William Blair

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Abbott Laboratories
ABT (NYSE) $127.63
Stock Rating: **Outperform**

DexCom, Inc.
DXCM (NASDAQ) $66.33
Stock Rating: **Outperform**

Medical Technology

CGM Deep Dive: Analysis of Ketone Sensor, Type 2 Non-Insulin Market and PCP/Endo Survey Results

With noise related to continuous glucose monitor (CGM) market share, dual analyte sensors, and type 2 non-insulin (T2 NI) TAM expansion, we dug into clinical data and surveyed 102 primary care physicians (PCPs) and 12 endocrinologists (endos). Below is a high-level summary of our note and readthroughs for DexCom and Abbott.

Key takeaways:

- **CGM share seems stable despite recent noise**: Respondents indicated that CGM churn rates for DexCom and Abbott have been in line with one another, suggesting neither company is materially winning competitive switches. On a go-forward basis, our respondents indicated nearly a 50%/50% split for future CGM scripts, reinforcing our view that both companies should be winners from market growth. These are net positives for both companies—particularly DexCom—given the recent noise regarding product quality concerns, although our survey work suggests these are largely overblown.

- **Ketone sensor has puts and takes**: The American Diabetes Association (ADA) has called hyperglycemic events like diabetic ketoacidosis (DKA) a "crisis," with data pointing to $6.8 billion in hospitalization spend being attributed to 30% of Type 1 (T1) diabetes hospitalizations. On the flip side, DKA accounts for just 1% of all diabetes hospitalizations (including T2D), with a 0.4% mortality rate and events weighted to certain individuals. Further confounding this, CGM and closed-loop pumps have already been shown to reduce DKA events. When coupled with mixed survey feedback, we think material share shifts to a ketone sensor will take time and market development.

- **Type 2 NI is a big growth driver**: Survey respondents expect T2 non-insulin CGM use to increase to about 50% penetration over the next three years (from 25%-30% today). PCPs expect their recommendation of CGM to increase by 2.5 times if broad-based coverage is established—this is into a U.S. population of over 20 million patients—and both Abbott and DexCom will benefit from this. Our math suggests that even assuming 75% of the adoption curve of T2 basal and a lower level of utilization, this would still result in a $4 billion market by 2030.

Company-specific takeaways: For **DexCom**, results should give some confidence that the company is not losing material share despite recent noise regarding quality issues. For **Abbott**, we find puts and takes to a ketone sensor, but it is still a positive for Abbott to go on the offensive. For **both** Abbott and DexCom, T2 NI growth can drive the next leg of durable growth as the TAM meaningfully expands. Our scenario analysis suggests this can be a $4 billion market opportunity by 2030.

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Survey key takeaways:

- **Type 2 non-insulin patients (T2 NI) remain a significantly underpenetrated opportunity** with 25%-30% of patients visiting endos and PCPs on CGMs and with both groups expecting penetration to increase to roughly 50% in the next three years (we estimate the market is actually midsingle digits penetrated, so our survey captured a heavy CGM group). By our math, the 20% delta represents 4 million to 5 million incremental T2 NI patients or a 15% and 28% CAGR for endos and PCPs through the next three years. Further, a quarter of PCPs currently recommend a CGM to over 80% of their newly diagnosed T2 NI patients and a third of PCPs estimate that they'd prescribe CGM to over 80% of their T2 NI patients should CMS coverage come online in the future. We provide a more in-depth scenario analysis on T2 NI adoption below. If broad-based reimbursement is established, PCP responses suggest the market of T2 NI users could increase more than 2.5x over the next three years.

- **In the next three years, both endos and PCPs estimate roughly 50/50 market share split between Abbott and DexCom.** Endos favored Abbott's Freestyle Libre ecosystem slightly above the 50/50 mark, while PCPs were split at about 47% each with the remainder coming from other CGM players. Respondents cited pump connectivity and data sharing as the biggest benefits of DexCom's CGM over Abbott's sensor, and viewed cost and wear time as benefits of Abbott's CGM over DexCom's. We view this as a positive for both names, and it supports our thesis that both Abbott and DexCom can be material winners of continued CGM growth.

- **CGM preference remains sticky among users.** More than half of doctors (in both groups) indicated that less than 30% of their CGM users switched to a competitive CGM. So, despite recent noise around DexCom attrition, our survey suggests Abbott and DexCom attrition rates are in line with each other, supporting the idea that quality and reliability have not materially impacted the business. This is in line with Abbott's recent commentary indicating that it has not seen material share shift through the third quarter. More specifically, the average attrition rate when asked what percentage of users has switched from G6/G7 to Libre (and vice versa) was 28% for PCPs and about 20% for endos for both systems. Although users switch for a variety of reasons (cost was the most commonly selected answer when asked why), we view this as modestly positive for DexCom given the recent headlines over sensor reliability concerns.

- **Ketones have puts and takes.** Among endos, responses suggest T1 prescribing patterns are unlikely to materially change if a ketone sensor is launched. Endos suggested they prescribe Libre to an average of 35% of their T1 patients today and would only increase that to 36% if ketones were added. On the flip side, endos suggested that 25% of their current T1 DexCom users would switch to a Libre ketone sensor, suggesting a portion of DexCom's T1 base could be at risk. We estimate this to be about 5% of DexCom's total sales, and we think it's the most bearish scenario since 1) patients on pumps are unlikely to switch until the new ketone sensor is already integrated into their closed loop system (something that could take another year or two), and 2) some surveys suggest most T1 patients aren't even aware of the benefit/need for ketone sensing.

- **CGM is standard of care in intensively managed patients**. Among intensively managed patients, penetration rates were in line with our expectations and management commentary. Over 80% of T1 patients seeing an endocrinologist are on a CGM and roughly 70% of T1 patients seeing a PCP are on a CGM, with penetration rates decreasing progressing to less intensively managed patients (as expected). In the next three years, PCPs and endos expect over 80% penetration in both T1 and T2 insulin-intensive (T2 IIT) populations (in their practices), representing a delta of roughly 2% and 9% compared to their current estimates, respectively. That said, we estimate that every 1% of penetration results in roughly 23,000/26,000 incremental patients in the T1/T2 IIT population, and would remind investors that given the smaller, more penetrated end-market, we believe the real opportunity lies is less penetrated markets.

Ketone Discussion:
What is DKA? DKA is a condition in which the body does not have enough insulin to use glucose as energy, so the body breaks down fat for fuel, which in turn produces ketones. If ketones rise too high, then your blood becomes acidic, causing dehydration, and the longer this goes untreated, the more risk you are at of serious adverse events like coma or death.

What do the data say about DKA? Below we provide a summary of some key stats on DKA to help contextualize the importance of ketone sensing. The below data rely on the following studies: 1) a 2024 American Diabetes Association (ADA) consensus report on the "crises" of hyperglycemic events in people with diabetes, 2) a 2020 paper published in *Diabetes Care* that looked at the incidence and burden of DKA in the U.S. specifically, and 3) a 2021 paper analyzing the National Inpatient Sample data, 4) a 2021 statistical brief from the Agency for Healthcare Research and Quality analyzing diabetes-related inpatient stays, and 5) a 2023 BMJ Open Diabetes Research & Care publication that surveyed 333 T1D patients.

