



# Company Overview

FEBRUARY 22, 2023



# Safe Harbor

## **CAUTIONARY NOTE REGARDING 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, including the potential impacts of global macroeconomic conditions and our ability to successfully complete, manage and integrate acquisitions with our existing business. Our actual results may differ materially from those expressed or implied by such forward-looking statements. For instance, the Company's actual financial results for the year and quarter ended December 31, 2022 remain subject to final internal review and audit. Some of the additional 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, and 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 EBITDA. Non-GAAP sales are determined in accordance with GAAP, adjusted for the impact of the Tandem Choice technology access program which launched in September 2022. The accounting treatment for Tandem Choice has a high degree of complexity, initially requiring the deferral of some portion of sales for shipments of eligible pumps. Adjusted EBITDA margin is a non-GAAP financial measure defined as net income (loss) excluding income taxes, interest and other non-operating items and depreciation and amortization. Adjusted EBITDA further adjusts for the change in fair value of common stock warrants non-cash stock-based compensation expense, non-recurring facility consolidation costs, the impact of the Tandem Choice technology access program, and the acquired in-process research and development. This definition of Adjusted EBITDA may differ from similar measures used by other companies, even when similar terms are used to identify such measures. 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 sales corresponding to the GAAP sales is provided on slide 46 and in the Investor Relations portion of our website.

## **TRADEMARKS**

©2023 Tandem Diabetes Care, Inc. All rights reserved. Tandem Diabetes Care, t:flex, t:slim, t:slim G4, t:slim X2, Basal-IQ, Control-IQ, t:lock, micro-delivery, t:connect, source, touch simplicity, positively different and our logos are trademarks, registered trademarks, and/or the subject of a pending trademark application in the U.S. and other territories worldwide. The Bluetooth word mark and logos are registered trademarks owned by Bluetooth SIG, Inc. and any use of such marks by Tandem Diabetes Care is under license. All other trademarks and copyrights are the property of their respective owners.



# Tandem Diabetes Care

## POSITIVELY DIFFERENT

- + More than 420,000 customers worldwide\*
- + Cadence of annual new product and feature launches
- + Growing the worldwide insulin pump market and capturing share
- + Committed to R&D investment, while achieving operating leverage and strengthening balance sheet





# Products & Customers



positively different

# The Pump that Gets Updated, Not Outdated



Mobile bolus feature  
launched in US on iOS  
and Android devices

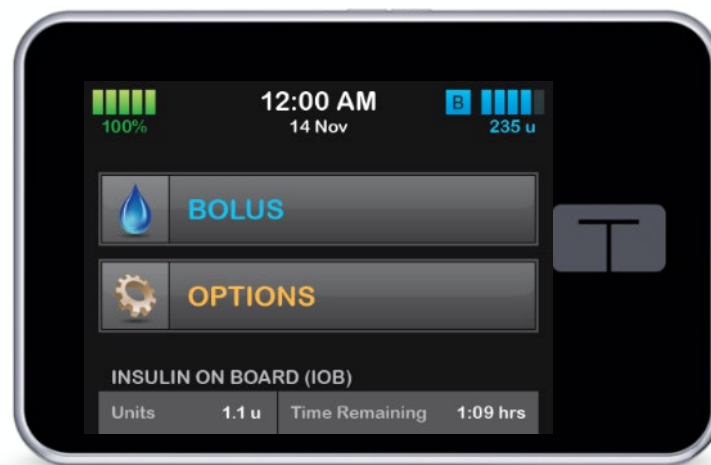


Up to 38% smaller  
than other pumps<sup>1</sup>



Dexcom CGM

**t:slim X2™**  
Insulin Pump



Remote Update Capability



Rechargeable Battery



Ease of use provides clinical  
benefits<sup>2</sup>

- 1) 38% smaller than MiniMed 670G and 770G 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



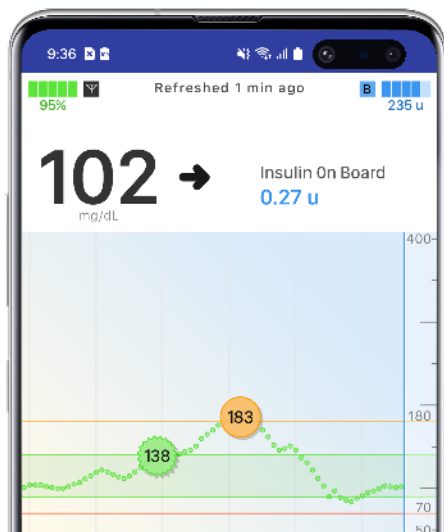


# Our Domestic Customers

- + More than 90% have type 1
- + Wide age distribution
- + Equal mix of women and men
- + Large majority use CGM



# Expanding our history of “firsts”



Connected mobile app for iOS and Android devices featuring bolus insulin delivery



Rechargeable battery



Remote updateable software



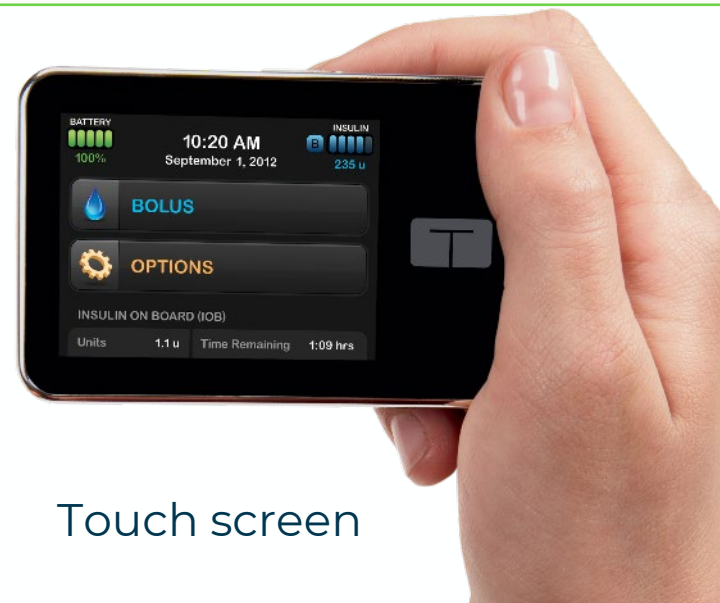
Automated controller enabled FDA designation

Interoperable automated glycemic controller FDA designation

Designation by FDA as compatible with iCGM



Automated correction bolus feature



Touch screen



# Driving Growth Through Innovation & Customer Satisfaction



\*2023 sales reflects the midpoint of outlook provided February 22, 2023, is non-GAAP and does not include sales from anticipated new product launches. \*GAAP Sales are determined in accordance with U.S. Generally Accepted Accounting Principles. Non-GAAP Sales are adjusted for the impact of the Tandem Choice Program. The definition of these non-GAAP financial measures may differ from similar measures used by other companies, even when similar terms are used to identify such measures. See the information under the heading "Non-GAAP Financial Measures" on slide 2.

