



TANDEM®
DIABETES CARE

COMPANY OVERVIEW

July 30, 2018

SAFE HARBOR & NON-GAAP FINANCIAL MEASURES



Forward Looking Statements

Certain statements in this presentation constitute forward-looking statements, including, without limitation, statements about: the perceived advantages of our products relative to competitive products and technologies; our anticipated growth and other measures of future operating results and financial performance; the development and commercialization of new products; our ability to secure and maintain necessary regulatory approvals for our existing products and new products under development. Our estimates and forward-looking statements are based on our management's current assumptions and expectations of future events and trends, which affect or may affect our business, strategy, operations or financial performance. These statements are not guarantees of future performance and involve a number of risks and uncertainties, many of which are beyond our control. Our actual results may differ materially from those expressed or implied by such forward-looking statements. Some of the factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements can be found under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, as well as in the other reports we file with the Securities and Exchange Commission. In addition, new risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or review any estimate and forward-looking statement because of new information, future events or other factors.

Non-GAAP Financial Measures

This presentation references certain non-GAAP financial measures, including, without limitation, non-GAAP sales and non-GAAP operating margin. These non-GAAP measures have not been calculated in accordance with GAAP and should not be considered an alternative for measures prepared in accordance with GAAP. The presentation of non-GAAP information is not meant to be considered superior to, in isolation from or as a substitute for results prepared in accordance with GAAP. We believe these non-GAAP financial measures enhance investors' overall understanding of our current financial performance and our prospects for the future. A reconciliation of the non-GAAP financial measures corresponding to the GAAP financial measures is provided on slide 24.

TANDEM DIABETES CARE

Technology For A Simply Better Life

- Nearly 78,000 insulin pumps shipped in the United States since 2012
 - 5 differentiated insulin pumps launched
- t:slim X2™ with Basal-IQ™ technology now FDA approved
 - First pump compatible with iCGM
 - Launching August 2018
- Robust product pipeline
 - t:slim X2™ with Control-IQ™ technology– 2nd automated insulin delivery product
 - t:sport - our next-generation hardware platform
 - Connected (mobile) health offerings
- Sales momentum
 - 1H 2018 sales of \$61.4M
 - 2017 sales of \$107.6M
- Cash flow breakeven goal: 2H 2019
 - Assumes installed base >80,000 ordering customers; 55% gross margin



DIABETES OVERVIEW

	Type 1	Type 2
Cause	Autoimmune <i>Body does not create insulin hormone</i>	Lifestyle Related <i>Insulin resistance where cells do not use insulin properly</i>
Onset	Sudden <i>Typically before age 40</i>	Progressive <i>Typically appears late in life</i>
Prevention	None	Diet and exercise
Therapy	Insulin	Oral medication, insulin
U.S. Prevalence ¹	1.2 million – 2.3 million	Apx. 21 million, of which 3.2 million use insulin only
Worldwide Prevalence ²	42.5 million	382.5 million

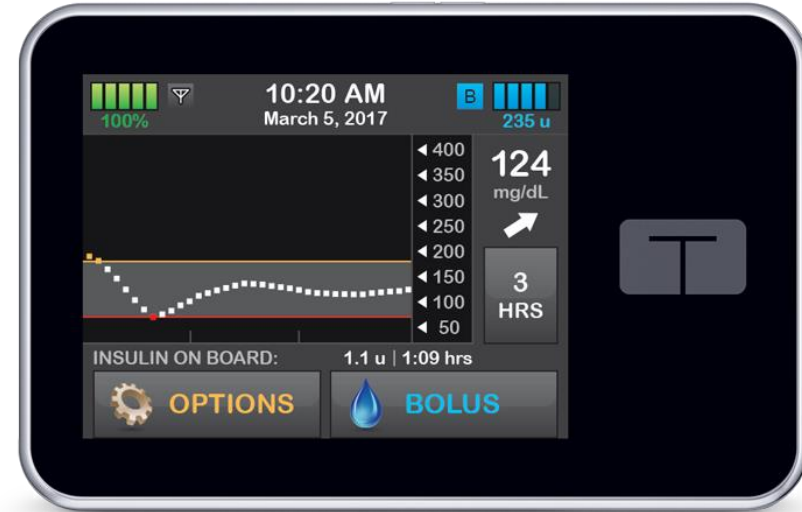
1) Centers for Disease Control and Prevention. National Diabetes Statistics Report, 2017. Atlanta, GA: Centers for Disease Control and Prevention, U.S. Dept of Health and Human Services; 2017.

