



Dexcom Inc. (NASDAQ: DXCM)

BUY Recommendation; Target Price: **US\$160.8 (15.0% upside)**

Healthcare
April 9th, 2024

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Analysts: Kambeez Rahbar, Peter Nguyen, Emir Vohra, Mahtab Dulay

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Executive Summary

Recommend a BUY with 15.0% Return



Company Metrics

Ticker	NASDAQ: DXCM
Share Price USD (As of 04/08/2024)	\$139.94
Beta (5Y)	1.21
Market Capitalization	\$53.56 B
Enterprise Value	\$53.43 B
52-Week High/Low	\$95.3 – \$142.0

Preview of Theses

1. Dexcom's Position in the CGM Market Leads the Way for Strong Organic Growth
2. Dexcom Brings the Power of CGM to the Masses with OTC Approval
3. Dexcom's Pure Play Efficiency Leading to Impressive Shareholder Returns

Historical Price Returns

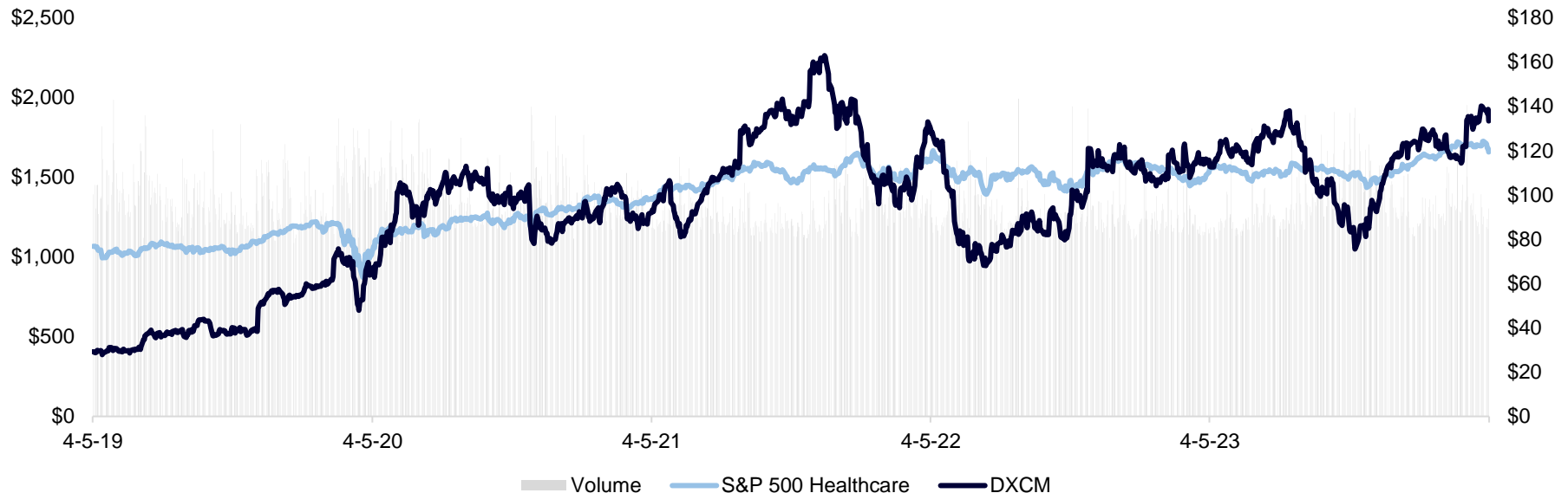


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Dexcom Inc. (NASDAQ: DXCM)



Company Outline

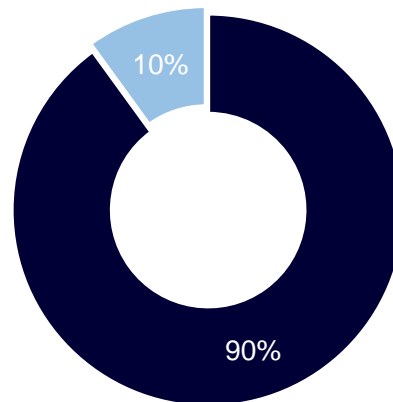
- Dexcom Inc. was founded in 1999 by Scott Glenn, John Burd, Lauren Otsuki, Ellen Preston and Bret Megargel and is headquartered in San Diego, CA.
- Medical device company that designs and develops CGMS (continuous glucose monitoring systems).
- Manufacturing facilities located in San Diego, California as well as Arizona.
- Dexcom began production at their new manufacturing site in Batu Kawan, Malaysia and have initiated construction of new facility in Galway, Ireland.

Revenue by Product

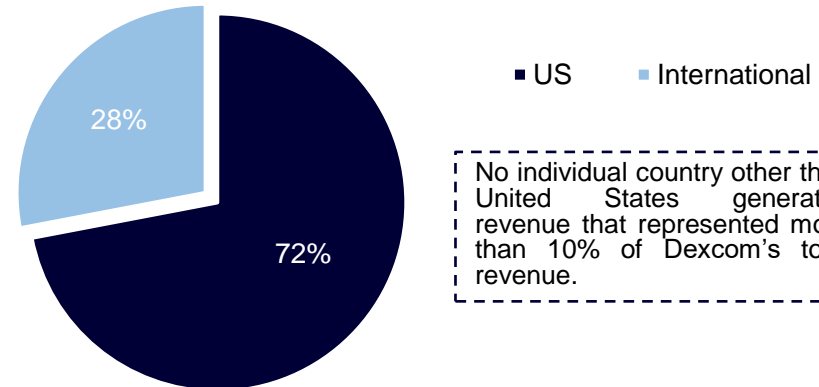
- Sensor & Other Revenue
- Hardware Revenue

Sensor Revenue: \$3.35 B

Hardware Revenue: \$371.0 M



Revenue by Region



No individual country other than United States generated revenue that represented more than 10% of Dexcom's total revenue.

Product Overview



Dexcom G7



Dexcom One



Most accurate CGM on the market



60% smaller sensor than the G6



All-in-one sensor and transmitter



Cheaper alternative to the G7



Simple and easy to use CGM system



More accessible CGM

CGM is a wearable devices that track glucose levels continuously throughout the day. A CGM device has a tiny sensor that goes under the skin, usually on the belly or arm. The sensor measures glucose levels every few minutes and sends the data to a device to keep track of it.

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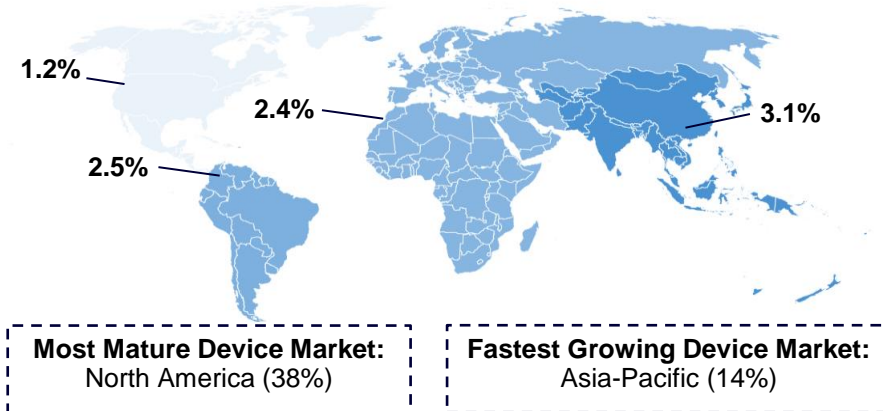
Appendix

Industry Analysis



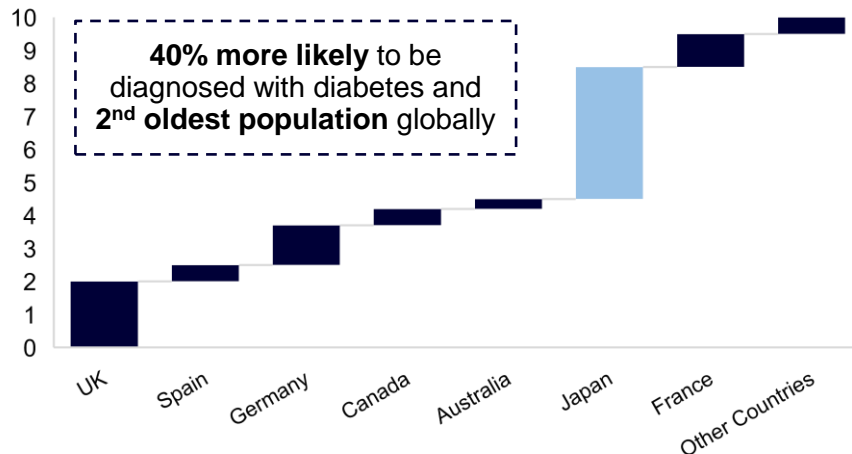
Global Growth in Diabetes Markets to Outpace North America by 1-2% Per Year

Diabetes Around the World (2021 – 2031 CAGR)

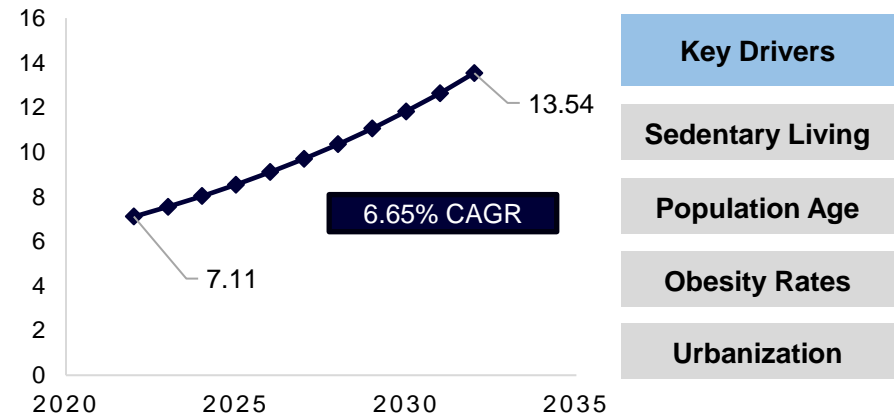


Patient Growth in Dexcom Countries (2021 – 2023)

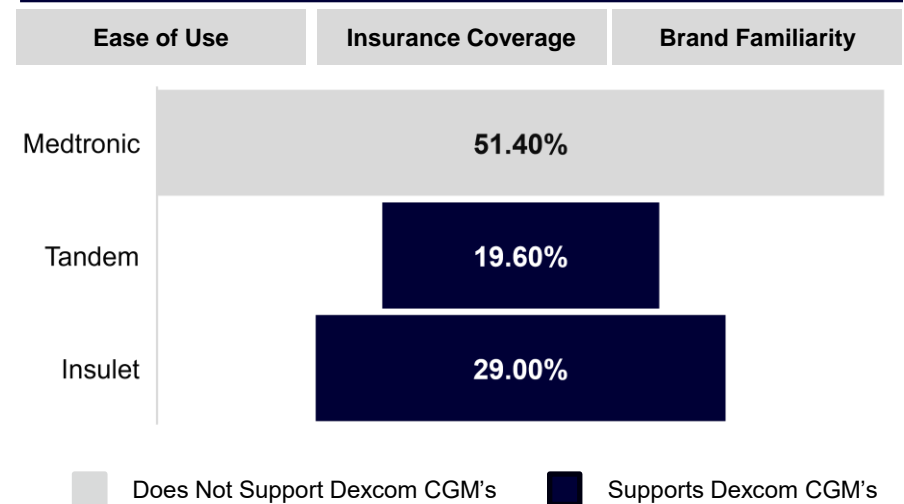
Japan Posted 4 Million Additional Diabetes Patients Annually



USD (\$B) Diabetes Devices Market (2022 – 2032)



Insulin Pumps Prescribed by Physicians in the US



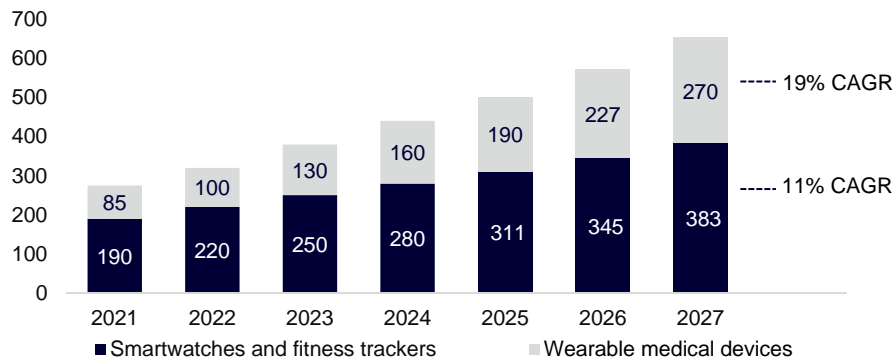
Industry Analysis

Dexcom's Alignment with Growing Consumer Preferences



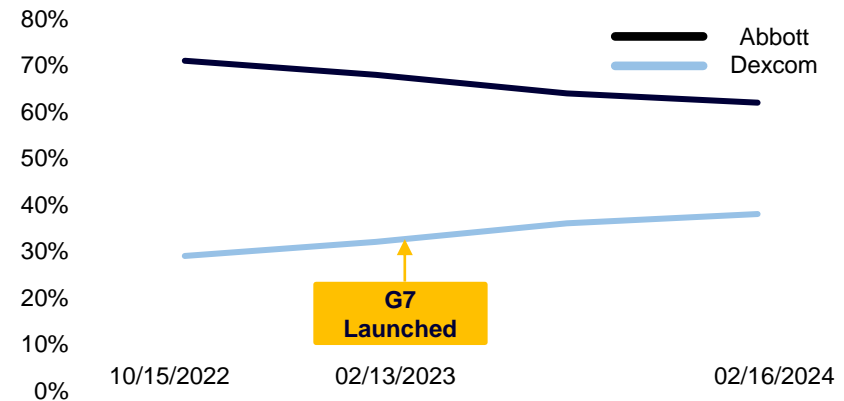
Consumer Preferences

of Units Shipped Globally (millions)



33% of U.S. Consumers reported using wearable devices that explicitly monitor health issues, up from 28% in 2020.

