



DEXCOM EARNINGS

Q1 2021

dexcom

SAFE HARBOR STATEMENT

This presentation contains “forward” looking statements that are based on our management’s beliefs and assumptions and on information currently available to management. 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, 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. These also include statements with respect to the impacts of the COVID-19 pandemic on Dexcom.

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.

The risks and uncertainties that may cause actual results to differ materially from DexCom’s current expectations are more fully described in DexCom’s annual report on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on February 11, 2021, its most recent quarterly report on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on April 29, 2021, and its other reports, each as filed with the Securities and Exchange Commission. DexCom assumes no obligation to update any such forward-looking statement after the date of this report or to conform these forward-looking statements to actual results.

The accompanying presentation dated April 29, 2021 contains non-GAAP financial measures. The appendix reconciles the non-GAAP financial measures in that 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.

DexCom reports 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.



FIRST QUARTER 2021



Strong growth with \$505 million in revenue

**25% revenue growth
(30% US; 10% OUS)**



Key Financial Highlights

Met or exceeded \$100 million in revenue growth for the seventh consecutive quarter

Gross Margin of 68.1%, up 420 basis points over Q1 2020



Operational Highlights

Completed expansion of US commercial field team and inaugural Super Bowl ad

Significant access wins, including three additional Canadian provinces*

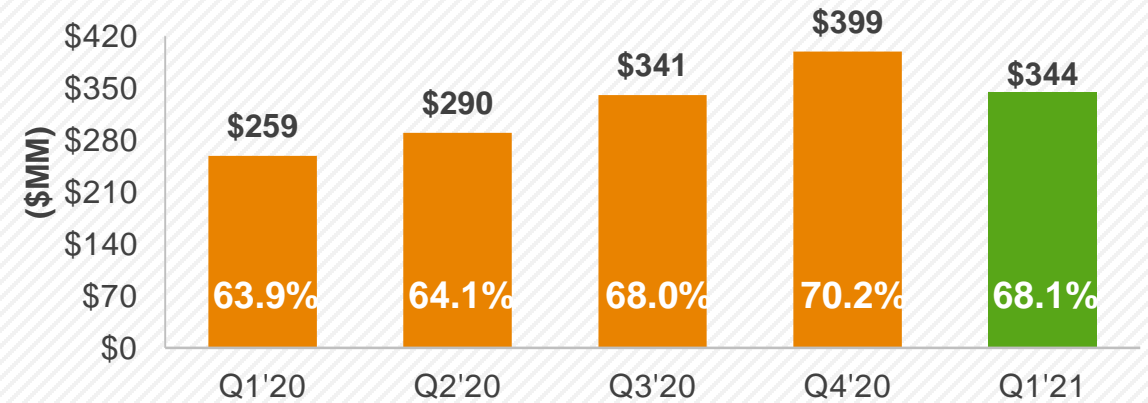
*Provincial coverage decisions determined just after the close of the first quarter and will take effect in the coming months.