2) International Diabetes Federation. IDF Diabetes Atlas, 8th edn. Brussels, Belgium: International Diabetes Federation, 2017. <http://www.diabetesatlas.org>

INSULIN REPLACEMENT THERAPY



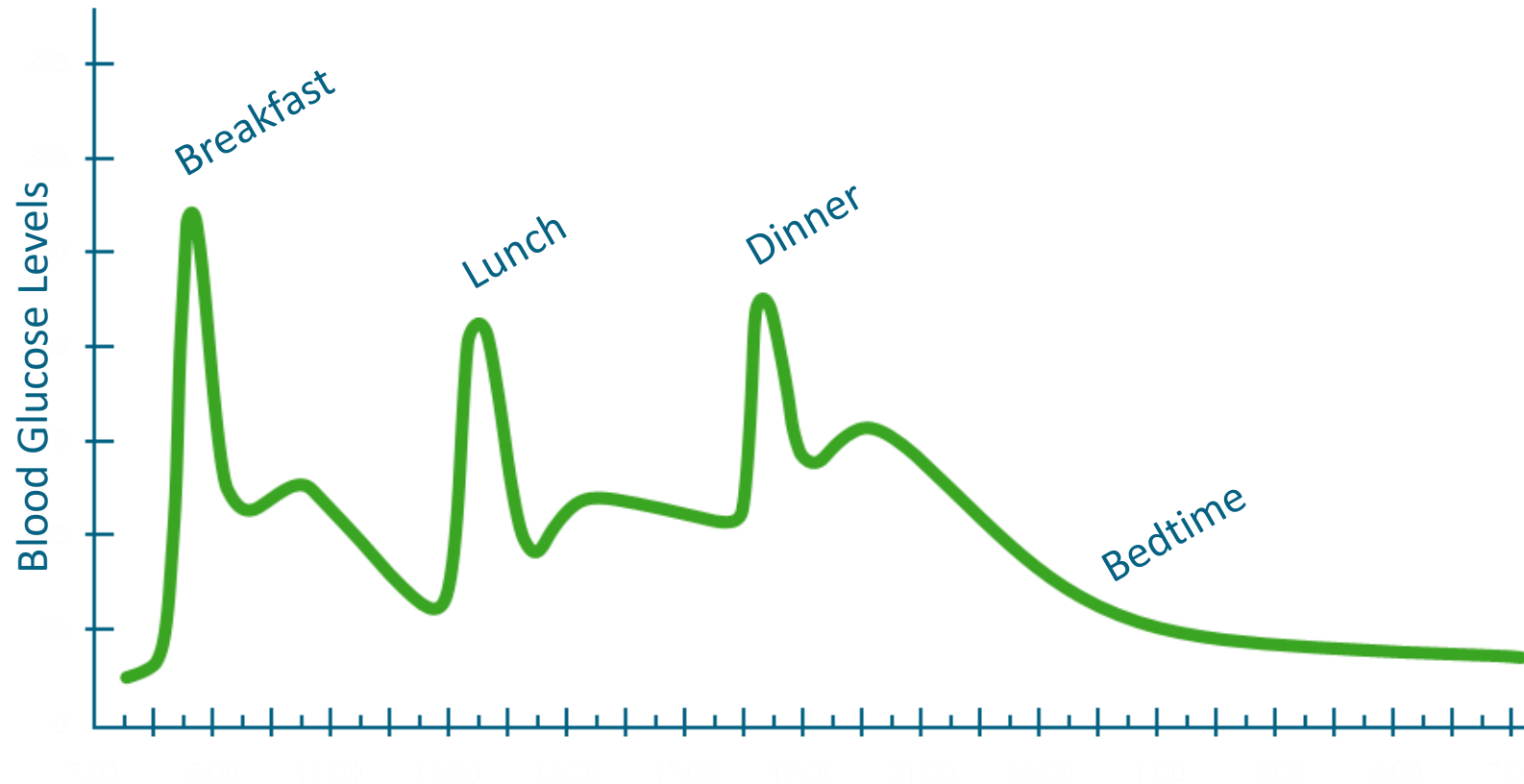
Multiple Daily Injection
“MDI”



Continuous Subcutaneous Insulin Infusion
“CSII”

PUMP THERAPY IS OPTIMAL

Basal and Bolus Insulin Release Like The Pancreas



THE PUMP THAT GETS UPDATED, NOT OUTDATED



Touchscreen

t:slim X2™
Insulin Pump



Remote Update Capability



Up to 38% smaller than
other pumps¹



Rechargeable Battery



Dexcom CGM



Ease of use provides clinical
benefits²

- 1) 38% smaller than MiniMed 630G and 670G and at least 28% smaller than MiniMed 530G, Animas Vibe and Omnipod System. Data on file, Tandem Diabetes Care
- 2) Schaeffer N, McCoy S, et. al. Touchscreen sensor-augmented insulin pump demonstrates less exposure to hypoglycemia and increased time in range compared to non-touchscreen SAPs and Manning M, Noar A, Marin G, Dokken B. Self-reported hypoglycemia reduction in Tandem pump use compared to previous methods of diabetes therapy. 10th Annual Advanced Technologies and Treatments for Diabetes Conference; 2016.

