

**02**

**Market**

# Industry Definition

Dexcom competes in the **global continuous glucose monitoring (CGM) market** within the medical device and digital health industry.



# Industry Definition Tools

## Products:

- Continuous glucose monitoring (CGM) systems, mobile apps, data-sharing platforms, and connected health devices

## Business Activities:

- Medical device design and manufacturing
- Digital health data integration and analytics
- Strategic partnerships with insulin pump and healthcare technology companies

## NAICS Code:

- 334510 – Electromedical and Electrotherapeutic Apparatus Manufacturing

# Industry Definition Tools

## Jobs to be Done:

- **Functional:** Track and manage glucose levels continuously; reduce need for fingersticks; support treatment decisions
- **Social:** Empower users to share health data with family, caregivers, and healthcare providers; promote connected diabetes management
- **Emotional:** Feel confident, safe, and in control of health; reduce anxiety related to diabetes management

## Customer Segments:

- People with Type 1 and Type 2 diabetes
- Healthcare providers and diabetes clinics
- Payers and insurance organizations
- Emerging segments: wellness-focused consumers and athletes

# VRIO Deep Dive

## Value

- Industry-leading CGM technology delivering superior accuracy, reliability, and real-time data
- Trusted brand and strong clinical reputation built over years of proven outcomes
- Integrated data ecosystem connecting to apps, alerts, and device connectivity

# VRIO Deep Dive

## Rarity

- Proven regulatory expertise and extensive clinical evidence base
- Deep integration partnerships with insulin pumps and digital health platforms
- Strong brand loyalty among patients and healthcare providers

# VRIO Deep Dive

## Inimitable

- Proprietary sensor technology protected by patents
- Strong regulatory record and long-term clinical trust difficult to replicate
- Data network effects and user base create network lock-in

