dexcom

Dexcom Investor Presentation

April 2024



CONFIDENTIAL – DO NOT DISTRIBUTE

Safe harbor statement

This presentation contains “forward-looking statements” that are based on our management’s beliefs and assumptions and on information available to management as of April 25, 2024. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, gross margin, operating margin, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management and the effects of competition on our business. This presentation also contains estimates and other statistical data made by independent parties relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “targets,” “guidance,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “prospects,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We cannot guarantee that we will achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. We assume no obligation to update any such forward-looking statement after the date of this presentation or to conform these forward-looking statements to actual results.

The risks and uncertainties that may cause actual results to differ materially from our current expectations are more fully described in our annual report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (SEC) on February 8, 2024, our most recent quarterly report on Form 10-Q for the quarter ended March 31, 2024, as filed with the SEC on April 25, 2024, and our other reports filed with the SEC.

This presentation also contains non-GAAP financial measures. The appendix reconciles the non-GAAP financial measures in this presentation to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP gross profit margin, non-GAAP operating income (loss), non-GAAP net income (loss), and non-GAAP net income (loss) per share as well as Adjusted EBITDA. We have not reconciled our revenue, Non-GAAP Gross Profit Margin, Non-GAAP Operating Margin and Adjusted EBITDA Margin estimates for fiscal year 2024 because certain items that impact these figures are uncertain or out of our control and cannot be reasonably predicted. Accordingly, a reconciliation of revenue, Non-GAAP Gross Profit Margin, Non-GAAP Operating Margin and Adjusted EBITDA Margin is not available without unreasonable effort.

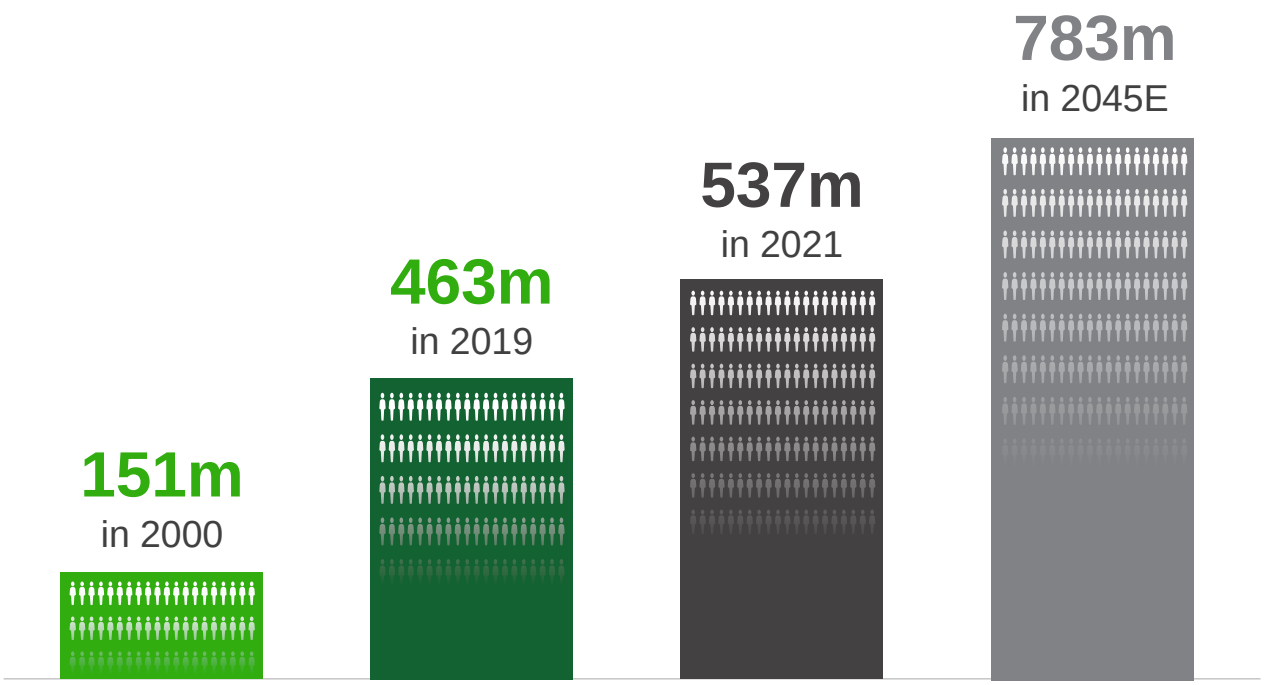
We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles, differ from GAAP measures with the same names, and may differ from non-GAAP financial measures with the same or similar names that are used by other companies. We believe that non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliations between these presentations, to more fully understand our business.



A **global crisis** that remains uncontrolled

Diabetes diagnosis and cost

Adults (aged 20-79) with diabetes globally[1]

