

DEXCOM INC  
Form 10-Q  
May 01, 2019  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the quarterly period ended March 31, 2019

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51222

DEXCOM, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

33-0857544

(I.R.S. Employer Identification No.)

6340 Sequence Drive

San Diego, California

(Address of Principal Executive Offices)

(858) 200-0200

(Registrant's Telephone Number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 Par Value Per Share	DXCM	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐

Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if ☐  
the registrant has elected not to use the extended transition  
period for complying with any new or revised financial

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accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 25, 2019, there were 91,050,405 shares of the Registrant's common stock outstanding.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

DexCom, Inc.

Consolidated Balance Sheets

(In millions, except par value and share data)

	March 31, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,285.1	\$1,137.0
Short-term marketable securities	72.9	248.6
Accounts receivable, net	204.7	226.7
Inventory	101.1	70.7
Prepaid and other current assets	27.0	16.5
Total current assets	1,690.8	1,699.5
Property and equipment, net	221.4	183.1
Operating lease right-of-use assets	27.7	—
Goodwill	18.6	18.7
Other assets	15.5	14.7
Total assets	\$ 1,974.0	\$1,916.0
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 169.1	\$147.1
Accrued payroll and related expenses	51.3	72.4
Operating lease liabilities, current portion	12.3	—
Deferred revenue	2.7	2.9
Total current liabilities	235.4	222.4
Long-term senior convertible notes	1,022.4	1,010.3
Operating lease liabilities, net of current portion	29.5	—
Other long-term liabilities	18.1	20.0
Total liabilities	1,305.4	1,252.7
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5.0 million shares authorized; no shares issued and outstanding at March 31, 2019 and December 31, 2018	—	—
Common stock, \$0.001 par value, 200.0 million shares authorized; 92.1 million and 91.0 million shares issued and outstanding, respectively, at March 31, 2019; and 91.1 million and 90.0 million shares issued and outstanding, respectively, at December 31, 2018	0.1	0.1
Additional paid-in capital	1,590.6	1,560.6
Accumulated other comprehensive income	1.6	1.5
Accumulated deficit	(823.7 )	(798.9 )
Treasury stock, at cost; 0.8 million shares at March 31, 2019 and December 31, 2018	(100.0 )	(100.0 )
Total stockholders' equity	668.6	663.3
Total liabilities and stockholders' equity	\$ 1,974.0	\$1,916.0
See accompanying notes		



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DexCom, Inc.

Consolidated Statements of Operations

(In millions, except per share data)

(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Revenues	\$280.5	\$184.4
Cost of sales	111.7	65.5
Gross profit	168.8	118.9
Operating expenses:		
Research and development	59.0	44.8
Selling, general and administrative	124.2	104.8
Total operating expenses	183.2	149.6
Operating loss	(14.4 )	(30.7 )
Interest expense	(14.9 )	(4.8 )
Income (loss) from equity investments	(4.2 )	7.4
Interest and other income (expense), net	6.9	4.1
Loss before income taxes	(26.6 )	(24.0 )
Income tax expense	0.3	0.2
Net loss	\$(26.9 )	\$(24.2 )
Basic and diluted net loss per share	\$(0.30 )	\$(0.28 )
Shares used to compute basic and diluted net loss per share	90.3	87.3
See accompanying notes		

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DexCom, Inc.

Consolidated Statements of Comprehensive Loss

(In millions)

(Unaudited)

Three Months

Ended

March 31,

2019 2018

\$(26.9) \$(24.2)

Net loss

Other comprehensive income (loss), net of income taxes: