

# IDEXX Q1 2022 Earnings Highlights (NASDAQ: IDXX)



## Revenue

**\$837M**

Reported growth: +8%

Organic growth: +8%

### CAG Diagnostics Recurring

Organic Growth: +9%



## Operating Profit

**\$248M**

29.7% of Revenue

YoY change in basis points:

Reported (220 bps)

Comparable (220 bps)



## Diluted Earnings Per Share

**\$2.27**

Reported growth: (3%)

Comparable growth: +3%



## CAG

Revenue **\$761M**

Reported growth: +10%

Organic growth: +10%



## Water

Revenue **\$36M**

Reported growth: +7%

Organic growth: +8%



## LPD

Revenue **\$31M**

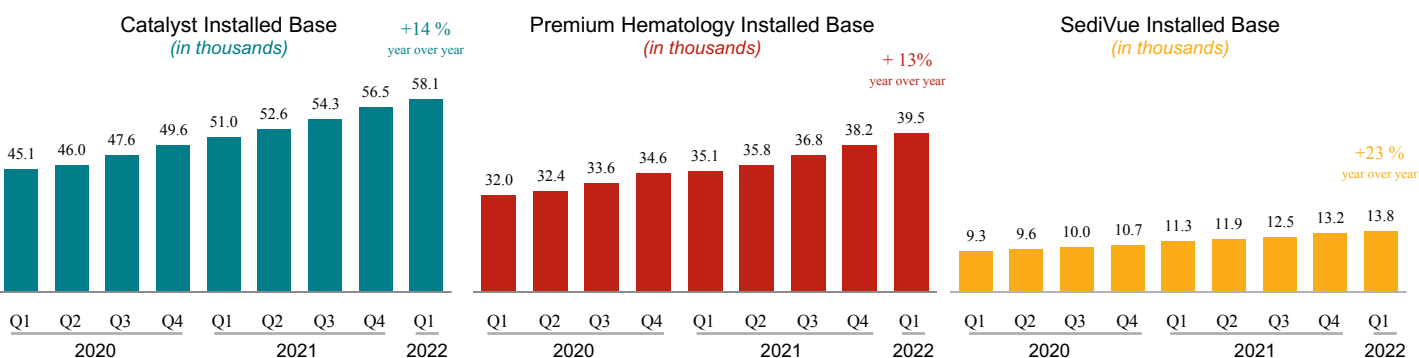
Reported growth: (21%)

Organic growth: (19%)

## Net CAG Revenue

	Q1 Revenue	Reported Growth year over year	Organic Growth year over year	Q1 Premium Instrument Placements	WW	U.S.	Intl
<b>CAG Diagnostics Recurring</b>	<b>\$665M</b>	<b>+8%</b>	<b>+9%</b>	Catalyst	1,778	633	1,145
<i>IDEXX VetLab® Consumables</i>	\$267M	+9%	+11%	<i>New and competitive</i>	1,235	318	917
<i>Rapid Assay Products</i>	\$75M	+7%	+8%	<i>Second</i>	433	311	122
<i>Reference Laboratory Dx and Consulting Services</i>	\$295M	+7%	+8%	Premium Hematology	1,924	552	1,372
<i>CAG Diagnostics Services and Accessories</i>	\$28M	+9%	+11%	SediVue® Dx	574	334	240
CAG Diagnostics Capital – Instruments	\$37M	+19%	+22%	<b>TOTAL</b>	<b>4,276</b>	<b>1,519</b>	<b>2,757</b>
Veterinary Software, Services and Diagnostic Imaging Systems	\$59M	+34%	+13%				

## IDEXX Premium Instruments Installed Base



For full financial data, non-GAAP reconciliations and cautionary language regarding forward-looking statements, please refer to IDEXX's 2022 first quarter earnings release issued on May 4, 2022 available at <https://www.idexx.com/investors>. Amounts presented may not recalculate due to rounding.




