

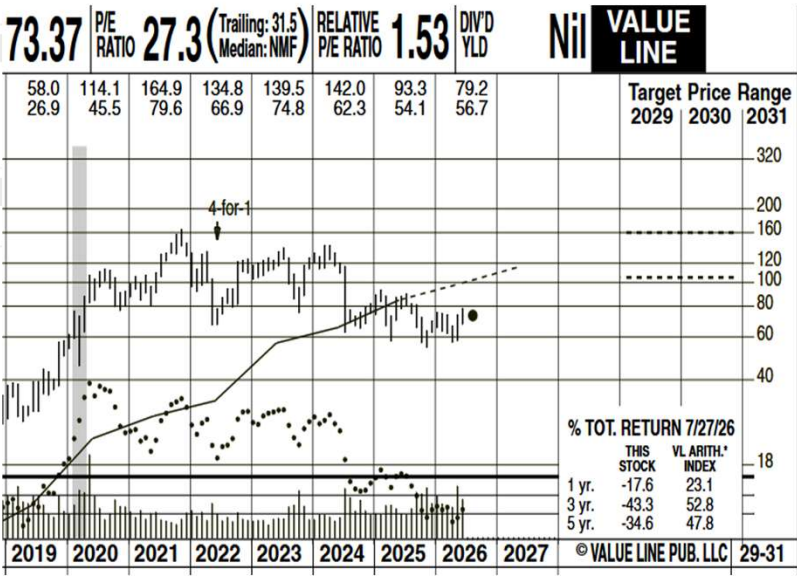
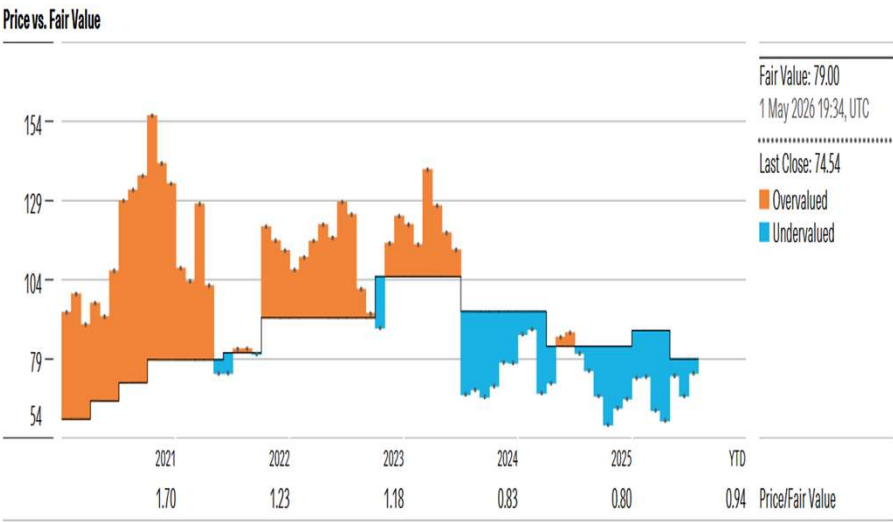
Dexcom

DexCom Inc

NASDAQ: DXCM :



Would you help me understand Something...

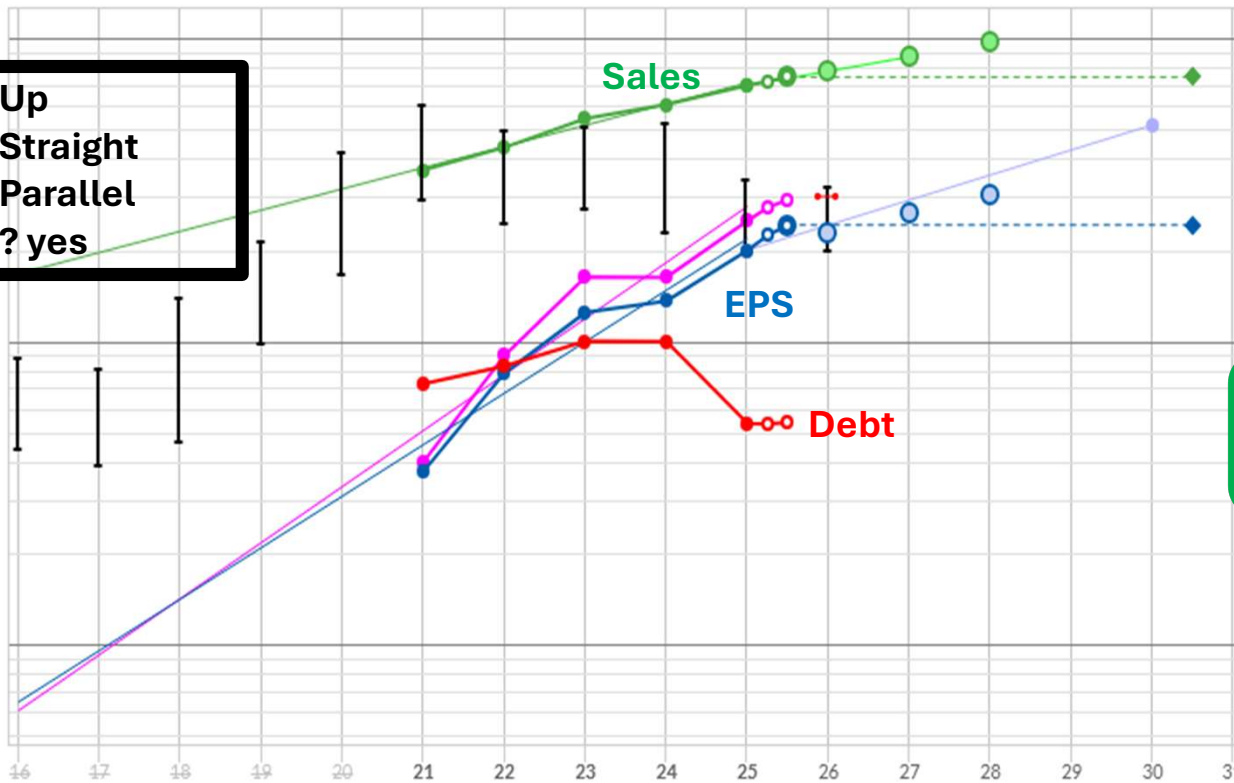


Company: DexCom (DXCM)

Study not saved. Click to save.

Quick Navigation

Up
Straight
Parallel
? yes



PROJECTION STARTING POINT

☐ Annual ☒ Quarter ☐ Trend

RECENT QUARTERLY FIGURES

FY2026 Quarter Ending (06/26)

	Sales	EPS
Latest Quarter	1,308	0.64
Year Ago Quarter	1,157	0.45
Percentage Change	13.1%	42.2%

ANALYST CONSENSUS ESTIMATES

Sales 2 Year Estimate:	11.5%
EPS Long Term Estimate:	21.0%

LEGEND

Sales	Total Debt
Pre-Tax Profit	Net Income
Prices Hi/Lo	Shares Outstanding
EPS	Sales Detailed Estimates
Book Value/Share	EPS Detailed Estimates
Free Cash Flow/Share	
Dividend	

Reset Chart

Compare Peers

Valuation ? $5 < \text{P/E Ratio} < 15$

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (08/04/26): 86.94 52-WEEK HIGH: 87.85 52-WEEK LOW: 54.11

☒ 5 Years ☐ 10 Years	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2021	164.9	79.6	0.39	⊗ 424.9	⊗ 205.2	0.00	0.0%	0.0%
2022	134.8	66.9	0.82	164.3	81.6	0.00	0.0%	0.0%
2023	139.6	74.8	1.30	107.3	57.5	0.00	0.0%	0.0%
2024	142.0	62.3	1.42	100.0	43.9	0.00	0.0%	0.0%
2025	93.3	54.1	2.09	44.6	25.9	0.00	0.0%	0.0%
5 YEAR AVERAGE		67.5		168.2	82.8		0.0%	
CURRENT/TTM			2.53	34.7	21	0.00	0.0%	

5 YEAR AVERAGE PRICE EARNINGS RATIO: 125.5 CURRENT PRICE EARNINGS RATIO: 34.4

Valuation Ratios

RELATIVE VALUE ?

$$35.4/78.1 = 45.4\%$$

Current P/E: 32.7 / Average 5 Year P/E: 125.5 X 100 = 26.0%

Current P/E < 5 YR AVG P/E

Rule of thumb < 80%

PROJECTED RELATIVE VALUE ?

Projected P/E: --- / Forecast Average P/E: --- X 100 = ---

PEG RATIO ?