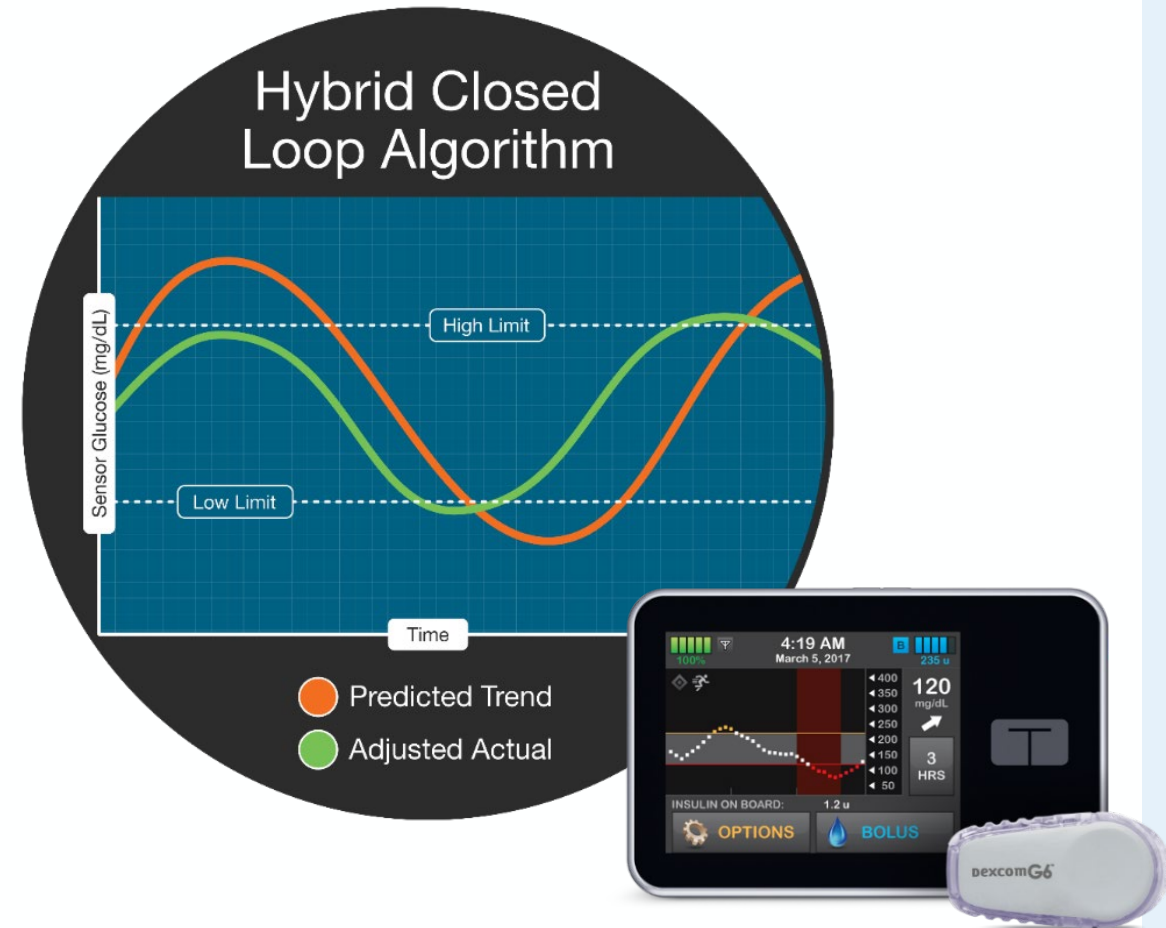


# Bridging Today's Hardware with Tomorrow's Software



# Control-IQ™: Leading AID Technology

- + Advanced hybrid closed loop technology uses Dexcom's G6 CGM data
  - Increases or decreases basal insulin to minimize hyper/hypoglycemia and improve time-in-range
  - Delivers automated correction boluses
- + Immediate and sustained results demonstrated in all user populations

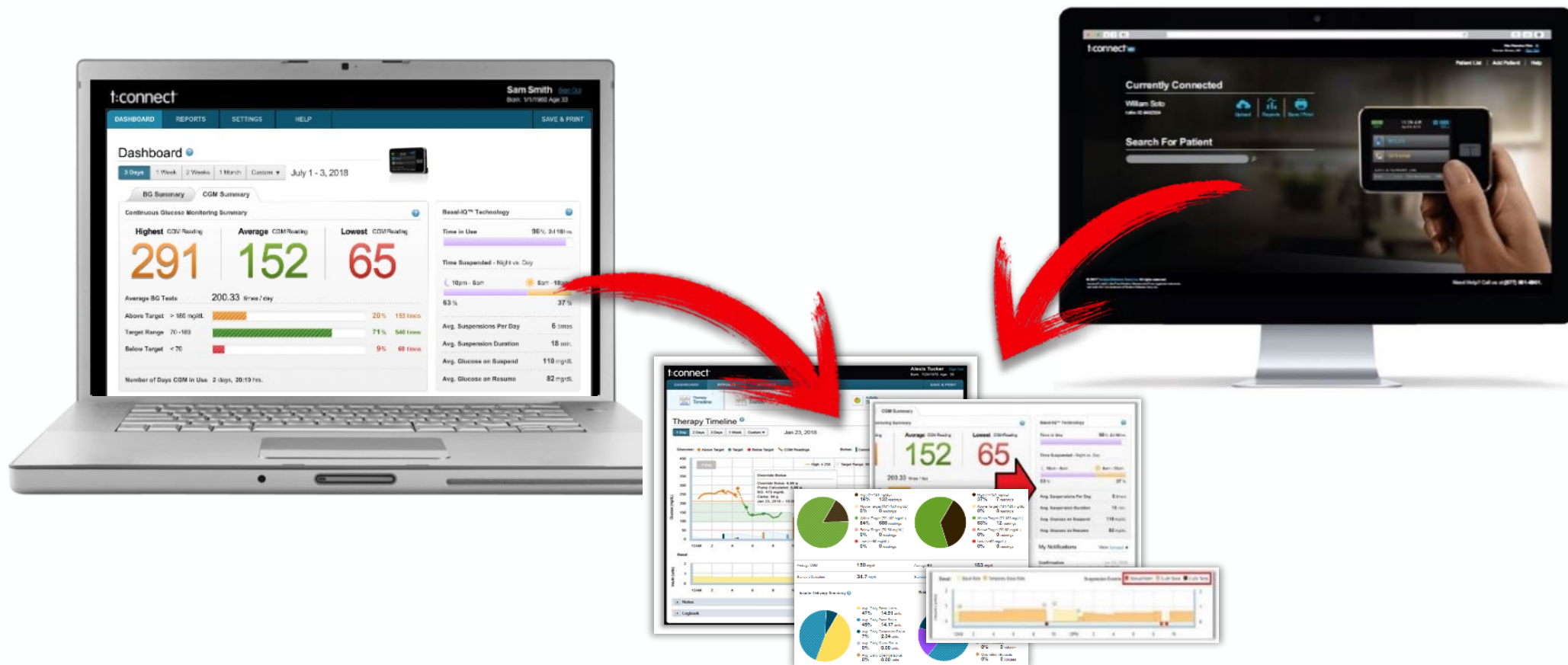


*The graphics presented on this page are for illustrative purposes only, and do not reflect individual results.*





# Diabetes Management Application for Customers, Caregivers & Healthcare Providers



# t:connect Mobile: Data Access at your Fingertips

- + Wireless pump uploads
- + Secondary pump display
- + Available on iOS & Android devices



