



DEXCOM EARNINGS

Q3 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 September 30, 2021, as filed with the Securities and Exchange Commission on October 28, 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 October 28, 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.



THIRD QUARTER 2021



Strong growth with \$650 million in revenue

**30% revenue growth¹
(23% US; 57% OUS²)**



Key Financial Highlights

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

Gross Margin of 68.7%, up 70 bps over Q3 2020



Strategic Highlights

Received FDA clearance for two key software solutions that enhance Dexcom's connected ecosystem

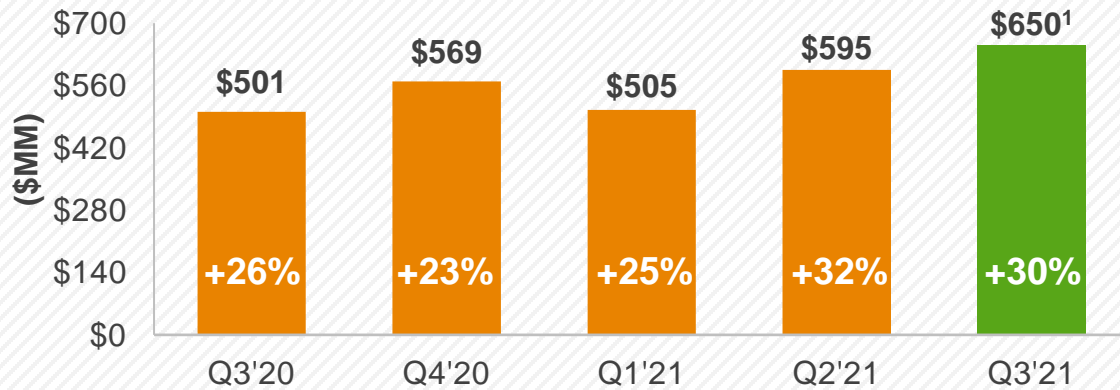
Introduced new product with the launch of Dexcom ONE

1) Includes non-CGM revenue acquired in conjunction with Dexcom's acquisition of its distributor in Australia and New Zealand. Growth was 28% on an organic basis.

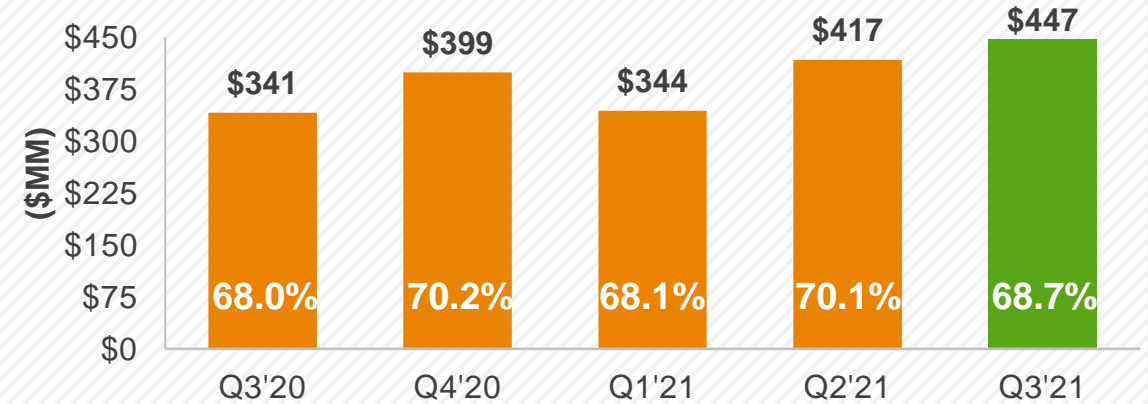
2) Includes non-CGM revenue acquired in conjunction with Dexcom's acquisition of its distributor in Australia and New Zealand. International growth was 46% on an organic basis.