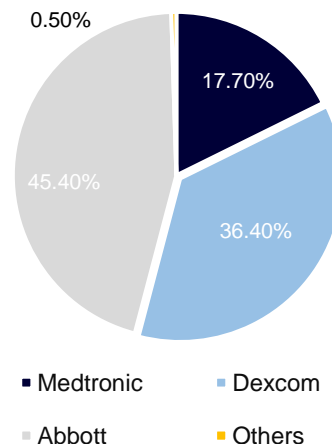
Abbott vs. Dexcom Total U.S. Prescriptions Share



Isolating for Dexcom's largest competitor (Abbott), total prescription market share maintains an inverse relationship.

Dexcom's First Mover Advantage in the U.S. Market

- 1st** approval of dedicated app to share glucose data with a caregiver.
- 1st** to deliver single-digit MARD accuracy levels.
- 1st** to enable users to monitor glucose levels on Apple Watch.
- 1st** approval to send glucose data directly to smartphone.
- 1st** Integrated CGM (iCGM) device, enabling integration with Automated Insulin Delivery (AID) systems.
- 1st** clearance of real-time APIs expanding connectivity leadership.
- 1st** CGM to connect directly to Apple Watch.



Over 70% of Prescriptions by PCPs

Patient's have a pre-existing preference towards Dexcom

Physicians have higher confidence choosing from a major provider

Better coverage by different insurances such as Medicare and Medicaid

Ease of use and higher reading accuracy

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Thesis 1: The Best in the West

Dexcom's Position in the CGM Market Leads the Way for Strong Organic Growth



Strategic Partnerships

Continued Partnerships with Several Companies Providing



Personalization

G6 integrated with Garmin smartwatch and cycling computer through Dexcom app



Awareness

HealthFleet's RestoreHealth app connects users to a live health coach to manage diabetes



Coverage

Onduo's Highmark Insurance Provides Coverage for 7M Patients

Expansion of Coverage for G7 & Non-Insulin Users



Medicare expanded G7 coverage for Basal and non-insulin hypo (approved in 2023) which increased by coverage 2.5-fold.

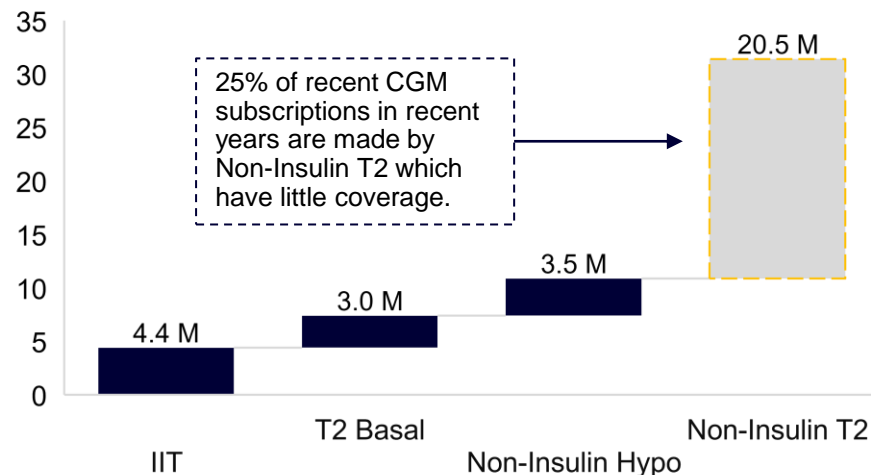


Dexcom's G6 is fully covered under provincial plans and is in the process of transitioning into G7 which is covered by 50% of provincial plans.



Japan expanded coverage for all insulin-use products which include Dexcom's G6.

Market Potential with US Population Distribution



Dexcom G7 vs Competitors

	Abbott	<small>CONTINUOUS GLUCOSE MONITORING</small>	Medtronic
MARD	9.2%	8.2%	10.4%
Sensory Wear Time (Days)	14	10	7
Size	2.9mm	4.6mm	9.39mm
Warmup Time	1 hour	30 min	2 hours
Cost (monthly)	~ \$200	~ \$225	~ \$300



Thesis 2: Launch of Dexcom's Stelo

Dexcom Brings the Power of CGM to the Masses with OTC Approval

Stelo's Unique Qualities for Dexcom



First FDA Approved Over-The-Counter iCGM (18 Years+).





Built upon G7 platform to achieve volume efficiency in manufacturing and meet demand upon launch.



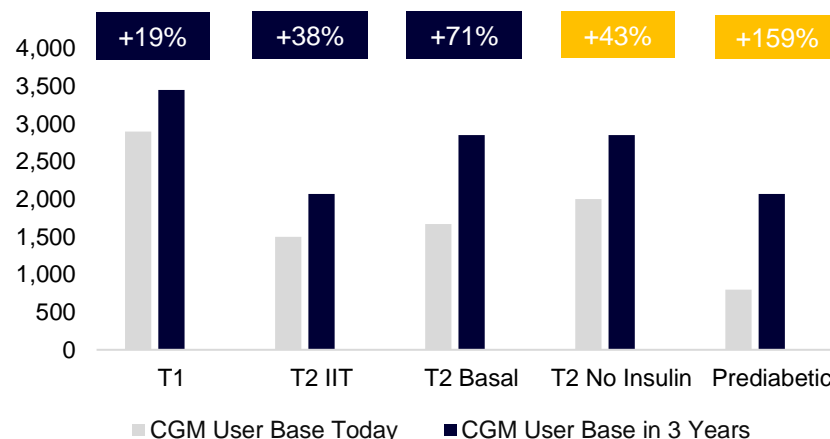
Currently follows a cash pay option vs. coverage by insurance and has contraindication for insulin patients.

FDA has stated that regulatory conditions for future OTC devices may require prior iCGM approval to maintain device accuracy.

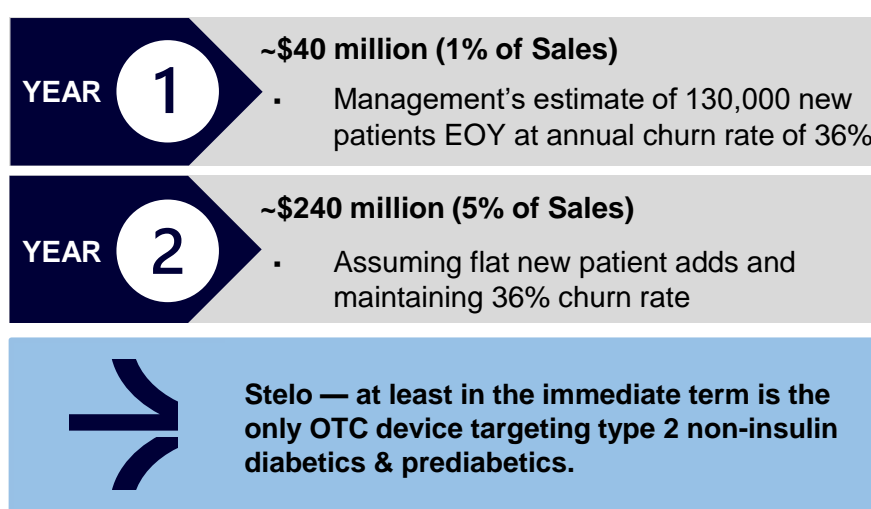
Stelo / G7 / Lingo Comparison

 	Dexcom Stelo	Dexcom G7	Abbott Lingo
Lifespan	15 Days	10 Days	14 Days
Use Case	Non-Insulin Diabetics	T1,T2 IIT, T2 Basal	Health & Wellness
Price	\$80 - \$90	\$88	\$80
Available OTC in USA	✓	✗	✗
Insurance Coverage	✗	✓	✗

Opportunity within T2 No Insulin & Prediabetic



Impact to Dexcom Revenue



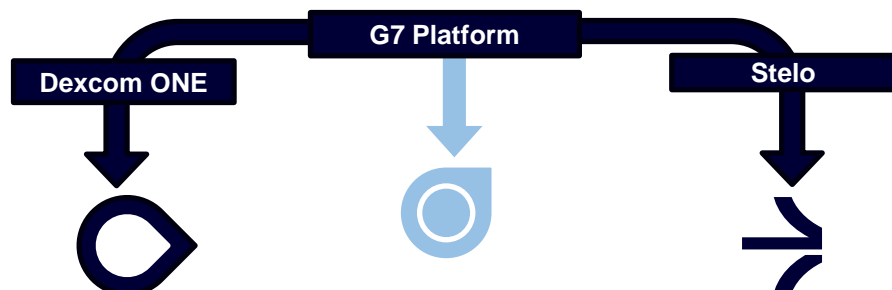
Thesis 3: Pure Play Efficiency

Dexcom's Pure Play Efficiency Leading to Impressive Shareholder Returns



Increased Operational Efficiency

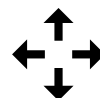
Product Platform Switch from G6 to G7



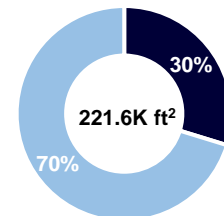
Manufacturing Expansion



Global manufacturing expansion in Malaysia completed in 2023 and Ireland completion in 2026

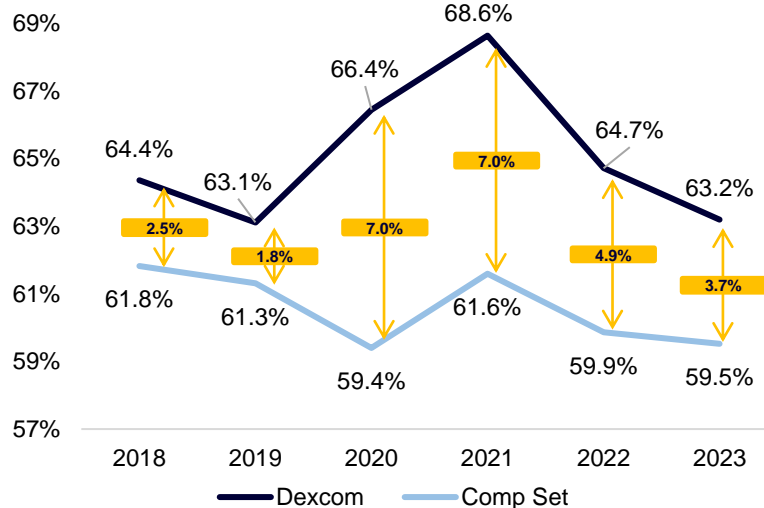


Existing manufacturing plant expansion in Mesa, Arizona starting 2024



■ Laboratory
■ Controlled Environment Rooms

Gross Margin



Operational Efficiency

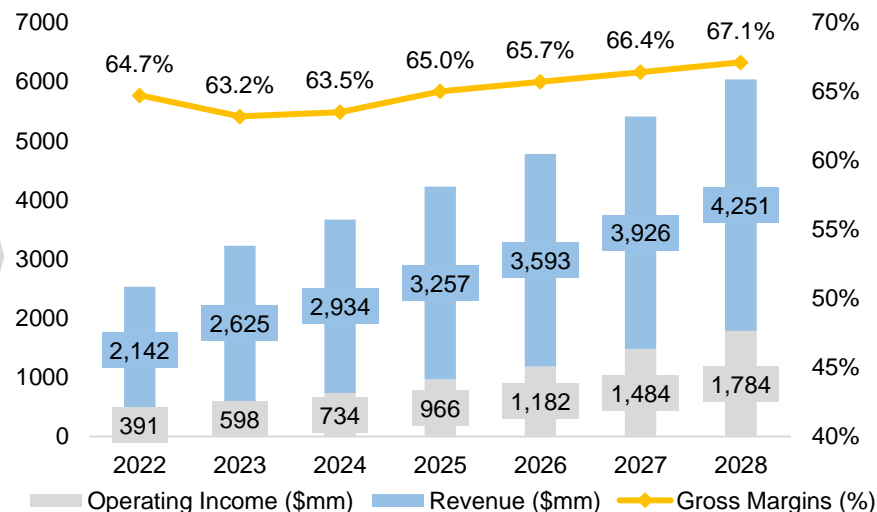


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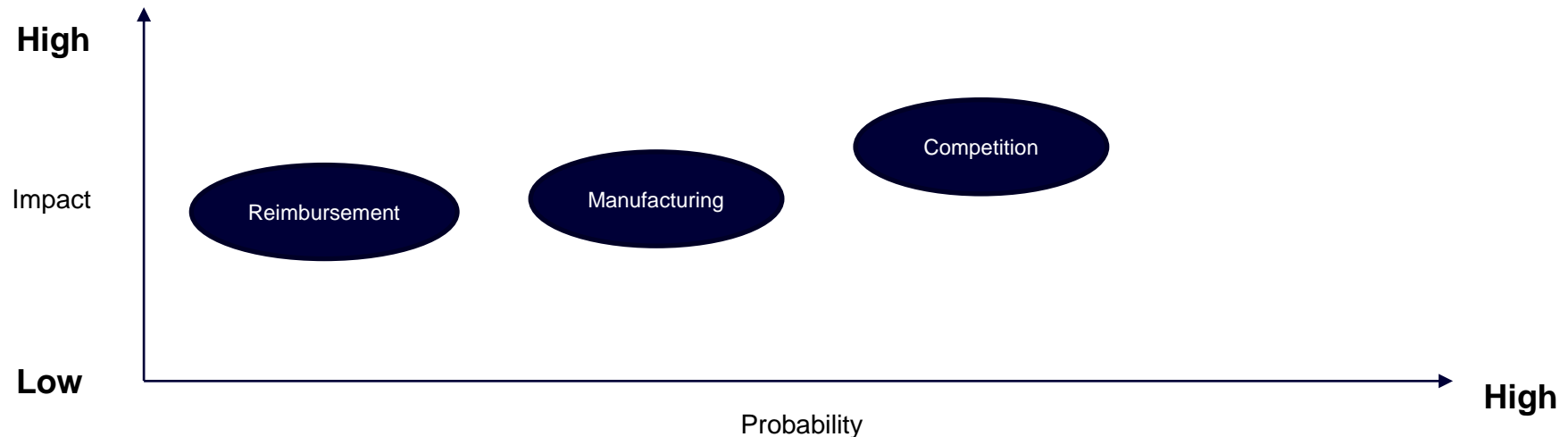
Risks & Mitigants



Dexcom Faces General Common Risks but is Well Poised to Mitigate Them

Risks	Risk Impact & Mitigant
Competition	<ul style="list-style-type: none"> Competitors like Medtronic and Abbott have FDA approval for continuous glucose monitors. Abbott is currently working on a new monitoring platform for Europe. Continued investment in R&D ensures a competitive edge and expanding product lines reduces reliance on a single product and market.
Manufacturing	<ul style="list-style-type: none"> Dexcom operates and sells its products worldwide and is susceptible to issues related to manufacturing. With approval by the FDA in Dexcom's Stelo, the product could lead to more concerns in manufacturing. Initiation of production at the manufacturing site in Penang, Malaysia, as well as expansions to the Arizona site, will allow Dexcom to scale production capacity.
Reimbursement	<ul style="list-style-type: none"> Dexcom may face reimbursement challenges due to limitations in insurance. Patients using Dexcom may need to navigate insurance approval processes for reimbursement. Over the past couple of years, coverage has been expanding; Medicare coverage was expanded in April 2023 to include individuals with diabetes who are on a type of insulin.