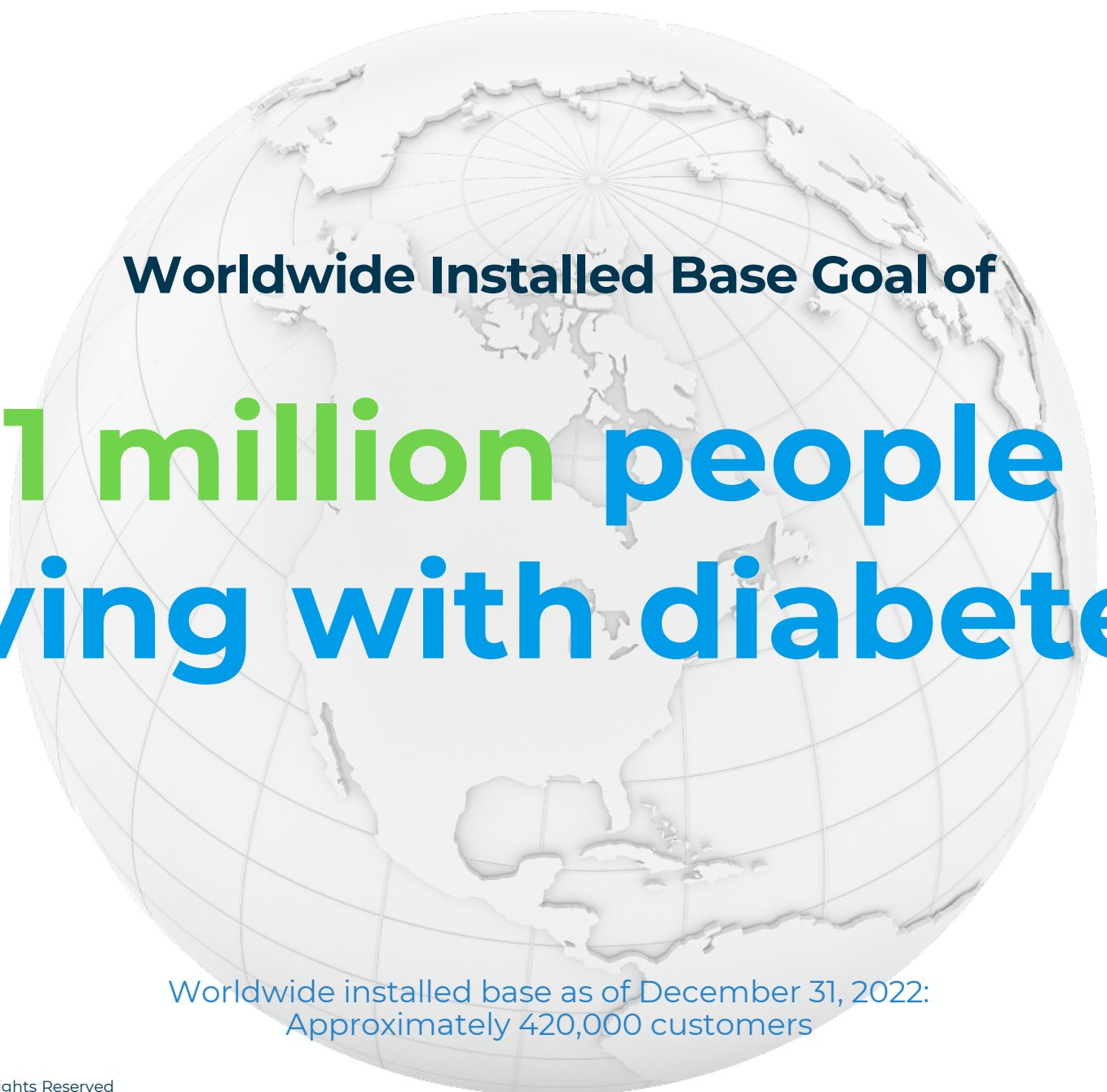




# Goals & Growth Drivers



positively different



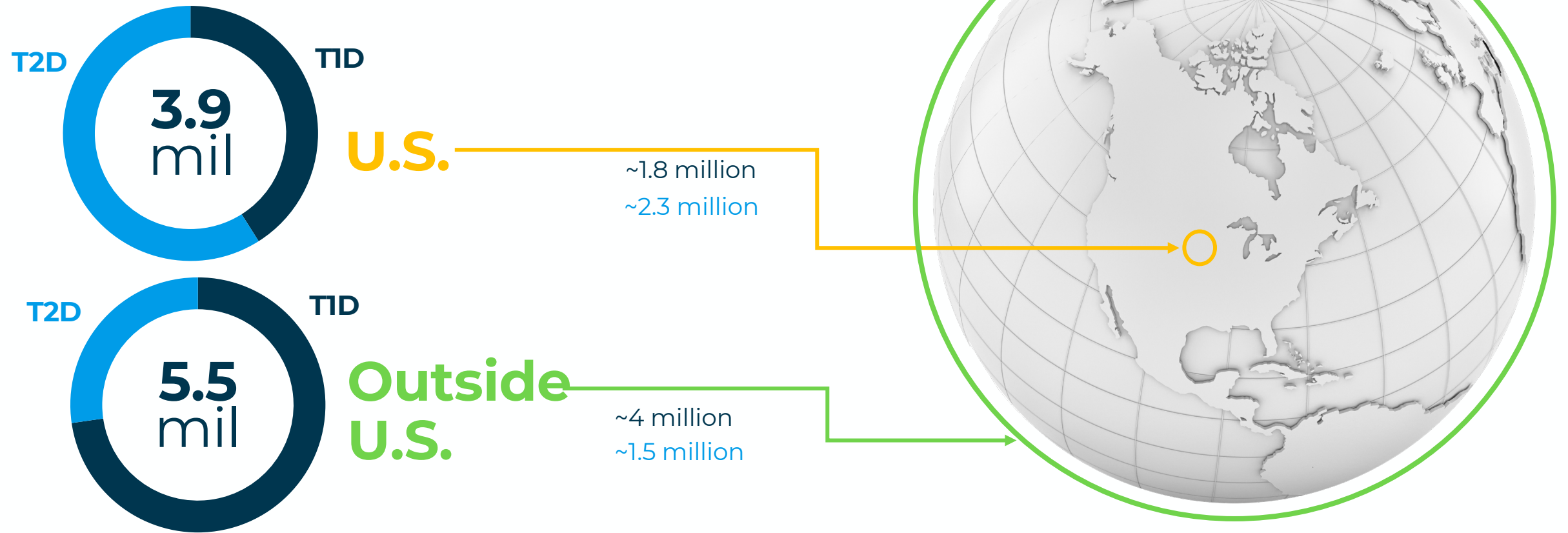
Worldwide Installed Base Goal of

**1 million people**  
**living with diabetes**

Worldwide installed base as of December 31, 2022:  
Approximately 420,000 customers

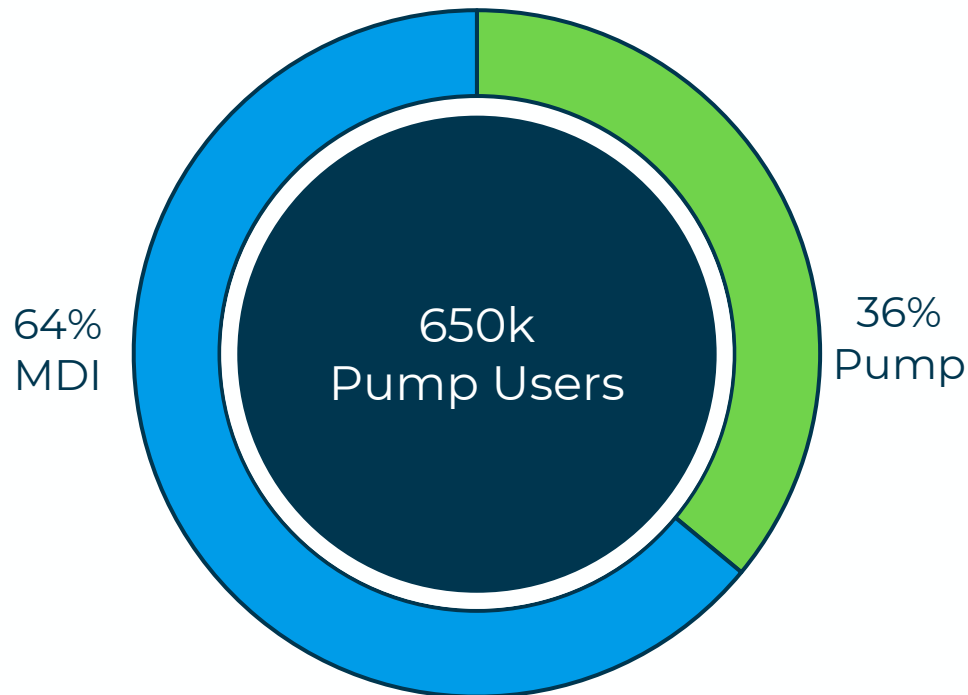


# >9 million people on intensive insulin therapy in our target markets



# Growth Driver 1: Increase Type 1 Penetration in U.S.

## U.S. Type 1 Pump Penetration



- + U.S. type 1 prevalence: 1.8 million people
- + Pump adoption is accelerating
- + More than 70,000 people estimated to have adopted insulin pump therapy from MDI in 2022
- + Approximately half of our customers converted from MDI