THIRD QUARTER PERFORMANCE

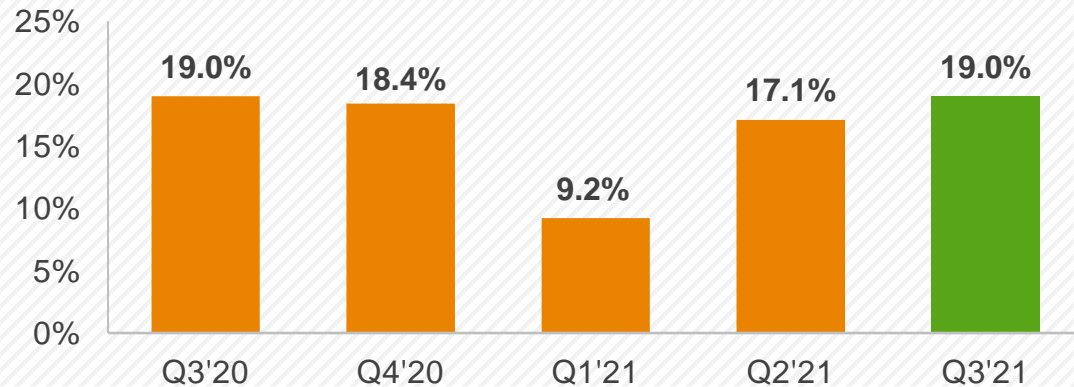
Total Revenue & Growth Rate



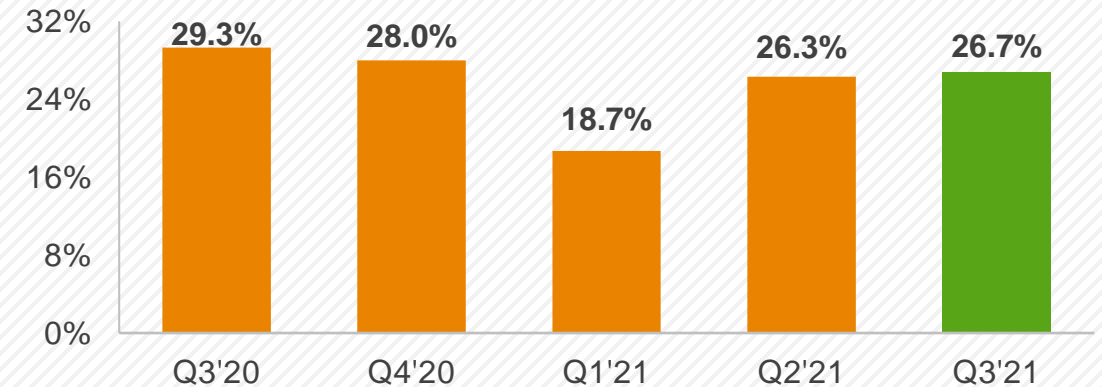
Non-GAAP Gross Profit and % Margin*



Non-GAAP Operating Margin*



Adjusted EBITDA Margin*



1) Includes non-CGM revenue acquired in conjunction with Dexcom's acquisition of its distributor in Australia and New Zealand. Growth was 28% on an organic basis.

*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 October 28, 2021

2021 Updated Annual Revenue and Profitability Guidance

	Revenue	Non-GAAP Gross Profit Margin*	Non-GAAP Operating Margin*	Adjusted EBITDA Margin*
Previous	\$2.35–\$2.40 billion	~67%	~14%	~24%
Updated	\$2.425–\$2.450 billion ¹	~68%	~16%	~25%

1) Growth includes approximately 1% from non-CGM acquired revenue in conjunction with Dexcom's acquisition of its distributor in Australia and New Zealand.

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

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>	Three Months Ended September 30,	
	2021	2020
GAAP gross profit	\$ 446.9	\$ 340.4
COVID-19 costs ⁽¹⁾	—	0.3
Non-GAAP gross profit	\$ 446.9	\$ 340.7
GAAP operating income	\$ 118.3	\$ 94.1
Amortization of acquired intangible assets	1.3	0.7
Business transition and related costs ⁽²⁾	—	0.1
COVID-19 costs ⁽¹⁾	—	0.1
Intellectual property litigation costs ⁽³⁾	4.2	—
Non-GAAP operating income	\$ 123.8	\$ 95.0
GAAP net income	\$ 70.9	\$ 72.2
Business transition and related costs ⁽²⁾	—	0.1
COVID-19 costs ⁽¹⁾	—	0.1
Depreciation and amortization	25.5	18.4
Intellectual property litigation costs ⁽³⁾	4.2	—
Loss on extinguishment of debt ⁽⁴⁾	0.8	0.5
Share-based compensation	27.5	30.7
Interest expense and interest income	24.8	22.0
Income tax (benefit) expense	19.8	2.9
Adjusted EBITDA	\$ 173.5	\$ 146.9

<i>(In millions, except per share data)</i>	Three Months Ended September 30,	
	2021	2020
GAAP net income	\$ 70.9	\$ 72.2
Amortization of acquired intangible assets	1.3	0.7
Business transition and related costs ⁽²⁾	—	0.1
COVID-19 costs ⁽¹⁾	—	0.1
Intellectual property litigation costs ⁽³⁾	4.2	—
Loss on extinguishment of debt ⁽⁴⁾	0.8	0.5
Non-cash interest expense ⁽⁵⁾	20.8	20.0
Adjustments related to taxes ⁽⁶⁾	(8.5)	—
Non-GAAP net income	\$ 89.5	\$ 93.6
GAAP diluted net income per share	\$ 0.71	\$ 0.73
Amortization acquired of intangible assets	0.01	0.01
Business transition and related costs ⁽²⁾	—	—
COVID-19 costs ⁽¹⁾	—	—
Intellectual property litigation costs ⁽³⁾	0.04	—
Non-cash interest expense ⁽⁵⁾	0.21	0.20
Loss on extinguishment of debt ⁽⁴⁾	0.01	0.01
Adjustments related to taxes ⁽⁶⁾	(0.08)	—
Non-GAAP net income per share ⁽⁷⁾	\$ 0.89	\$ 0.94
Shares used in GAAP diluted per share calculations:	100.5	99.5
Shares used in non-GAAP per share calculations:	100.5	99.5

(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 costs are primarily related to the Restructuring Plan that Dexcom announced on February 21, 2019.