Projected P/E: --- / Forecast EPS Growth Rate: --- = ---

? (Use AI)

Rule of thumb → PEG Ratio < 1.2 (1.25)

PEG Ratio (5-yr expected = 1.56)

PEG Ratio (TTM = 1.24)



Forgive me
for asking..

Operating Margin %: How much profit for every dollar of revenue after paying production costs and overhead.

Net Profit Margin %: How many cents of clear profit for every dollar of revenue after expenses.

ROE: measures how leadership converts retained earnings into additional earnings growth.

Profitability Ratios

Most Recent Quarter

Metric	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	MRQ	Trend
Gross Margin % ?	66.0%	68.5%	64.4%	63.1%	66.4%	68.6%	64.7%	63.2%	60.5%	60.1%	62.5%	
Operating Margin % ?	-11.1%	-5.9%	-18.1%	9.6%	15.5%	10.9%	13.4%	16.5%	14.9%	19.6%	22.9%	
Pre-Tax Profit Margin % ?	-11.3%	-6.8%	-12.3%	7.1%	11.7%	7.1%	13.4%	19.6%	17.6%	23.3%	25.8%	
Net Profit Margin % ?	-11.4%	-7.0%	-12.3%	6.8%	25.6%	6.3%	11.7%	14.9%	14.3%	17.9%	20.1%	
Return on Assets % ?	-18.9%	-7.7%	-9.0%	4.7%	14.8%	3.4%	6.7%	9.3%	9.0%	13.0%		
Return on Equity % ?	-25.2%	-13.1%	-23.1%	13.2%	32.4%	7.0%	17.4%	22.1%	28.0%	29.5%		

> 15% and rising

> 10%

> 15%



Maybe it's
nothing.....

Free Cash Flow Margin: What % of total revenue is converted into actual usable cash after operating expenses and Capex.

► Cash Quality

Metric	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	MRQ	Trend
Cash From Operations (\$M) ?	56	92	123	315	476	443	670	749	990	1,441	1,749	
Net Income (\$M) ?	-66	-50	-127	101	494	155	341	542	576	836	1,000	
Free Cash Flow Margin % ?	0.1%	3.6%	5.4%	9.1%	14.4%	2.2%	10.5%	14.1%	15.6%	23.1%	28.3%	

Highlighted cells indicate CFO < Net Income. Review is recommended.

> 10%



It's just something that's been nagging at me.

Debt to Equity %:

Who owns the business's capital base? The creditors or shareholders.

Interest coverage: Can the company pay the interest on its outstanding debt by using its operating profits.

Financial Structure

Metric	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	MRQ	Trend
Debt to Capital % ?	0.0%	44.4%	60.5%	56.8%	50.2%	45.5%	50.2%	55.6%	55.2%	33.6%	34.8%	
Debt to Equity % ?	0.0%	79.7%	153.4%	131.4%	100.7%	83.4%	100.6%	125.4%	123.1%	50.6%	53.3%	
Financial Leverage ?	1.4	2.2	2.9	2.7	2.3	2.2	2.5	3.0	3.1	2.3	2.5	
Interest Coverage ?	-91.7	-2.8	-4.6	2.7	3.7	2.7	22.0	36.0	38.3	60.5	86.3	
Current Ratio ? Inventory	2.7	5.4	7.6	5.5	5.6	5.1	2.0	2.8	1.5	1.9	1.7	
Quick Ratio ? Cash	2.2	4.9	7.3	5.1	5.1	4.5	1.7	2.4	1.2	1.5	1.4	
Goodwill / Equity % ?	4.0%	2.9%	2.8%	2.1%	1.1%	1.2%	1.2%	1.2%	1.1%	0.9%	0.9%	

< 50%

> 7 (5)

> 1.5 (1.2)