Key stats:

- Nearly 1% of diabetes hospitalizations are for hyperglycemic events and one U.S. study found that 38% of these events are for DKA specifically, making it the largest contributor to hyperglycemic hospitalizations. Most DKA events occur in adults and about 70% of them are among patients with T1D.
- Using estimates from the National Inpatient Sample, in 2018, there were an estimated 377,900 hospitalizations for people with T1D and 116,710 hospitalizations for DKA among people with T1D. This implies that roughly 30% of T1D hospitalizations are for or related to DKA events based on this National Inpatient Sample analysis.
- DKA is the cause of initial T1D diagnosis for 17% to 24% of patients in the U.S., while insulin omission is the cause of 41% to 59.6% of DKA hospitalizations in adults. This suggests roughly one in five DKA hospital events are from patients' unawareness of the disease, while about half of hospitalizations are due to insulin omission—the latter of which is likely more of a target for ketone sensors.
- One survey of over 300 T1D patients found that about 45% of patients are unaware of DKA causes and symptoms, and 64% indicated they do not test for ketones at all. That said, 67% indicated they should learn more about DKA.
- The ADA characterizes DKA as causing a "concerning rise" in hyperglycemic emergencies in adults with T1D and T2D. For DKA specifically, patients often experience recurrent episodes. In one study in Chicago, IL, 5.8% of patients made up 26.3% of all DKA hospitalizations, highlighting the weighting of recurrent DKA in specific patients.
- The mean length of stay (LOS) for DKA events is 3.0 days and 3.7 days for T1D and T2D, respectively, and average hospital charges per DKA admission have ranged from $21,215 to $36,600, with T2D typically having more expensive charges. Another study estimated total U.S. hospital charges attributed to DKA as the primary diagnosis of $6.8 billion, with a mean charge of $30,836.
- Post DKA hospitalization, patients have a 1-year age-corrected mortality rate 13 times higher than the general population.

What does this all mean? We think the data are compelling but mixed. Taken together, we think these data show somewhat of a mixed picture for the importance of ketone sensing. In support of a ketone sensor is the high clinical and economic burden, with things like multiple nights of hospital stay per DKA event, 13 times higher mortality versus the general population, 30% of T1D hospitalizations being for/related to DKA, and over $6.8 billion in annual hospital spend going on treating DKA.

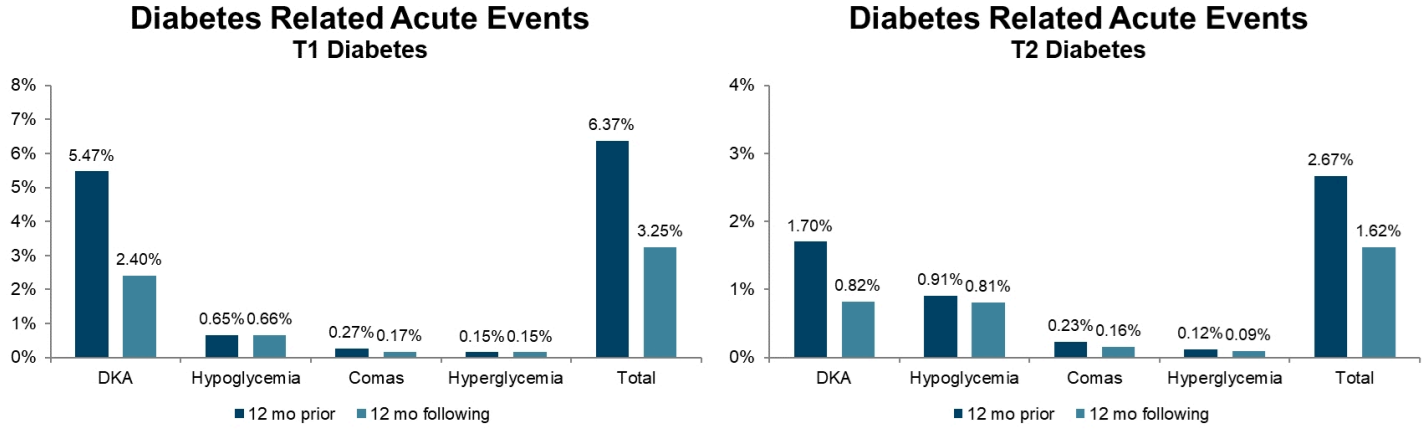
On the flip side, DKA events represent only 1% of all diabetes hospitalization, they only have a 0.4% mortality rate, and national stats are somewhat nuanced for certain people (i.e., some patients with recurrent events make up a larger portion of annual hospitalizations, plus roughly 20% of the annual burden is among individuals not yet diagnosed with T1D).

Further obfuscating the importance of ketone sensing is CGM's success in drastically reducing DKA events (as outlined in the next section). Altogether, we think these data plus the effectiveness of CGM beg the question—will market share meaningfully shift with a ketone sensor or will this be a niche product? Will endocrinologists be compelled to recommend yet another data reading to patients if it's only useful for a select group of patients, and will patients be interested in managing another reading if they rarely use it? These are key questions that we think need to be proven out.

We think the most compelling option will likely be if Abbott announces a dual-analyte sensor *at the same price* as today's glucose sensor. This could give Abbott a more compelling sell to prescribing physicians since essentially the same device and cost will give patients the added layer of protection of ketone sensing, even if there is some uncertainty over whether patients really need it. But again, it still will not answer the question of whether physicians and patients will want additional data to manage if they are not sold on its benefits.

CGM and closed-loop pumps make strides in reducing DKA: CGM—without ketone sensing—has already been proven to reduce DKA risk, though it doesn't eliminate it, because insulin deficiency—not just hyperglycemia—drives DKA. Our sense is that adding ketone sensing is logically most valuable in specific high-risk cohorts, though more data will likely be needed to prove which groups need it most. We believe ketone tracking offers optionality and is worth tracking for targeted use-cases now, but may potentially become more meaningful over time.

- **CGM users and DKA**: One real-world study is the French RELIEF study, which tracked 74,011 people (both type 1 and type 2) for a year before versus after starting the FreeStyle Libre. Notably, the results showed that after Libre initiation, DKA admissions *dropped by 56% in type 1 diabetics and by 52% in type 2 diabetics*. The two-year follow-up confirmed these benefits were sustained, with *~50% fewer DKA hospitalizations* persisting long term. That said, DKA still made up 2.4% of type 1 acute events in the study, which was the largest category recorded.



Source: French RELIEF study

- A second study looked at 13,616 T1 diabetics who started intermittently scanned CGM (Libre) in 2020–2021. It found DKA *hospitalization rates dropped by ~50%* (from 79 to 40 per 10,000 person-years) after CGM adoption (rate ratio 0.5). The reduction was greatest in patients with very poor baseline control (HbA1c ≥10%), who saw 136 fewer DKA events per 10k person-years after getting CGM. This translates to substantial cost savings (nearly €0.8 million in that region) from averted hospital visits mainly in both type 1 diabetes (where DKA is most common) and insulin-treated type 2 diabetes.

- **Pump users and DKA**: A U.S. study of over 22,000 people with T1 diabetes from 2017 to 2021 found that pump users had significantly lower DKA rates than those on multiple daily injections, especially when the pump was used together with CGM. In this cohort, pump use was linked to better A1c and fewer hospitalizations; in fact, patients on pump+CGM had the lowest frequency of DKA and other acute events, compared to pump-only or injection therapy. This aligns with earlier observations that insulin pump users (many of whom also adopt CGM) experience fewer DKA episodes and less hospitalization time than non-pump users. One reason is that pump users often have more intensive self-management and technology safeguards (e.g. automated insulin suspension for low glucose, occlusion alarms to detect delivery failure), reducing the likelihood of insulin lapse that triggers DKA.

Major pumps players have also shown notable declines in DKA-related events through their respective *closed-loop pivotal trials*. Insulet's (PODD $316.29; Outperform) Omnipod 5 reported one DKA in a child (n=235), attributed to a suspected infusion-site failure; Tandem's (TNDM $15.29) Control-IQ likewise had one DKA in the pivotal iDCL program (n=112), also linked to an infusion-set failure; Medtronic's (MDT $95.04; Market Perform) MiniMed 780G's U.S. pivotal reported zero DKA events (n=157); and Beta Bionics' (BBNX $20.63) iLet randomized trial reported no DKA in either arm (n=219). Taken together, brand-level differences are negligible and further prove that when DKA occurs, it's typically from delivery interruptions (infusion set/adhesive/power issues) rather than algorithm faults, and these rates of DKA are relatively low, which might create a need for market development from Abbott.