# **VRIO Deep Dive**

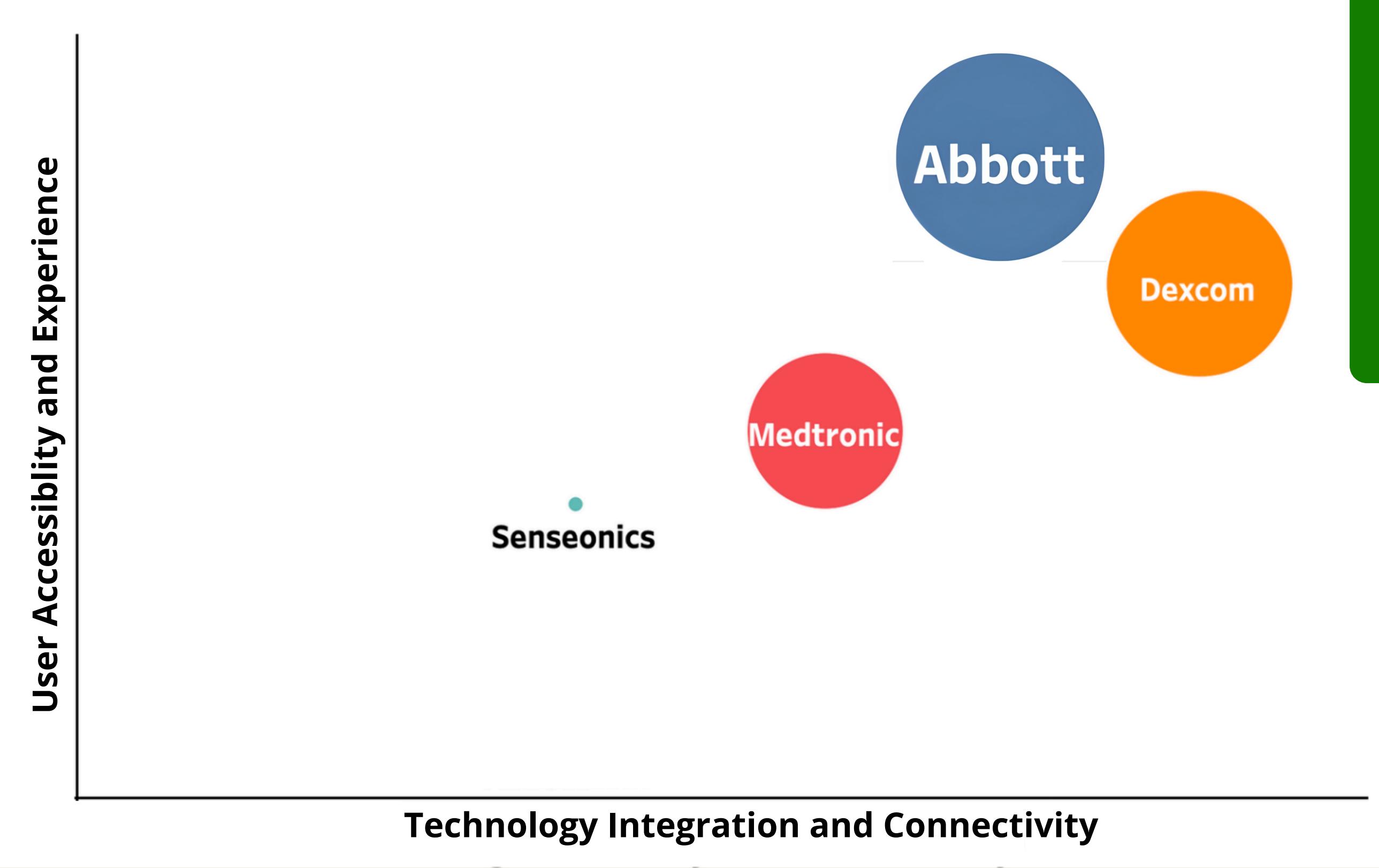
## **Organized to Exploit**

- Robust R&D and innovation pipeline (G7 and next-generation devices)
- Global supply chain investments and manufacturing expertise
- Strong payer relationships and market expansion strategy

# Key Competitors

Company	Key Product	Description
 <b>Abbott</b>	FreeStyle Libre	Known for affordability and wide accessibility
 <b>Medtronic</b>	Guardian Connect CGM	Integrates directly with insulin pumps for automated insulin delivery
 <b>Senseonics™</b>	Eversense 365	Specializes in implantable sensors, longest wear time among competitors

# Strategic Group Map Data



## Technology Integration & Connectivity

- How advanced the CGM system is in terms of app quality, data sharing, and device compatibility.

## User Accessibility & Experience

- How easy, affordable, and intuitive the CGM is for everyday users.

# Strategic Group Map Summary

## Dexcom

Combines industry-leading technology with user-friendly design and integrated ecosystem for connected diabetes management

## Abbot

Leads in affordability and broad distribution, prioritizing market penetration and accessibility over integration complexity

## Medtronic and Senseonic

Serve narrower, more specialized markets through integrated pump systems (Medtronic) and implantable sensors (Senseonics)

# Strategic Group Map Data

Company	Revenue	Digital Ecosystem Maturity	Ease of Use
Dexcom	\$4.0 B	9	7
Abbot	\$6.8 B	8	9
Medtronic	\$2.8 B	6	5
Senseonics	\$22.5 M	4	4

# Financial Comparison

## 1. Dexcom

- Total Revenue is \$4.033 billion (All diabetes products)

## 2. Abbot Laboratories

- Total Revenue is \$42.0 billion (from medical devices, diagnostics, nutritional, and established pharmaceuticals)
- Diabetes Care Segment revenue (GCM product) is \$6.8 billion.

