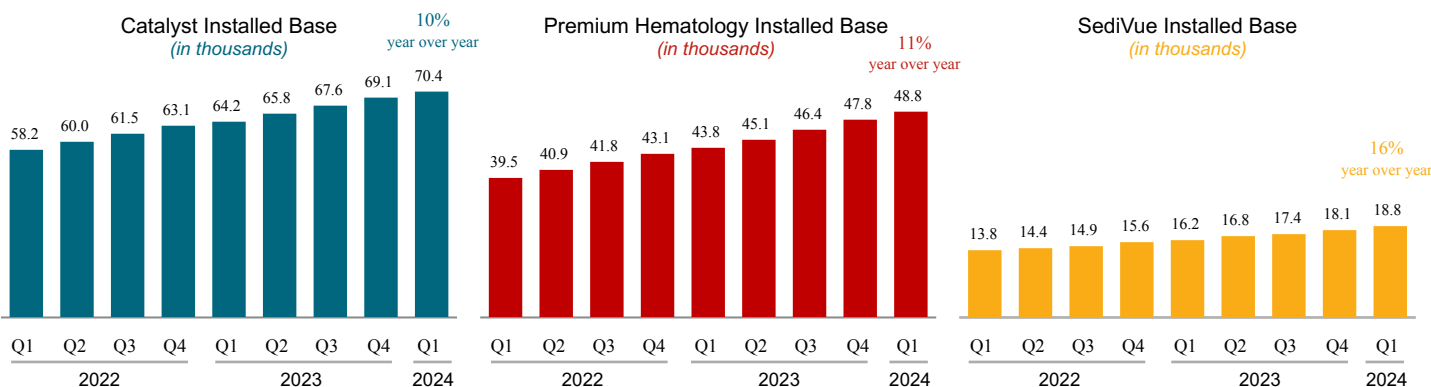
Organic growth: (3%)

Net CAG Revenue

	Q1 Revenue	Reported Growth year over year	Organic Growth year over year
CAG Diagnostics Recurring	\$780M	+7%	+7%
<i>IDEXX VetLab® Consumables</i>	\$317M	+9%	+9%
<i>Rapid Assay Products</i>	\$86M	+5%	+5%
<i>Reference Laboratory Dx and Consulting Services</i>	\$344M	+7%	+6%
<i>CAG Diagnostics Services and Accessories</i>	\$33M	+6%	+7%
CAG Diagnostics Capital – Instruments	\$34M	+3%	+3%
Veterinary Software, Services and Diagnostic Imaging Systems	\$75M	+12%	+8%
<i>Recurring revenues</i>	\$60M	+15%	+11%
<i>System and hardware</i>	\$15M	(1)%	(1)%

Q1 Premium Instrument Placements	WW	U.S.	Intl
Catalyst®	1,668	570	1,098
<i>New and competitive</i>	1,150	289	861
<i>Second</i>	443	280	163
Premium Hematology	2,361	522	1,839
<i>New and competitive</i>	1,207	309	898
<i>Upgrades</i>	1,154	213	941
SediVue® Dx	762	284	478
TOTAL	4,791	1,376	3,415

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 first quarter earnings release issued on May 1, 2024 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.




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2024 Growth and Financial Performance Outlook Commentary

- Updates 2024 estimates to refine high end of organic growth guidance, incorporate FX impacts from strengthened U.S. dollar and reinforce strong profit performance outlook
 - Adjusts revenue guidance to \$3,895 million - \$3,965 million, 6.5% - 8.5% growth as reported and 7% - 9% organic, incorporating ~\$35MM negative FX impact and lowering high end of organic growth guidance by 1%
 - Reinforces Operating Profit margin outlook of 30.2% - 30.7%, supported by continued high levels of operating execution
 - Updates EPS outlook to \$10.82 - \$11.20, an \$0.08 reduction at midpoint as reported reflecting ~\$0.11 of negative FX impacts, offset by favorable updates to net interest expense. EPS projected to grow 8% - 11% as reported and 9% - 13% on comparable basis, including ~2% negative growth impact from lapping a customer contract resolution payment in Q1 2023

Growth and Financial Performance Outlook

2024

	Revenue	\$3,895	-	\$3,965
	<i>Reported growth</i>	6.5%	-	8.5%
	<i>Organic growth</i>	7%	-	9%
	CAG Diagnostics Recurring Revenue Growth			
	<i>Reported growth</i>	6.5%	-	8.5%
	<i>Organic growth</i>	7.5%	-	9.5%
	Operating Margin	30.2%	-	30.7%
	<i>Reported margin expansion</i>	20 bps	-	70 bps
	<i>Comparable margin expansion</i>	20 bps	-	70 bps
	<i>Negative impact of 2023 customer contract resolution payment</i>			~ 40 bps
	EPS	\$10.82	-	\$11.20
	<i>Reported growth</i>	8%	-	11%
	<i>Comparable growth</i>	9%	-	13%
	<i>Negative impact of 2023 customer contract resolution payment</i>			~ 2%
Other Key Metrics				
	<i>Net interest expense</i>			~ \$21
	<i>Share-based compensation tax benefit</i>			~ \$10
	<i>Effective tax rate</i>			~ 22%
	<i>Reduction in average shares outstanding</i>	0.5 %	-	1%
	Operating Cash Flow	110% - 115%		
	Free Cash Flow	90% - 95%		
	Capital Expenditures	~ \$180 million		