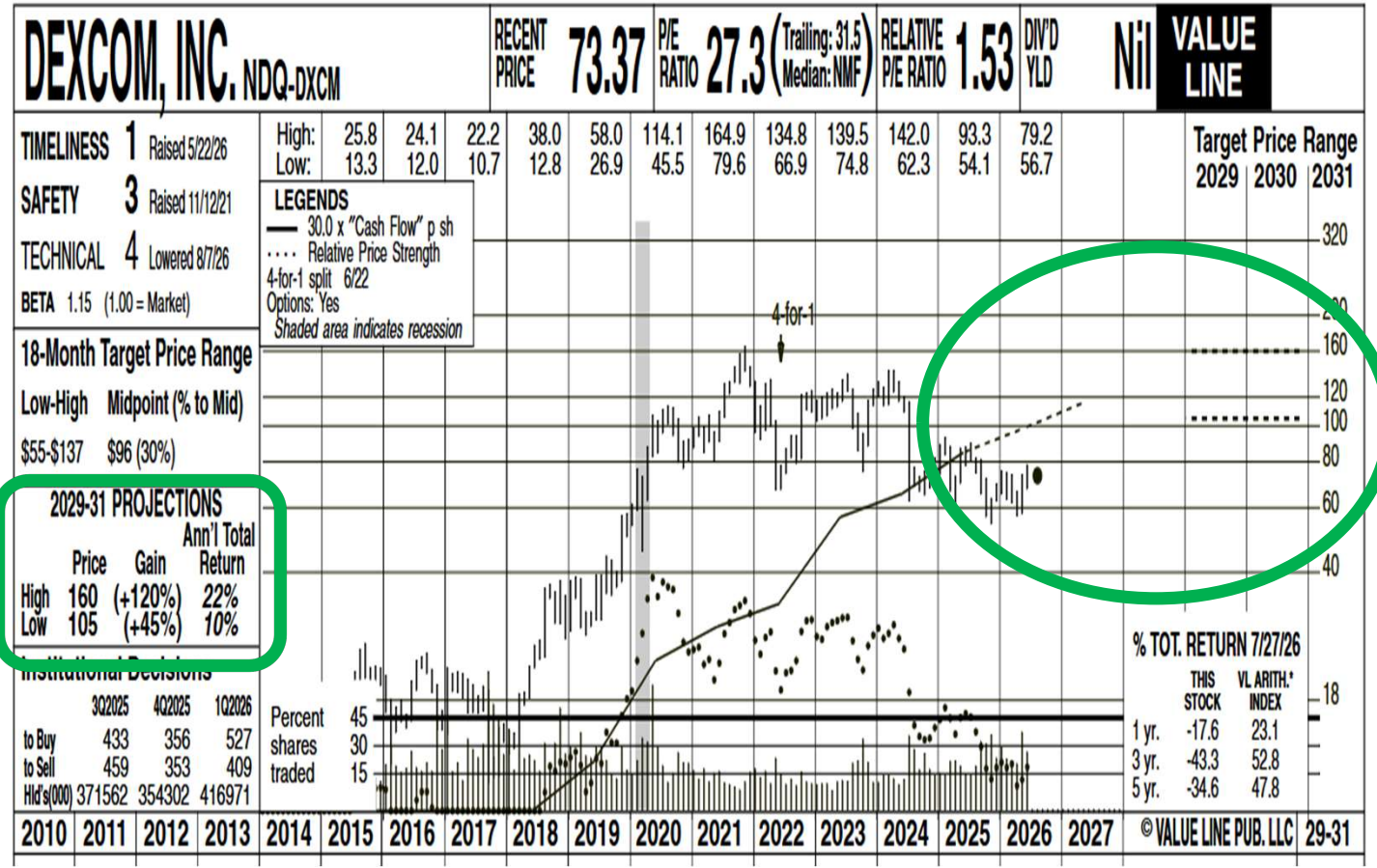
> 1.2 (1)

The Acid-Test

My wife
would love
this.



Value Line®





Value Line®

Forgive me
for asking....



Debt Due	1210.8	--	--
Other	1375.9	1798.2	1868.6
Current Liab	2022.0	2142.5	2223.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	28.5%	21.5%	13.0%
"Cash Flow"	--	39.0%	16.0%
Earnings	--	39.5%	18.0%
Dividends	--	--	Nil
Book Value	29.0%	14.5%	19.0%

Cal- endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2023	741.5	871.3	975.5	1034	3622.3
2024	921.0	1004	994.0	1114	4033.0
2025	1036	1157	1209	1260	4662.0
2026	1192	1290	1330	1408	5220
2027	1345	1440	1485	1560	5830

Cal- endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2023	.12	.28	.29	.61	1.30
2024	.36	.35	.47	.38	1.56
2025	.32	.48	.61	.68	2.09
2026	.56	.60	.67	.77	2.60
2027	.65	.75	.80	.90	3.10

Cal- endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022					
2023					
2024					
2025					
2026					

(A) Diluted earnings on a non-GAAP basis. Quarterly figures may not sum due to rounding. Excludes nonrecurring gains/(losses): '20, \$2.72; '21, (\$1.11), '24, (\$0.14). Next earnings

report due last week of October.