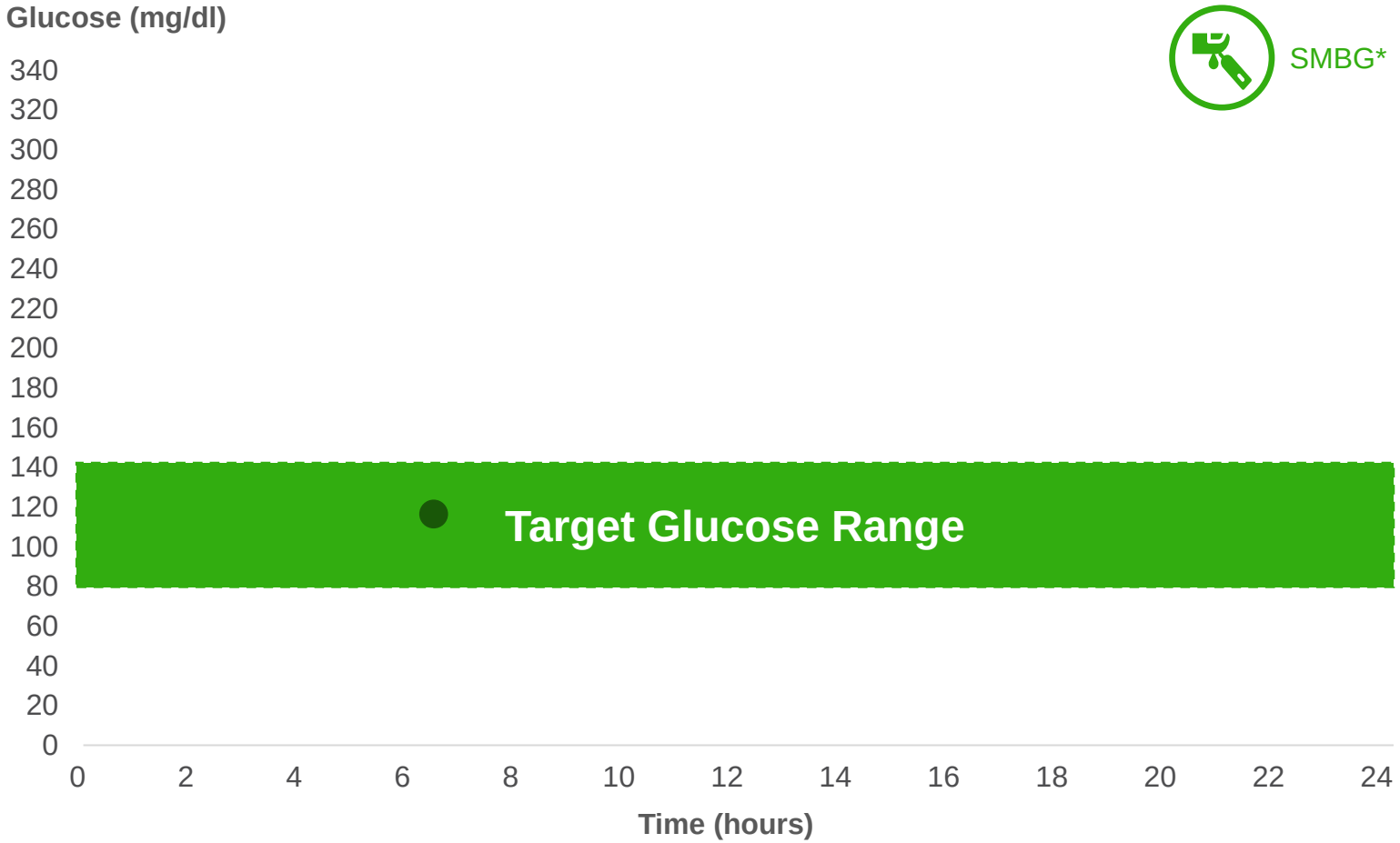


People diagnosed with diabetes **have ~2.6x higher expenses** than those without[2]

More than **1 in 4 US health care dollars** are spent on people with diabetes[2]

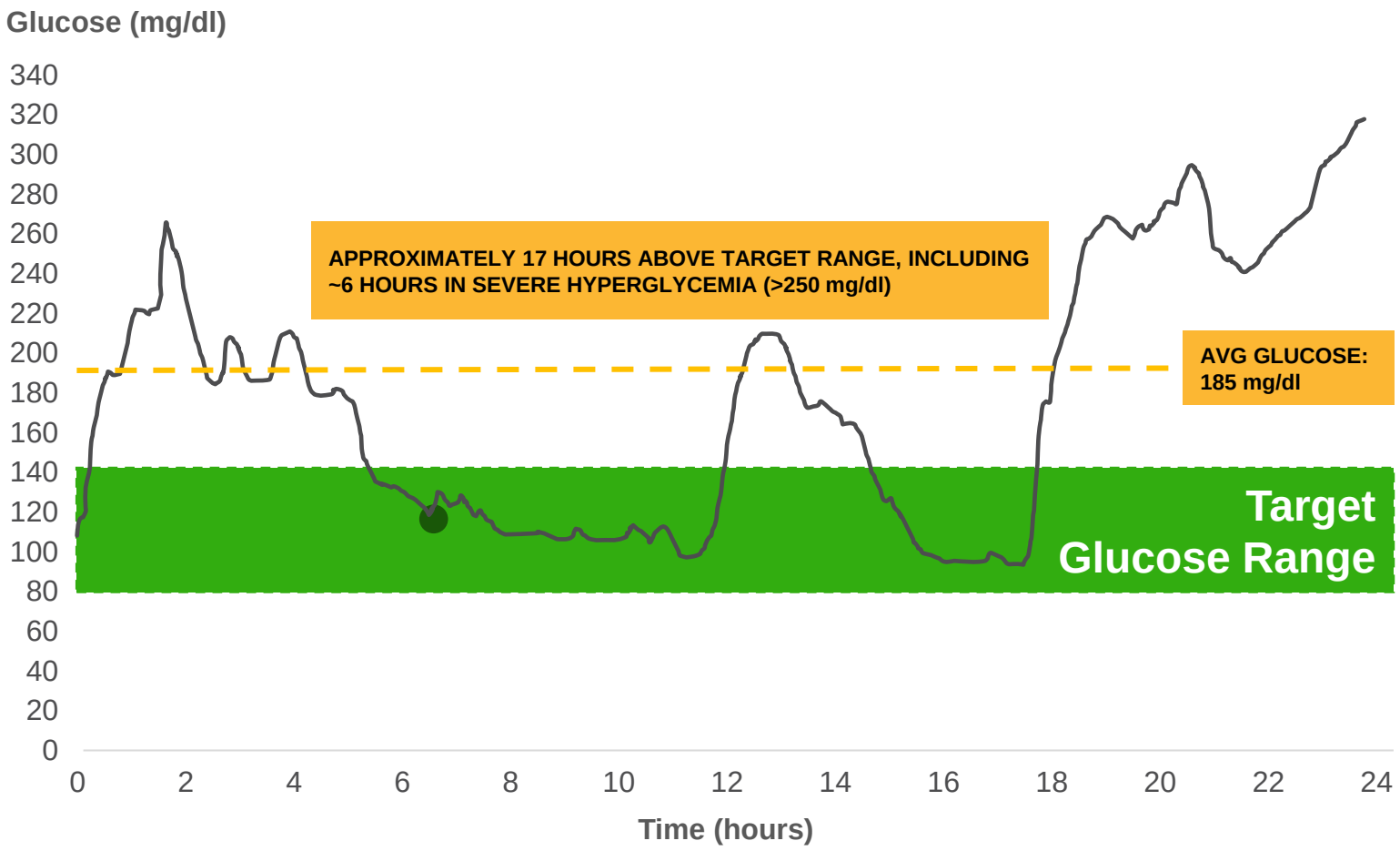
1. IDF Atlas, 10th edition (2021).
2. 2022 ADA Economic Costs of Diabetes in the US. US annual healthcare cost per person with diabetes was ~$20K in 2022.