Sources: Internal estimates. Centers for Disease Control and Prevention. National Diabetes Statistics Report website. <https://www.cdc.gov/diabetes/data/statistics-report/index.html>. January 2022. International Diabetes Federation. IDF Diabetes Atlas 2021 - 10th edn. <http://www.diabetesatlas.org>

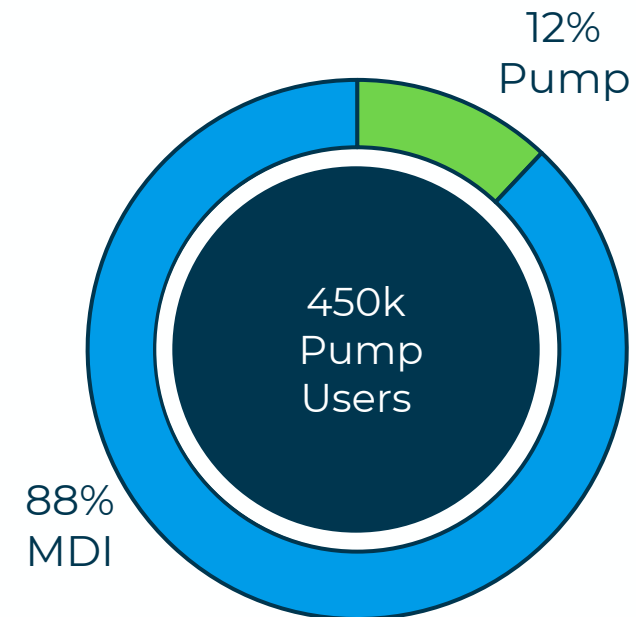




# Growth Driver 2: Increase Type 1 Penetration OUS

- + Insulin pump penetration varies by country, but typically 10% - 20%
- + Now in approximately 25 different countries
- + In the countries we serve:
  - There are more than 4 million people with type 1 diabetes
  - Control-IQ technology is now available in all geographies served

## Tandem OUS Markets - Type 1 Pump Penetration



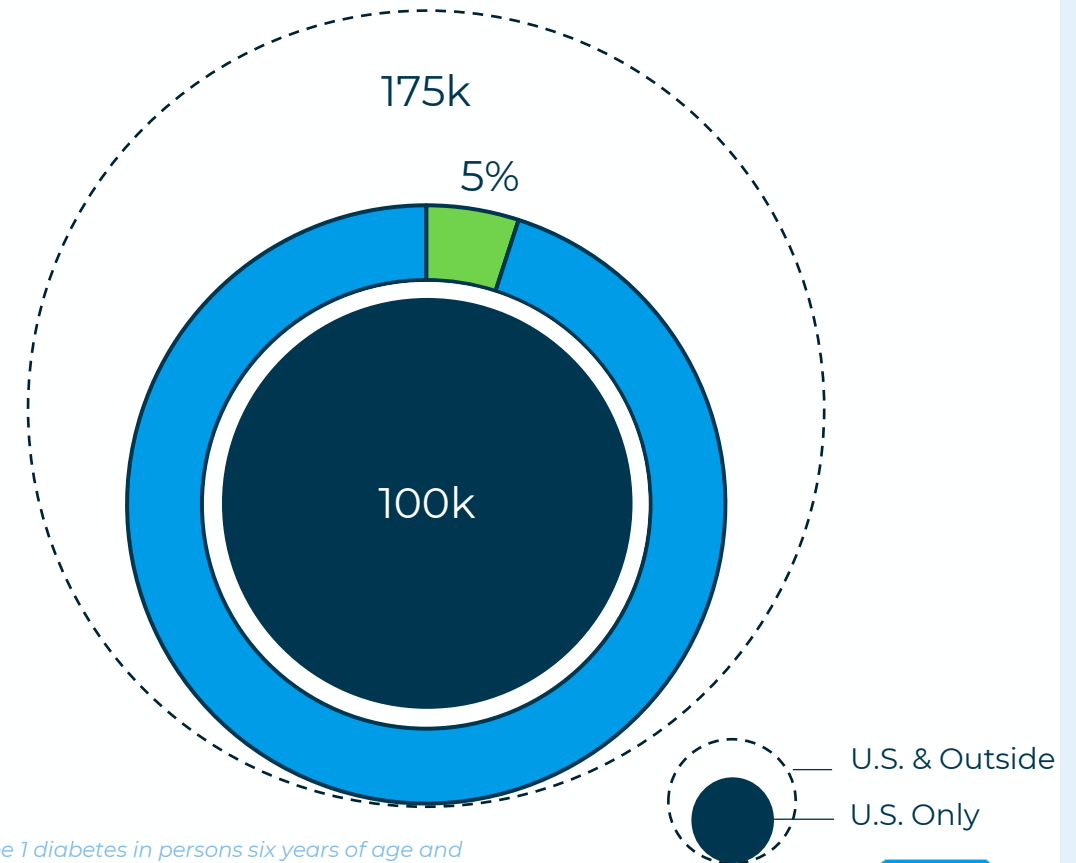
Sources: Internal estimates. Centers for Disease Control and Prevention. National Diabetes Statistics Report website. <https://www.cdc.gov/diabetes/data/statistics-report/index.html>. January 2022. International Diabetes Federation. IDF Diabetes Atlas 2021 - 10th edn. <http://www.diabetesatlas.org>



# Growth Driver 3: Type 2

- + Large and growing number of people living with type 2 diabetes who require intensive insulin therapy
  - U.S. prevalence: Apx. 2.3 million people
  - Worldwide prevalence: Apx. 9 million people, of which 1.5 million are in the geographies we serve
- + Type 2 pump adoption approximately 5% in U.S., and less OUS based on hospital system practices
- + Dedicated marketing effort not yet initiated
  - Will be pursuing Control-IQ technology indication for use by people with type 2

## Tandem WW Markets - Type 2 Pump Penetration



# Growth Driver 4: Large Conversion Opportunity

- + Approximately 750,000 people with Type 1 and Type 2 use a pump in the U.S.\*
- + Typical reimbursement cycle of four years
- + Approximately half of our new customers converted from another pump

**Annual Pump Conversion Opportunity**



*~25% of pump users are eligible for a new pump purchase each year based on standard reimbursement cycle*

\*Sources. Includes approximately 290,000 domestic Tandem pumpers as of 12/31/22.  
Sources. Internal estimates. Centers for Disease Control and Prevention. National Diabetes Statistics Report website. <https://www.cdc.gov/diabetes/data/statistics-report/index.html>. January 2022.  
International Diabetes Federation. IDF Diabetes Atlas 2021 - 10th edn. <http://www.diabetesatlas.org>