Amounts in millions except per share data and percentages

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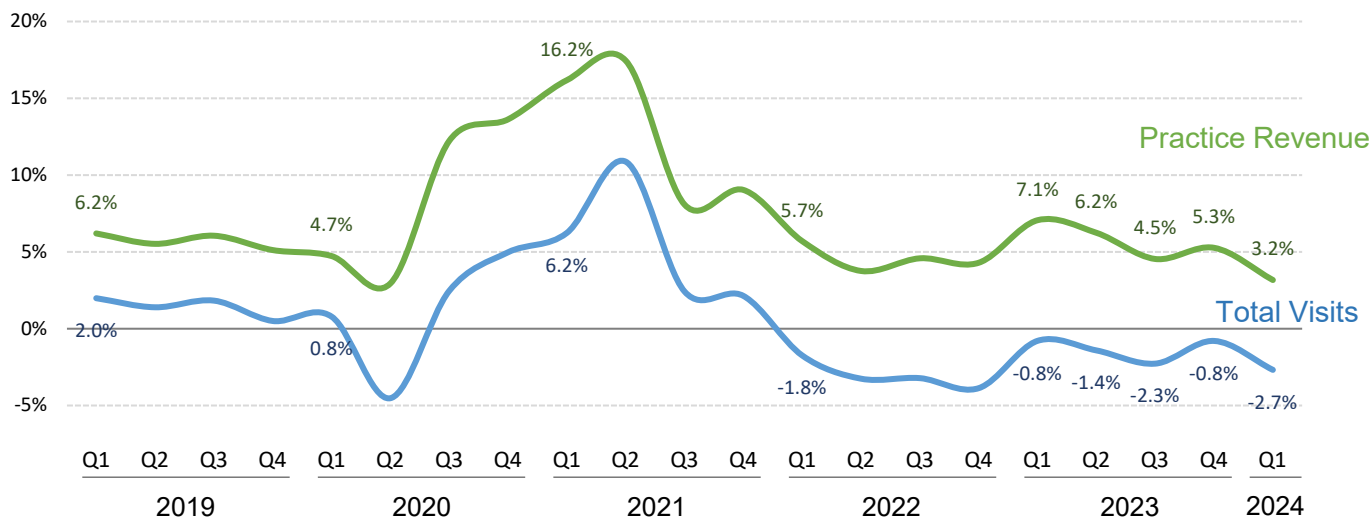
U.S. Companion Animal Practice Growth Update

As of March 31, 2024



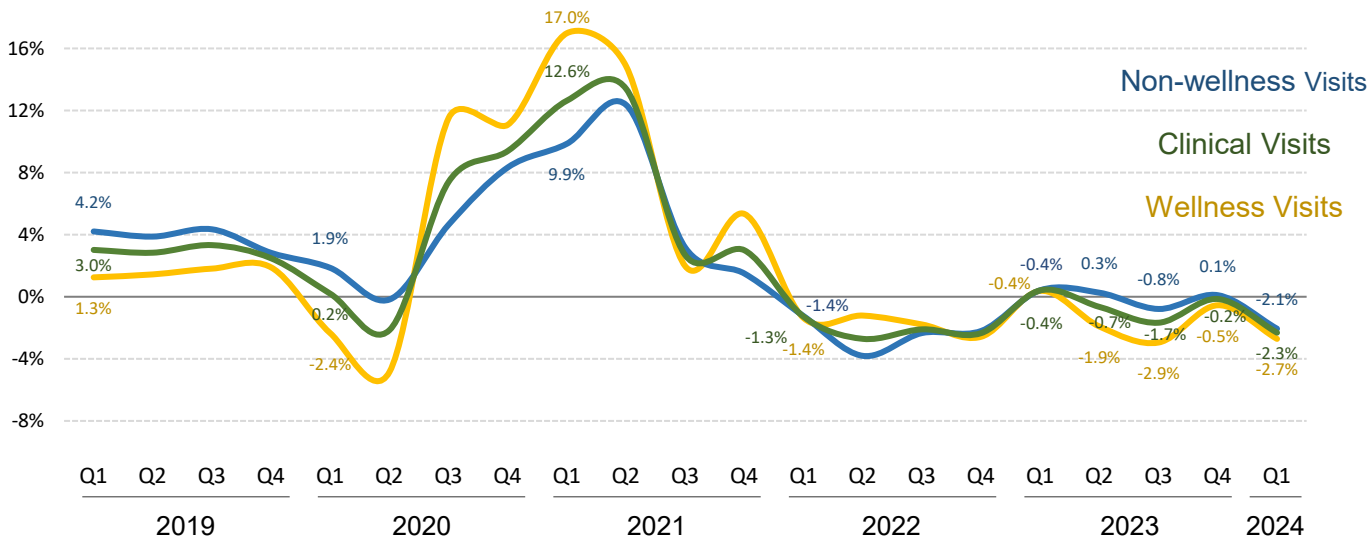
Total Practice Revenue and Visit Growth

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 ~8,500 practices representing six different practice information management systems, weighted to represent the country based on practice size and region.

