

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2024**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

COMMISSION FILE NUMBER: 000-19271

IDEXX
IDEXX LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of incorporation
or organization)*

01-0393723

(IRS Employer Identification No.)

One IDEXX Drive

Westbrook

Maine

04092

(Address of principal executive offices)

(ZIP Code)

207 - 556-0300

(Registrant's telephone number, including area code)

Securities Registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.10 par value per share	IDXX	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares outstanding of the registrant's Common Stock, \$0.10 par value per share, was 82,305,898 on August 1, 2024.

GLOSSARY OF TERMS AND SELECTED ABBREVIATIONS

In order to aid the reader, we have included certain terms and abbreviations used throughout this Quarterly Report on Form 10-Q below:

Term / Abbreviation	Definition
AOCI	Accumulated other comprehensive income or loss
ASU	Accounting Standards Update
CAG	Companion Animal Group, a reporting segment that provides veterinarians diagnostic products and services and information management solutions that enhance the health and well-being of pets.
Credit Facility	Our \$1.25 billion five-year unsecured credit facility under an amended and restated credit agreement; consisting of i) \$1 billion revolving credit facility, also referred to as line of credit, and ii) \$250 million three-year term loan.
FASB	U.S. Financial Accounting Standards Board
LPD	Livestock, Poultry and Dairy, a reporting segment that provides diagnostic products and services for livestock and poultry health and to ensure the quality and safety of milk and improve producer efficiency.
OPTI Medical	OPTI Medical Systems, Inc., a wholly owned subsidiary of IDEXX Laboratories Inc., located in Roswell, Georgia. This business provides point-of-care and laboratory diagnostics (including electrolyte and blood gas analyzers and related consumable products) for the human medical diagnostics sector. The Roswell facility also manufactures electrolytes slides (instrument consumables) to run Catalyst One®, Catalyst Dx®, and blood gas analyzers and consumables for the veterinary sector; also referred to as OPTI. OPTI Medical is reported in our Other operating segment.
Organic revenue growth	A non-GAAP financial measure and represents the percentage change in revenue, as compared to the same period for the prior year, net of the effect of changes in foreign currency exchange rates, certain business acquisitions and divestitures. Organic revenue growth should be considered in addition to, and not as a replacement for or as a superior measure to, revenue growth reported in accordance with U.S. GAAP, and may not be comparable to similarly titled measures reported by other companies.
Reported revenue growth	Represents the percentage change in revenue reported in accordance with U.S. GAAP, as compared to the same period during the prior year.
SaaS	Software-as-a-service
SEC	U.S. Securities and Exchange Commission
Senior Note Agreements	Note purchase agreements for the private placement of senior notes, referred to as senior notes or long-term debt.
SOFR	The secured overnight financing rate as administered by the Federal Reserve Board of New York (or a successor administrator of the secured overnight financing rate).
U.S. GAAP	Accounting principles generally accepted in the United States of America
Water	Water, a reporting segment that provides water microbiology testing products.

IDEXX LABORATORIES, INC.
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PART I— FINANCIAL INFORMATION

Item 1. Financial Statements

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 401,590	\$ 453,932
Accounts receivable, net	533,606	457,445
Inventories	379,958	380,282
Other current assets	213,458	203,595
Total current assets	1,528,612	1,495,254
Long-Term Assets:		
Property and equipment, net	708,178	702,177
Operating lease right-of-use assets	119,526	115,499
Goodwill	408,023	365,961
Intangible assets, net	110,810	84,500
Other long-term assets	539,718	496,534
Total long-term assets	1,886,255	1,764,671
TOTAL ASSETS	\$ 3,414,867	\$ 3,259,925
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 117,468	\$ 110,643
Accrued liabilities	541,124	478,712
Credit facility	250,000	250,000
Current portion of long-term debt	170,112	74,997
Current portion of deferred revenue	37,998	37,195
Total current liabilities	1,116,702	951,547
Long-Term Liabilities:		
Deferred income tax liabilities	10,023	7,235
Long-term debt, net of current portion	524,743	622,883
Long-term deferred revenue, net of current portion	26,785	28,533
Long-term operating lease liabilities, net of current portion	102,965	99,671
Other long-term liabilities	53,396	65,526
Total long-term liabilities	717,912	823,848
Total liabilities	1,834,614	1,775,395
Commitments, Contingencies and Guarantees (Note 16)		
Stockholders' Equity:		
Common stock, \$ 0.10 par value: Authorized: 120,000 shares; Issued: 107,686 shares in 2024 and 107,506 shares in 2023; Outstanding: 82,477 shares in 2024 and 83,032 shares in 2023	10,769	10,751
Additional paid-in capital	1,625,451	1,569,565
Deferred stock units: Outstanding: 60 units in 2024 and 59 units in 2023	5,885	5,530
Retained earnings	4,883,448	4,444,571
Accumulated other comprehensive loss	(85,181)	(71,206)
Treasury stock, at cost: 25,209 shares in 2024 and 24,474 shares in 2023	(4,860,119)	(4,474,681)
Total stockholders' equity	1,580,253	1,484,530
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,414,867	\$ 3,259,925

The accompanying notes are an integral part of these condensed consolidated financial statements.

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Product revenue	\$ 577,272	\$ 540,680	\$ 1,120,321	\$ 1,046,622
Service revenue	426,306	402,950	847,352	797,203
Total revenue	1,003,578	943,630	1,967,673	1,843,825
Cost of Revenue:				
Cost of product revenue	180,642	179,999	357,412	353,609
Cost of service revenue	203,777	190,781	398,032	374,395
Total cost of revenue	384,419	370,780	755,444	728,004
Gross profit	619,159	572,850	1,212,229	1,115,821
Expenses:				
Sales and marketing	142,665	140,532	292,118	288,336
General and administrative	157,243	89,669	249,267	159,770
Research and development	55,450	46,505	108,085	91,172
Income from operations	263,801	296,144	562,759	576,543
Interest expense	(8,099)	(10,542)	(16,010)	(23,669)
Interest income	3,354	327	7,786	743
Income before provision for income taxes	259,056	285,929	554,535	553,617
Provision for income taxes	55,758	61,693	115,658	115,327
Net income	\$ 203,298	\$ 224,236	\$ 438,877	\$ 438,290
Earnings per Share:				
Basic	\$ 2.46	\$ 2.70	\$ 5.30	\$ 5.28
Diluted	\$ 2.44	\$ 2.67	\$ 5.24	\$ 5.22
Weighted Average Shares Outstanding:				
Basic	82,630	83,086	82,863	83,039
Diluted	83,393	83,983	83,684	83,980

The accompanying notes are an integral part of these condensed consolidated financial statements.

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 203,298	\$ 224,236	\$ 438,877	\$ 438,290
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(7,885)	1,752	(27,658)	6,010
Reclassification adjustment for defined benefit plans included in net income, net of tax of \$ 10 and \$ 29 in 2024 and \$ 34 and \$ 54 in 2023	53	178	147	297
Unrealized gain (loss) on Euro-denominated notes, net of tax expense (benefit) of \$ 224 and \$ 729 in 2024 and \$(110) and \$(575) in 2023	718	(353)	2,336	(1,843)
Unrealized gain on investments, net of tax expense (benefit) of \$ 0 and \$ 0 in 2024 and \$ 0 and \$ 2 in 2023	—	1	1	7
Reclassification adjustment on investments included in net income, net of tax of \$ 0 and \$ 51 in 2024 and \$ 0 and \$ 0 in 2023	—	—	163	—
Unrealized gain (loss) on derivative instruments:				
Unrealized gain (loss) on foreign currency exchange contracts, net of tax expense (benefit) of \$ 844 and \$ 3,096 in 2024 and \$ 46 and \$ 20 in 2023	2,298	(131)	8,146	(340)
Unrealized gain (loss) on cross currency swaps, net of tax expense (benefit) of \$ 417 and \$ 1,055 in 2024 and \$(553) and \$(940) in 2023	1,335	(1,776)	3,384	(3,016)
Unrealized gain on interest rate swap, net of tax expense (benefit) of \$ 214 and \$ 870 in 2024 and \$ 1,107 and \$ 1,093 in 2023	684	3,550	2,790	3,505
Reclassification adjustments for (gain) loss included in net income, net of tax (expense) benefit of \$(713) and \$(1,183) in 2024 and \$(127) and \$(244) in 2023	(1,987)	(271)	(3,284)	(489)
Unrealized gain (loss) on derivative instruments	2,330	1,372	11,036	(340)
Other comprehensive (loss) income, net of tax	(4,784)	2,950	(13,975)	4,131
Comprehensive income	\$ 198,514	\$ 227,186	\$ 424,902	\$ 442,421

The accompanying notes are an integral part of these condensed consolidated financial statements.

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share amounts)
(Unaudited)

	<u>Common Stock</u>						Accumulated		Total
	Number of	\$ 0.10 Par	Additional	Deferred	Retained	Accumulated	Other	Treasury	Stockholders'
	Shares	Value	Paid-in	Stock	Earnings	Comprehensive	(Loss) Income	Stock	Equity
Balance December 31, 2023	107,506	\$ 10,751	\$ 1,569,565	\$ 5,530	\$ 4,444,571	\$ (71,206)	\$ (4,474,681)	\$	1,484,530
Net income	—	—	—	—	235,579	—	—	—	235,579
Other comprehensive loss, net	—	—	—	—	—	(9,191)	—	—	(9,191)
Repurchases of common stock, net	—	—	—	—	—	—	—	(177,192)	(177,192)
Common stock issued under stock plans, including excess tax benefit	161	16	20,792	(28)	—	—	—	—	20,780
Share-based compensation cost	—	—	14,392	8	—	—	—	—	14,400
Balance March 31, 2024	107,667	\$ 10,767	\$ 1,604,749	\$ 5,510	\$ 4,680,150	\$ (80,397)	\$ (4,651,873)	\$	1,568,906
Net income	—	—	—	—	203,298	—	—	—	203,298
Other comprehensive loss, net	—	—	—	—	—	(4,784)	—	—	(4,784)
Repurchases of common stock, net	—	—	—	—	—	—	—	(208,246)	(208,246)
Common stock issued under stock plans, including excess tax benefit	19	2	5,358	—	—	—	—	—	5,360
Deferred stock activity	—	—	(375)	375	—	—	—	—	—
Share-based compensation cost	—	—	15,719	—	—	—	—	—	15,719
Balance June 30, 2024	107,686	\$ 10,769	\$ 1,625,451	\$ 5,885	\$ 4,883,448	\$ (85,181)	\$ (4,860,119)	\$	1,580,253

	<u>Common Stock</u>						Accumulated		Total
	Number of	\$ 0.10 Par	Additional	Deferred	Retained	Accumulated	Other	Treasury	Stockholders'
	Shares	Value	Paid-in	Stock	Earnings	Comprehensive	(Loss) Income	Stock	Equity
Balance December 31, 2022	107,193	\$ 10,719	\$ 1,463,215	\$ 5,182	\$ 3,599,529	\$ (77,796)	\$ (4,392,112)	\$	608,737
Net income	—	—	—	—	214,054	—	—	—	214,054
Other comprehensive income, net	—	—	—	—	—	1,181	—	—	1,181
Repurchases of common stock, net	—	—	—	—	—	—	—	(9,554)	(9,554)
Common stock issued under stock plans, including excess tax benefit	128	13	12,765	(25)	—	—	—	—	12,753
Share-based compensation cost	—	—	13,923	7	—	—	—	—	13,930
Balance March 31, 2023	107,321	\$ 10,732	\$ 1,489,903	\$ 5,164	\$ 3,813,583	\$ (76,615)	\$ (4,401,666)	\$	841,101
Net income	—	—	—	—	224,236	—	—	—	224,236
Other comprehensive income, net	—	—	—	—	—	2,950	—	—	2,950
Repurchases of common stock, net	—	—	—	—	—	—	—	(77)	(77)
Common stock issued under stock plans, including excess tax benefit	57	6	10,283	—	—	—	—	—	10,289
Deferred stock activity	—	—	(345)	345	—	—	—	—	—
Share-based compensation cost	—	—	15,356	6	—	—	—	—	15,362
Balance June 30, 2023	107,378	\$ 10,738	\$ 1,515,197	\$ 5,515	\$ 4,037,819	\$ (73,665)	\$ (4,401,743)	\$	1,093,861

The accompanying notes are an integral part of these condensed consolidated financial statements.

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net income	\$ 438,877	\$ 438,290
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	62,097	56,186
Impairment charge	250	—
Provision for credit losses	3,743	3,857
Deferred income taxes	(22,021)	(12,932)
Share-based compensation expense	30,119	29,292
Other	967	(157)
Changes in assets and liabilities:		
Accounts receivable	(82,981)	(61,158)
Inventories	(6,213)	(38,906)
Other assets and liabilities	18,783	(24,236)
Accounts payable	3,802	(4,155)
Deferred revenue	(526)	(1,855)
Net cash provided by operating activities	446,897	384,226
Cash Flows from Investing Activities:		
Purchases of property and equipment	(63,578)	(66,981)
Acquisitions of a business	(77,000)	—
Proceeds from net investment hedges	727	—
Net cash used by investing activities	(139,851)	(66,981)
Cash Flows from Financing Activities:		
Repayments under credit facility, net	—	(315,000)
Payments of acquisition-related holdbacks	—	(1,780)
Repurchases of common stock, net	(370,285)	—
Proceeds from exercises of stock options and employee stock purchase plans	26,241	23,086
Shares withheld for statutory tax withholding payments on restricted stock	(10,268)	(9,676)
Other	—	6,256
Net cash used by financing activities	(354,312)	(297,114)
Net effect of changes in exchange rates on cash	(5,076)	161
Net (decrease) increase in cash and cash equivalents	(52,342)	20,292
Cash and cash equivalents at beginning of period	453,932	112,546
Cash and cash equivalents at end of period	<u>\$ 401,590</u>	<u>\$ 132,838</u>
Supplemental Cash Flow Information:		
Cash paid for income taxes	\$ 90,918	\$ 97,127
Unpaid property and equipment, reflected in accounts payable and accrued liabilities	\$ 8,322	\$ 15,448

The accompanying notes are an integral part of these condensed consolidated financial statements.

IDEXX LABORATORIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements of IDEXX Laboratories, Inc. and its subsidiaries have been prepared in accordance with U.S. GAAP for interim financial information and with the requirements of Regulation S-X, Rule 10-01 for financial statements required to be filed as a part of this Quarterly Report on Form 10-Q. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "IDEXX," the "Company," "we," "our," or "us" refer to IDEXX Laboratories, Inc. and its subsidiaries.

The accompanying unaudited condensed consolidated financial statements include the accounts of IDEXX Laboratories, Inc. and our wholly-owned and majority-owned subsidiaries. We do not have any variable interest entities for which we are the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements reflect, in the opinion of our management, all adjustments necessary for a fair statement of our financial position and results of operations. All such adjustments are of a recurring nature. The condensed consolidated balance sheet data as of December 31, 2023, was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. The results of operations for the three and six months ended June 30, 2024, are not necessarily indicative of the results to be expected for the full year or any future period. These unaudited condensed consolidated financial statements should be read in conjunction with audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023, (the "2023 Annual Report").

The preparation of our condensed consolidated financial statements requires us to make estimates, judgments, and assumptions that may affect the reported amounts of assets, liabilities, equity, revenues, and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis we evaluate our estimates, judgments, and methodologies. We base our estimates on historical experience and on various other assumptions that we believe are reasonable, the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenues and expenses.

NOTE 2. ACCOUNTING POLICIES

Significant Accounting Policies

The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements as of and for the three and six months ended June 30, 2024, are consistent with those discussed in "Note 2. Summary of Significant Accounting Policies" to the consolidated financial statements in our 2023 Annual Report, and as updated below.

New Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within segment profit and loss. The amendments are effective for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024, with early adoption permitted, and will be applied retrospectively to all prior periods presented in the financial statements. The implementation of ASU 2023-07 is not expected to have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of income tax rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively. We are currently evaluating ASU 2023-09 to determine its impact on our consolidated financial statements.

NOTE 3. REVENUE

Revenues by Product and Service Categories and by Principal Geographic Areas

We present disaggregated revenue for our CAG segment based on major product and service categories. Our Water and LPD segments are comprised of a single major product category.

The following table presents revenue by major product and service categories:

(in thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
CAG segment revenue:				
CAG Diagnostics recurring revenue:	\$ 808,454	\$ 762,476	\$ 1,588,598	\$ 1,489,378
<i>IDEXX VetLab consumables</i>	325,348	303,735	642,277	594,849
<i>Rapid assay products</i>	103,290	97,340	189,605	179,372
<i>Reference laboratory diagnostic and consulting services</i>	347,373	330,106	691,711	653,286
<i>CAG Diagnostics services and accessories</i>	32,443	31,295	65,005	61,871
CAG Diagnostics capital - instruments	35,292	34,054	69,384	67,198
Veterinary software, services and diagnostic imaging systems:	78,552	70,122	153,601	137,355
<i>Recurring revenue</i>	63,117	53,725	122,817	105,432
<i>Systems and hardware</i>	15,435	16,397	30,784	31,923
CAG segment revenue	922,298	866,652	1,811,583	1,693,931
Water segment revenue	46,726	43,029	89,797	81,912
LPD segment revenue	30,306	29,911	58,511	59,119
Other segment revenue	4,248	4,038	7,782	8,863
Total revenue	<u>\$ 1,003,578</u>	<u>\$ 943,630</u>	<u>\$ 1,967,673</u>	<u>\$ 1,843,825</u>

The following table presents revenue by principal geographic area, based on customers' domiciles:

(in thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
United States	\$ 660,146	\$ 621,607	\$ 1,291,155	\$ 1,212,020
Europe, the Middle East and Africa	200,689	178,666	400,520	354,674
Asia Pacific Region	80,435	80,906	156,739	159,266
Canada	40,992	41,635	77,703	77,597
Latin America & Caribbean	21,316	20,816	41,556	40,268
Total revenue	<u>\$ 1,003,578</u>	<u>\$ 943,630</u>	<u>\$ 1,967,673</u>	<u>\$ 1,843,825</u>

Contracts with Multiple Performance Obligations

We enter into arrangements with multiple performance obligations where customers purchase a combination of IDEXX products and services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately requires significant judgment. We determine the transaction price for a contract based on the total consideration we expect to receive in exchange for the transferred goods or services. To the extent the transaction price includes variable consideration, such as volume rebates or expected price adjustments, we apply judgment in constraining the estimated variable consideration due to factors that may cause reversal of revenue recognized. We evaluate constraints based on our historical and projected experience with similar customer arrangements.

We allocate revenue to each performance obligation in proportion to the relative standalone selling prices, and recognize revenue when transfer of the related goods or services has occurred for each obligation. We utilize the observable standalone selling price when available, which represents the price charged for the promised product or service when sold separately. When standalone selling prices for our products or services are not directly observable, we determine the standalone selling prices using relevant information available and apply suitable estimation methods including, but not limited to, the cost

plus a margin approach. We recognize revenue as each performance obligation is satisfied, either at a point in time or over time, as described in the revenue categories above. We do not disclose information about remaining performance obligations that are part of arrangements with an original expected duration of one year or less.

The following customer arrangements represent our most significant customer contracts that contain multiple performance obligations:

Customer Commitment Arrangements. We offer customers incentives upon entering into multi-year arrangements to purchase annual minimum amounts of products and services.

Free or Discounted Instruments and Systems. Many of our customer commitment arrangements, such as our IDEXX 360 program, provide customers with free or discounted instruments or systems upon entering into multi-year arrangements to purchase annual minimum amounts of products and services. We allocate total consideration, including future committed purchases and expected price adjustments, based on relative standalone selling prices to identified performance obligations and recognize instrument revenue and cost at the time of installation and customer acceptance in advance of billing the customer, which is also when the customer obtains control of the instrument based on legal title transfer. Our right to future consideration related to instrument revenue is recorded as a contract asset within other current and long-term assets. The contract asset is transferred to accounts receivable when customers are billed for products and services over the term of the arrangement. We have determined that these arrangements do not include a significant financing component.

On December 31, 2023, our contract assets were \$ 223.1 million, of which approximately \$ 14.2 million and \$ 28.7 million was reclassified to accounts receivable when customers were billed for related products and services during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of new placements under commitment arrangements, net of subsequent amounts reclassified to accounts receivable and allowances established for credit losses, our contract assets were \$ 238.9 million as of June 30, 2024. We monitor customer purchases over the term of their arrangement to assess the realizability of our contract assets and review estimates of variable consideration. Impairments and revenue adjustments that relate to performance obligations satisfied in prior periods, including cumulative catch-up adjustments to revenue arising from contract modifications, during the three and six months ended June 30, 2024, were not material.

Up-Front Consideration Paid to Customers. We provide customers with incentives in the form of IDEXX Points upon entering into multi-year arrangements to purchase annual minimum amounts of future products and/or services. If a customer breaches their agreement, they are required to refund all or a portion of the up-front consideration, or make other repayments, remedial actions, or both. Up-front incentives to customers (previously referred to as "customer acquisition costs") in the form of IDEXX Points or, from time to time, cash, are not made in exchange for distinct goods or services and are capitalized as consideration paid to customers within other current and long-term assets, which are subsequently recognized as a reduction to revenue over the term of the customer arrangement. If these up-front incentives are subsequently utilized to purchase instruments, we allocate total consideration, including future committed purchases less up-front incentives and estimates of expected price adjustments, based on relative standalone selling prices, to identified performance obligations, and recognize instrument revenue and cost at the time of installation and customer acceptance. To the extent invoiced instrument revenue exceeds recognized instrument revenue, we record deferred revenue as a contract liability, which is subsequently recognized upon the purchase of products and services over the term of the contract. We have determined these arrangements do not include a significant financing component.

On December 31, 2023, our capitalized consideration paid to customers was \$ 168.9 million, of which approximately \$ 13.8 million and \$ 28.2 million was recognized as a reduction of revenue during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of new payments to customers, net of subsequent recognition, our capitalized consideration paid to customers was \$ 191.6 million as of June 30, 2024. We monitor customer purchases over the term of their arrangement to assess the realizability of our capitalized consideration paid to customers and review estimates of variable consideration. Impairments and revenue adjustments that relate to performance obligations satisfied in prior periods, including cumulative catch-up adjustments to revenue arising from contract modifications, during the three and six months ended June 30, 2024, were not material.

Rebate Arrangements. Our rebate arrangements provide customers the opportunity to earn future rebates based on the volume of products and/or services they purchase over the term of the arrangement. Rebate incentives are typically offered in multi-year arrangements that include customer commitments to purchase annual minimum amounts of products and services, or, to a lesser extent, are sometimes offered without future purchase commitments. We account for the customer's right to earn rebates on future purchases as a separate performance obligation and determine the standalone selling price based on an estimate of rebates the customer will earn over the term of the arrangement. Total consideration allocated to identified performance obligations is limited to goods and services that the customer is presently obligated to purchase and does not include estimates of future purchases that are optional. We allocate total consideration to identified performance obligations, including the customer's right to earn rebates on future purchases, which is deferred and subsequently recognized upon the purchase of products and/or services.

On December 31, 2023, our deferred revenue related to rebate and up-front consideration arrangements was \$ 32.9 million, of which approximately \$ 2.8 million and \$ 5.8 million was recognized when customers purchased eligible products and services during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of new customer purchases under rebate and up-front consideration arrangements, net of subsequent recognition, our deferred revenue was \$ 30.4 million as of June 30, 2024, of which approximately 18 %, 30 %, 23 %, 16 %, and 13 % are expected to be recognized during the remainder of 2024, the full years 2025, 2026, 2027, and thereafter, respectively.

For our customer commitment arrangements, we estimate future revenues related to multi-year arrangements to be approximately \$ 4.1 billion, of which approximately 14 %, 26 %, 23 %, 18 %, and 19 % are expected to be recognized during the remainder of 2024, the full years 2025, 2026, 2027, and thereafter, respectively. These future revenues relate to performance obligations not yet satisfied, for which customers have committed to future purchases, net of the expected revenue reductions from consideration paid to customers and expected price adjustments, and as a result, are lower than stated contractual commitments by our customers.

Instrument Rental Arrangements. Revenues from instrument rental and reagent rental arrangements are recognized either as operating leases on a ratable basis over the term of the arrangement or as sales-type leases at the time of installation and customer acceptance. Customers typically pay for the right to use instruments under rental arrangements in equal monthly amounts over the term of the rental arrangement. For some arrangements, customers are provided with the right to purchase the instrument at the end of the lease term. Our reagent rental arrangements provide customers the right to use our instruments upon entering into multi-year arrangements to purchase annual minimum amounts of consumables. These types of arrangements include an embedded lease for the right to use our instrument, and we determine the amount of lease revenue allocated to the instrument based on relative standalone selling prices. Lease revenues are presented in product revenue on our consolidated income statement. Lease revenue was approximately \$ 3.3 million and \$ 7.2 million for the three and six months ended June 30, 2024, respectively, compared to \$ 5.5 million and \$ 10.0 million for the three and six months ended June 30, 2023, respectively, including both operating leases and sales-type leases.

Sales-type Reagent Rental Arrangements. Our reagent rental arrangements that effectively transfer control of instruments to our customers are classified as sales-type leases, and we recognize instrument revenue and cost in advance of billing the customer, at the time of installation and customer acceptance. Our right to future consideration related to instrument revenue is recorded as a lease receivable within other current and long-term assets, and is transferred to accounts receivable when customers are billed for products and services over the term of the arrangement. On December 31, 2023, our lease receivable assets were \$ 23.1 million, of which approximately \$ 1.4 million and \$ 3.0 million was reclassified to accounts receivable when customers were billed for related products and services during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of new placements under sales-type reagent rental arrangements, net of subsequent amounts reclassified to accounts receivable, and allowances established for credit losses, our lease receivable assets were \$ 20.4 million as of June 30, 2024. The impacts of discounting and unearned income as of June 30, 2024, were not material. Profit and loss recognized at the commencement date and interest income during the three and six months ended June 30, 2024, were not material. We monitor customer purchases over the term of their arrangement to assess the realizability of our lease receivable assets. Impairments during the three and six months ended June 30, 2024, were not material.

Operating-type Reagent Rental Arrangements. Our reagent rental arrangements that do not effectively transfer control of instruments to our customers are classified as operating leases and we recognize instrument revenue and costs ratably over the term of the arrangement. The cost of the instrument is

capitalized within property and equipment. During the three and six months ended June 30, 2024, we transferred instruments of \$ 3.2 million and \$ 6.6 million, respectively, compared to \$ 4.8 million and \$ 8.6 million during the three and six months ended June 30, 2023, respectively, from inventory to property and equipment.

We estimate future revenue to be recognized related to our reagent rental arrangements of approximately \$ 64.0 million, of which approximately 13 %, 24 %, 21 %, 17 %, and 25 % are expected to be recognized during the remainder of 2024, and the full years 2025, 2026, 2027, and thereafter, respectively. These future revenues relate to performance obligations not yet satisfied for which customers have committed to future purchases, net of expected price adjustments, and as a result, may be lower than stated contractual commitments by our customers.

Deferred Extended Warranties and Post-Contract Support Revenue

On December 31, 2023, our deferred revenue related to extended warranties and post-contract support was \$ 26.0 million, of which approximately \$ 1.6 million and \$ 17.5 million was recognized during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of new arrangements, our deferred revenue related to extended warranties and post-contract support was \$ 25.7 million at June 30, 2024. We do not disclose information about remaining performance obligations that are part of contracts with an original expected duration of one year or less, and do not adjust for the effect of the financing components when the period between customer payment and revenue recognition is one year or less. Deferred revenue related to extended warranties and post-contract support with an original duration of more than one year was \$ 9.1 million at June 30, 2024, of which approximately 22 %, 37 %, 23 %, 10 %, and 8 % are expected to be recognized during the remainder of 2024, and the full years 2025, 2026, 2027, and thereafter, respectively. We have determined these arrangements do not include a significant financing component.

Costs to Obtain a Contract

On December 31, 2023, our deferred commission costs, included within other current and long-term assets, were \$ 19.7 million, of which approximately \$ 1.6 million and \$ 3.4 million of commission expense was recognized during the three and six months ended June 30, 2024, respectively. Furthermore, as a result of commissions related to new extended warranties and SaaS subscriptions, net of subsequent recognition, our deferred commission costs were \$ 19.6 million at June 30, 2024. Impairments of deferred commission costs during the three and six months ended June 30, 2024, respectively, were not material.

NOTE 4. ACQUISITIONS, ASSET PURCHASES AND INVESTMENTS

We believe that our acquisitions of businesses and other assets enhance our existing businesses by either expanding our geographic range, customer base, or existing product and service lines.

Business Combinations

On February 1, 2024, we acquired the assets of a privately-owned software and data platform business based in the U.S. that extends our practice management system cloud-native workflow and delivers strategic data solutions to our customers and their clients, for approximately \$ 81.1 million, including an estimated contingent payment of \$ 4.4 million. We estimate the fair values and the lives of the assets and liabilities acquired are as follows: completed technology of \$ 17.1 million, with a life of 6 years; customer relationship intangibles of \$ 12.5 million, with a life of 10 years; a non-compete agreement of \$ 4.7 million, with a life of 5 years; and a trademark of \$ 0.7 million, with a life of 10 years. We also recognized goodwill of \$ 45.8 million, which represents synergies with our software business, and \$ 0.3 million of net tangible assets, including accounts receivable. Goodwill related to this acquisition is expected to be deductible for tax purposes. Pro forma information has not been presented for this acquisition because such information is not material to the financial statements. The results of operations have been included in our CAG segment since the acquisition date. The purchase price allocation is subject to revision related to the settlement of working capital adjustments and tax-related matters. The acquisition expenses were not significant.

NOTE 5. SHARE-BASED COMPENSATION

The fair value of options, restricted stock units, deferred stock units, performance-based restricted stock units, and employee stock purchase rights awarded during the three and six months ended June 30, 2024, totaled \$ 4.6 million and \$ 70.2 million, respectively, as compared to \$ 3.3 million and \$ 60.6 million for the three and six months ended June 30, 2023, respectively. The total unrecognized compensation expense, net of estimated forfeitures, for unvested share-based compensation awards outstanding as of June 30, 2024, was \$ 95.6 million, which will be recognized over a weighted average period of approximately 1.7 years. During the three and six months ended June 30, 2024, we recognized share-based compensation expenses of \$ 15.7 million and \$ 30.1 million, respectively, as compared to \$ 15.4 million and \$ 29.3 million for the three and six months ended June 30, 2023, respectively.

During the first quarter of 2024, we granted approximately \$ 11.5 million of performance-based restricted stock units that are contingent upon our performance against pre-established financial performance metrics over a period beginning on January 1, 2024, and ending on December 31, 2026. Earned shares will vest on the later of the third anniversary of the grant date or the date of certification of our performance under the terms of the performance-based restricted stock units grant.

We determine the assumptions used in the valuation of option awards as of the date of grant. Differences in the expected stock price volatility, expected term, or risk-free interest rate may necessitate distinct valuation assumptions at each grant date. As such, we may use different assumptions for options granted throughout the year. Option awards are granted with an exercise price equal to or greater than the closing market price of our common stock at the date of grant. We have never paid any cash dividends on our common stock, and we have no intention to pay such a dividend at this time; therefore, we assume that no dividends will be paid over the expected terms of option awards.