## 3. Medtronic plc

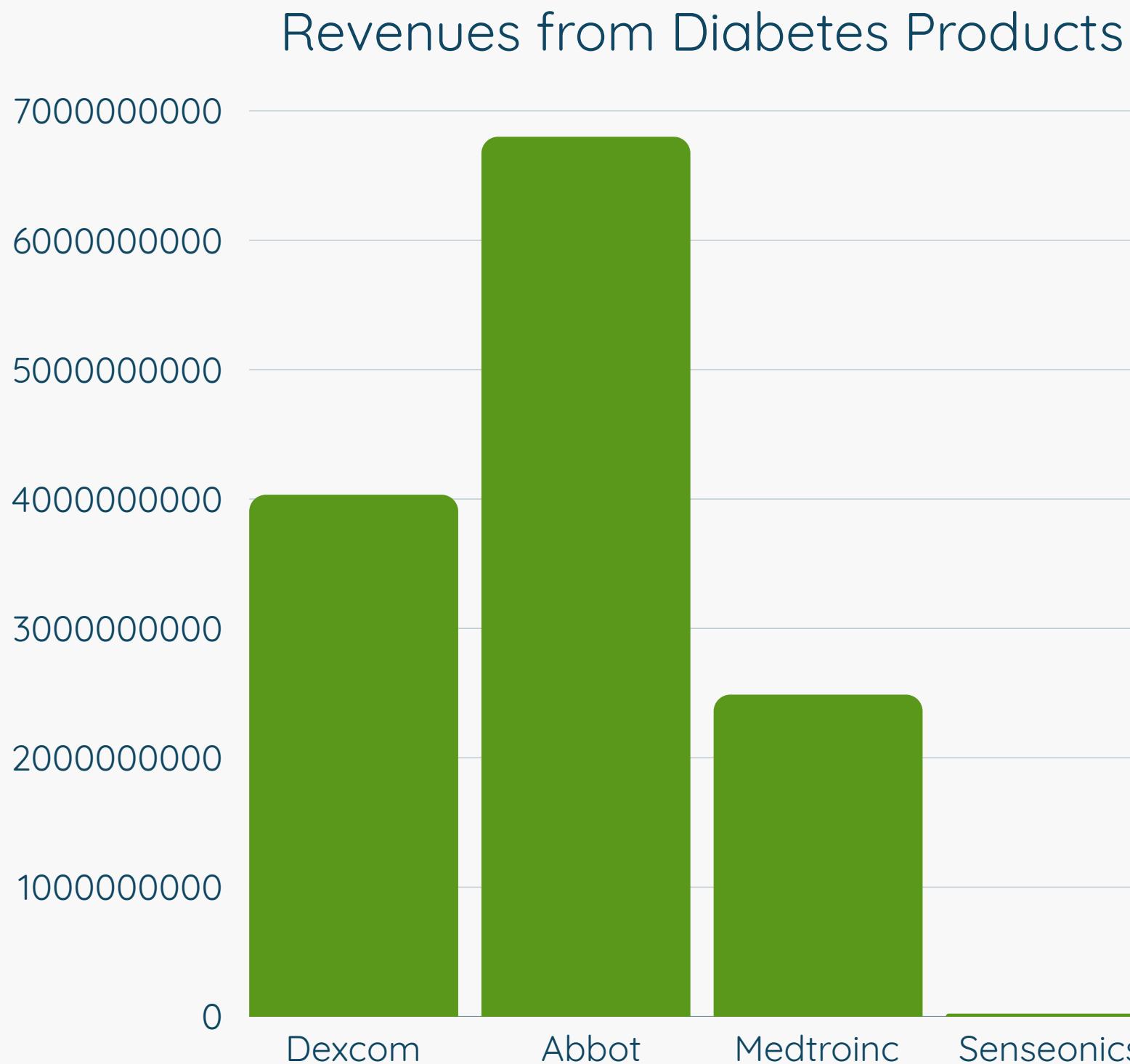
- Revenue is \$32.4 billion (cardiovascular, neuroscience, medical surgical, diabetes)
- Revenue for the diabetes segment was \$2.488 billion.

## 4. Senseonics Holdings, Inc.

- Revenue is \$22.5 Million (All diabetes products)

# Financial Comparison

Company	Revenues from Diabetes Products
Dexcom	4,033,000,000
Abbot Laboratories	6,800,000,000
Medtronic plc	2,488,000,000
Senseonics Holdings Inc	22,500,000