SMALLEST PUMP, BIG UNIQUE FEATURES



38%

Smaller Pump



44%

Larger Screen



13%

Lighter Pump

	t:slim X2	Medtronic 670G
Touchscreen?	YES	NO
Smallest CGM –enabled pump?	YES	NO
Updateable?	YES	NO
Bluetooth wireless technology?	YES	NO
Rechargeable battery?	YES	NO
#1 rated customer service?	YES ¹	NO



TANDEM®
DIABETES CARE

DEXCOM TECHNOLOGY BENEFITS OUR PATIENTS' ECOSYSTEM

THE ONLY CGM WITHOUT FINGERPRICKS



	Dexcom G6® CGM	Medtronic Guardian™ CGM
Adult MARD*	9.0%	10.6% <i>(Based on 2 calibrations/day)</i>
Finger Sticks/Day	0	5 – 9
Calibration	0	4 calibrations/day recommended 2 calibrations/day required
Glucose Data Sharing	SHARE feature allows up to five followers to monitor a user's glucose	
		None

* Mean Absolute Relative Difference



Source: Company websites and product user guides.

BRIDGING TODAY'S HARDWARE WITH TOMORROW'S SOFTWARE

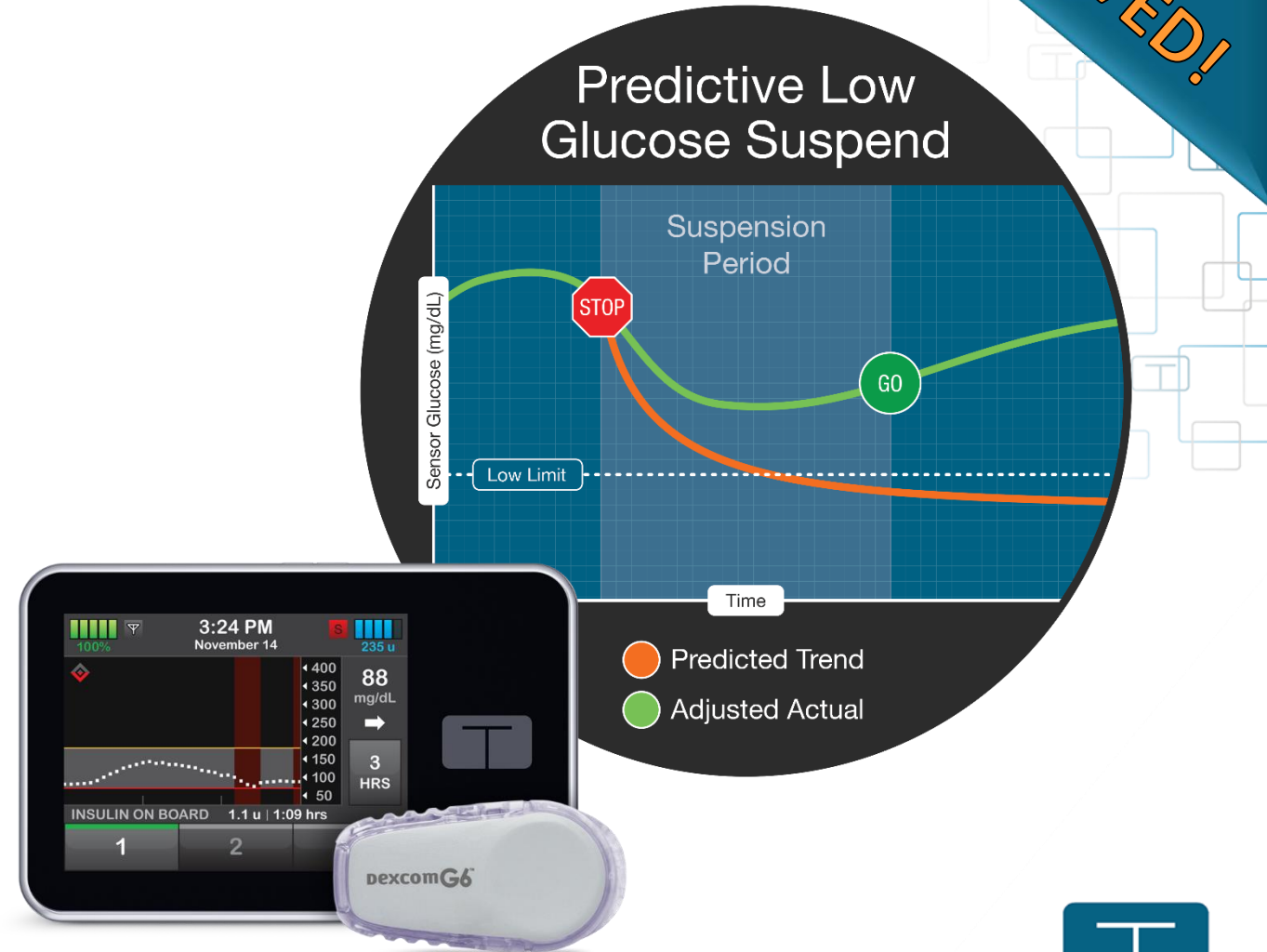


BASAL-IQ: REDUCING HYPOGLYCEMIA

NOW
APPROVED!