The weighted averages of the valuation assumptions used to determine the fair value of each option award on the date of grant and the weighted average estimated fair values were as follows:

	For the Six Months Ended June 30,			
	2024		2023	
Expected stock price volatility	32	%	32	%
Expected term, in years		7.0		6.7
Risk-free interest rate	4.3	%	3.7	%
Weighted average fair value of options granted	\$	239.64	\$	201.37

NOTE 6. CREDIT LOSSES

We are exposed to credit losses primarily through our sales of products and services to our customers. We maintain allowances for credit losses for potentially uncollectible receivables. We base our estimates on a detailed analysis of specific customer situations and a percentage of our accounts receivable by aging category. Additionally, our estimates are developed based on historical credit loss experience, estimates of recoveries, current economic conditions, and future expectations.

Additional allowances may be required if either the financial condition of our customers were to deteriorate, or a strengthening U.S. dollar impacts the ability of foreign customers to make payments to us on their U.S. dollar-denominated purchases. We monitor our ongoing credit exposure through active review of counterparty balances against contract terms and due dates. Our activities include timely account reconciliations, dispute resolution, and payment confirmations. We may employ collection agencies and legal counsel to pursue recovery of defaulted receivables.

Account balances are charged off against the allowance when we believe it is probable the receivable will not be recovered. We may require collateralized asset support or a prepayment to mitigate credit risk. We do not have any off-balance sheet credit exposure related to our customers.

Accounts Receivable

The allowance for credit losses associated with accounts receivable was \$ 12.3 million and \$ 9.5 million as of June 30, 2024, and December 31, 2023, respectively. The amount of accounts receivable reflected on the balance sheet is net of this reserve. Based on an aging analysis, as of June 30, 2024, approximately 80 % of our accounts receivable had not yet reached the invoice due date, and approximately 20 % was considered past due, of which approximately 2.5 % was greater than 60 days past

due. As of December 31, 2023, approximately 83 % of our accounts receivable had not yet reached the invoice due date, and approximately 17 % was considered past due, of which approximately 1.7 % was greater than 60 days past due.

Contract Assets and Lease Receivables

The allowance for credit losses associated with contract assets and lease receivables was \$ 6.7 million and \$ 6.4 million as of June 30, 2024, and December 31, 2023, respectively. The assets reflected on the balance sheet are net of these reserves. Historically, we have experienced low credit loss rates on our customer commitment programs and lease receivables. We apply judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.

NOTE 7. INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The components of inventories were as follows:

<i>(in thousands)</i>	June 30, 2024	December 31, 2023
Raw materials	\$ 104,087	\$ 106,392
Work-in-process	32,042	28,989
Finished goods	243,829	244,901
Inventories	<u>\$ 379,958</u>	<u>\$ 380,282</u>

NOTE 8. LEASES

Maturities of operating lease liabilities were as follows:

(in thousands)

	June 30, 2024
2024 (remainder of year)	\$ 11,583
2025	26,307
2026	24,357
2027	19,580
2028	13,896
Thereafter	49,178
Total lease payments	144,901
Less imputed interest	(21,881)
Total	<u>\$ 123,020</u>

Total minimum future lease payments for leases that have not commenced as of June 30, 2024, are not material.

Supplemental cash flow information for leases was as follows:

(in thousands)

	For the Six Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 13,700	\$ 14,136
Right-of-use assets obtained in exchange for operating lease obligations, net of early lease terminations ⁽¹⁾	\$ 17,137	\$ 7,717

⁽¹⁾ Additions for the six months ended June 30, 2024, include \$ 1.0 million of right-of-use assets obtained in connection with a business acquisition in the first quarter of 2024.

NOTE 9. OTHER CURRENT AND LONG-TERM ASSETS

Other Current Assets

Other current assets consisted of the following:

<i>(in thousands)</i>	June 30, 2024	December 31, 2023
Contract assets, net ⁽¹⁾	\$ 58,714	\$ 55,111
Consideration paid to customers ⁽²⁾	59,626	54,081
Prepaid expenses	46,453	48,370
Taxes receivable	15,988	16,972
Other assets	32,677	29,061
Other current assets	<u>\$ 213,458</u>	<u>\$ 203,595</u>

⁽¹⁾ Contract assets, net, are net of allowances for credit losses. Refer to "Note 6. Credit Losses."

⁽²⁾ Refer to "Note 3. Revenue. Up-Front Consideration Paid to Customers" for more information regarding consideration paid to customers.

Other Long-Term Assets

Other long-term assets consisted of the following:

<i>(in thousands)</i>	June 30, 2024	December 31, 2023
Contract assets, net ⁽¹⁾	\$ 180,169	\$ 167,963
Consideration paid to customers ⁽²⁾	131,935	114,850
Deferred income taxes	126,057	107,364
Equity investments	30,000	30,250
Investments in long-term product supply arrangements	23,792	25,943
Other assets	47,765	50,164
Other long-term assets	<u>\$ 539,718</u>	<u>\$ 496,534</u>

⁽¹⁾ Contract assets, net, are net of allowances for credit losses. Refer to "Note 6. Credit Losses."

⁽²⁾ Refer to "Note 3. Revenue. Up-Front Consideration Paid to Customers" for more information regarding consideration paid to customers.

NOTE 10. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND OTHER LONG-TERM LIABILITIES**Accounts Payable - Supplier Financing Program**

We have an agreement with a third party to provide a supplier finance program, which facilitates participating suppliers' ability to finance payment obligations from us with a designated third-party financial institution. Participating suppliers may, at their sole discretion, make offers to finance one or more of our payment obligations prior to their scheduled due dates at a discounted price. Our obligations to our suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to finance amounts under these arrangements. The terms of payments are consistent with the terms of our trade payables. Activity related to the obligations is presented within operating activities on the unaudited consolidated statements of cash flows. The changes in our outstanding payment obligations under this arrangement, which are included in accounts payable on the unaudited condensed consolidated balance sheets, were as follows:

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Payment obligations outstanding at the beginning of the period	\$ 10,400	\$ 7,536	\$ 9,057	\$ 10,171
Payment obligation additions during the period	10,256	12,343	23,324	25,374
Payment obligations settled during the period	(11,909)	(14,484)	(23,634)	(30,150)
Payment obligations outstanding at the end of the period	\$ 8,747	\$ 5,395	\$ 8,747	\$ 5,395

Accrued Liabilities

Accrued liabilities consisted of the following:

(in thousands)	June 30, 2024	December 31, 2023
Accrued taxes	\$ 146,373	\$ 86,553
Accrued expenses	166,919	113,596
Accrued employee compensation and related expenses	124,018	174,375
Accrued customer incentives and refund obligations	83,759	84,386
Current lease liabilities	20,055	19,802
Accrued liabilities	\$ 541,124	\$ 478,712

Other Long-Term Liabilities

Other long-term liabilities consisted of the following:

(in thousands)	June 30, 2024	December 31, 2023
Accrued taxes	\$ 28,686	\$ 39,642
Other accrued long-term expenses	24,710	25,884
Other long-term liabilities	\$ 53,396	\$ 65,526

NOTE 11. DEBT

Credit Facility

At June 30, 2024, we had \$ 250.0 million in outstanding borrowings under our Credit Facility, all of which is the \$ 250.0 million Term Loan, with a weighted average effective interest rate of 6.3 %, excluding any impact of our interest rate swap. At December 31, 2023, we had \$ 250.0 million outstanding under our Credit Facility, all of which was the \$ 250.0 million Term Loan, with a weighted average effective interest rate of 6.0 %. At June 30, 2024, we had remaining borrowing availability of \$ 998.5 million under our \$ 1.25 billion Credit Facility. The funds available under the Credit Facility reflect a further reduction due to the issuance of letters of credit, which were primarily issued in connection with our workers' compensation insurance policy, for \$ 1.5 million.

The applicable interest rate for the Credit Facility is calculated at a per annum rate equal to either (at our option) (i) a prime rate plus a margin ranging from 0.0 % to 0.375 % based on our consolidated leverage ratio, (ii) an adjusted term SOFR rate, plus 0.10 %, plus a margin ranging from 0.875 % to 1.375 % based on our consolidated leverage ratio, or (iii) an adjusted daily simple SOFR rate, plus 0.10 %, plus a margin ranging from 0.875 % to 1.375 % based on our consolidated leverage ratio. In March 2023, we entered into an interest rate swap contract to manage the economic effect of \$ 250.0 million of variable interest borrowings under our Credit Facility. Refer to "Note 19. Hedging Instruments" for a discussion of our derivative instruments and hedging activity.

The Credit Facility contains affirmative, negative, and financial covenants customary for financings of this type. The negative covenants include restrictions on liens, indebtedness of subsidiaries of the Company, fundamental changes, investments, transactions with affiliates, and certain restrictive agreements. The sole financial covenant is a consolidated leverage ratio test that requires our ratio of debt to earnings before interest, taxes, depreciation, amortization, and share-based compensation, which is defined as the consolidated leverage ratio under the terms of the Credit Facility, not to exceed 3.5 -to- 1. As of June 30, 2024, we were in compliance with the covenants of the Credit Facility.

Senior Notes

The following describes all of our currently outstanding unsecured senior notes issued and sold in private placements (collectively, the "Senior Notes") as of June 30, 2024:

(Principal Amount in thousands)

Issue Date	Due Date	Series	Principal Amount	Coupon Rate	Senior Note Agreement
12/11/2013	12/11/2025	2025 Series B Notes	\$ 75,000	4.04 %	NY Life 2013 Note Agreement
9/4/2014	9/4/2026	2026 Senior Notes	\$ 75,000	3.72 %	NY Life 2014 Note Agreement
7/21/2014	7/21/2024	2024 Series B Notes	\$ 75,000	3.76 %	Prudential 2015 Amended Agreement
6/18/2015	6/18/2025	2025 Series C Notes	€ 88,857	1.785 %	Prudential 2015 Amended Agreement
2/12/2015	2/12/2027	2027 Series B Notes	\$ 75,000	3.72 %	MetLife 2014 Note Agreement
3/14/2019	3/14/2029	2029 Series C Notes	100,000	4.19 %	MetLife 2014 Note Agreement
4/2/2020	4/2/2030	MetLife 2030 Series D Notes	\$ 125,000	2.50 %	MetLife 2014 Note Agreement
4/14/2020	4/14/2030	Prudential 2030 Series D Notes	\$ 75,000	2.50 %	Prudential 2015 Amended Agreement

The Senior Note Agreements contain affirmative, negative, and financial covenants customary for agreements of this type. The negative covenants include restrictions on liens, indebtedness of our subsidiaries, priority indebtedness, fundamental changes, investments, transactions with affiliates, certain restrictive agreements, and violations of laws and regulations. The sole financial covenant is a consolidated leverage ratio test that requires our ratio of debt to earnings before interest, taxes, depreciation, amortization, and share-based compensation, as defined in the Senior Note Agreements, not to exceed 3.5 -to-1. As of June 30, 2024, we were in compliance with the covenants of the Senior Note Agreements.

NOTE 12. REPURCHASES OF COMMON STOCK

We primarily acquire shares of our common stock by repurchases in the open market. We also acquire shares that are surrendered by employees in payment for the minimum required statutory withholding taxes due on the vesting of restricted stock units and the settlement of deferred stock units, otherwise referred to herein as employee surrenders. We issue shares of treasury stock upon the vesting of certain restricted stock units and upon the exercise of certain stock options. The number of shares of treasury stock issued during the three and six months ended June 30, 2024, and 2023, was not material.

The Inflation Reduction Act of 2022 imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022, and is included in the cost of treasury stock acquired in open market repurchases.

The following is a summary of our open market common stock repurchases, reported on a trade date basis, and shares acquired through employee surrenders:

(in thousands, except per share amounts)	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Shares repurchased in the open market	415	—	718	—
Shares acquired through employee surrenders for statutory tax withholding	—	—	18	19
Total shares repurchased	415	—	736	19
Cost of shares repurchased in the open market	\$ 208,169	\$ —	\$ 375,271	\$ —
Cost of shares for employee surrenders	79	79	10,268	9,676
Total cost of shares	\$ 208,248	\$ 79	\$ 385,539	\$ 9,676
Average cost per share - open market repurchases	\$ 501.44	\$ —	\$ 522.32	\$ —
Average cost per share - employee surrenders	\$ 496.95	\$ 469.84	\$ 560.01	\$ 503.35
Average cost per share - total	\$ 501.44	\$ 469.84	\$ 523.26	\$ 503.35

NOTE 13. INCOME TAXES

Our effective income tax rate was 21.5 % for the three months ended June 30, 2024, compared to 21.6 % for the three months ended June 30, 2023, and 20.9 % for the six months ended June 30, 2024, compared to 20.8 % for the six months ended June 30, 2023. The decrease in our effective tax rate for the three months ended June 30, 2024, compared to the same period during the prior year, was primarily due to comparative tax rate benefits related to research and development tax credits and geographical income mix, partially offset by lower tax benefits related to share-based compensation. The increase in our effective tax rate for the six months ended June 30, 2024, compared to the same period during the prior year, was primarily driven by geographical income mix, partially offset by tax rate benefits related to research and development tax credits.

The effective tax rate for the three months ended June 30, 2024 was slightly higher than the U.S. federal statutory tax rate of 21% due to U.S. state taxes offset by tax benefits from share-based compensation. The effective tax rate for the six months ended June 30, 2024 was slightly lower than the U.S. federal statutory tax rate of 21% due to tax benefits from share-based compensation offset by U.S. state taxes.

NOTE 14. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in Accumulated Other Comprehensive Income ("AOCI"), net of tax, consisted of the following:

For the Six Months Ended June 30, 2024								
(in thousands)	Unrealized (Loss) Gain on Investments, Net of Tax	Unrealized Gain (Loss) on Cash Flow Hedges, Net of Tax		Unrealized Gain (Loss) on Net Investment Hedges, Net of Tax		Defined Benefit Plans, Net of Tax	Cumulative Translation Adjustment	Total
		Foreign Currency Exchange Contracts	Interest Rate Swap	Euro-Denominated Notes	Cross Currency Swaps			
Balance as of December 31, 2023	\$ (164)	\$ (2,397)	\$ 1,106	\$ 2,346	\$ 1,428	\$ (3,559)	\$ (69,966)	\$ (71,206)
Other comprehensive income (loss) before reclassifications	1	8,146	2,790	2,336	3,384	—	(27,658)	(11,001)
Reclassified from accumulated other comprehensive income	163	(1,808)	(1,476)	—	—	147	—	(2,974)
Balance as of June 30, 2024	<u>\$ —</u>	<u>\$ 3,941</u>	<u>\$ 2,420</u>	<u>\$ 4,682</u>	<u>\$ 4,812</u>	<u>\$ (3,412)</u>	<u>\$ (97,624)</u>	<u>\$ (85,181)</u>

For the Six Months Ended June 30, 2023								
(in thousands)	Unrealized Loss on Investments, Net of Tax	Unrealized Gain (Loss) on Cash Flow Hedges, Net of Tax		Unrealized Gain (Loss) on Net Investment Hedges, Net of Tax		Defined Benefit Plans, Net of Tax	Cumulative Translation Adjustment	Total
		Foreign Currency Exchange Contracts	Interest Rate Swap	Euro-Denominated Notes	Cross Currency Swaps			
Balance as of December 31, 2022	\$ (172)	\$ 839	\$ —	\$ 4,947	\$ 7,057	\$ (2,776)	\$ (87,691)	\$ (77,796)
Other comprehensive income (loss) before reclassifications	7	(340)	3,505	(1,843)	(3,016)	—	6,010	4,323
Reclassified from accumulated other comprehensive income	—	(273)	(216)	—	—	297	—	(192)
Balance as of June 30, 2023	<u>\$ (165)</u>	<u>\$ 226</u>	<u>\$ 3,289</u>	<u>\$ 3,104</u>	<u>\$ 4,041</u>	<u>\$ (2,479)</u>	<u>\$ (81,681)</u>	<u>\$ (73,665)</u>

The following table presents components and amounts reclassified out of AOCI to net income:

(in thousands)	Affected Line Item in the Statements of Income	Amounts Reclassified from AOCI			
		For the Three Months Ended June 30,		Amounts Reclassified from AOCI For the Six Months Ended June 30,	
		2024	2023	2024	2023
Foreign currency exchange contracts	Cost of revenue	\$ 1,721	\$ 115	\$ 2,531	\$ 450
	Tax expense	(480)	(60)	(723)	(177)
	Gain, net of tax	\$ 1,241	\$ 55	\$ 1,808	\$ 273
Interest rate swap contracts	Interest expense	\$ 979	\$ 283	\$ 1,936	\$ 283
	Tax expense	(233)	(67)	(460)	(67)
	Gain, net of tax	\$ 746	\$ 216	\$ 1,476	\$ 216
Investments	Other operating expense	\$ —	\$ —	\$ (214)	\$ —
	Tax benefit	—	—	51	—
	Loss, net of tax	\$ —	\$ —	\$ (163)	\$ —
Defined benefit plans	Cost of revenue and operating expenses	\$ (63)	\$ (212)	\$ (176)	\$ (351)
	Tax benefit	10	34	29	54
	Loss, net of tax	\$ (53)	\$ (178)	\$ (147)	\$ (297)

NOTE 15. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to our stockholders by the weighted average number of shares of common stock and vested deferred stock units outstanding during the year. The computation of diluted earnings per share is similar to the computation of basic earnings per share, except that the denominator is increased for the assumed exercise of dilutive options and assumed issuance of unvested restricted stock units and unvested deferred stock units using the treasury stock method unless the effect is anti-dilutive. The treasury stock method assumes that proceeds, including cash received from the exercise of employee stock options and the total unrecognized compensation expense for unvested share-based compensation awards, would be used to purchase our common stock at the average market price during the period. Vested deferred stock units outstanding are included in shares outstanding for basic and diluted earnings per share because the associated shares of our common stock are issuable for no cash consideration, the number of shares of our common stock to be issued is fixed, and issuance is not contingent. Refer to "Note 5. Share-Based Compensation" to the consolidated financial statements in our 2023 Annual Report for additional information regarding deferred stock units.

The following is a reconciliation of weighted average shares outstanding for basic and diluted earnings per share:

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Shares outstanding for basic earnings per share	82,630	83,086	82,863	83,039
Shares outstanding for diluted earnings per share:				
Shares outstanding for basic earnings per share	82,630	83,086	82,863	83,039
Dilutive effect of share-based payment awards	763	897	821	941
	83,393	83,983	83,684	83,980

Certain awards and options to acquire shares have been excluded from the calculation of shares outstanding for diluted earnings per share because they were anti-dilutive. The following table presents information concerning those anti-dilutive awards and options:

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted average number of shares underlying anti-dilutive awards	70	1	53	1
Weighted average number of shares underlying anti-dilutive options	474	397	440	371

NOTE 16. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

Refer to "Note 8. Leases" for more information regarding our lease commitments.

Contingencies

We are subject to claims that may arise in the ordinary course of business, including with respect to actual and threatened litigation and other matters. We accrue for loss contingencies when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated. However, the results of legal actions cannot be predicted with certainty, and therefore our actual losses with respect to these contingencies could exceed our accruals. Except for the litigation matter described below, as of June 30, 2024, our accruals with respect to actual and threatened litigation were not material.

We are a defendant in an ongoing litigation matter involving an alleged breach of contract for underpayment of royalty payments made from 2004 through 2017 under an expired patent license agreement. The plaintiff asserted a claim of approximately \$ 50.0 million, inclusive of interest through June 30, 2020, alleging that the incorrect royalty provision was applied to certain licensed products and services throughout the agreement term and that royalties were also due on non-licensed diagnostic services that were provided concurrently with licensed services. The trial court ruled in favor of the plaintiff in September 2020. The appellate court reversed the trial court's decision regarding the royalty payments in August 2022, and the state supreme court granted the plaintiff's petition for review. In June 2024, the state supreme court reversed the appellate court, reinstated the trial court decision regarding the royalty payments, and remanded the case to the appellate court to address the remaining issues, including issues related to applicable interest. We will continue to vigorously defend ourselves in this matter; however, litigation is inherently unpredictable, and we cannot predict with certainty the ultimate outcome, timing, or amount of actual loss for this matter. During the second quarter of 2024, we increased our previously established accrual of \$ 27.5 million relating to this matter to \$ 89.0 million, which represents our best estimate at this time of the amount of the probable loss, based on the current status of the case and associated estimated interest. The actual loss associated with this matter may be higher or lower than the amount we have accrued depending on the ultimate outcome of the case.

From time to time, we have received notices alleging that our products infringe third-party proprietary rights, although we are not aware of any pending litigation with respect to such claims. Patent litigation frequently is complex and expensive, and the outcome of patent litigation can be difficult to predict. There can be no assurance that we will prevail in any infringement proceedings that may be commenced against us. If we lose any such litigation, we may be stopped from selling certain products and/or we may be required to pay damages as a result of the litigation.

Guarantees

We enter into agreements with third parties in the ordinary course of business under which we are obligated to indemnify such third parties for and against various risks and losses. The precise terms of such indemnities vary with the nature of the agreement. In many cases, we limit the maximum amount of our indemnification obligations, but in some cases, those obligations may be theoretically unlimited. We have not incurred material expenses in discharging any of these indemnification obligations, and based on our analysis of the nature of the risks involved, we believe that the fair value of potential indemnification under these agreements is minimal. Accordingly, we have recorded no liabilities for these obligations as of June 30, 2024, and December 31, 2023.

NOTE 17. SEGMENT REPORTING

We operate primarily through three business segments: Companion Animal Group ("CAG"), water quality products ("Water"), and Livestock, Poultry and Dairy ("LPD"). CAG provides products and services for veterinarians and the biomedical research community, primarily related to diagnostics and information management. Water provides innovative testing solutions for the detection and quantification of various microbiological parameters in water. LPD provides diagnostic tests, services, and related instrumentation that are used to manage the health status of livestock and poultry, to improve producer efficiency, and to ensure the quality and safety of milk. Our Other operating segment combines and presents our human medical diagnostic business ("OPTI Medical") with our out-licensing arrangements because they do not meet the quantitative or qualitative thresholds for reportable segments. OPTI Medical develops, manufactures, and distributes human medical diagnostic products and services.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker ("CODM"), or decision-making group, in deciding how to allocate resources and in assessing performance. Our CODM is our Chief Executive Officer. Our reportable segments are CAG, Water, LPD, and Other. Assets are not allocated to segments for internal reporting purposes. Intersegment revenues, which are not included in the table below, were not material for the periods ended June 30, 2024, and 2023.

The following is a summary of segment performance:

<i>(in thousands)</i>					
For the Three Months Ended June 30,					
	CAG	Water	LPD	Other	Consolidated Total
2024					
Revenue	\$ 922,298	\$ 46,726	\$ 30,306	\$ 4,248	\$ 1,003,578
Income from operations	\$ 241,550	\$ 20,504	\$ 1,499	\$ 248	\$ 263,801
Interest expense, net					(4,745)
Income before provision for income taxes					259,056
Provision for income taxes					55,758
Net income					\$ 203,298
2023					
Revenue	\$ 866,652	\$ 43,029	\$ 29,911	\$ 4,038	\$ 943,630
Income from operations	\$ 275,509	\$ 19,820	\$ 1,951	\$ 1,136	\$ 296,144
Interest expense, net					(10,215)
Income before provision for income taxes					285,929
Provision for income taxes					61,693
Net income					\$ 224,236

(in thousands)

For the Six Months Ended June 30,

	CAG	Water	LPD	Other	Consolidated Total
2024					
Revenue	\$ 1,811,583	\$ 89,797	\$ 58,511	\$ 7,782	\$ 1,967,673
Income from operations	\$ 521,246	\$ 39,934	\$ 2,365	\$ (786)	\$ 562,759
Interest expense, net					(8,224)
Income before provision for income taxes					554,535
Provision for income taxes					115,658
Net income					\$ 438,877
2023					
Revenue	\$ 1,693,931	\$ 81,912	\$ 59,119	\$ 8,863	\$ 1,843,825
Income from operations	\$ 537,259	\$ 36,791	\$ 3,259	\$ (766)	\$ 576,543
Interest expense, net					(22,926)
Income before provision for income taxes					553,617
Provision for income taxes					115,327
Net income					\$ 438,290

Refer to "Note 3. Revenue" for a summary of disaggregated revenue by reportable segment and by major product and service category for the three and six months ended June 30, 2024, and 2023.

NOTE 18. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP requires an entity to maximize the use of observable inputs, where available, and minimize the use of unobservable inputs when measuring fair value.

We have certain financial assets and liabilities that are measured at fair value on a recurring basis, certain nonfinancial assets and liabilities that may be measured at fair value on a non-recurring basis, and certain financial assets and liabilities that are not measured at fair value in our unaudited condensed consolidated balance sheets but for which we disclose the fair value.

The fair value disclosures of these assets and liabilities are based on a three-level hierarchy, which is defined as follows:

- Level 1** Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. We did not have any transfers between Level 1 and Level 2, or transfers in or out of Level 3, of the fair value hierarchy during the three and six months ended June 30, 2024.

Our cross currency swap contracts are measured at fair value on a recurring basis in our accompanying unaudited condensed consolidated balance sheets and are classified as derivative instruments. We measure the fair value of our cross currency swap contracts using prevailing market conditions as of the close of business on each balance sheet date. The product of this calculation is then adjusted for counterparty risk.

Our foreign currency exchange contracts are measured at fair value on a recurring basis in our accompanying unaudited condensed consolidated balance sheets and are classified as derivative instruments. We measure the fair value of our foreign currency exchange contracts using an income approach, based on prevailing market forward exchange rates less the contract rate multiplied by the notional amount. The product of this calculation is then adjusted for counterparty risk.

Our interest rate swap contract is measured at fair value on a recurring basis in our accompanying unaudited condensed consolidated balance sheets and are classified as derivative instruments. We measure the fair value of our interest rate swap contract using current market interest rates for debt issues with similar remaining years to maturity, adjusted for applicable credit risk.

The amounts outstanding under our unsecured Credit Facility and Senior Notes ("long-term debt") are measured at carrying value in our unaudited condensed consolidated balance sheets though we disclose the fair value of these financial instruments. We determine the fair value of the amount outstanding under our Credit Facility and long-term debt using an income approach, utilizing a discounted cash flow analysis based on current market interest rates for debt issues with similar remaining years to maturity, adjusted for applicable credit risk. Our Credit Facility and long-term debt are valued using Level 2 inputs. The estimated fair value of our Credit Facility approximates its carrying value. The estimated fair value and carrying value of our long-term debt were \$ 668.0 million and \$ 695.1 million, respectively, as of June 30, 2024, and \$ 670.0 million and \$ 698.2 million, respectively, as of December 31, 2023.

The following tables set forth our assets and liabilities that were measured at fair value on a recurring basis by level within the fair value hierarchy:

(in thousands)

As of June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2024
Assets				
Money market funds ⁽¹⁾	\$ 249,822	\$ —	\$ —	\$ 249,822
Cross currency swaps ⁽³⁾	\$ —	\$ 1,215	\$ —	\$ 1,215
Foreign currency exchange contracts ⁽³⁾	\$ —	\$ 5,823	\$ —	\$ 5,823
Interest rate swap ⁽⁴⁾	\$ —	\$ 3,174	\$ —	\$ 3,174
Liabilities				
Cross currency swaps ⁽³⁾	\$ —	\$ 1,154	\$ —	\$ 1,154
Foreign currency exchange contracts ⁽³⁾	\$ —	\$ 807	\$ —	\$ 807
Contingent consideration	\$ —	\$ —	\$ 4,400	\$ 4,400

(in thousands)

As of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2023
Assets				
Money market funds ⁽¹⁾	\$ 290,807	\$ —	\$ —	\$ 290,807
Equity mutual funds ⁽²⁾	\$ 99	\$ —	\$ —	\$ 99
Cross currency swaps ⁽³⁾	\$ —	\$ 664	\$ —	\$ 664
Foreign currency exchange contracts ⁽³⁾	\$ —	\$ 1,783	\$ —	\$ 1,783
Interest rate swap ⁽⁴⁾	\$ —	\$ 1,451	\$ —	\$ 1,451
Liabilities				
Cross currency swaps ⁽³⁾	\$ —	\$ 5,041	\$ —	\$ 5,041
Foreign currency exchange contracts ⁽³⁾	\$ —	\$ 5,532	\$ —	\$ 5,532
Deferred compensation ⁽⁵⁾	\$ 99	\$ —	\$ —	\$ 99

- (1) Money market funds with an original maturity of less than ninety days are included within cash and cash equivalents. The remaining balance of cash and cash equivalents as of June 30, 2024, consists of demand deposits.
- (2) Equity mutual funds relate to a deferred compensation plan that was assumed as part of a previous business combination. This amount is included within other current assets. Refer to footnote (5) below for a discussion of the related deferred compensation liability. The obligations under the deferred compensation plan were completed in the first quarter of 2024.
- (3) Cross currency swaps and foreign currency exchange contracts are included within other current assets, other long-term assets, accrued liabilities, or other long-term liabilities depending on the gain (loss) position and anticipated settlement date.
- (4) Interest rate swap is included within other long-term assets.
- (5) A deferred compensation plan assumed as part of a previous business combination is included within accrued liabilities. The fair value of our deferred compensation plan is indexed to the performance of the underlying equity mutual funds discussed in footnote (2) above. The obligations under this plan were completed in the first quarter of 2024.

The estimated fair values of certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximate their respective carrying values due to their short maturity.

Contingent Consideration

We have classified our liabilities for contingent consideration related to acquisitions within Level 3 of the fair value hierarchy because the fair value is determined using significant unobservable inputs, which include the achievements of future revenues. The contingent consideration is included within other short-term and long-term liabilities. Changes in the estimated fair value of contingent consideration are recorded in the unaudited condensed consolidated statements of income.

The fair values of liabilities for contingent consideration for the three and six months ended June 30, 2024, and 2023, are as follows:

(in thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Contingent consideration at the beginning of the period	\$ 4,400	\$ 120	\$ —	\$ 120
Contingent consideration recorded from acquisition	—	—	4,400	—
Contingent consideration at the end of the period	<u>\$ 4,400</u>	<u>\$ 120</u>	<u>\$ 4,400</u>	<u>\$ 120</u>

Contingent consideration associated with a software business acquired during the first quarter of 2024 is based on the achievement of certain future revenue milestones during each annual period following the acquisition date, over a three-year period, and a cumulative revenue target for the three-year period, up to a maximum of \$ 30.0 million (undiscounted) payable in cash. The fair value of the contingent consideration liability for the 2024 acquisition was determined using a probability-weighted model. The balance at June 30, 2024, includes \$ 1.7 million recorded as a current liability for amounts expected to be paid within the next 12 months. Future revenue results are uncertain by nature and actual results may differ from estimates.

NOTE 19. HEDGING INSTRUMENTS

Disclosure within this note is presented to provide transparency about how and why we use derivative and non-derivative instruments (collectively “hedging instruments”), how the instruments and related hedged items are accounted for, and how the instruments and related hedged items affect our financial position, results of operations, and cash flows.

We are exposed to certain risks related to our ongoing business operations. We utilize hedging instruments to manage a portion of our foreign currency exchange risk and interest rate risk. To manage the impact of interest rate fluctuations associated with \$ 250.0 million of borrowings under our variable-rate Credit Facility, we entered into an interest rate swap in 2023. We have designated the interest rate swap as a cash flow hedge.

Our subsidiaries enter into foreign currency exchange contracts to manage the exchange risk associated with their forecasted intercompany inventory purchases and sales for the next year. From time to time, we may also enter into other foreign currency exchange contracts, cross currency swaps, or foreign-denominated debt issuances to minimize the impact of foreign currency fluctuations associated with specific balance sheet exposures, including net investments in certain foreign subsidiaries.