Intermittent glucose monitoring **is not enough for diabetes management…**



*As compared to Self Monitoring of Blood Glucose (SMBG)

…and **CGM has become standard of care**[1] for all stages of insulin-use

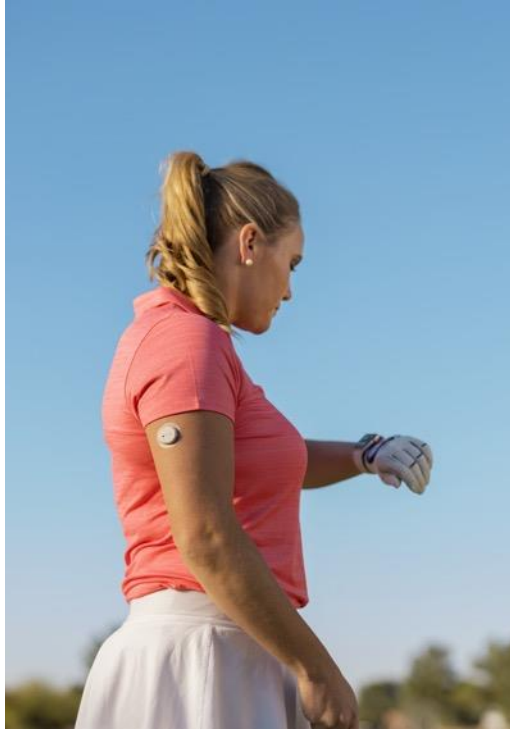


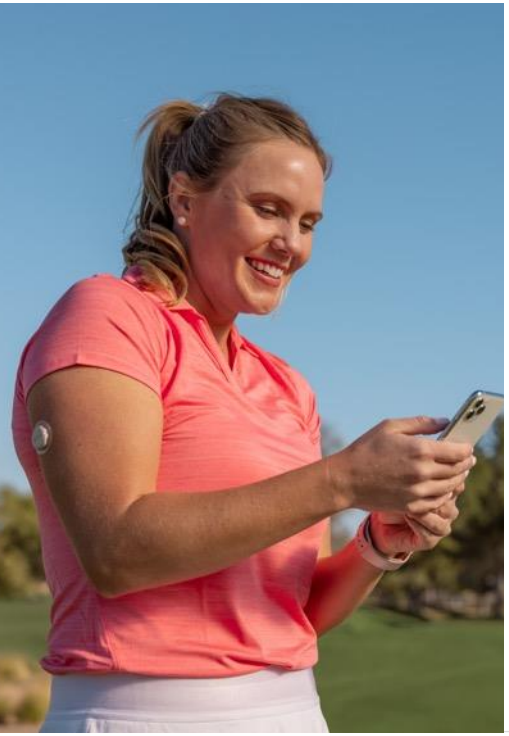
*As compared to Self Monitoring of Blood Glucose (SMBG). Illustrative example drawn from a pilot program involving Dexcom CGM use in Type 2 NIIT.
1. As defined by ADA Standards of Care in Diabetes – 2024.



We can do more









Pioneering the CGM industry

First **hypo alert** setting to increase user safety

First approval of dedicated **app to share glucose data with a caregiver**

First to deliver **single-digit MARD** accuracy levels

First approval to send glucose data **directly to smartphone**

First to enable users to monitor glucose levels on **Apple Watch**

First approval to **replace fingersticks** in treatment decisions

First **integrated CGM (iCGM)** device, enabling integration with Automated Insulin Delivery (AID) systems

First clearance of **real-time APIs**, expanding connectivity leadership

First CGM to **connect directly** to Apple Watch

*Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.

OUR MISSION

Empowering people to **take control of health**



*Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.

2023 **performance**

Strong revenue growth

2023 revenue of $3.62 billion, representing **growth of greater than 24%**

Grew the active Dexcom base by **~35%** during 2023. Serving approximately **2.3 million customers globally** as of the end of FY23

Margin expansion

Approximately **400 basis points** of operating expense leverage

Expanded access

Clinical evidence and product portfolio drove **significantly greater access** to Dexcom CGM

Scaled capacity

Initiated commercial production at **new flagship manufacturing site** in Malaysia, which will support years of growth

2024 **outlook**

FY24 guidance as of April 25, 2024

Revenue of

$4.20 – 4.35 billion

~17 – 21% Organic Growth[1]

Non-GAAP gross margin	Non-GAAP operating margin	Adjusted EBITDA margin
~63 – 64%	**~20%**	**~29%**

Objectives & considerations

- Ongoing **conversion of G6 to G7** within customer base
- **Extending momentum of 2023 launch** in type 2 basal and non-insulin hypo populations
- Expansion of **Dexcom ONE** into new geographies
  - Transition to G7 form factor underway
- Summer 2024 **launch of Stelo,** our 15 day non-insulin product with modest contribution included in 2024 guidance
  - Expected to launch as cash-pay while we build evidence for reimbursement
- Strong year-over-year **operating expense leverage**

We built momentum in 2023 and are
extending our addressable market with tailored solutions in 2024

1. Excludes divestiture of certain non-CGM assets that accounted for approximately $30 million of revenue in fiscal year 2023. 2024 organic growth expectation calculated excluding that contribution from the 2023 base.



Dexcom G7 | is the new standard in **CGM technology**

- Most accurate[1]
- Incredibly simple
- Most covered[2]



1) Dexcom, data on file, 2023. 2) Managed Markets Insights & Technology, LLC. MMIT Analytics, October 2023.
**Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.