FIRST QUARTER PERFORMANCE

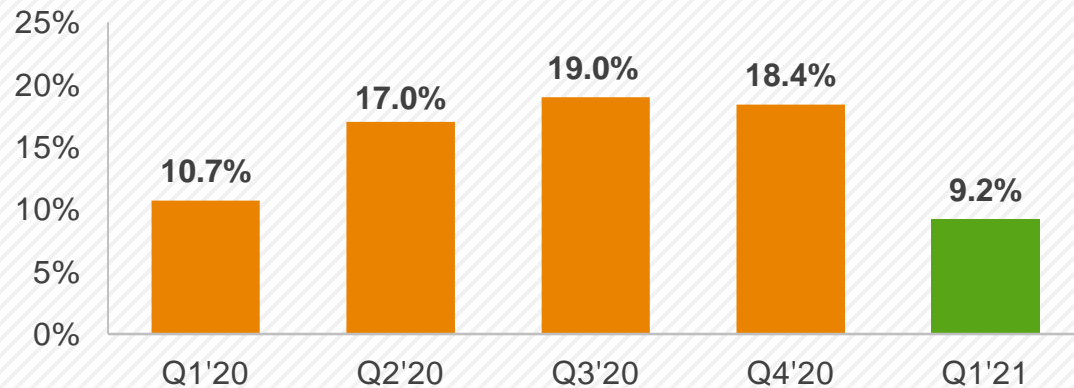
Total Revenue & Growth Rate



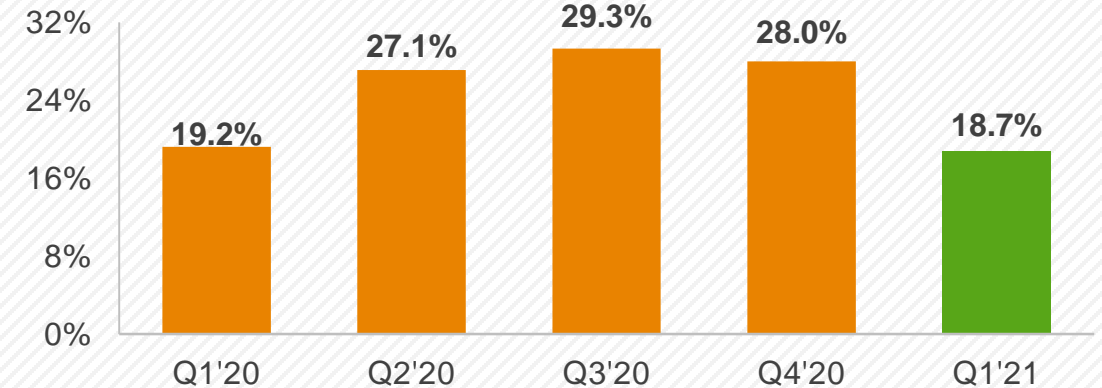
Non-GAAP Gross Profit and % Margin*



Non-GAAP Operating Margin*



Adjusted EBITDA Margin*



*See appendix for reconciliations to GAAP metrics. Adjusted EBITDA defined as EBITDA adjusted to exclude non-recurring charges and stock-based compensation.