(B) In millions, adjusted for split.

DexCom's first-quarter performance was solid.

Revenues climbed 15% year over year, to \$1.192 billion, besting the consensus call by \$20 million. Digging deeper, in the U.S. sales rose 11%, while international receipts jumped 26% on a reported basis. Earnings of \$0.57 a share were a dime better than our expectations, powered by better manufacturing efficiencies and cost discipline. The stock got a nice bounce following the release of March-quarter financials (June-period results were due in as we rolled to press), but quickly returned back to around the \$73 area. All told, the stock price is up more than 15% over the last three months. However, in the year-to-date window, the quote is actually off by 20%.

The 2026 revenue outlook is standing pat between \$5.16 billion and \$5.25 billion. For our part, we are keeping our estimate at \$5.22 billion, while lifting our adjusted earnings call by a dime, to \$2.60, to reflect the improving margins brought about by operational improvements, notably lower costs on a manufacturing scale-up. Growth drivers on the top line include the Stelo rollout. This is the over-the-

counter continuous glucose monitor (CGM) for adults with Type 2 diabetes who are not on insulin. Of course, innovations on the flagship DexCom G7, which can now be worn for 15 days, will also chip in toward moving the top line higher.

Competition is a serious concern. The investment community seems enthusiastic about this selection, but the momentum comes in fits and starts. A primary reason behind that is that better-heeled, larger competitors are advancing their own CG/M products. Examples include Abbott Labs FreeStyle Libre device, which provides glucose updates every minute, and Medtronic's Guardian, a prominent piece of that company's automated insulin delivery ecosystem. Additionally, Senseonics has created the Eversense 365. The tiny implantable sensor is placed under the skin and only has to be replaced once a year.

Still, at recent price points there is a lot to get excited about here. DXCM shares receive our Highest (1) classification for Timeliness. Too, recovery potential for the pull to 2029-2031 exceeds the Value Line average.

Erik M. Manning

August 7, 2026

Company's Financial Strength	B++
Stock's Price Stability	25
Price Growth Persistence	60
Earnings Predictability	50



Contents

Analyst Note (31 Jul 2026)

Business Description

Business Strategy & Outlook (1 May 2026)

Bulls Say / Bears Say (1 May 2026)

A thick blue arrow pointing to the right.

Economic Moat (1 May 2026)

A thick yellow arrow pointing to the right.

Fair Value and Profit Drivers (1 May 2026)

Risk and Uncertainty (1 May 2026)

A thick green arrow pointing to the right.

Capital Allocation (1 May 2026)

Analyst Notes Archive

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Financials

ESG Risk

Appendix



Economic Moat

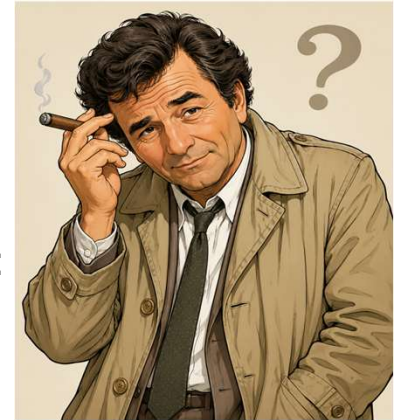
Debbie S. Wang, Senior Equity Analyst, 1 May 2026

We think DexCom has now dug a narrow economic moat around itself.....

As is typical of medical devices, it can take longer than anticipated to turn the corner into profitability.....

Perhaps more important, the firm has demonstrated its ability to innovate, despite significant pressure from competitors with new offerings.....

We think DexCom's moat rests on its intangible assets. These include intellectual property, clinical data supporting the accuracy of its sensors, a sterling reputation among endocrinologists and Type 1 patients for offering the most accurate sensors, and the firm's ability to consistently introduce meaningful innovation.





Enterprise Value / EBITDA :

(Total dollar Value / Core Operating Profitability)

How many dollars it costs to buy one dollar of core earnings.

A low number indicates undervalued company.

Compare to peers and industry.

Rule of Thumb $6 < x < 10$

Something doesn't
quite fit....