Clearly, the data suggest that CGM and closed-loop pumps can significantly reduce DKA-related events; however, we do still believe ketone levels can provide incremental value in certain situations. For example, there are instances where ketones and glucose levels don't move in lock-step (infusion set failures for pump patients or if sick/vomiting), or most notably, in patients with euglycemic DKA. That said, clinical data suggest euglycemic DKA makes up low single digits of DKA admissions, so this is likely a very niche opportunity.

The Type 1 market has solid utilization but is a small growth contributor today: Although Abbott may have a first-mover advantage with its ketone sensor in 2026, we'd remind investors that the Type 1 market consists of just over 2 million patients and is roughly 60% penetrated—some in the industry would argue adoption is even higher. Our market model suggests T1D patients will make up about 10% of new CGM user growth in the next few years and could even be lower if type 2 non-insulin accelerates further. This helps contextualize the potential headwinds DexCom could see if Abbott's ketone sensor does in fact take some new T1D diagnosis share.

That said, we still acknowledge there is some share risk to DexCom, but this is less likely to be material in our view given the stickiness of users (and prescribers) to their preferred CGM of choice. Further, with over 40% of T1D patients on insulin pumps (and most newly diagnosed T1D's today starting on closed-loop versus MDI therapy), we expect Abbott would need to integrate its sensor into these pumps before these patients would be interested in or can even consider switching CGMs. We acknowledge that this is a concern to some investors, but reiterate that any share shifts in the Type 1 market in particular can be outweighed by NCS across the other diabetic categories (Type 2 in particular).

Further, our survey suggests that endos (albeit a small sample size) would expect 25% of current T1D Dexcom users to switch to Abbott's dual-ketone sensor when it hits the market. Our analysis of results suggests that if this were to serve as the consensus view for all endocrinologists in the U.S., **then DexCom's most bearish scenario would be a roughly $250 million revenue headwind should 25% of its current T1 users immediately transfer to Abbott's ketone sensor** and Dexcom did not launch a competitive ketone to defend its share. This $250 million represents roughly 5% of our full-year 2026 sales estimate; however, we believe it's unlikely to have this large of an impact right away given it will take time for Abbott's sensor to be fully integrated with pumps and roll out to the full market. We simply outline this as the most bearish scenario, based off our survey results, but think it's unlikely to materialize.

DexCom ketone sensor thoughts: With Abbott set to release its dual sensor before the end of the calendar year, investors are asking when we will see DexCom's next-gen G8 sensor. In our view, the G8 sensor will likely come sometime in 2027 following a similar timeframe to its last few product launches (roughly 4 to 4.5 years apart with G7 launching in late 2022). Management has added that it expects the new product to be multi-analyte, with ketones in the conversation for additional analytes beyond blood-glucose level. Beyond ketones, it's tough to speculate over which additional biomarkers could be included in the G8 sensor, but we believe management is committed to taking a step to one-up Abbott's sensor coming next year.

See the following page for a discussion on the Type 2 non-insulin opportunity

Type 2 Non-Insulin Discussion

We ran a scenario analysis that evaluates the potential revenue opportunity for CGMs in the T2 NI population should CMS expand reimbursement coverage in 2026. To frame the opportunity, we modeled penetration trajectories based on the adoption curve observed in T2 basal patients following CMS coverage implementation in 2023 (but slightly discounted for conservatism around the size of the T2 NI population). We note that the T2 NI adoption curve is unlikely to follow the exact build as the T2 basal ramp; however, we believe it was a decent corollary to frame how large this opportunity is.

Assumptions

- We assume a T2 NI population of 24.7 million people at the end of 2025 with a 0.5% 5-year CAGR to 2030.
- The delta in year-over-year CGM penetration in T2 NI mirrors the ramp-up of the T2 Basal population once CMS reimbursement was implemented in 2023 but discounted by 25% for conservatism.
- Average revenue per patient per year declines 2% year-over-year until 2030. We then discount this number further to account for utilization in this patient population (by 50%), **below management's commentary of 75% utilization in this patient population**. We use this discount for conservatism regarding the scale of the population and potential for lower utilization as you go deeper into less intensively managed patients.
- We conservatively assume a 40% and 60% market share split between DexCom and Abbott, respectively.

T2 NI (Following 75% of Basal Ramp)	2025E	2026E	2027E	2028E	2029E	2030E
T2 NI	24.7	24.8	24.9	25.0	25.2	25.3
CGM penetration	*5%*	*9%*	*13%*	*18%*	22%	25%
Δ ***Penetration***		3.2%	4.3%	5.3%	4.0%	2.9%
Implied Total CGM Users	***1.34***	***2.14***	***3.23***	***4.57***	***5.60***	***6.36***
Average Revenue per Patient per year	1,462	1,433	1,404	1,376	1,349	1,322
Revenue per patient growth (Y/Y)			-2%	-2%	-2%	-2%
Assumed T2 NI utilization	50%	50%	50%	50%	50%	50%
Average T2 NI revenue per patient	731	717	702	688	674	661
Estimated revenue opportunity		**$ 1,246**	**$ 1,887**	**$ 2,686**	**$ 3,430**	**$ 3,953**
Dexcom market share		40%	40%	40%	40%	40%
Abbott market share		60%	60%	60%	60%	60%
Dexcom Revenue Opportunity		$499	$755	$1,074	$1,372	$1,581
Abbott Revenue Opportunity		$748	$1,132	$1,612	$2,058	$2,372

Key T2 NI scenario analysis points:

- Our scenario implies CGM penetration of 25% in T2 NI population by 2030, representing roughly 6.4 million patients on CGM (5 million incremental CGM users to today's T2 NI levels, by our math).
- Then, using average revenue per patient, which we conservatively assume decreases 2% per year and discount for lower T2 NI utilization, we calculate a **revenue opportunity of $3.9 billion in 2030** for the entire T2 NI CGM market.
- If we were to split this potential revenue opportunity further by market share between Abbott and DexCom, our math suggests that DexCom could capture **$500 million in T2 NI in 2026 sales alone, or roughly 10% of our current 2026 sales estimate.**
- We remind investors that Dexcom is already seeing some T2 NI volumes so not the entire $500 million would be incremental (we estimate about half would be). That said, our math suggests this population could add $200 million to $300 million in incremental revenue annually until 2030 (relative to today's T2 NI adoption rate), more than double the incremental revenue added from T2 basal patients today. Again, we view this as conservative high-level math, but are bullish on the opportunity going forward as $250 million of incremental revenue in this space can add roughly 5% points of total company growth in 2026.

Where this analysis could be wrong:

- The biggest swing factor is the timing of CMS extending coverage to T2 NI patients. Even a 6–12 month delay could shift the adoption curve by several years and meaningfully reduce our 2025–2030 revenue build.
- Our model assumes T2 NI adoption mirrors the step-up seen in T2 basal following 2023 reimbursement. If uptake is slower due to less clinical urgency, lower physician push, or differences in patient motivation, penetration could lag meaningfully.
- Our analysis assumes the full 25 million T2 NI population represents a serviceable addressable market. In reality, some patients may be less engaged, less tech-comfortable, or clinically excluded, which could cap total penetration even with reimbursement.
- We assume similar revenue per user and utilization rates as T2 basal; however, if average wear time, replacement frequency, or payer-negotiated pricing trends lower for T2 NI, the revenue opportunity could be overstated.
- Market share stability (60% Abbott / 40% Dexcom) is assumed throughout, but any further share shifts in either direction, product differentiation, or pricing strategies could skew the split over time.