Impact & Probability



Catalysts

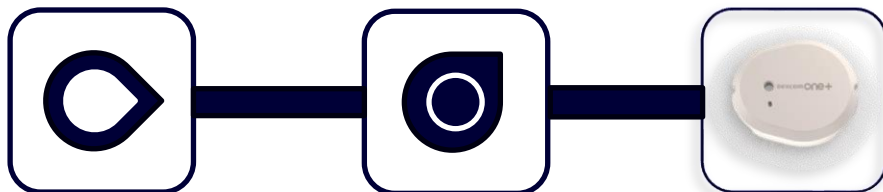
Setting Up for Long-Term Security



Dexcom ONE to G7 Form Factor

Smaller Form Factor Allows for Much More Opportunity

Like the G7, it is an all-in-one Sensor & Transmitter

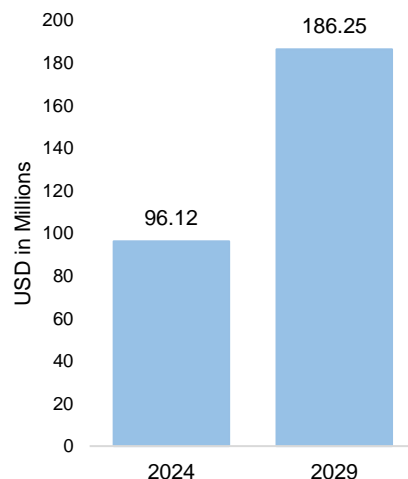


dexcom ONE

dexcom G7

New form factor will have an 60% reduction in sensor size. Testing is also underway to increase the sensor life from 10 to 15 days.

Transition to Direct Sales in Japan



Reimbursement for insulin use



Growth at a CAGR of 10.99%

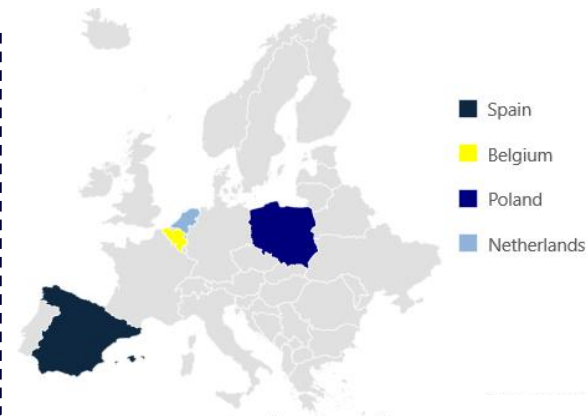


One of the top markets for medical devices

Expanding Global Availability of the Dexcom ONE

2024 Market Expansion of the Dexcom ONE

Expanded the Dexcom One to Spain, Belgium, Poland, and the Netherlands in the Q1 of 2024. More expansions to be announced in the near future to further target markets like Europe and Africa.

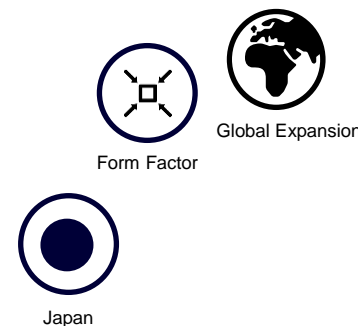


Impact & Probability

High

Impact

Low



Probability

High

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Valuation: Comparable Company Analysis



EV/EBITDA is Trading at a Premium Relative to Comparable Universe at 39.11x

EV/EBITDA [NTM]		20.2x	18.8x	33.0x	13.9x	9.3x	13.3x	18.1x	39.11x
Company		Abbott Laboratories	ResMed Inc.	Insulet Corporation	Becton, Dickinson & Company	Roche Holding AG	Medtronic Plc	Average	Dexcom Inc.
Country		USA	USA	USA	USA	Switzerland	USA		USA
Market Cap	[\$MM]	208,500	28,270	12,275	68,990	194,885	3,876	86,132	50,764
Enterprise Value	[\$MM]	217,317	29,444	13,019	146,153	221,735	127,335	219,526	50,634
EV / EBITDA	[LTM]	20.1x	21.1x	41.0x	16.6x	9.79x	14.2x	20.5x	63.1x
	[NTM]	20.2x	18.8x	33.0x	13.9x	9.3x	13.3x	18.1x	39.1x
Price / Earnings	[LTM]	36.2x	30.1x	93.6x	51.9x	16.8x	27.4x	42.6x	114.6x
	[NTM]	24.9x	23.6x	74.8x	18.1x	13.0x	16.0x	28.4x	73.9x
EV/Revenue	[LTM]	5.1x	6.2x	8.6x	4.3x	3.4x	4.0x	5.3x	13.5x
	[NTM]	4.9x	5.9x	7.2x	4.1x	3.5x	3.9x	4.9x	11.3x

Source(s): Capital IQ.

Valuation: Comparable Company Analysis



EV/EBITDA Base Case Scenario Projects 8% Upside, While EV/Revenue Projects 12.7% Upside

Comparable Commentary

- For our comparable selection criteria, we screened for EV/EBITDA multiple as our primary valuation multiple considering Dexcom's unique business model. Here we used the mean for our base case in which a premium factor was involved that determined Dexcom's premium relative to its industry from previous years.
- For our secondary multiple we used EV/Revenue where we used the mean multiple from the industry average and applied a similar premium factor as used in the EV/EBITDA approach.
- The companies that are selected for our Comparable analysis were filtered through similar business model and size and geographical exposure

EV/ EBITDA Relative Valuation

	Bear	Base	Bull
2024E EBITDA (M)	\$1,256	\$1,256	\$1,256
2024E EV/EBITDA (Premium)	35x	44.5x	52x
Implied Equity Value	\$43,830	\$55,762	\$65,182
Shares Outstanding	386	386	386
Equity Value / Share	\$113.55	\$144.46	\$168.87
Upside / Downside	(14.8%)	8.1%	26.6%

EV/ Revenue Valuation Sanity Check

	Bear	Base	Bull
2024E Revenue (M)	\$4,326	\$4,326	\$4,326
2024E EV/Revenue (Premium)	10x	13x	16x
Implied Equity Value	\$43,476	\$58,011	\$78,119
Shares Outstanding	386	386	386
Equity Value / Share	\$112.63	\$150.29	\$181.67
Upside / Downside	(15.5%)	12.7%	36.2%

3-Year Stock Performance Projections



Discounted Cash Flow Analysis

Valuation Approaches



Dexcom, Inc.						
Discounted Cash Flow Model (USD, Millions) - Unlevered Free Cashflows						
Fiscal Year End Year	2023A	2024E	2025E	2026E	2027E	2028E
Total Revenue	\$3,622	\$4,132	\$4,772	\$5,391	\$6,282	\$7,051
% Revenue Growth YoY		14.1%	15.5%	13.0%	16.5%	12.3%
(-) Cost of Sales	(\$1,147)	(\$1,266)	(\$1,418)	(\$1,592)	(\$1,846)	(\$2,077)
(-) Other Operating Expenses	(\$1,691)	(\$1,890)	(\$2,135)	(\$2,359)	(\$2,687)	(\$2,947)
EBITDA	\$784	\$977	\$1,219	\$1,439	\$1,749	\$2,027
% EBITDA Margin	21.6%	23.6%	25.5%	26.7%	27.8%	28.7%
(-) Depreciation and Amortization	(\$186)	(\$242)	(\$252)	(\$257)	(\$265)	(\$243)
EBIT	\$598	\$734	\$966	\$1,182	\$1,484	\$1,784
(-) Tax (EBIT * Tax Rate)	(\$149)	(\$184)	(\$242)	(\$296)	(\$371)	(\$446)
NOPAT	\$448	\$551	\$725	\$887	\$1,113	\$1,338
% NOPAT Growth YoY		22.8%	31.6%	22.4%	25.5%	20.3%
(-) Capital Expenditures	(\$237)	(\$482)	(\$507)	(\$518)	(\$539)	(\$533)
(+) Depreciation and Amortization	\$186	\$242	\$252	\$257	\$265	\$243
(-) Change in Net Working Capital	(\$0)	(\$107)	(\$68)	(\$50)	(\$70)	(\$52)
Unlevered Free Cash Flow	\$397	\$205	\$402	\$576	\$769	\$996
Discount Period		0.73	1.73	2.73	3.73	4.73
Weighted Average Cost of Capital		10.4%	10.4%	10.4%	10.4%	10.4%
Discount Factor		0.93	0.84	0.76	0.69	0.63
PV of Unlevered Free Cash Flow		\$190	\$339	\$440	\$531	\$623
Terminal Value						\$90,198
PV of Terminal Value						\$56,438
Sum PV of FCF	\$58,390					

WACC Calculation			
CAPM		Debt	
Risk Free Rate	4.25%	Long-term Debt	\$2,599.5
Beta	1.21	Cost of Debt	0.82%
Market Risk Premium	5.50%	Tax Rate	25.0%
Weight of Equity	95.30%	Weight of Debt	4.70%
Cost of Equity	10.91%	After Tax Cost of Debt	0.61%
Weighted Average Cost of Capital (ST)		10.42%	

Valuation Summary - EBITDA Multiple	
PV of Forecast UFCF	\$2,123
EBITDA Exit Multiple	44.5x
PV of Terminal Value	\$56,438
Enterprise Value	\$58,561
(-) Total Debt	(\$2,600)
(+) Cash	\$2,724
Equity Value	\$58,686
Shares Outstanding	\$365
Equity Value per Share	\$160.78

Source(s): DXCM Financial Reports, RBC Capital Markets ER, William Blair ER, JPMorgan ER, Team Analysis

Discounted Cash Flow Analysis

Valuation Approaches



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PV of Unlevered Free Cash Flow		\$190	\$339	\$440	\$531	\$623
Terminal Value						\$90,198
PV of Terminal Value						\$56,438
Sum PV of FCF		\$58,390				

1

- US Revenue growth is based on consensus patient growth rates now including Type 2 Diabetes – non-insulin patients from the Stelo multiplied by the expected market share (~ 55%)
- OUS revenue growth is based on consensus patient growth rates accounting for fluctuations in patient figures when expanding new markets

2

- Gross margin expansion to 63.5% to 67.1%, in 2024 and 2028, respectively due to product platform switch to G7 form factor as well as increased manufacturing capacity from plant expansion

3

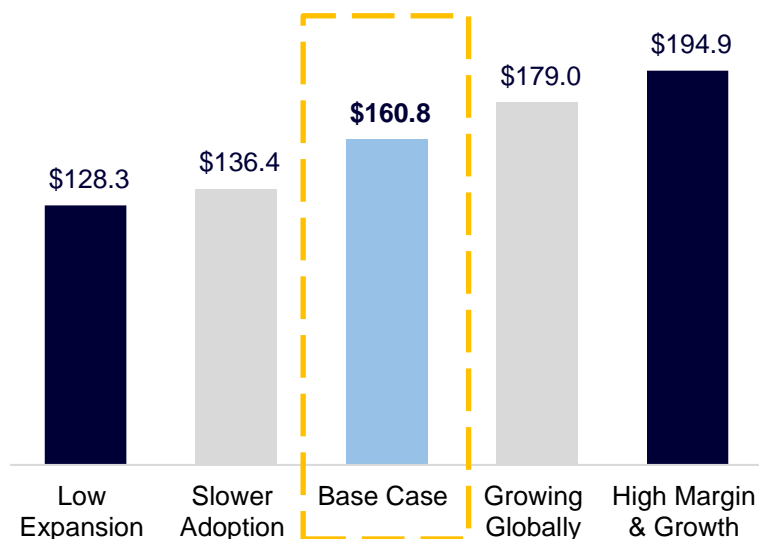
- Capex figures show assumptions of plant construction in Ireland beginning as well as Arizona's plant expansion with possibility of further expansion when entering potential new markets

Discounted Cash Flow Analysis Assumptions

Various Case Scenarios



Implied Share Price Summary



Scenario Analysis					
	Base	Low Expansion	Slower Adoption	Growing Globally	High Margin & Growth
Enterprise Value	\$58,561	\$46,711	\$49,652	\$65,204	\$71,006
(-) Total Debt	(\$2,600)	(\$2,604)	(\$2,599)	(\$2,600)	(\$2,600)
(+) Cash	\$2,724	\$2,724	\$2,724	\$2,724	\$2,724
Equity Value	\$58,686	\$46,830	\$49,778	\$65,328	\$71,130
Shares Outstanding	\$365	\$365	\$365	\$365	\$365
Equity Value per Share	\$160.78	\$128.3	\$136.4	\$179.0	\$194.9
Current Share Price	\$139.80	\$138.9	\$138.9	\$138.9	\$138.9
Implied Upside (%)	15.75%	(7.63%)	(1.82%)	28.86%	40.30%

Low Expansion	<ul style="list-style-type: none"> Decreased top line growth due market share dilution from increased product competition Higher cost of plant expansion as well as cost of production increasing
Slower Adoption	<ul style="list-style-type: none"> Decreased top line growth due market share dilution from increased product competition
Growing Globally	<ul style="list-style-type: none"> Increased market share globally with G7 and Dexcom One Increased type 2 non-insulin patient purchases of Stelo
High Margin & Growth	<ul style="list-style-type: none"> Increased global revenues from product market penetration Margin expansion from increased manufacturing facilities and new product platform

