

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 3, 2023

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**Tandem Diabetes Care, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)  
**12400 High Bluff Drive**  
**San Diego California**  
(Address of principal executive offices)

**001-36189**  
(Commission  
File Number)

**20-4327508**  
(I.R.S. Employer  
Identification No.)  
**92130**  
(Zip Code)

Registrant's telephone number, including area code: (858) 366-6900

N/A  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.001 per share	TNDM	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On May 3, 2023, we issued a press release reporting our financial results for the quarter ended March 31, 2023. This press release has been furnished as Exhibit 99.1 to this report and is incorporated herein by this reference.

The information under this Item 2.02 and Exhibit 99.1 hereto is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b><u>Number</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Press release of Tandem Diabetes Care, Inc. dated May 3, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tandem Diabetes Care, Inc.

By: /s/ SHANNON M. HANSEN  
Shannon M. Hansen  
Senior Vice President, General Counsel, Corporate Secretary & Chief  
Compliance Officer

Date: May 3, 2023



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**FOR IMMEDIATE RELEASE**

**Tandem Diabetes Care Announces First Quarter 2023 Financial Results  
and Reaffirms Full Year 2023 Financial Guidance**

**San Diego, May 3, 2023** - Tandem Diabetes Care, Inc. (NASDAQ: TNDM), a global insulin delivery and diabetes technology company, today reported its financial results for the quarter ended March 31, 2023 and reaffirmed its financial guidance for the year ending December 31, 2023.

**First Quarter Highlights**

- Worldwide installed base increased 22 percent to approximately 430,000 in-warranty customers compared to the first quarter 2022.
- Publication in the New England Journal of Medicine of study demonstrating increased time in range in young children, ages 2-5, with type 1 diabetes using the t:slim X2 Insulin Pump with Control-IQ technology.
- Presented positive Control-IQ technology data that showed immediate and sustained improvements in glycemic control, quality of life outcomes, and user-reported reduced burden of diabetes management at the 16th International Conference on Advanced Technologies and Treatments for Diabetes.
- Substantially completed onboarding our European distributors to a distribution center in the Netherlands.
- Completed acquisition of AMF Medical SA, developer of the ergonomic, rechargeable Sigi™ Patch Pump that features use of pre-filled insulin cartridges.
- \$519.6 million in cash, cash equivalents & short-term investments as of March 31, 2023.

“We are confident in our ability to achieve our key goals for this year, both operationally and commercially,” said John Sheridan, president and chief executive officer. “Delivering on innovation is what drove Tandem to its leadership position in insulin therapy management, and we are well-positioned to continue building on the momentum of our #1 rated t:slim X2 with Control-IQ technology, as we prepare for the launch of multiple new products in 2023.”

## First Quarter 2023 Financial Results Compared to 2022

In September 2022, the Company began offering the Tandem Choice Program (Tandem Choice) to eligible t:slim X2 customers to provide a pathway to ownership of its newest hardware platform when available. As a result of this program, and as previously announced, the Company is providing select financial results on both a GAAP and non-GAAP basis. Additional information, including the accounting treatment of this program and other non-GAAP measures, can be found under the heading “Reconciliation of GAAP versus Non-GAAP Financial Results” in this press release.

<i>\$ in millions</i>	Three Months Ended March 31,		
	2023	2023	2022
	GAAP	Non-GAAP	GAAP
<b>Pump Shipments</b>			
United States	17,003	N/A	18,658
Outside United States	6,052	N/A	9,437
<b>Total Worldwide</b>	<b>23,055</b>	<b>N/A</b>	<b>28,095</b>
<b>Sales</b>			
United States	\$ 131.2	\$ 133.3	\$ 131.3
Outside United States	38.1	38.1	44.6
<b>Total Worldwide</b>	<b>\$ 169.3</b>	<b>\$ 171.4</b>	<b>\$ 175.9</b>

- **Gross profit:** GAAP gross profit was \$82.9 million, compared to \$91.1 million. GAAP gross margin was 49 percent, compared to 52 percent. Non-GAAP gross profit<sup>(1)</sup> was \$84.9 million. Non-GAAP gross margin<sup>(1)</sup> was 50 percent.
- **Operating income (loss):** GAAP operating loss totaled \$127.8 million, or negative 75 percent of sales, compared to operating loss of \$15.3 million, or negative 9 percent of sales. Non-GAAP operating loss<sup>(1)</sup> totaled \$44.4 million, or negative 26 percent of sales. Adjusted EBITDA<sup>(1)</sup> was negative \$20.2 million, or negative 12 percent of sales, compared to \$6.4 million, or 4 percent of sales.
- **Net income (loss):** GAAP net loss<sup>(1)</sup> was \$123.9 million, compared to net loss of \$14.7 million. Non-GAAP net loss<sup>(1)</sup> was \$40.4 million.