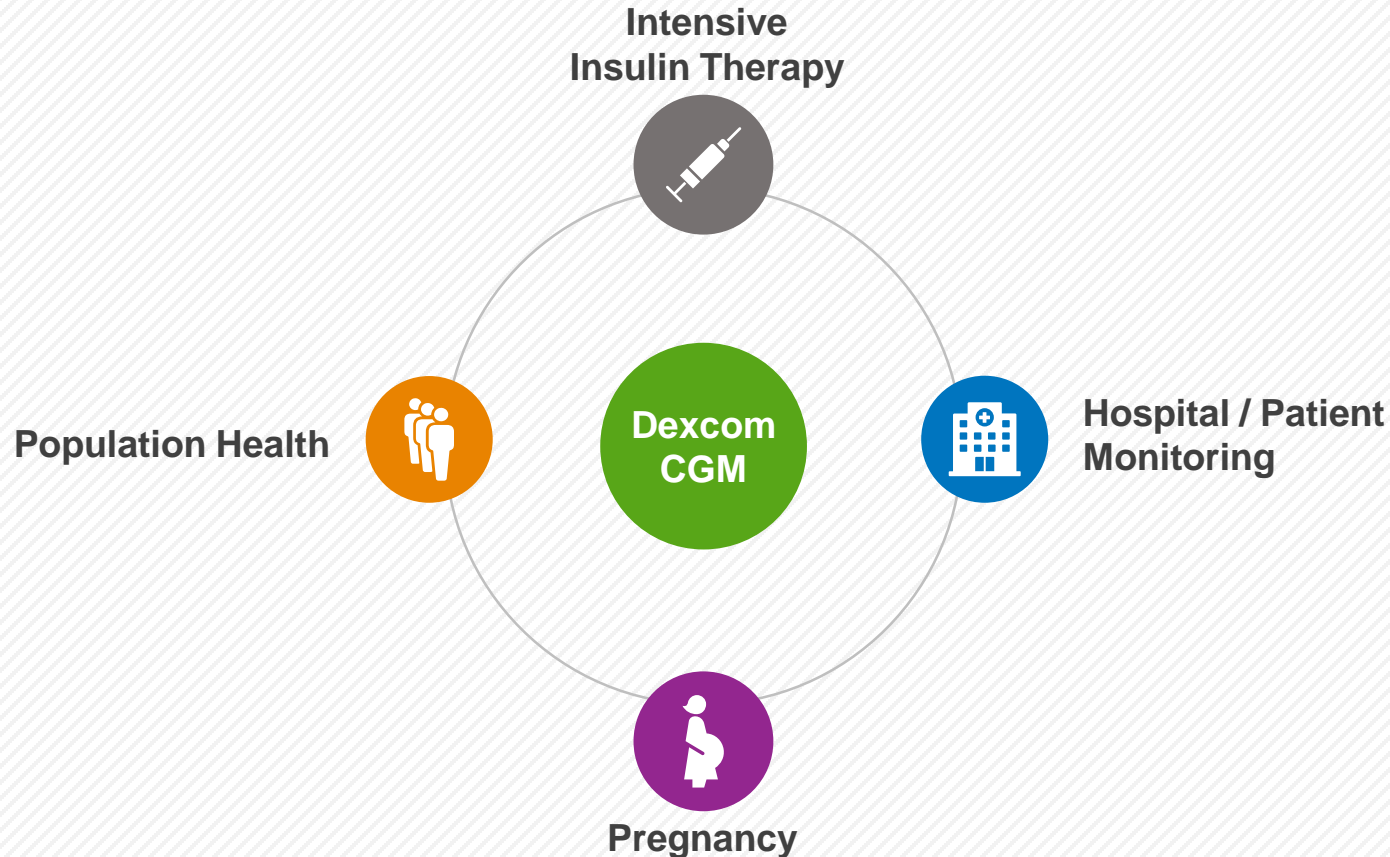
2021 GUIDANCE AS OF APRIL 29, 2021

2021 Updated Annual Revenue and Profitability Guidance

	Revenue	Non-GAAP Gross Profit Margin*	Non-GAAP Operating Margin*	Adjusted EBITDA Margin*	Key Considerations
Previous	\$2.21–\$2.31 billion	~65%	~13%	~23%	<ul style="list-style-type: none"> Strong patient volume growth with some impact due to COVID restrictions Continued mix shift into the pharmacy channel Investment in expanded sales force, DTC marketing, G7 clinical trial
Updated	\$2.26–\$2.36 billion	~65%	~13%	~23%	

*See appendix for reconciliations to GAAP metrics. Adjusted EBITDA defined as EBITDA adjusted to exclude non-recurring charges and stock-based compensation.

STRATEGIC OUTLOOK



Key 2021 Initiatives

1

Advance commercial initiatives (sales force expansion, DTC, pharmacy, primary care) and drive increased awareness of Dexcom CGM globally

2

Advance G7 manufacturing scale-up, clinical trial and regulatory submissions, toward expected 2H launches

3

Further demonstrate value proposition for Dexcom CGM in new markets while expanding initial commercial traction in T2 non-intensive

APPENDIX

Revenue Data and GAAP Reconciliations

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Dexcom, Inc.

Itemized Reconciliation between GAAP and Non-GAAP Financial Measures

<i>(In millions)</i>	<u>Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
GAAP gross profit	\$ 343.9	\$ 256.5
COVID-19 costs ⁽¹⁾	—	2.2
Non-GAAP gross profit	\$ 343.9	\$ 258.7
GAAP operating income	\$ 45.9	\$ 33.6
Amortization of acquired intangible assets	0.5	0.6
Business transition and related costs ⁽²⁾	—	(0.2)
COVID-19 costs ⁽¹⁾	—	3.2
Litigation settlement costs ⁽³⁾	—	6.1
Non-GAAP operating income	\$ 46.4	\$ 43.3
GAAP net income	\$ 40.3	\$ 19.9
Business transition and related costs ⁽²⁾	—	(0.2)
COVID-19 costs ⁽¹⁾	—	3.2
Depreciation and amortization	20.9	13.0
Litigation settlement costs ⁽³⁾	—	6.1
Share-based compensation	28.0	23.9
Interest expense and interest income	24.3	9.4
Income tax (benefit) expense	(19.1)	2.5
Adjusted EBITDA	\$ 94.4	\$ 77.8