The primary purpose of our foreign currency hedging activities is to protect against the volatility associated with foreign currency transactions, including transactions denominated in the euro, British pound, Japanese yen, Canadian dollar, and Australian dollar. We also utilize natural hedges to mitigate our transaction and commitment exposures. Our corporate policy prescribes the range of allowable hedging activity. We enter into foreign currency exchange contracts with large well-capitalized multinational financial institutions, and we do not hold or engage in transactions involving derivative instruments for purposes other than risk management. Our accounting policies for these contracts are based on our designation of such instruments as hedging transactions.

We recognize all hedging instrument assets and liabilities at fair value at the balance sheet date. Instruments that do not qualify for hedge accounting treatment are recorded at fair value through earnings. To qualify for hedge accounting treatment, cash flow and net investment hedges must be highly effective in offsetting changes to expected future cash flows or fair value on hedged transactions. If the instrument qualifies for hedge accounting, changes in the fair value of the hedging instrument from the effective portion of the hedge are deferred in AOCI, net of tax, and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. We immediately record in earnings the extent to which a hedging instrument is not effective in achieving offsetting changes in fair value. We de-designate hedging instruments from

hedge accounting when the likelihood of the hedged transaction occurring becomes less than probable. For de-designated instruments, the gain or loss from the time of de-designation through maturity of the instrument is recognized in earnings. Any gain or loss in AOCI at the time of de-designation is reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Refer to "Note 14. Accumulated Other Comprehensive Income" for further information regarding the effect of hedging instruments on our unaudited condensed consolidated statements of income for the three and six months ended June 30, 2024, and 2023.

We enter into master netting arrangements with the counterparties to our derivative transactions, which permit certain outstanding receivables and payables to be offset in the event of default. Our derivative contracts do not require either party to post cash collateral. We elect to present our derivative assets and liabilities in the unaudited condensed consolidated balance sheets on a gross basis. All cash flows related to our foreign currency exchange contracts are classified as operating cash flows, which is consistent with the cash flow treatment of the underlying items being hedged.

Cash Flow Hedges

We have designated our foreign currency exchange contracts and our interest rate swap as cash flow hedges as these derivative instruments manage our exposure to variability in the cash flows of forecasted transactions attributable to foreign currency exchange and to interest rates on variable interest obligations under the terms of our Credit Facility. Unless noted otherwise, we have also designated our derivative instruments as qualifying for hedge accounting treatment.

We did not de-designate any instruments from hedge accounting treatment during the three and six months ended June 30, 2024, or 2023. As of June 30, 2024, the estimated amount of gains, net of tax, from our foreign exchange contracts which are expected to be reclassified out of AOCI and into earnings within the next 12 months is \$ 3.5 million if exchange rates do not fluctuate from the levels as of June 30, 2024. As of June 30, 2024, the estimated amount of gains, net of tax, from our interest rate swap contract which are expected to be reclassified out of AOCI and into earnings within the next twelve months is \$ 2.2 million if interest rates do not fluctuate from the levels as of June 30, 2024.

Foreign Currency Exchange Contracts: We target to hedge approximately 75 % to 85 % of the estimated exposure from intercompany product purchases and sales denominated in the euro, British pound, Canadian dollar, Japanese yen, and Australian dollar. We have additional unhedged foreign currency exposures related to intercompany foreign transactions and emerging markets where it is not practical to hedge. We primarily utilize foreign currency exchange contracts with durations of less than 24 months. Quarterly, we enter into contracts to hedge incremental portions of anticipated foreign currency transactions for the current and following year. As a result, our risk with respect to foreign currency exchange rate fluctuations and the notional value of foreign currency exchange contracts may vary throughout the year. The U.S. dollar is the currency purchased or sold in all of our foreign currency exchange contracts. The notional amount of foreign currency exchange contracts to hedge forecasted intercompany inventory purchases and sales totaled \$ 288.0 million and \$ 294.0 million as of June 30, 2024, and December 31, 2023, respectively.

Interest Rate Swap: We entered into an interest rate swap contract to manage the economic effect of variable interest obligations on amounts borrowed under the terms of the Credit Facility. Beginning on March 31, 2023, the variable interest rate associated with \$ 250.0 million of borrowings outstanding under the Credit Facility became effectively fixed at 3.9 % plus the applicable credit spread, through October 20, 2025.

The following table presents the effect of cash flow hedge accounting on our unaudited condensed consolidated statements of income and comprehensive income, and provides information regarding the location and amounts of pretax gains or losses of derivatives:

(in thousands)		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Financial statement line items in which effects of cash flow hedges are recorded					
	Cost of revenue	\$ 384,419	\$ 370,780	\$ 755,444	\$ 728,004
Foreign exchange contracts					
Amount of gain reclassified from accumulated other comprehensive income into net income					
		\$ 1,721	\$ 115	\$ 2,531	\$ 450
Financial statement line items in which effects of cash flow hedges are recorded					
	Interest expense	\$ (8,099)	\$ (10,542)	\$ (16,010)	\$ (23,669)
Interest rate swap contract					
Amount of gain reclassified from accumulated other comprehensive income into net income					
		\$ 979	\$ 283	\$ 1,936	\$ 283

Net Investment Hedges, Euro-Denominated Notes

In June 2015, we issued and sold through a private placement an aggregate principal amount of € 88.9 million in euro-denominated 1.785 % Series C Senior Notes due June 18, 2025. We have designated these euro-denominated notes as a hedge of our euro net investment in certain foreign subsidiaries to reduce the volatility in stockholders' equity caused by changes in foreign currency exchange rates in the euro relative to the U.S. dollar. As a result of this designation, gains and losses from the change in translated U.S. dollar value of these euro-denominated notes are recorded in AOCI rather than to earnings. We recorded gains of \$ 0.7 million and \$ 2.3 million, net of tax, within AOCI as a result of this net investment hedge for the three and six months ended June 30, 2024, respectively, and losses of \$ 0.4 million and \$ 1.8 million for the three and six months ended June 30, 2023, respectively. The related cumulative unrealized gain recorded as of June 30, 2024, will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated or all or a portion of the hedge no longer qualifies for hedge accounting treatment. Refer to "Note 13. Debt" to the consolidated financial statements included in our 2023 Annual Report for further information regarding the issuance of these euro-denominated notes.

Net Investment Hedges, Cross Currency Swaps

We have entered into cross currency swap contracts as a hedge of our net investment in foreign operations to offset foreign currency translation gains and losses on the net investment. These cross currency swaps have maturity dates beginning on June 30, 2025, through June 29, 2029.

At maturity of the cross currency swap contracts we will deliver the notional amount of € 15 million and will receive approximately \$ 17.5 million from the counterparties on June 18, 2025; we will deliver the notional amount of € 35 million and will receive \$ 37.8 million from the counterparties on March 31, 2028; we will deliver the notional amount of € 90 million and will receive \$ 98.2 million from the counterparties on June 30, 2028; and we will deliver the notional amount of € 20 million and will receive \$ 21.3 million from the counterparties on June 29, 2029. The changes in fair value of the cross currency swap contracts are recorded in AOCI and will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated. During the three and six months ended June 30, 2024, we recorded gains of \$ 1.3 million and \$ 3.4 million, net of tax, respectively, within AOCI as a result of these net investment hedges, and losses of \$ 1.8 million and \$ 3.0 million during the three and six months ended June 30, 2023, respectively. We will receive quarterly interest payments from the counterparties based on a fixed interest rate until maturity of the cross currency swaps. This interest rate component is excluded from the assessment of hedge effectiveness and is recognized as a reduction to interest expense over the life of the hedge instrument. We recognized approximately \$ 0.4 million and \$ 0.7 million related to the excluded component as a reduction of interest expense for the three and six months ended June 30, 2024, respectively, and \$ 0.8 million and \$ 1.5 million for the three and six months ended June 30, 2023, respectively.

Fair Values of Hedging Instruments Designated as Hedges in Consolidated Balance Sheets

The fair values of hedging instruments and their respective classification on our unaudited condensed consolidated balance sheets and amounts subject to offset under master netting arrangements consisted of the following derivative instruments, unless otherwise noted:

(in thousands)

		Hedging Assets	
		June 30, 2024	December 31, 2023
Derivatives and non-derivatives designated as hedging instruments	Balance Sheet Classification		
Foreign currency exchange contracts	Other current assets	\$ 5,150	\$ 1,783
Cross currency swaps	Other current assets	1,196	—
Interest rate swap contract	Other long-term assets	3,174	1,451
Foreign currency exchange contracts	Other long-term assets	673	—
Cross currency swaps	Other long-term assets	19	664
Total derivative instruments presented as hedging instruments on the balance sheet		10,212	3,898
Gross amounts subject to master netting arrangements not offset on the balance sheet		(775)	(1,783)
Net amount		\$ 9,437	\$ 2,115

(in thousands)

		Hedging Liabilities	
		June 30, 2024	December 31, 2023
Derivatives and non-derivatives designated as hedging instruments	Balance Sheet Classification		
Foreign currency exchange contracts	Accrued liabilities	\$ 701	\$ 5,532
Cross currency swaps	Other long-term liabilities	1,154	5,041
Foreign currency exchange contracts	Other long-term liabilities	106	—
Total derivative instruments presented as hedging instruments on the balance sheet		1,961	10,573
Non-derivative foreign currency denominated debt designated as net investment hedge on the balance sheet ⁽¹⁾	Long-term debt	95,122	98,187
Total hedging instruments presented on the balance sheet		97,083	108,760
Gross amounts subject to master netting arrangements not offset on the balance sheet		(775)	(1,783)
Net amount		\$ 96,308	\$ 106,977

(1) Amounts represent reported carrying amounts of our foreign currency-denominated debt. Refer to "Note 18. Fair Value Measurements" for information regarding the fair value of our long-term debt.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains statements which, to the extent they are not statements of historical fact, constitute "forward-looking statements." Such forward-looking statements about our business and expectations within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), include statements relating to, among other things, our expectations regarding revenue recognition timing and amounts; business trends, earnings and other measures of financial performance; projected impact of foreign currency exchange rates and hedging activities; realizability of assets; future cash flow and uses of cash; future repurchases of common stock; future levels of indebtedness and capital spending; the working capital and liquidity outlook; critical accounting estimates; deductibility of goodwill; inflation; and an ongoing litigation matter. Forward-looking statements can be identified by the use of words such as "expects," "may," "anticipates," "intends," "would," "will," "plans," "believes," "estimates," "should," "project," and similar words and expressions. These forward-looking statements are intended to provide our current expectations or forecasts of future events; are based on current estimates, projections, beliefs, and assumptions; and are not guarantees of future performance. Actual events or results may differ materially from those described in the forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, including, among other things, the adverse impact, and the duration, of macroeconomic events, conditions, and uncertainties, such as geopolitical instability (including wars, terrorist attacks, and armed conflicts), general economic uncertainty, inflationary pressures, severe weather and other natural conditions, and supply chain challenges on our business, results of operations, liquidity, financial condition, and stock price, as well as the other matters described under the headings "Business," "Risk Factors," "Legal Proceedings," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosure About Market Risk" in our 2023 Annual Report and in the corresponding sections of this Quarterly Report on Form 10-Q, and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, as well as those described from time to time in our other periodic reports filed with the SEC.

Any forward-looking statements represent our estimates only as of the day this Quarterly Report on Form 10-Q was filed with the SEC and should not be relied upon as representing our estimates as of any subsequent date. From time to time, oral or written forward-looking statements may also be included in other materials released to the public, and they are subject to the risk and uncertainties described or cross-referenced in this section. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates or expectations change.

You should read the following discussion and analysis in conjunction with our 2023 Annual Report that includes additional information about us, our results of operations, our financial position, and our cash flows, and with our unaudited condensed consolidated financial statements and related notes included in "Part I. Item 1. Financial Statements" of this Quarterly Report on Form 10-Q.

Our fiscal quarter ended on June 30. Unless otherwise stated, the analysis and discussion of our financial condition and results of operations below, including references to growth and organic growth and increases and decreases, are being compared to the equivalent prior-year periods.

Business Overview

We develop, manufacture, and distribute products and provide services primarily for the companion animal veterinary, livestock, poultry and dairy, and water testing sectors. We also design, manufacture, and distribute point-of-care for the human medical diagnostics sector. Our primary products and services are:

- Point-of-care veterinary diagnostic products, comprising instruments, consumables, and rapid assay test kits;
- Veterinary reference laboratory diagnostic and consulting services;
- Practice management and diagnostic imaging systems and services used by veterinarians;
- Health monitoring, biological materials testing, and laboratory diagnostic instruments, and services used by the biomedical research community;
- Diagnostic, health-monitoring products for livestock, poultry, and dairy;
- Products that test water for certain microbiological contaminants; and
- Point-of-care electrolytes and blood gas analyzers.

Description of Business Segments. We operate primarily through three business segments: diagnostic and information management-based products and services for the companion animal veterinary industry, which we refer to as the Companion Animal Group ("CAG"); water quality products ("Water"); and diagnostic products and services for livestock and poultry health and to ensure the quality and safety of milk and improve producer efficiency, which we refer to as Livestock, Poultry and

Dairy ("LPD"). Our Other operating segment combines and presents our human medical diagnostic products business ("OPTI Medical") with our out-licensing arrangements because they do not meet the quantitative or qualitative thresholds for reportable segments.

CAG develops, designs, manufactures, and distributes products and software, and performs services for veterinarians and the biomedical analytics sector, primarily related to diagnostics and information management. Water develops, designs, manufactures, and distributes a range of products used in the detection of various microbiological parameters in water. LPD develops, designs, manufactures, and distributes diagnostic tests and related software and performs services that are used to manage the health status of livestock and poultry, to improve bovine reproductive efficiency, and to ensure the quality and safety of milk. OPTI Medical develops, designs, manufactures, and distributes human medical diagnostics products.

Currency and Other Items

Currency Impact. Refer to "Part I, Item 3. Quantitative and Qualitative Disclosures about Market Risk" included in this Quarterly Report on Form 10-Q for additional information regarding the impact of foreign currency exchange rates.

Other Items. Refer to "Part I, Item 1. Business - Patents and Licenses" and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2023 Annual Report for additional information regarding trends in companion animal healthcare, distributor purchasing and inventories, economic conditions, and patent expiration.

Critical Accounting Estimates and Assumptions

The discussion and analysis of our financial condition and results of operations is based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The critical accounting policies and the significant judgments and estimates used in the preparation of our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2024, are consistent with those discussed in our 2023 Annual Report in the section under the heading "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates and Assumptions."

Recent Accounting Pronouncements

For more information regarding the impact that recent accounting standards and amendments will have on our consolidated financial statements, refer to Note 2 to the unaudited condensed consolidated financial statements in "Part I, Item 1. Financial Statements" of this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measures

The following revenue analysis and discussion focuses on organic revenue growth, and references in this analysis and discussion to "revenue," "revenues," or "revenue growth" are references to "organic revenue growth." Organic revenue growth is a non-GAAP financial measure and represents the percentage change in revenue during the three and six months ended June 30, 2024, as compared to the same period for the prior year, net of the effect of changes in foreign currency exchange rates, certain business acquisitions, and divestitures. Organic revenue growth should be considered in addition to, and not as a replacement for, or as a superior measure to, revenue growth reported in accordance with U.S. GAAP, and may not be comparable to similarly titled measures reported by other companies. 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 exclude from organic revenue growth the effect of changes in foreign currency exchange rates because changes in foreign currency exchange rates are not under management's control, are subject to volatility, and can obscure underlying business trends. We calculate the impact on revenue resulting from changes in foreign currency exchange rates by applying the difference between the weighted average exchange rates during the current year period and the comparable prior-year period to foreign currency denominated revenues for the prior-year period.

We also exclude from organic revenue growth the effect of certain business acquisitions and divestitures because the nature, size, and number of these transactions can vary dramatically from period to period, and because they either require or generate cash as an inherent consequence of the transaction, and therefore can also obscure underlying business and operating trends. We consider acquisitions to be a business when all three elements of inputs, processes, and outputs are present, consistent with ASU 2017-01, "*Business Combinations: (Topic 805) Clarifying the Definition of a Business* ." In a business combination, if substantially all the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, we do not consider these assets to be a business. A typical acquisition that we do not consider a business is a customer list asset acquisition, which does not have all elements necessary to operate a business, such as employees or infrastructure. We believe the efforts required to convert and retain these acquired customers are similar in nature to our existing customer base and therefore are included in organic revenue growth. The percentage change in revenue resulting from acquisitions represents revenues during the current year period, limited to the initial 12 months from the date of the acquisition, that are directly attributable to business acquisitions.

We also use Adjusted EBITDA, gross debt, net debt, gross debt to Adjusted EBITDA ratio, and net debt to Adjusted EBITDA ratio in this Quarterly Report on Form 10-Q, all of which are non-GAAP financial measures that should be considered in addition to, and not as a replacement for, financial measures presented according to U.S. GAAP. Management believes that reporting these non-GAAP financial measures provides supplemental analysis to help investors further evaluate our business performance and available borrowing capacity under our Credit Facility.

Results of Operations

Three Months Ended June 30, 2024, Compared to Three Months Ended June 30, 2023

Total Company. The following table presents total Company revenue by operating segment:

Net Revenue (dollars in thousands)	For the Three Months Ended June 30,			Reported Revenue Growth (1)	Percentage Change from Currency	Percentage Change from Acquisitions	Organic Revenue Growth (1)
	2024	2023	Dollar Change				
CAG	\$ 922,298	\$ 866,652	\$ 55,646	6.4 %	(0.7 %)	0.4 %	6.7 %
United States	628,684	594,395	34,289	5.8 %	—	0.5 %	5.2 %
International	293,614	272,257	21,357	7.8 %	(2.2 %)	—	10.1 %
Water	46,726	43,029	3,697	8.6 %	(0.9 %)	—	9.5 %
United States	24,461	21,208	3,253	15.3 %	—	—	15.3 %
International	22,265	21,821	444	2.0 %	(1.8 %)	—	3.8 %
LPD	30,306	29,911	395	1.3 %	(1.6 %)	—	2.9 %
United States	5,115	4,422	693	15.7 %	—	—	15.7 %
International	25,191	25,489	(298)	(1.2 %)	(1.8 %)	—	0.7 %
Other	4,248	4,038	210	5.2 %	—	—	5.2 %
Total Company	\$ 1,003,578	\$ 943,630	\$ 59,948	6.4 %	(0.7 %)	0.3 %	6.7 %
United States	660,146	621,607	38,539	6.2 %	—	0.5 %	5.7 %
International	343,432	322,023	21,409	6.6 %	(2.1 %)	—	8.8 %

(1) Reported revenue growth and organic revenue growth may not recalculate due to rounding.

Total Company Revenue. The increase in organic revenue reflects growth in CAG Diagnostics recurring revenue, including benefits from higher realized prices and increased volumes globally. Increases in our veterinary software and diagnostic imaging services, supported by higher volumes and price gains, also contributed to higher revenue. Higher revenue in our Water business was primarily due to higher realized prices and increased volumes in the U.S. and Europe. The increase in LPD revenue was primarily due to higher realized prices and to volume growth in North America, as well as in Europe. The overall change of foreign currency exchange rates decreased revenue growth by 0.7%. Acquisitions increased revenue growth by 0.3%.

The following table presents total Company results of operations:

Total Company - Results of Operations (dollars in thousands)	For the Three Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 1,003,578		\$ 943,630		\$ 59,948	6.4 %
Cost of revenue	384,419		370,780		13,639	3.7 %
Gross profit	619,159	61.7 %	572,850	60.7 %	46,309	8.1 %
Operating expenses:						
Sales and marketing	142,665	14.2 %	140,532	14.9 %	2,133	1.5 %
General and administrative	157,243	15.7 %	89,669	9.5 %	67,574	75.4 %
Research and development	55,450	5.5 %	46,505	4.9 %	8,945	19.2 %
Total operating expenses	355,358	35.4 %	276,706	29.3 %	78,652	28.4 %
Income from operations	\$ 263,801	26.3 %	\$ 296,144	31.4 %	\$ (32,343)	(10.9 %)

Gross Profit. Gross profit increased due to higher revenue and a 100 basis point increase in the gross profit margin. The increase in the gross profit margin reflected benefits from net price realization, offsetting inflationary cost impacts, software services gross margin gains, and favorable business mix. The overall change from foreign currency exchange rates increased the gross profit margin by approximately 10 basis points, including the impact of higher hedge gains during the current period compared to the prior period.

Operating Expenses. Sales and marketing expense increased primarily due to higher travel costs. General and administrative expense increased primarily due to a \$61.5 million expense related to an ongoing litigation matter, as well as higher outside service costs. Research and development expense increased primarily due to project costs and higher personnel-related costs. The overall change in foreign currency exchange rates was not significant to operating expense growth.

Companion Animal Group

The following table presents revenue by product and service category for CAG:

Net Revenue (dollars in thousands)	For the Three Months Ended June 30,			Reported Revenue Growth (¹)	Percentage Change from Currency	Percentage Change from Acquisitions	Organic Revenue Growth (¹)
	2024	2023	Dollar Change				
CAG Diagnostics recurring revenue:	\$ 808,454	\$ 762,476	\$ 45,978	6.0 %	(0.7 %)	—	6.7 %
<i>IDEXX VetLab consumables</i>	<i>325,348</i>	<i>303,735</i>	<i>21,613</i>	<i>7.1 %</i>	<i>(1.0 %)</i>	<i>—</i>	<i>8.1 %</i>
<i>Rapid assay products</i>	<i>103,290</i>	<i>97,340</i>	<i>5,950</i>	<i>6.1 %</i>	<i>(0.4 %)</i>	<i>—</i>	<i>6.5 %</i>
<i>Reference laboratory diagnostic and consulting services</i>	<i>347,373</i>	<i>330,106</i>	<i>17,267</i>	<i>5.2 %</i>	<i>(0.5 %)</i>	<i>—</i>	<i>5.8 %</i>
<i>CAG diagnostics services and accessories</i>	<i>32,443</i>	<i>31,295</i>	<i>1,148</i>	<i>3.7 %</i>	<i>(1.0 %)</i>	<i>—</i>	<i>4.7 %</i>
CAG Diagnostics capital - instruments	35,292	34,054	1,238	3.6 %	(1.2 %)	—	4.8 %
Veterinary software, services and diagnostic imaging systems	78,552	70,122	8,430	12.0 %	(0.1 %)	4.5 %	7.6 %
<i>Recurring revenue</i>	<i>63,117</i>	<i>53,725</i>	<i>9,392</i>	<i>17.5 %</i>	<i>(0.1 %)</i>	<i>5.9 %</i>	<i>11.7 %</i>
<i>Systems and hardware</i>	<i>15,435</i>	<i>16,397</i>	<i>(962)</i>	<i>(5.9 %)</i>	<i>(0.1 %)</i>	<i>—</i>	<i>(5.8 %)</i>
Net CAG revenue	\$ 922,298	\$ 866,652	\$ 55,646	6.4 %	(0.7 %)	0.4 %	6.7 %

(1) Reported revenue growth and organic revenue growth may not recalculate due to rounding.

CAG Diagnostics Recurring Revenue. The increase in CAG Diagnostics recurring revenue was primarily due to higher realized prices and, to a lesser extent, higher volumes. The impact of foreign currency exchange rates decreased CAG Diagnostics recurring revenue growth by 0.7%.

The increase in IDEXX VetLab consumables revenue was primarily due to higher price realization and, to a lesser extent, volume increases supported by the expansion of our installed base of instruments and our expanded menu of available tests. The overall change of foreign currency exchange rates decreased revenue growth by 1.0%.

The increase in rapid assay revenue resulted primarily from higher price realization, partially offset by lower volumes. The overall change of foreign currency exchange rates decreased revenue growth by 0.4%.

The increase in reference laboratory diagnostic and consulting services revenue was due to higher testing volumes, primarily in the U.S., and, to a lesser extent, Europe and Asia Pacific, and higher price realization. The overall change of foreign currency exchange rates decreased revenue growth by 0.5%.

The increase in CAG Diagnostics services and accessories revenue was primarily a result of the 11% growth in our active installed base of instruments. The impact of foreign currency exchange rates decreased revenue growth by 1.0%.

CAG Diagnostics Capital – Instrument Revenue. The increase in instrument revenue was primarily due to favorable sales mix and higher premium instrument placements, partially offset by program pricing effects. The overall change in foreign currency exchange rates decreased revenue growth by 1.2%.

Veterinary Software, Services and Diagnostic Imaging Systems Revenue. The increase in revenue was primarily due to higher recurring revenue from the expansion of our active installed base, resulting in higher subscription and support revenue, and higher realized prices. The decrease in our systems and hardware revenue was due to lower hardware sales associated with new software placements, which are primarily cloud-based. The overall change of foreign currency exchange rates decreased revenue growth by 0.1%. Acquisitions increased revenue growth by 4.5%.

The following table presents the CAG segment results of operations:

Results of Operations (dollars in thousands)	For the Three Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 922,298		\$ 866,652		\$ 55,646	6.4 %
Cost of revenue	353,227		340,943		12,284	3.6 %
Gross profit	569,071	61.7 %	525,709	60.7 %	43,362	8.2 %
Operating expenses:						
Sales and marketing	129,435	14.0 %	128,442	14.8 %	993	0.8 %
General and administrative	147,028	15.9 %	79,737	9.2 %	67,291	84.4 %
Research and development	51,058	5.5 %	42,021	4.8 %	9,037	21.5 %
Total operating expenses	327,521	35.5 %	250,200	28.9 %	77,321	30.9 %
Income from operations	\$ 241,550	26.2 %	\$ 275,509	31.8 %	\$ (33,959)	(12.3 %)

Gross Profit. Gross profit increased due to higher revenue and a 100 basis point increase in the gross profit margin. The increase in the gross profit margin reflected benefits from net price realization, offsetting inflationary cost impacts, software services gross margin gains, and favorable business mix. The overall change in foreign currency exchange rates on the gross profit margin was not significant.

Operating Expenses. Sales and marketing expense increased primarily due to higher travel costs, partially offset by lower compensation costs. General and administrative expense increased primarily due to a \$61.5 million expense related to an ongoing litigation matter, as well as higher outside service costs. Research and development expense increased primarily due to project costs and higher personnel-related costs. The overall change in foreign currency exchange rates was not significant to operating expense growth.

Water

The following table presents the Water segment results of operations:

Results of Operations (dollars in thousands)	For the Three Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 46,726		\$ 43,029		\$ 3,697	8.6 %
Cost of revenue	14,652		12,710		1,942	15.3 %
Gross profit	32,074	68.6 %	30,319	70.5 %	1,755	5.8 %
Operating expenses:						
Sales and marketing	5,971	12.8 %	5,228	12.1 %	743	14.2 %
General and administrative	4,324	9.3 %	4,028	9.4 %	296	7.3 %
Research and development	1,275	2.7 %	1,243	2.9 %	32	2.6 %
Total operating expenses	11,570	24.8 %	10,499	24.4 %	1,071	10.2 %
Income from operations	\$ 20,504	43.9 %	\$ 19,820	46.1 %	\$ 684	3.5 %

Revenue. The increase in revenue was primarily due to higher realized prices and higher volumes. The increase in volumes in U.S. and Europe is primarily from our Colilert test products and related accessories used in coliform and E. coli testing. The overall change of foreign currency exchange rates decreased revenue by approximately 0.9%.

Gross Profit. Gross profit increased due to higher revenue, partially offset by a 190 basis point decrease in the gross profit margin. The decrease in the gross profit margin was primarily due to higher product costs, partially offset by higher realized prices. The overall change from foreign currency exchange rates increased the gross profit margin by approximately 10 basis points, including the impact of higher hedge gains during the current period compared to the prior period.

Operating Expenses. Sales and marketing expense increased primarily due to higher personnel-related costs. General and administrative expense increased primarily due to an increase in bad debt expense. Research and development costs were relatively constant compared to the prior year. The overall change in foreign currency exchange rates resulted in a decrease in operating expense growth by approximately 1%.

Livestock, Poultry and Dairy

The following table presents the LPD segment results of operations:

Results of Operations (dollars in thousands)	For the Three Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 30,306		\$ 29,911		\$ 395	1.3 %
Cost of revenue	14,748		13,825		923	6.7 %
Gross profit	15,558	51.3 %	16,086	53.8 %	(528)	(3.3 %)
Operating expenses:						
Sales and marketing	6,988	23.1 %	6,440	21.5 %	548	8.5 %
General and administrative	4,179	13.8 %	4,675	15.6 %	(496)	(10.6 %)
Research and development	2,892	9.5 %	3,020	10.1 %	(128)	(4.2 %)
Total operating expenses	14,059	46.4 %	14,135	47.3 %	(76)	(0.5 %)
Income from operations	<u>\$ 1,499</u>	4.9 %	<u>\$ 1,951</u>	6.5 %	<u>\$ (452)</u>	(23.2 %)

Revenue. The increase in revenue was primarily due to higher realized prices, as well as higher volumes in North America and Europe, partially offset by lower testing levels in Asia Pacific. The overall change in foreign currency exchange rates decreased revenue growth by 1.6%.

Gross Profit. The decrease in gross profit was primarily due to a 250 basis point decrease in the gross profit margin, partially offset by higher revenue. The overall change from foreign currency exchange rates increased the gross profit margin approximately 70 basis points, including the impact of hedge gains during the current period compared to hedge losses during the prior period. Excluding the impact of foreign currency exchange rates, the decrease in the gross profit margin was primarily due to higher product costs, partially offset by higher realized prices.

Operating Expenses. Sales and marketing expense increased primarily due to increases in personnel-related costs. General and administrative expense decreased primarily due to lower personnel-related costs. Research and development costs decreased primarily due to lower project costs. The overall change in foreign currency exchange rates resulted in a decrease in operating expense growth by approximately 1%.

Other

The following table presents the Other results of operations:

Results of Operations (dollars in thousands)	For the Three Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 4,248		\$ 4,038		\$ 210	5.2 %
Cost of revenue	1,792		3,302		(1,510)	(45.7 %)
Gross profit	2,456	57.8 %	736	18.2 %	1,720	233.7 %
Operating expenses:						
Sales and marketing	271	6.4 %	422	10.5 %	(151)	(35.8 %)
General and administrative	1,712	40.3 %	1,229	30.4 %	483	39.3 %
Research and development	225	5.3 %	221	5.5 %	4	1.8 %
Total operating expenses	2,208	52.0 %	1,872	46.4 %	336	17.9 %
Income from operations	\$ 248	5.8 %	\$ (1,136)	(28.1 %)	\$ 1,384	(121.8 %)

Revenue. The increase in revenue was primarily due to higher realized prices of our OPTI Medical consumables, partially offset by lower instrument volumes.

Gross Profit. Gross profit increased primarily due to a 3,960 basis point increase in the gross profit margin. The increase in the gross profit margin was largely due to lower product costs, including a favorable comparison to prior-year costs associated with the discontinuation of OPTI COVID-19 PCR testing products. The overall change in foreign currency exchange rates did not have a significant impact on the gross profit margin.

Operating Expenses. Sales and marketing expense decreased due to lower compensation costs. General and administrative expense increased primarily due to higher foreign exchange losses on settlements of foreign currency denominated transactions compared to the prior year. Foreign exchange gains and losses on settlements for all operating segments are reported within Other.

Non-Operating Items

Interest Expense. Interest expense was \$8.1 million for the three months ended June 30, 2024, as compared to \$10.5 million for the same period during the prior year. The decrease in interest expense was primarily due to lower average debt levels and, to a lesser extent, lower interest rates. Interest income was \$3.4 million for the three months ended June 30, 2024, compared to \$0.3 million for the same period during the prior year. This increase in interest income is primarily due to the increase in money market investments, compared to the same period during the prior year.