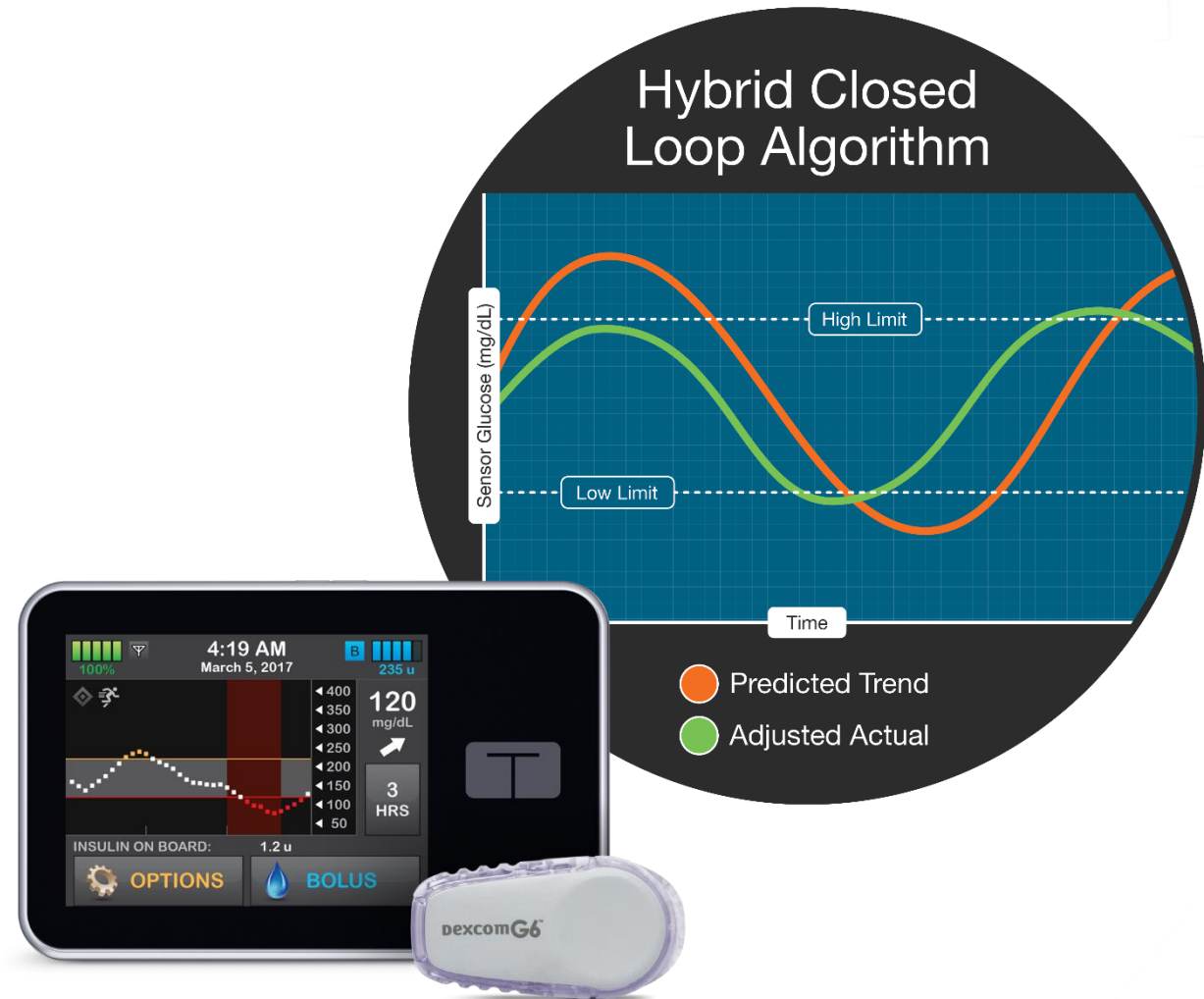
- t:slim X2 with predictive low-glucose suspend algorithm
- Utilizes Dexcom's G6 iCGM data
- Suspends basal insulin to help minimize the frequency and/or duration of hypoglycemic events
- Commercial launch planned for August 2018