Sensitivity Analysis – Discounted Cash Flow Analysis



Target Price: EBITDA Exit Multiple vs WACC

	41.0x	42.0x	43.0x	44.5x	45.0x	46.0x	47.0x
8.00%	\$165	\$169	\$173	\$178	\$180	\$184	\$188
8.50%	\$161	\$165	\$169	\$175	\$176	\$180	\$184
9.00%	\$158	\$162	\$165	\$171	\$173	\$176	\$180
10.42%	\$149	\$152	\$156	\$161	\$163	\$166	\$169
11.00%	\$145	\$148	\$152	\$157	\$159	\$162	\$165
11.50%	\$142	\$145	\$149	\$154	\$155	\$159	\$162
12.00%	\$139	\$142	\$146	\$150	\$152	\$155	\$159

Implied Upside: EBITDA Exit Multiple vs WACC

	41.0x	42.0x	43.0x	44.5x	45.0x	46.0x	47.0x
8.00%	18.7%	21.5%	24.2%	28.4%	29.8%	32.6%	35.3%
8.50%	16.1%	18.9%	21.6%	25.7%	27.0%	29.7%	32.5%
9.00%	13.7%	16.3%	19.0%	23.0%	24.3%	27.0%	29.6%
10.42%	7.0%	9.5%	12.0%	15.8%	17.0%	19.5%	22.0%
11.00%	4.5%	6.9%	9.3%	13.0%	14.2%	16.7%	19.1%
11.50%	2.3%	4.7%	7.1%	10.7%	11.9%	14.2%	16.6%
12.00%	0.2%	2.5%	4.9%	8.4%	9.5%	11.9%	14.2%

Target Price: Revenue Growth vs Gross Margin Growth

	(4%)	(2%)	(1%)	0%	1%	2%	4%
3%	\$126	\$137	\$143	\$149	\$156	\$163	\$177
2%	\$131	\$142	\$149	\$155	\$162	\$169	\$183
1%	\$133	\$145	\$151	\$158	\$165	\$172	\$187
0%	\$135	\$148	\$154	\$161	\$168	\$175	\$190
(1%)	\$138	\$150	\$157	\$164	\$171	\$178	\$193
(2%)	\$140	\$153	\$160	\$167	\$174	\$181	\$197
(3%)	\$145	\$158	\$165	\$172	\$180	\$187	\$204

Implied Upside: Revenue Growth vs Gross Margin Growth

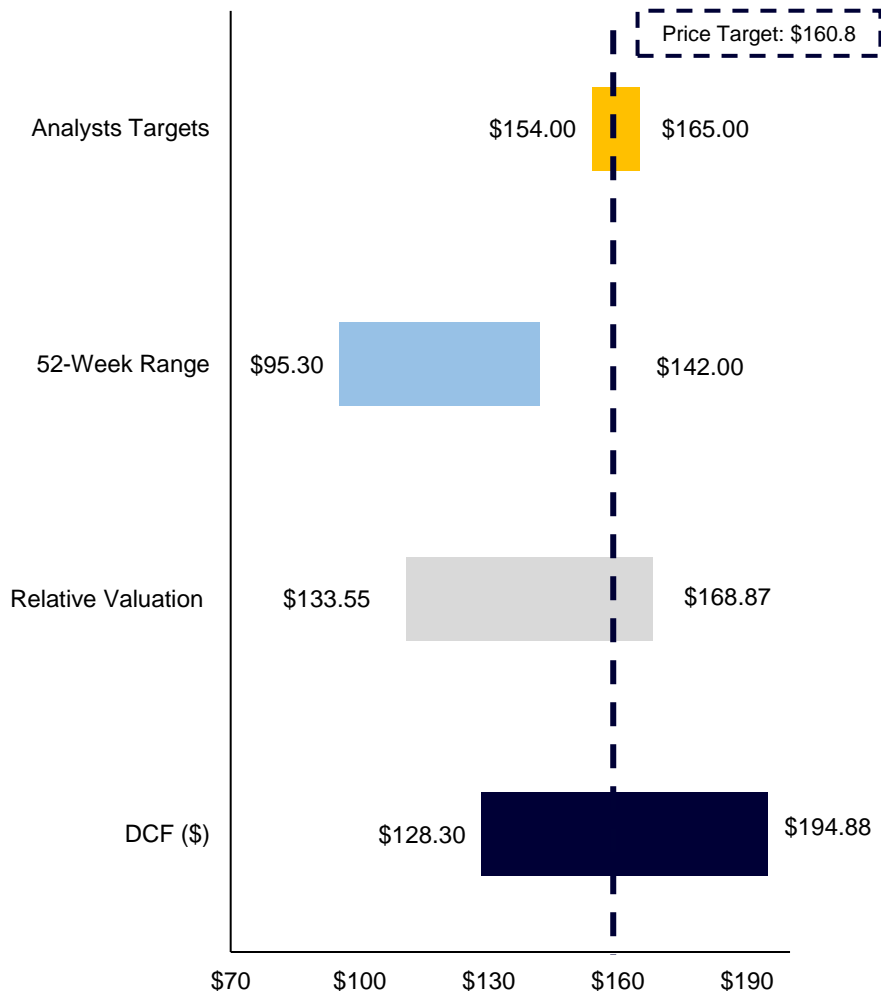
	(4%)	(2%)	(1%)	0%	1%	2%	4%
3%	(9.5%)	(1.3%)	3.1%	7.6%	12.2%	17.0%	27.1%
2%	(6.0%)	2.5%	7.0%	11.7%	16.5%	21.5%	32.0%
1%	(4.3%)	4.4%	9.0%	13.7%	18.6%	23.7%	34.4%
0%	(2.6%)	6.3%	11.0%	15.8%	20.8%	26.0%	36.9%
(1%)	(0.8%)	8.2%	12.9%	17.8%	22.9%	28.2%	39.3%
(2%)	0.9%	10.1%	14.9%	19.9%	25.1%	30.4%	41.7%
(3%)	4.4%	13.8%	18.8%	24.0%	29.4%	34.9%	46.6%

Recommendation

Share Price Results in a Target Price of \$160.8, Implying Upside of 15%



Valuation Football Field



Theses Recap

- 1 Position in the CGM Market Leads the Way for Strong Organic Growth
- 2 Bringing Power of CGM to the Masses with OTC Approval
- 3 Pure Play Efficiency Leading to Impressive Shareholder Returns

Street vs. TRIC (\$)

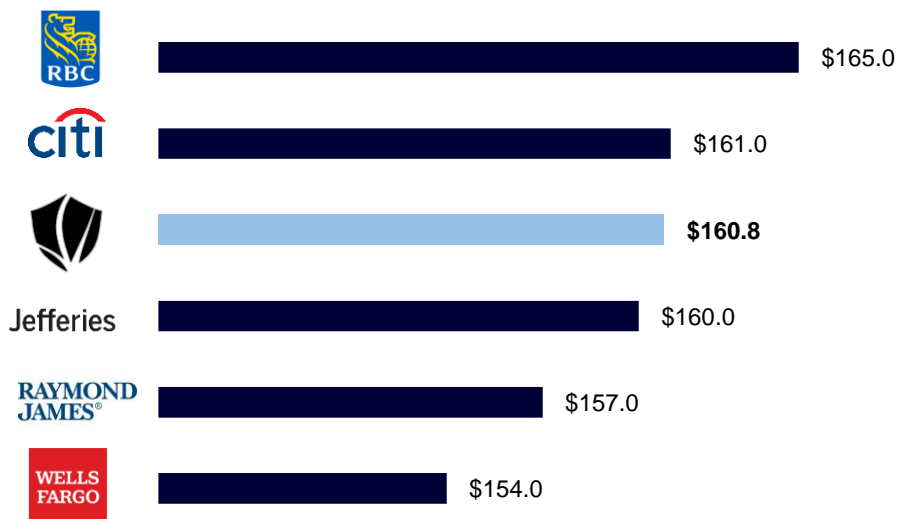


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Investment Theses

Risks & Mitigants

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Appendix

Income Statement



Income Statement (USD mm)	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Revenues								
United States	1,849	2,142	2,625	2,934	3,257	3,593	3,926	4,251
International	599	768	997	1,198	1,515	1,798	2,355	2,801
Total Revenues	2,449	2,910	3,622	4,132	4,772	5,391	6,282	7,051
COS (excl. Depreciation & Amortization of PPE)	666	871	1,147	1,266	1,418	1,592	1,846	2,077
Depreciation and amortization of PPE	102	156	186	242	252	257	265	243
Gross Profit	1,681	1,883	2,289	2,624	3,102	3,542	4,171	4,731
R&D	517	484	506	567	644	715	819	903
Collaborative R&D Fee	87	-	-	-	-	-	-	-
SG&A	811	1,008	1,185	1,322	1,491	1,644	1,869	2,045
Total Operating Expenses	1,415	1,492	1,691	1,890	2,135	2,359	2,687	2,947
Operating Income	266	391	598	734	966	1,182	1,484	1,784
Other income (expense), net	(9)	(0)	113	49	77	54	78	172
EBT	257	391	710	783	1,043	1,236	1,562	1,956
Income Tax	40	50	169	196	261	309	391	489
Net income	\$ 217	\$ 341	\$ 542	\$ 587	\$ 783	\$ 927	\$ 1,172	\$ 1,467
Shares Outstanding								
Shares outstanding, basic	387	389	386	386	386	386	386	386
Shares outstanding, diluted	429	428	426	426	426	426	426	426
EPS								
Basic EPS	0.56	0.88	1.40	1.52	2.03	2.40	3.04	3.80
Diluted EPS	0.51	0.80	1.27	1.38	1.84	2.18	2.75	3.45
EBITDA Reconciliation								
EBIT	266	391	598	734	966	1,182	1,484	1,784
Depreciation & Amortization	102	156	186	242	252	257	265	243
EBITDA	368	547	784	977	1,219	1,439	1,749	2,027
Gross margin	69%	65%	63%	64%	65%	66%	66%	67%
EBIT Margin	11%	13%	17%	18%	20%	22%	24%	25%
EBITDA Margin	15%	19%	22%	24%	26%	27%	28%	29%
NI margin	9%	12%	15%	14%	16%	17%	19%	21%

Appendix

Balance Sheet



Balance Sheet (USD mm)	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Assets								
Cash and cash equivalents	1,052.6	642.3	566.3	413.2	477.2	1,769.1	628.2	705.1
Short-term marketable securities	1,678.6	1,813.9	2,157.8	2,735.0	2,142.7	2,935.1	5,170.9	5,253.9
Accounts receivable	514.3	713.3	973.9	994.6	1,151.7	1,301.1	1,516.1	1,697.2
Inventories	357.3	306.7	559.6	579.2	650.5	730.6	846.7	950.3
Prepaid expenses and other current assets	81.6	192.6	168.3	180.3	203.8	225.2	256.5	281.3
Total current assets	3,684.4	3,668.8	4,425.9	4,902.3	4,626.0	6,961.0	8,418.3	8,887.9
Property, plant & equipment, net	801.8	1,055.6	1,113.1	1,395.3	1,718.3	2,032.3	2,369.5	2,675.7
Operating lease right-of-use assets	88.1	80.0	71.4	69.1	66.3	63.0	59.2	54.8
Goodwill	26.5	25.7	25.2	25.2	25.2	25.2	25.2	25.2
Intangibles, net	31.5	173.3	134.5	99.3	66.7	35.8	7.2	-
Deferred tax assets	290.5	341.2	419.4	419.4	419.4	419.4	419.4	419.4
Other assets	10.5	47.1	75.0	58.6	65.5	74.0	86.2	96.8
Total assets	4,933.3	5,391.7	6,264.5	6,971.1	6,987.4	9,610.8	11,385.0	12,159.7
Liabilities & Shareholders' equity								
Accounts payable and accrued liabilities	573.0	901.8	1,345.5	1,291.2	1,450.4	1,628.8	1,887.7	2,118.7
Accrued payroll and related expenses	125.2	134.3	171.0	176.1	199.0	219.9	250.5	274.7
Short-term operating lease liabilities	20.5	20.5	21.1	13.0	16.0	18.9	22.1	24.9
ST - Deferred revenue	2.1	10.1	18.4	13.0	15.0	16.9	19.7	22.1
Total current liabilities	720.8	1,839.3	1,556.0	1,493.3	1,680.4	1,884.5	2,180.0	2,440.4
Long-term senior convertible notes	1,981.8	1,197.7	2,434.2	2,443.3	1,240.5	2,476.8	2,484.4	1,239.6
Long-term operating lease liabilities	98.6	94.6	80.1	56.8	69.9	82.7	96.4	108.9
Other long-term liabilities	90.0	128.3	125.6	156.4	182.5	208.5	237.7	264.7
Total liabilities	2,891.2	3,259.9	4,195.9	4,149.8	3,173.3	4,652.5	4,998.5	4,053.6
Shareholders' equity								
Common shares	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Additional paid-in capital	2,108.7	2,258.1	3,514.6	3,680.1	3,866.5	4,072.9	4,308.4	4,567.4
Accumulated OCI	0.5	(11.6)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)
Retained earnings	138.7	479.9	1,021.4	1,608.6	2,391.2	3,318.4	4,489.9	5,956.7
Treasury stock	(206.2)	(595.0)	(2,451.1)	(2,451.1)	(2,451.1)	(2,451.1)	(2,451.1)	(2,451.1)
Total equity	2,042.1	2,131.8	2,068.6	2,821.3	3,790.3	4,923.8	6,330.9	8,056.6
Liabilities & Shareholders' equity	4,933.3	5,391.7	6,264.5	6,971.1	6,987.4	9,610.8	11,385.0	12,159.7

Source(s): CapIQ, Kroll, Team Analysis

Appendix

Cashflow Statement



Statement of Cash Flows (USD mm)	2024E	2025E	2026E	2027E	2028E
<u>Operating activities</u>					
Net income	587	783	927	1,172	1,467
Adjustments to Net Income and Non-Cash Charges:					
(+)Depreciation and Amortization	242	252	257	265	243
(+)SBC	165	186	206	235	259
(+)Non-Cash Interest Expense	8	7	6	8	5
Changes in operating assets and liabilities:					
Changes in working capital	(107)	(68)	(50)	(70)	(52)
Addition to Operating Lease Right of Use Assets	(6)	(7)	(8)	(9)	(11)
Repayments of Operating Lease Liabilities	(31)	-	-	-	-
Additions in Operating lease liabilities	-	16	16	17	15
Other Non-Current Assets	16	(7)	(8)	(12)	(11)
Other Non-Current Liabilities	31	26	26	29	27
Operating cash flow	906	1,189	1,372	1,634	1,943
<u>Investing activities</u>					
(-) Purchases of Property and Equipment	(482)	(507)	(518)	(539)	(533)
Investing cash flow	(482)	(507)	(518)	(539)	(533)
<u>Financing activities</u>					
Proceeds from issuance of convertible notes, net of issuance costs	-	-	1,230	-	-
Repayments of Notes	-	(1,210)	-	-	(1,250)
(-) Purchase of Marketable Securities	(577)	-	(792)	(2,236)	(83)
(+)Proceeds from sale and maturity of marketable securities	-	592	-	-	-
Financing cash flows	(577)	(618)	438	(2,236)	(1,333)
Net Change in Cash	(153)	64	1,292	(1,141)	77

Management Overview

Management & Directors



Kevin Sayer: President, CEO and Chairman

- Appointed to CEO in 2015 and Chairman of the Board in 2018.
- Kevin began his career at Dexcom as a member of the Board of Directors in 2007.
- Before Dexcom, Kevin held various management positions including VP and GM of Medtronic MiniMed.