# Growth Driver 5: Scaling Renewal Opportunity

- + Retention and renewals initiatives are improving our progress
  - 2022 renewal shipments increased approximately 60% YOY; approximately 75% in Q4
  - More than 50% of 2022 renewal opportunities renewed in 2022
- + Average customer renewal cycle is 5 years
  - Typical warranty period is 4 years
- + Longer-term goal to reach 70% retention rate

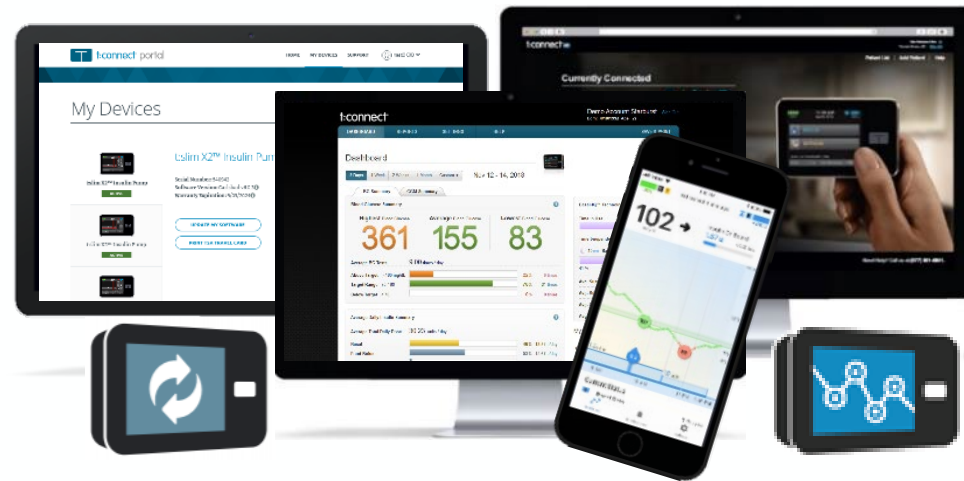




# Growth Driver 6: Robust Product Pipeline

## INVESTING IN INNOVATION

- + Delivery devices
- + Device software, including automated insulin dosing (AID)
- + Data and insights

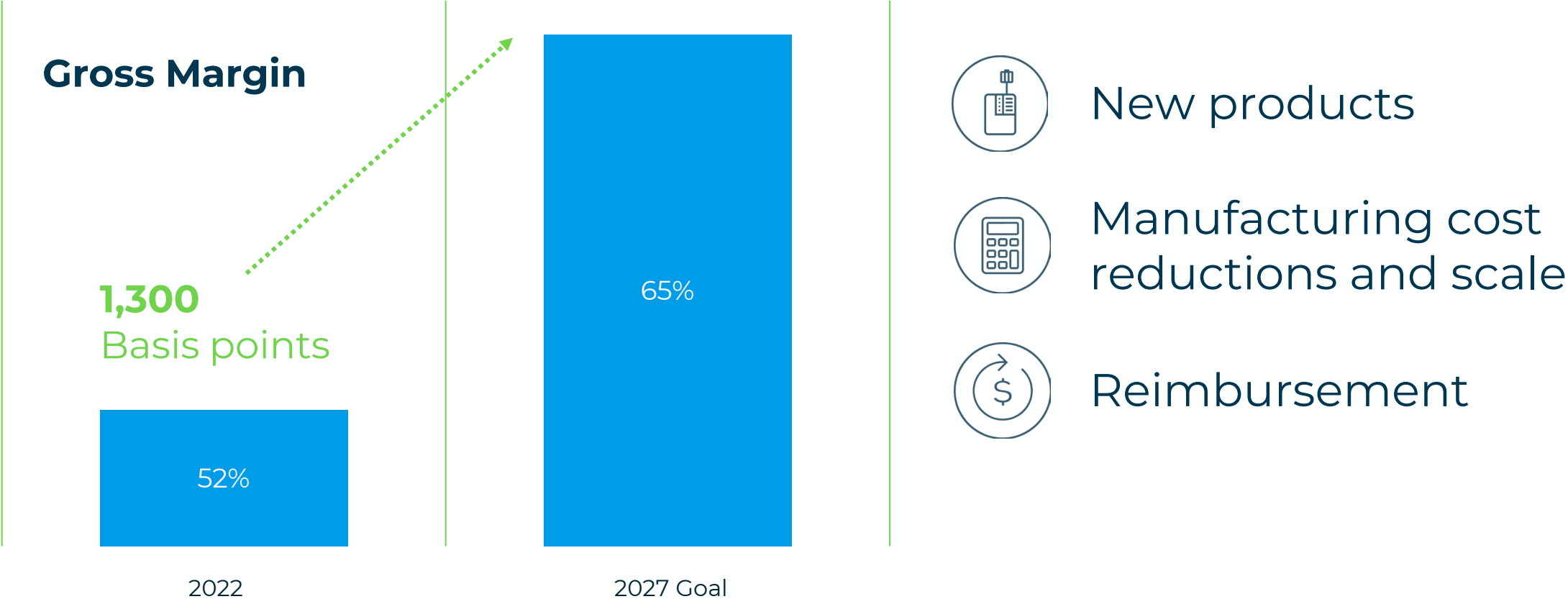


# Growth Opportunity Persists

APPROXIMATELY 420K CUSTOMERS WORLDWIDE AS OF DECEMBER 31, 2022



# Scale and Innovation Drive Margin Performance



# Prioritize Investments in Innovation

- + 2022 Adjusted EBITDA: 7%
- + Longer-term goals:
  - 25% Operating margin
  - R&D CAGR ~20%
  - SG&A CAGR 10%-15%
- + Magnitude of investments may be greater in near-term