Timing expectations for CMS: On timing, we point to Dexcom's MOBILE RCT as a potential corollary; MOBILE was the first randomized trial to show that CGM improves outcomes in Type 2 on basal-only insulin in primary care. A little over a year after MOBILE was published, CMS proposed expanding coverage eligibility for people with diabetes to "any insulin" (proposal October 2022; finalized March 2023; effective April 2023), capturing T2 basal users. For Type 2 non-insulin, Abbott published its IMMEDIATE RCT in 2022 showing clinically meaningful A1c improvements with CGM in non-insulin T2D (specifically, a 0.9% HbA1c improvement with CGM and lifestyle coaching) and third-party published meta analysis aggregating multiple RCTs in NI populations with consistent A1c/TIR benefits (albeit with modest sample sizes and varying protocols).

Further, with Abbott and DexCom advocating for CMS reimbursement, DexCom's management team has stated that conversations thus far have been positive and reimbursement could potentially come before the end of the year. Part of DexCom's confidence in a CMS decision is existing private coverage for 5 million to 6 million T2 NI users today, which means patients every year can age out of private insurance and lose CGM coverage when they move into Medicare. Timing remains unclear, but we think the data supporting T2 NI reimbursement have existed for years, which should provide a good footing for conversations.

Dexcom Stock Thoughts: The positives are that market share seems stable and DexCom can clearly be a winner if T2 NI CMS coverage comes on. There are already multiple RCTs in support of this market, so we believe industry is heavily engaged with CMS for coverage. While there is some risk around ketone sensors in T1D share, we think Abbott will need to develop this market over time, which could give Dexcom time to limit share losses through 1) its own ketone sensor, and 2) smart pump integration (about 40%+ of the market), which likely defends current share. With shares at 26 times 2026 EPS, we maintain our Outperform rating and think share upside can be driven by accelerating sales growth.

Abbott Stock Thoughts: Abbott remains on the offensive in a large and growing TAM. With a dual ketone sensor coming in first half 2026, it will make a renewed effort to tackle a T1D market. Whether or not it takes a meaningful portion of Dexcom's share is less important in our view, since it's all incremental to Abbott. Outside T1D, Abbott will be well positioned in the PCP channel to take advantage of improving T2 NI reimbursement / CMS coverage. Libre continues to be a meaningful growth driver for Abbott, making up nearly 50% of medical device sales, and we think this analysis gives confidence that this growth can continue. With shares at 23 times 2026 EPS, we reiterate Outperform.

DexCom Risks: Growth is dependent on new patient growth, which is increasingly coming from earlier-stage diabetes patients with more limited clinical data support and reimbursement coverage. Major players like Medtronic and Abbott remain heavily invested in the space and can impact DexCom's growth by taking share of existing or new patients in the CGM market. DexCom continues to experience pricing headwinds, which negatively affect reported sales growth. The recent warning letter and Form 483 observations could delay next-generation product launches or result in additional regulatory action.

Abbott Risks: Risks to our thesis include lower-than-expected sales caused by competition in any of the company's key markets, lowered reimbursement rates for its products or respective procedures, or slower-than-anticipated adoption or use of products among physicians and/or patients. Abbott's EPS growth is dependent on operational efficiencies that could be materially offset by investments in the company's growing product lines. Further, as a global company, Abbott has exposure to several international countries, introducing operational and foreign currency risks.

October 2025

Fall 2025 Diabetes Survey Results Summary

114 Total Respondents:
- 102 Primary Care Physicians
- 12 Endocrinologists

Fall 2025 Diabetes Survey – All Respondents

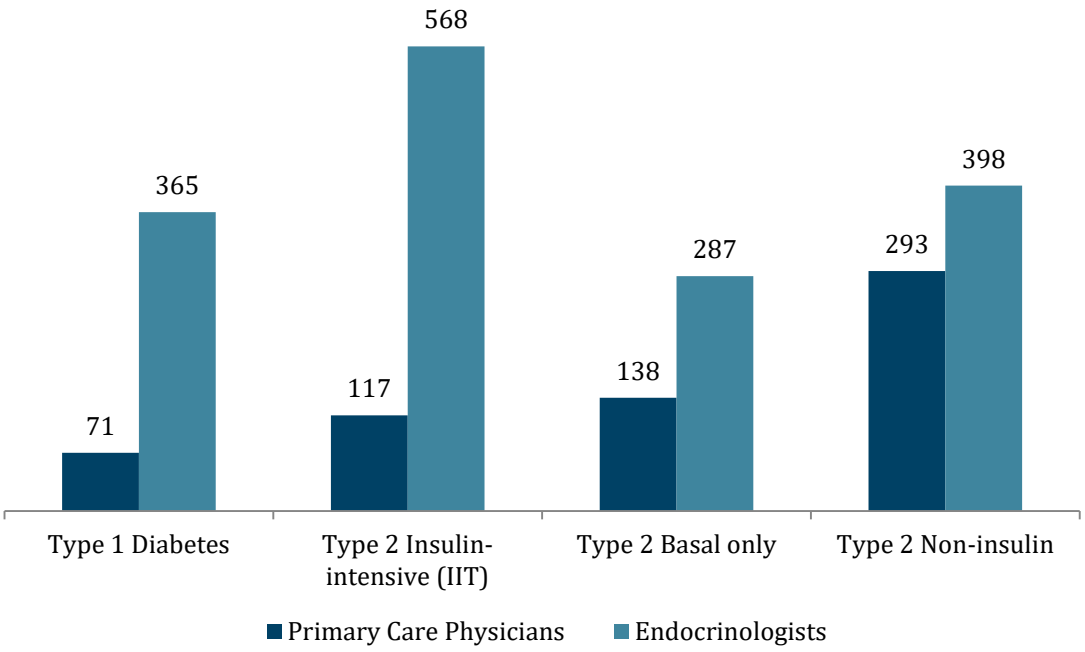
Question List – All Respondents

1. How many of the following patients do you see annually?
2. By the below types of diabetes, what percentage of your patients are on CGM today? (enter as percentage)
3. By the below types of diabetes, what percentage of your patients do you expect will be on CGM in 3 years? (enter as percentage)
4. What do you view as the key benefits of Dexcom's G6/G7 sensor over Abbott's Freestyle Libre? (select up to 3)
5. What do you view as the key benefits of Abbott's Freestyle Libre sensors over Dexcom's G6/G7 sensor? (select up to 3)
6. In 2025, what percentage of your Dexcom CGM users have switched to a competitive CGM?
7. In 2025, what percentage of your Abbott Libre CGM users have switched to a competitive CGM?
8. Among patients that have switched their sensor manufacturer, what were their primary reasons for switching? (select up to 3)
9. For new CGM patients in the next 3 years, what percentage do you expect will go on (Abbott vs Dexcom)? [Answers must equal 100%]

Fall 2025 Diabetes Survey – All Respondents

1. How many of the following patients do you see annually? (T1, T2 IIT, T2 Basal, T2 NI)

- Primary care physicians (PCPs) on average see 71 T1s, 117 T2 IITs, 138 T2 Basal, and 293 T2 NI patients annually.
- Endocrinologists (endos) on average see 365 T1s, 568 T2 IITs, 287 T2 Basal, and 398 T2 NI patients annually.
- Results were in line with our expectations and management commentary based on patient volumes. Endos see more patients on average, but these skew more heavily toward intensively managed patients, whereas PCPs see more less intensively managed patients.