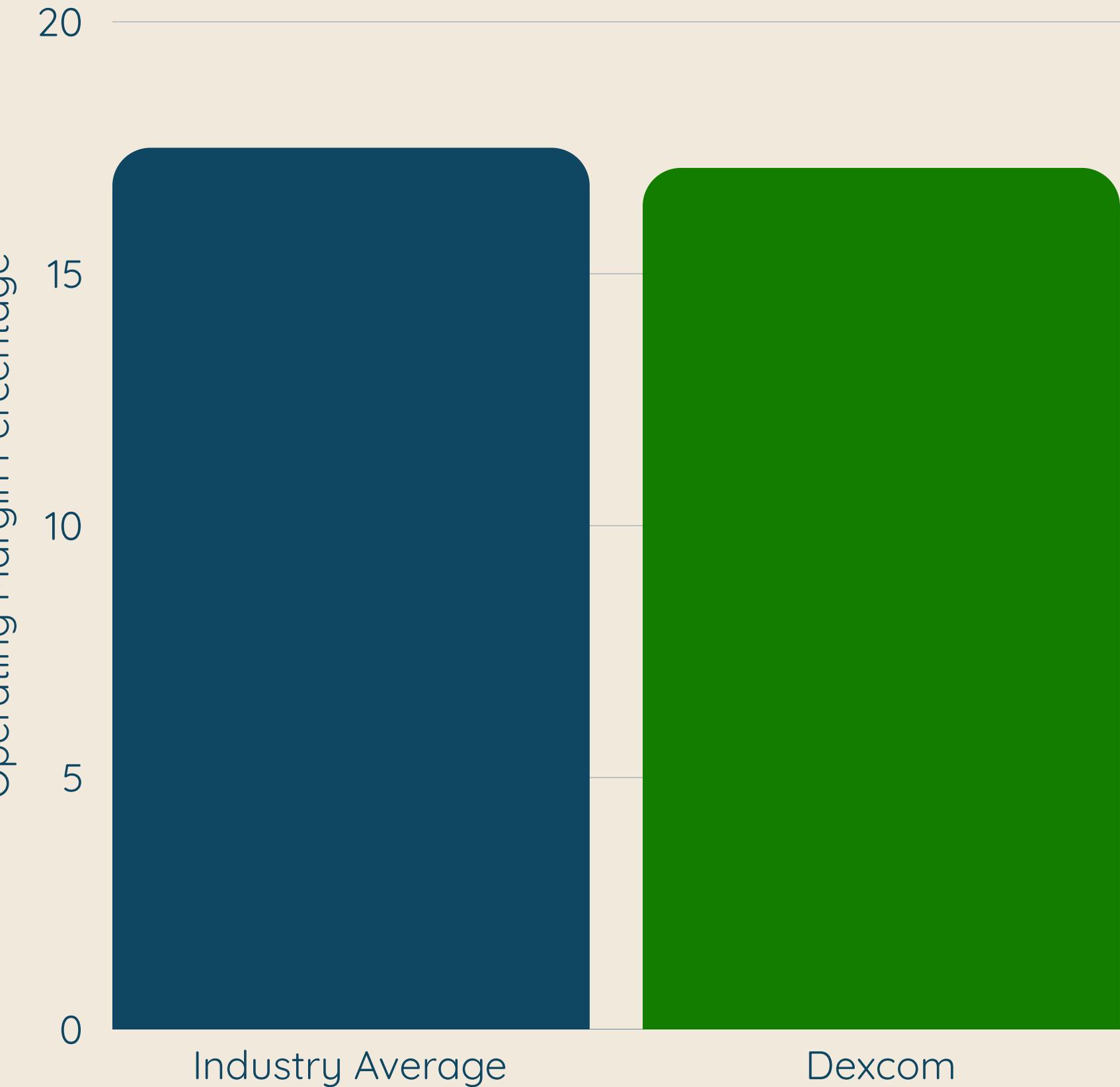


# Financial Comparison

Public medical device companies have a typical TTM operating margin around 17.5%.

Dexcom's TTM operating margin is currently at 17.1%.

Operating Margin Comparison



# Five Forces

## Competitive Rivalry - High

- Dexcom faces strong competition from major players like Abbott (FreeStyle Libre), Medtronic (Guardian Sensor), and Senseonics (Eversense).
- The CGM market is rapidly growing but crowded, with companies competing on sensor accuracy, wear duration, comfort, and integration with insulin pumps.
- Brand loyalty and clinical performance help Dexcom remain a leader, but competitors' lower prices and longer wear sensors increase rivalry pressure.

# Five Forces

## Supplier Power - Moderate

- Dexcom relies on specialized suppliers for advanced sensors, adhesives, and microelectronics.
- Because components require high precision and regulatory compliance, switching suppliers can be costly.
- However, as Dexcom scales and vertically integrates (e.g., in-house sensor manufacturing), its supplier dependence decreases, giving it more control over cost and quality.

# Five Forces

## Buyer Power - Moderate

- Buyers include patients, healthcare providers, and payers (insurance companies).
- Insurance coverage significantly impacts purchasing decisions, giving payers some leverage over pricing.
- However, Dexcom's strong brand reputation, proven clinical accuracy, and integration with insulin pumps (like Tandem and Omnipod) limit buyer switching, balancing this power.

# Five Forces

## Threat of Substitution – Moderate

- Primary substitutes include fingerstick glucose meters, which are cheaper but less convenient and less continuous.
- Advances in noninvasive glucose monitoring (e.g., rumored Apple Watch tech or optical sensors) could become future substitutes.
- Currently, Dexcom's continuous, real-time data and clinical reliability make substitution risk manageable but emerging.

# Five Forces

## Threat of New Entry - Low

- Barriers to entry are very high due to FDA regulations, clinical testing requirements, and technological complexity.
- Significant capital investment and brand trust are required to compete with established CGM firms.
- Dexcom's long history of R&D expertise and data integration partnerships (like with Apple and insulin pump manufacturers) further protect its market position.

# Five Forces Key Insights

1. Competitive rivalry is the biggest threat
2. Vertical integration strengthens Dexcom's supply control
3. Buyer power is balanced by brand and commitment to the Dexcom ecosystem
4. Substitution risk is emerging, but not immediately
5. High barriers to entry help protect Dexcom's market share

# EPIC PEST Analysis

## Political

Changes in government healthcare policies, especially regarding FDA regulations and reimbursement rates, will affect accessibility to Dexcom and their revenue.

## Economic

Dexcom's growth is influenced by insurance and payer coverage.

## Sociocultural

The market is expanding due to the prevalence of diagnosed diabetes increasing in addition to a growing interest in discreet digital wellness technology.

## Technological

Continuous advancements in sensor technology (seeking smaller, more accurate, and non-invasive devices) and integration with smart devices will lead to innovation and further competitive differentiation.

# Market Summary

- Dexcom competes in the global continuous glucose monitoring (CGM) market
- Their main competitors are Abbot, Medtronic, and Senseonics
- The market is moderately attractive

03

UNIQUE VALUE