Building on the **G7 standard**

Innovating product design

Advancing **15-day** efforts for G-Series

Investing in future **device enhancements**

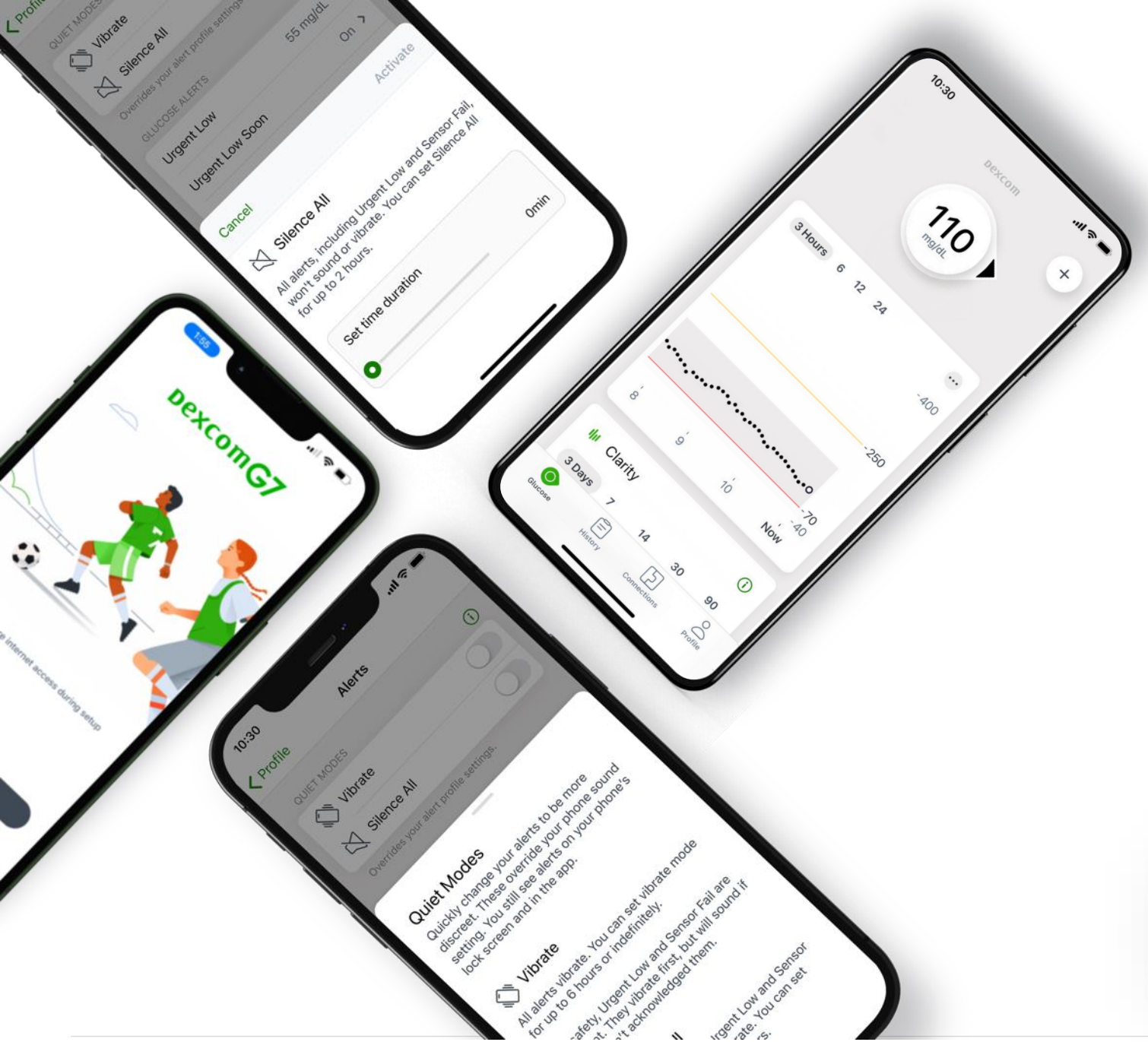


Maximizing volume efficiencies

Extending G7 **pump and connected pen** availability

Dexcom ONE to G7 form factor





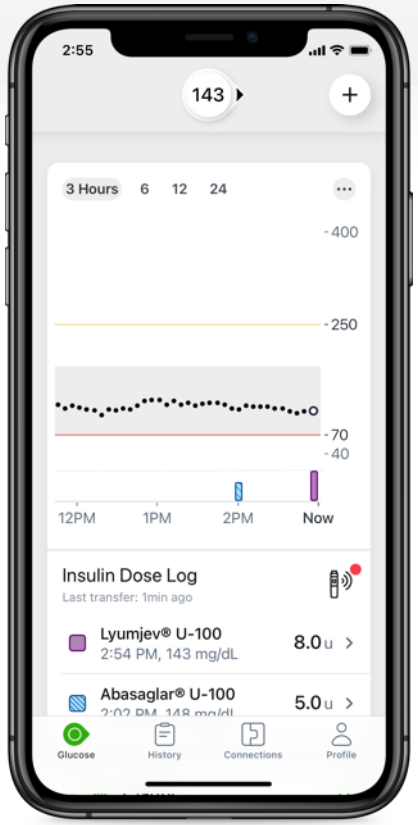
SIMPLIFIED SOFTWARE INFRASTRUCTURE

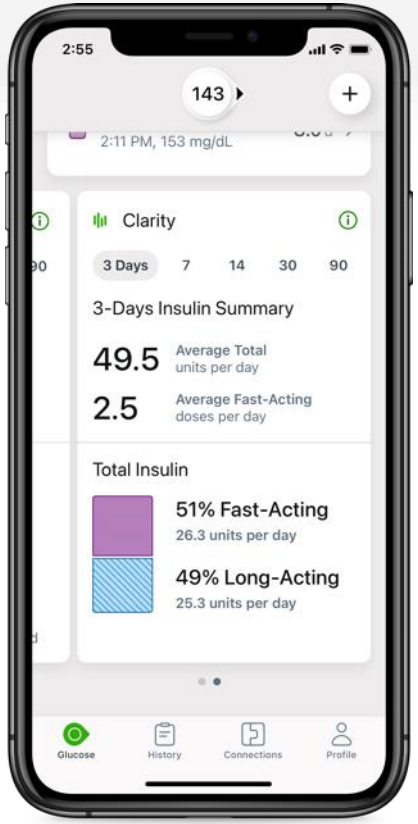
- **Single app** platform
- Dexcom ONE on **same software infrastructure**
- **Global app infrastructure** across languages
- **Easy to iterate**

We have completed **software updates almost monthly** since launch of G7

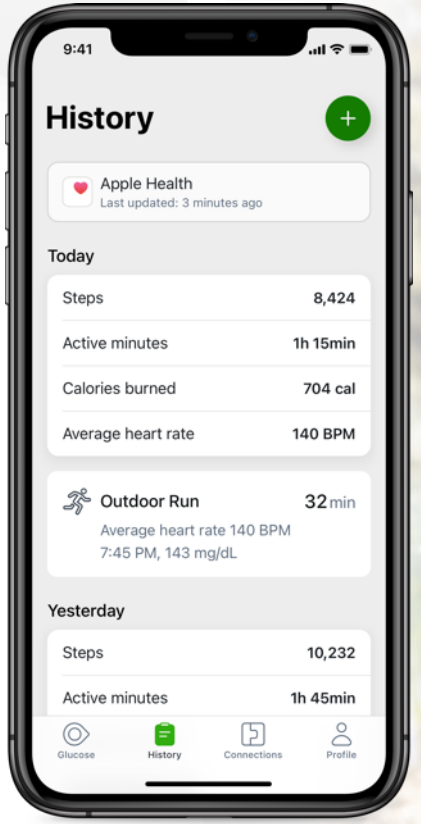
Iterating software to provide a **broader picture of health**

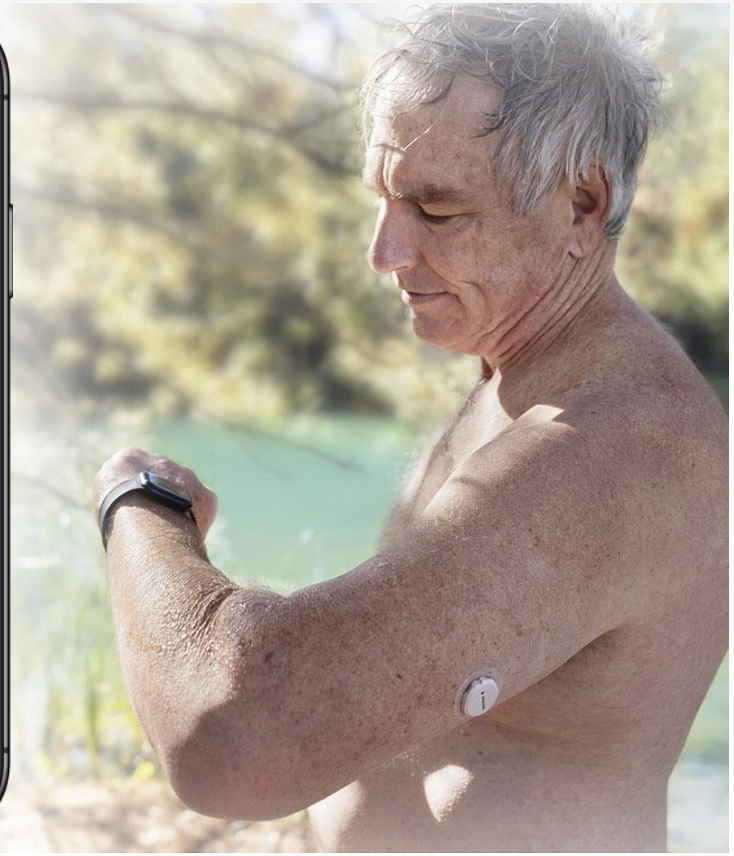
Integrating medication data to show in conjunction with glucose