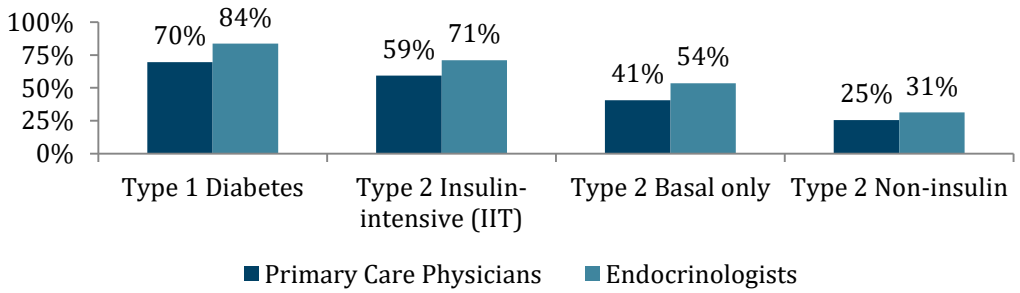


Note: 114 total respondents answered question: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

2. By type of diabetes, what percentage of your patients are on CGM today?

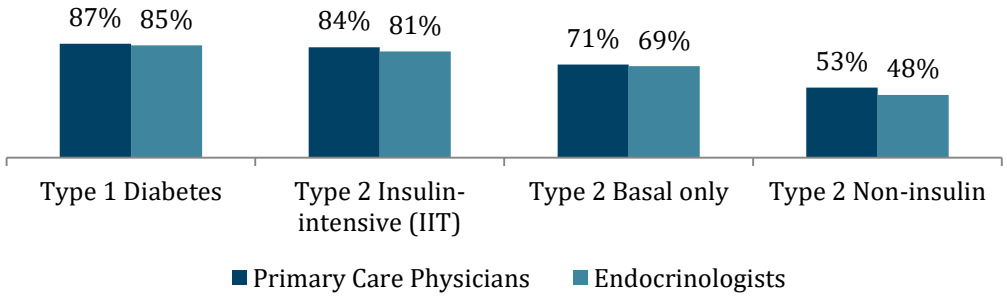
- On average, PCPs estimate that 70% of T1, 59% of T2 IIT, 41% of T2 Basal, and 25% T2 NI are currently on CGM.
- On average, Endos estimate that 84% of T1, 71% of T2 IIT, 54% of T2 Basal, and 31% T2 NI are currently on CGM.
- Again, results were in line with our prior assumptions given current penetration rates and reimbursement coverage.



3. By type of diabetes, what percentage of your patients do you expect will be on CGM in 3 years?

- Based on these two questions the implied **3-year CAGR** for each population is as follows:

	PCPs	Endos
T1D	8%	1%
T2IIT	12%	4%
T2B	20%	9%
T2NI	28%	15%

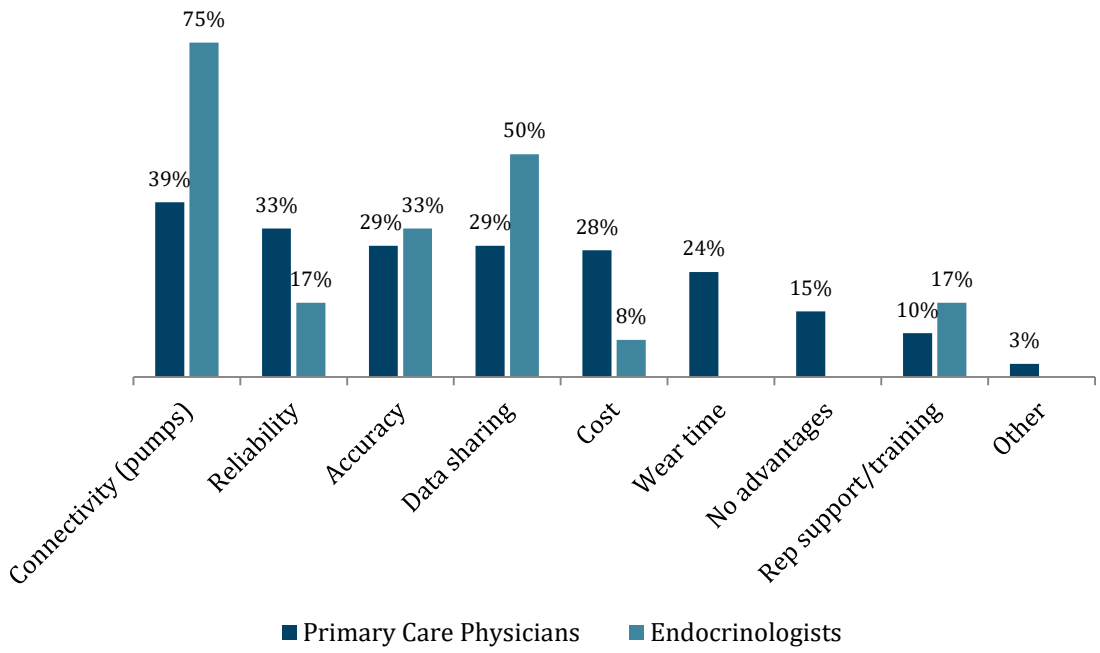


Note: Percentages based on 114 respondents: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

4. What do you view as the key benefits of Dexcom's G6/G7 sensor over Abbott's Libre sensor? (select up to 3)

- PCPs were fairly split in terms of why they prefer a Dexcom CGM over Abbott's. Pump connectivity, reliability, accuracy, and data sharing were selected in 39%, 33%, 29%, and 29% of responses, respectively.
- **Reliability being a top competitive advantage was a notable outcome in the context of recent noise with MAUDE filings.**
- Although a smaller sample size, endos preferred a Dexcom CGM over an Abbott sensor because of pump connectivity (selected in 75% of answers), data sharing (selected in 50% of answers), and accuracy (selected in 33% of answers).
- Pump connectivity, accuracy and data sharing were among the top answers across both groups. We believe this underscores Dexcom's strength as the more technologically advanced, premium product.

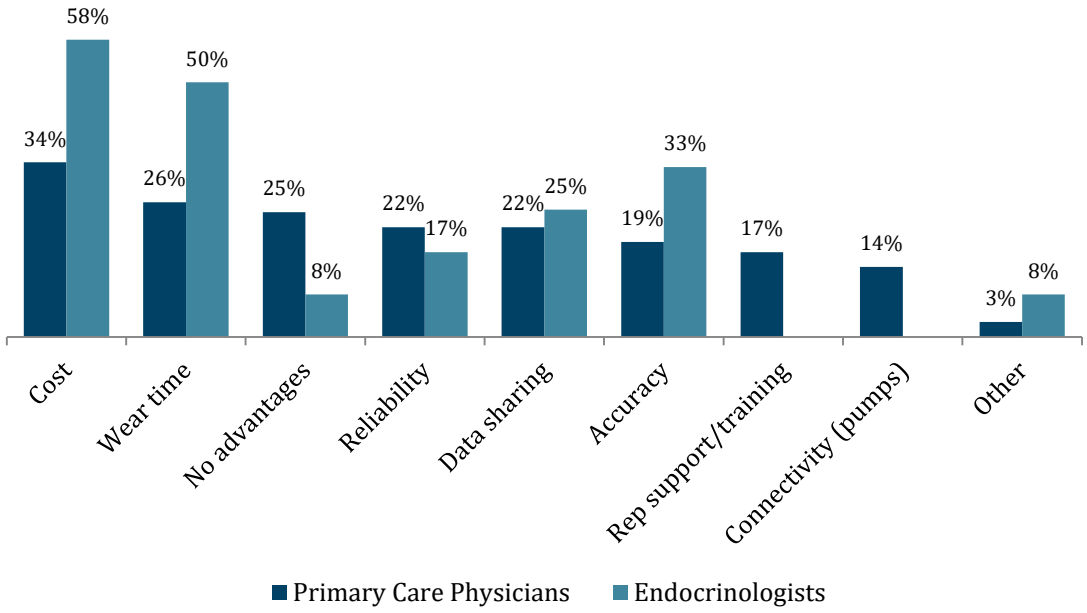


Note: 114 total respondents answered question: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