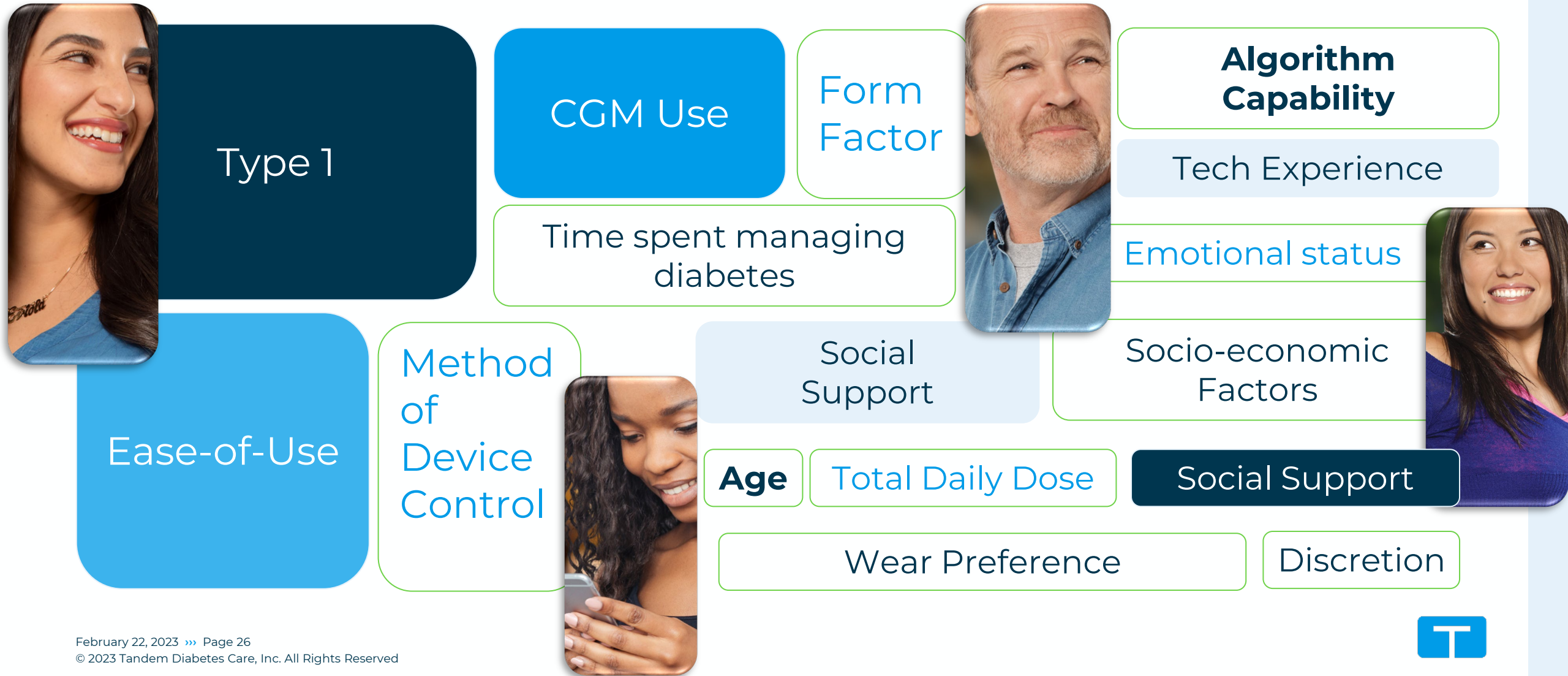


# Robust Pipeline



positively different

# Portfolio Approach for a Highly Segmented Market



# Tandem Mobi

**UNDER FDA REVIEW**

Tandem Mobi is approximately half the size of our t:slim X2 pump and is being designed for people who seek even greater discretion and flexibility. It features Control-IQ technology, an on-pump bolus button, and inductive charging.

- + Smartphone mobile app controlled
- + Compatible with current and new 4" infusion set
- + Pump cost is ~10% - 15% less than t:slim X2



*Under FDA review; not commercially available for sale or use.*



# t:slim X3

## ENHANCING OUR FLAGSHIP OFFERING

- + Enhanced technology
- + Refreshed user interface
- + Increased battery life
- + Wireless software updates



\*Under development. Subject to future regulatory submission and clearance.







# Mobi: Tubeless



Leverages  
Mobi pump

Ultimate in choice  
of wearability



Disposable on body kit  
replaces the infusion set



\*Under development. Subject to future regulatory submission and clearance.

# The Sigi Patch Pump

The Sigi Patch Pump features a low-profile, ergonomic design, pre-filled cartridges, rechargeability, AID integration compatibility, and extended wear options for on-body infusion site.

- + Tandem acquisition of AMF Medical closed January 2023
- + Experienced, mission-driven team
- + Exploring potential opportunities to accelerate commercial timelines

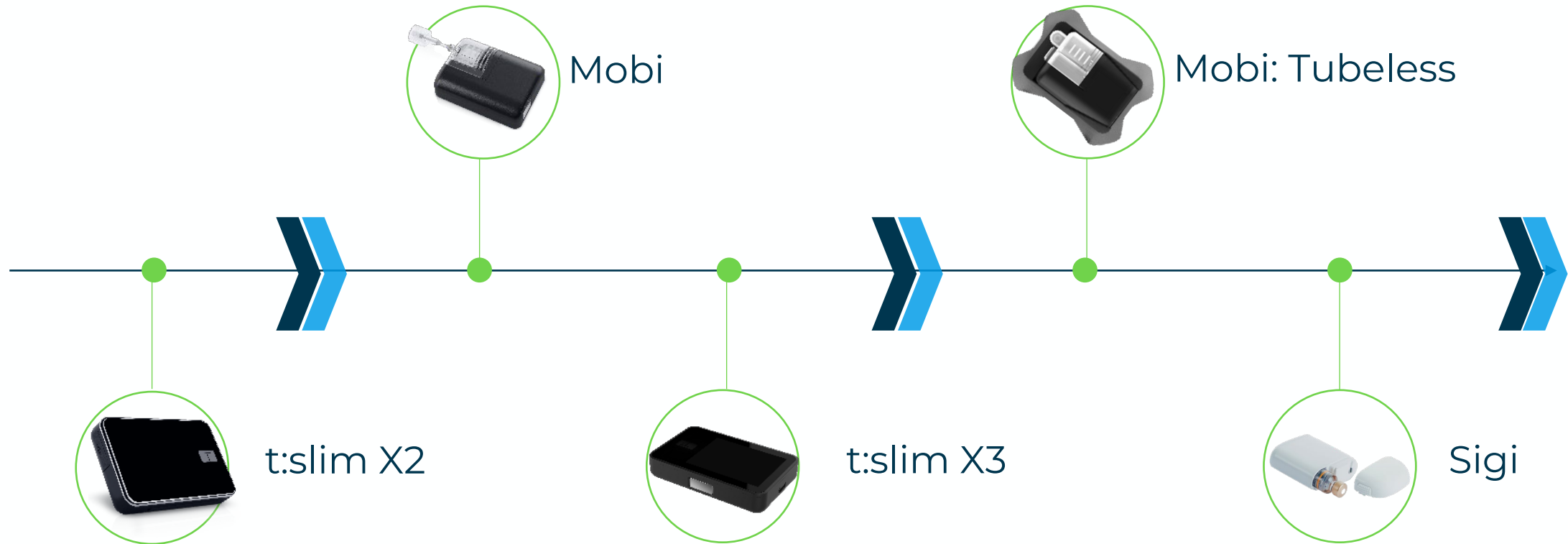


\*Under development. Subject to future regulatory submission and clearance.





# Expanding Our Family of Delivery Devices



*\*Devices other than the t:slim X2 are under development and subject to future regulatory submission and clearance.*