See tables for additional financial information.

## 2023 Financial Guidance

For the year ending December 31, 2023, the Company is reaffirming 2023 financial guidance as follows:

- Non-GAAP sales<sup>(1)</sup> are estimated to be in the range of \$885 million to \$900 million, which represents an annual sales growth of 10 percent to 12 percent compared to 2022.
  - Sales inside the United States of approximately \$650 million to \$660 million.
  - Sales outside the United States of approximately \$235 million to \$240 million.
- Non-GAAP gross margin<sup>(1)</sup> is estimated to be approximately 52 percent.
- Adjusted EBITDA margin<sup>(1)</sup> is estimated to be approximately 5 percent to 6 percent of sales.
  - Includes approximately 3 percent from the impact of operating costs associated with the acquisitions of Capillary Biomedical and AMF Medical.

- Non-cash charges included in cost of goods sold and operating expenses are estimated to be approximately \$115 million. This includes:
  - Approximately \$95 million non-cash, stock-based compensation expense.
  - Approximately \$20 million depreciation and amortization expense.

<sup>(1)</sup> A reconciliation of non-GAAP financial measures to their closest GAAP equivalent and additional information can be found in Table E and under the heading “Reconciliation of GAAP versus Non-GAAP Financial Results.”

### **Non-GAAP Financial Measures**

Certain non-GAAP financial measures are presented in this press release to provide information that may assist investors in understanding the Company’s financial results and assessing its prospects for future performance. The Company believes these non-GAAP financial measures are important operating performance indicators because they exclude items that are unrelated to, and may not be indicative of, the Company’s core operating results. These non-GAAP financial measures, as calculated, may not necessarily be comparable to similarly titled measures of other companies and may not be appropriate measures for comparing the performance of other companies relative to the Company. These non-GAAP financial results are not intended to represent, and should not be considered to be more meaningful measures than, or alternatives to, measures of operating performance as determined in accordance with GAAP. To the extent the Company utilizes such non-GAAP financial measures in the future, they will be calculated using a consistent method from period to period. A reconciliation of each of the GAAP financial measures to the most directly comparable non-GAAP financial measures has been provided in Table E “Reconciliation of GAAP versus Non-GAAP Financial Results” attached to this press release.

In particular, the accounting treatment for Tandem Choice has a high degree of complexity. In September 2022 when the program was launched, the Company began deferring a portion of sales for each eligible t:slim X2 pump shipped in the United States. Such deferrals will be recognized on a customer-by-customer basis following the commercial launch of the Company’s new hardware platform. The timing of recognition will be based on either a) an affirmative election to participate in Tandem Choice or b) expiration of the right to participate. Notably:

- Offering the program does not impact the economics associated with how or when the initial pump sale is reimbursed.
- Customer eligibility is automatic and no election is necessary to participate in Tandem Choice at the time of a t:slim X2 purchase. An affirmative election is only required when the new hardware platform is commercially available, at which time any customer fees will be received and recognized as a sale.
- The expiration date of Tandem Choice is December 31, 2024.

Consistent with SEC regulations, the Company has not provided a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures in reliance on the “unreasonable efforts” exception set forth in the applicable regulations, because there is substantial uncertainty associated with predicting any future adjustments that may be made to the Company’s GAAP financial measures in calculating the non-GAAP financial measures.

### **Conference Call**

The Company will hold a conference call and simultaneous webcast today at 4:30pm Eastern Time (1:30pm Pacific Time). The link to the webcast will be available by accessing the Events & Presentations tab in the Investor Center of the Tandem Diabetes Care website at <http://investor.tandemdiabetes.com>, and will be archived for 30 days. To access the call by phone, please use this link (<https://register.vevent.com/register/B121343b3e346b4b66923ccc4e1bd048e5>) and you will be provided with dial-in details, including a personal pin.

### **About Tandem Diabetes Care, Inc.**

Tandem Diabetes Care, Inc., a global insulin delivery and diabetes technology company headquartered in San Diego, California, creates new possibilities for people living with diabetes, their loved ones, and healthcare providers through a positively different experience. The Company’s human-centered approach to design, development, and support delivers innovative products and services for people who use insulin. Tandem manufactures and sells the t:slim X2 insulin pump with Control-IQ technology. For more information, visit [tandemdiabetes.com](http://tandemdiabetes.com).