5. What do you view as the key benefits of Abbott's Libre sensors over Dexcom's G6/G7 sensor? (select up to 3)

- PCPs preferred an Abbott CGM because of cost (34%), wear time (26%), and reliability (22%).
- Endos preferred an Abbott CGM because of cost (58%), wear time (50%), and accuracy (33%).
- Cost, wear time, and reliability were among the top answers across both groups. We believe this underscores Abbott's strength as the more cost-friendly option, with longer wear time and similar accuracy and reliability to Dexcom's sensor.
- Notably, 25% of PCPs believe there is no advantage to using a Libre Sensor over a Dexcom sensor.
- **Rep support is a notable benefit for Abbott and likely represents its relatively larger PCP presence as a large healthcare company.**
- **Wear time being a top differentiator for Abbott Libre is notable since Dexcom is in the process of launching a 15-day sensor.**

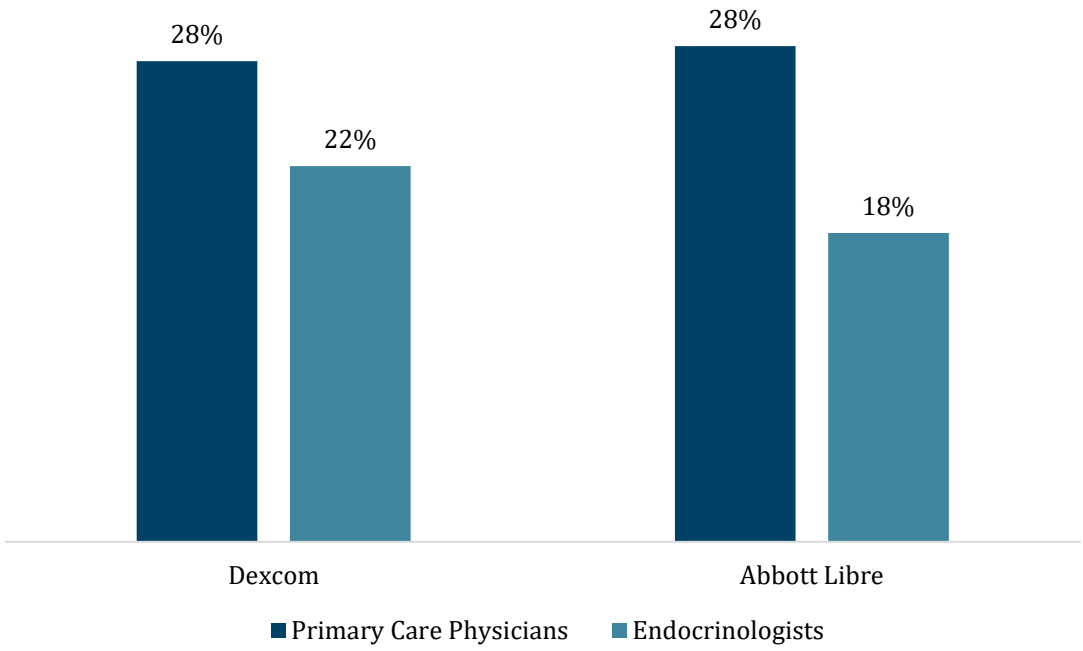


Note: 114 total respondents answered question: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

6. In 2025, what percentage of your Dexcom/Abbott Libre CGM users have switched to a competitive CGM?

- On average, 28% of diabetic patients visiting a PCP switched to a competitive CGM in 2025.
- Endos indicated that 22% of their Dexcom CGM users and 18% of their Abbott users switched to a competitive CGM in 2025.
- Average attrition when asked what percentage of users have switched from G6/G7 to Libre (and vice versa) was 28% for PCPs, and about 20% for endos. **We view this as positive for Dexcom given recent headlines regarding sensor reliability and concerns of share losses.**



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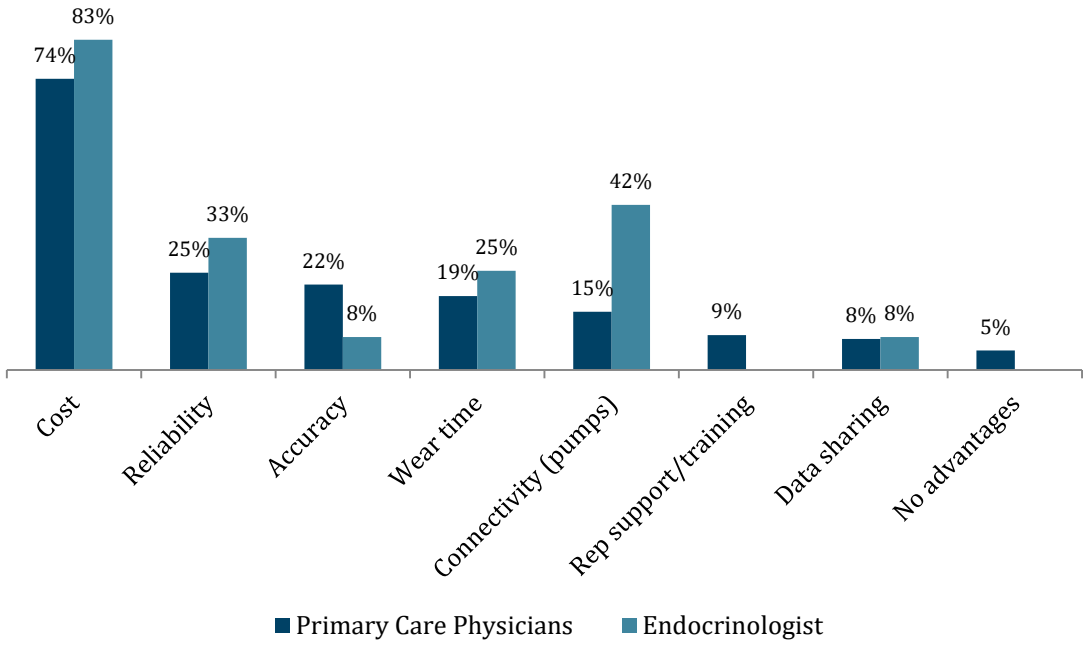
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

7. Among patients that have switched their sensor manufacturer, what were their primary reasons for switching?

- Cost was by far the biggest reason that both PCPs' and endos' patients switched CGMs, with **74% of PCPs and 83% of endos selecting cost.**
- Cost being the clear #1 reason for switching to a competitive CGM was largely unsurprising and in line with our prior expectations considering Abbott's lower price point.
- Following cost, reliability and accuracy were the second and third-most selected by PCPs (selected by 25% and 22% of PCPs, respectively), while connectivity and sensor reliability were the next highest for endos (selected by 42% and 33% of endos, respectively).

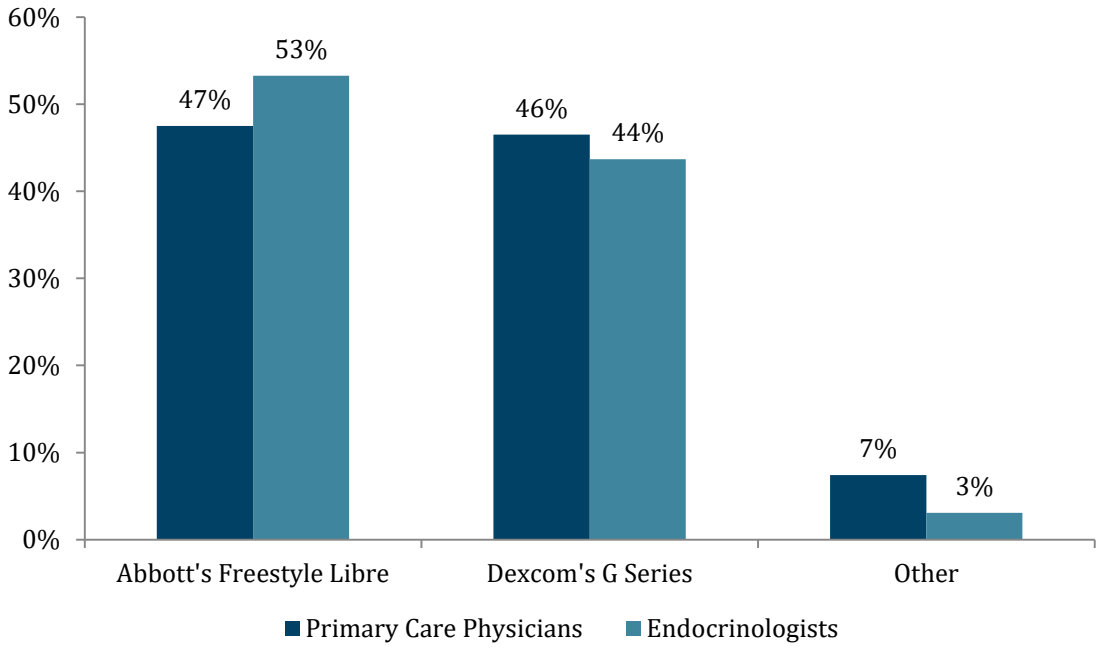


Note: 114 total respondents answered question: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – All Respondents