Provision for Income Taxes. Our effective income tax rate was 21.5% for the three months ended June 30, 2024, compared to 21.6% for the three months ended June 30, 2023. The decrease in our effective tax rate was primarily due to comparative tax rate benefits related to research and development tax credits and geographical income mix, partially offset by lower tax benefits related to share-based compensation.

Results of Operations

Six Months Ended June 30, 2024, Compared to Six Months Ended June 30, 2023

Total Company. The following table presents total Company revenue by operating segment:

Net Revenue (dollars in thousands)	For the Six Months Ended June 30,			Reported Revenue Growth (⁽¹⁾)	Percentage Change from Currency	Percentage Change from Acquisitions	Organic Revenue Growth (⁽¹⁾)
	2024	2023	Dollar Change				
CAG	\$ 1,811,583	\$ 1,693,931	\$ 117,652	6.9 %	(0.3 %)	0.3 %	7.0 %
United States	1,230,879	1,158,922	71,957	6.2 %	—	0.5 %	5.7 %
International	580,704	535,009	45,695	8.5 %	(1.1 %)	—	9.7 %
Water	89,797	81,912	7,885	9.6 %	(0.4 %)	—	10.0 %
United States	46,660	41,128	5,532	13.5 %	—	—	13.5 %
International	43,137	40,784	2,353	5.8 %	(0.8 %)	—	6.6 %
LPD	58,511	59,119	(608)	(1.0 %)	(0.8 %)	—	(0.2 %)
United States	10,279	8,965	1,314	14.7 %	—	—	14.7 %
International	48,232	50,154	(1,922)	(3.8 %)	(1.0 %)	—	(2.9 %)
Other	7,782	8,863	(1,081)	(12.2 %)	—	—	(12.2 %)
Total Company	\$ 1,967,673	\$ 1,843,825	\$ 123,848	6.7 %	(0.4 %)	0.3 %	6.8 %
United States	1,291,155	1,212,020	79,135	6.5 %	—	0.4 %	6.1 %
International	676,518	631,805	44,713	7.1 %	(1.1 %)	—	8.1 %

(1) Reported revenue growth and organic revenue growth may not recalculate due to rounding.

Total Company Revenue. The increase in organic revenue reflects growth in CAG Diagnostics recurring revenue, including benefits from higher realized prices and increased volumes globally. Higher volumes and price gains in veterinary software and diagnostic imaging systems recurring revenue also contributed to higher revenue, supported by demand for subscription-based software. Higher revenue in our Water business was primarily due to the benefit of price increases and increased volume in the U.S. and certain international regions. The decline in our LPD business was primarily due to lower demand in China, partially offset by higher realized prices and volume growth in the U.S. and Europe. The decrease in Other revenue was primarily due to lower volumes of our OPTI Medical instruments and consumables. The overall change in foreign currency exchange rates decreased revenue growth by 0.4%. Acquisitions increased revenue growth by 0.3%.

The following table presents total Company results of operations:

Total Company - Results of Operations (dollars in thousands)	For the Six Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 1,967,673		\$ 1,843,825		\$ 123,848	6.7 %
Cost of revenue	755,444		728,004		27,440	3.8 %
Gross profit	1,212,229	61.6 %	1,115,821	60.5 %	96,408	8.6 %
Operating expenses:						
Sales and marketing	292,118	14.8 %	288,336	15.6 %	3,782	1.3 %
General and administrative	249,267	12.7 %	159,770	8.7 %	89,497	56.0 %
Research and development	108,085	5.5 %	91,172	4.9 %	16,913	18.6 %
Total operating expenses	649,470	33.0 %	539,278	29.2 %	110,192	20.4 %
Income from operations	\$ 562,759	28.6 %	\$ 576,543	31.3 %	\$ (13,784)	(2.4 %)

Gross Profit. Gross profit increased due to higher revenue and a 110 basis point increase in the gross profit margin. The increase in the gross profit margin reflected benefits from net price realization, offsetting inflationary cost impacts, lower instrument costs, software services gross margin gains, and favorable business mix. The overall change in foreign currency exchange rates on the gross profit margin was not significant.

Operating Expenses. Sales and marketing expense increased primarily due to higher travel costs and, to a lesser extent, higher personnel-related costs. General and administrative expense increased primarily due to a \$61.5 million expense related to an ongoing litigation matter, the comparison to the prior year benefit of a \$16 million customer contract resolution gain, and higher outside service costs. Research and development expense increased primarily due to project costs and higher personnel-related costs. The overall change in foreign currency exchange rates was not significant to operating expense growth.

Companion Animal Group

The following table presents revenue by product and service category for CAG:

Net Revenue (dollars in thousands)	For the Six Months Ended June 30,		Dollar Change	Reported Revenue Growth ⁽¹⁾	Percentage Change from Currency	Percentage Change from Acquisitions	Organic Revenue Growth ⁽¹⁾
	2024	2023					
CAG Diagnostics recurring revenue:	\$ 1,588,598	\$ 1,489,378	\$ 99,220	6.7 %	(0.3 %)	—	7.0 %
<i>IDEXX VetLab consumables</i>	<i>642,277</i>	<i>594,849</i>	<i>47,428</i>	<i>8.0 %</i>	<i>(0.5 %)</i>	<i>—</i>	<i>8.5 %</i>
<i>Rapid assay products</i>	<i>189,605</i>	<i>179,372</i>	<i>10,233</i>	<i>5.7 %</i>	<i>(0.2 %)</i>	<i>—</i>	<i>5.9 %</i>
<i>Reference laboratory diagnostic and consulting services</i>	<i>691,711</i>	<i>653,286</i>	<i>38,425</i>	<i>5.9 %</i>	<i>(0.2 %)</i>	<i>—</i>	<i>6.1 %</i>
<i>CAG diagnostics services and accessories</i>	<i>65,005</i>	<i>61,871</i>	<i>3,134</i>	<i>5.1 %</i>	<i>(0.7 %)</i>	<i>—</i>	<i>5.7 %</i>
CAG Diagnostics capital - instruments	69,384	67,198	2,186	3.3 %	(0.8 %)	—	4.0 %
Veterinary software, services and diagnostic imaging systems:	153,601	137,355	16,246	11.8 %	(0.1 %)	3.9 %	8.0 %
<i>Recurring revenue</i>	<i>122,817</i>	<i>105,432</i>	<i>17,385</i>	<i>16.5 %</i>	<i>(0.1 %)</i>	<i>5.1 %</i>	<i>11.5 %</i>
<i>Systems and hardware</i>	<i>30,784</i>	<i>31,923</i>	<i>(1,139)</i>	<i>(3.6 %)</i>	<i>(0.1 %)</i>	<i>—</i>	<i>(3.5 %)</i>
Net CAG revenue	\$ 1,811,583	\$ 1,693,931	\$ 117,652	6.9 %	(0.3 %)	0.3 %	7.0 %

(1) Reported revenue growth and organic revenue growth may not recalculate due to rounding.

CAG Diagnostics Recurring Revenue. The increase in CAG Diagnostics recurring revenue was primarily due to higher realized prices and, to a lesser extent, higher volumes. The impact of foreign currency exchange rates decreased CAG Diagnostics recurring revenue growth by 0.3%.

The increase in IDEXX VetLab consumables revenue was primarily due to higher price realization and, to a lesser extent, volume increases supported by the expansion of our installed base of instruments and our expanded menu of available tests. The overall change in foreign currency exchange rates decreased revenue growth by 0.5%.

The increase in rapid assay revenue resulted primarily from higher price realization, partially offset by lower volumes. The overall change in foreign currency exchange rates decreased revenue growth by 0.2%.

The increase in reference laboratory diagnostic and consulting services revenue was due to higher price realization and higher testing volumes, primarily in the U.S. and, to a lesser extent, Europe and Asia Pacific. The overall change in foreign currency exchange rates decreased revenue growth by 0.2%.

The increase in CAG Diagnostics services and accessories revenue was primarily a result of the 11% growth in our active installed base of instruments. The overall change in foreign currency exchange rates decreased revenue growth by 0.7%.

CAG Diagnostics Capital – Instrument Revenue. The increase in instrument revenue was primarily due to favorable sales mix and higher premium instrument placements, partially offset by program pricing effects. The overall change in foreign currency exchange rates decreased revenue growth by 0.8%.

Veterinary Software, Services and Diagnostic Imaging Systems Revenue. The increase in revenue was primarily due to higher realized prices and higher recurring revenue from the expansion of our active installed base, resulting in higher subscription and support revenue. The decrease in our systems and hardware revenue was due to lower hardware sales associated with new software placements, which are primarily cloud-based. The overall change in foreign currency exchange rates was not significant to revenue growth. Acquisitions increased revenue growth by 3.9%.

The following table presents the CAG segment results of operations:

Results of Operations (dollars in thousands)	For the Six Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 1,811,583		\$ 1,693,931		\$ 117,652	6.9 %
Cost of revenue	696,276		669,465		26,811	4.0 %
Gross profit	1,115,307	61.6 %	1,024,466	60.5 %	90,841	8.9 %
Operating expenses:						
Sales and marketing	266,338	14.7 %	264,038	15.6 %	2,300	0.9 %
General and administrative	228,831	12.6 %	140,988	8.3 %	87,843	62.3 %
Research and development	98,892	5.5 %	82,181	4.9 %	16,711	20.3 %
Total operating expenses	594,061	32.8 %	487,207	28.8 %	106,854	21.9 %
Income from operations	\$ 521,246	28.8 %	\$ 537,259	31.7 %	\$ (16,013)	(3.0 %)

Gross Profit. Gross profit increased due to higher revenue and a 110 basis point increase in the gross profit margin. The increase in the gross profit margin reflected benefits from net price realization, offsetting inflationary cost impacts, lower instrument costs, software services gross margin gains, and favorable business mix. The overall change in foreign currency exchange rates on the gross profit margin was not significant.

Operating Expenses. Sales and marketing expense increased primarily due to higher travel costs. General and administrative expense increased primarily due to a \$61.5 million expense related to an ongoing litigation matter, the comparison to the prior year benefit of a \$16 million customer contract resolution gain, and higher outside service costs. Research and development expense increased primarily due to project costs and higher personnel-related costs. The overall change in foreign currency exchange rates was not significant to operating expense growth.

Water

The following table presents the Water segment results of operations:

Results of Operations (dollars in thousands)	For the Six Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 89,797		\$ 81,912		\$ 7,885	9.6 %
Cost of revenue	27,226		24,325		2,901	11.9 %
Gross profit	62,571	69.7 %	57,587	70.3 %	4,984	8.7 %
Operating expenses:						
Sales and marketing	11,487	12.8 %	10,469	12.8 %	1,018	9.7 %
General and administrative	8,631	9.6 %	7,929	9.7 %	702	8.9 %
Research and development	2,519	2.8 %	2,398	2.9 %	121	5.0 %
Total operating expenses	22,637	25.2 %	20,796	25.4 %	1,841	8.9 %
Income from operations	\$ 39,934	44.5 %	\$ 36,791	44.9 %	\$ 3,143	8.5 %

Revenue. The increase in revenue was due to higher realized prices and higher volumes. The increase in volumes in U.S. and Europe was primarily from our Colilert test products and related accessories used in coliform and E. coli testing, which included a benefit in the first quarter from order timing delayed from the prior year, as well as higher Tecta instrument placements. The overall change in foreign currency exchange rates decreased revenue growth by 0.4%.

Gross Profit. Gross profit increased due to higher revenue, partially offset by a 60 basis point decrease in the gross profit margin. The decrease in the gross profit margin was primarily due to higher product costs, partially offset by higher realized prices. The overall change in foreign currency exchange rates increased the gross profit margin by approximately 10 basis points, including the impact of higher hedge gains during the current period compared to the prior period.

Operating Expenses. Sales and marketing expense increased primarily due to higher personnel-related costs. General and administrative expense increased primarily due to an increase in bad debt expense and higher personnel-related costs. Research and development expense increased primarily due to higher outside service costs. The overall change in foreign currency exchange rates was not significant to operating expense growth.

Livestock, Poultry and Dairy

The following table presents the LPD segment results of operations:

Results of Operations (dollars in thousands)	For the Six Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 58,511		\$ 59,119		\$ (608)	(1.0 %)
Cost of revenue	27,719		27,980		(261)	(0.9 %)
Gross profit	30,792	52.6 %	31,139	52.7 %	(347)	(1.1 %)
Operating expenses:						
Sales and marketing	13,727	23.5 %	12,900	21.8 %	827	6.4 %
General and administrative	8,487	14.5 %	8,876	15.0 %	(389)	(4.4 %)
Research and development	6,213	10.6 %	6,104	10.3 %	109	1.8 %
Total operating expenses	28,427	48.6 %	27,880	47.2 %	547	2.0 %
Income from operations	\$ 2,365	4.0 %	\$ 3,259	5.5 %	\$ (894)	(27.4 %)

Revenue. Revenue decreased primarily due to lower testing and herd health screening levels in Asia Pacific, partially offset by higher realized prices and volume increases in the U.S. and Europe. The overall change in foreign currency exchange rates decreased revenue growth by 0.8%.

Gross Profit. The decrease in gross profit was primarily due to lower revenues and, to a lesser extent, a 10 basis point decrease in the gross profit margin. The overall change in foreign currency exchange rates increased the gross profit margin by approximately 60 basis points, including the impact of hedge gains during the current period compared to hedge losses during the prior period. Excluding the impact of foreign currency exchange rates, the decrease in the gross profit margin was primarily due to higher product costs and unfavorable sales mix, partially offset by higher realized prices.

Operating Expenses. Sales and marketing expense increased primarily due to increases in personnel-related costs. General and administrative expense decreased primarily due to lower personnel-related costs. Research and development expense increased primarily due to higher personnel-related costs, partially offset by lower project costs. The overall change in foreign currency exchange rates resulted in a decrease in operating expense growth by less than 1%.

Other

The following table presents the Other results of operations:

Results of Operations (dollars in thousands)	For the Six Months Ended June 30,				Change	
	2024	Percent of Revenue	2023	Percent of Revenue	Amount	Percentage
Revenues	\$ 7,782		\$ 8,863		\$ (1,081)	(12.2 %)
Cost of revenue	4,223		6,234		(2,011)	(32.3 %)
Gross profit	3,559	45.7 %	2,629	29.7 %	930	35.4 %
Operating expenses:						
Sales and marketing	566	7.3 %	929	10.5 %	(363)	(39.1 %)
General and administrative	3,318	42.6 %	1,977	22.3 %	1,341	67.8 %
Research and development	461	5.9 %	489	5.5 %	(28)	(5.7 %)
Total operating expenses	4,345	55.8 %	3,395	38.3 %	950	28.0 %
Income from operations	\$ (786)	(10.1 %)	\$ (766)	(8.6 %)	\$ (20)	2.6 %

Revenue. The decrease in revenue was primarily due to lower volumes of our OPTI Medical instruments and consumables, partially offset by higher realized prices.

Gross Profit. Gross profit increased due to a 1,600 basis point increase in the gross profit margin, which offset lower revenue. The increase in the gross profit margin was primarily due to lower product costs, including a favorable comparison to prior-year costs associated with the discontinuation of OPTI COVID-19 PCR testing products, lower service costs, and higher realized prices. The overall change in foreign currency exchange rates did not have a significant impact on the gross profit margin.

Operating Expenses. Sales and marketing expense decreased due to lower compensation costs. General and administrative expense increased primarily due to higher foreign exchange losses on settlements of foreign currency denominated transactions compared to the prior year. Foreign exchange gains and losses on settlements for all operating segments are reported within Other.

Non-Operating Items

Interest Expense and Income. Interest expense was \$16.0 million for the six months ended June 30, 2024, compared to \$23.7 million for the same period during the prior year. The decrease in interest expense was primarily due to lower average debt levels and, to a lesser extent, lower interest rates. Interest income was \$7.8 million for the six months ended June 30, 2024, compared to \$0.7 million for the same period during the prior year. This increase in interest income is primarily due to the increase in money market investments, as compared to the same period during the prior year.

Provision for Income Taxes. Our effective income tax rate was 20.9% for the six months ended June 30, 2024, compared to 20.8% for the six months ended June 30, 2023. The increase in our effective tax rate was primarily driven by geographical income mix, partially offset by tax rate benefits related to research and development tax credits.

Liquidity and Capital Resources

We fund the capital needs of our business through cash on hand, funds generated from operations, proceeds from long-term senior note financings, and amounts available under our Credit Facility. We generate cash primarily through the payments made by customers for our companion animal veterinary, livestock, poultry, dairy, and water products and services, consulting services, and other various systems and services. Our cash disbursements are primarily related to compensation and benefits for our employees, inventory and supplies, taxes, research and development, capital expenditures, rents, occupancy-related charges, interest expense, and business acquisitions. As of June 30, 2024, we had \$401.6 million of cash and cash equivalents, compared to \$453.9 million as of December 31, 2023. Working capital totaled \$411.9 million as of June 30, 2024, compared to \$543.7 million as of December 31, 2023. As of June 30, 2024, we had a remaining borrowing availability of \$998.5 million under our \$1.25 billion Credit Facility, with \$250.0 million in outstanding borrowings under the Credit Facility. The general availability of funds under our Credit Facility is reduced by \$1.5 million for outstanding letters of credit. We believe that, if necessary, we could obtain additional borrowings to fund our growth objectives. We further believe that current cash and cash equivalents, funds generated from operations, and committed borrowing availability will be sufficient to fund our operations, capital purchase requirements, and anticipated growth needs for the next twelve months. We believe that these resources, coupled with our ability, as needed, to obtain additional financing, will also be sufficient to fund our business as currently conducted for the foreseeable future. We may enter into new financing arrangements or refinance or retire existing debt in the future depending on market conditions. Should we require more capital in the U.S. than is generated by our operations, for example, to fund significant discretionary activities, we could elect to raise capital in the U.S. through the incurrence of debt or equity issuances, which we may not be able to complete on favorable terms or at all. In addition, these alternatives could result in increased interest expense or other dilution of our earnings.

We manage our worldwide cash requirements considering available funds among all of our subsidiaries. Our foreign cash and cash equivalents are generally available without restrictions to fund ordinary business operations outside the U.S.

The following table presents cash and cash equivalents held domestically and by our foreign subsidiaries:

Cash and cash equivalents

<i>(dollars in thousands)</i>	June 30, 2024	December 31, 2023
U.S.	\$ 293,790	\$ 324,434
Foreign	107,800	129,498
Total	<u>\$ 401,590</u>	<u>\$ 453,932</u>
Total cash and cash equivalents held in U.S. dollars by our foreign subsidiaries	<u>\$ 8,104</u>	<u>\$ 13,170</u>

Of the \$401.6 million of cash and cash equivalents held as of June 30, 2024, approximately \$151.7 million was held as bank deposits at a diversified group of institutions, primarily systemically important banks, and \$249.8 million was held in a U.S. government money market fund. As of December 31, 2023, of the \$453.9 million of cash and cash equivalents held, \$163.1 million was held as bank deposits at a diversified group of institutions, primarily systemically important banks, and \$290.8 million was held in a U.S. government money market fund. Cash and cash equivalents as of June 30, 2024, included approximately USD \$1.0 million in cash denominated in non-U.S. currencies held in a country with currency control restrictions, which limit our ability to transfer funds outside of the country in which they are held. The currency control restricted cash is generally available for use within the country where it is held.

The following table presents additional key information concerning working capital:

	For the Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Days sales outstanding ⁽¹⁾	47.3	45.7	46.1	45.6	43.9
Inventory turns ⁽²⁾	1.4	1.3	1.3	1.3	1.3

(1) Days sales outstanding represents the average of the accounts receivable balances at the beginning and end of each quarter divided by revenue for that quarter, the result of which is then multiplied by 91.25 days.

(2) Inventory turns are calculated as the ratio of four times our inventory-related cost of revenue for the quarter, divided by the average inventory balances at the beginning and end of each quarter.

Sources and Uses of Cash

The following table presents cash provided (used):

(dollars in thousands)	For the Six Months Ended June 30,		
	2024	2023	Change
Net cash provided by operating activities	\$ 446,897	\$ 384,226	\$ 62,671
Net cash used by investing activities	(139,851)	(66,981)	(72,870)
Net cash used by financing activities	(354,312)	(297,114)	(57,198)
Net effect of changes in exchange rates on cash	(5,076)	161	(5,237)
Net change in cash and cash equivalents	<u>\$ (52,342)</u>	<u>\$ 20,292</u>	<u>\$ (72,634)</u>

Operating Activities. Cash provided by operating activities during the six months ended June 30, 2024, increased \$62.7 million, compared to the same period during the prior year, primarily due to the non-cash operating expense recorded as an accrued liability related to an ongoing litigation matter during the second quarter of 2024, as well as less cash used for inventory, partially offset by higher accounts receivables. The following table presents cash flow impacts from changes in operating assets and liabilities:

(dollars in thousands)	For the Six Months Ended June 30,		
	2024	2023	Change
Accounts receivable	\$ (82,981)	\$ (61,158)	\$ (21,823)
Inventories	(6,213)	(38,906)	32,693
Accounts payable	3,802	(4,155)	7,957
Deferred revenue	(526)	(1,855)	1,329
Other assets and liabilities	18,783	(24,236)	43,019
Total change in cash due to changes in operating assets and liabilities	<u>\$ (67,135)</u>	<u>\$ (130,310)</u>	<u>\$ 63,175</u>

Cash provided by changes in operating assets and liabilities during the six months ended June 30, 2024, compared to the same period during the prior year, increased \$63.2 million. The change in other assets and liabilities was primarily due to higher non-cash operating expenses recorded as accrued liabilities, including a \$61.5 million accrual charge related to an ongoing litigation matter recorded in the second quarter of 2024. This charge in other assets and liabilities was partially offset by higher annual employee incentive program payments during the current period, compared to the same period during the prior year and by an increase in consideration paid to customers. These increases in cash provided during the current period, compared to the prior year, also included a comparative benefit from the use of cash during the prior year for a \$15.0 million milestone payment to license intellectual property. The decrease in cash used by inventories was primarily due to planned inventory growth during the prior year to mitigate supply chain risks and support demand. The increase in cash used by accounts receivable was primarily due to higher revenue during the current period and an increase in days sales outstanding, in part due to extended payment terms negotiated by certain large customers.

We have historically experienced proportionally lower net cash flows from operating activities during the first quarter and proportionally higher cash flows from operating activities for the remainder of the year driven primarily by payments related to annual employee incentive programs in the first quarter following the year for which the bonuses were earned.

Investing Activities. Cash used by investing activities was \$139.9 million during the six months ended June 30, 2024, compared to \$67.0 million for the same period during the prior year. The increase in cash used by investing activities was primarily due to the acquisition of a software business during the current year.

Financing Activities. Cash used by financing activities was \$354.3 million during the six months ended June 30, 2024, compared to \$297.1 million of cash used for the same period during the prior year. The increase in cash used was primarily due to \$370.3 million of repurchases of our common stock during the current year, compared to no repurchases during the prior year. This increase was partially offset by no net borrowings or repayments under our Credit Facility during the current year, compared to repayments of \$315.0 million under our Credit Facility during the prior year.

We believe that the repurchase of our common stock is a favorable means of returning value to our stockholders, and we also repurchase our stock to offset the dilutive effect of our share-based compensation programs. Repurchases of our common stock may vary depending upon the level of other investing and deployment activities, as well as share price and prevailing interest rates. Refer to Note 12 to the unaudited condensed consolidated financial statements in "Part I. Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for additional information about our share repurchases.

As of June 30, 2024, we had \$250.0 million in outstanding borrowings under the Credit Facility. The obligations under our Credit Facility may be accelerated upon the occurrence of an event of default under the Credit Facility, which includes customary events of default including payment defaults, defaults in the performance of the affirmative, negative and financial covenants, the inaccuracy of representations or warranties, bankruptcy and insolvency-related defaults, defaults relating to judgments, certain events related to employee pension benefit plans under the Employee Retirement Income Security Act of 1974 ("ERISA"), the failure to pay specified indebtedness, cross-acceleration to specified indebtedness, and a change of control default. The Credit Facility contains affirmative, negative, and financial covenants customary for financings of this type. The negative covenants include restrictions on liens, indebtedness of subsidiaries of the Company, fundamental changes, investments, transactions with affiliates, and certain restrictive agreements. The financial covenant is a consolidated leverage ratio test.

On July 22, 2024, we paid off the aggregate principal amount of our \$75 million 2024 Series B Notes with cash on hand. We anticipate paying off the aggregate principal amounts of our €88.9 million 2025 Series C Notes, which will become due and payable on June 18, 2025, with available cash on hand at time of payment.

Should we elect to prepay any of our senior notes, such aggregate prepayment will include the applicable make-whole amount(s), as defined within the applicable Senior Note Agreements. Additionally, in the event of a change in control of the Company or upon the disposition of certain assets of the Company, the proceeds of which are not reinvested (as defined in the Senior Note Agreements), we may be required to prepay all or a portion of the senior notes. The obligations under the senior notes may be accelerated upon the occurrence of an event of default under the applicable Senior Note Agreements, each of which includes customary events of default including payment defaults, defaults in the performance of the affirmative, negative and financial covenants, the inaccuracy of representations or warranties, bankruptcy and insolvency-related defaults, defaults relating to judgments, certain events related to employee pension benefit plans under ERISA, the failure to pay specified indebtedness, cross-acceleration to specified indebtedness, and a change of control default.

Effect of Currency Translation on Cash. The net effect of changes in foreign currency exchange rates is related to changes in exchange rates between the U.S. dollar and the functional currencies of our foreign subsidiaries. These changes will fluctuate for each period presented as the value of the U.S. dollar relative to the value of foreign currencies changes. A currency's value depends on many factors, including interest rates and the issuing governments' debt levels and strength of economy.

Off-Balance Sheet Arrangements. We have no off-balance sheet arrangements or variable interest entities, except for letters of credit and third-party guarantees.

Financial Covenant. The sole financial covenant of our Credit Facility and Senior Note Agreements is a consolidated leverage ratio test that requires our ratio of debt to earnings before interest, taxes, depreciation and amortization, non-recurring transaction expenses incurred in connection with acquisitions, share-based compensation expense, and certain other non-cash losses and charges ("Adjusted EBITDA"), as defined in the Senior Note Agreement and Credit Facility, not to exceed 3.5-to-1. As of June 30, 2024, we were in compliance with such covenant. The following details our consolidated leverage ratio calculation:

(dollars in thousands)

		Twelve Months Ended June 30, 2024
Trailing 12 Months Adjusted EBITDA:		
Net income attributable to stockholders	\$	845,629
Interest expense		33,922
Provision for income taxes		216,465
Depreciation and amortization		120,819
Acquisition-related expense		288
Share-based compensation expense		60,566
Extraordinary and other non-recurring non-cash charges		1,734
Adjusted EBITDA	\$	1,279,423
Debt to Adjusted EBITDA Ratio:		
		June 30, 2024
Line of Credit	\$	250,000
Current and long-term portions of long-term debt		694,855
Total debt		944,855
Acquisition-related contingent consideration payable		4,687
Deferred financing costs		267
Gross debt	\$	949,809
Gross debt to Adjusted EBITDA ratio		0.74
Less: Cash and cash equivalents	\$	401,590
Net debt	\$	548,219
Net debt to Adjusted EBITDA ratio		0.43

Adjusted EBITDA, gross debt, net debt, gross debt to Adjusted EBITDA ratio, and net debt to Adjusted EBITDA ratio are non-GAAP financial measures which should be considered in addition to, and not as a replacement for, financial measures presented according to U.S. GAAP. Management believes that reporting these non-GAAP financial measures provides supplemental analysis to help investors further evaluate our business performance and available borrowing capacity under our Credit Facility.

Other Commitments, Contingencies and Guarantees

Significant commitments, contingencies, and guarantees as of June 30, 2024, are described in Note 16 to the unaudited condensed consolidated financial statements in "Part I. Item 1. Financial Statements" of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk affecting us, refer to the section under the heading “Part II. Item 7A. Quantitative and Qualitative Disclosure About Market Risk” of our 2023 Annual Report. As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the market risks described in our 2023 Annual Report, except for the impact of foreign exchange rates, as discussed below.

Foreign Currency Exchange Impacts. Approximately 21% of our consolidated revenue was derived from products manufactured in the U.S. and sold internationally in local currencies for both the three and six months ended June 30, 2024, as compared to approximately 21% for both the three and six months ended June 30, 2023. Strengthening of the U.S. dollar exchange rate relative to other currencies has a negative impact on our revenues derived in currencies other than the U.S. dollar and on profits of products manufactured in the U.S. and sold internationally, and a weakening of the U.S. dollar has the opposite effect. Similarly, to the extent that the U.S. dollar is stronger in current or future periods relative to the exchange rates in effect in the corresponding prior periods, our growth rate will be negatively affected. The impact of foreign currency denominated costs and expenses and foreign currency denominated supply contracts partially offsets this exposure. Additionally, our designated hedges of intercompany inventory purchases and sales help delay the impact of certain exchange rate fluctuations on non-U.S. dollar denominated revenues.

Our foreign currency exchange impacts on operating results are comprised of three components: 1) local currency revenues and expenses; 2) the impact of hedge contracts; and 3) intercompany and monetary balances for our subsidiaries that are denominated in a currency that is different from the functional currency used by each subsidiary.

The following table presents the estimated foreign currency exchange impact on our revenues, operating profit, and diluted earnings per share for the current period compared to the respective prior-year period:

	For the Three Months Ended		For the Six Months Ended June 30,	
	June 30,		2024	2023
	2024	2023	2024	2023
<i>(in thousands, except per share amounts)</i>				
Revenue decrease	\$ (7,109)	\$ (4,175)	\$ (6,862)	\$ (22,525)
Operating profit (decrease), excluding hedge activity and exchange impacts on settlement of foreign currency denominated transactions	\$ (3,811)	\$ (2,627)	\$ (3,638)	\$ (13,063)
Hedge gains - current period	1,721	115	2,531	450
Exchange losses on settlements of foreign currency denominated transactions - current period	(1,001)	(593)	(1,934)	(675)
Operating profit (decreases) - current period	\$ (3,091)	\$ (3,105)	\$ (3,041)	\$ (13,288)
Hedge gains - prior period	(115)	(5,781)	(450)	(8,017)
Exchange losses on settlement of foreign currency denominated transactions - prior period	593	832	675	1,607
Operating profit decrease - as compared to prior period	\$ (2,613)	\$ (8,054)	\$ (2,816)	\$ (19,698)
Diluted earnings per share decrease - as compared to prior period	\$ (0.02)	\$ (0.07)	\$ (0.02)	\$ (0.18)

At our current foreign exchange rate assumptions, we anticipate year-over-year changes for the remainder of the year, compared to the respective prior-year period, will reduce our revenues, operating profit, and diluted earnings per share by approximately \$12 million, \$3 million, and \$0.03 per share, respectively. These unfavorable currency impacts to our operating profit and diluted earnings per share include net year-over-year impacts of foreign currency hedging activity, which is expected to increase our total operating profit by approximately \$2 million and \$0.02 per share for the remainder of the year ending December 31, 2024. The actual impact of changes in the value of the U.S. dollar against foreign currencies in which we transact may materially differ from our expectations described above. The above estimates assume that the value of the U.S. dollar will reflect the euro at \$1.07, the British pound at \$1.26, the Canadian dollar at \$0.72, and the Australian dollar at \$0.66; and the Japanese yen at ¥163, the Chinese renminbi at RMB 7.38, and the Brazilian real at R\$5.55 relative to the U.S. dollar for the remainder of 2024.

