

IDEXX Q1 2019 Earnings Highlights (NASDAQ: IDXX)



Revenue



Operating Profit



Diluted Earnings Per Share

Q1 2019

\$576M

\$133M

\$1.17

Reported growth: + 7%

Organic growth: + 10%

23% of Revenue

YoY change in basis points:

Reported + 210 bps
Constant currency + 210 bps

Reported growth: + 16%

Comparable constant currency growth: + 27%

Region	Q1 Revenue	Reported Growth year over year	Organic Growth year over year	Selected Business Segments	Q1 Revenue	Reported Growth year over year	Organic Growth year over year
U.S.	\$358M	+ 9%	+ 9%	CAG	\$509M	+ 8%	+ 10%
International	\$218M	+ 4%	+ 11%	Water	\$30M	+ 4%	+ 8%
				LPD	\$32M	-2%	+ 4%

CAG Detail

Q1 Premium Instrument Placements

	Catalyst®	1,463
	Premium Hematology	823
	SediVue® Dx	489
TOTAL		2,775
	SNAP Pro®	1,999

Net CAG Revenue

	Q1 Revenue	Reported Growth year over year	Organic Growth year over year
CAG Diagnostics Recurring	\$444M	+ 9%	+ 12%
<i>IDEXX VetLab® Consumables</i>	\$167M	+ 12%	+ 15%
<i>Rapid Assay Products</i>	\$54M	+ 5%	+ 6%
<i>Reference Laboratory Dx & Consulting Services</i>	\$203M	+ 8%	+ 11%
<i>CAG Diagnostic Service and Accessories</i>	\$19M	+ 11%	+ 15%
CAG Diagnostics Capital – Instruments	\$29M	-7%	-3%
Veterinary Software, Services & Diagnostic Imaging Systems	\$36M	+ 7%	+ 6%

Full Year 2019 Outlook

Growth
year over year

Comparison to 2019 Outlook Provided on Q4 Call
(provided in Q4 2018 Earnings Call on February 1, 2019)

	Revenue	\$2,385 - \$2,425M	Reported: + 8% - 9.5%
			Organic: + 9.5% - 11%
	EPS	\$4.76 - \$4.88	Reported: + 12% - 15%
			Comparable Constant Currency: + 16% - 19%

Reaffirming Revenue and Organic Growth Outlook

Raising EPS Guidance by + \$0.10 per share: Reflects 0.07 of upside from an updated outlook of 80 to 110 basis points in full year constant currency operating margin expansion, and \$0.03 benefit related to updated interest expense and tax rate projections.

Free Cash Flow **~60% - 65%**
of Net Income

For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's fiscal year 2019 first quarter earnings release issued on May 1, 2019 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.

U.S. Companion Animal Practice Growth Update

Updated Methodology Introduced in Q1 2019

We have enhanced our analytical methodology, which has resulted in refinement of prior period numbers for total practice visit growth and practice revenue growth, and provides new information on the subset of visit growth that comes from clinical visits.