8. For new CGM patients in the next 3 years, what percentage do you expect will go on (Abbott vs Dexcom)?

- In the next three years, PCPs estimate that market share between Abbott and Dexcom will be split at 47% and 46%, respectively.
- Market share in the next three years among endos favors Abbott over Dexcom (53% and 44%, respectively).
- **Results reinforce our thesis that the CGM market is a duopoly, with Dexcom and Abbott largely splitting the market** (though Abbott's scale likely leaves it the larger player). We continue to believe both players can win in this space without any material share shift.



Note: 114 total respondents answered question: 102 PCPs and 12 Endos
Source: William Blair Equity Research

Fall 2025 Diabetes Survey – Primary Care Physicians

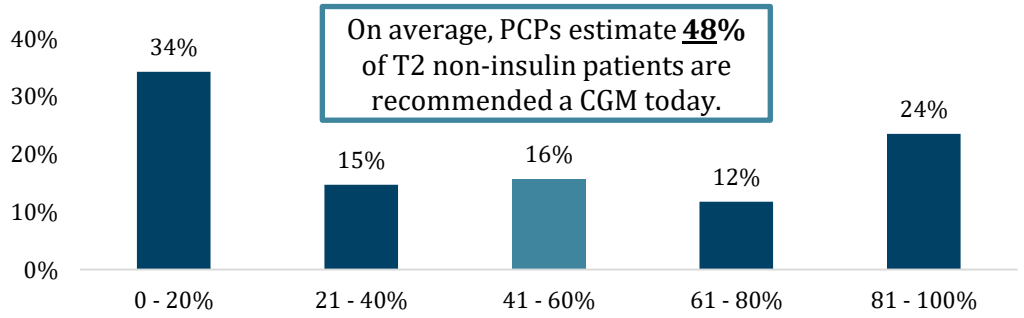
Questions Specific to Primary Care Physicians

1. Today, what percentage of newly diagnosed Type 2 non-insulin patients do you recommend CGM for?
2. Assuming broad-based Type 2 non-insulin reimbursement for CGM, what percentage of your newly diagnosed Type 2 non-insulin patients would you recommend use CGM?

Fall 2025 Diabetes Survey – Primary Care Physicians

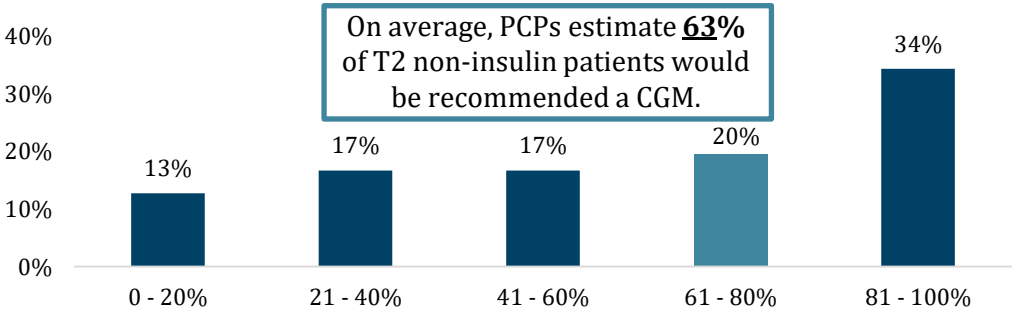
1. Today, what percentage of newly diagnosed Type 2 non-insulin patients do you recommend a CGM for?

- Today, 34% of PCPs recommend that 0%-20% of their new T2 NI patients use a CGM. On the other hand, 24% recommend a CGM to 81%-100% of their newly diagnosed T2 NI patients.



2. Assuming broad-based Type 2 non-insulin reimbursement for CGM, what percentage of your newly diagnosed Type 2 non-insulin patients would you recommend use a CGM?

- 34% of PCPs estimate that they'd recommend CGM to 81%-100% of T2 NI diabetics if reimbursement were in place.
- **This compares to 25% of T2 NI patients currently on CGM and implies PCPs expect reimbursement could grow the market >2.5x.**



Source: William Blair Equity Research

Fall 2025 Diabetes Survey – Endocrinologists

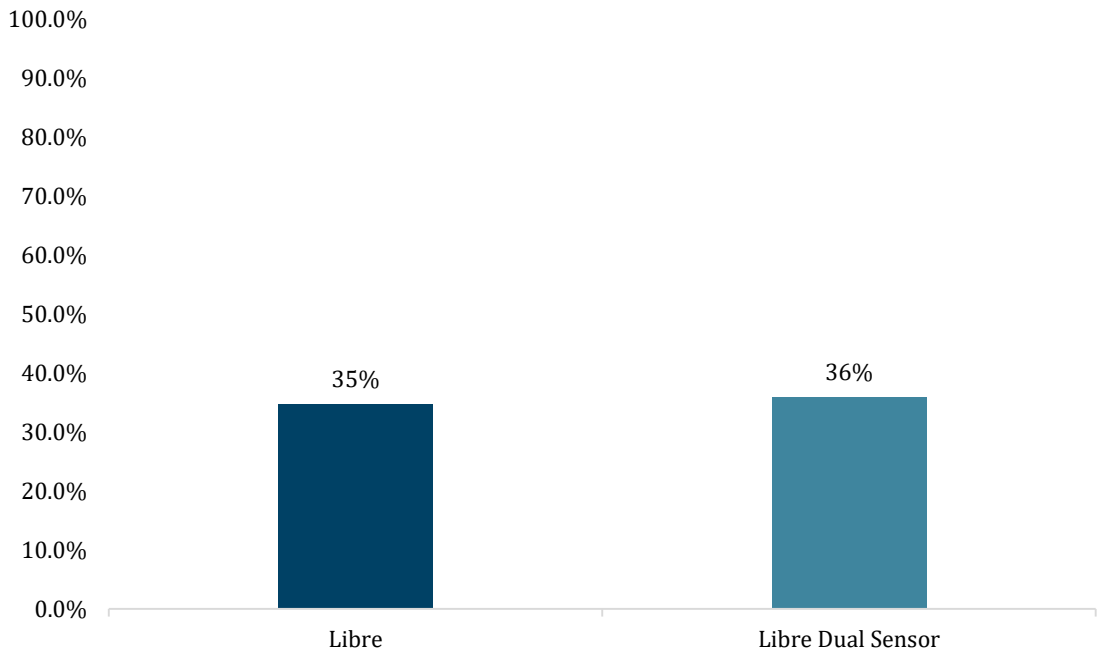
Questions Specific to Endocrinologists

1. Today, to what percentage of Type 1 patients new to CGM do you prescribe Abbott's Libre instead of a Dexcom CGM?
2. What percentage of Type 1 patients new to CGM would you expect to put on an Abbott dual-sensor with ketone + glucose sensing (assuming it launched today and had a similar pricing to Libre today) over the next 12 months?
3. Today, what percentage of your Type 1 patients currently use Dexcom CGMs?
4. What percentage of Type 1 current Dexcom users would you expect to switch to an Abbott dual-sensor (ketone + glucose) over the next 12 months, if the dual-sensor launched today?