Based on projected revenues and expenses for the remainder of 2024, excluding the impact of intercompany and trade balances denominated in currencies other than the functional subsidiary currencies, we project a 1% strengthening of the U.S. dollar would reduce revenue by approximately \$6 million and operating income by approximately \$2 million, net of hedge positions.

Interest Rate Risk and Effects of Inflation. We entered into an interest rate swap to manage the effect of variable interest obligations on amounts borrowed under the terms of the Credit Facility. Beginning on March 31, 2023, the variable interest rate associated with \$250.0 million of borrowings outstanding under the Credit Facility became effectively fixed at 3.9%, plus the applicable credit spread, through October 20, 2025. Borrowings outstanding under the Credit Facility at June 30, 2024, were \$250.0 million. We have designated the interest rate swap as a cash flow hedge. For more information regarding our interest rate swap, refer to "Part I, Item 1. Financial Statements, Note 19. Hedging Instruments."

During the three and six months ended June 30, 2024, we experienced inflationary pressure on our operating costs, and we expect to continue to face higher costs for labor, commodities, energy, and transportation, as well as increased prices from suppliers during the remainder of 2024. We may not be able to offset these higher costs through productivity initiatives and price increases, which may materially and adversely affect our business, results of operations, and financial condition. Any price increases we may impose may lead to declines in sales volume or loss of business, if competitors do not similarly adjust their prices, or customers refuse to purchase at the higher prices.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures, as defined by the SEC in its Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as amended (the "Exchange Act"). The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2024, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2024, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Due to the nature of our activities, we are at times subject to pending and threatened legal actions that arise out of the ordinary course of business. In the opinion of management, based in part upon advice of legal counsel, the disposition of any such currently pending or threatened matters is not expected to have a material effect on our results of operations, financial condition, or cash flows. However, the results of legal actions cannot be predicted with certainty. Therefore, it is possible that our results of operations, financial condition, or cash flows could be materially adversely affected in any particular period by the unfavorable resolution of one or more legal actions.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in “Part I. Item 1A. Risk Factors” in our 2023 Annual Report, which could materially affect our business, financial condition, or future results. There have been no material changes from the risk factors previously disclosed in the 2023 Annual Report. The risks described in our 2023 Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended June 30, 2024, we repurchased shares of common stock as described below:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share ⁽³⁾ (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾ (c)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾ (d)
April 1 to April 30, 2024	317,600	\$ 503.97	317,600	2,253,385
May 1 to May 31, 2024	67,640	\$ 489.76	67,640	2,185,745
June 1 to June 30, 2024	30,059	\$ 500.97	29,900	2,155,845
Total	415,299 ⁽²⁾		415,140	2,155,845

- (1) As of December 31, 2023, our Board of Directors had approved the repurchase of up to 73 million shares of our common stock in the open market or in negotiated transactions pursuant to the Company's share repurchase program. The share repurchase program was approved and announced on August 13, 1999, and the maximum number of shares that may be purchased under the share repurchase program has been increased by the Board of Directors on numerous occasions. There is no specified expiration date for this share repurchase program. There were no other repurchase programs outstanding during the three months ended June 30, 2024, and no share repurchase programs expired during the period. There were 415,140 share repurchases made during the three months ended June 30, 2024, in transactions made pursuant to our share repurchase program.
- (2) During the three months ended June 30, 2024, we received 159 shares of our common stock that were surrendered by employees in payment for the minimum required withholding taxes due on the vesting of restricted stock units. In the above table, these shares are included in columns (a) and (b), but excluded from columns (c) and (d). These shares do not reduce the number of shares that may yet be purchased under the share repurchase program.
- (3) Includes the nondeductible 1% excise tax for shares repurchased in the open market.

The total shares repurchased include shares surrendered for employee statutory tax withholding. Refer to Note 12 to the unaudited condensed consolidated financial statements in "Part I. Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for additional information about our share repurchases.

Item 5. Other Information

Rule 10b5-1 Trading Plan Elections

During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408(a) of Regulation S-K of the Securities Act of 1933).

The information below is reported in lieu of reporting in a Current Report on Form 8-K.

Disclosure Pursuant to Item 5.02 of Form 8-K: Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

As of August 2, 2024, we entered into a Third Amended and Restated Employment Agreement with Jonathan J. Mazelsky, our President and Chief Executive Officer (the "Amended Mazelsky Agreement"), and amended and restated change in control agreements with each of our named executive officers currently employed by us (other than Mr. Mazelsky) and our other senior executives (the "Change in Control Agreements").

The terms of the Amended Mazelsky Agreement and Change in Control Agreements remain substantially the same as Mr. Mazelsky's prior employment agreement and our senior executives' prior change in control agreements (which we previously referred to as executive employment agreements), respectively, except that:

- The definition of a "change in control" was modified to have the same meaning as set forth in our 2018 Stock Incentive Plan (provided that for any payment or benefits subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), a "change in control" must constitute a "change in control event" within the meaning of the applicable Treasury regulation);
- A provision was added that clarifies that any outstanding performance-based equity award will be subject to the terms and conditions set forth in the applicable equity award agreement upon the occurrence of a change in control;
- Provisions were added that reduce any potential "parachute payments" within the meaning of Section 280G of the Code that may become payable to the executive in the event of a change in control if such reduction results in a better after-tax outcome for the executive under Section 4999 of the Code;
- Certain other clarifying or technical modifications were incorporated; and
- The Amended Mazelsky Agreement reflects Mr. Mazelsky's current base salary of \$1,150,000 per year.

The foregoing description of the Amended Mazelsky Agreement and Change in Control Agreements is qualified in its entirety by reference to the Amended Mazelsky Agreement and form of change in control agreement, which are filed as Exhibits 10.3 and 10.4 hereto, and incorporated herein by reference.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed / Furnished Herewith
		Form	Exhibit	Filing Date / Period End Date	
Material contracts					
<u>10.1</u>	<u>Consulting Agreement effective May 7, 2024 by and between IDEXX Laboratories, Inc. and James F. Polewaczyk</u>	8-K	10.1	5/10/2024	
<u>10.2</u>	<u>Suspension of Rights Agreement dated May 2, 2024 to the Fourth Amended and Restated Credit Agreement, by and among the Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Toronto Agent and the Lenders from time to time party thereto</u>				X
<u>10.3**</u>	<u>Third Amended and Restated Employment Agreement, dated August 2, 2024, by and between the Company and Jonathan J. Mazelsky</u>				X
<u>10.4**</u>	<u>Form of Change in Control Agreement, by and between each of the Company's Executive Officers, other than the Chief Executive Officer</u>				X
<u>10.5**</u>	<u>Form of Employee Stock Option Agreement for grants in 2013 to 2015</u>				X
Rule 13a-14(a)/15-14(a) certifications					
<u>31.1</u>	<u>Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>				X
<u>31.2</u>	<u>Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>				X
<u>32.1</u>	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)</u>				X
<u>32.2</u>	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)</u>				X

Interactive data file

101	The following financial and related information from IDEXX Laboratories, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline eXtensible Business Reportable Language (iXBRL) includes: (i) the Condensed Consolidated Balance Sheet; (ii) the Condensed Consolidated Statement of Income; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statement of Changes in Stockholders' Equity; (v) the Condensed Consolidated Statement of Cash Flows; and, (vi) Notes to Consolidated Financial Statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL and contained in Exhibit 101.
**	Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IDEXX LABORATORIES, INC.

/s/ Brian P. McKeon

Date: August 6, 2024

Brian P. McKeon

Executive Vice President, Chief Financial Officer and
Treasurer

(Principal Financial Officer)

SUSPENSION OF RIGHTS AGREEMENT

To: JPMorgan Chase Bank, N.A., as Administrative Agent, and JPMorgan Chase Bank, N.A., Toronto Branch, as Toronto Agent

From: IDEXX LABORATORIES, INC., a Delaware corporation (the "Administrative Borrower"), IDEXX DISTRIBUTION, INC., a Massachusetts corporation ("IDEXX DISTRIBUTION"), IDEXX OPERATIONS, INC., a Delaware corporation ("IDEXX OPERATIONS"), OPTI MEDICAL SYSTEMS, INC., a Delaware corporation ("OPTI MEDICAL"), IDEXX LABORATORIES CANADA CORPORATION, a company formed under the laws of Canada ("IDEXX Canada"), IDEXX B.V., a besloten vennootschap met beperkte aansprakelijkheid incorporated under the laws of the Netherlands ("IDEXX BV"), IDEXX LABORATORIES B.V., a besloten vennootschap met beperkte aansprakelijkheid incorporated under the laws of the Netherlands ("IDEXX LABORATORIES BV"), and IDEXX LABORATORIES GMBH, a limited liability company formed under the laws of Switzerland ("IDEXX Switzerland") and collectively with the Administrative Borrower, IDEXX DISTRIBUTION, IDEXX OPERATIONS, OPTI MEDICAL, IDEXX Canada, IDEXX BV and IDEXX LABORATORIES BV, the "Borrowers")

Date: May 2, 2024

Ladies & Gentlemen

Reference is made to that certain Fourth Amended and Restated Credit Agreement, dated as of December 9, 2021, by and among the Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), JPMorgan Chase Bank, N.A., Toronto Branch, as Toronto Agent (in such capacity, the "Toronto Agent") and the Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

- 1 We are writing to you in your capacity as Administrative Agent and Toronto Agent, as applicable, under the Credit Agreement. Unless otherwise defined in this letter, terms defined in the Credit Agreement have the same meaning when used in this letter. The term "CAD CDOR Loans" in this letter shall mean loans that are borrowed in Canadian Dollars that use CDOR as an interest rate and the term "CAD Revolving Loans" in this letter shall mean loans that are borrowed in Canadian Dollars.
- 2 The Borrowers each acknowledge that Refinitiv Benchmark Services (UK) Limited, as administrator of the CDOR rate, has announced that it will cease publication of all tenors of CDOR after the publication on June 28, 2024 (the "**2024 CDOR Cessation**").
- 3 For good and valuable consideration, including delaying the incurrence of costs required to update the terms of the Credit Agreement in connection with the 2024 CDOR Cessation, and in lieu of amending or waiving any term of the Credit Agreement, each of the Borrowers agrees with effect from June 28, 2024 to suspend its following rights under the Credit Agreement:
 - a. Each of the Borrowers agrees that, notwithstanding anything to the contrary in the Loan Documents, (i) from and after July 1, 2024, CAD CDOR Loans shall not be available under the Credit Agreement and no Lender shall be obligated to participate in any Borrowing under the Credit Agreement of CAD CDOR Loans and, (ii) any and all outstanding CAD

CDOR Loans shall have been converted to a loan that uses the Canadian Prime Rate, or repaid or prepaid by the Borrowers on or before the later of (x) June 28, 2024 and (y) the end of the interest period for such CAD CDOR Loan (clause (a), the "Suspension of Rights"); and

- b. each of the Borrowers agrees that, if a notice or instruction is given under the Credit Agreement on or after June 28, 2024 that selects CDOR as the interest rate for a CAD Revolving Loan, such notice or instruction shall be deemed to be ineffective.
 - 4 The Suspension of Rights shall cease to have effect (and all rights of the Borrowers under the Credit Agreement in respect of the terms set out in paragraph 3 above in effect immediately prior to the Suspension of Rights shall be in full force and effect) following notice from each of the Borrowers to the Administrative Agent and the Toronto Agent, provided that, such notice shall only be effective if, prior to the date of such notice, amendments to the Credit Agreement to take account of the 2024 CDOR Cessation and to replace CDOR with a CORRA-based interest rate with respect to CAD Revolving Loans have become effective pursuant to and in accordance with the terms of the Credit Agreement.
 - 5 Each of the Borrowers agrees to indemnify and hold harmless the Administrative Agent, the Toronto Agent, and each other Indemnitee for any damage, loss, cost, liability, claim or reasonable expense whatsoever incurred (A) in connection with a breach or reasonably in anticipation of a potential breach, of any Borrower's agreements in paragraph 3(a) or (B) giving effect to the instruction of any Borrower in paragraph 3(b) above, unless directly caused by such Indemnitee's gross negligence or willful misconduct, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith breach of contract or willful misconduct of such Indemnitee or (y) result from claims by one Lender against another Lender which do not involve an act or omission of any Borrower or any Related Party of any Borrower (excluding claims against any Indemnitee in its capacity or fulfilling its role as an Agent, Swingline Lender, Arranger or an Issuing Bank hereunder).
 - 6 This letter is hereby designated as a Loan Document and we acknowledge that this letter will be posted to the IntraLinks™, DebtDomain, SyndTrak or ClearPar (or other Approved Electronic Platform) site established for Lenders for the Credit Agreement. We acknowledge and agree that each Lender under the Credit Agreement may rely on and shall be a third party beneficiary of this letter.
 - 7 Please sign and return to us the enclosed copy of this notice by way of your acknowledgement to the contents set out in this letter.
 - 8 This letter may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
 - 9 This letter has been duly executed and delivered by each of the Borrowers and constitutes a legal, valid and binding obligation of each of the Borrowers, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
 - 10 The provisions of Sections 10.6, 10.9 and 10.10 of the Credit Agreement shall apply, *mutatis mutandis*, to this letter.
[Signature Pages Follow]
-

Very truly yours,
IDEXX LABORATORIES, INC.

By: /s/ Brian P. McKeon
Name: Brian P. McKeon
Title: Chief Financial Officer
IDEXX DISTRIBUTION, INC.

By: /s/ Brian P. McKeon
Name: Brian P. McKeon
Title: Director
IDEXX OPERATIONS, INC.

By: /s/ Brian P. McKeon
Name: Brian P. McKeon
Title: Director
OPTI MEDICAL SYSTEMS, INC.

By: /s/ Brian P. McKeon
Name: Brian P. McKeon
Title: Director
IDEXX LABORATORIES CANADA CORPORATION

By: /s/ Brian P. McKeon
Name: Brian P. McKeon
Title: Director
IDEXX B.V.

By: /s/ Lily J. Lu
Name: Lily J. Lu
Title: Managing Director
IDEXX LABORATORIES B.V.

By: /s/ Lily J. Lu
Name: Lily J. Lu
Title: Managing Director
IDEXX LABORATORIES GMBH

By: /s/ Lily J. Lu
Name: Lily J. Lu
Title: Managing Officer

Agreed and accepted by:
JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ Charles W. Shaw
Name: Charles W. Shaw

Title: Executive Director
JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Toronto Agent

By: /s/ Jeffrey Coleman
Name: Jeffrey Coleman
Title: Executive Director

FORM OF CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT is made as of [], 20[] (this "Agreement"), by and between IDEXX Laboratories, Inc., a Delaware corporation (the "Company"), and _____ (the "Executive") [and amends and restates in its entirety the [Amended and Restated] Executive Employment Agreement by and between the Company and the Executive dated as of []].

The Compensation and Talent Committee of the Board of Directors of the Company (the "Committee") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company. The Committee believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives and in consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the Company and Executive agree as follows:

1. Certain Definitions.

(a) "Effective Date" shall mean the first date during the Change in Control Period (as defined below) on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) "Change in Control" shall have the meaning ascribed to such term in the Company's 2018 Stock Incentive Plan, as amended or amended and restated from time to time. Notwithstanding the foregoing, for any payments or benefits hereunder that are subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), a Change in Control must constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

(c) "Change in Control Period" shall mean the period commencing on the date hereof and ending on December 31, 2024; provided, that on each anniversary of such date (such date and each anniversary thereof shall be hereinafter referred to as the "Renewal Date"),

unless previously terminated, the Change in Control Period shall be automatically extended so as to terminate one year from such Renewal Date, unless at least 120 days prior to the Renewal Date the Company shall give notice to the Executive that the Change in Control Period shall not be so extended.

2. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the earlier of (a) the second anniversary of such date or (b) the termination of the Executive's employment pursuant to Section 4 hereof (the "Employment Period"). Except as provided in Section 1(a), nothing in this Agreement shall, prior to the Effective Date, impose upon the Company any obligation to retain the Executive as an employee. In addition, nothing in this Agreement shall restrict the Executive from terminating the Executive's employment with the Company, and no such termination by the Executive shall be deemed a breach of this Agreement.

3. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location that does not increase the Executive's one-way commute by more than 35 miles.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company or the terms of this Agreement. It is expressly understood and agreed that, to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i)Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its Affiliated Companies (as defined below) in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. The Executive's Annual Base Salary shall not be reduced after any such increase, and the term "Annual Base Salary," as utilized in this Agreement, shall refer to the Executive's Annual Base Salary as so increased. As used in this Agreement, the term "Affiliated Companies" shall include any company controlled by, controlling or under common control with the Company.

(ii)Annual Bonus. In addition to Annual Base Salary, during the Employment Period, the Executive shall be entitled to receive such annual bonus as may be determined by the Board of Directors of the Company (the "Board") or the Committee, as the case may be, but in no event shall the target bonus opportunity, expressed as a percentage of Annual Base Salary, be less than the target bonus opportunity in respect of the full fiscal year immediately preceding the Effective Date. Any annual bonus shall be paid no later than March 15 of the year following the year in which such bonus is earned; provided, that the Executive must be employed by the Company on the date of payment to be entitled to receive an Annual Bonus.

(iii)Incentive Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive plans, practices, policies and programs applicable generally to other peer executives of the Company and its Affiliated Companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliated Companies.

(iv)Welfare Benefit, Savings and Retirement Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit, savings and retirement plans, practices, policies and programs provided by the Company and its Affiliated Companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, split-dollar life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect

for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliated Companies.

(v)Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company in effect immediately prior to the Effective Date.

(vi)Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company and its Affiliated Companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliated Companies.

(c) Equity Awards.

(i)Time-Based Awards. Immediately prior to the consummation of a Change in Control, each then-outstanding award for common stock of the Company, including without limitation any stock option, stock appreciation right, restricted stock unit award, restricted stock award or other stock-based award, subject only to time-based vesting conditions (each, a "Time-Based Award"), held by the Executive shall become immediately exercisable, vested, realizable, or deliverable, or free from restrictions applicable to the Award as to 25% of the number of shares as to which each such Time-Based Award would otherwise be subject to restrictions or not then be exercisable, vested, realizable, or deliverable (rounded down to the nearest whole share) (such shares, the "Accelerated Shares"), and the number of shares as to which each such Time-Based Award shall become exercisable, vested, realizable, deliverable and free from restrictions on each vesting date set forth in the Executive's applicable award agreement shall be reduced proportionately by the Accelerated Shares. In addition, all such Time-Based Awards held by the Executive shall immediately become fully exercisable, vested, realizable, deliverable and free from restrictions if and when, within 24 months after a Change in Control, the Executive's employment with the Company (or the acquiring or succeeding entity) is involuntarily terminated by the Company (or such acquiring or succeeding entity) other than for Cause (as defined below) or is terminated by the Executive for Good Reason (as defined below). Notwithstanding the provisions of this Section 3(c)(i), if any such outstanding Time-Based Award is terminated in connection with a Change in Control, such award shall become fully exercisable, vested, realizable, deliverable and free from restrictions immediately before the occurrence of the Change in Control.

(ii)Performance-Based Awards. Notwithstanding anything to the contrary herein, each then-outstanding award for common stock of the Company, including without limitation any stock option, stock appreciation right, restricted stock unit award, restricted stock award or other stock-based award, subject to performance-based vesting conditions (each,

a "Performance-Based Award"), held by the Executive shall be subject to the terms and conditions set forth in the award agreement for such Performance-Based Award upon the occurrence of a Change in Control.

4. Termination of Employment

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 13(c) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"); provided, that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. Subject to Section 4(d), the Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) the willful failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), which failure is not cured within 30 days after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company.

(c) Good Reason. The Executive's employment may be terminated by the Executive with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean one or more of the following conditions arising without the consent of the Executive:

(i) a material diminution in the Executive's Annual Base Salary;

(ii) a material diminution in the Executive's authority, duties, or responsibilities[:provided, that, for the avoidance of doubt, if at any time, the Executive shall cease to be the [] of the Company, the entity surviving any Change in Control (if not the Company) or person that ultimately controls the Company or such surviving entity, then a

material diminution of the Executive's authority, duties, or responsibilities shall be deemed have occurred};

(iii)a material diminution in the budget over which the Executive retains authority;

(iv)a change in the geographic location at which the Executive must perform services that results in an increase in the one-way commute of the Executive by more than 35 miles; or

(v)any other action or inaction that constitutes a material breach by the Company of this Agreement.

(d) Notice of Termination.

(i)Any termination by the Company for Cause, or by the Executive for Good Reason, shall be effected by Notice of Termination to the other party hereto given in accordance with Section 13(c) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (A) indicates the specific termination provision in this Agreement relied upon, (B) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (C) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstances in enforcing the Executive's or the Company's rights hereunder.

(ii)Any Notice of Termination for Cause must be given within 60 days of the Board learning of the event(s) or circumstance(s) which the Board believes constitute(s) Cause. Prior to any Notice of Termination for Cause being given (and prior to any termination for Cause being effective), the Executive shall be entitled to a hearing before the Board at which the Executive may, at the Executive's election, be represented by counsel and at which the Executive shall have a reasonable opportunity to be heard. Such hearing shall be held on not less than 15 days prior written notice to the Executive stating the Board's intention to terminate the Executive for Cause and stating, in detail, the particular event(s) or circumstance(s) which the Board believes constitute(s) Cause for termination.

(iii)Any Notice of Termination for Good Reason must be given to the Company within 60 days of the initial existence of one or more conditions described in Section 4(c) which the Executive believes constitute(s) Good Reason. Upon such Notice of Termination for Good Reason, the Company shall be entitled to a period of 30 days during which it may remedy the condition(s) and not be required to pay benefits under this Agreement.

¹ For Brian McKeon, "Chief Financial Officer." For Sharon Underberg, "General Counsel."

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, subject, in the case of termination by the Company, for Cause, to the Company's compliance with Section 4(d)(ii) and in the case of termination by the Executive for Good Reason, to the Executive's compliance with Section 4(d)(iii); (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination; and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

5. Obligations of the Company Upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, Death or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the following amounts, subject, in each case, to Sections 10, 11 and 12 hereof:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the target bonus for the then current fiscal year and (y) a fraction, the numerator of which is the number of days in the then current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Average Annual Bonus. The Average Annual Bonus is equal to the average of the bonus paid (or payable) to the Executive for the three prior full fiscal years (or, if fewer, the number of full fiscal years the Executive was employed by the Company prior to the Effective Date); provided, that if the Executive was not eligible to participate in an annual bonus program for at least one full fiscal year, the Average Annual Bonus shall be the Executive's target bonus for the year in which termination of employment occurs.

(ii) for 24 months after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 3(b)(iv) of this Agreement (excluding any savings and/or retirement plans) if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its Affiliated Companies and their families, provided, that if the Executive

becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until 24 months after the Date of Termination and to have retired on the last day of such period;

(iii) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its Affiliated Companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(iv) the Company shall timely reimburse the Executive up to \$12,500 each year (an aggregate of \$25,000) for expenses incurred in connection with outplacement services and relocation costs incurred in connection with obtaining new employment outside the state of their then-current principal residence until the earlier of (i) 24 months following the termination of Executive's employment or (ii) the date the Executive secures full time employment.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (i) his or her Annual Base Salary through the Date of Termination, (ii) the amount of any compensation previously deferred by the Executive, and (iii) Other Benefits, in each case to the extent theretofore unpaid or not yet provided. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(e) Time of Payment. Amounts payable under this Section 5 following an Executive's termination of employment, other than those expressly payable on a deferred basis,

will be paid in the payroll period next following the payroll period in which termination of employment occurs, except as otherwise provided in Sections 10, 11 or 12.

6. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliated Companies and for which the Executive may qualify, nor, subject to Section 13(g), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its Affiliated Companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliated Companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

7. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive (under this Agreement or otherwise) or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, except as otherwise provided in this Agreement, such amounts shall not be reduced whether or not the Executive obtains other employment.

8. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliated Companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its Affiliated Companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement) ("Confidential Information"). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 8 constitute a basis for deferring or withholding any amounts or benefits otherwise payable or to be provided to the Executive under this Agreement. Nothing in this Agreement, any invention and non-disclosure agreement executed by and between the Executive and the Company, any non-compete agreement executed by and between the Executive and the Company, or any policy or procedure of the Company, shall be construed to prevent disclosure of Confidential Information as may be required or permitted by applicable law or regulation; especially with respect to a federal or state administrative agency (e.g., Equal Employment Opportunity Commission, equivalent state employment agency, Securities and Exchange Commission, etc.) and including as part of filing a charge or complaint with such federal or state administrative agency, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required or permitted by such law, regulation, or order. The Executive

does not need the prior authorization of, or to provide notice to, any representative of the Company to file a charge or complaint with, or otherwise participate in an investigation or proceeding that may be commenced by, a federal or state administrative agency. With respect, specifically, to an order of a court of competent jurisdiction, Executive will promptly provide the General Counsel of the Company with written notice of any such order. If the Company chooses to seek a protective order or other remedy, Executive will cooperate fully with the Company. If the Company does not obtain a protective order or other remedy or waives compliance with certain provisions of this Agreement, Executive will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use its best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Executive from exercising Executive's rights under Section 7 of the National Labor Relations Act (NLRA) or otherwise disclosing information as permitted by law. Nothing in this Agreement in any way prohibits or is intended to restrict or impede, the Executive's right to receive an award from any federal or state administrative agency for information provided under any protected whistleblower or similar program.

9. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid.

10. Section 409A.

(a) This Agreement is intended to comply with Section 409A of the Code and the regulations promulgated thereunder ("Section 409A") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any

payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(b) Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with the Executive's termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" within the meaning of Section 409A, then such payment or benefit shall not be paid until the first payroll date following the date that is six months from the Termination Date or, if earlier, on the Executive's death (the "Specified Employee Payment Date"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

(c) To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

11. Section 280G. The Executive hereby agrees to the terms set forth in Exhibit A to this Agreement.

12. Release. As a condition of receipt of any payments or benefits under Section 5 of this Agreement, the Executive (or, in the event of the Executive's termination due to death or Disability, the Executive's estate, beneficiaries or other representatives, as applicable) shall be required to sign a customary release prepared by and provided by the Company (the "Release") and to abide by the provisions thereof. The Release shall contain a release and waiver of any claims the Executive or the Executive's estate, beneficiaries and other representatives may have against the Company and its officers, directors, affiliates and/or representatives, and shall release those entities and persons from any liability for such claims including, but not limited to, all employment discrimination claims. Except as otherwise provided in Section 10, payments and benefits under Section 5 of this Agreement will be paid on the 90th day following the Executive's termination of employment, provided that the Executive has executed and submitted the Release and the statutory period during which the Executive is entitled to revoke the Release has expired on or before that 90th day without the Executive revoking the Release. Notwithstanding anything to the contrary herein, if the Executive fails to timely execute and submit the Release or the Executive revokes the Release after its timely execution and

submission, the Executive's right to receive any payments or benefits under Section 5 of this Agreement will be forfeited.

13. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(c) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, or by email, read receipt requested, addressed as follows (or such other addresses as specified by the parties by like notice):

If to the Executive:

at the address and e-mail on file in the Company's records.

If to the Company:

IDEXX Laboratories, Inc.
One IDEXX Drive
Westbrook, ME 04092
Attention: General Counsel
Email: GeneralCounsel@idexx.com

Notice and communications shall be effective when actually received by the addressee.

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation the right of the Executive to terminate employment for Good Reason pursuant to Section 4(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company, by written notice to the other, at any time prior to the Effective Date, in which case the Executive shall have no further rights or obligations under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(h) Any dispute, controversy or claim arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in Portland, Maine, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction. The Company and the Executive shall separately pay for their respective counsel fees and expenses and the arbitration panel shall allocate the costs and expenses of the arbitration between the Executive and the Company; provided, that if the Executive substantially prevails on a material item that was subject to arbitration, the Company shall bear all expenses and other costs of the arbitration and all reasonable attorneys' fees and expenses borne by the Executive.

(i) This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as otherwise provided herein, supersedes all prior communications, agreements and understandings, written or oral, with the Company or any of its affiliates or predecessors with respect to the terms and conditions of the Executive's employment. Notwithstanding the provisions of the preceding sentence, this Agreement does not supersede any agreement between the Executive and the Company regarding non-disclosure and developments or any non-competition agreement between the Executive and the Company. In addition, the Executive shall remain subject to the post-termination non-compete obligations under any non-compete agreement with the Company notwithstanding any terms of such agreement that would relieve the Executive of such obligations upon termination of the Executive's employment with the Company other than for Cause.

(j) This Agreement may be executed by .pdf or facsimile signatures, or any other electronic signatures (including without limitation DocuSign or AdobeSign), in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to authorization from the Committee, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE:

[NAME]

COMPANY:

IDEXX Laboratories, Inc.

By:

Name:

Title:

[Signature Page to Change in Control Agreement]

Exhibit A

Section 280G

This Exhibit A sets forth the terms and provisions applicable to the Executive as referenced in Section 11 of the agreement to which this Exhibit A is attached (the “Agreement”). This Exhibit A shall be subject in all respects to the terms and conditions of the Agreement. All capitalized terms that are used but not defined in this Exhibit A shall have the meanings ascribed to such terms in the Agreement.

(a) If the Executive would otherwise be eligible to receive a payment or benefit pursuant to the terms of the Agreement or any equity or equity-based compensation or other agreement with the Company or any subsidiary or otherwise in connection with, or arising out of, the Executive’s employment with the Company or any subsidiary or a change in ownership or effective control of the Company or of a substantial portion of its assets (any such payment or benefit, a “Parachute Payment”), that a nationally recognized United States public accounting firm selected by the Company (the “Accounting Firm”) determines, but for this sentence, would be subject to excise tax imposed by Section 4999 of the Code (the “Excise Tax”), subject to clause (c) below, then the Company shall pay to the Executive whichever of the following two alternative forms of payment would result in the Executive’s receipt, on an after-tax basis, of the greater amount of the Parachute Payment notwithstanding that all or some portion of the Parachute Payment may be subject to the Excise Tax: (1) payment in full of the entire amount of the Parachute Payment, or (2) payment of only a part of the Parachute Payment so that the Executive receives the largest payment possible without the imposition of the Excise Tax.

(b) If a reduction in the Parachute Payment is necessary pursuant to clause (a), then the reduction shall occur in the following order: (1) reduction of cash payments (with such reduction being applied to the payments in the reverse order in which they would otherwise be made, that is, later payments shall be reduced before earlier payments) and (2) cancellation of acceleration of vesting of equity or equity-based awards; provided, that to the extent permitted by Section 409A and Sections 280G and 4999 of the Code, if a different reduction procedure would be permitted without violating Section 409A or losing the benefit of the reduction under Sections 280G and 4999 of the Code, the Executive may designate a different order of reduction.

(c) For purposes of determining whether any of the Parachute Payments (collectively, the “Total Payments”) will be subject to the Excise Tax and the amount of such Excise Tax, (i) the Total Payments shall be treated as “parachute payments” within the meaning of Section 280G(b)(2) of the Code, and all “parachute payments” in excess of the “base amount” (as defined under Section 280G(b)(3) of the Code) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Accounting Firm, such Total Payments (in whole or in part): (1) do not constitute “parachute payments,” (2) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the “base amount,” or (3) are otherwise not subject to the Excise Tax, and (ii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accounting Firm in accordance with the principles of Section 280G of the Code.

(d) All determinations hereunder shall be made by the Accounting Firm, which determinations shall be final and binding upon the Company and the Executive.