Ingesting activity data to highlight lifestyle management





dexcom

**Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.

Connectivity as a competitive advantage

Differentiating through hardware and software



CUSTOMERS

Automated Insulin Delivery

Connected Pen

Digital Health Apps

TANDEM DIABETES CARE

Insulet

Lilly

SIGNOS

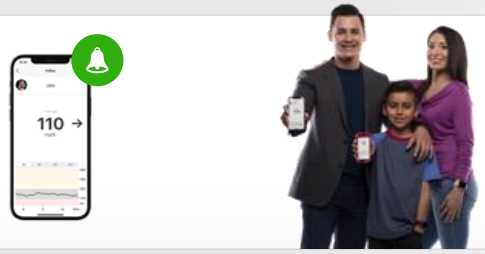
Beta Bionics

novo nordisk

LEVELS

LOVED ONES

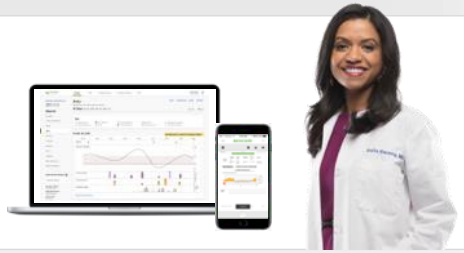
dexcom FOLLOW



HEALTHCARE PROVIDERS

dexcom CLARITY

glooko

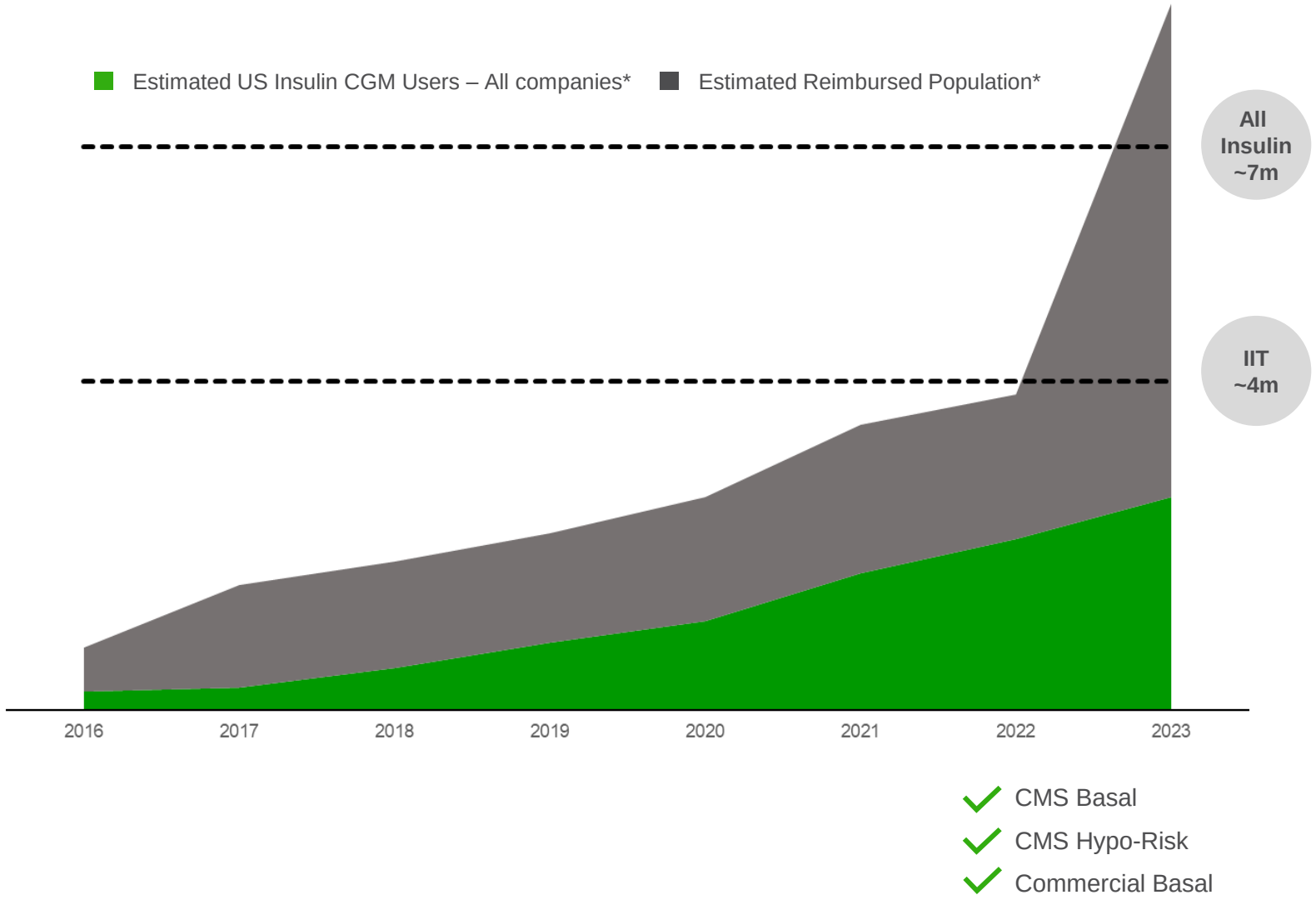


Core US market

Momentum and opportunity remain significant

> With coverage for basal insulin users and problematic hypoglycemia there are more people with covered access to CGM than ever before

Insulin & non-insulin hypoglycemia population



*Dexcom market research and Wall Street research. Estimated Reimbursed Population based on Dexcom market research.