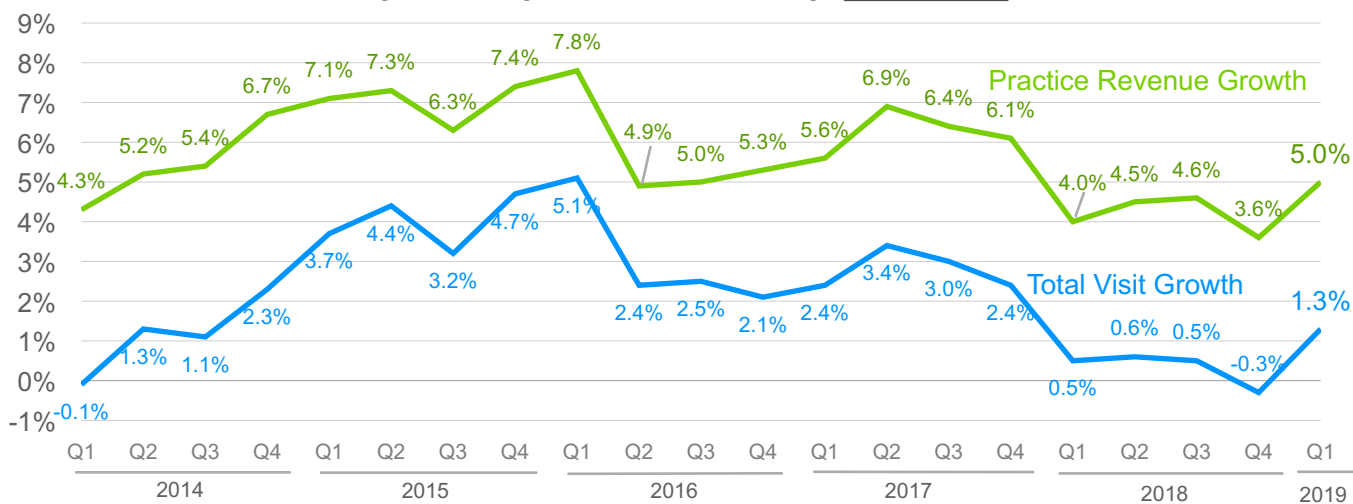
Clinical visits, representing approximately 56% of total visits in 2018, are those where the reason for visit involves an interaction between a clinician and a pet, including wellness and non-wellness visit types. Assessing and tracking clinical visit trends is helpful for the profession, and is more relevant to assessing the health of the diagnostics market segment, since these visits present the opportunities to assess and manage the health of the pet.

Notably, the rate of growth in nonclinical visits, including retail, boarding and grooming visits, has declined in the veterinary practice segment, resulting in deceleration of total visit growth since Q2 2017.

- Data Source:
 - IDEXX Practice Intelligence data
- Sample:
 - ~7,500 practices
 - Representing five different practice information management systems (PIMS)
- Analytical Approach:
 - Algorithm-based analysis of practice activity, including proprietary visit classification modeling
- Weighting Framework:
 - Weighted based on practice size and region, to reflect market composition, prepared in collaboration with AnimateX

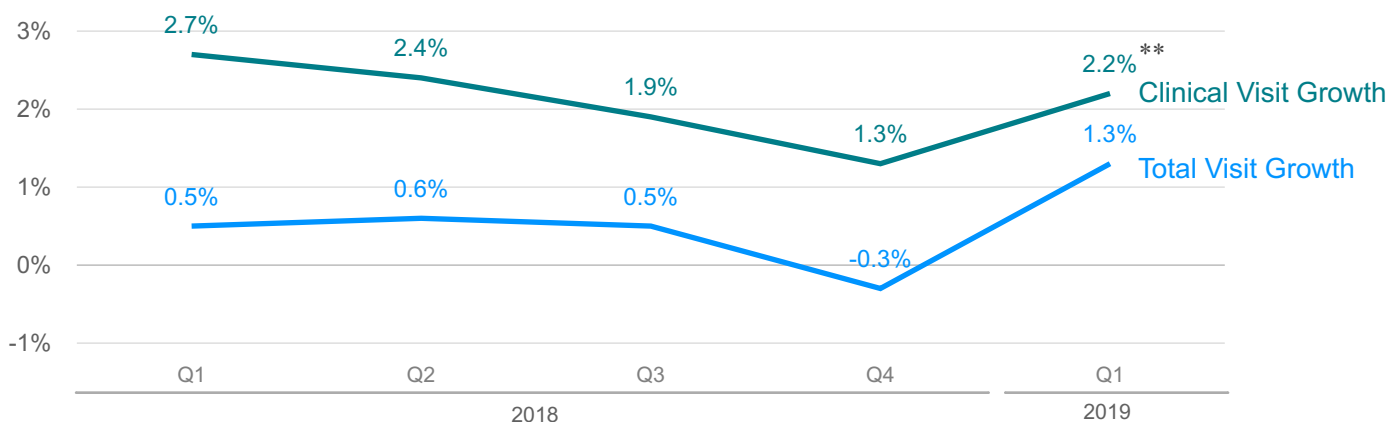
Total Practice Revenue and Visit Growth

Weighted Average Year-to-Year % Change Per Practice*



Total and Clinical Visit Growth

Weighted Average Year-to-Year % Change Per Practice*



* 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.