Teri Lawver: CCO and EVP

- Teri joined Dexcom in 2023, she has 30 years of experience in the healthcare industry.
- Most recently Teri was Worldwide Vice President, Immunology at a subsidiary of J&J where she grew annual revenue by more than 45%.



Jacob Leach: COO and EVP

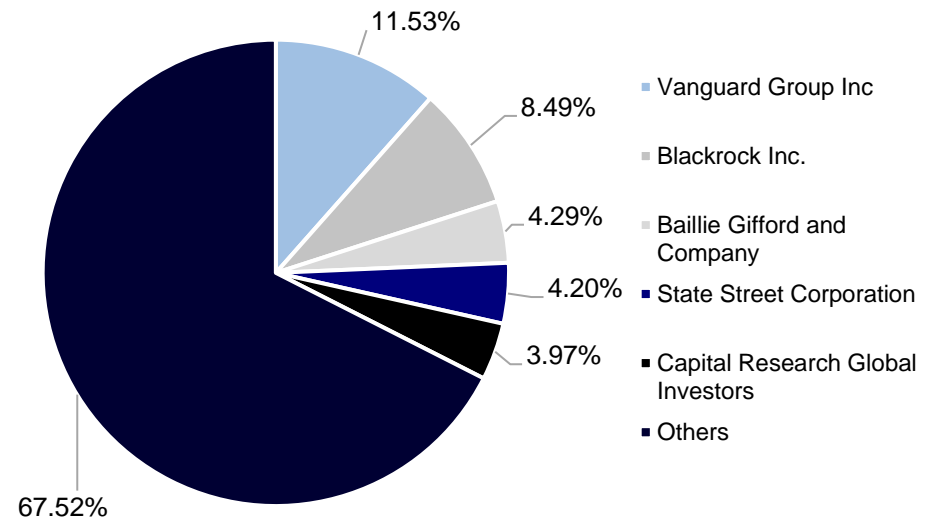
- Jacob joined Dexcom in 2004.
- Became COO and EVP in 2022, prior to his promotion Jacob served as CTO where he led technology development at the firm.
- Jacob's team developed the first commercial Dexcom CGM device.



Jereme Sylvain: CFO and EVP

- Appointed as CFO in 2018, Jereme oversees investor relations as well as Dexcom's finance organization.
- Initially joined Dexcom in 2018 as VP of Finance and Corporate Controller.

Top Holdings



Competitor Profile

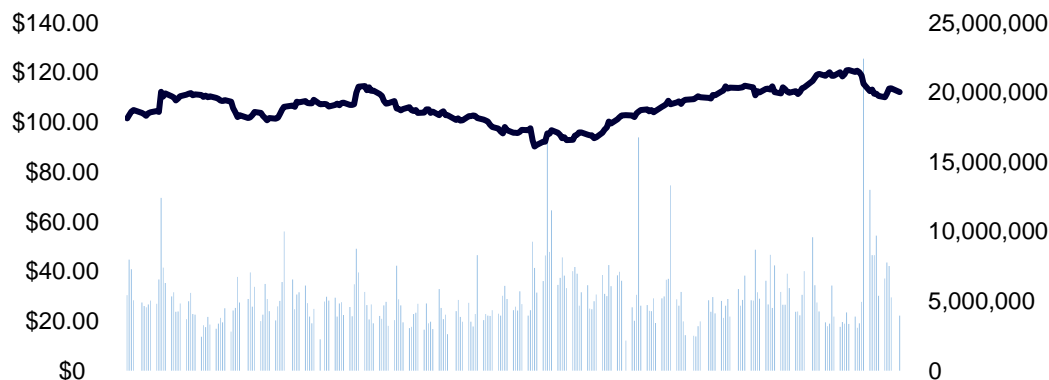
Abbott Laboratories



Company Description

Abbott Laboratories, together with its subsidiaries, discovers, develops, manufactures, and sells health care products worldwide. It operates in four segments: Established Pharmaceutical Products, Diagnostic Products, Nutritional Products, and Medical Devices. Abbott Laboratories was founded in 1888 and is based in North Chicago, Illinois.

1-Year Price-Volume Chart



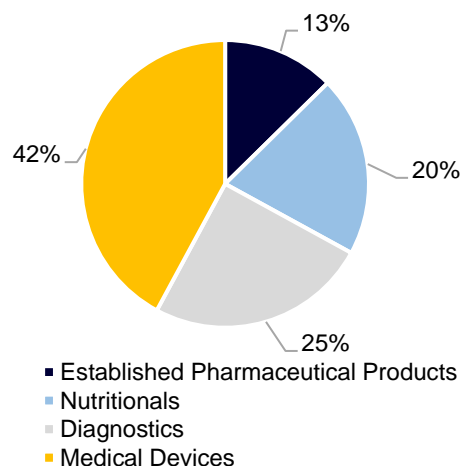
Company Metrics

Ticker NYSE: ABT

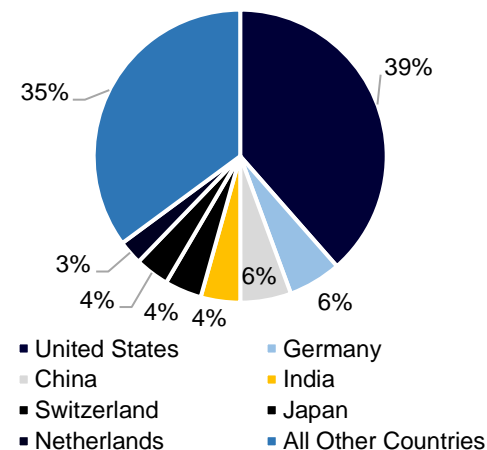
Share Price	\$112.02
Shares Outstanding	1,735 M
Revenue Growth (%)	(8.12%)
Market Capitalization (\$M)	\$194,375 M
Debt (\$M)	\$15,873 M
Enterprise Value (\$M)	\$203,193 M
Cash & Short-Term Investments (\$M)	\$7,279 M

Revenue Breakdown

Revenue by Segment



Revenue by Geography



Competitor Profile

ResMed Inc.



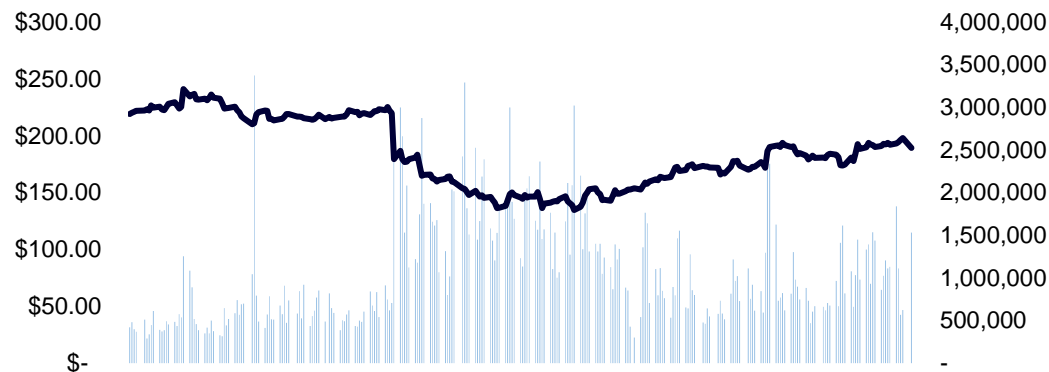
Company Description

ResMed Inc. develops, manufactures, distributes, and markets medical devices and cloud-based software applications for the healthcare markets. It operates in two segments, Sleep and Respiratory Care, and Software as a Service. The company markets its products to sleep clinics, home healthcare dealers, and hospitals through a network of distributors and direct sales force. The company was founded in 1989 and is headquartered in San Diego, California.

Company Metrics

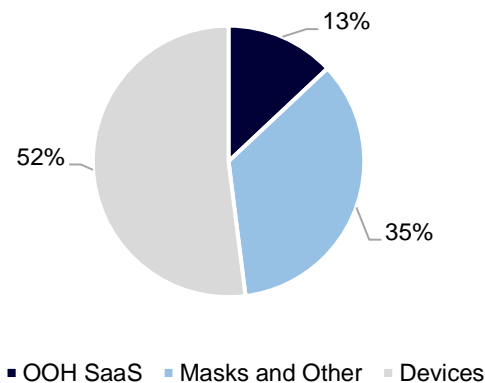
Ticker	NYSE: RMD
Share Price	\$184.36
Shares Outstanding	146 M
Revenue Growth (%)	18.02%
Market Capitalization (\$M)	\$27,078 M
Debt (\$M)	\$1,391 M
Enterprise Value (\$M)	\$28,252 M
Cash & Short-Term Investments (\$M)	\$217 M

1-Year Price-Volume Chart

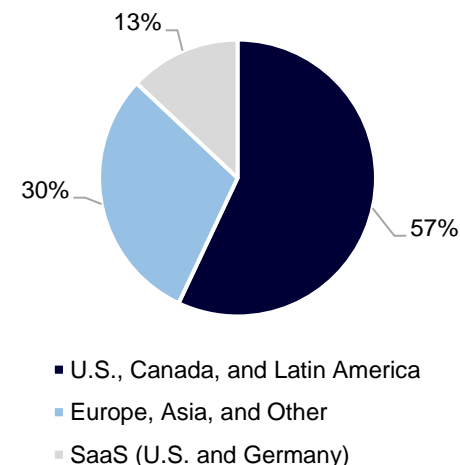


Revenue Breakdown

Revenue by Segment



Revenue by Geography



Competitor Profile

Insulet Corporation



Company Description

Insulet Corporation develops, manufactures, and sells insulin delivery systems for people with insulin-dependent diabetes. The company sells its products primarily through independent distributors and pharmacy channels, as well as directly in the United States, Canada, Europe, the Middle East, Australia, and internationally. Insulet Corporation was incorporated in 2000 and is headquartered in Acton, Massachusetts.

Company Metrics

Ticker NASDAQ: PODD

Share Price \$164.05

Shares Outstanding 69 M

Revenue Growth (%) 30.02%

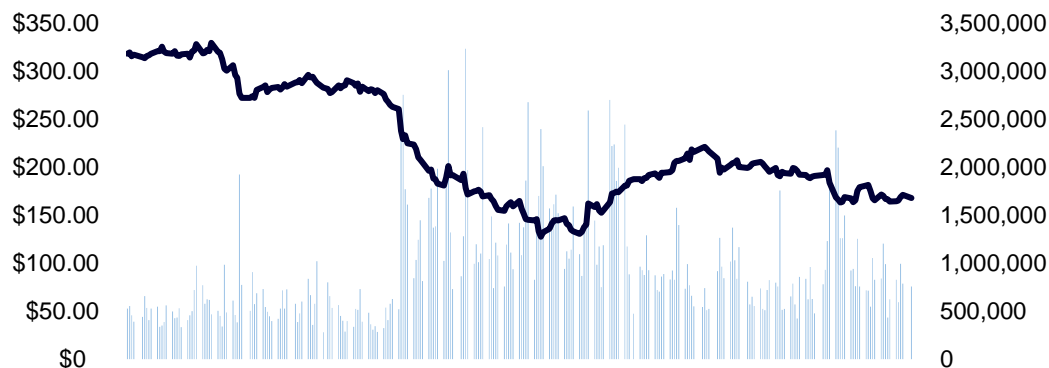
Market Capitalization (\$M) \$11,471 M

Debt (\$M) \$1,448 M

Enterprise Value (\$M) \$12,215 M

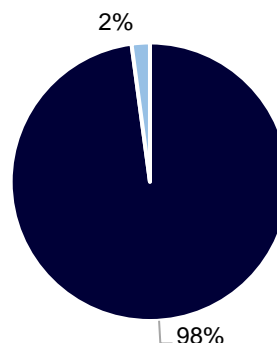
Cash & Short-Term Investments (\$M) \$704 M

1-Year Price-Volume Chart



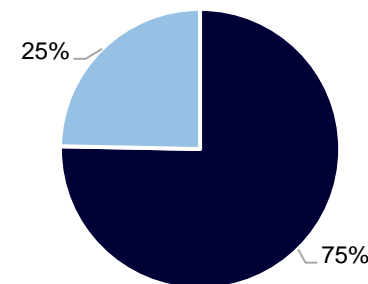
Revenue Breakdown

Revenue by Segment



■ Omnipod Products ■ Drug Delivery

Revenue by Geography



■ US ■ International

Competitor Profile

Medtronic



Company Description

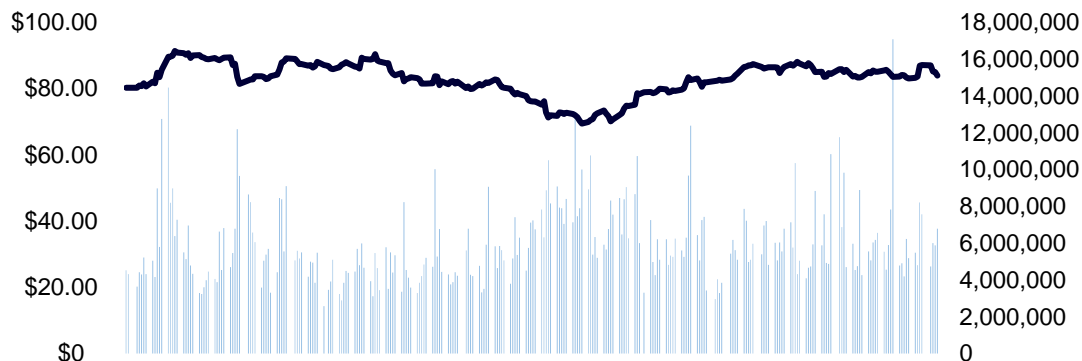
Medtronic plc develops, manufactures, and sells device-based medical therapies to healthcare systems, physicians, clinicians, and patients worldwide. The company operates segments in Cardiovascular, Neuroscope, Medical Surgical, Diabetes Group. The company was founded in 1949 and is headquartered in Dublin, Ireland. short