Gaining momentum across all segments and channels in US

- Increased prescriber base by **~40% in 2023**
- **>70%** of new scripts written by primary care physicians

Continuing **strong international growth**

- Entering new geographies
- Reducing administrative barriers
- Expanding reimbursement
- Going direct in strategic markets
- Extending Dexcom ONE+ to additional markets



Well-positioned to extend international growth momentum

The right portfolio approach to unlock new geographies & expand share



Broad Reimbursement

G-Series

EXAMPLES:

- Germany
- Japan
- Canada





Tiered Reimbursement Markets

G-Series

Dexcom ONE

EXAMPLES:

- United Kingdom
- Spain
- Italy
- France



Limited Reimbursement

Dexcom ONE

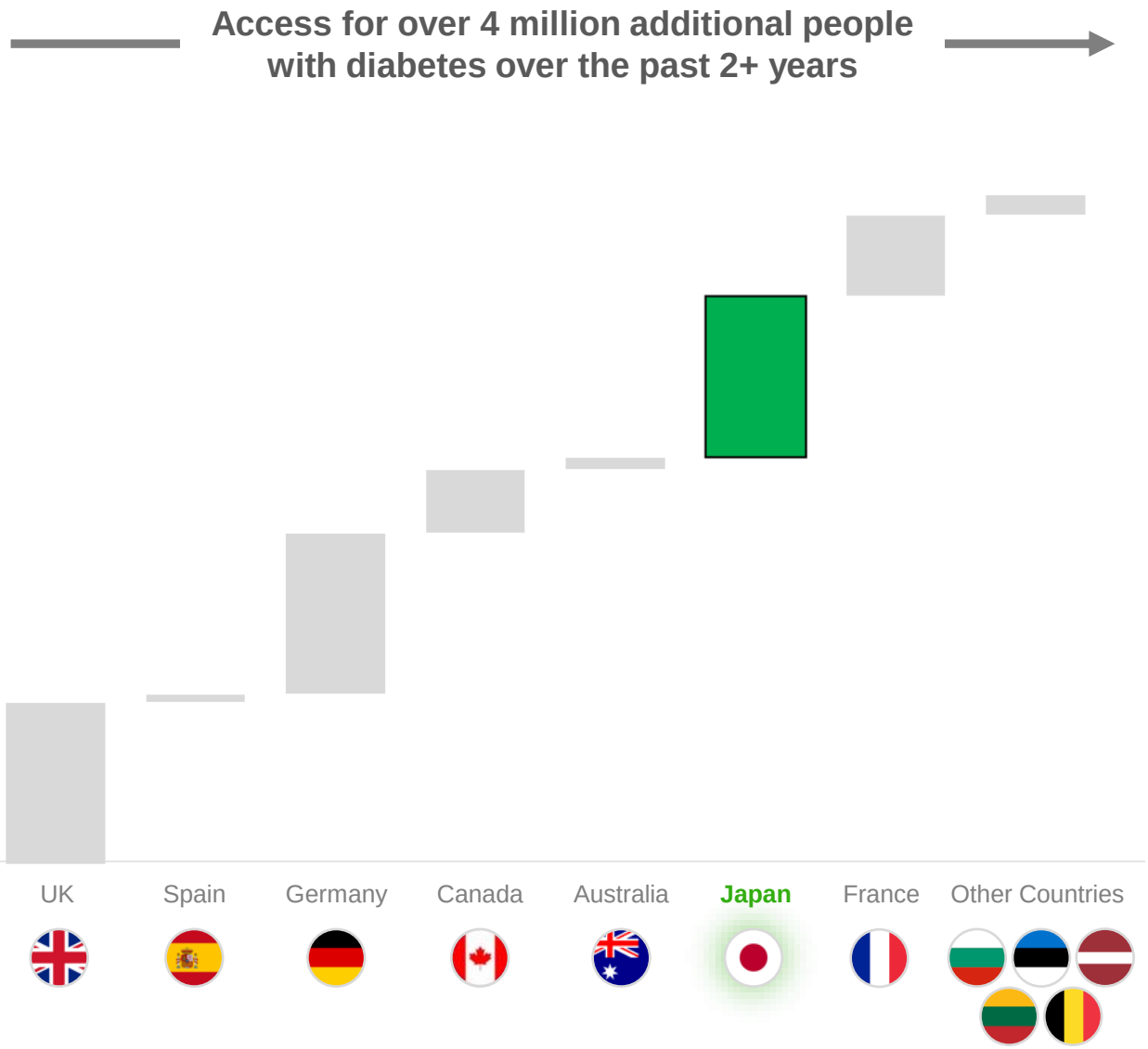
EXAMPLES:

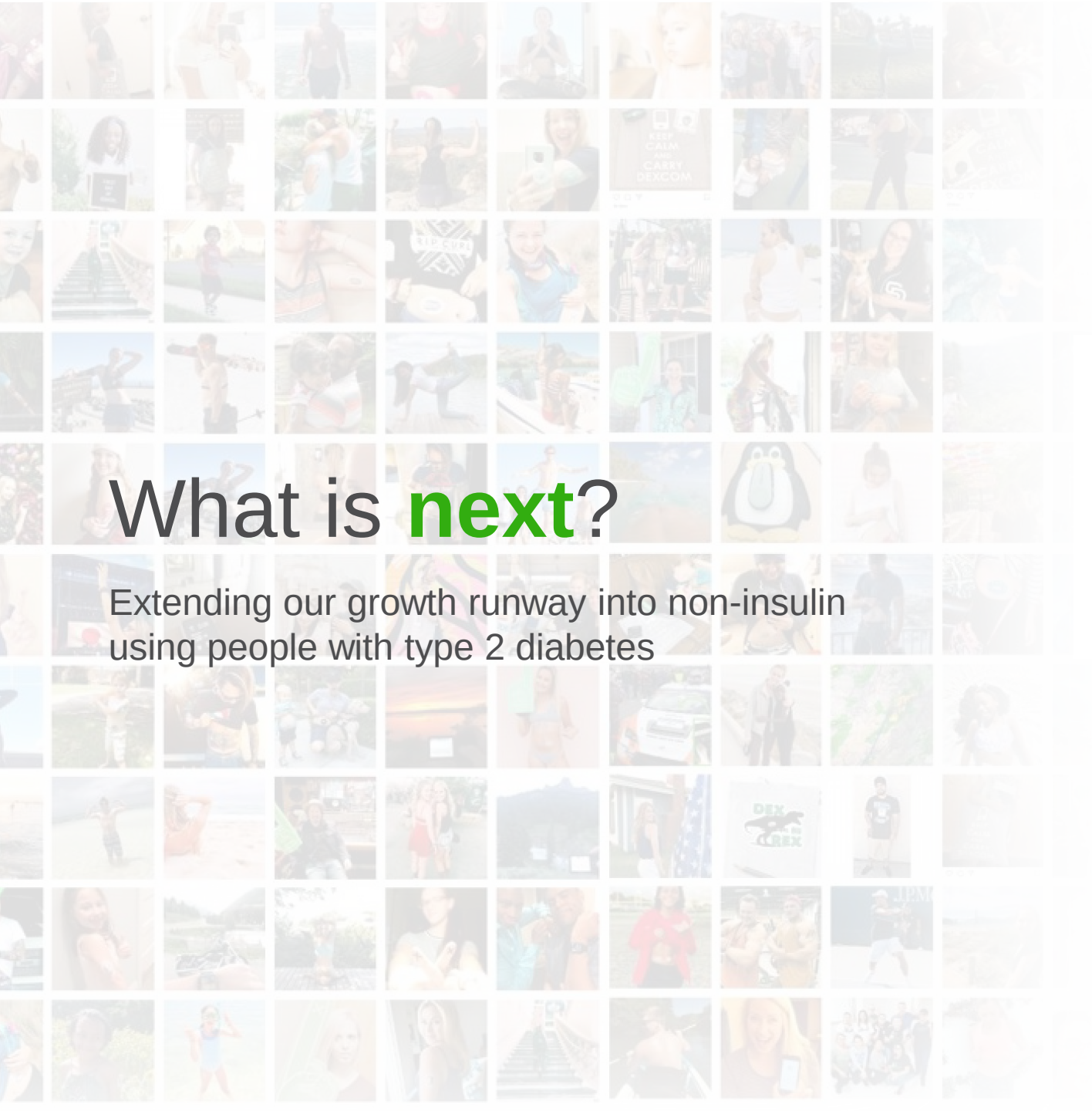
- Bulgaria
- Romania
- Lithuania

Transitioned Japan to **direct sales model** in 2024

Japan market opportunity

- Reimbursement established for all insulin-use
- Market penetration in early stages
- Leading medical device market
- Direct sales transition completed in Q2 2024





What is **next**?

Extending our growth runway into non-insulin using people with type 2 diabetes

TOTAL ADDRESSABLE MARKET

There are

25+ million people[1]

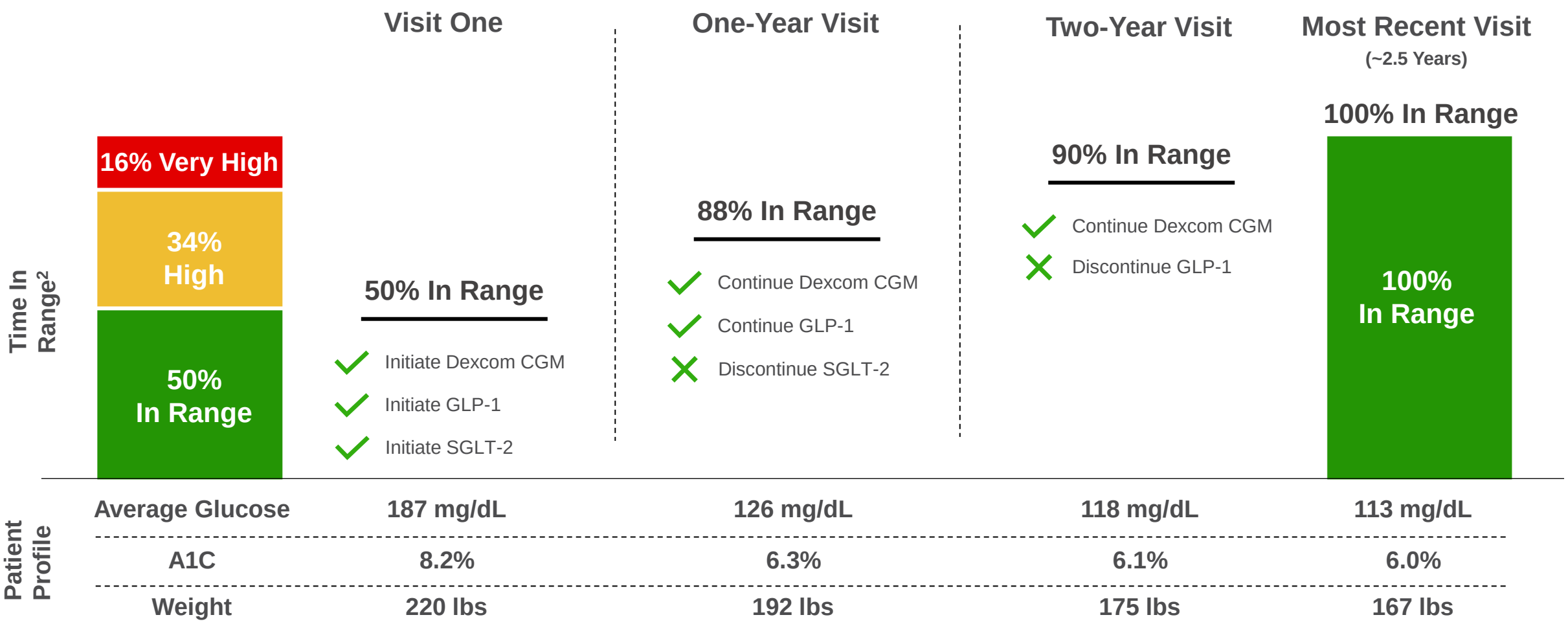
in the US with type 2 diabetes that have not yet progressed to insulin therapy and are not at high-risk of hypoglycemia

We see an opportunity to address this health crisis earlier to slow, or even reverse, the progression of diabetes

1. Estimate based on CDC National Diabetes Statistics Report.

Reframing what is possible with Dexcom CGM

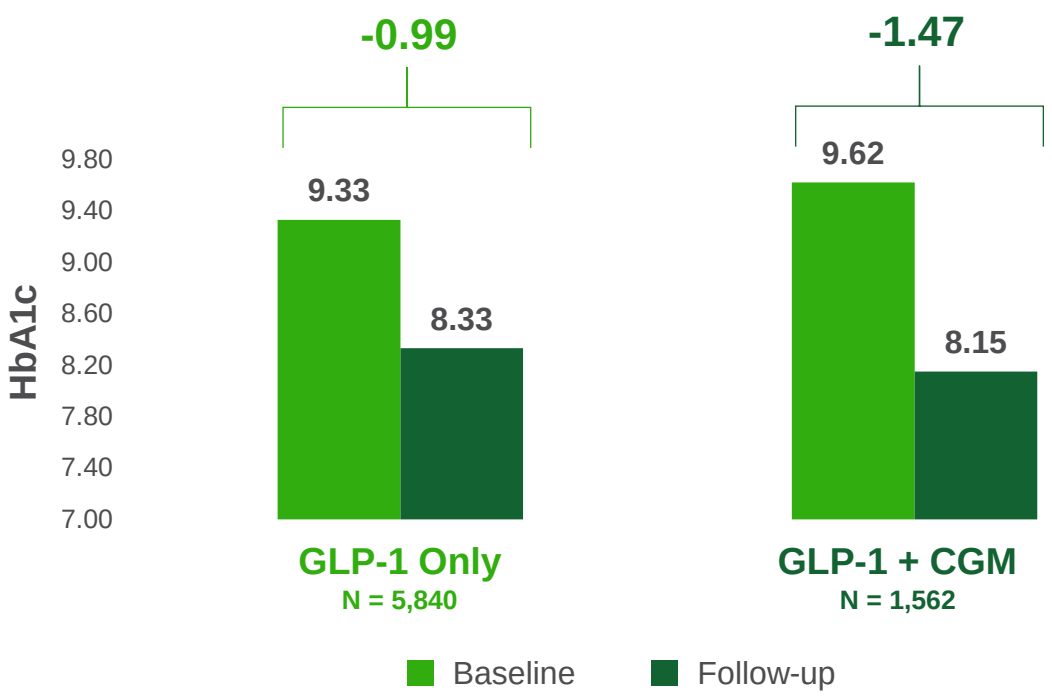
An example of a Dexcom First patient journey[1]