(3) Represents costs related to a patent infringement lawsuit.

(4) Loss on extinguishment of debt is related to conversions of our Senior Convertible Notes due 2023.

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

(6) For the three months ended September 30, 2021, tax adjustments were primarily related to the excess tax benefits from stock compensation vesting.

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

DEXCOM, INC.

TRENDING 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>Q2'21</u>	<u>Q3'21</u>	<u>YTD'19</u>	<u>YTD'20</u>	<u>YTD'21</u>
Revenue Metrics By Component														
Sensor & Other Revenue (millions) ^{(1) (2)}	\$ 211.9	\$ 260.4	\$ 317.2	\$ 359.5	\$ 325.0	\$ 364.5	\$ 406.3	\$ 465.6	\$ 424.3	\$ 494.5	\$ 547.9	\$ 789.5	\$ 1,095.8	\$ 1,466.7
Year over year growth	61%	45%	64%	42%	53%	40%	28%	30%	31%	36%	35%	56%	39%	34%
Quarter over quarter growth (decline)	(16%)	23%	22%	13%	(10%)	12%	11%	15%	(9%)	17%	11%			
% of Total revenue	76%	77%	80%	78%	80%	81%	81%	82%	84%	83%	84%	78%	81%	84%
Hardware Revenue (millions) ^{(1) (3)}	\$ 68.6	\$ 76.0	\$ 79.1	\$ 103.3	\$ 80.1	\$ 87.3	\$ 94.6	\$ 103.3	\$ 80.7	\$ 100.6	\$ 102.3	\$ 223.7	\$ 262.0	\$ 283.6
Year over year growth	31%	21%	9%	21%	17%	15%	20%	0%	1%	15%	8%	19%	17%	8%
Quarter over quarter growth (decline)	(20%)	11%	4%	31%	(22%)	9%	8%	9%	(22%)	25%	2%			
% of Total revenue	24%	23%	20%	22%	20%	19%	19%	18%	16%	17%	16%	22%	19%	16%
Total Revenue (millions)	\$ 280.5	\$ 336.4	\$ 396.3	\$ 462.8	\$ 405.1	\$ 451.8	\$ 500.9	\$ 568.9	\$ 505.0	\$ 595.1	\$ 650.2	\$ 1,013.2	\$ 1,357.8	\$ 1,750.3
Year over year growth	52%	39%	49%	37%	44%	34%	26%	23%	25%	32%	30%	46%	34%	29%
Quarter over quarter growth (decline)	(17%)	20%	18%	17%	(12%)	12%	11%	14%	(11%)	18%	9%			

(1) Includes allocated subscription revenue

(2) Includes services, freight, accessories, non-CGM acquired revenue, 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>Q2'21</u>	<u>Q3'21</u>	<u>YTD'19</u>	<u>YTD'20</u>	<u>YTD'21</u>
<i>Revenue Metrics By Geography</i>														
US Revenue (millions)	\$ 210.5	\$ 266.3	\$ 308.8	\$ 375.9	\$ 292.3	\$ 367.1	\$ 398.6	\$ 451.5	\$ 381.2	\$ 461.5	\$ 489.6	\$ 785.6	\$ 1,058.0	\$ 1,332.3
Year over year growth	45%	40%	53%	34%	39%	38%	29%	20%	30%	26%	23%	46%	35%	26%
Quarter over quarter growth (decline)	(25%)	27%	16%	22%	(22%)	26%	9%	13%	(16%)	21%	6%			
% of Total revenue	75%	79%	78%	81%	72%	81%	80%	79%	75%	78%	75%	78%	78%	76%
OUS Revenue (millions)	\$ 70.0	\$ 70.1	\$ 87.5	\$ 86.9	\$ 112.8	\$ 84.7	\$ 102.3	\$ 117.4	\$ 123.8	\$ 133.6	\$ 160.6	\$ 227.6	\$ 299.8	\$ 418.0
Year over year growth	79%	33%	36%	52%	61%	21%	17%	35%	10%	58%	57%	46%	32%	39%
Quarter over quarter growth (decline)	23%	0%	25%	(1%)	30%	(25%)	21%	15%	5%	8%	20%			
% of Total revenue	25%	21%	22%	19%	28%	19%	20%	21%	25%	22%	25%	22%	22%	24%
Total Revenue (millions)	\$ 280.5	\$ 336.4	\$ 396.3	\$ 462.8	\$ 405.1	\$ 451.8	\$ 500.9	\$ 568.9	\$ 505.0	\$ 595.1	\$ 650.2	\$ 1,013.2	\$ 1,357.8	\$ 1,750.3
Year over year growth	52%	39%	49%	37%	44%	34%	26%	23%	25%	32%	30%	46%	34%	29%
Quarter over quarter growth (decline)	(17%)	20%	18%	17%	(12%)	12%	11%	14%	(11%)	18%	9%			

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.