# IDEXX Q1 2022 Earnings Highlights (NASDAQ: IDXX)

## 2022 Growth and Financial Performance Outlook Commentary

- Updated revenue estimate of \$3,390 million - \$3,465 million reflects recent moderated trends in clinical visit growth, impacts from the war in Ukraine and strengthening of the U.S. dollar
  - Reported revenue growth of 5.5% - 8% and organic growth of 7.5% - 10% is driven by 9% - 11% CAG Diagnostics recurring revenue organic growth
  - Operating margin outlook of 26.8% to 27.3% includes 230 basis point impact related to discrete R&D investments in the second quarter
  - EPS estimate of \$8.11 - \$8.35, a decrease of \$1.20 at midpoint compared to prior guidance. This reflects growth of (6%) - (3%) as reported and (1%) - 2% on a comparable basis, including \$0.72 per share or 9% EPS growth impact related to discrete R&D investments and adjustments to reflect FX changes and higher interest rates.

### Growth and Financial Performance Outlook

2022

	<b>Revenue</b>	<b>\$3,390 - \$3,465</b>
	<i>Reported growth</i>	5.5% - 8%
	<i>Organic growth</i>	7.5% - 10%
	CAG Diagnostics Recurring Revenue Growth	
	<i>Reported growth</i>	6.5% - 8.5%
	<i>Organic growth</i>	9% - 11%
	<b>Operating Margin</b>	<b>26.8% - 27.3%</b>
	<i>Reported margin expansion</i>	(220 bps) - (170 bps)
	<b>Impact of foreign exchange</b>	<b>~ 10 bps</b>
	<i>Comparable margin expansion</i>	(230 bps) - (180 bps)
	<b>Impact of discrete in-license of technology</b>	<b>(230 bps)</b>
	<b>EPS</b>	<b>\$8.11 - \$8.35</b>
	<i>Reported growth</i>	(6%) - (3%)
	<i>Comparable growth</i>	(1%) - 2%
<b>Other Key Metrics</b>		
	<i>Net interest expense</i>	~ \$32.5
	<i>Share-based compensation tax benefit</i>	~ \$10
	<i>Effective tax rate</i>	21.5% - 22%
	<i>Reduction of average shares outstanding</i>	~ 1.5%
	Operating Cash Flow	90% - 95% of net income
	<b>Free Cash Flow</b>	<b>65% - 70% of net income</b>
	Capital Expenditures	~ \$180

Amounts in millions except per share data and percentages; parentheses denote year-over-year decline or contraction

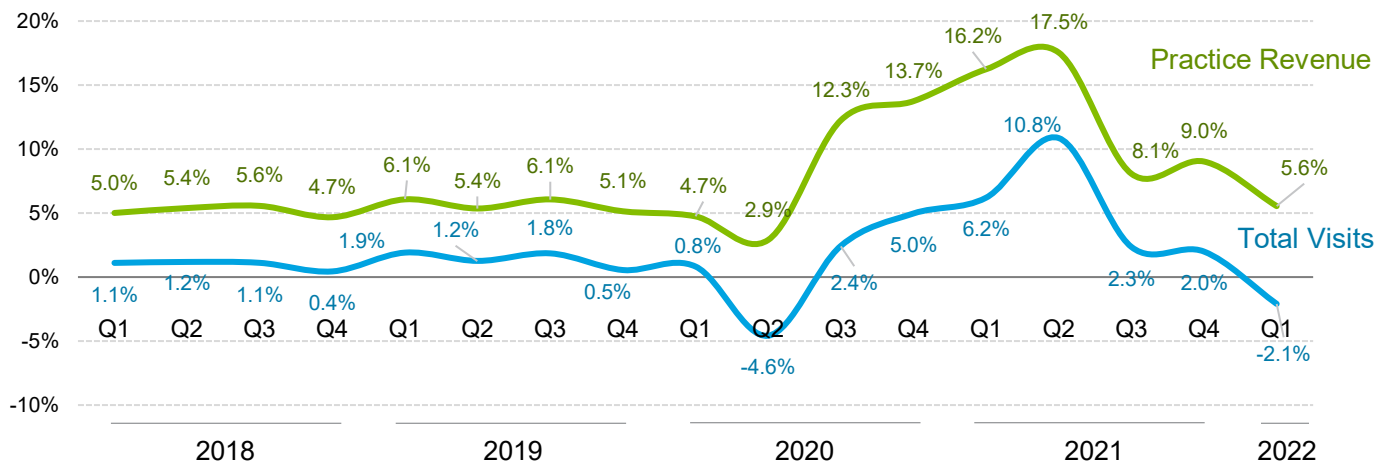
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# U.S. Companion Animal Practice Growth Update