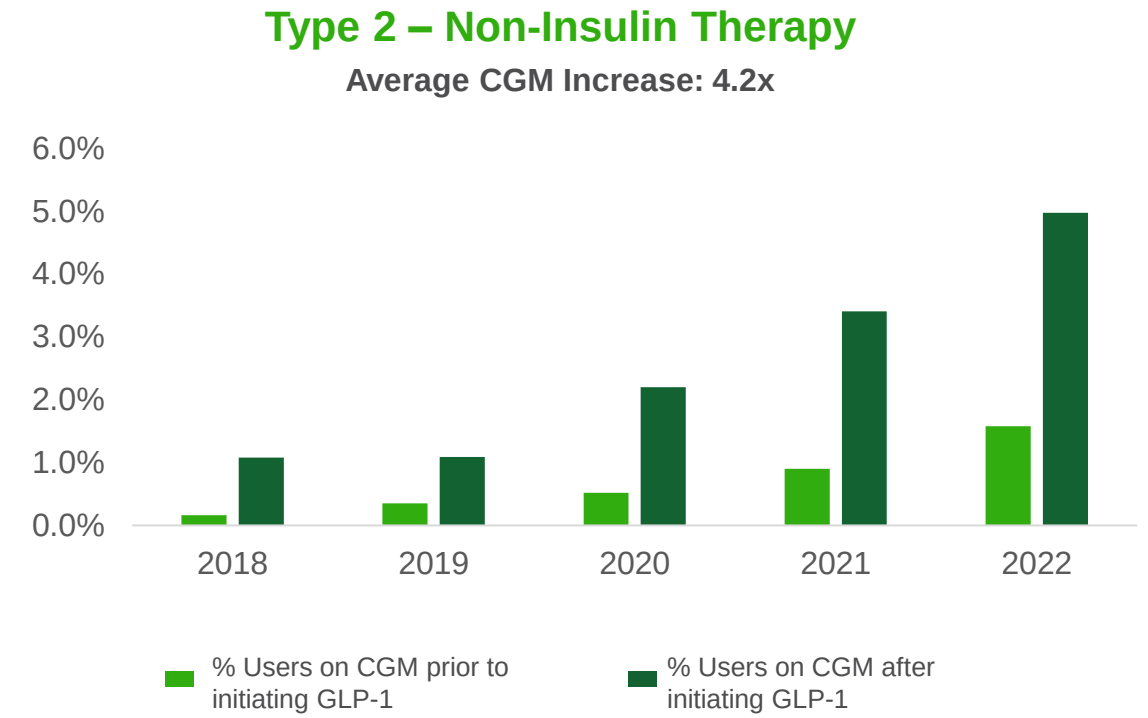
1. Real patient example (56-year-old female) over course of May 2021 – December 2023. GLP-1 and SGLT-2 represented by Ozempic and Jardiance.
2. Time in range targets defined as follows: In Range (70-180mg/dL), High (180-250 mg/dL), and Very High (>250 mg/dL).

CGM adds **meaningful clinical value** beyond GLP-1 therapy and clinicians want to prescribe these products together…

People with uncontrolled Type 2 diabetes on semaglutide or tirzepatide[1]



% CGM usage for those initiating GLP-1 therapy in each year[2]



1. Data from US payer claims. Baseline and follow-up periods are both 6-month windows. Uncontrolled includes people with HbA1c ≥8%. GLP-1 + CGM graph cohort includes all CGM brands.
2. Optum's de-identified Clinformatics® Data Mart Database, includes commercial and Medicare Advantage members.

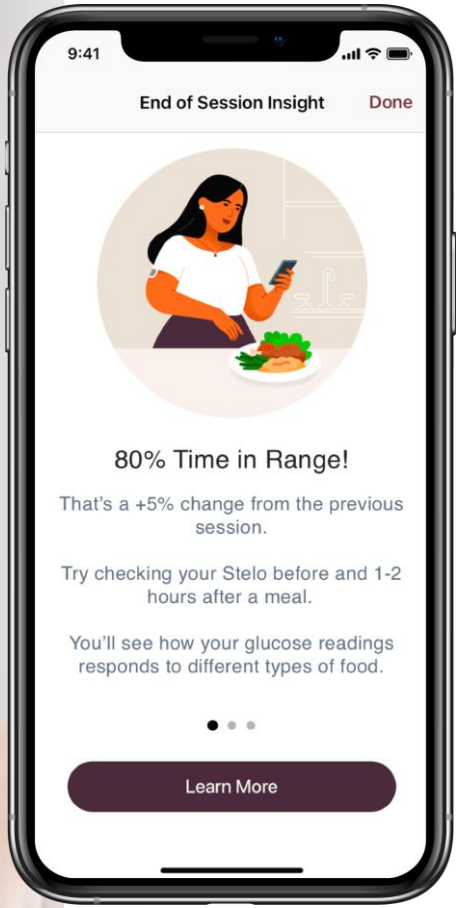


We can do more

dexcom



Dexcom's first product targeted for people with diabetes not on insulin



- Custom software
- Cash-pay option
- 15-day wear period
- First CGM cleared for use without a prescription in the US

Expected to launch summer 2024

*Dexcom, Stelo, and any related logos and design marks are either registered trademarks or trademarks of Dexcom, Inc. in the United States and/or other countries.
**Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.



dexcom

Where we are

- Type 1
- Type 2 IIT
- Type 2 Basal-Only
- Type 2 Problematic Hypo (Non-Insulin)

Where we are going

- Type 2 Non-Insulin
- Pre-Diabetes
- Gestational Diabetes
- Patient Monitoring
- Health & Wellness

*Dexcom, Dexcom Clarity, Dexcom Follow, Dexcom One, Dexcom Share, and any related logos and design marks are either registered trademarks or trademarks of Dexcom, Inc. in the United States and/or other countries.
**Image shown does not include required overpatch. Please be sure to follow instructions for using the overpatch.