(e) The federal tax returns filed by the Executive (and any filing made by a consolidated tax group which includes the Company) shall be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Tax, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of the Executive's federal income tax return as filed with the Internal Revenue Service, and such other documents reasonably requested by the Company, evidencing such payment (provided, that the Executive may delete information unrelated to the Parachute Payment or the Excise Tax and provided, further, that the Company at all times shall treat such returns as confidential and use such return only for purpose contemplated by this paragraph).

(f) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Executive shall permit the Company to control issues related to the Excise Tax (at its expense). In the event that the issues are interrelated to the Excise Tax, the Executive and the Company shall cooperate in good faith so as not to jeopardize resolution of either issue. In the event of any conference with any taxing authority as to the Excise Tax or associated income taxes, the Executive shall permit a representative of the Company to accompany the Executive, and the Executive and the Executive's representative shall cooperate in good faith with the Company and its representative.

(g) The Company shall be responsible for all charges of the Accounting Firm.

(h) The Company and the Executive shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Exhibit A.

(i) The provisions of this Exhibit A shall survive the termination of the Executive's employment with the Company for any reason and the termination of the Agreement.

**THIRD AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT**

THIS THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made as of August 2, 2024 (the "Effective Date") by and between IDEXX Laboratories, Inc., a Delaware corporation (the "Company"), and Jonathan (Jay) Mazelsky (the "Executive") and amends and restates in its entirety the Second Amended and Restated Employment Agreement by and between the Company and the Executive dated as of October 23, 2019.

WHEREAS, the Company desires to continue to employ the Executive as the President and Chief Executive Officer of the Company and wishes to acquire and be assured of the Executive's services on the terms and conditions hereinafter set forth; and

WHEREAS, the Executive desires to continue to be employed by the Company as President and Chief Executive Officer and to perform and to serve the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the Company and the Executive agree as follows:

1. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, in each case, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date, and ending on the date that the Executive's employment is terminated by either party to this Agreement in accordance with Section 3 hereof (the "Employment Period").
2. Terms of Employment.
 - (a) Position and Duties; Exclusivity.

(i) During the Employment Period, (A) the Executive shall serve as the Company's President and Chief Executive Officer, and in such other positions as an officer or director of the Company and its Affiliated Companies (as defined below) as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time, and shall report directly to the Board. In the Executive's position as President and Chief Executive Officer, the Executive shall perform such duties, functions and responsibilities during the Employment Period as are commensurate with such position, as reasonably and lawfully directed by the Board. During the Employment Period, the Executive shall serve also as a member of the Board. The Executive's principal place of employment shall be the Company's headquarters, which are currently in Westbrook, Maine. As used in this Agreement, the term "Affiliated Companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) During the Employment Period, the Executive agrees to devote substantially all of the Executive's business time and attention to the business and affairs of the

Company and its Affiliated Companies, shall faithfully serve the Company, and shall conform to and comply with the lawful and reasonable directions and instructions given to the Executive by the Board, consistent with Section 2(a)(i) hereof. During the Employment Period, the Executive shall use the Executive's best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, that the Executive may (A) serve any civic, charitable, educational or professional organization, provided that such service is approved by the Chairman of the Board and the Chair of the Governance and Corporate Responsibility Committee of the Board (the "G&CR Committee"), (B) serve on the board of directors of one for-profit business enterprise (other than the Company), provided that such service is approved by the Chairman of the Board and the Chair of the G&CR Committee and (C) manage the Executive's personal investments, in each case so long as any such activities do not (x) violate the terms of this Agreement (including the terms of the Invention and Non-Disclosure Agreement attached as Exhibit A hereto and the Non-Compete Agreement attached as Exhibit B hereto) or (y) interfere with the Executive's duties and responsibilities to the Company. For this purpose, the "Chairman of the Board" shall mean the Board's lead independent director, if any, or the Chair of the Board if he or she is an independent director.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary equal to \$1,150,000 (the "Annual Base Salary"), payable in accordance with the Company's standard payroll policies. During the Employment Period, the Annual Base Salary shall be reviewed in the first quarter of the 2025 calendar year and thereafter at least annually. Any increase in the Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. The Annual Base Salary shall not be reduced after any such increase and, except as otherwise specified herein, the term the Annual Base Salary as utilized in this Agreement shall refer to the Annual Base Salary as so increased.

(ii) Annual Bonus. In addition to Annual Base Salary, for each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus") to be based upon Company performance and other criteria for each such calendar year as may be determined by the Compensation and Talent Committee of the Board (the "Compensation Committee"). The Executive's target Annual Bonus opportunity for the period beginning on the Effective Date through December 2024 and for each calendar year that ends during the Employment Period thereafter shall equal 125% of the Annual Base Salary in effect as of the end of such calendar year (the "Target Annual Bonus Opportunity"). The amount of the Annual Bonus actually paid shall depend on the extent to which the performance goals, set annually by the Compensation Committee, are achieved or exceeded, subject to a cap of 200% of the Target Annual Bonus Opportunity (unless otherwise determined by the Compensation Committee in its discretion), and shall be subject to other such terms as determined by the Compensation Committee in its discretion. The Annual Bonus shall be paid in cash no later than March 15 of the calendar year following the calendar year in which such Annual Bonus is earned; provided, that the Executive must be employed by the Company on the date of payment to be entitled to receive an Annual Bonus.

(iii) Incentive Plans; Equity-Based Incentive Awards. During the Employment Period, the Executive shall be entitled to participate in all incentive plans, practices, policies and programs of the Company (including, but not limited to, the Company's 2018 Stock Incentive Plan (the "2018 Stock Incentive Plan") or any successor incentive plan adopted by the Company) to the same extent as is applicable generally to other executive officers of the Company.

(iv) Welfare Benefit, Savings and Retirement Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit, savings and retirement plans, practices, policies and programs provided by the Company to the extent applicable generally to other executive officers of the Company, as may be in effect from time to time.

(v) Reimbursement of Business Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company in effect from time to time.

(vi) PTO. During the Employment Period, the Executive shall be entitled to 26 days' paid time off ("PTO") per calendar year in accordance with the plans, policies, programs and practices of the Company in effect from time to time.

3. Termination of Employment

(a) Death or Disability. The Executive's employment hereunder shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that a Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may provide to the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Termination Date"); provided, that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months as determined by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. Subject to Section 3(d), the Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive's having engaged in willful misconduct or gross negligence in the performance of any of his duties to the Company, which, if capable of being

cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Board written notice of such willful misconduct or gross negligence;

(ii) the Executive's willful failure or refusal to perform reasonably assigned directives of the Board or to cooperate with an internal investigation being conducted by or at the direction of the Board which, if capable of being cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Board written notice of such failure or refusal;

(iii) any indictment of the Executive for, any conviction of the Executive of, or plea of guilty or nolo contendere by the Executive to, (x) any felony or (y) any crime (whether or not a felony) involving fraud, theft, breach of trust or similar acts, in any case, whether under the laws of the United States or any state thereof or any foreign law to which the Executive may be subject;

(iv) the Executive's willful or continued failure to comply with any written rules, regulations, policies or procedures of the Company which, if not complied with, would reasonably be expected to have a material adverse effect on the business, financial condition or reputation of the Company, as determined by the Company in its reasonable discretion, which in the case of a failure that is capable of being cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Company written notice of such failure; or

(v) the Executive's abuse of alcohol or another controlled substance that would reasonably be expected to result in a material adverse effect on the business, financial condition or reputation of the Company, as determined by the Company in its reasonable discretion.

(c) Good Reason. Subject to Section 3(d), the Executive's employment may be terminated by the Executive during the Change in Control Period (as defined below) with Good Reason, or any time during the Employment Period (whether or not during the Change in Control Period) without Good Reason. For purposes of this Agreement, "Good Reason" shall mean one or more of the following conditions arising without the consent of the Executive during the Change in Control Period:

(i) a material diminution in the Executive's Annual Base Salary or Annual Bonus opportunity;

(ii) a material diminution in the Executive's authority, duties, or responsibilities; provided that, for the avoidance of doubt, if at any time, (x) the Executive ceases to be the President and Chief Executive Officer of the Company, the entity surviving any Business Combination (as defined below) (if not the Company), or the Person that ultimately controls the Company or such surviving entity, or (y) if the Executive is required to report to a corporate officer or employee instead of reporting directly to the Board, then, in each case, a material diminution of the Executive's authority, duties, or responsibilities shall be deemed to have occurred;

- (iii) a material diminution in the budget over which the Executive retains authority;
 - (iv) a change in the geographic location at which the Executive must perform services that results in an increase in one-way commute of the Executive by more than 35 miles; or
 - (v) any other action or inaction that constitutes a material breach by the Company of this Agreement.
- (d) Notice of Termination.

(i) The Company may terminate the Executive's employment hereunder other than for Cause, or due to Disability during the Employment Period at any time upon not less than 30 days' written notice, and the Executive may terminate his employment hereunder for any reason during the Employment Period at any time upon not less than 60 days' written notice. The Company may terminate the Executive's employment hereunder for Cause at any time. Any termination by the Company (either for Cause or other than for Cause), or by the Executive for any reason (including for Good Reason), shall be effected by Notice of Termination being provided to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a written notice which (A) indicates the specific termination provision in this Agreement relied upon, (B) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (C) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause, as applicable, shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstances in enforcing the Executive's or the Company's rights hereunder.

(ii) Prior to any termination for Cause becoming effective, the Executive shall be entitled to a hearing before the Board at which he may, at his election, be represented by counsel and at which he shall have a reasonable opportunity to be heard. Such hearing shall be held on not less than 15 days' prior written notice to the Executive stating the Board's intention to terminate the Executive for Cause and stating in detail the particular event(s) or circumstance(s) which the Board believes constitute(s) Cause for termination.

(iii) Any Notice of Termination for Good Reason must be given to the Company within 60 days of the initial existence of one or more conditions described in Section 3(c)(i) through (v) which the Executive believes constitute(s) Good Reason. In the event that the Executive provides the Company with a Notice of Termination for Good Reason, the Company shall be entitled to a period of 30 days during which it may remedy the condition(s) described in

Section 3(c)(i) through (v) giving rise to the alleged Good Reason. Failing such remedy, a termination of employment by the Executive for Good Reason shall be effective on the day following the expiration of such 30-day period.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, the date of the Executive's receipt of the Notice of Termination or any later date specified by the Company, as the case may be; provided, that this date may be delayed in order to ensure the Company's compliance with Section 3(d)(ii); (ii) if the Executive's employment terminated by the Executive for Good Reason, subject to the Executive's compliance with Section 3(d)(iii) and the Company's failure to cure as set forth in Section 3(d)(iii), the date of the expiration of the cure period; (iii) if the Executive's employment is terminated by the Executive other than for Good Reason, the 60th day following the Company's receipt of the Executive's Notice of Termination, or any earlier or later date as shall be agreed by the Company; (iv) if the Executive's employment is terminated by the Company other than for Cause or by reason of Disability or death, the 30th day following the Executive's receipt of the Notice of Termination or any later date specified by the Company; and (v) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Termination Date, as the case may be.

4. Obligations of the Company Upon Termination

(a) Other Than for Cause. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause (other than a termination upon a Change in Control or during the Change in Control Period (each, as defined below), in each case, which shall be subject to Section 5(c) below):

(i) the Company shall pay to the Executive in a lump sum in cash the following amounts: the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) any unused PTO paid out at the per-business-day Annual Base Salary rate, (3) any additional vested benefits in accordance with the applicable terms of applicable Company arrangements, and (4) any unreimbursed expenses in accordance with Section 2(b) (v) (the sum of the amounts described in clauses (1), (2), (3) and (4) shall be hereinafter referred to as the Accrued Obligations"); and

(ii) subject, in each case, to Sections 11, 12 and 13 hereof and the Executive's continued compliance with the covenants and obligations set forth in the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, and the Non-Compete Agreement attached hereto as Exhibit B, the Company shall provide the Executive with:

A. payment equal to the product of (x) two, *multiplied by* (y) the Executive's Annual Base Salary, payable ratably over the 24-month period following the Date of Termination (the "Severance Period");

B. subject to the Executive's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), a lump sum cash payment in an amount equal to the employer portion of the costs of

continued health benefits for the Executive and his covered dependents (based on the level of coverage in effect as of the Date of Termination) (the "Health Benefits Payment") for the 24-month period following the Date of Termination; provided, that if the Company's provision of the Health Benefits Payment to the Executive under this Section 4(a)(i)(B) would violate the nondiscrimination rules applicable to health plans or self-insured plans under Section 105(h) of the Code, or result in the imposition of penalties under the Patient Protection and Affordable Care Act of 2010 and the related regulations and guidance promulgated thereunder (the "PPACA"), the parties agree to reform this Section 4(a)(i)(B) in a manner as is necessary to comply with the PPACA and the Code; provided, further, that nothing herein provided shall be construed to extend the period of time over which COBRA continuation coverage otherwise may be provided to you and/or your dependents in accordance with applicable law; and

C. for purposes of any equity incentive awards granted to the Executive that remain outstanding on the Date of Termination, and notwithstanding anything to the contrary in the applicable award agreement, the 2018 Stock Incentive Plan (or any predecessor or successor equity compensation plan), or elsewhere, such equity incentive awards that would otherwise be scheduled to vest during the Severance Period shall continue to vest during such period in accordance with the vesting schedule in effect prior to the Date of Termination. In addition (i) any Options that were vested immediately prior to the Date of Termination shall be exercisable for (x) 90 days following the Date of Termination, or (y) 24 months following the date of termination if the Executive is "Retirement"-eligible (as defined in the applicable award agreement governing the Options) as of the Date of Termination (or, if longer, the exercise period provided in the applicable award agreement governing the Options), and (ii) any Options that vest during the Severance Period pursuant to the foregoing sentence shall be exercisable for 90 days following the conclusion of the Severance Period (or, if longer, the exercise period provided in the applicable award agreement governing the Options).

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive the Accrued Obligations. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason during the Change in Control Period, this Agreement shall terminate without further obligations to the Executive, other than the obligation to pay to the Executive the Accrued Obligations. In such cases, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(e) Time of Payment. Amounts payable under this Section 4 following an Executive's termination of employment, other than those expressly payable on a deferred basis, will be paid in the payroll period next following the payroll period in which termination of employment occurs except as otherwise provided in Sections 11 or 13.

5. Change in Control.

(a) "Change in Control" shall have the meaning ascribed to such term in the Company's 2018 Stock Incentive Plan, as amended or amended and restated from time to time. Notwithstanding the foregoing, for any payments or benefits hereunder there are subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), a Change in Control must constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

(b) Treatment of Equity Upon a Change in Control

(i) Time-Based Awards. Notwithstanding anything to the contrary in the applicable award agreement, the 2018 Stock Incentive Plan (or any predecessor or successor equity compensation plan), or elsewhere, immediately prior to the consummation of a Change in Control, each then-outstanding unvested equity-based incentive award in the Company held by the Executive, subject only to time-based vesting conditions (each a "Time-Based Award"), shall become immediately vested (and fully exercisable, as applicable) with respect to 25% of the number of shares of common stock of the Company covered by such equity-based incentive award (rounded down to the nearest whole share) (such shares, the "Accelerated Shares"), and the number of shares as to which each such Time-Based Award shall become exercisable, vested, realizable, deliverable and free from restrictions on each vesting date set forth in the Executive's applicable award agreement shall be reduced proportionately by the Accelerated Shares.

(ii) Performance-Based Awards. Notwithstanding anything to the contrary herein, each then-outstanding award for common stock of the Company, including without limitation any stock option, stock appreciation right, restricted stock unit award, restricted stock award or other stock-based award, subject to performance-based vesting conditions (each, a "Performance-Based Award"), held by the Executive shall be subject to the terms and conditions set forth in the award agreement for such Performance-Based Award upon the occurrence of a Change in Control.

(c) Obligations of the Company Upon Termination for Good Reason or Other Than for Cause During the Change in Control Period. If the Company shall terminate the Executive's employment other than for Cause or the Executive shall terminate his employment for Good Reason, in each case either upon a Change in Control or within 24 months following a Change in Control (the "Change in Control Period"):

(i) the Company shall pay to the Executive the Accrued Obligations in a lump sum; and

(ii) subject, in each case, to Sections 11, 12 and 13 hereof, the Company

shall provide the Executive with a lump sum payment in cash consisting of:

A. the amount equal to the product of (x) three, multiplied by (y) the sum of (i) the Annual Base Salary, plus (ii) the Average Annual Bonus. The "Average Annual Bonus" shall be equal to the average of the Annual Bonus paid (or payable) to the Executive for the 3 prior full calendar years (or, if fewer, the number of full calendar years the Executive was employed by the Company prior to the Date of Termination); provided that if the executive was not eligible to receive an Annual Bonus for at least 1 full calendar year during the Employment Term, the Average Annual Bonus shall be the Executive's Target Annual Bonus for the year in which termination of employment occurs;

B. the Health Benefits Payment, to cover the employer portion of the costs for the 36 month period following the Date of Termination; provided, that if the Company's provision of the Health Benefits Payment to the Executive under this Section 5(c)(ii)(B) would violate the nondiscrimination rules applicable to health plans or self-insured plans under Section 105(h) of the Code, or result in the imposition of penalties under the PPACA, the parties agree to reform this Section 5(c)(ii)(B) in a manner as is necessary to comply with the PPACA and the Code; provided, further, that nothing herein provided shall be construed to extend the period of time over which COBRA continuation coverage otherwise may be provided to you and/or your dependents in accordance with applicable law;

C. notwithstanding anything to the contrary in the applicable award agreement, the 2018 Stock Incentive Plan (or any predecessor or successor equity compensation plan), or elsewhere, the immediate vesting (and full exercisability, as applicable) of all then-outstanding unvested Time-Based Awards in the Company held by the Executive; and

D. the Company shall timely reimburse the Executive up to \$12,500 each year (an aggregate of \$25,000) for expenses incurred in connection with outplacement services and relocation costs incurred in connection with obtaining new employment outside the State of Maine until the earlier of (i) 24 months following termination of the Executive's employment; or (ii) the date the Executive secures full time employment.

(d) Time of Payment. Amounts payable under Section 5(c) following an Executive's termination of employment will be paid in the payroll period next following the payroll period in which termination of employment occurs except as otherwise provided in Sections 11, 12 or 13.

6. Resignation of all Positions. Upon and following the termination of the Executive's employment with the Company for any reason, if at any time the Board determines in its sole discretion to request that the Executive step down from the his role as a director of the Company and no longer serve in such capacity, the Executive shall promptly tender such resignation as a director of the Company, and if the Executive fails to tender such resignation on a timely basis, the Executive shall be deemed to have resigned, as of the Termination Date. In addition, upon the termination of the Executive's employment with the Company for any reason and except as expressly set forth above, the Executive shall resign, as of the Termination Date, from all positions the Executive then

holds as an officer, director, employee and member of the Board (and any committee thereof) of the Company and its subsidiaries and affiliates. The Executive shall be required to execute such writings as are required, in the sole discretion of the Company, to effectuate the foregoing.

7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliated Companies and for which the Executive may qualify, nor, subject to Section 13(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its Affiliated Companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliated Companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. In the event of the termination of the Executive's employment upon a Change in Control or during the Change in Control Period (other than a termination by the Company for Cause), the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive (under this Agreement or otherwise) or others. Regardless of the reason for or timing of the Executive's termination of employment (whether prior to or upon a Change in Control or during or following the Change in Control Period), the Executive shall in no event be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, except as otherwise provided in this agreement, such amounts shall not be reduced whether or not the Executive obtains other employment.

9. Confidential Information; Restrictive Covenants

(a) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliated Companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its Affiliated Companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement) ("Confidential Information"). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. The Executive agrees that any breach of the terms of this Section 9 or the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, and the Non-Compete Agreement attached hereto as Exhibit B would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law. The Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove

damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any portion of the severance payments and benefits set forth in Sections 4(a)(ii) or 5(c)(ii), as applicable, paid by the Company to the Executive. The terms of this Section 9(a) shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 9 and the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, and the Non-Compete Agreement attached hereto as Exhibit B are, in each case, reasonable and necessary to protect the businesses of the Company and its Affiliated Companies because of the Executive's access to confidential information and the Executive's material participation in the operation of such businesses.

(b) The Company and the Executive acknowledge that the Executive is a party to the previously executed Invention and Non-Disclosure Agreement, attached hereto as Exhibit A, and Non-Compete Agreement, attached hereto as Exhibit B, each by and between the Company and the Executive.

(c) From and after the Effective Date, including at all times following the Date of Termination, (i) the Executive agrees not to make any statement that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company, any of its Affiliated Companies, or their respective employees, officers, directors or stockholders, and (ii) the Company shall direct its officers, directors, and other authorized representatives not to make any statement that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Executive.

(d) Nothing in this Agreement, the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, the Non-Compete Agreement attached hereto as Exhibit B or any policy or procedure of the Company, shall be construed to prevent disclosure of Confidential Information as may be required or permitted by applicable law or regulation; especially with respect to a federal or state administrative agency (e.g., Equal Employment Opportunity Commission, equivalent state employment agency, Securities and Exchange Commission, etc.) and including as part of filing a charge or complaint with such federal or state administrative agency, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required or permitted by such law, regulation, or order. The Executive does not need the prior authorization of, or to provide notice to, any representative of the Company to file a charge or complaint with, or otherwise participate in an investigation or proceeding that may be commenced by, a federal or state administrative agency. With respect, specifically, to an order of a court of competent jurisdiction, Executive will promptly provide the General Counsel of the Company with written notice of any such order. If the Company chooses to seek a protective order or other remedy, Executive will cooperate fully with the Company. If the Company does not obtain a protective order or other

remedy or waives compliance with certain provisions of this Agreement, Executive will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use its best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Executive from exercising Executive's rights under Section 7 of the National Labor Relations Act (NLRA) or otherwise disclosing information as permitted by law. Nothing in this Agreement in any way prohibits or is intended to restrict or impede, the Executive's right to receive an award from any federal or state administrative agency for information provided under any protected whistleblower or similar program.

10. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid.

11. Section 409A.

(a) This Agreement is intended to comply with Section 409A of the Code and the regulations promulgated thereunder ("Section 409A") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(b) Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with the Executive's termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" within the meaning of Section 409A, then such payment or benefit shall not be paid until the first payroll date following the date that is six months from the Termination Date or, if earlier, on the Executive's death (the "Specified Employee Payment Date"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

(c) To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

12. Section 280G. The Executive hereby agrees to the terms set forth in Exhibit D to this Agreement.

13. Release. As a condition of receipt of the severance payments and benefits set forth in Sections 4(a)(ii) or 5(c)(ii) of this Agreement, as applicable, the Executive (or, in the event of the Executive's termination due to death or Disability, the Executive's estate, beneficiaries or other representatives, as applicable) shall be required to sign a release of claims in substantially the form attached hereto as Exhibit C (the "Release") and to abide by the provisions thereof. The Release contains a release and waiver of any claims the Executive or the Executive's estate, beneficiaries and other representatives may have against the Company, any of its Affiliated Companies, and any of their respective officers, directors, affiliates and/or representatives, and shall release those entities and persons from any liability for such claims including, but not limited to, all employment discrimination claims. Except as otherwise provided in Section 11, payments and benefits under this Agreement will be paid on the 60th day following the Executive's termination of employment provided the Executive has executed and submitted the Release and the statutory period during which the Executive is entitled to revoke the Release has expired on or before that 60th day without the Executive revoking the Release. Notwithstanding anything to the contrary herein, if the Executive fails to timely execute and submit the Release, or the Executive or revokes the Release after its timely execution and submission, the Executive will not be entitled to receive any of the severance payments or benefits, the receipt of which is made contingent upon such execution and non-revocation, as set forth in Sections 4(a)(ii) and 5(c)(ii) hereof, as applicable.

14. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Maine, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(c) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, by registered or certified mail, return receipt

requested, postage prepaid, or by e-mail, read receipt requested, addressed as follows (or such other addresses as specified by the parties by like notice):

If to the Executive:

at the address and e-mail on file in the Company's records. If to the Company:

IDEXX Laboratories, Inc. One IDEXX Drive Westbrook, ME
04092 Attention: General Counsel
E-mail: GeneralCounsel@idexx.com

Notice and communications shall be effective when actually received by the addressee.

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 3(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at-will" and the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company by written notice to the other, at any time, in which case the Executive shall have no further rights or obligations under this Agreement (other than those set forth in Section 4 and Section 5(c), as applicable). From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof, including, but not limited to, that certain Second Amended and Restated Employment Agreement between the Company and the Executive dated as of October 23, 2019, that certain Amended and Restated Executive Employment Agreement by and between the Company and the Executive, dated as of May 26, 2013, and that certain Executive Employment Agreement by and between the Company and the Executive dated as of February 13, 2012 (and the Invention and Non-Disclosure Agreement and Non-Compete Agreement attached thereto, respectively) and supersedes all prior communications, agreements and understandings, written or oral, with the Company or any of its

affiliates or predecessors with respect to the terms and conditions of the Executive's employment.

(h) The Executive agrees that jurisdiction and venue for any action arising from or relating to this Agreement or the relationship between the parties, including but not limited to matters concerning validity, construction, performance, or enforcement, shall be exclusively in the federal and state courts of the State of Maine located in Cumberland County (collectively, the "Selected Courts") (provided, that a final judgment in any such action shall be conclusive and enforced in other jurisdictions) and further agree that service of process may be made in any manner permitted by law. The Executive irrevocably waives and agrees not to assert (i) any objection which it may ever have to the laying of venue of any action or proceeding arising out of this Agreement or the transactions contemplated hereby in the Selected Courts, and (ii) any claim that any such action brought in any such court has been brought in an inconvenient forum. This Section 14(h) is intended to fix the location of potential litigation between the parties and does not create any causes of action or waive any defenses or immunities to suit, or obviate the rights of the parties to agree to arbitration with respect to any conflicts related to this Agreement or the Executive's employment hereunder. EACH PARTY WAIVES ANY RIGHT TO A TRIAL BY JURY, TO THE EXTENT LAWFUL, AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS.

(i) Whenever possible, each provision or portion of any provision of this Agreement, including those contained in the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, and the Non-Compete Agreement attached hereto as Exhibit B, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement, including those contained in the Invention and Non-Disclosure Agreement attached hereto as Exhibit A, and the Non-Compete Agreement attached hereto as Exhibit B, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

(j) This Agreement may be executed by .pdf or facsimile signatures in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE:

/s/ Jonathan Jay Mazelsky
Jonathan (Jay) Mazelsky

COMPANY:

IDEXX Laboratories, Inc.

By: /s/ Sharon E. Underberg

Name: Sharon E. Underberg

Title: Executive Vice President, General Counsel and Corporate Secretary

Exhibit A
Invention and Non-Disclosure Agreement
Attached

**CONFIDENTIAL INFORMATION, WORK PRODUCT, AND RESTRICTIVE COVENANT
AGREEMENT**

This Confidential Information, Work Product, and Restrictive Covenant Agreement ("Agreement") is made by and between IDEXX Laboratories, Inc. and its parents, subsidiaries, affiliates, predecessors, successors and assigns (the "**Company**") and the undersigned individual ("**Employee**") (collectively, the "Parties" and individually a "Party").

WHEREAS, the Company and Employee agree that the Company has a legitimate business interest in, among other things, its Confidential Information (defined below) and Trade Secrets (defined below), and in the significant time, money, training, team building and other efforts it expends to develop Employee's skills to assist Employee in performing Employee's duties for the Company, including with respect to establishing, developing and maintaining the goodwill and business relationships with the Company's customers and employees, all of which Employee agrees are valuable assets of the Company to which it has devoted substantial resources;

WHEREAS, the Company and Employee agree that the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its customers and employees are not generally known to the public, were developed over time and at significant cost to the Company, and are the subject of reasonable efforts of protection by the Company against disclosure to unauthorized parties; and

WHEREAS, as part of performing Employee's duties for the Company, Employee will have access to and/or will use the Company's Confidential Information and Trade Secrets and will work with customers and employees; and

WHEREAS, the Company and Employee agree that this Agreement is reasonable to protect the Company against the irreparable harm it would suffer if Employee left the Company's employment (for any reason) and used or disclosed its Confidential Information and Trade Secrets, and/or interfered with the goodwill and relationships the Company has in its customers and employees.

NOW, THEREFORE, for good and valuable consideration, to which Employee would not otherwise be entitled without entering into this Agreement, including: (a) the promises and covenants contained in this Agreement; (b) Employee's employment or continued employment with the Company; (c) Employee's access to and use of the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its customers and employees; (d) the specialized training the Company provides to Employee to allow Employee to perform Employee's duties for the Company; and/or (e) other good and valuable monetary consideration, the Company and Employee agree as follows (including the foregoing recitals which are expressly incorporated in this Agreement):

1. Disclosures. In order to maintain Employee's confidentiality obligations and to avoid conflicts of interest which may arise, Employee will disclose (and allow the Company to disclose) to any future prospective employers the existence of this Agreement and the nature of Employee's confidentiality and restrictive covenant obligations arising from it before Employee accepts any new position of employment.

2. Definitions.

2.1. "Confidential Information" means information that is created and used in the Company's business and which is not generally known by the public, including but not limited to: trade secrets, proprietary or customized software and databases (including, but not limited to, veterinary

practice management platforms relating to issues such as patient scheduling and care, customer information and communications (including telemedicine), medication management and prescriptions, and business and/or personnel management and development); manufacturing processes and methods, product formulas, research and development used by or in development for use or sale by the Company (including, but not limited to those relating to the manufacture of laboratory products, instruments, equipment, and consumables used in veterinary and/or human medicine); new product plans; the Company's confidential records pertaining to its existing or potential customers, including key customer contact information, contract terms and related information; confidential business opportunities; merger or acquisition activity (including targets, opportunities, or prospects); confidential information regarding suppliers or vendors, including key supplier or vendor contact information, contract terms and related information; strategies for advertising and marketing; confidential business processes and strategies, including training, policies and procedures; personnel composition (wages, specialization, etc.); financial and revenue data and reports, including pricing, quoting and billing methods; and any other business information that the Company maintains as confidential. Employee specifically understands and agrees that the term Confidential Information also includes all confidential information of a third party that may be communicated to, acquired by, learned of, or developed by Employee in the course of or as a result of Employee's employment with the Company. Confidential Information does not include information that is or may become known to Employee or to the public from sources outside the Company and through means other than a breach of this Agreement or disclosed by Employee after written approval from the Company.

2.2. **"Competitive Product or Service"** means any product, process, system or service (in existence or under development) of any person or organization other than the Company that is the same as, similar to, or competes with, a product, process, system or service (in existence or under development) upon which Employee worked or had responsibilities at the Company during the twenty- four (24) months prior to the Last Day (as defined below).

2.3. **"Competitor"** means Employee or any other person or organization engaged in or about to become engaged in, research or development, production, marketing, leasing, selling, or servicing of a Competitive Product or Service.

2.4. **"Customer"** means any person(s) or entity(ies) whom, within twenty-four (24) months prior to the Last Day, Employee, directly or Indirectly (e.g., through employees whom Employee supervised): (a) provided products or services in connection with the Company's business; or (b) provided written proposals concerning receiving products or services from the Company.

2.5. **"Effective Date"** means the date on which the provisions of this Agreement, or any of them, may be enforced by any Party.

1.1.1.1. With respect to the Non-Competition restrictions set forth in Section 3.1 below, the Effective Date refers to the later of the date that occurs (a) one year after Employee's commencement of employment with the Company or (b) six (6) months after Employee's execution of this Agreement. Employees who (i) prior to September 19, 2019, executed an agreement with the Company that contains any non-competition restriction and (ii) have remained continuously employed by the Company since executing such an agreement shall remain bound by such restrictions until the Effective Date of the Non-Competition restrictions in Section 3.1 of this Agreement. Thereafter, the terms of this Agreement shall fully supersede such prior agreement(s).

