

DEXCOM INC  
Form 10-Q  
November 04, 2015  
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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 September 30, 2015

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 33-0857544  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

6340 Sequence Drive 92121  
San Diego, California (Zip Code)  
(Address of Principal Executive Offices)

Registrant's Telephone Number, including area code: (858) 200-0200

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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large Accelerated Filer  Accelerated Filer

Non-Accelerated Filer  (Do not check if a smaller reporting company) Smaller Reporting Company

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 November 2, 2015, 81,294,938 shares of the Registrant's common stock were outstanding.

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ITEM 1. FINANCIAL STATEMENTS

DexCom, Inc.

Consolidated Balance Sheets

(In millions—except par value data)

	September 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$85.3	\$71.8
Short-term marketable securities, available-for-sale	28.0	11.8
Accounts receivable, net	55.8	42.4
Inventory	30.6	16.0
Prepaid and other current assets	4.0	3.9
Total current assets	203.7	145.9
Restricted cash	—	1.0
Property and equipment, net	46.6	31.2
Intangible assets, net	2.4	2.7
Goodwill	3.7	3.2
Other assets	0.3	0.6
Total assets	\$256.7	\$184.6
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$34.3	\$20.4
Accrued payroll and related expenses	20.4	17.2
Current portion of long-term debt	2.5	2.3
Current portion of deferred revenue	1.6	0.7
Total current liabilities	58.8	40.6
Other liabilities	4.2	1.5
Long-term debt, net of current portion	0.4	2.3
Total liabilities	63.4	44.4
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5.0 shares authorized; no shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	—	—
Common stock, \$0.001 par value, 100.0 authorized; 81.5 and 81.3 issued and outstanding, respectively, at September 30, 2015; and 77.6 and 77.3 shares issued and outstanding, respectively, at December 31, 2014	0.1	0.1
Additional paid-in capital	750.4	638.0
Accumulated other comprehensive loss	(0.3)	) (0.1 )
Accumulated deficit	(556.9)	) (497.8 )
Total stockholders' equity	193.3	140.2
Total liabilities and stockholders' equity	\$256.7	\$184.6
See accompanying notes		



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DexCom, Inc.

Consolidated Statements of Operations

(In millions—except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended		
	September 30,		September 30,		
	2015	2014	2015	2014	
Product revenue	\$104.2	\$67.9	\$269.9	\$172.8	
Development grant and other revenue	1.0	1.1	1.3	2.1	
Total revenue	105.2	69.0	271.2	174.9	
Product cost of sales	30.5	21.8	84.0	57.4	
Development and other cost of sales	—	—	—	0.6	
Total cost of sales	30.5	21.8	84.0	58.0	
Gross profit	74.7	47.2	187.2	116.9	
Operating expenses					
Research and development	64.8	18.5	109.0	47.8	
Selling, general and administrative	52.3	33.7	136.9	92.2	
Total operating expenses	117.1	52.2	245.9	140.0	
Operating loss	(42.4	) (5.0	) (58.7	) (23.1	)
Interest expense	(0.1	) (0.2	) (0.4	) (0.6	)
Net loss	\$(42.5	) \$(5.2	) \$(59.1	) \$	