Company Metrics

Ticker NYSE: MDT

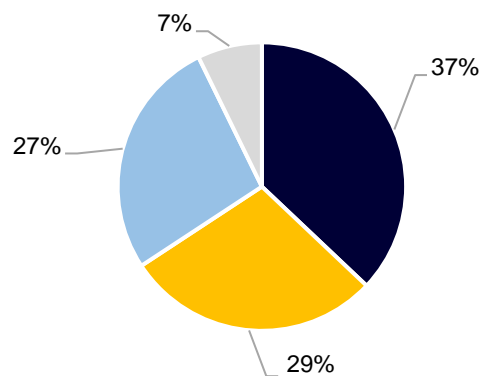
Share Price	\$85.00
Shares Outstanding	1327 M
Revenue Growth (%)	5.0%
Market Capitalization (\$M)	\$112,864 M
Debt (\$M)	\$25,182 M
Enterprise Value (\$M)	\$35,534 M
Cash & Short-Term Investments (\$M)	\$8,321 M

1-Year Price-Volume Chart



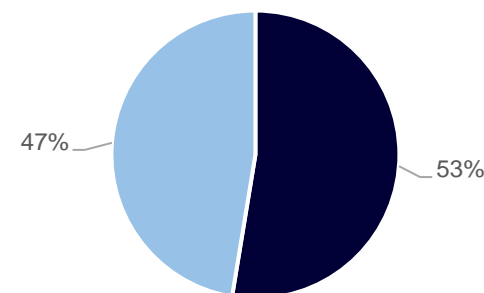
Revenue Breakdown

Revenue by Segment



■ Cardiovascular ■ Neuroscope
■ Medical Surgical ■ Diabetes Group

Revenue by Geography



■ United States ■ Rest of The World

Competitor Profile

Sensonics Holdings Inc.



Company Description

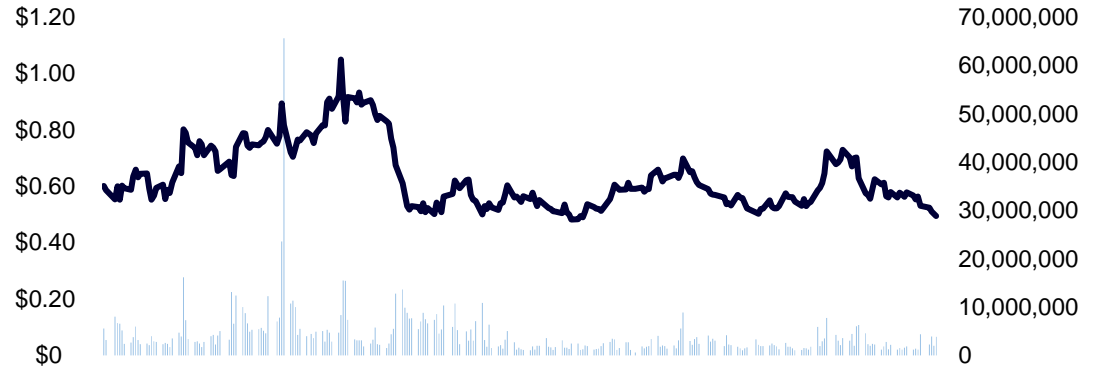
Sensonics Holdings, Inc., a medical technology company, focuses on development and manufacturing of continuous glucose monitoring (CGM) systems for people with diabetes in the United States and internationally. The company's products include Eversense, Eversense XL, and Eversense E3 that are implantable CGM systems to measure glucose levels in people with diabetes through an under-the-skin sensor. Senseonics Holdings, Inc. was founded in 1996 and is headquartered in Germantown, Maryland.

Company Metrics

Ticker NYSEAM: SENS

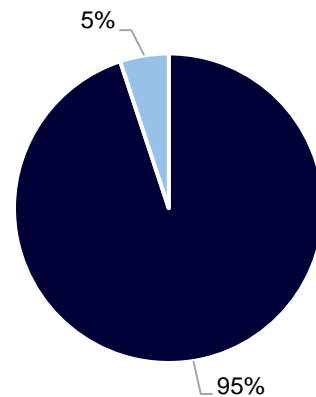
Share Price	\$0.50
Shares Outstanding	530.7 M
Revenue Growth (%)	16.3%
Market Capitalization (\$M)	\$266.7 M
Debt (\$M)	\$47.8 M
Enterprise Value (\$M)	\$246.1 M
Cash & Short-Term Investments (\$M)	\$109.5 M

1-Year Price-Volume Chart



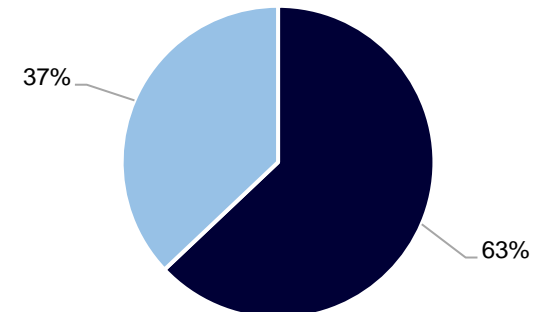
Revenue Breakdown

Revenue by Segment



- Glucose Monitoring Products
- Dental Instruments

Revenue by Geography



- United States
- Rest of The World

Competitor Profile

Roche Holding AG



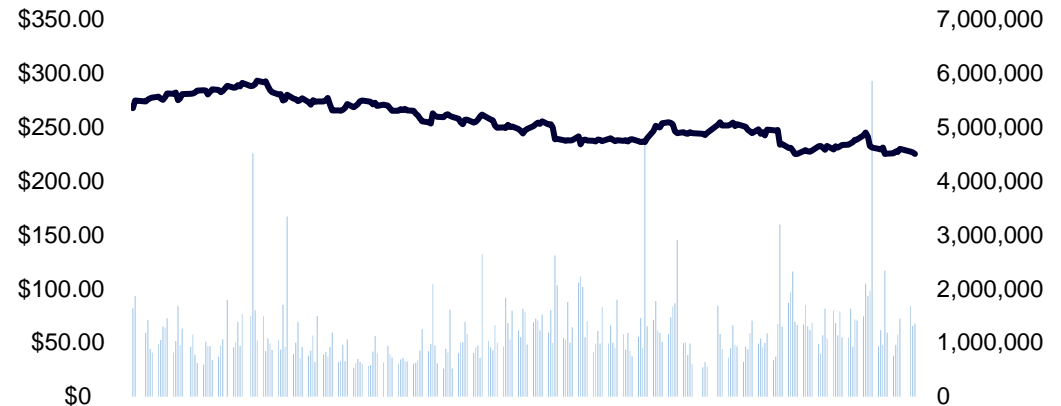
Company Description

Roche Holding AG engages in the pharmaceuticals and diagnostics businesses in several regions. The company offers pharmaceutical products in therapeutic areas of anemia, blood and solid tumors, dermatology, hemophilia, inflammatory and autoimmune, neurological disorders, ophthalmology, respiratory disorders, and transplantation. Recently Roche released Accu-Chek, a CGM using predictive AI to base results. Roche Holding AG was founded in 1896 and is based in Basel, Switzerland.

Company Metrics

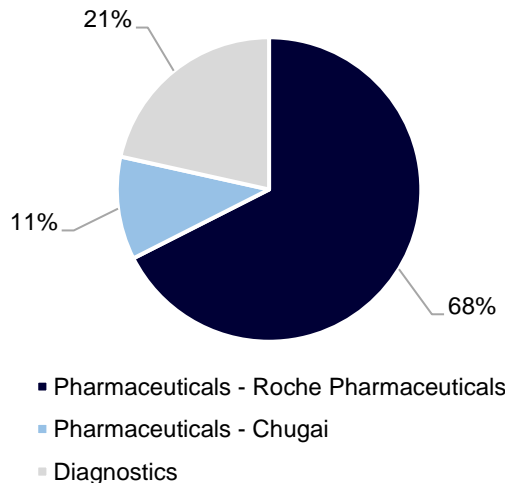
Ticker	SWX: ROG
Share Price	\$243.23
Shares Outstanding	797 M
Revenue Growth (%)	1.34%
Market Capitalization (\$M)	\$195,448 M
Debt (\$M)	\$34,138 M
Enterprise Value (\$M)	\$222,324 M
Cash & Short-Term Investments (\$M)	\$11,631 M

1-Year Price-Volume Chart

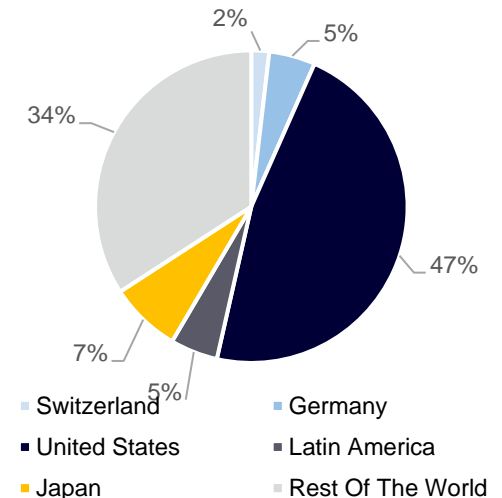


Revenue Breakdown

Revenue by Segment



Revenue by Geography



Competitor Profile

Becton, Dickinson & Company



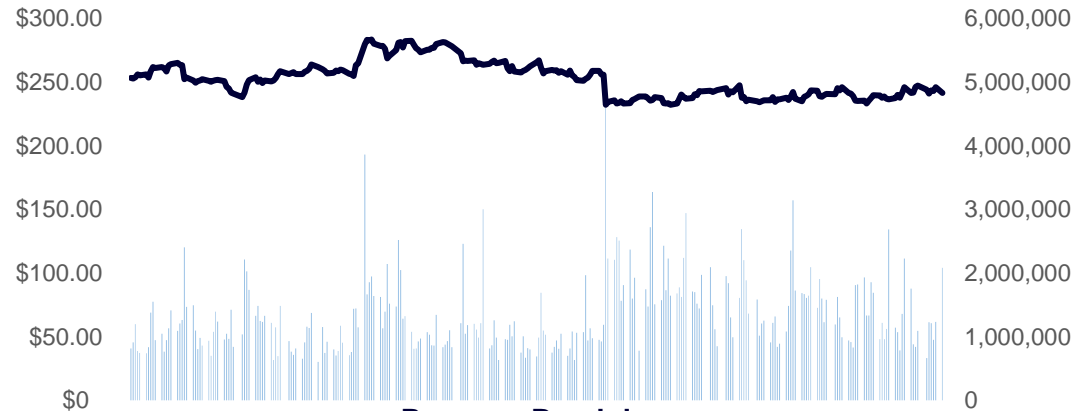
Company Description

Founded in 1897 Becton, Dickinson and Company develops, manufactures, and sells medical supplies, devices, laboratory equipment, and diagnostic products for healthcare institutions, physicians, life science researchers, clinical laboratories, pharmaceutical industry, and the general public worldwide. The company operates in three segments: BD Medical, BD Life Sciences, and BD Interventional.

Company Metrics

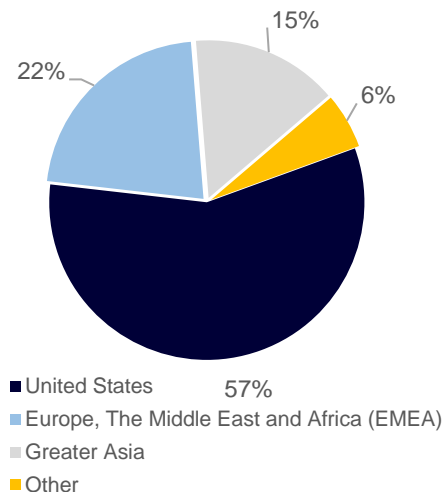
Ticker	NYSE: BDX
Share Price	\$241.72
Shares Outstanding	288 M
Revenue Growth (%)	4.00%
Market Capitalization (\$M)	\$71,119 M
Debt (\$M)	\$16,110 M
Enterprise Value (\$M)	\$86,047 M
Cash & Short-Term Investments (\$M)	\$1,182 M