— Approved June 21, 2018



CONTROL-IQ: LEAP-FROGGING THE COMPETITION¹

- t:slim X2 with TypeZero's hybrid closed loop algorithm; utilizes Dexcom's G6 CGM data
- Increases or decreases basal insulin to minimize hyper/hypoglycemia and improve time-in-range, and delivers automated correction boluses
- Launch goal: summer 2019, subject to FDA approval
 - Anticipate using results from the International Diabetes Closed Loop Trial in PMA submission



1. Investigational Device, Not Approved For Sale.

Note: The graphics presented on this page are for illustrative purposes only, and do not reflect individual results

T:SPORT – OUR NEXT-GEN HARDWARE PLATFORM¹

- Our next-generation hardware platform
 - 50% of t:slim X2's size
 - 200 unit cartridge; evaluating 300 unit option
 - AID algorithm
 - Uses a short infusion set
 - Controlled via a separate device or mobile app
- Preserves current reimbursement model



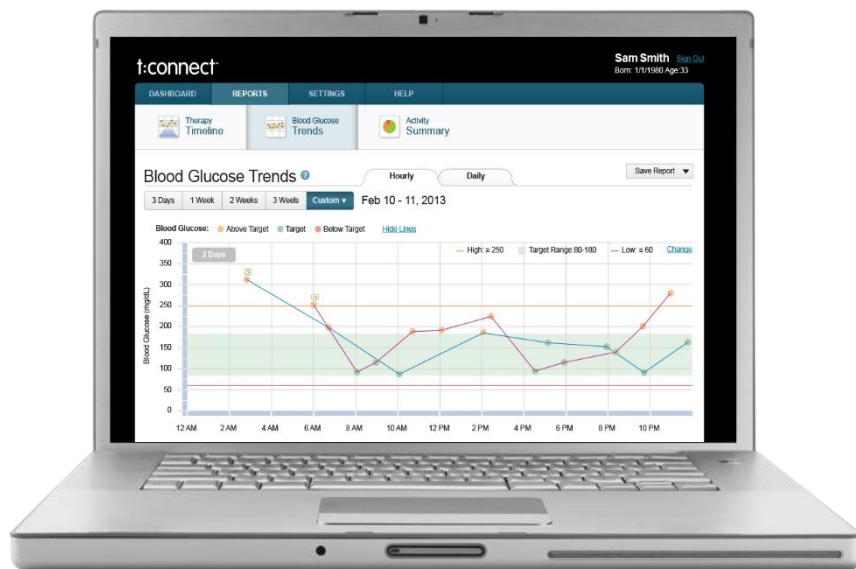
¹Not approved for use or sale.

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OUR CONNECTED HEALTH STRATEGY

t:connect (pumping, BG and CGM data)

- #1 rated consumer software by pump users since 2013¹
- HCP version streamlines use for multiple patients and office efficiency



Tandem mobile application (*in development*)

- Wirelessly upload data to t:connect
- Integration of data from 3rd party sources
- Receive notification of pump alerts and alarms
- Designed to support future pump-control capabilities



1) dQ&A USA Patient Connections Surveys, 2013-2017

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CAPITALIZING ON OUR EARLY INVESTMENTS

Driving Toward 2019 Goal of Cash Flow Breakeven at 80,000+ Installed Base

(\$ in millions)	Actual ¹				
	2013	2014	2015	2016	2017
Total Product Sales	\$29.0	\$ 49.7	\$ 72.9	\$88.5	\$102.6
% Increase		71%	47%	21%	16%
Pump Shipments	6,472	10,822	15,483	16,938	17,061
Operating expense	\$55.6	\$90.9	\$95.6	\$101.6	\$107.0
% Increase		64%	5%	6%	5%
Operating Loss %	-170%	-152%	-95%	-83%	-64%