Fall 2025 Diabetes Survey – Endocrinologists

1. To what percentage of Type 1 patients do you prescribe Libre today?
2. Assuming a dual-ketone sensor, to what percentage of type 1 patients would you prescribe Libre?

- Endos indicated that **35%** of their Type 1 patients are prescribed Libre today.
- If Abbott were to come out with a dual-ketone sensor, endos noted a slight uptick in their prescription rates—with an average of 36% of their Type 1 patients being prescribed.
- **Our endo survey captured a relatively smaller sample size, but we think this shows there will be some market education required to drive Ketone sensor adoption in T1s.**

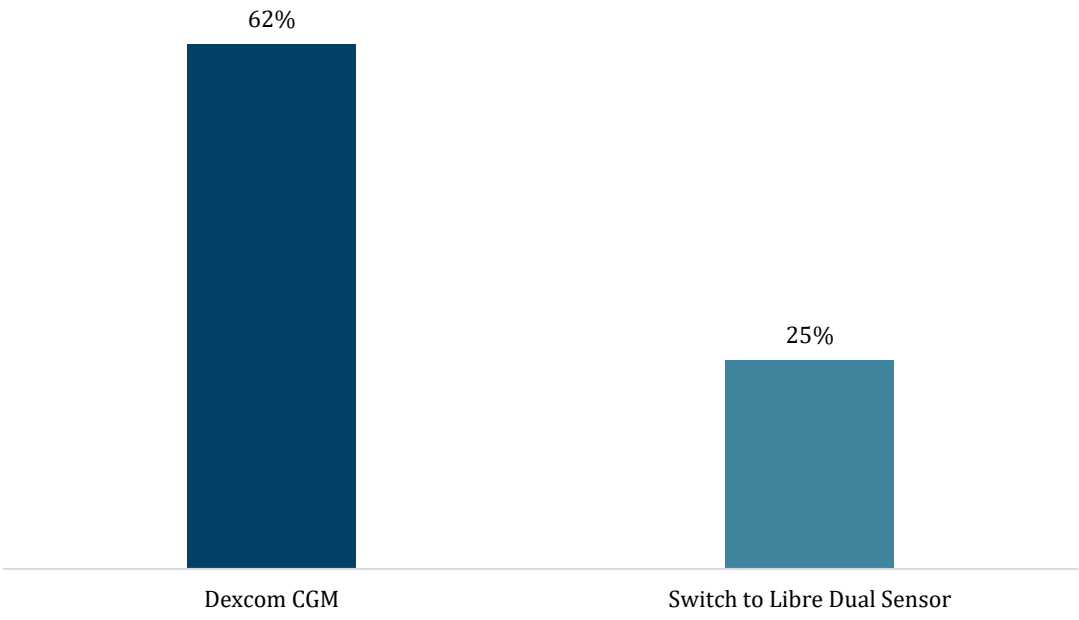


Source: William Blair Equity Research

Fall 2025 Diabetes Survey – Endocrinologists

3. Today, what percentage of your Type 1 patients currently use Dexcom CGMs?
4. What percentage of today's Dexcom Type 1 users would you expect to switch to a Libre dual-ketone sensor?

- On average, **62%** of Type 1 patients that endos prescribe are currently using Dexcom CGMs.
- When asked if Abbott were to come out with a dual-ketone sensor, endos indicated that they would switch 25% of their Type 1 patients to the sensor.
- If 25% of Dexcom's current T1 population were to switch to an Abbott dual-ketone sensor, we estimate that could represent up to a $250 million sales headwind (5% of our 2025 sales estimate).



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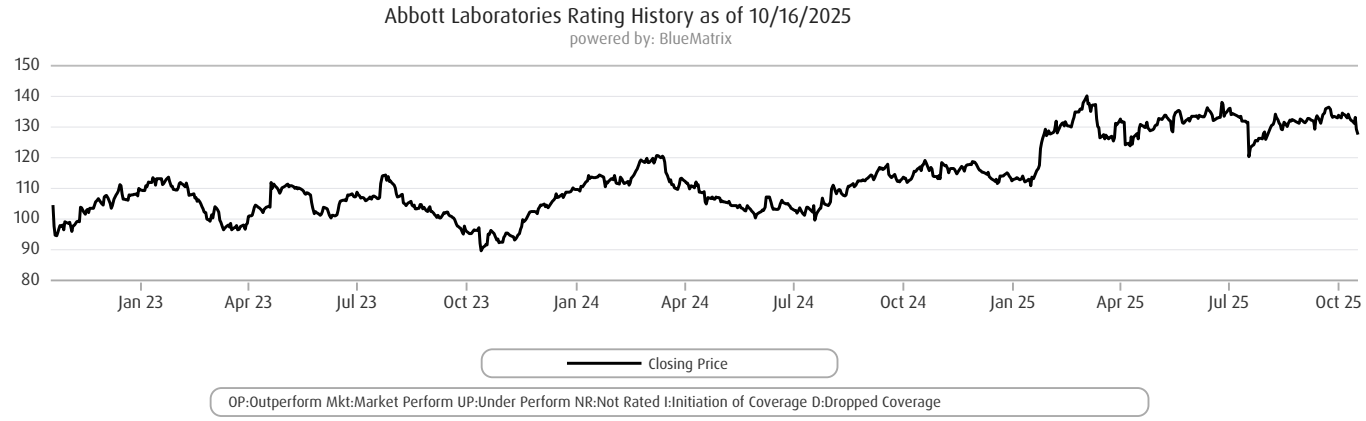

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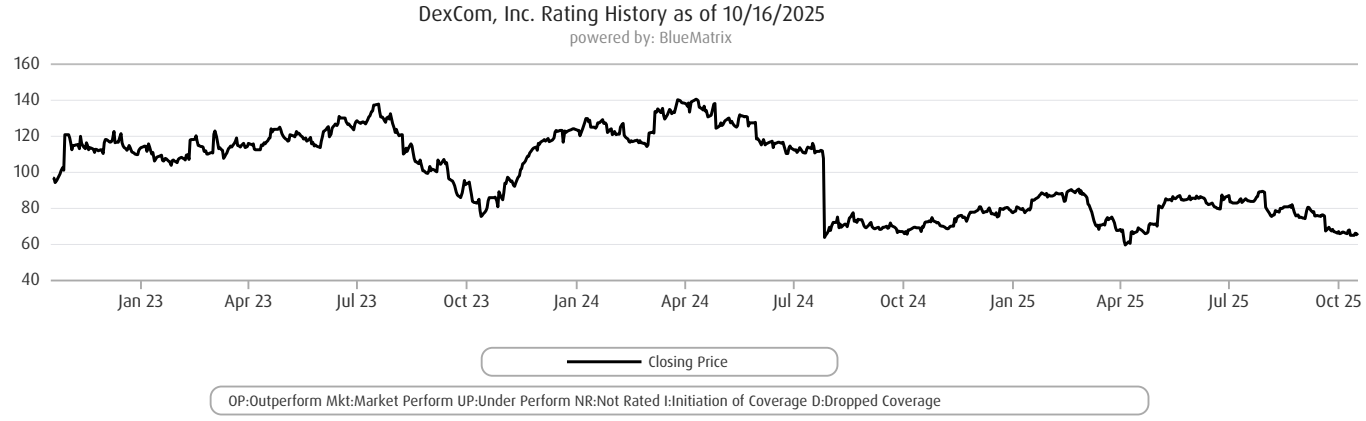

Source: FactSet & William Blair

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