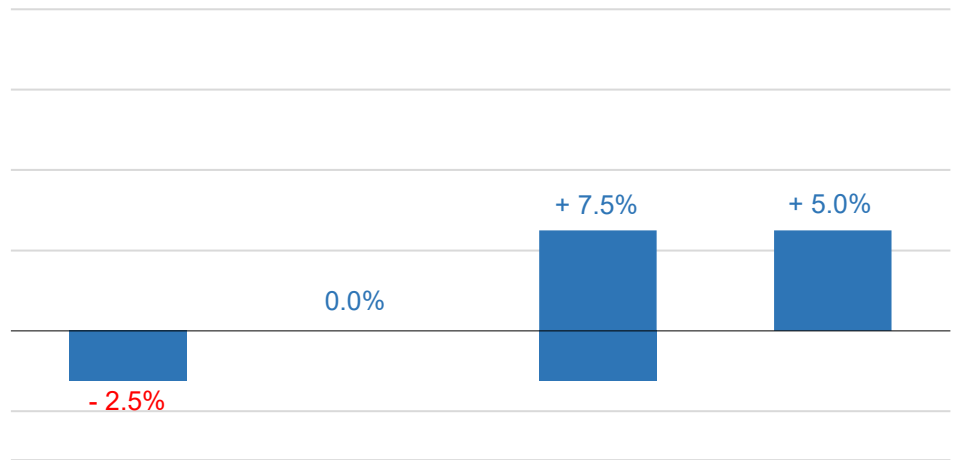
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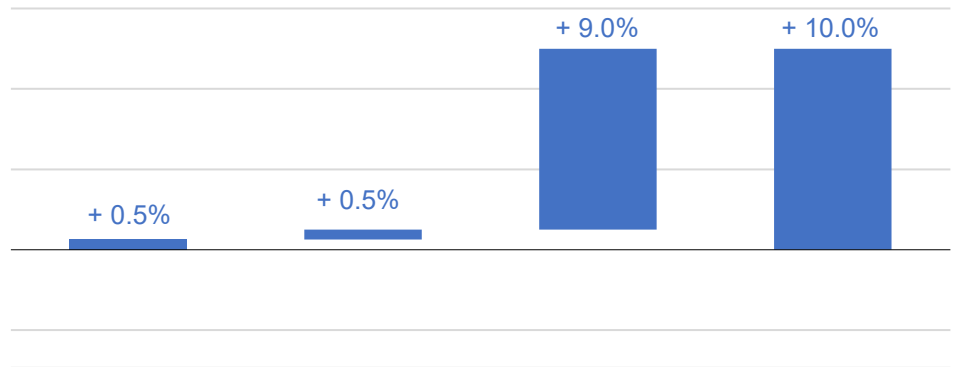
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Contributors to U.S. Companion Animal Diagnostic Revenue Growth per Practice**

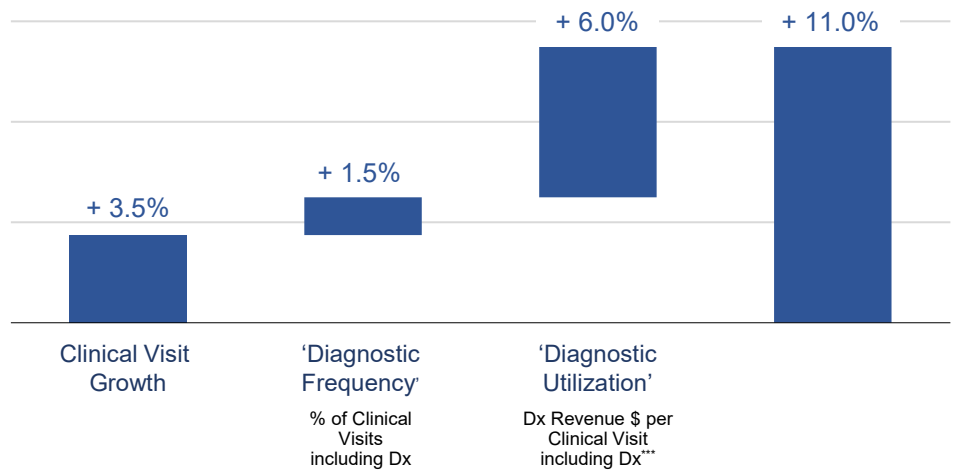
Q1'2024
Year-Over-Year
Growth (%)



Q1'2023



Q1 Average
2019-2022



** 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 ~8,500 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.