As of March 31, 2022

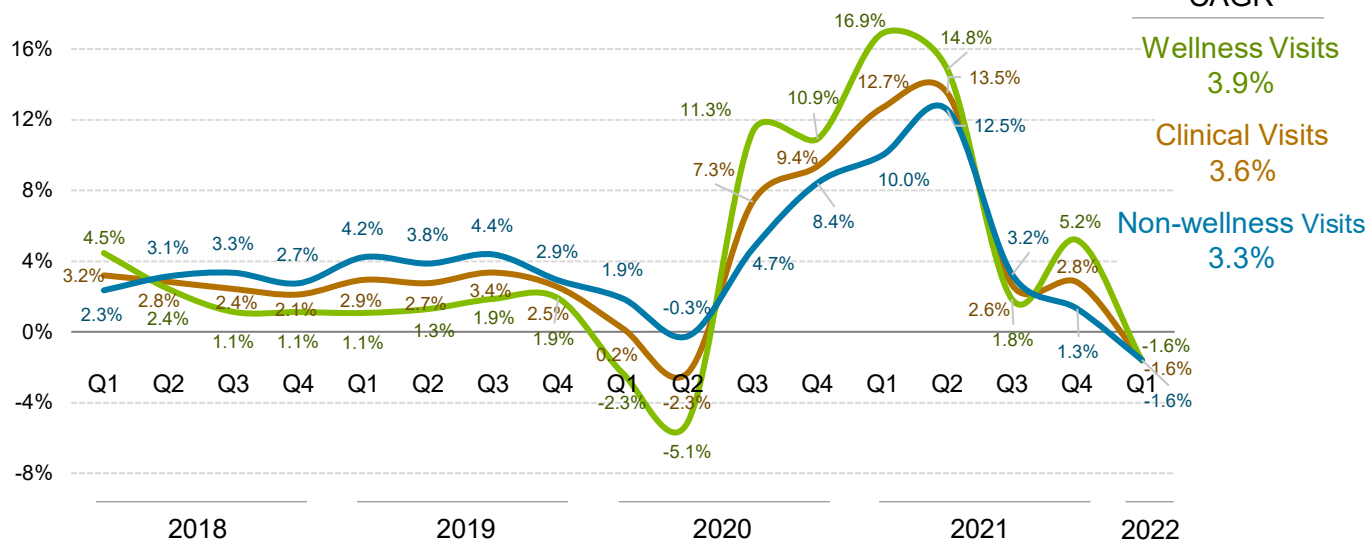
## Total Practice Revenue and Visit Growth

Weighted Average Year-over-Year % Change **Per Practice\***



## Clinical Visit Growth

Weighted Average Year-over-Year % Change **Per Practice\***



Q1'22 3-Year CAGR

Wellness Visits  
3.9%

Clinical Visits  
3.6%

Non-wellness Visits  
3.3%

**Total visits** include clinical and non-clinical visits. In 2021, there were an estimated 340 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.

\* Note that we estimate net new practice formation adds ~1% of incremental market growth per year beyond *per practice* growth.