# AID Improvement

## GROWING THE MARKET AND CAPTURING SHARE

1

Continuous improvement for current Control-IQ technology users

2

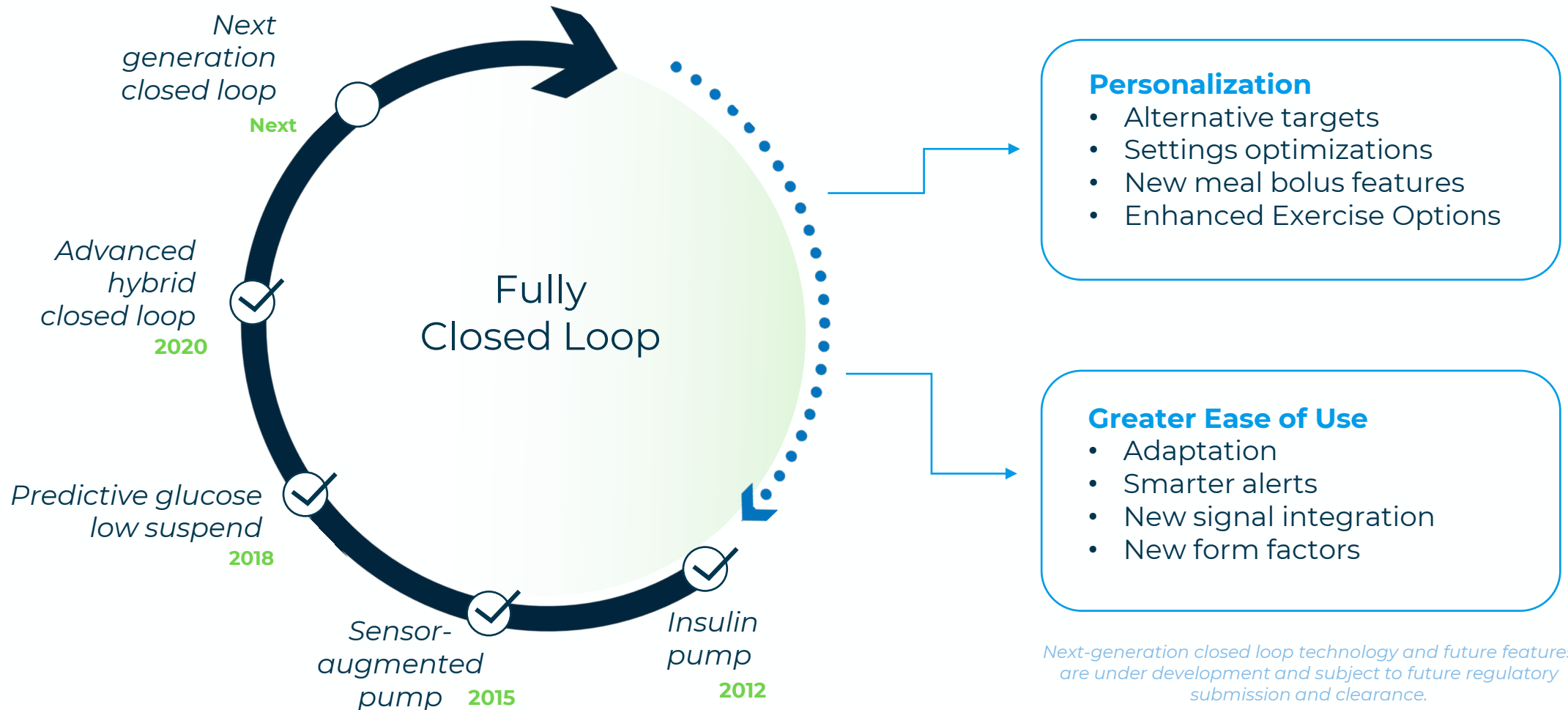
Improve outcomes for people using a pump but not meeting American Diabetes Association guidelines today

3

Attract people using MDI to adopt Control-IQ technology



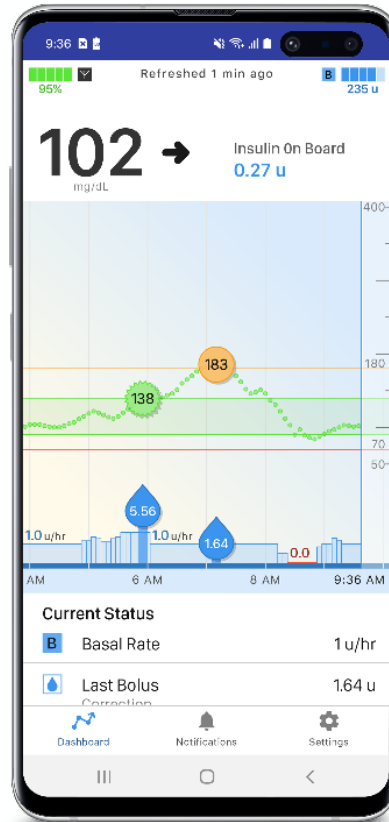
# In Pursuit of....



# Advancing Our App: a Foundation for Remote Control

Enjoy the freedom to bolus directly from your smartphone

FDA cleared in the US. Subject to regulatory review OUS.



## Future anticipated app features\*

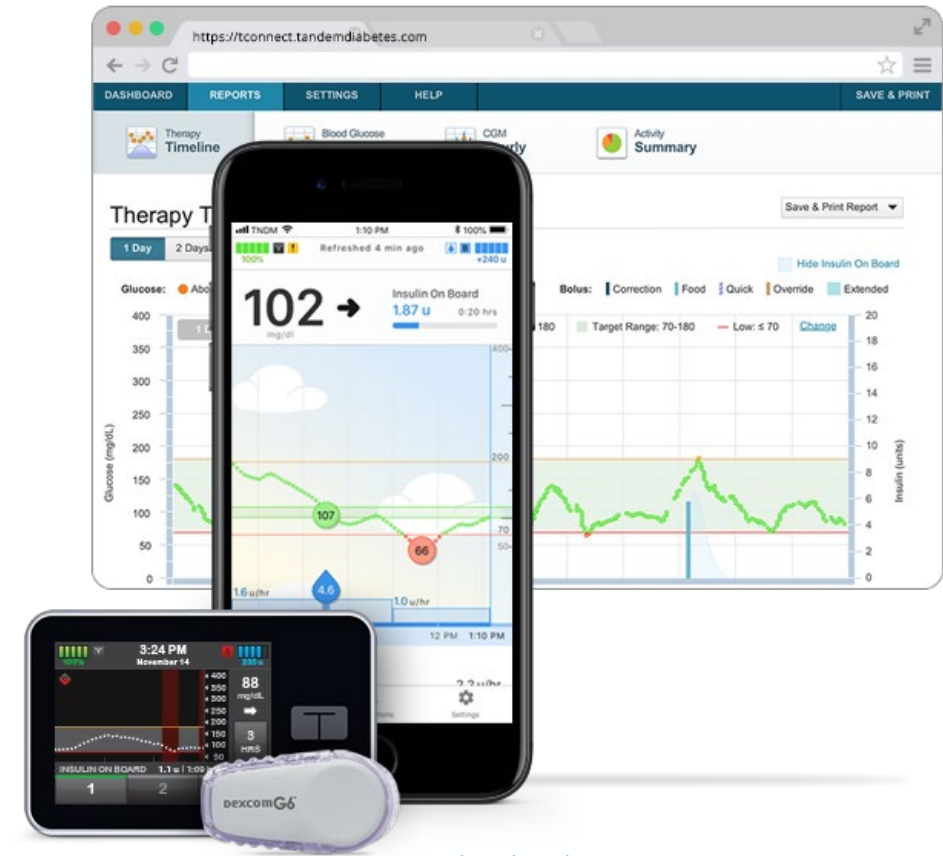
- + Health app integration
- + Personalization
- + Biometric authentication
- + Decision support

\*Under development. Subject to future regulatory submission and clearance.



# Tandem Source

- + Providing flexible opportunities for customers to engage with data and for HCPs to manage their care
- + Our global, next generation data management application
- + First element of our vision for better therapy management leveraging next generation digital assets



*Under development.*



# Future CGM Integration



## DEXCOM G7

Scaled launch anticipated to begin late Q2 2023

4th generation of Dexcom CGM that we intend to integrate with our devices

## ABBOTT FREESTYLE LIBRE

Under development

First integrated AID solution with Abbott FreeStyle Libre technology

*\*Under development and subject to future iCGM designation by the FDA or regulatory submission and clearance.*







# Additional Research Areas

## INSULINS

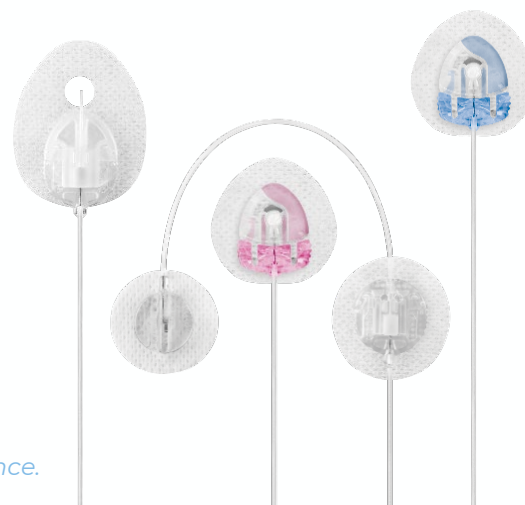
- + Ultra rapids
- + Concentrates
- + Biosimilars