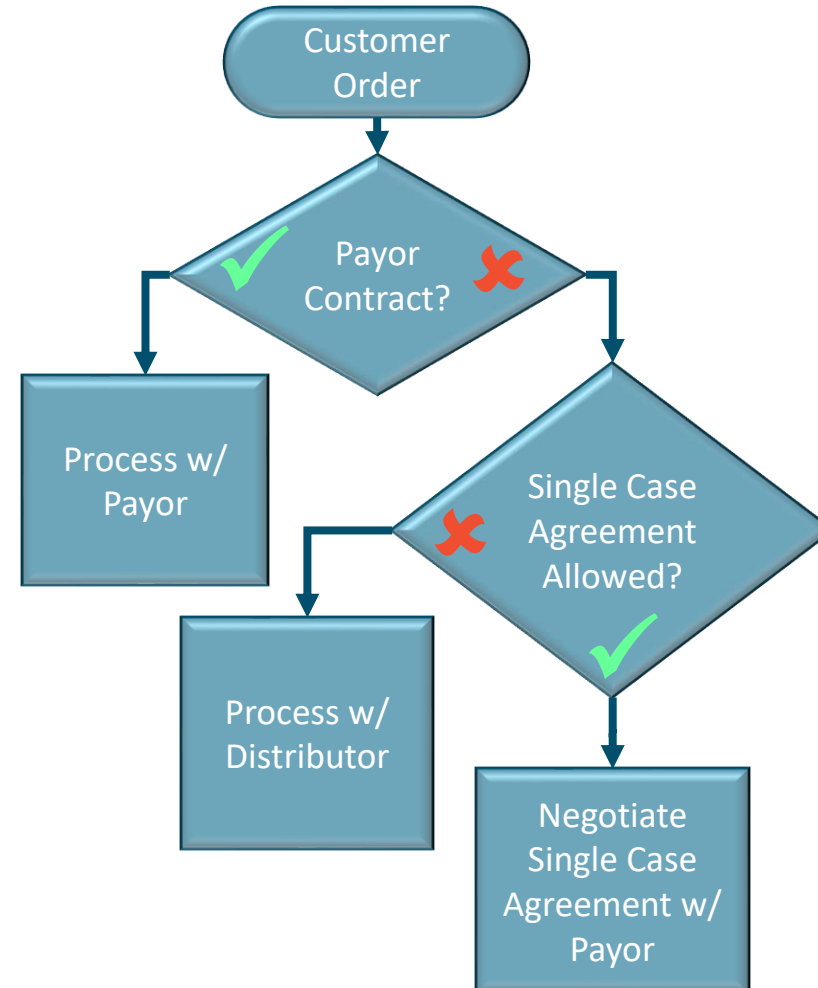
- Historical sales growth driven by launch of 5 differentiated insulin pumps since 2012
 - Approximately 50% of our customers report being new to pump therapy from MDI
- Annual increases in operating expenses contained to 5-6% from 2015 - 2017
- Return to growth experienced in 1H 2018 following challenging competitive environment in 2016-2017



1) 2013 – 2015 are GAAP; 2016 and 2017 are Non-GAAP. Non-GAAP sales are determined in accordance with GAAP, adjusted for the impact of the Technology Upgrade Program. See the information under the heading “Non-GAAP Financial Measures” on slide 2. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided on slide 24.

INSULIN PUMP BUSINESS MODEL IN THE U.S.

- Highly seasonal business
 - Sales are typically back-end loaded (Q1 lowest percent of sales, Q4 highest percent of sales)
 - Highly influenced by timing of when people typically meet their insurance deductibles
- DTC sales model (commercial payors and patient co-insurance)
- Billed using existing HCPC codes with longstanding defined allowable rates
- Utilize direct contracts with commercial payors or distributor arrangements
 - Network of distributors used for 70% - 75% of sales
 - Distributors pricing adjusted for a logistics margin



KEY CATALYSTS TO SALES GROWTH

*Record pump shipments in Q4 2017 (up 80% over Q3 2017),
Q1 2018 and Q2 2018*

	TNDM Historical	TNDM as of Q4 2017	TNDM Go-Forward
Organic Pump Sales	✓	✓	✓
Cartridge Sales	✓	✓	✓
Pump Renewals		✓	✓
Infusion Set Sales		✓	✓
Animas Opportunity		✓	✓
AID Algorithms			✓ ¹
International			✓ ²

1. t:slim X2™ with Basal-IQ™ approved June 21, 2018 , commercial launch planned for August 2018