Valuation as of 01 May 2026

	Actual			Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Price/Earning	117.1	55.2	32.2	30.4	26.3	23.4	21.1	18.2
Price/Sales	13.1	7.5	5.5	5.5	4.9	4.4	3.9	3.5
Price/Book	25.5	15.3	9.8	8.2	6.4	5.2	4.2	3.5
Price/Cash Flow	—	—	—	—	—	—	—	—
EV/EBITDA	59.8	37.3	22.0	20.3	18.2	16.5	14.7	12.8

MORNINGSTAR

I'm a little
confused.....



ROE %:

How much profit a company makes for each dollar of owner investment.

Rule of thumb for 5 or more years > 15%

ROIC %:

Indicates how company turns investments into cash.

Rule of thumb for 5 or more years > 10%

Operating Performance / Profitability as of 01 May 2026

	Actual			Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Fiscal Year, ends 31 Dec								
ROA %	8.6	8.9	13.2	12.3	11.9	11.8	13.2	13.1
ROE %	26.0	27.4	30.5	23.7	21.1	19.5	18.3	17.7
ROIC %	66.9	52.2	63.3	56.8	54.7	58.9	61.9	65.1

Medical-device ROE & ROIC comparison (ChatGPT)

Company	Ticker	Current ROE	Current ROIC	Assessment
DexCom	DXCM	38.1%	~45%	Exceptional
Intuitive Surgical	ISRG	17.7%	21.9%	Excellent
Stryker	SYK	16.4%	~10.7%	Very Good
Medtronic	MDT	10.4%	~7–8%	Fair/Good
Abbott Laboratories	ABT	9.8%	7.5%	Fair/Good



I keep thinking about how you plan to allocate your capital. Could you enlighten me.



Share Repurchase – buybacks offset share-based compensation and lowered share count.

Capex Moderation – focus on sensors and packaging efficiencies.

Research & Development – 11-13%, Type 2, software, over-the-counter sensors.

Using “Tuck-in Strategy” – No large-scale acquisitions, focus on software for health analysis.

Cash Flow Strategy – increase in cash flow for flexibility to fund internal pipeline and share repurchase.

Just one
more
thing..



STRENGTHS

**Innovative
Products
Revenue Growth
Cash Position
Brand Recognition**

WEAKNESSES

**Operating
Expenses
Single Product
Legal Challenges**

OPPORTUNITIES

**Rising Diabetic Market
International Expansion
AI Technology
Investing in Research**

THREATS

**Competitive Market
Regulatory Challenges
Inflation
Healthcare Spending/Cuts**



DexCom Inc

DXCM • NASDAQ • Medical Devices

DexCom designs and commercializes continuous glucose monitoring systems for diab...

☆ Add DXCM to Watchlist

∞ View Watchlist

||| Score History

FIT SCORE

Is this a strong, consistent business?



Strong Fit

This company appears to fit BetterInvesting's stock study approach well. It has many characteristics worth exploring further, though more research should be done before making a decision.

OPPORTUNITY SCORE

Is the current valuation attractive relative to its return potential?



Strong Opportunity

This company scores well on the measures behind the Opportunity Score: a sound balance of potential reward to risk, a valuation in a reasonable range against both its own history and its growth, and a healthy projected return. It is worth a closer look as part of your own research.

Should I continue to investigate this case?



Visual
Estimates
P/E
Profitability
Financials
RightStock
VL
Morningstar

YES
YES
YES
YES
YES
YES
YES
YES

SSG Results Summary

Zone:	BUY
Upside Downside Ratio:	4.3 To 1
Total Return (High P/E):	13.7%
Projected Return (Avg. P/E):	12.1%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	84.7
Buy Below price based on zoning selection:	95.9
Current Price (08/18/26):	89.60

Some of his best-known recurring phrases include:

"Just one more thing..." (his signature line)

"Oh, uh..."

"You see..."

"If you don't mind..."

"Would you help me understand something?"

"Maybe I'm wrong..."

"I'm a little confused."

"That's funny..."

"Forgive me for asking..."

"I'm probably bothering you."

"Could you explain that again?"

"My wife says..." (Mrs. Columbo was frequently mentioned but almost never seen.)

"My wife would love this."

"It's just something that's been nagging at me."

"I can't seem to let this go."

"You know what bothers me?"

"Something doesn't quite fit."

"I keep thinking about..."

"Maybe it's nothing..."

"I'm not much of an expert..."