Tandem Diabetes Care and Control-IQ are trademarks registered in the U.S. and/or other countries and t:slim X2 is a trademark of Tandem Diabetes Care, Inc.

Follow Tandem Diabetes Care on Twitter @tandemdiabetes; use #tslimX2 and #TandemDiabetes.

Follow Tandem Diabetes Care on Facebook at [www.facebook.com/TandemDiabetes](http://www.facebook.com/TandemDiabetes).

Follow Tandem Diabetes Care on LinkedIn at <https://www.linkedin.com/company/tandemdiabetes>.

### **Forward-Looking Statements**

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that concern matters that involve risks and uncertainties that could cause actual results to differ materially from those anticipated or projected in the forward-looking statements. These forward-looking statements include statements regarding, among other things, the Company’s projected financial results and the ability to achieve other operational and commercial goals for this year, including the launch of multiple new products. The Company’s actual results may differ materially from those indicated in these forward-looking statements due to numerous risks and uncertainties. For instance, the Company’s ability to achieve projected financial results will be impacted by market acceptance of the Company’s existing products and products under development by physicians and people with diabetes; the Company’s ability to establish and sustain operations to support international sales, including expansion into additional geographies; changes in reimbursement rates or insurance coverage for the Company’s products; the Company’s ability to meet increasing operational and infrastructure requirements from higher customer interest and a larger base of existing customers; the Company’s ability to complete the development and launch of new products when anticipated; risks associated with the regulatory approval process for new products; the potential that newer products, or other technological breakthroughs for the monitoring, treatment or prevention of diabetes, may render the Company’s products obsolete or less desirable; the depth and duration of the COVID-19 pandemic, and the global response thereto; reliance on third-party relationships, such as outsourcing and supplier arrangements; global economic conditions; and other risks identified in the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and other documents that the Company files with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Tandem undertakes no obligation to update or review any forward-looking statement in this press release because of new information, future events or other factors.

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**TANDEM DIABETES CARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**Table A**  
**(in thousands)**

	<b>(Unaudited)</b> <b>March 31,</b> <b>2023</b>	<b>December 31,</b> <b>2022</b>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 519,588	\$ 616,901
Accounts receivable, net	91,393	114,717
Inventories	131,557	111,117
Other current assets	15,381	7,241
Total current assets	<u>757,919</u>	<u>849,976</u>
Property and equipment, net	74,578	68,552
Operating lease right-of-use assets	104,743	110,626
Other long-term assets	16,905	23,631
Total assets	<u>\$ 954,145</u>	<u>\$ 1,052,785</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable, accrued expenses and employee-related liabilities	\$ 104,405	\$ 104,007
Operating lease liabilities	15,849	13,121
Deferred revenue	20,764	18,837
Other current liabilities	30,139	29,325
Total current liabilities	<u>171,157</u>	<u>165,290</u>
Convertible senior notes, net - long-term	283,679	283,232
Operating lease liabilities - long-term	120,867	123,524
Deferred revenue - long-term	15,886	16,874
Other long-term liabilities	23,803	23,918
Total liabilities	<u>615,392</u>	<u>612,838</u>
Total stockholders' equity	<u>338,753</u>	<u>439,947</u>
Total liabilities and stockholders' equity	<u>\$ 954,145</u>	<u>\$ 1,052,785</u>



**TANDEM DIABETES CARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Table B**  
**(in thousands, except per share data)**

	<b>(Unaudited)</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Sales	\$ 169,383	\$ 175,907
Cost of sales	86,476	84,814
Gross profit	82,907	91,093
<b>Operating expenses:</b>		
Selling, general and administrative	89,814	73,271
Research and development	42,160	33,160
Acquired in-process research and development expenses	78,750	—
Total operating expenses	210,724	106,431
Operating loss	(127,817)	(15,338)
Total other income (expense), net	4,231	(1,101)
Loss before income taxes	(123,586)	(16,439)
Income tax expense (benefit)	287	(1,724)
Net loss	\$ (123,873)	\$ (14,715)
Net loss per share - basic and diluted	\$ (1.92)	\$ (0.23)
Weighted average shares used to compute basic and diluted net loss per share	64,549	63,880