2. Plan to launch outside the United States in H2 2018

PUMP RENEWALS: A NEW CATALYST FOR DOMESTIC GROWTH



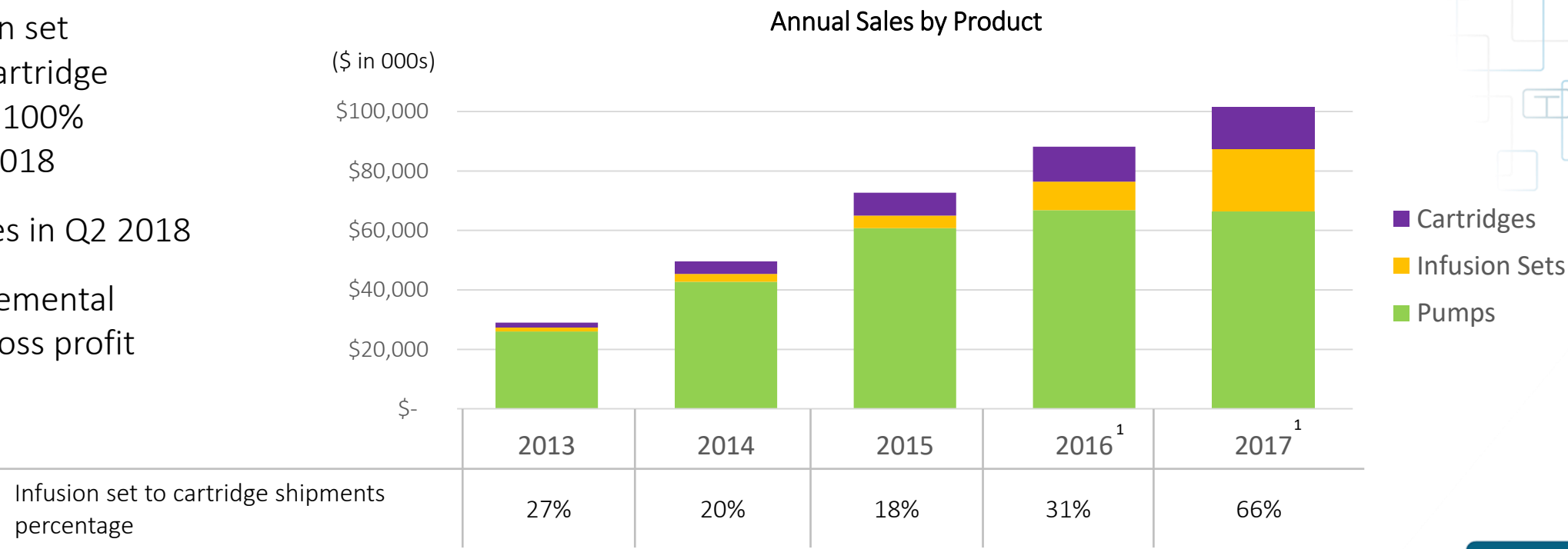
Domestic	Pump	Cartridge	Infusion Set
Reimbursement Frequency (use frequency)	Once every 4 years	Once every 90 days (Every 3 days or 120/year)	Once every 90 days (Every 3 days or 120/year)
Payor Reimbursement	\$4,000 - \$5,000	\$2.50 - \$3.00	\$8.00 - \$10.00

- Pumps represent greatest percentage of sales due to the significant average selling price difference
 - Supplies represent approximately \$1,200 - \$1,600 annually (75% infusion set) per direct customer
- Not a traditional razor/razorblade model due to reoccurring pump reimbursement cycle
 - Longer-term renewals goal to reach 70% success rate
- Network of distributors used for 75% - 80% of domestic sales
 - Distributors' pricing adjusted for a logistics margin

INFUSION SET SUCCESS STRENGTHENS BUSINESS MODEL

Infusion sets:

- Ratio of infusion set shipments to cartridge shipments was 100% beginning Q1 2018
- Apx 26% of sales in Q2 2018
- Drive both incremental revenue and gross profit



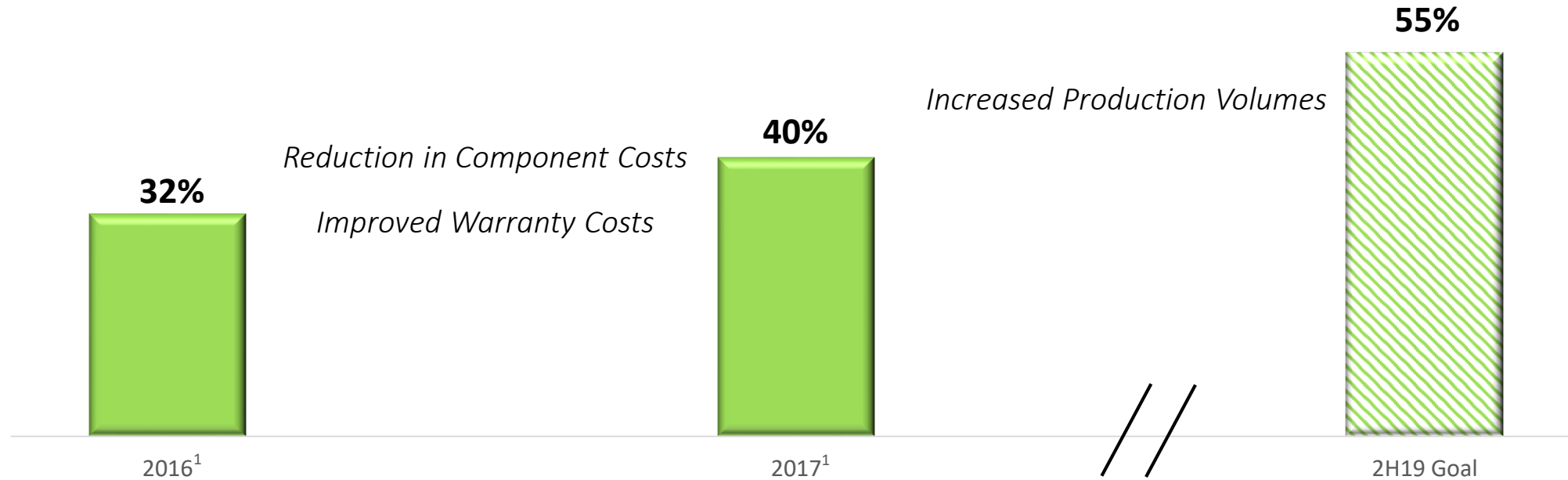
1) 2013-2015 are GAAP; 2016 and 2017 are Non-GAAP. Non-GAAP gross margin is determined in accordance with GAAP, adjusted for the impact of the Technology Upgrade Program. See the information under the heading "Non-GAAP Financial Measures" on slide 2. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided on slide 24.