*Subject to future regulatory submission and clearance.*

## INFUSION SETS

- + Reduced occlusions
- + Extended wear  
Acquired infusion set developer,  
Capillary Biomedical in July 2022
- + Increased options
- + Reduced body burden
- + Less waste





# Our Operations



positively different

# Insulin Pump Business Model in the U.S.

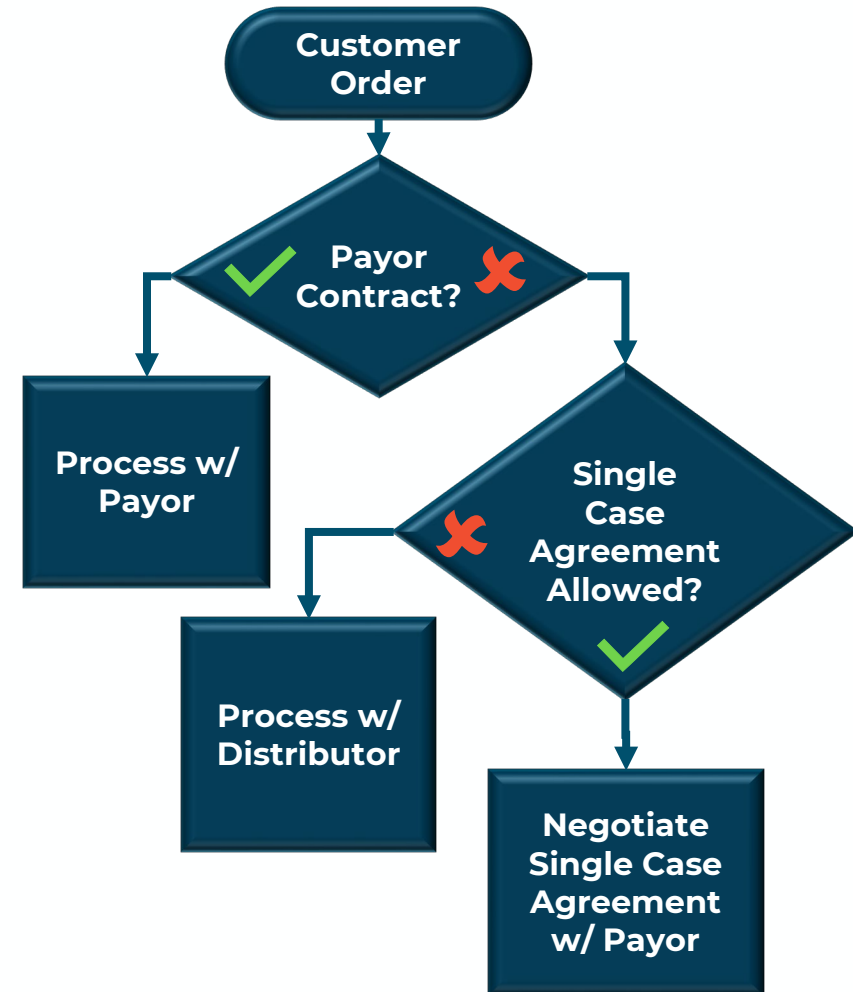
## + Seasonal business

- 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)

## + Use direct contracts with commercial payors or distributor arrangements

- Network of distributors used for approximately 65% of sales
- Distributors pricing adjusted for a logistics margin



Reimbursement differs by product but total amount realized per patient is approximately the same in a four-year reimbursement cycle.

	Domestic	OUS
% Distributor	~65%	~95%
Pump 1 reimbursed every 4 years	\$4K	\$2K - \$3K
Supplies 120 cartridges and infusion sets used per patient per year	\$4K	\$5K
<b>Total realized per patient at projected near-term distributor mix</b>	<b>\$8K</b>	<b>\$7K - \$8K</b>





# The Diabetes Landscape



positively different

# Diabetes Overview

	Type 1	Type 2
<b>Cause</b>	Autoimmune <i>Body does not create insulin hormone</i>	Lifestyle Related <i>Insulin resistance where cells do not use insulin properly</i>
<b>Onset</b>	Sudden <i>Typically before age 40</i>	Progressive <i>Typically appears late in life</i>
<b>Prevention</b>	None	Diet and exercise
<b>Therapy</b>	Insulin	Oral medication, insulin
<b>U.S. Prevalence<sup>1</sup></b> <i>(diagnosed)</i>	1.8 million	26.9 million <i>(2.3 million using intensive insulin therapy)</i>
<b>Worldwide Prevalence<sup>2</sup></b> <i>(diagnosed)</i>	30.9 million <i>(Apx. 4 million are in the geographies we serve)</i>	267.3 million <i>(Apx. 9 million using intensive insulin therapy, of which 1.5 million are in the geographies we serve)</i>

1. Sources. Internal estimates. Centers for Disease Control and Prevention. National Diabetes Statistics Report website. <https://www.cdc.gov/diabetes/data/statistics-report/index.html>. January 2022.

2. International Diabetes Federation. IDF Diabetes Atlas 2021 - 10th edn. <http://www.diabetesatlas.org>





# Reducing Burden throughout the Diabetes Ecosystem

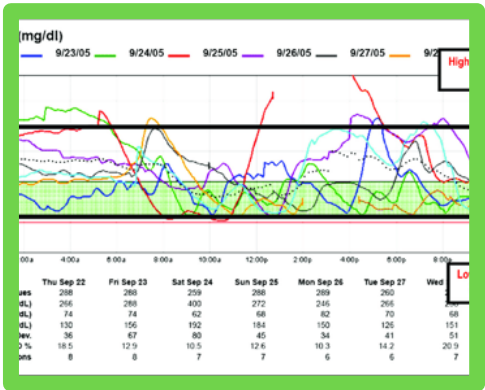
Patients



Caregivers



Providers



Payors





# Summary



positively different



# Tandem Diabetes Care

## POSITIVELY DIFFERENT

- + Worldwide market is large and underpenetrated
- + Best-in-class t:slim X2™ with Control-IQ® technology now used by 420,000 people in 25+ countries
- + Scaling renewal opportunity
- + Robust portfolio approach
  - Mobi under FDA review
  - Highly segmented market
  - Expands channel access
- + Committed to R&D investment, while achieving operating leverage and strengthening balance sheet



# GAAP to Non-GAAP Reconciliation

(\$ in millions)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
GAAP sales	\$141.0	\$172.1	\$179.6	\$210.0	\$702.8	\$175.9	\$200.3	\$204.5	\$220.5	\$801.2
Adjustment for Tandem Choice*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.6	\$3.0	\$3.5
Non-GAAP sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$205.1	\$223.4	\$804.8

\*GAAP Sales are determined in accordance with U.S. Generally Accepted Accounting Principles. Non-GAAP Sales are adjusted for the impact of the Tandem Choice Program. In September 2022, the Company launched Tandem Choice to provide in-warranty eligible t:slim X2 customers a path towards ownership of the newest hardware platform for a fee when available. The accounting treatment for Tandem Choice has a high degree of complexity, initially requiring the deferral of some portion of United States sales for shipments of eligible pumps. The definition of these non-GAAP financial measures may differ from similar measures used by other companies, even when similar terms are used to identify such measures. See the information under the heading “Non-GAAP Financial Measures” on slide 2.



# Tandem Diabetes Care

## **Investor Relations:**

858-366-6900

[IR@tandemdiabetes.com](mailto:IR@tandemdiabetes.com)