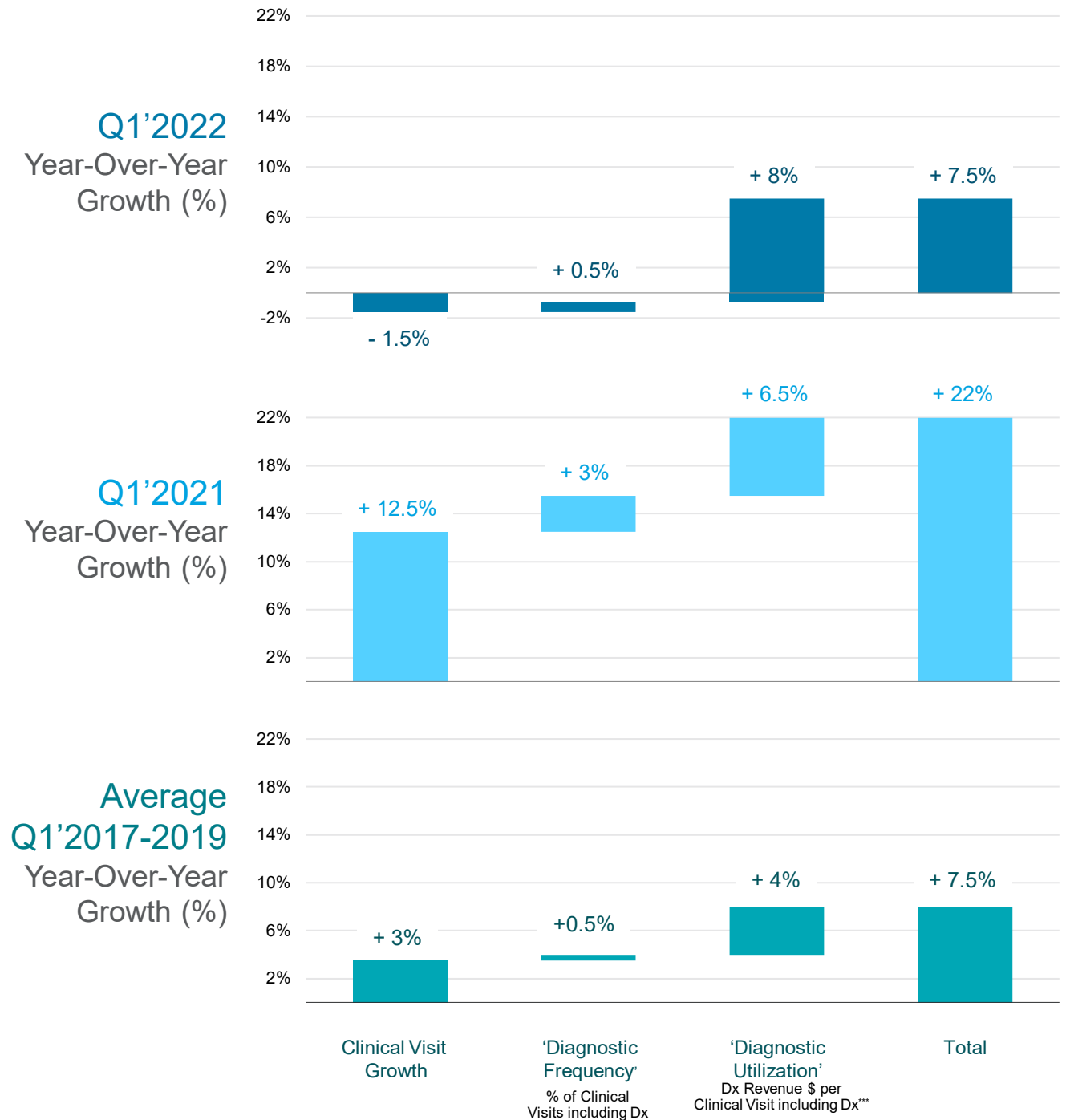
\*\* Growth rate estimate with margin of error of +/- 0.4% at a 95% confidence level.

Source: IDEXX Practice Intelligence data; sample of ~9,200 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.

# U.S. Companion Animal Practice Growth Update

As of March 31, 2022

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



\*\* Rounded to nearest 50 bps; amounts presented may not recalculate due to rounding

\*\*\* Diagnostic revenue per clinical visit includes volume/ intensity of Dx activity and net price realization.

Source: IDEXX Practice Intelligence data; sample of ~9,200 practices representing six different practice information management systems, weighted based on practice size and region to reflect market composition.