**TANDEM DIABETES CARE, INC.**  
**SALES BY GEOGRAPHY**  
**Table C<sup>(1)</sup>**

<i>(\$'s in thousands)</i>	(Unaudited)		% Change
	Three Months Ended March 31,		
	2023	2022	
<b>United States:</b>			
Pump	\$ 66,456	\$ 73,497	(10)%
Supplies and other	66,809	57,786	16%
Deferral for Tandem Choice	(2,023)	—	—%
<b>Total GAAP Sales in the United States</b>	<b>\$ 131,242</b>	<b>\$ 131,283</b>	<b>—%</b>
Adjustment for Tandem Choice	2,023	—	—%
<b>Total Non-GAAP Sales in the United States</b>	<b>\$ 133,265</b>	<b>\$ 131,283</b>	<b>2%</b>
<b>Outside the United States:</b>			
Pump	\$ 18,246	\$ 22,332	(18)%
Supplies and other	19,895	22,292	(11)%
<b>Total Sales Outside the United States</b>	<b>\$ 38,141</b>	<b>\$ 44,624</b>	<b>(15)%</b>
<b>Total GAAP Worldwide Sales</b>	<b>\$ 169,383</b>	<b>\$ 175,907</b>	<b>(4)%</b>
Adjustment for Tandem Choice	2,023	—	—%
<b>Total Non-GAAP Worldwide Sales</b>	<b>\$ 171,406</b>	<b>\$ 175,907</b>	<b>(3)%</b>

<sup>(1)</sup> A reconciliation of non-GAAP financial measures to their closest GAAP equivalent and additional information can be found in Table E and under the heading “Reconciliation of GAAP versus Non-GAAP Financial Results.”

**TANDEM DIABETES CARE, INC.**  
**PUMP SHIPMENTS**  
**Table D**

	Three Months Ended March 31,		% Change
	2023	2022	
<b>Pumps Shipped:</b>			
United States	17,003	18,658	(9)%
Outside the United States	6,052	9,437	(36)%
<b>Total Pumps Shipped</b>	<b>23,055</b>	<b>28,095</b>	<b>(18)%</b>

**TANDEM DIABETES CARE, INC.**  
**Reconciliation of GAAP versus Non-GAAP Financial Results (Unaudited)**

Table E

<i>(\$'s in thousands)</i>	Three Months Ended March 31,	
	2023	2022
GAAP sales	\$ 169,383	\$ 175,907
Adjustment for Tandem Choice <sup>(1)</sup>	2,023	—
Non-GAAP sales	\$ 171,406	\$ 175,907
GAAP gross profit	\$ 82,907	\$ 91,093
Adjustment for Tandem Choice <sup>(1)</sup>	2,023	—
Non-GAAP gross profit	\$ 84,930	\$ 91,093
Non-GAAP gross margin <sup>(3)</sup>	50%	52%
GAAP operating loss	\$ (127,817)	\$ (15,338)
Acquired in-process research and development <sup>(2)</sup>	78,750	—
Severance costs - cash and noncash	2,680	—
Adjustment for Tandem Choice <sup>(1)</sup>	2,023	—
Non-GAAP operating loss	\$ (44,364)	\$ (15,338)
Non-GAAP operating margin <sup>(3)</sup>	(26)%	(9)%
GAAP net loss	\$ (123,873)	\$ (14,715)
Income tax expense (benefit)	287	(1,724)
Interest income and other, net	(5,865)	(381)
Interest expense	1,634	1,516
Depreciation and amortization	3,396	3,628
EBITDA	\$ (124,421)	\$ (11,676)
Change in fair value of common stock warrants	—	(34)
Stock-based compensation expense	20,805	18,110
Acquired in-process research and development <sup>(2)</sup>	78,750	—
Severance costs - cash and noncash	2,680	—
Adjustment for Tandem Choice <sup>(1)</sup>	2,023	—
Adjusted EBITDA	\$ (20,163)	\$ 6,400
Adjusted EBITDA margin <sup>(3)</sup>	(12)%	4 %
GAAP net loss	\$ (123,873)	\$ (14,715)
Acquired in-process research and development <sup>(2)</sup>	78,750	—
Severance costs - cash and noncash	2,680	—
Adjustment for Tandem Choice <sup>(1)</sup>	2,023	—
Non-GAAP net loss	\$ (40,420)	\$ (14,715)

(1) The accounting treatment for Tandem Choice has a high degree of complexity. Additional information can be found under the heading “Non-GAAP Financial Measures.”

(2) The Company recorded a \$78.8 million charge representing the value of acquired in-process research and development assets with no alternative future use, and acquisition related expenses.

(3) Non-GAAP margins including non-GAAP gross margin, non-GAAP operating margin, and adjusted EBITDA margin are calculated using non-GAAP sales.