1-Year Price-Volume Chart

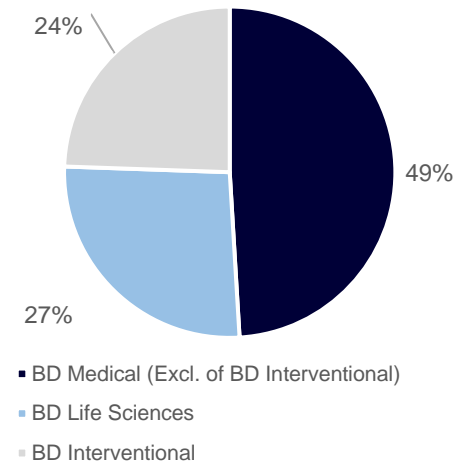


Revenue Breakdown

Revenue by Segment



Revenue by Geography

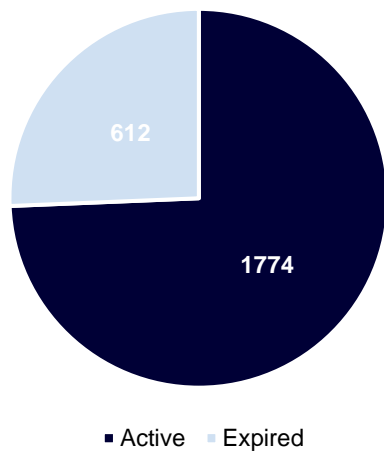


Appendix

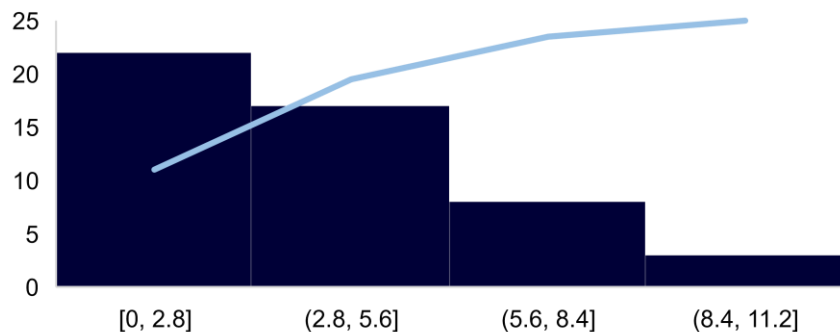
Patents



Patents Active vs Expired

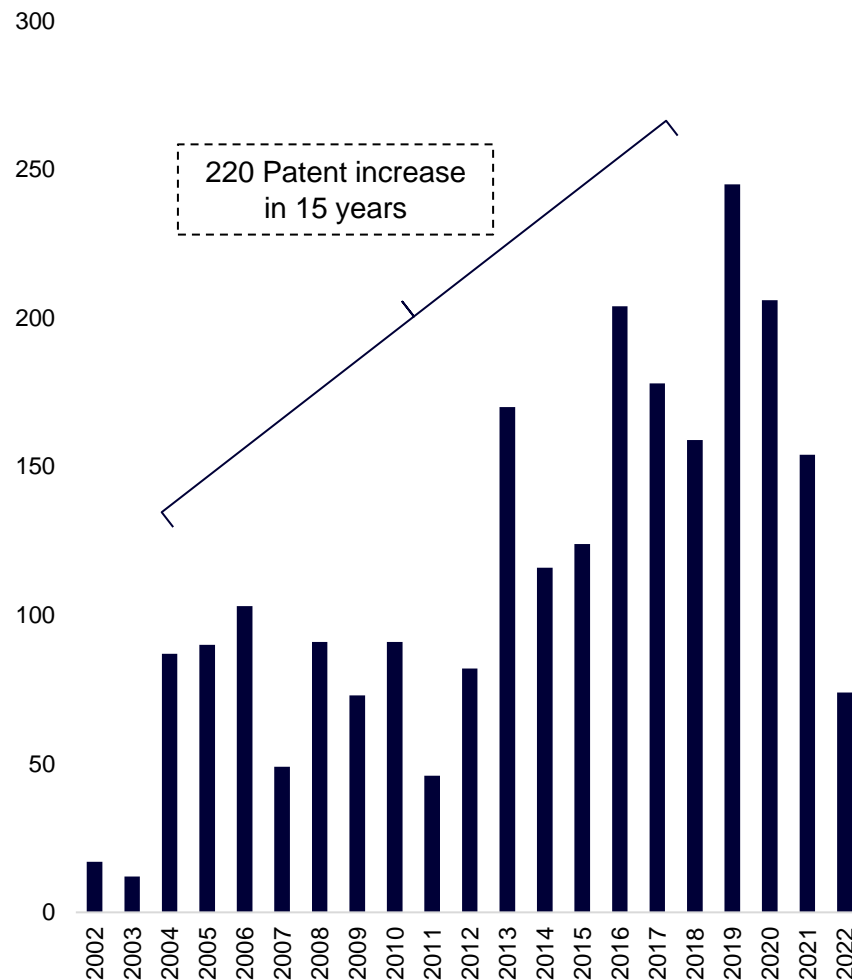


G4 Patents Until Expiry



G4 patents are used within Dexcom's recent CGM models including G5 and G6

Patents Filed By Year



Product Specification

Science Behind Continuous Glucose Monitoring



Historical Method of Measuring Blood Glucose



Receive reminder via numerous alarms set throughout the day



“Finger-prick” a small amount of blood onto a test strip that can be read by a blood glucose monitor (BGM)



Take note of blood glucose levels to ensure it is within range and can reasonably remain within range

Provides a snapshot of glucose levels at a single point in time and offers no insight into fluctuations of levels through the day.

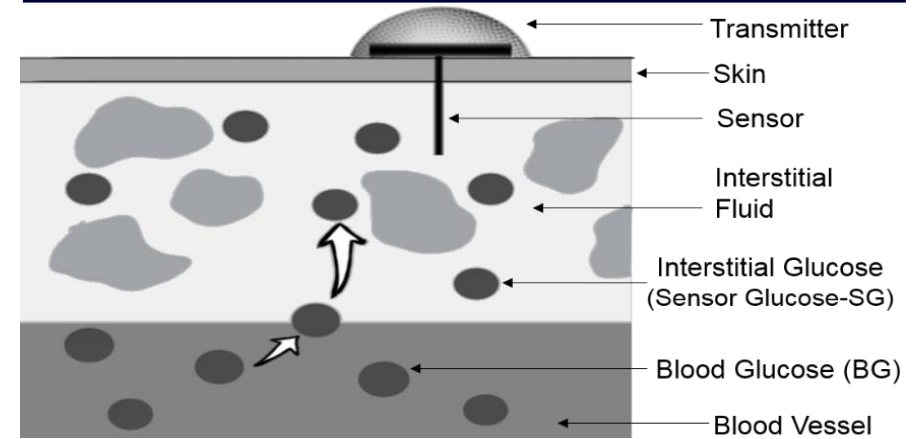
Benefits of Continuous Glucose Monitoring

Shows current glucose level and **predicts direction that glucose** is heading and rate of change, additionally provides alerts when out of range.

If integrated with an insulin pump, may be able to pause or adjust **insulin delivery** in response to changes in glucose levels

Ability to **share glucose levels** with a family member and/or healthcare team automatically

Flow of Blood Glucose to Interstitial Fluid



Limitations of Continuous Glucose Monitoring

At rest, the interstitial glucose lags about **5 minutes behind the blood glucose**; in situations when glucose changes rapidly, such as during exercise, **lag time increases up to 24 minutes**.

Alarm fatigue – the condition in which device users are repeatedly bothered by frequent and/or false alarms.

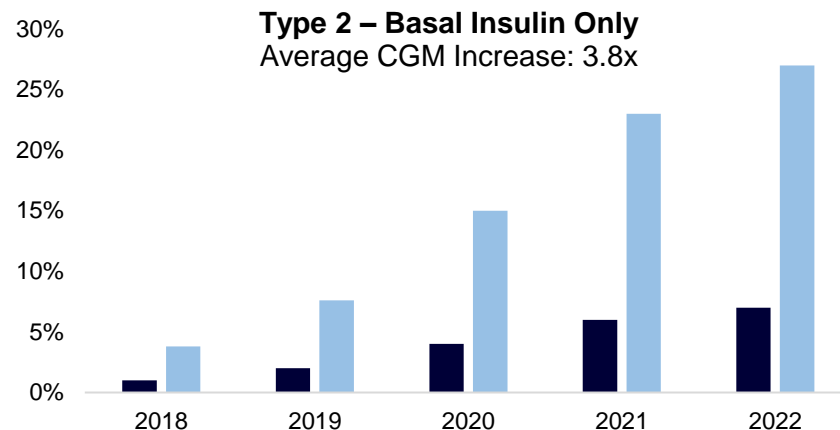
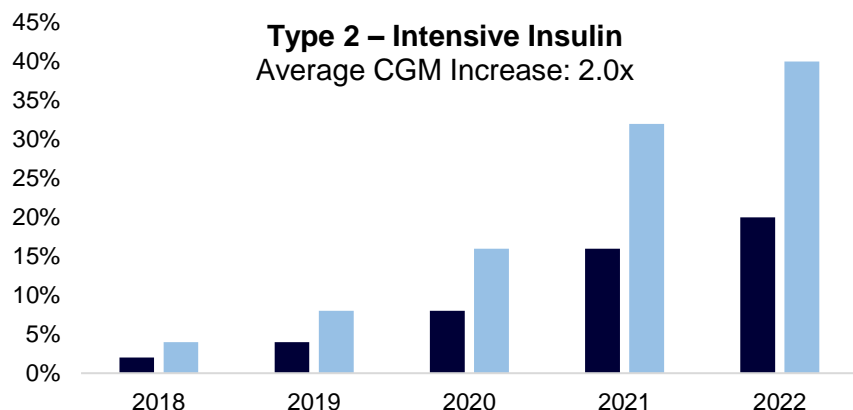
Information overload – often CGM trainers suggest spending the first week on CGM just watching the output without making changes

Appendix

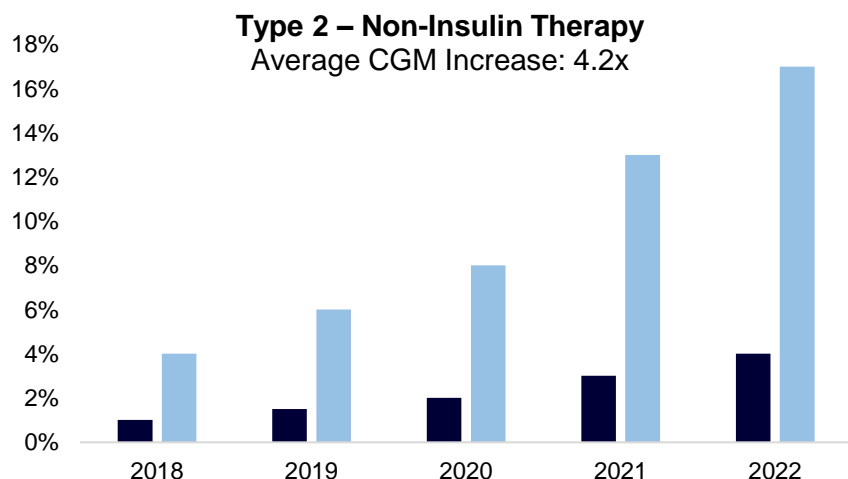
GLP Impact on CGM



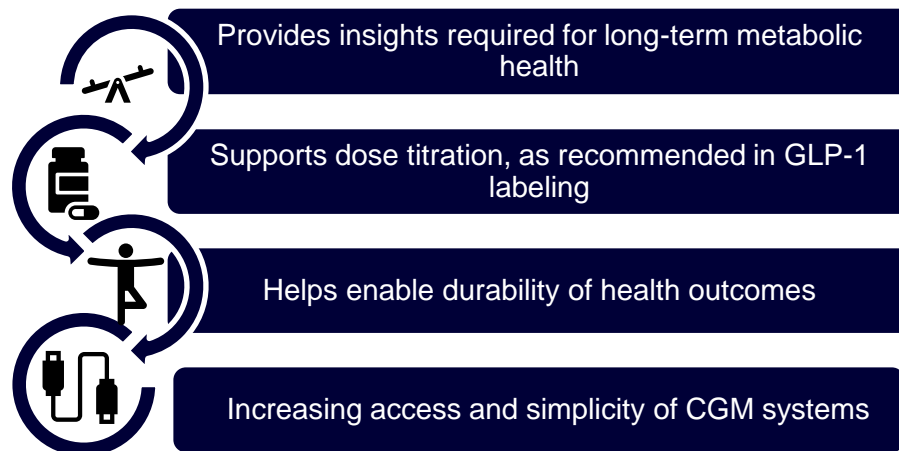
Flow of Blood Glucose to Interstitial Fluid



Flow of Blood Glucose to Interstitial Fluid



Clinical Drivers of GLP-1 Use with CGM

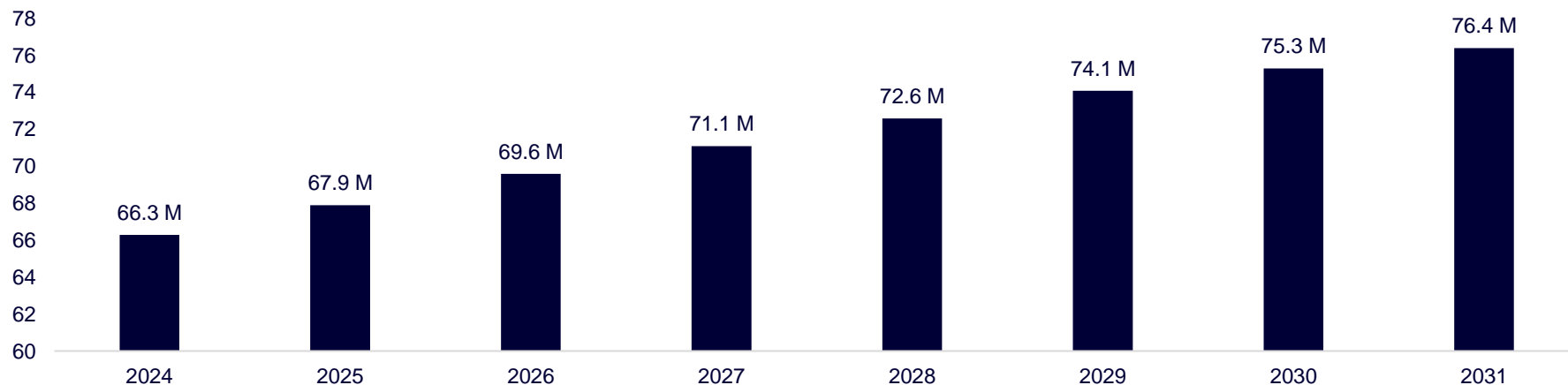


Appendix

Operations and Medicare Enrollment



Medicare Enrollment Growth



Leased Manufacturing Properties

Location	Leases Expiration Date
San Diego, California	2028
Mesa, Arizona	2030
Penang, Malaysia	2082

Dexcom has renewal options that would extend the lease expiring in 2028 for four additional five-year terms and lease expiring in 2030 for two additional five-year terms.