ANIMAS' EXIT CHANGES THE LANDSCAPE

- Animas ceased U.S. pump sales in October 2017
 - Approximately 90,000 customers worldwide
- Tandem offers the only alternative durable pump to Medtronic in the U.S.
- Medtronic aiding customers in the transition



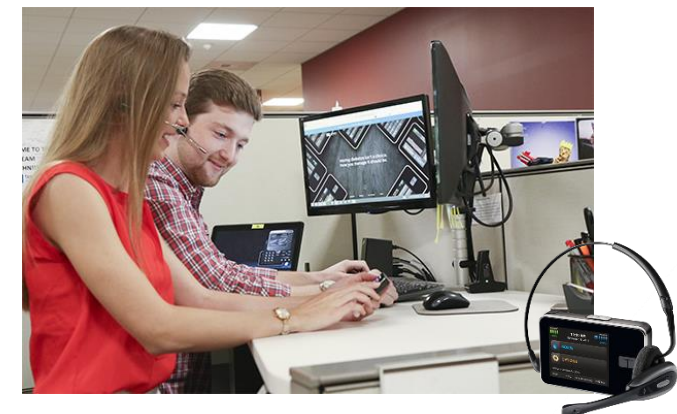
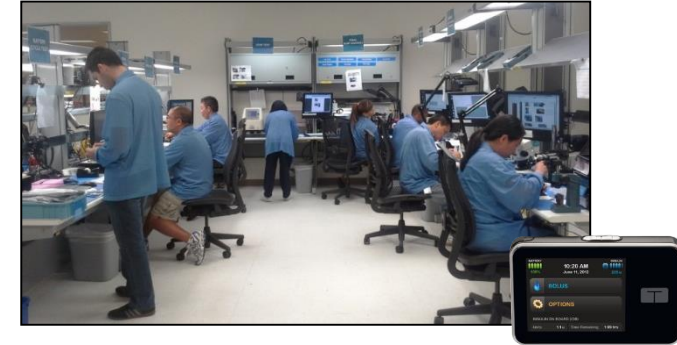
MEANINGFUL GROSS MARGIN PROGRESS



- Q2 2018 gross margin: 44%
- Pumps: largest percentage of sales, greatest impact on gross margin
 - Apx. 20% reduction in pump component cost 2016 to 2017
 - Reduction in warranty expense from 12% of sales in 2016 to 7% in Q2 2018
- Positive supplies gross margin
 - Breakeven was reached Q3 2016; increasingly positive margin each subsequent quarter

LEVERAGING OUR INFRASTRUCTURE IN 2018

- New manufacturing facility doubles capacity without materially increasing cost
- No planned domestic salesforce expansion
- Leveraging infrastructure for international expansion
- Customer support to scale with sales growth



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GAAP TO NON-GAAP RECONCILIATION¹

	2016					2017				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales <i>(in millions)</i>										
GAAP	\$20.1	\$23.0	\$12.3	\$28.9	\$84.2	\$19.0	\$21.3	\$27.0	\$40.3	\$107.6
Non-GAAP	-	-	\$20.7	\$24.8	\$88.5	\$17.5	\$21.3	\$23.7	\$40.3	\$102.6
Gross Profit										
GAAP	\$6.9	\$8.2	(\$1.6)	\$10.1	\$23.6	\$6.8	\$8.0	\$11.9	\$17.5	\$44.1
Non-GAAP	-	-	\$5.4	\$7.7	\$28.2	\$6.0	\$8.1	\$9.3	\$17.6	\$41.0
Gross Margin										
GAAP	35%	36%	(13%)	35%	28%	36%	38%	44%	43%	41%
Non-GAAP	-	-	26%	31%	32%	35%	38%	39%	44%	40%

1) A Technology Upgrade Program was launched in Q3 2016. Sales and cost of sales for eligible t:slim and t:slim G4 shipments were subject to deferral beginning 7/1/16. The amount deferred varied based on a number of factors, including the model of pump involved and the timing of the initial sales relative to the availability of certain future products. In general, the deferrals had the effect of initially decreasing our GAAP sales even when the number of our pump shipments increased. We discontinued new sales of t:slim and sales of t:slim G4 significantly decreased following the launch of t:slim X2 in Q4 2016, resulting in a significant decrease in the amount of sales and cost of sales related to new product shipments that were deferred under the program.



Questions?

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