

DEXCOM INC
Form 10-Q
November 06, 2013
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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, 2013

.. 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	o
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Non-Accelerated Filer	o	(Do not check if a smaller reporting company)	Smaller Reporting Company	o
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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 1, 2013, 71,783,705 shares of the Registrant's common stock were outstanding.

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DexCom, Inc.

Consolidated Balance Sheets

(In millions—except par value data)

	September 30, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$33.4	\$8.1
Short-term marketable securities, available-for-sale	14.2	40.6
Accounts receivable, net	21.6	19.5
Inventory	10.0	7.4
Prepaid and other current assets	2.5	2.0
Total current assets	81.7	77.6
Property and equipment, net	19.7	18.9
Restricted cash	1.0	1.0
Intangible assets, net	3.7	4.2
Goodwill	3.2	3.2
Other assets	0.8	1.1
Total assets	\$110.1	\$106.0
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$12.6	\$8.7
Accrued payroll and related expenses	12.4	9.2
Current portion of long-term debt	1.8	0.2
Current portion of deferred revenue	0.6	1.4
Total current liabilities	27.4	19.5
Other liabilities	2.8	2.1
Long-term debt, net of current portion	5.2	6.8
Long-term portion of deferred revenue	—	0.6
Total liabilities	35.4	29.0
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, 2013 and December 31, 2012, respectively	—	—
Common stock, \$0.001 par value, 100.0 authorized; 72.0 and 71.7 issued and outstanding, respectively, at September 30, 2013; and 69.7 and 69.5 shares issued and outstanding, respectively, at December 31, 2012	0.1	0.1
Additional paid-in capital	547.5	522.6
Accumulated other comprehensive loss	(0.1) (0.1
Accumulated deficit	(472.8) (445.6
Total stockholders' equity	74.7	77.0
Total liabilities and stockholders' equity	\$110.1	\$106.0
See accompanying notes		

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DexCom, Inc.

Consolidated Statements of Operations

(In millions—except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Product revenue	\$42.5	\$21.1	\$105.8	\$61.2
Development grant and other revenue	0.4	2.0	2.5	5.4
Total revenue	42.9	23.1	108.3	66.6
Product cost of sales	14.8	13.4	40.9	33.9
Development and other cost of sales	0.5	1.3	1.4	3.7
Total cost of sales	15.3	14.7	42.3	37.6
Gross profit	27.6	8.4	66.0	29.0
Operating expenses				
Research and development	11.8	10.3	32.2	29.7
Selling, general and administrative	21.6			