1.1.1.2. With respect to all provisions of this Agreement other than Section 3.1, Effective Date refers to the date on which Employee executes this Agreement.

2.6. **"Indirectly"** means (including as defined in Section 2.4) that Employee will not assist others in performing business activities that Employee is prohibited from engaging in directly under this Agreement.

2.7. **"Last Day"** means Employee's last day of employment with the Company regardless of the reason for Employee's separation, including with or without cause, voluntary or involuntary. It does not encompass Employee's continuous employment between Company entities. As referenced below, such movement shall be deemed as unbroken and continued employment under this Agreement and these covenants.

2.8. **"Restricted Geographic Area"** means the territory (*i.e.*: (i) country(ies) (ii) state(s), (iii) county(ies), or (iv) city(ies)) in which, during the twenty-four (24) months prior to the Last Day: (a) Employee provided services on behalf of the Company; (b) Employee solicited Customers or otherwise sold products or services on behalf of the Company; (c) the Company sold products or services and Employee had Confidential Information about (i) the Company's business in the territory and/or (ii) the products or services sold in the territory; and/or (d) individuals supervised by Employee provided services, solicited Customers, or otherwise sold products or services on behalf of the Company.

2.9. **"Restricted Period"** means the period of Employee's employment with the Company and a period of twenty-four (24) months after the Last Day. Employee recognizes that this durational term is reasonably and narrowly tailored to the Company's legitimate business interest and need for protection with each position Employee holds at the Company.

2.10. **"Trade Secret"** means information defined as a trade secret under applicable state law or the Defend Trade Secrets Act of 2016.

3. **Restrictive Covenants.** To protect the Company's legitimate business interests, including with respect to Employee's access to and use of the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its referral sources, customers and employees, Employee agrees that:

3.1. **Non-Competition.** Prior to the Effective Date, if the Employee is subject to an agreement effective before September 19, 2019, the Employee shall remain bound by any such prior agreement(s). Following the Effective Date, during the Restricted Period and within the Restricted Geographic Area, Employee will not, directly or Indirectly, perform the same or similar responsibilities Employee performed for the Company in connection with a Competitive Product or Service. Notwithstanding the foregoing, Employee may accept employment with a Competitor whose business is diversified, provided that: (a) Employee will not be engaged in working on or providing Competitive Products or Services or otherwise use or disclose Confidential Information or Trade Secrets; and (b) the Company receives prior written assurances from the Competitor and Employee that are satisfactory to the Company that Employee will not work on or provide Competitive Products or Services, or otherwise use or disclose Confidential Information or Trade Secrets. In addition, nothing in this Agreement is intended to prevent Employee from investing Employee's funds in securities of a person engaged in a business that is directly competitive with the Company if the securities of such a person are listed for trading on a registered securities exchange or actively traded in an over-the-counter market and Employee's holdings represent less than one percent (1%) of the total number of outstanding shares or principal amount of the securities of such a person.

3.2. **Non-Solicitation and Non-Inducement of Customers** During the Restricted Period and in connection with a Competitive Product or Service, Employee shall not directly or Indirectly: (a) solicit or attempt to solicit any Customer; or (b) induce or encourage any Customer to terminate a relationship with the Company or otherwise to cease accepting services or products from the Company.

3.3. Non-Solicitation and Non-Inducement of Employees During the Restricted Period, Employee shall not directly or Indirectly: (a) solicit, recruit, encourage (or attempt to solicit, recruit or encourage), or by assisting others in soliciting, recruiting or encouraging, any Company employees or former employees with whom Employee worked, had business contact, or about whom Employee gained non-public or Confidential Information ("Employees or Former Employees"); (b) contact or communicate with Employees or Former Employees for the purpose of inducing, assisting, encouraging and/or facilitating them to terminate their employment with the Company or find employment or work with another person or entity; (c) provide or pass along to any person or entity the name, contact and/or background information about any Employees or Former Employees or provide references or any other information about them; (d) provide or pass along to Employees or Former Employees any information regarding potential jobs or entities or persons for which to work, including but not limited to job openings, job postings, or the names or contact information of individuals or companies hiring people or accepting job applications; and/or (e) offer employment or work to any Employees or Former Employees. For purposes of this covenant, "Former Employees" shall refer to employees who are not employed by the Company at the time of the attempted recruiting or hiring, but were employed by, or working for the Company in the three (3) months prior to the time of the attempted recruiting or hiring and/or interference.

3.4. Covenants are Reasonable. Employee acknowledges and agrees that: the covenants in this section are necessary and essential to protect the Company's Confidential Information, Trade Secrets and the goodwill in its customers and employees; the area, duration and scope of the covenants in this section are reasonable and necessary to protect the Company; they do not unduly oppress or restrict Employee's ability to earn a livelihood in Employee's chosen profession; they are not an undue restraint on Employee's trade or any of the public interests that may be involved; good and valuable consideration exists for Employee's agreement to be bound by such covenants; and the Company has a legitimate business purpose in requiring Employee to abide by the covenants set forth in this section.

4. Confidential Information and Trade Secrets.

4.1. Access and Use. Employee expressly acknowledges and agrees that, by virtue of Employee's employment with the Company and exercise of Employee's duties for the Company, Employee will have access to and will use certain Confidential Information and Trade Secrets, and that such Confidential Information and Trade Secrets constitute confidential and proprietary business information and/or Trade Secrets of the Company, all of which is the Company's exclusive property. Accordingly, Employee agrees that Employee will not, and will not permit any other person or entity to, directly or Indirectly, without the prior written consent of the Company: (a) use Confidential Information or Trade Secrets for the benefit of any person or entity other than the Company; (b) remove, copy, duplicate or otherwise reproduce any document or tangible item embodying or pertaining to any of the Confidential Information or Trade Secrets, except as required to perform responsibilities for Company; and (c) while employed and thereafter, publish, release, disclose, deliver or otherwise make available to any third party any Confidential Information or Trade Secrets by any communication, including oral, documentary, electronic or magnetic information transmittal device or media.

4.2. Duration of Confidential Information and Trade Secrets. This obligation of non- disclosure and non-use shall last so long as the information remains confidential. Employee, however, understands that, if Employee primarily lives and works in any state requiring a temporal limit on non- disclosure clauses, Confidential Information shall be protected for no less than two (2) years following the

Last Day. Employee also understands that Trade Secrets are protected by statute and are not subject to any time limits. Employee also agrees to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if Employee has any questions about whether such information is protected information.

4.3. Immunity under the Defend Trade Secrets Act of 2016. Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under said Act.

4.4. Additional Legal Exceptions to Non-Disclosure Obligations. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation; especially with respect to a federal or state administrative agency (e.g., EEOC, equivalent state employment agency, etc.), or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. With respect to an order of a court of competent jurisdiction, Employee will promptly provide the General Counsel of the Company with written notice of any such order. If the Company chooses to seek a protective order or other remedy, Employee will cooperate fully with the Company. If the Company does not obtain a protective order or other remedy or waives compliance with certain provisions of this Agreement, Employee will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use its best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Employee from exercising Employee's rights under Section 7 of the National Labor Relations Act (NLRA) or otherwise disclosing information as permitted by law.

5. **Return of Company Property and Information.** Employee agrees that upon the Last Day (or earlier if requested by the Company) to immediately return to the Company all property and information belonging to the Company (in electronic or hard-copy form). Employee shall also disclose to the Company any passwords for Employee's computer or other access codes for anything associated with Employee's employment with the Company, and shall not delete or modify or alter any property prior to its return to the Company. Employee also shall provide the Company with access to any personal computer, tablet, phone, external hard drives, flash drives, cloud-based storage platforms, or any other personal device or storage location with Company information, whether or not such information is designated as confidential or proprietary, so that the Company may remove or delete any Company information.

6. **Assignment of Inventions and Original Works.**

6.1. Prior Inventions and Creative Works. Employee understands Employee's obligation (on or before the date Employee executes this Agreement) to identify to the Company in writing any of Employee's Prior Inventions or Creative Works. Employee's failure to do so means that no such Prior Inventions or Creative Works exist. Employee agrees not to incorporate, or permit to be incorporated, any Prior Invention or Creative Works owned by Employee, or in which Employee has an interest, into a Company product, process, program, or machine, including any software code created or developed on the Company's behalf or in which the Company has an ownership interest pursuant to the terms of this Agreement, without the Company's prior written consent. "Prior Inventions" means all

Inventions that were made by Employee prior to Employee's employment with the Company, that belong to Employee and which relate to the Company's current or proposed business, products, services, or research and development, and are not presently assigned by Employee under this Agreement. "**Creative Works**" means any and all works of authorship including, for example, written documents, spreadsheets, graphics, designs, trademarks, service marks, algorithms, computer programs and code, protocols, formulas, mask works, brochures, presentations, photographs, music or compositions, manuals, reports, and compilations of various elements.

6.2. Assignment of Inventions. Employee agrees to promptly make full written disclosure to the Company of, to hold in trust for the sole right and benefit of the Company, and presently assign to the Company (or its designees), without any additional consideration, all of Employee's right, title, and interest in and to any and all Inventions that Employee Invents during Employee's employment or for a period of one (1) year following the Last Day. Employee understands that the obligations under this section do not apply to any Invention for which no equipment, supplies, facility, or Confidential Information or Trade Secrets of the Company was used and which was developed entirely on Employee's own time, unless (a) the Invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for the Company. "**Invention(s)**" means inventions, developments, concepts, improvements, designs, discoveries, devices, apparatus, processes, practices, compositions, formulas, machines, articles of manufacture, methods (including business methods), inventive ideas, algorithms, computer software code and programs, protocols, formulas, mask works, compositions, trademarks, service marks, or trade secrets, whether or not reduced to practice, patentable, or registrable under patent, copyright, trademark, or similar laws, which Employee Invents, either solely or jointly, during normal working hours or when Employee is expected to be working, or that relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that are substantially aided by Employee's use of the Company's equipment, supplies, facilities, or Confidential Information or Trade Secrets, or contains any of the Company's Confidential Information or Trade Secrets, or that are the direct or substantial result of any work performed by Employee for the Company. "**Invent,**" "**Invents,**" and "**Invented**" means to conceive of, develop, reduce to practice, or otherwise invent (as that term is commonly understood) and is not limited to its general usage under U.S. or foreign patent law.

6.3. Works Made for Hire. Employee acknowledges that all Creative Works that are made by Employee (solely or jointly with others) within the scope of and during the period of Employee's employment with the Company and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101) and are deemed specially ordered by the Company under the U.S. Copyright law. In the event that any Creative Work is determined not to be a "work made for hire," this Agreement shall operate as an irrevocable assignment by Employee to the Company of all applicable state, federal, and international copyrights, trademarks, service marks, or other similar rights in the Creative Work, including all right, title, and interest.

6.4. Patent and Copyright Registrations. Employee agrees (both during and after employment) to: assist the Company (or its designees), at the Company's expense, but without additional compensation to Employee, to secure the Company's rights, as well as the rights of any government entities or third parties to which the Company directs any assignment, in any Inventions, copyrights, or other intellectual property rights in any and all countries. If the Company is unable for any reason whatsoever, including the Company's inability after expending reasonable efforts to locate Employee or the Employee's mental or physical incapacity, to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations or other intellectual property rights (or on any document transferring ownership thereof) covering Inventions, Prior Inventions, or Creative Works assigned to the Company under this Agreement, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on Employee's behalf and in Employee's stead to

execute and file any such applications and documents and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations or transfers thereof with the same legal force and effect as if executed by Employee. This appointment is coupled with an interest in and to the Inventions and Creative Works and shall survive Employee's death or disability.

6.5. Duty to Disclose Information and Maintain Records. Employee agrees that while employed and for two (2) years following the Last Day, to promptly disclose to the Company in writing all Inventions and Creative Works authored or conceived by Employee, alone or jointly with others, along with all attempts to register, patent, or otherwise claim ownership over or alienate such Inventions and Creative Works.

6.6. Moral Rights. To the maximum extent allowed by law, the assignment of rights in this Section 6 includes all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral" or the like (collectively, "**Moral Rights**"). To the extent that Employee retains any such Moral Rights under applicable law, Employee hereby ratifies and consents to (and provides all necessary ratifications and consents to) any action that may be taken with respect to such Moral Rights by (or authorized by) the Company, and Employee agrees not to assert any Moral Rights with respect thereto. Employee will confirm any such ratifications, consents and agreements from time to time as requested by the Company.

7. At-Will. Employee acknowledges and agrees that nothing in this Agreement is a guarantee or assurance of employment for any specific period of time. Employee understands that Employee is an at-will employee and that either Employee or Company may terminate this at-will employment relationship at any time for any reason not prohibited by law.

8. Severability and Reformation. Employee and the Company agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this Agreement are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Company's legitimate business interests, and such modification shall not affect the remaining provisions of this Agreement, or if any provision(s) cannot be modified to be made valid or enforceable, then they shall be severed from this Agreement, and all remaining terms and provisions shall remain enforceable.

9. Tolling. The Company reserves the right to request, and Employee will not object, that a court of competent jurisdiction extend the Restricted Period for any period of time that Employee is in breach of this Agreement as a form of equitable relief so that the Company receives the full benefit of Employee's promises in the restrictive covenants.

10. Relief, Remedies and Enforcement. Employee acknowledges and agrees that a breach of any provision of this Agreement by Employee will cause serious and irreparable injury to the Company that will be difficult to quantify and that money damages alone will not adequately compensate the Company. In the event of a breach or threatened or intended breach of this Agreement by Employee, the Company shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach. Employee further agrees that should Employee breach this Agreement, the Company will be entitled to any and all other legal or equitable remedies available to it, including the recovery and return of any amount paid to Employee to enter into this Agreement, the disgorgement of any profits, commissions, or fees realized by Employee, any subsequent employers, any business owned or operated by Employee, or any of Employee's agents, heirs, or assigns. Employee shall also pay the Company all reasonable costs and attorneys' fees the Company incurred because of Employee's breach of any provisions of this Agreement.

11. Entire Agreement, Amendments. Employee agrees that this Agreement constitutes the entire agreement and understanding between the parties and, except as specifically described in Sections

1.1.1. and 3.1 above, or otherwise agreed to in a writing signed by Employee and the General Counsel of the Company, this Agreement supersedes any prior agreements, either oral or in writing, between Employee and the Company with respect to all matters within the scope of this Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Employee and the General Counsel of the Company. This Agreement shall be enforced in accordance with its terms and shall not be construed against either party.

12. No Conflicts. Employee represents and warrants that Employee's performance of all the terms of this Agreement, and the performance of Employee's duties as an employee of the Company or the fact of Employee's employment with the Company, do not and will not breach any agreement between Employee and any other person, including any prior employer.

13. Survival. The obligations Employee has undertaken in this Agreement shall survive the Last Day and no dispute regarding any other provisions of this Agreement or regarding Employee's employment or the termination of Employee's employment shall prevent the operation and enforcement of these obligations.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which shall constitute one instrument. A signature made on a .PDF or facsimile copy of this Agreement or a signature to this Agreement transmitted by .PDF or facsimile shall have the same effect as an original signature.

15. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. Employee may not assign Employee's rights and obligations under this Agreement without prior written consent of the Company. The Company may assign this Agreement and/or its rights or obligations under this Agreement. Any and all rights and remedies of the Company under this Agreement shall inure to the benefit of and be enforceable by any successor or assignee of the Company.

16. Governing Law/Venue/Waiver. This Agreement shall be construed and enforced in accordance with the laws of the State of Maine without reference to principles of conflicts of laws. The parties stipulate that the exclusive venue for any legal proceeding arising out of this Agreement is the state and federal courts sitting in Portland, Maine (Cumberland County), and waives any defense, whether asserted by motion or pleading, that the venue specified by this section is an improper or inconvenient venue; provided that the Company may commence a legal proceeding in any other relevant jurisdiction for the purpose of enforcing its rights under this Agreement. The parties further agree that any disputes between them, whether relating to this Agreement or any other conflict, claim or dispute, shall be tried by a judge. The parties waive their rights to a jury trial of any dispute between them.

17. Electronic Signature. Employee agrees that the Company may enforce this Agreement with a copy for which Employee has provided an electronic signature, and that such electronic signature may be satisfied by procedures that the Company or a third party designated by the Company has established or may establish for an electronic signature system, and Employee's electronic signature shall be the same as, and shall have the same force and effect as, Employee's written signature. By electronically accepting this Agreement, Employee agrees to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."

IN WITNESS WHEREOF, the undersigned Employee has executed this Agreement freely and voluntarily with the intention of being legally bound by it.

Signature

Print Name

Date

Exhibit B
Non-Compete Agreement
Attached

**CONFIDENTIAL INFORMATION, WORK PRODUCT, AND RESTRICTIVE COVENANT
AGREEMENT**

This Confidential Information, Work Product, and Restrictive Covenant Agreement ("Agreement") is made by and between IDEXX Laboratories, Inc. and its parents, subsidiaries, affiliates, predecessors, successors and assigns (the "**Company**") and the undersigned individual ("**Employee**") (collectively, the "Parties" and individually a "Party").

WHEREAS, the Company and Employee agree that the Company has a legitimate business interest in, among other things, its Confidential Information (defined below) and Trade Secrets (defined below), and in the significant time, money, training, team building and other efforts it expends to develop Employee's skills to assist Employee in performing Employee's duties for the Company, including with respect to establishing, developing and maintaining the goodwill and business relationships with the Company's customers and employees, all of which Employee agrees are valuable assets of the Company to which it has devoted substantial resources;

WHEREAS, the Company and Employee agree that the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its customers and employees are not generally known to the public, were developed over time and at significant cost to the Company, and are the subject of reasonable efforts of protection by the Company against disclosure to unauthorized parties; and

WHEREAS, as part of performing Employee's duties for the Company, Employee will have access to and/or will use the Company's Confidential Information and Trade Secrets and will work with customers and employees; and

WHEREAS, the Company and Employee agree that this Agreement is reasonable to protect the Company against the irreparable harm it would suffer if Employee left the Company's employment (for any reason) and used or disclosed its Confidential Information and Trade Secrets, and/or interfered with the goodwill and relationships the Company has in its customers and employees.

NOW, THEREFORE, for good and valuable consideration, to which Employee would not otherwise be entitled without entering into this Agreement, including: (a) the promises and covenants contained in this Agreement; (b) Employee's employment or continued employment with the Company; (c) Employee's access to and use of the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its customers and employees; (d) the specialized training the Company provides to Employee to allow Employee to perform Employee's duties for the Company; and/or (e) other good and valuable monetary consideration, the Company and Employee agree as follows (including the foregoing recitals which are expressly incorporated in this Agreement):

1. Disclosures. In order to maintain Employee's confidentiality obligations and to avoid conflicts of interest which may arise, Employee will disclose (and allow the Company to disclose) to any future prospective employers the existence of this Agreement and the nature of Employee's confidentiality and restrictive covenant obligations arising from it before Employee accepts any new position of employment.

2. Definitions.

2.1. "Confidential Information" means information that is created and used in the Company's business and which is not generally known by the public, including but not limited to: trade secrets, proprietary or customized software and databases (including, but not limited to, veterinary

practice management platforms relating to issues such as patient scheduling and care, customer information and communications (including telemedicine), medication management and prescriptions, and business and/or personnel management and development); manufacturing processes and methods, product formulas, research and development used by or in development for use or sale by the Company (including, but not limited to those relating to the manufacture of laboratory products, instruments, equipment, and consumables used in veterinary and/or human medicine); new product plans; the Company's confidential records pertaining to its existing or potential customers, including key customer contact information, contract terms and related information; confidential business opportunities; merger or acquisition activity (including targets, opportunities, or prospects); confidential information regarding suppliers or vendors, including key supplier or vendor contact information, contract terms and related information; strategies for advertising and marketing; confidential business processes and strategies, including training, policies and procedures; personnel composition (wages, specialization, etc.); financial and revenue data and reports, including pricing, quoting and billing methods; and any other business information that the Company maintains as confidential. Employee specifically understands and agrees that the term Confidential Information also includes all confidential information of a third party that may be communicated to, acquired by, learned of, or developed by Employee in the course of or as a result of Employee's employment with the Company. Confidential Information does not include information that is or may become known to Employee or to the public from sources outside the Company and through means other than a breach of this Agreement or disclosed by Employee after written approval from the Company.

2.2. **"Competitive Product or Service"** means any product, process, system or service (in existence or under development) of any person or organization other than the Company that is the same as, similar to, or competes with, a product, process, system or service (in existence or under development) upon which Employee worked or had responsibilities at the Company during the twenty- four (24) months prior to the Last Day (as defined below).

2.3. **"Competitor"** means Employee or any other person or organization engaged in or about to become engaged in, research or development, production, marketing, leasing, selling, or servicing of a Competitive Product or Service.

2.4. **"Customer"** means any person(s) or entity(ies) whom, within twenty-four (24) months prior to the Last Day, Employee, directly or Indirectly (e.g., through employees whom Employee supervised): (a) provided products or services in connection with the Company's business; or (b) provided written proposals concerning receiving products or services from the Company.

2.5. **"Effective Date"** means the date on which the provisions of this Agreement, or any of them, may be enforced by any Party.

1.1.1.1. With respect to the Non-Competition restrictions set forth in Section 3.1 below, the Effective Date refers to the later of the date that occurs (a) one year after Employee's commencement of employment with the Company or (b) six (6) months after Employee's execution of this Agreement. Employees who (i) prior to September 19, 2019, executed an agreement with the Company that contains any non-competition restriction and (ii) have remained continuously employed by the Company since executing such an agreement shall remain bound by such restrictions until the Effective Date of the Non-Competition restrictions in Section 3.1 of this Agreement. Thereafter, the terms of this Agreement shall fully supersede such prior agreement(s).

1.1.1.2. With respect to all provisions of this Agreement other than Section 3.1, Effective Date refers to the date on which Employee executes this Agreement.

2.6. **"Indirectly"** means (including as defined in Section 2.4) that Employee will not assist others in performing business activities that Employee is prohibited from engaging in directly under this Agreement.

2.7. **"Last Day"** means Employee's last day of employment with the Company regardless of the reason for Employee's separation, including with or without cause, voluntary or involuntary. It does not encompass Employee's continuous employment between Company entities. As referenced below, such movement shall be deemed as unbroken and continued employment under this Agreement and these covenants.

2.8. **"Restricted Geographic Area"** means the territory (*i.e.*: (i) country(ies) (ii) state(s), (iii) county(ies), or (iv) city(ies)) in which, during the twenty-four (24) months prior to the Last Day: (a) Employee provided services on behalf of the Company; (b) Employee solicited Customers or otherwise sold products or services on behalf of the Company; (c) the Company sold products or services and Employee had Confidential Information about (i) the Company's business in the territory and/or (ii) the products or services sold in the territory; and/or (d) individuals supervised by Employee provided services, solicited Customers, or otherwise sold products or services on behalf of the Company.

2.9. **"Restricted Period"** means the period of Employee's employment with the Company and a period of twenty-four (24) months after the Last Day. Employee recognizes that this durational term is reasonably and narrowly tailored to the Company's legitimate business interest and need for protection with each position Employee holds at the Company.

2.10. **"Trade Secret"** means information defined as a trade secret under applicable state law or the Defend Trade Secrets Act of 2016.

3. **Restrictive Covenants.** To protect the Company's legitimate business interests, including with respect to Employee's access to and use of the Company's Confidential Information and Trade Secrets, including key information about, and goodwill in, its referral sources, customers and employees, Employee agrees that:

3.1. **Non-Competition.** Prior to the Effective Date, if the Employee is subject to an agreement effective before September 19, 2019, the Employee shall remain bound by any such prior agreement(s). Following the Effective Date, during the Restricted Period and within the Restricted Geographic Area, Employee will not, directly or Indirectly, perform the same or similar responsibilities Employee performed for the Company in connection with a Competitive Product or Service. Notwithstanding the foregoing, Employee may accept employment with a Competitor whose business is diversified, provided that: (a) Employee will not be engaged in working on or providing Competitive Products or Services or otherwise use or disclose Confidential Information or Trade Secrets; and (b) the Company receives prior written assurances from the Competitor and Employee that are satisfactory to the Company that Employee will not work on or provide Competitive Products or Services, or otherwise use or disclose Confidential Information or Trade Secrets. In addition, nothing in this Agreement is intended to prevent Employee from investing Employee's funds in securities of a person engaged in a business that is directly competitive with the Company if the securities of such a person are listed for trading on a registered securities exchange or actively traded in an over-the-counter market and Employee's holdings represent less than one percent (1%) of the total number of outstanding shares or principal amount of the securities of such a person.

3.2. **Non-Solicitation and Non-Inducement of Customers** During the Restricted Period and in connection with a Competitive Product or Service, Employee shall not directly or Indirectly: (a) solicit or attempt to solicit any Customer; or (b) induce or encourage any Customer to terminate a relationship with the Company or otherwise to cease accepting services or products from the Company.

3.3. Non-Solicitation and Non-Inducement of Employees During the Restricted Period, Employee shall not directly or Indirectly: (a) solicit, recruit, encourage (or attempt to solicit, recruit or encourage), or by assisting others in soliciting, recruiting or encouraging, any Company employees or former employees with whom Employee worked, had business contact, or about whom Employee gained non-public or Confidential Information ("Employees or Former Employees"); (b) contact or communicate with Employees or Former Employees for the purpose of inducing, assisting, encouraging and/or facilitating them to terminate their employment with the Company or find employment or work with another person or entity; (c) provide or pass along to any person or entity the name, contact and/or background information about any Employees or Former Employees or provide references or any other information about them; (d) provide or pass along to Employees or Former Employees any information regarding potential jobs or entities or persons for which to work, including but not limited to job openings, job postings, or the names or contact information of individuals or companies hiring people or accepting job applications; and/or (e) offer employment or work to any Employees or Former Employees. For purposes of this covenant, "Former Employees" shall refer to employees who are not employed by the Company at the time of the attempted recruiting or hiring, but were employed by, or working for the Company in the three (3) months prior to the time of the attempted recruiting or hiring and/or interference.

3.4. Covenants are Reasonable. Employee acknowledges and agrees that: the covenants in this section are necessary and essential to protect the Company's Confidential Information, Trade Secrets and the goodwill in its customers and employees; the area, duration and scope of the covenants in this section are reasonable and necessary to protect the Company; they do not unduly oppress or restrict Employee's ability to earn a livelihood in Employee's chosen profession; they are not an undue restraint on Employee's trade or any of the public interests that may be involved; good and valuable consideration exists for Employee's agreement to be bound by such covenants; and the Company has a legitimate business purpose in requiring Employee to abide by the covenants set forth in this section.

4. Confidential Information and Trade Secrets.

4.1. Access and Use. Employee expressly acknowledges and agrees that, by virtue of Employee's employment with the Company and exercise of Employee's duties for the Company, Employee will have access to and will use certain Confidential Information and Trade Secrets, and that such Confidential Information and Trade Secrets constitute confidential and proprietary business information and/or Trade Secrets of the Company, all of which is the Company's exclusive property. Accordingly, Employee agrees that Employee will not, and will not permit any other person or entity to, directly or Indirectly, without the prior written consent of the Company: (a) use Confidential Information or Trade Secrets for the benefit of any person or entity other than the Company; (b) remove, copy, duplicate or otherwise reproduce any document or tangible item embodying or pertaining to any of the Confidential Information or Trade Secrets, except as required to perform responsibilities for Company; and (c) while employed and thereafter, publish, release, disclose, deliver or otherwise make available to any third party any Confidential Information or Trade Secrets by any communication, including oral, documentary, electronic or magnetic information transmittal device or media.

4.2. Duration of Confidential Information and Trade Secrets. This obligation of non- disclosure and non-use shall last so long as the information remains confidential. Employee, however, understands that, if Employee primarily lives and works in any state requiring a temporal limit on non- disclosure clauses, Confidential Information shall be protected for no less than two (2) years following the

Last Day. Employee also understands that Trade Secrets are protected by statute and are not subject to any time limits. Employee also agrees to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if Employee has any questions about whether such information is protected information.

4.3. Immunity under the Defend Trade Secrets Act of 2016. Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under said Act.

4.4. Additional Legal Exceptions to Non-Disclosure Obligations. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation; especially with respect to a federal or state administrative agency (e.g., EEOC, equivalent state employment agency, etc.), or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. With respect to an order of a court of competent jurisdiction, Employee will promptly provide the General Counsel of the Company with written notice of any such order. If the Company chooses to seek a protective order or other remedy, Employee will cooperate fully with the Company. If the Company does not obtain a protective order or other remedy or waives compliance with certain provisions of this Agreement, Employee will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use its best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Employee from exercising Employee's rights under Section 7 of the National Labor Relations Act (NLRA) or otherwise disclosing information as permitted by law.

5. **Return of Company Property and Information.** Employee agrees that upon the Last Day (or earlier if requested by the Company) to immediately return to the Company all property and information belonging to the Company (in electronic or hard-copy form). Employee shall also disclose to the Company any passwords for Employee's computer or other access codes for anything associated with Employee's employment with the Company, and shall not delete or modify or alter any property prior to its return to the Company. Employee also shall provide the Company with access to any personal computer, tablet, phone, external hard drives, flash drives, cloud-based storage platforms, or any other personal device or storage location with Company information, whether or not such information is designated as confidential or proprietary, so that the Company may remove or delete any Company information.

6. **Assignment of Inventions and Original Works.**

6.1. Prior Inventions and Creative Works. Employee understands Employee's obligation (on or before the date Employee executes this Agreement) to identify to the Company in writing any of Employee's Prior Inventions or Creative Works. Employee's failure to do so means that no such Prior Inventions or Creative Works exist. Employee agrees not to incorporate, or permit to be incorporated, any Prior Invention or Creative Works owned by Employee, or in which Employee has an interest, into a Company product, process, program, or machine, including any software code created or developed on the Company's behalf or in which the Company has an ownership interest pursuant to the terms of this Agreement, without the Company's prior written consent. "Prior Inventions" means all

Inventions that were made by Employee prior to Employee's employment with the Company, that belong to Employee and which relate to the Company's current or proposed business, products, services, or research and development, and are not presently assigned by Employee under this Agreement. "**Creative Works**" means any and all works of authorship including, for example, written documents, spreadsheets, graphics, designs, trademarks, service marks, algorithms, computer programs and code, protocols, formulas, mask works, brochures, presentations, photographs, music or compositions, manuals, reports, and compilations of various elements.

6.2. Assignment of Inventions. Employee agrees to promptly make full written disclosure to the Company of, to hold in trust for the sole right and benefit of the Company, and presently assign to the Company (or its designees), without any additional consideration, all of Employee's right, title, and interest in and to any and all Inventions that Employee Invents during Employee's employment or for a period of one (1) year following the Last Day. Employee understands that the obligations under this section do not apply to any Invention for which no equipment, supplies, facility, or Confidential Information or Trade Secrets of the Company was used and which was developed entirely on Employee's own time, unless (a) the Invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for the Company. "**Invention(s)**" means inventions, developments, concepts, improvements, designs, discoveries, devices, apparatus, processes, practices, compositions, formulas, machines, articles of manufacture, methods (including business methods), inventive ideas, algorithms, computer software code and programs, protocols, formulas, mask works, compositions, trademarks, service marks, or trade secrets, whether or not reduced to practice, patentable, or registrable under patent, copyright, trademark, or similar laws, which Employee Invents, either solely or jointly, during normal working hours or when Employee is expected to be working, or that relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that are substantially aided by Employee's use of the Company's equipment, supplies, facilities, or Confidential Information or Trade Secrets, or contains any of the Company's Confidential Information or Trade Secrets, or that are the direct or substantial result of any work performed by Employee for the Company. "**Invent,**" "**Invents,**" and "**Invented**" means to conceive of, develop, reduce to practice, or otherwise invent (as that term is commonly understood) and is not limited to its general usage under U.S. or foreign patent law.