Operations

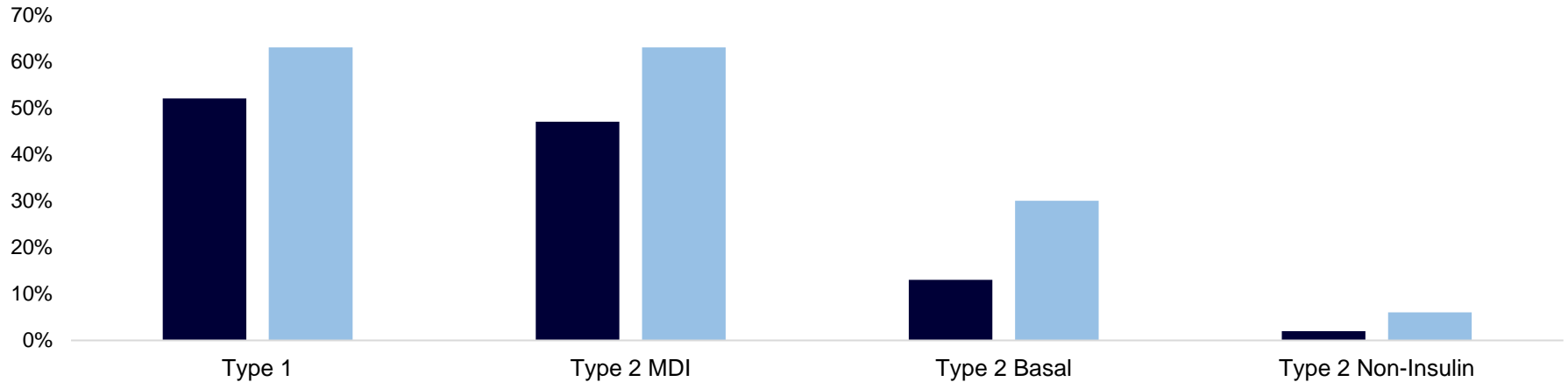
- Majority of operations are conducted in San Diego, Arizona, and Malaysia
- Dexcom manufactures their current CGM systems with certain components supplied by outside vendors and other components are manufactured internally
- Dexcom relies on single and/or sole sources for certain components and materials used in manufacturing, such as for the application-specific integrated circuit that is incorporated into the transmitter and certain polymers used to synthesize the polymeric bio interface membranes for their products

Market Penetration

Growth Of Different Diabetic Distribution



Market Penetration For Diabetic Distribution 2022 vs 2025



CGM Revenue For Type 2 Non-Insulin US (mms)

		Penetration				
Average Selling Price		3%	4%	5%	10%	15%
	2125	1274	1699	2124	4248	6372
	1750	1050	1400	1750	3500	5250
	1500	900	1200	1500	3000	4500

Average Selling Prices Based on various CGM's on the market including G7, Libre 3, Guardian 4, Eversense 3

Company Comparable Analysis

EV/EBITDA Premium Analysis



Date	Dexcom	Abbott	ResMed	Insulet Corp	Medtronic	Roche Holding	Industry	Dexcom Premium (% of industry)
Feb-28-2020	125.49	18.36	28.22	151.73	15.33	10.91	58.34	215%
Mar-31-2020	109.17	18.77	26.25	133.15	13.90	11.07	52.05	210%
Apr-30-2020	127.50	22.14	25.77	159.66	14.92	11.83	60.30	211%
May-29-2020	137.03	22.76	26.63	157.76	18.02	11.75	62.33	220%
Jun-30-2020	135.66	22.00	31.55	162.30	17.07	11.56	63.36	214%
Jul-31-2020	143.37	25.52	33.21	169.58	17.87	11.58	66.86	214%
Aug-31-2020	121.92	27.58	29.24	136.05	23.48	11.58	58.31	209%
Sep-30-2020	112.64	27.43	27.78	147.43	22.61	11.57	58.24	193%
Oct-30-2020	107.01	25.82	29.14	138.53	21.95	10.85	55.55	193%
Nov-30-2020	82.75	26.31	31.75	141.57	25.82	11.01	53.20	156%
Dec-31-2020	87.41	25.78	32.19	140.42	26.47	11.35	53.94	162%
Jan-29-2021	91.54	25.08	29.31	146.76	25.28	11.33	54.88	167%
Feb-26-2021	100.74	24.45	28.06	153.61	26.92	10.79	57.43	175%
Mar-31-2021	89.10	24.46	28.24	154.68	27.74	11.13	55.89	159%
Apr-30-2021	98.04	21.47	27.19	175.21	30.47	10.87	60.54	162%
May-28-2021	82.66	20.36	29.72	144.71	24.24	11.43	52.19	158%
Jun-30-2021	96.38	20.24	35.50	147.27	21.78	12.71	55.65	173%
Jul-30-2021	105.80	18.89	39.08	150.02	22.92	13.40	58.35	181%
Aug-31-2021	110.55	19.51	40.63	161.85	20.26	14.05	61.14	181%
Sep-30-2021	119.26	18.29	36.90	154.61	19.45	13.12	60.27	198%
Oct-29-2021	118.65	18.35	35.38	168.37	18.67	13.53	62.16	191%
Nov-30-2021	125.71	18.22	34.31	148.12	15.64	13.62	59.27	212%
Dec-31-2021	110.52	19.72	35.17	136.87	15.33	13.45	55.18	200%
Jan-31-2022	90.16	18.21	30.48	127.79	15.33	12.67	49.11	184%
Feb-28-2022	91.53	16.92	32.86	99.35	15.09	12.44	44.70	205%
Mar-31-2022	103.74	16.62	32.31	99.97	16.30	12.99	46.99	221%
Apr-29-2022	111.89	15.12	26.31	90.08	15.42	12.82	45.27	247%
May-31-2022	75.22	15.53	26.76	72.64	15.28	11.73	36.19	208%
Jun-30-2022	66.76	14.41	27.58	74.09	13.67	11.49	34.67	193%
Jul-29-2022	73.65	14.08	31.57	83.79	14.04	11.85	38.16	193%
Aug-31-2022	79.85	13.11	28.53	114.42	13.43	11.77	43.52	183%
Sep-30-2022	78.61	12.38	28.33	103.19	13.16	12.07	41.29	190%
Oct-31-2022	89.87	13.43	28.71	115.86	14.11	12.42	45.73	197%
Nov-30-2022	94.32	13.84	29.53	163.06	12.33	11.59	54.11	174%
Dec-30-2022	95.31	14.12	26.83	160.44	13.26	11.00	53.49	178%
Jan-31-2023	89.58	16.58	29.18	156.71	14.15	10.71	52.82	170%
Feb-28-2023	81.25	14.51	27.31	148.20	13.56	9.61	49.07	166%
Mar-31-2023	77.80	14.45	28.04	170.17	14.39	9.24	52.35	149%
Apr-28-2023	80.68	17.64	28.79	170.06	15.98	9.90	53.84	150%
May-31-2023	78.86	16.30	25.33	157.23	13.84	10.14	50.28	157%
Jun-30-2023	83.86	17.38	26.24	165.00	15.58	9.67	52.96	158%
Jul-31-2023	86.43	19.20	26.68	158.61	15.53	10.35	52.80	164%
Aug-31-2023	67.59	17.80	18.82	93.84	14.60	9.98	37.11	182%
Sep-29-2023	59.74	16.80	17.51	78.89	14.12	9.66	32.79	182%
Oct-31-2023	50.64	16.70	16.50	66.40	12.91	9.06	28.70	176%
Nov-30-2023	56.45	18.08	18.32	84.05	14.03	9.14	33.35	169%
Dec-29-2023	66.22	19.04	19.89	95.75	14.51	9.44	37.48	177%
Jan-31-2024	68.82	20.67	20.89	84.80	15.29	9.52	36.67	188%
Feb-29-2024	58.37	19.84	19.16	38.48	14.27	9.93	26.68	219%
Mar-28-2024	62.44	19.04	21.69	40.11	14.83	9.85	27.99	223%
Apr-04-2024	64.28	18.47	20.32	38.31	14.35	9.66	27.57	233%

Company Comparable Analysis

EV/Revenue Premium Analysis



Date	Dexcom	Abbott	ResMed	Insulet Corp	Medtronic	Sensonic	Roche Holding	Industry	Dexcom Premium (% of industry)
Feb-28-2020	16.87	4.73	8.69	16.90	4.83	12.68	4.23	9.85	171%
Mar-31-2020	16.46	4.84	8.08	14.83	4.37	7.16	4.29	8.58	192%
Apr-30-2020	19.13	5.54	8.17	17.78	4.70	6.90	4.59	9.54	200%
May-29-2020	21.62	5.69	8.44	16.64	5.06	5.98	4.56	9.71	223%
Jun-30-2020	23.18	5.50	10.00	17.12	4.77	7.66	4.49	10.39	223%
Jul-31-2020	23.87	6.14	10.53	17.88	4.99	8.78	4.54	10.96	218%
Aug-31-2020	23.30	6.64	9.14	17.43	5.74	11.24	4.54	11.15	209%
Sep-30-2020	22.56	6.60	8.68	18.89	5.57	10.02	4.53	10.98	205%
Oct-30-2020	16.42	6.24	9.44	17.75	5.41	9.77	4.25	9.90	166%
Nov-30-2020	16.43	6.39	10.28	19.61	6.06	12.89	4.32	10.85	151%
Dec-31-2020	19.07	6.26	10.43	19.46	6.23	25.13	4.45	13.00	147%
Jan-29-2021	19.34	6.52	9.72	20.33	5.95	85.26	4.44	21.65	89%
Feb-26-2021	19.41	6.51	9.30	19.07	6.21	130.99	4.34	27.98	69%
Mar-31-2021	17.49	6.51	9.36	19.21	6.27	211.18	4.47	39.21	45%
Apr-30-2021	18.05	6.04	9.05	21.76	6.89	192.90	4.37	37.01	49%
May-28-2021	17.25	5.83	9.89	18.87	6.18	98.34	4.59	22.99	75%
Jun-30-2021	20.00	5.79	11.81	19.20	6.09	196.51	5.11	37.79	53%
Jul-30-2021	22.67	5.60	13.00	19.56	6.41	154.05	5.11	32.34	70%
Aug-31-2021	23.29	5.81	13.39	20.99	6.17	156.18	5.36	33.03	71%
Sep-30-2021	24.06	5.45	12.16	20.05	5.83	130.59	5.00	29.02	83%
Oct-29-2021	25.69	5.63	11.63	21.83	5.59	135.13	5.16	30.09	85%
Nov-30-2021	23.16	5.47	11.28	19.59	4.99	97.52	5.20	23.89	97%
Dec-31-2021	22.09	5.92	11.56	18.11	4.85	82.05	5.13	21.39	103%
Jan-31-2022	17.64	5.28	9.89	16.90	4.85	82.38	4.83	20.25	87%
Feb-28-2022	16.06	5.15	10.66	17.12	4.88	53.42	4.66	15.99	100%
Mar-31-2022	19.93	5.06	10.48	17.23	5.12	58.12	4.87	17.26	115%
Apr-29-2022	15.37	4.70	8.44	15.53	4.85	38.83	4.81	13.22	116%
May-31-2022	11.15	4.83	8.58	13.58	4.64	34.58	4.40	11.68	95%
Jun-30-2022	11.16	4.48	8.84	13.85	4.22	30.05	4.31	10.99	102%
Jul-29-2022	11.82	4.39	10.12	15.67	4.34	39.10	4.52	12.85	92%
Aug-31-2022	11.84	4.12	9.18	15.65	4.15	54.40	4.49	14.83	80%
Sep-30-2022	11.60	3.89	9.11	14.11	3.92	38.81	4.60	12.29	94%
Oct-31-2022	16.62	4.02	9.24	15.84	4.20	34.07	4.74	12.68	131%
Nov-30-2022	16.00	4.32	9.50	17.27	3.91	29.68	4.42	12.16	132%
Dec-30-2022	15.58	4.40	8.63	16.99	3.85	27.10	4.20	11.54	135%
Jan-31-2023	14.73	4.57	9.36	16.60	4.11	30.33	4.09	11.97	123%
Feb-28-2023	14.64	4.23	8.76	15.30	4.14	27.42	3.62	11.16	131%
Mar-31-2023	15.32	4.21	9.00	17.57	4.04	18.15	3.48	10.25	149%
Apr-28-2023	15.42	4.82	9.19	17.56	4.49	14.78	3.72	10.00	154%
May-31-2023	14.90	4.46	8.08	14.54	4.06	13.80	3.81	9.09	164%
Jun-30-2023	16.34	4.75	8.37	15.26	4.31	17.07	3.64	9.96	164%
Jul-31-2023	15.03	5.00	8.51	14.67	4.30	20.86	3.82	10.31	146%
Aug-31-2023	12.17	4.66	5.88	9.64	3.98	11.33	3.68	7.33	166%
Sep-29-2023	11.23	4.40	5.47	8.10	3.85	15.04	3.56	7.38	152%
Oct-31-2023	9.93	4.33	5.04	6.82	3.52	11.89	3.34	6.41	155%
Nov-30-2023	12.96	4.75	5.59	8.99	3.85	13.61	3.37	7.59	171%
Dec-29-2023	13.94	5.00	6.07	10.24	3.98	13.08	3.48	7.97	175%
Jan-31-2024	13.62	5.12	6.47	9.07	4.19	12.87	3.51	7.84	174%
Feb-29-2024	12.21	5.35	5.93	7.20	3.95	15.54	3.49	7.67	159%
Mar-28-2024	14.73	5.14	6.72	7.50	4.11	11.51	3.46	7.60	194%
Apr-04-2024	14.16	4.98	6.29	7.17	3.97	10.64	3.39	7.23	196%

Company Comparable Analysis

Full Valuation Analysis



EV/EBITDA

	Bear	Base	Bull
Dexcom NTM EBITDA (M)	1,256	1,256	1,256
Peer average EV/EBITDA	20.0x	20.0x	20.0x
Dexcom EV/EBITDA Premium Over Peers	75.0%	122.5%	160.0%
Dexcom NTM EV/EBITDA	35.0x	44.5x	52.0x
Dexcom TEV	\$43,960	\$55,892	\$65,312
Subtract: Net debt	\$130	\$130	\$130
Implied Equity Value	\$43,830	\$55,762	\$65,182
Shares Outstanding	386.0	386.0	386.0
Implied Share Price	\$113.55	\$144.46	\$168.87
Current Share Price	133.34	133.34	133.34
Implied Upside/(Downside)	(14.8%)	8.1%	26.6%

EV/REVENUE

	Bear	Base	Bull
Dexcom NTM Revenue (M)	4,326	4,326	4,326
Peer average EV/Revenue	5.6x	5.6x	5.6x
Dexcom EV/Revenue Premium Over Peers	80.0%	140.0%	190.0%
Dexcom NTM EV/Revenue	10.1x	13.4x	16.2x
Dexcom TEV	\$43,606	\$58,141	\$70,254
Subtract: Net debt	\$130	\$130	\$130
Implied Equity Value	\$43,476	\$58,011	\$70,124
Shares Outstanding	386.0	386.0	386.0
Implied Share Price	\$112.63	\$150.29	\$181.67
Current Share Price	133.34	133.34	133.34
Implied Upside/(Downside)	(15.5%)	12.7%	36.2%