<i>(In millions, except per share data)</i>	<u>Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
GAAP net income	\$ 40.3	\$ 19.9
Amortization of acquired intangible assets	0.5	0.6
Business transition and related costs ⁽²⁾	—	(0.2)
COVID-19 costs ⁽¹⁾	—	3.2
Litigation settlement costs ⁽³⁾	—	6.1
Non-cash interest expense ⁽⁴⁾	20.5	11.8
Adjustments related to taxes ⁽⁵⁾	(28.5)	—
Non-GAAP net income	\$ 32.8	\$ 41.4
GAAP diluted net income per share	\$ 0.41	\$ 0.21
Amortization acquired of intangible assets	0.01	0.01
Business transition and related costs ⁽²⁾	—	—
COVID-19 costs ⁽¹⁾	—	0.03
Litigation settlement costs ⁽³⁾	—	0.06
Non-cash interest expense ⁽⁴⁾	0.21	0.13
Adjustments related to taxes ⁽⁵⁾	(0.29)	—
Non-GAAP net income per share⁽⁶⁾	\$ 0.33	\$ 0.44
Shares used in GAAP diluted per share calculations:	99.4	94.1
Shares used in non-GAAP per share calculations:	99.4	94.1

(1) Represents costs associated with the COVID-19 outbreak related to taking the necessary precautions for essential personnel to operate safely both in person as well as remotely.

(2) Business transition and related costs are primarily related to the Restructuring Plan that Dexcom announced on February 21, 2019.

(3) Represents costs associated with a settlement of litigation and proceedings related to a patent infringement lawsuit.

(4) Non-cash interest expense represents accretion of the debt discount associated with our senior convertible notes.

(5) For the three months ended March 31, 2021, tax adjustments were primarily related to the excess tax benefits from stock compensation vesting during the quarter. For the three months ended March 31, 2020, there were no tax adjustments due to the valuation allowance against deferred tax assets.

(6) The sum of the non-GAAP net income per share components may not equal the totals due to rounding.

DEXCOM, INC.

TRENDED UNAUDITED QUARTERLY AND ANNUAL REVENUE RELATED METRICS BY COMPONENT TOTAL COMPANY 2019 - 2021

	<u>Q1'19</u>	<u>Q2'19</u>	<u>Q3'19</u>	<u>Q4'19</u>	<u>Q1'20</u>	<u>Q2'20</u>	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>FY'19</u>	<u>FY'20</u>
<u>Revenue Metrics By Component</u>											
Sensor & Other Revenue (millions) ^{(1) (2)}	\$ 211.9	\$ 260.4	\$ 317.2	\$ 359.5	\$ 325.0	\$ 364.5	\$ 406.3	\$ 465.6	\$ 424.3	\$ 1,149.0	\$ 1,561.4
Year over year growth	61%	45%	64%	42%	53%	40%	28%	30%	31%	52%	36%
Quarter over quarter growth (decline)	(16%)	23%	22%	13%	(10%)	12%	11%	15%	(9%)		
% of Total revenue	76%	77%	80%	78%	80%	81%	81%	82%	84%	78%	81%
Hardware Revenue (millions) ^{(1) (3)}	\$ 68.6	\$ 76.0	\$ 79.1	\$ 103.3	\$ 80.1	\$ 87.3	\$ 94.6	\$ 103.3	\$ 80.7	\$ 327.0	\$ 365.3
Year over year growth	31%	21%	9%	21%	17%	15%	20%	0%	1%	20%	12%
Quarter over quarter growth (decline)	(20%)	11%	4%	31%	(22%)	9%	8%	9%	(22%)		
% of Total revenue	24%	23%	20%	22%	20%	19%	19%	18%	16%	22%	19%
Total Revenue (millions)	\$ 280.5	\$ 336.4	\$ 396.3	\$ 462.8	\$ 405.1	\$ 451.8	\$ 500.9	\$ 568.9	\$ 505.0	\$ 1,476.0	\$ 1,926.7
Year over year growth	52%	39%	49%	37%	44%	34%	26%	23%	25%	43%	31%
Quarter over quarter growth (decline)	(17%)	20%	18%	17%	(12%)	12%	11%	14%	(11%)		

(1) Includes allocated subscription revenue

(2) Includes services, freight, accessories, etc.