6.3. Works Made for Hire. Employee acknowledges that all Creative Works that are made by Employee (solely or jointly with others) within the scope of and during the period of Employee's employment with the Company and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101) and are deemed specially ordered by the Company under the U.S. Copyright law. In the event that any Creative Work is determined not to be a "work made for hire," this Agreement shall operate as an irrevocable assignment by Employee to the Company of all applicable state, federal, and international copyrights, trademarks, service marks, or other similar rights in the Creative Work, including all right, title, and interest.

6.4. Patent and Copyright Registrations. Employee agrees (both during and after employment) to: assist the Company (or its designees), at the Company's expense, but without additional compensation to Employee, to secure the Company's rights, as well as the rights of any government entities or third parties to which the Company directs any assignment, in any Inventions, copyrights, or other intellectual property rights in any and all countries. If the Company is unable for any reason whatsoever, including the Company's inability after expending reasonable efforts to locate Employee or the Employee's mental or physical incapacity, to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations or other intellectual property rights (or on any document transferring ownership thereof) covering Inventions, Prior Inventions, or Creative Works assigned to the Company under this Agreement, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and on Employee's behalf and in Employee's stead to

execute and file any such applications and documents and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations or transfers thereof with the same legal force and effect as if executed by Employee. This appointment is coupled with an interest in and to the Inventions and Creative Works and shall survive Employee's death or disability.

6.5. Duty to Disclose Information and Maintain Records. Employee agrees that while employed and for two (2) years following the Last Day, to promptly disclose to the Company in writing all Inventions and Creative Works authored or conceived by Employee, alone or jointly with others, along with all attempts to register, patent, or otherwise claim ownership over or alienate such Inventions and Creative Works.

6.6. Moral Rights. To the maximum extent allowed by law, the assignment of rights in this Section 6 includes all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral" or the like (collectively, "**Moral Rights**"). To the extent that Employee retains any such Moral Rights under applicable law, Employee hereby ratifies and consents to (and provides all necessary ratifications and consents to) any action that may be taken with respect to such Moral Rights by (or authorized by) the Company, and Employee agrees not to assert any Moral Rights with respect thereto. Employee will confirm any such ratifications, consents and agreements from time to time as requested by the Company.

7. At-Will. Employee acknowledges and agrees that nothing in this Agreement is a guarantee or assurance of employment for any specific period of time. Employee understands that Employee is an at-will employee and that either Employee or Company may terminate this at-will employment relationship at any time for any reason not prohibited by law.

8. Severability and Reformation. Employee and the Company agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this Agreement are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Company's legitimate business interests, and such modification shall not affect the remaining provisions of this Agreement, or if any provision(s) cannot be modified to be made valid or enforceable, then they shall be severed from this Agreement, and all remaining terms and provisions shall remain enforceable.

9. Tolling. The Company reserves the right to request, and Employee will not object, that a court of competent jurisdiction extend the Restricted Period for any period of time that Employee is in breach of this Agreement as a form of equitable relief so that the Company receives the full benefit of Employee's promises in the restrictive covenants.

10. Relief, Remedies and Enforcement. Employee acknowledges and agrees that a breach of any provision of this Agreement by Employee will cause serious and irreparable injury to the Company that will be difficult to quantify and that money damages alone will not adequately compensate the Company. In the event of a breach or threatened or intended breach of this Agreement by Employee, the Company shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach. Employee further agrees that should Employee breach this Agreement, the Company will be entitled to any and all other legal or equitable remedies available to it, including the recovery and return of any amount paid to Employee to enter into this Agreement, the disgorgement of any profits, commissions, or fees realized by Employee, any subsequent employers, any business owned or operated by Employee, or any of Employee's agents, heirs, or assigns. Employee shall also pay the Company all reasonable costs and attorneys' fees the Company incurred because of Employee's breach of any provisions of this Agreement.

11. Entire Agreement, Amendments. Employee agrees that this Agreement constitutes the entire agreement and understanding between the parties and, except as specifically described in Sections

2.5.1 and 3.1 above, or otherwise agreed to in a writing signed by Employee and the General Counsel of the Company, this Agreement supersedes any prior agreements, either oral or in writing, between Employee and the Company with respect to all matters within the scope of this Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Employee and the General Counsel of the Company. This Agreement shall be enforced in accordance with its terms and shall not be construed against either party.

12. No Conflicts. Employee represents and warrants that Employee's performance of all the terms of this Agreement, and the performance of Employee's duties as an employee of the Company or the fact of Employee's employment with the Company, do not and will not breach any agreement between Employee and any other person, including any prior employer.

13. Survival. The obligations Employee has undertaken in this Agreement shall survive the Last Day and no dispute regarding any other provisions of this Agreement or regarding Employee's employment or the termination of Employee's employment shall prevent the operation and enforcement of these obligations.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which shall constitute one instrument. A signature made on a .PDF or facsimile copy of this Agreement or a signature to this Agreement transmitted by .PDF or facsimile shall have the same effect as an original signature.

15. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. Employee may not assign Employee's rights and obligations under this Agreement without prior written consent of the Company. The Company may assign this Agreement and/or its rights or obligations under this Agreement. Any and all rights and remedies of the Company under this Agreement shall inure to the benefit of and be enforceable by any successor or assignee of the Company.

16. Governing Law/Venue/Waiver. This Agreement shall be construed and enforced in accordance with the laws of the State of Maine without reference to principles of conflicts of laws. The parties stipulate that the exclusive venue for any legal proceeding arising out of this Agreement is the state and federal courts sitting in Portland, Maine (Cumberland County), and waives any defense, whether asserted by motion or pleading, that the venue specified by this section is an improper or inconvenient venue; provided that the Company may commence a legal proceeding in any other relevant jurisdiction for the purpose of enforcing its rights under this Agreement. The parties further agree that any disputes between them, whether relating to this Agreement or any other conflict, claim or dispute, shall be tried by a judge. The parties waive their rights to a jury trial of any dispute between them.

17. Electronic Signature. Employee agrees that the Company may enforce this Agreement with a copy for which Employee has provided an electronic signature, and that such electronic signature may be satisfied by procedures that the Company or a third party designated by the Company has established or may establish for an electronic signature system, and Employee's electronic signature shall be the same as, and shall have the same force and effect as, Employee's written signature. By electronically accepting this Agreement, Employee agrees to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."

IN WITNESS WHEREOF, the undersigned Employee has executed this Agreement freely and voluntarily with the intention of being legally bound by it.

Signature

Print Name

Date

Exhibit C

YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE OF CLAIMS.

RELEASE

Capitalized terms used in this release and defined in the Employment Agreement (defined below) shall have the meanings given to such terms under the Employment Agreement.

1. In consideration of the payments and benefits to be made under the Third Amended and Restated Executive Employment Agreement, dated as of August 2, 2024 (the "Employment Agreement"), by and between Jonathan (Jay) Mazelsky (the "Employee" or "you") and IDEXX Laboratories, Inc. (the "Company"), its subsidiaries and affiliates (hereinafter collectively referred to as "IDEXX"), the sufficiency of which you acknowledge, by signing this general release of claims (the "Release"), you and your heirs and assigns hereby fully, forever, irrevocably and unconditionally release and discharge IDEXX Laboratories, Inc., its subsidiaries and affiliates, and all of their respective former and current officers, directors, owners, stockholders, affiliates, agents, employees, and attorneys (collectively the "Released Parties") from, and waive, any and all claims, charges, or actions of any kind which you have ever had or now have through the Release Effective Date (as defined below), whether known or unknown, against any or all of the Released Parties, arising out of or relating to your employment or termination from employment, including but not limited to claims under the Employment Agreement, claims under any severance plan maintained by IDEXX, claims for discrimination based on race, sex, disability, national origin, age, religion, color, ancestry, marital or family status, pregnancy, sexual orientation, and any other legally protected attribute or status, and including without limitation claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Employee Retirement Income Security Act, the Equal Pay Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the National Labor Relations Act, the Maine Human Rights Act, and all other applicable state laws, including but not limited to, laws pertaining to wrongful discharge claims, defamation claims, retaliation claims, unpaid wage claims, or other statutory or common law or contract claims. You acknowledge that this release releases the Released Parties in both their corporate and their individual capacities.

Without limiting the above, this Release also constitutes a release of any claims you may have, as of the Release Effective Date, against the Released Parties, pursuant to the Age Discrimination in Employment Act, as amended (which is the federal statute which makes it illegal for an employer to discharge or otherwise discriminate against an employee because of the employee's age), including any possible claims relating to termination of your employment.

It is the specific intent and purpose of this Release to release and discharge any and all claims and causes of action of any kind or nature whatsoever as aforesaid to the full extent such release is allowed by law, from the beginning of time until the present day, whether such claims and causes of action are known or unknown and whether specifically mentioned or not. You acknowledge that you are aware that statutes exist that render null and void releases and discharges of claims and causes of actions that are unknown to the releasing or discharging party

at the time of execution of the release and discharge. You hereby expressly waive, surrender and agree to forego any protection to which you would otherwise be entitled by virtue of the existence of any such statute in any jurisdiction, including, but not limited to, the State of Maine.

You agree not only to release and discharge the Released Parties from any and all claims against the Released Parties that you could make on your own behalf, but also those which may have been or may be made by any other person or organization on your behalf.

You specifically waive any right to become, and promise not to become, a party to any case or proceeding or a member of any class in a case or proceeding in which any claim or claims are asserted against the Released Parties involving any event which has occurred as of the Date of Termination. If you are asserted to be a member of a class in a case or proceeding against the Released Parties involving any events occurring prior to or as of the Release Effective Date, you shall immediately withdraw with prejudice in writing from said class, if permitted by law to do so. You agree that this Release is, will constitute and may be pleaded as a bar to any such case or proceeding.

2. Exceptions to the Release. Notwithstanding the Release set forth above in Paragraph 1, this Release is not a waiver by you of (1) any right or claim that may arise after the Release Effective Date, (2) any right or claim to unemployment compensation, (3) any vested retirement and profit sharing benefits for which you are eligible in accordance with the terms of the respective employee benefit plans, (4) your right to indemnification from the Company under the certificate of incorporation or bylaws of the Company and in accordance with applicable law, (4) the Accrued Obligations, (5) any rights you may have as a holder of Company common stock or equity-based incentive awards, or (6) any rights under to severance payments or benefits, as applicable, under Section 4(a) or 5(c) of the Employment Agreement, as applicable, or that may not be released by law. This is also not a waiver of any claim you may have for workers' compensation benefits although you hereby represent to IDEXX that you do not know of any such claims and that you do not believe that you have any workplace injury relating to your employment with IDEXX. Further, nothing in this Release or the Employment Agreement (and any exhibits thereto) will be construed to affect the independent right and responsibility of the Equal Employment Opportunity Commission ("EEOC") or a state or local fair employment practices agency acting as an EEOC referral agency to enforce employment discrimination laws. Signing this Release will not interfere with your right to file a charge or participate in an investigation or proceeding conducted by the EEOC or the state or local agency as long as you do not seek or accept any damages, remedies, or other relief for yourself personally, which you promise not to do, and any right to which you specifically waive. You understand that unless a court invalidates this Release, you have no right to recover damages against the Released Parties for your claims. Notwithstanding anything to the contrary contained herein, no provision of this Release or the Employment Agreement (or any exhibits thereto) shall be interpreted so as to impede you (or any other individual) from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the United States Congress, and any agency Inspector General, or making any other disclosures under the whistleblower provisions of United States federal law or regulation or receiving an award for information provided under any protected whistleblower or similar program. You do not need the prior authorization of IDEXX

to make any such reports or disclosures and you shall not be required to notify IDEXX that such reports or disclosures have been made.

3. No Admissions. Nothing contained herein shall be construed as an admission by IDEXX of any liability or unlawful conduct whatsoever. You agree and understand that the severance payments and benefits provided pursuant to Section 4(a) or 5(c) as applicable, of the Employment Agreement are provided solely in consideration of your execution of this Release and your obligations under the Ancillary Agreements, and that the payments and benefits are sufficient consideration for the Release.

4. Knowing Consent to Release. By signing below, you understand and agree that:

(a) You have the option to take a full **[twenty-one (21)]/[forty-five (45)] days** from [●], the date the Release was provided to you by IDEXX, within which to consider this Release before executing it. If you sign this Release sooner than [twenty-one (21)]/[forty-five (45)] days from when it was provided to you, you do so with the understanding that you could have taken the entire [twenty-one (21)]/[forty-five (45)]-day period to review this Release.

(b) You have carefully read and fully understand all of the provisions of this Release.

(c) You are, through this Release, releasing the Released Parties from any and all claims you may have against the Released Parties.

(d) You knowingly and voluntarily agree to all of the terms set forth in this Release.

(e) You knowingly and voluntarily intend to be legally bound by the same.

(f) You have been advised in writing to consider the terms of this Release and consult with an attorney of your choice prior to executing this Release.

(g) You acknowledge that the consideration set forth in the Section 4(a) or 5(c), as applicable, of the Employment Agreement is above and beyond anything you might otherwise be entitled to receive.

(h) You have a full **seven (7) days after** executing this Release to revoke this Release by delivering written notice of revocation to the Company's Chief Human Resources Officer, and are hereby advised in writing that this Release shall not become effective or enforceable until the revocation period has expired. If the Release is not revoked, it shall become effective and irrevocable on the day next following the day on which the foregoing revocation period has expired (the "Release Effective Date"). In case of revocation, the obligations of each party to this Release shall become null and void.

5. Choice of Law. This Release shall be governed by and construed in accordance with the laws of the State of Maine. You agree and consent to submit to personal jurisdiction in the State of Maine in any state or federal court of competent subject matter jurisdiction situated in Cumberland County, Maine. You further agree that the sole and exclusive venue for any suit arising out of, or seeking to enforce, the terms of this Release and the Employment Agreement

(including all exhibits thereto) shall be in a state or federal court of competent subject matter jurisdiction situated in Cumberland County, Maine. In addition, you waive any right to challenge in another court any judgment entered by such Cumberland County court or to assert that any action instituted by IDEXX in any such court is in the improper venue or should be transferred to a more convenient forum. **In addition, you and IDEXX also waive any right you or it may otherwise have to a trial by jury in any action to enforce the terms of this Release.**

6. Miscellaneous.

(a) No delay or omission by IDEXX in exercising any right under this Release shall operate as a waiver of that or any other right. A waiver or consent given by IDEXX on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(b) The captions of the sections of this Release are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Release.

(c) In case any provision of this Release shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(d) Nothing in this Release precludes you from providing truthful testimony when lawfully subpoenaed or otherwise required to do so by law.

(e) By signing this Release, you hereby represent that to the best of your knowledge you did not commit any act, or fail to commit any act, or do anything else while employed by IDEXX that was a breach of your duty of loyalty (including but not limited to taking any property that belongs to IDEXX or its customers) or that might result in liability to IDEXX.

(f) This Release may not be altered, amended or modified except in writing signed by both IDEXX and you.

(g) If any provision of this Release shall be found by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, then such provision shall be construed and/or modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Release, as the case may require, and this Release shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be. The parties further agree to seek a lawful substitute for any provision found to be unlawful; provided, that, if the parties are unable to agree upon a lawful substitute, the parties desire and request that a court or other authority called upon to decide the enforceability of this Release modify this Release so that, once modified, this Release will be enforceable to the maximum extent permitted by the law in existence at the time of the requested enforcement.

7. Complete Agreement. This Release and the Employment Agreement (and all exhibits thereto) constitute the complete understanding between you and IDEXX with respect to

your separation from employment, and this Release supersedes all prior representations, agreements, and understandings, both written and oral, between you and IDEXX with respect to the subject matters hereof.

8. Counterparts. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered in .pdf format shall be deemed effective for all purposes.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Please sign and return **a complete copy of this Release** to the Company's Chief Human Resources Officer, indicating your agreement to all of the terms of the Release. This Release shall expire if not signed by you and returned to the Company's Chief Human Resources Officer by no later than the close of business on [●].

IDEXX

By: Date:

Title:

You have been advised that at least [twenty-one (21)] calendar days will be provided for the review of this Release, and to consult with an attorney prior to the execution of this Release.

You represent and agree that you have carefully read and fully understand all of the provisions of this Release and that you have voluntarily entered into this Release.

Accepted and Agreed To:

Jonathan (Jay) Mazelsky Date:

Exhibit D

Section 280G

This Exhibit D sets forth the terms and provisions applicable to the Executive as referenced in Section 12 of the agreement to which this Exhibit D is attached (the "Agreement"). This Exhibit D shall be subject in all respects to the terms and conditions of the Agreement. All capitalized terms that are used but not defined in this Exhibit D shall have the meanings ascribed to such terms in the Agreement.

(a) If the Executive would otherwise be eligible to receive a payment or benefit pursuant to the terms of the Agreement or any equity or equity-based compensation or other agreement with the Company or any subsidiary or otherwise in connection with, or arising out of, the Executive's employment with the Company or any subsidiary or a change in ownership or effective control of the Company or of a substantial portion of its assets (any such payment or benefit, a "Parachute Payment"), that a nationally recognized United States public accounting firm selected by the Company (the "Accounting Firm") determines, but for this sentence, would be subject to excise tax imposed by Section 4999 of the Code (the "Excise Tax"), subject to clause (c) below, then the Company shall pay to the Executive whichever of the following two alternative forms of payment would result in the Executive's receipt, on an after-tax basis, of the greater amount of the Parachute Payment notwithstanding that all or some portion of the Parachute Payment may be subject to the Excise Tax: (1) payment in full of the entire amount of the Parachute Payment, or (2) payment of only a part of the Parachute Payment so that the Executive receives the largest payment possible without the imposition of the Excise Tax.

(b) If a reduction in the Parachute Payment is necessary pursuant to clause (a), then the reduction shall occur in the following order: (1) reduction of cash payments (with such reduction being applied to the payments in the reverse order in which they would otherwise be made, that is, later payments shall be reduced before earlier payments) and (2) cancellation of acceleration of vesting of equity or equity-based awards; provided, that to the extent permitted by Section 409A and Sections 280G and 4999 of the Code, if a different reduction procedure would be permitted without violating Section 409A or losing the benefit of the reduction under Sections 280G and 4999 of the Code, the Executive may designate a different order of reduction.

(c) For purposes of determining whether any of the Parachute Payments (collectively, the "Total Payments") will be subject to the Excise Tax and the amount of such Excise Tax, (i) the Total Payments shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Section 280G(b)(3) of the Code) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Accounting Firm, such Total Payments (in whole or in part): (1) do not constitute "parachute payments," (2) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the "base amount," or (3) are otherwise not subject to the Excise Tax, and (ii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accounting Firm in accordance with the principles of Section 280G of the Code.

(d) All determinations hereunder shall be made by the Accounting Firm, which determinations shall be final and binding upon the Company and the Executive.

(e) The federal tax returns filed by the Executive (and any filing made by a consolidated tax group which includes the Company) shall be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Tax, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of the Executive's federal income tax return as filed with the Internal Revenue Service, and such other documents reasonably requested by the Company, evidencing such payment (provided, that the Executive may delete information unrelated to the Parachute Payment or the Excise Tax and provided, further, that the Company at all times shall treat such returns as confidential and use such return only for purpose contemplated by this paragraph).

(f) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Executive shall permit the Company to control issues related to the Excise Tax (at its expense). In the event that the issues are interrelated to the Excise Tax, the Executive and the Company shall cooperate in good faith so as not to jeopardize resolution of either issue. In the event of any conference with any taxing authority as to the Excise Tax or associated income taxes, the Executive shall permit a representative of the Company to accompany the Executive, and the Executive and the Executive's representative shall cooperate in good faith with the Company and its representative.

(g) The Company shall be responsible for all charges of the Accounting Firm.

(h) The Company and the Executive shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Exhibit D.

(i) The provisions of this Exhibit D shall survive the termination of the Executive's employment with the Company for any reason and the termination of the Agreement.

Employee Stock Option Agreement
Granted Under IDEXX Laboratories, Inc. 2009 Stock Incentive Plan

1. Grant of Option.

IDEXX Laboratories, Inc., a Delaware corporation (the "Company"), hereby grants to the employee named in this Agreement (the "Optionee"), an option, pursuant to the Company's 2009 Stock Incentive Plan (the "Plan"), to purchase, in whole or in part, the number of shares of Common Stock of the Company at a price per share as noted in this Agreement, subject to the terms and conditions of this option, the Plan and the description of the Plan set forth in the Plan Prospectus. The Plan and Prospectus are provided to the Optionee with this Agreement. Defined terms not otherwise defined in this Agreement shall have the meanings set forth in the Plan or the Prospectus.

2. Type of Stock Option.

If this Agreement indicates that this option is an "Incentive Stock Option", this option is intended to qualify as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). If this Agreement indicates that this option is a "Non-Qualified Stock Option", this option shall not be considered an incentive stock option as defined by Section 422 of the Code.

3. Exercise of Option and Provisions for Termination.

(a) *Vesting Schedule and Expiration.* Except as otherwise provided in this Agreement, this option shall expire at 4:00 p.m., Eastern time, on the Expiration Date indicated in this Agreement. This option will become exercisable ("vest") in installments as to the number of shares and during the respective installment periods set forth in this Agreement. The right of exercise shall be cumulative so that if the option is not exercised to the maximum extent permissible during an exercise period, it shall continue to be exercisable, in whole or in part, with respect to all shares not so purchased at any time prior to the Expiration Date or the earlier termination of this option. This option may not be exercised at any time after the Expiration Date.

(b) *Exercise Procedure.* Subject to the conditions set forth in this Agreement, this option shall be exercised by the Optionee's delivery of written notice of exercise through the online service designated by the Company (currently E*TRADE OptionsLink), specifying the number of shares to be purchased and the purchase price to be paid therefor and accompanied by payment in full in accordance with Section 4. Such exercise shall be effective upon receipt by such online service of such written notice together with the required payment. The Optionee may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(c) *Continuous Relationship with the Company Required.* Except as otherwise provided in this Section 3, this option may not be exercised unless the Optionee, at the time he or she exercises this option, is, and has been at all times since the Grant Date indicated in this Agreement, an employee or director of the Company (an "Eligible Optionee"). For all purposes of this option, (i) "Employment" shall be defined in accordance with the provisions of Section 1.421-7(h) of the Income Tax Regulations or any successor regulations, and (ii) if this option shall be assumed or a new option substituted therefor in a transaction to which Section 425(a) of the Code applies, employment by such assuming or substituting corporation (hereinafter called the "Successor Corporation") shall be considered for all purposes of this option to be employment by the Company.

(d) *Exercise Period Upon Termination of Relationship with the Company.* If the Optionee ceases to be an Eligible Optionee for any reason, then, except as provided in paragraphs (e) and (f) below, the right to exercise this option shall terminate 3 months after such cessation (but in no event after the Expiration Date), provided that this option shall be exercisable only to the extent that the Optionee was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Optionee, prior to the Expiration Date, violates the non-competition, non-solicitation or confidentiality provisions of any employment, consulting or advisory contract, confidentiality and nondisclosure agreement or other agreement between the Optionee and the Company, the right to exercise this option shall terminate immediately upon such violation.

(e) *Exercise Period Upon Death, Disability or Retirement.* If the Optionee dies, becomes disabled (within the meaning of Section 22(e)(3) of the Code) or retires (as defined below) prior to the Expiration Date while he or she is an Eligible Optionee, or if the Optionee dies within 3 months after the Optionee ceases to be an Eligible Optionee, and the Company has not terminated such relationship for "cause" as specified in paragraph (f) below, this option shall be exercisable, until the 1 year anniversary date following the date of death or disability of the Optionee, or until the 2 year anniversary date following the date of retirement of the Optionee (but in no event after the Expiration Date), by the Optionee or by the person to whom this option is transferred by will or the laws of descent and distribution, provided that this option shall be exercisable only to the extent that this option was exercisable by the Optionee on the date he or she ceased to be an Eligible Optionee. "Retire" and "retirement" shall mean retirement at or after the attainment of age 60, provided that the Optionee has been an employee of the Company for at least 10 years, not including any years during which the Optionee was employed by a company that was acquired by or merged with the Company.

(f) *Discharge for Cause.* If the Optionee, prior to the Expiration Date, ceases his or her employment with

of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the purchase price and any required tax withholding; or (iv) by any combination of cash, such shares of Common Stock of the Company, and other consideration as the Board may specify.

(b) *Valuation of Shares or Other Non-Cash Consideration Tendered in Payment of Purchase Price.* For the purposes hereof, the fair market value of any share of the Company's Common Stock or other non-cash consideration which may be delivered to the Company in exercise of this option shall be determined as provided in the Plan.

(c) *Delivery of Shares Tendered in Payment of Purchase Price.* If the Optionee exercises options by delivery of shares of Common Stock of the Company, any certificate or certificates representing the shares of Common Stock of the Company to be delivered shall be duly executed in blank by the Optionee or shall be accompanied by a stock power duly executed in blank suitable for purposes of transferring such shares to the Company, and any electronic delivery of shares shall be in a manner sufficient for purposes of transferring such shares to the Company. Fractional shares of Common Stock of the Company will not be accepted in payment of the purchase price of shares acquired upon exercise of this option.

5. Delivery of Shares; Compliance with Securities Laws, Etc.

(a) *General.* The Company shall, upon payment of the option price for the number of shares purchased and paid for, make prompt delivery of such shares to the Optionee, provided that if any law or regulation requires the Company to take any action with respect to such shares before the issuance thereof, then the date of delivery of such shares shall be extended for the period necessary to complete such action.

(b) *Listing, Qualification, Etc.* This option shall be subject to the requirement that if, at any time, counsel to the Company shall determine that the listing, registration or qualification of shares subject hereto upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of shares hereunder, this option may not be exercised, in whole or part, unless such listing, registration, qualification, consent or approval, disclosure or satisfaction of such other condition shall have been effected or obtained on terms acceptable to the Board of Directors. Nothing herein shall be deemed to require the Company to apply for, effect disclosure, or to satisfy such other condition.

6. Nontransferability of Option.

Except as provided in paragraph (e) of Section 3, this option is personal and no rights granted hereunder may be sold, assigned, transferred, pledged or otherwise encumbered by the Optionee (whether by operation of law or otherwise). During the lifetime of the Optionee, this option shall be exercised only by the Optionee.

7. No Special Employment Rights.

Nothing contained in the Plan, the Prospectus or this option shall be construed or deemed to constitute an employment or service contract or confer or be deemed to confer on the Optionee any right to continue in the employ or service of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate the Optionee's employment or service or other relationship at any time, with or without cause.

8. Rights as a Shareholder.

The Optionee shall have no rights as a shareholder with respect to any shares which may be purchased by exercise of this option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such shares) unless and until a certificate representing such shares, or electronic equivalent, is duly issued and delivered to the Optionee. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate or electronic equivalent is issued.

9. Withholding Taxes.

The Company's obligation to deliver shares upon the exercise of this option shall be subject to the Optionee's satisfaction of all applicable federal, state and local income and employment tax withholding requirements. The Company shall be authorized to withhold the amount of withholding taxes due in connection with the exercise of this option and to take such other action as may be necessary in the opinion of the Company to satisfy all Company obligations for the payment of such taxes.

10. Limitations on Disposition of Incentive Stock Option Shares.

If, as indicated in this Agreement, this option is an "incentive stock option", the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the

the Company because he or she is discharged for "cause" (as defined below), the right to exercise this option shall terminate immediately upon such cessation of employment. "Cause" shall mean willful misconduct in connection with the Optionee's employment or willful failure to perform his or her employment responsibilities in the best interests of the Company (including, without limitation, breach by the Optionee of any provision of any employment, consulting, advisory, nondisclosure, non-competition, non-solicitation or other similar agreement between the Optionee and the Company), as determined by the Company, which determination shall be conclusive. The Optionee shall be considered to have been discharged for "cause" if the Company determines, within 30 days of the Optionee's resignation, that discharge for cause was warranted.

4. Payment of Purchase Price.

(a) *Method of Payment.* Payment of the purchase price for shares purchased upon exercise of this option shall be made (i) by delivery to the Company, or to the online service designated by the Company, of an amount equal to the purchase price of such shares, (ii) by delivery to the Company of shares of Common Stock of the Company (either actually or by attestation) then owned by the Optionee for at least 6 months (or any shorter period sufficient to avoid a charge to the Company's earnings for financial reporting purposes) or delivery of other consideration having a fair market value equal in amount to the purchase price of such shares, (iii) to the extent permitted by the Company's Board of Directors, in its sole discretion, by delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the purchase price and any required tax withholding, or delivery by the Optionee to the Company of a copy

Code, no sale or other disposition may be made of any shares acquired upon exercise of the option within 1 year after such shares were acquired pursuant to such exercise, nor within 2 years after the Grant Date. If the Optionee intends to dispose, or does dispose (whether by sale, exchange, gift, transfer or otherwise), of any such shares within said periods, he or she will notify the Company in writing within 10 days after such disposition, and provide any other information regarding such disposition that the Company may require.

11. Data Privacy

By entering into this Agreement, the Optionee: (i) authorizes the Company and its Subsidiaries, and any agent of the Company and its Subsidiaries administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Subsidiaries such information and data as the Company or any such Subsidiary shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waives any data privacy rights he or she may have with respect to such information; and (iii) authorizes the Company and its Subsidiaries to store and transmit such information in electronic form.

12. Miscellaneous.

(a) Except as provided herein, this option may not be amended or otherwise modified unless evidenced in writing and signed by the Company and the Optionee. The Board of Directors may amend, alter, suspend, discontinue or terminate the Plan, or any portion thereof, at any time, subject to the requirements for certain amendments or alterations set forth in the Plan.

(b) All notices under this option shall be mailed or delivered by hand to the parties at their respective addresses set forth in this Agreement or at such other address as may be designated in writing by either of the parties to one another.

(c) This option shall be governed by and construed in accordance with the laws of the State of Delaware and applicable federal law, without regard to applicable conflicts of laws.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonathan J. Mazelsky, certify that:

- 1) I have reviewed this report on Form 10-Q for the quarter ended June 30, 2024 of IDEXX Laboratories, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Jonathan J. Mazelsky

Jonathan J. Mazelsky

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian P. McKeon, certify that:

- 1) I have reviewed this report on Form 10-Q for the quarter ended June 30, 2024 of IDEXX Laboratories, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Brian P. McKeon

Brian P. McKeon

Executive Vice President, Chief Financial Officer
and Treasurer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report on Form 10-Q of IDEXX Laboratories, Inc. (the "Company") for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2024

/s/ Jonathan J. Mazelsky

Jonathan J. Mazelsky
President and Chief Executive Officer

A signed original of this written statement required by Section 906, has been provided to IDEXX Laboratories, Inc. and will be retained by IDEXX Laboratories, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report on Form 10-Q of IDEXX Laboratories, Inc. (the "Company") for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian P. McKeon

August 6, 2024

Brian P. McKeon
Executive Vice President, Chief Financial Officer
and Treasurer

A signed original of this written statement required by Section 906, has been provided to IDEXX Laboratories, Inc. and will be retained by IDEXX Laboratories, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.