(3) Includes transmitter and receiver revenue

Note - All periods reflect the current component level reporting

DEXCOM, INC.
TRENDED UNAUDITED QUARTERLY AND ANNUAL REVENUE RELATED METRICS BY
GEOGRAPHY
TOTAL COMPANY
2019 - 2021

	<u>Q1'19</u>	<u>Q2'19</u>	<u>Q3'19</u>	<u>Q4'19</u>	<u>Q1'20</u>	<u>Q2'20</u>	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>FY'19</u>	<u>FY'20</u>
<u>Revenue Metrics By Geography</u>											
US Revenue (millions)	\$ 210.5	\$ 266.3	\$ 308.8	\$ 375.9	\$ 292.3	\$ 367.1	\$ 398.6	\$ 451.5	\$ 381.2	\$ 1,161.5	\$ 1,509.5
Year over year growth	45%	40%	53%	34%	39%	38%	29%	20%	30%	42%	30%
Quarter over quarter growth (decline)	(25%)	27%	16%	22%	(22%)	26%	9%	13%	(16%)		
% of Total revenue	75%	79%	78%	81%	72%	81%	80%	79%	75%	79%	78%
OUS Revenue (millions)	\$ 70.0	\$ 70.1	\$ 87.5	\$ 86.9	\$ 112.8	\$ 84.7	\$ 102.3	\$ 117.4	\$ 123.8	\$ 314.5	\$ 417.2
Year over year growth	79%	33%	36%	52%	61%	21%	17%	35%	10%	48%	33%
Quarter over quarter growth (decline)	23%	0%	25%	(1%)	30%	(25%)	21%	15%	5%		
% of Total revenue	25%	21%	22%	19%	28%	19%	20%	21%	25%	21%	22%
Total Revenue (millions)	\$ 280.5	\$ 336.4	\$ 396.3	\$ 462.8	\$ 405.1	\$ 451.8	\$ 500.9	\$ 568.9	\$ 505.0	\$ 1,476.0	\$ 1,926.7
Year over year growth	52%	39%	49%	37%	44%	34%	26%	23%	25%	43%	31%
Quarter over quarter growth (decline)	(17%)	20%	18%	17%	(12%)	12%	11%	14%	(11%)		

Dexcom, Inc.

Itemized Reconciliation Between GAAP and Non-GAAP Selected Data

Definitions:

Business transition and related costs – Represents costs associated with acquisition, integration and business transition activities, including severance, relocation, consulting, leasehold exit costs, third party merger and acquisition costs, and other costs directly associated with such activities. We exclude business transition and related costs from our non-GAAP financial measures because they are unrelated to our ongoing business operating results.

COVID-19 costs - Costs associated with the COVID-19 outbreak related to taking the necessary precautions for essential personnel to operate safely both in person as well as remotely. Costs incurred include items like incremental payroll costs, consulting support, IT infrastructure and facilities related costs

Non-cash interest expense on senior convertible notes – Represents the accretion of the debt discount associated with our senior convertible notes. We exclude these non-cash interest expenses from our non-GAAP financial measures.

Adjustments related to taxes – Adjustments related to taxes for Non-GAAP excluded items, as well as excess benefits or tax deficiencies from stock-based compensation, the one-time impact from release of valuation allowance in 2020, and the quarterly impact of other discrete items.

Adjusted EBITDA – Adjusted EBITDA excludes non-cash operating charges for share-based compensation and depreciation and amortization as well as non-operating items such as interest income, interest expense, and income tax expense or benefit. For the reasons explained above, Adjusted EBITDA also excludes business transition and related costs.