



# 4Q-21 Quarterly Results

# Safe Harbor

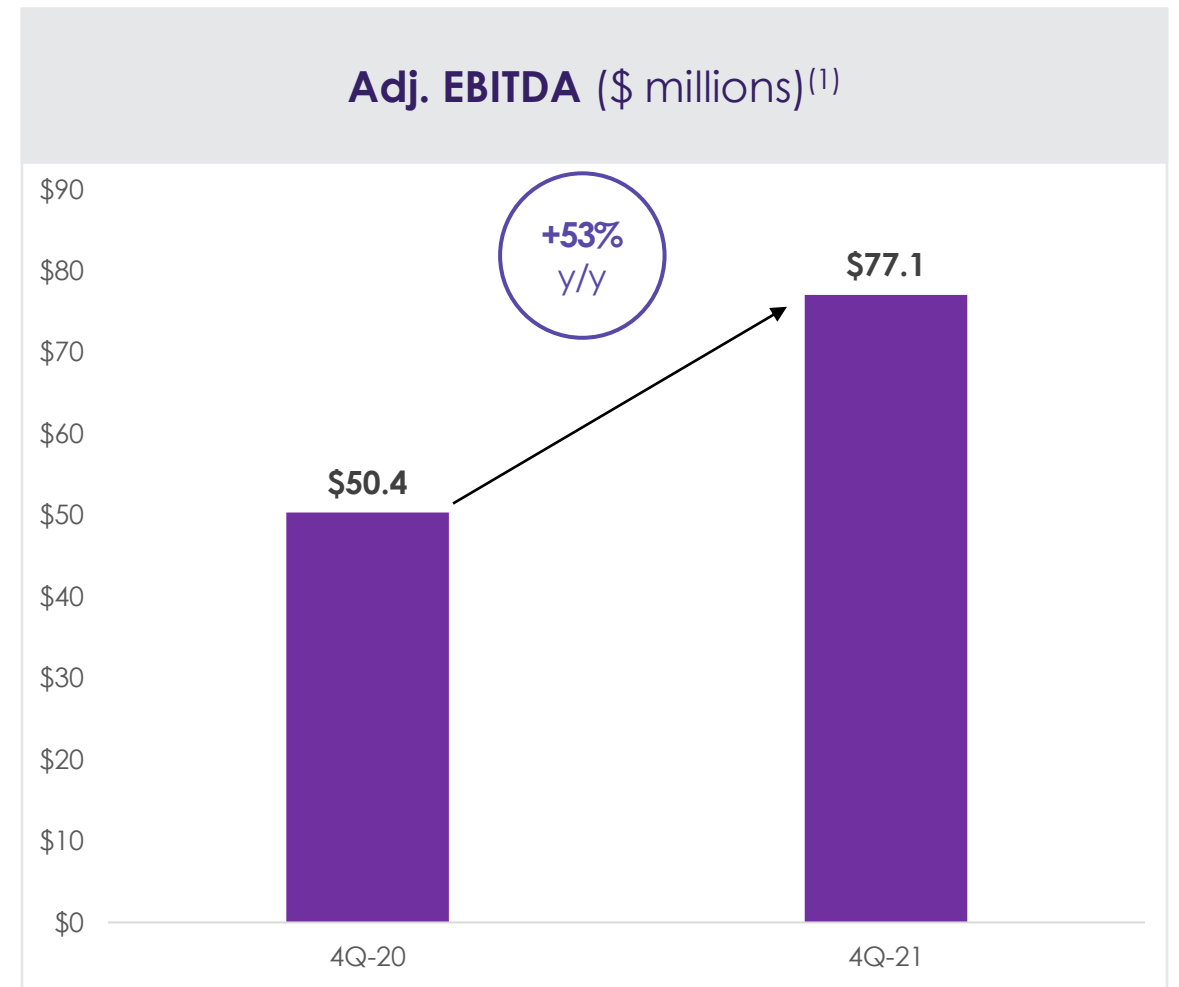
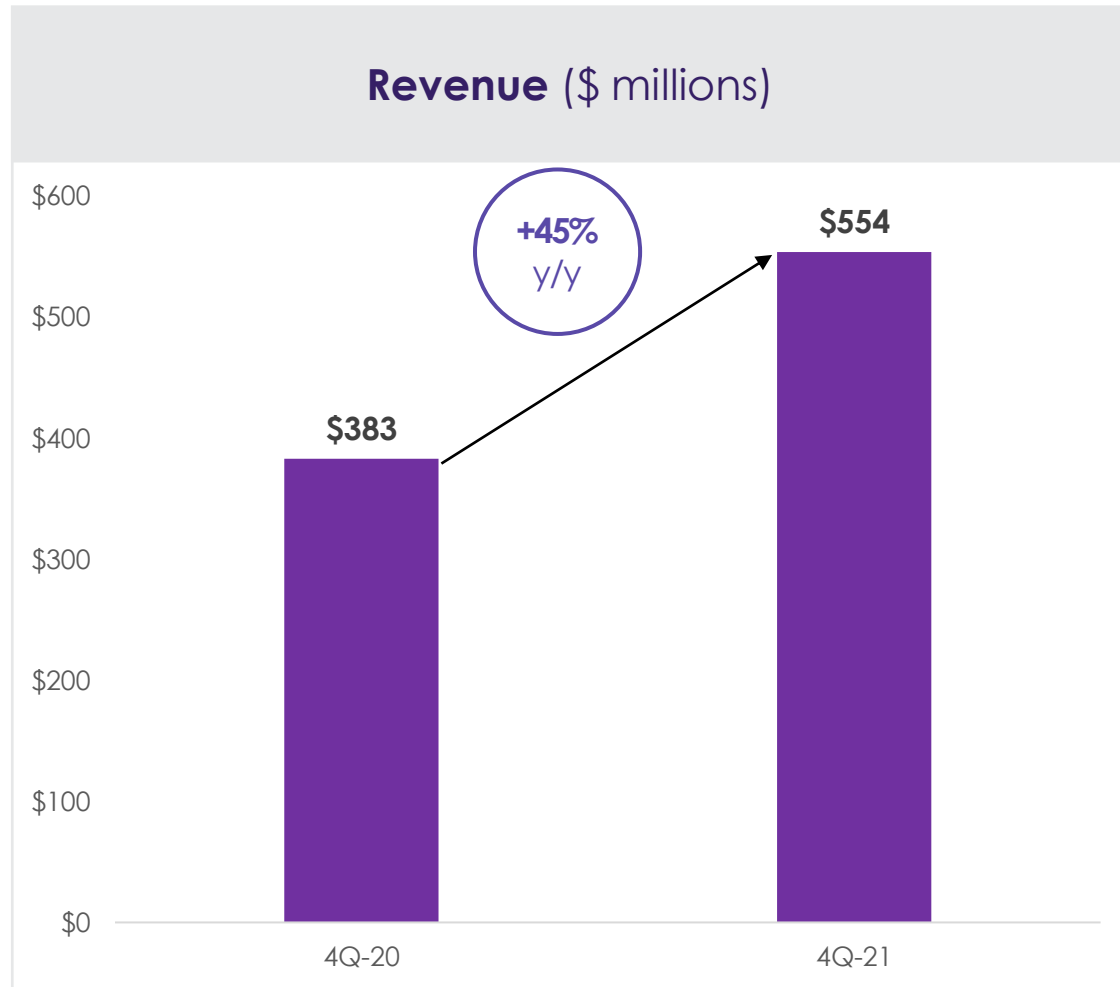
- This presentation contains, and our officers may make, “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, without limitation, information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipate,” “expect,” “suggest,” “plan,” “believe,” “intend,” “estimate,” “target,” “project,” “should,” “could,” “would,” “may,” “will,” “forecast,” and other similar expressions.
- Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. These statements are based on certain assumptions that we have made in light of our experience in the industry and our perception of historical trends, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances as of the date hereof. These and other important factors may cause our actual results, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. Such risks and other factors that may impact management’s beliefs and assumptions are more particularly described in our filings with the U.S. Securities and Exchange Commission (the “SEC”), including under “Item 1A.—Risk Factors” in our Annual Report on Form 10-K, and under similar headings in our subsequently filed Quarterly Reports on Form 10-Q, and could cause our results to differ materially from those expressed in forward-looking statements. As a result, we cannot guarantee future results, outcomes, levels of activity, performance, developments, or achievements, and there can be no assurance that our expectations, intentions, anticipations, beliefs, or projections will result or be achieved or accomplished. The forward-looking statements in this presentation are made only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.
- This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.
- This presentation may include certain non-GAAP financial measures as defined by SEC rules. We believe that the presentation of such non-GAAP financial measures enhances an investor's understanding of our financial performance. We use certain non-GAAP financial measures for business planning purposes and in measuring our performance relative to that of our competitors. For additional information regarding these non-GAAP financial measures, including reconciliations to the most directly comparable financial measure calculated according to GAAP, refer the appendix to this presentation. We have not reconciled Adjusted EBITDA guidance to U.S. GAAP net income (loss) because we do not provide guidance on the individual reconciling items between Adjusted EBITDA and U.S. GAAP net income (loss) as a result of the uncertainty regarding, and the potential variability of, the individual reconciling items, the effect of which may be significant. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding U.S. GAAP measure is not available without unreasonable effort.

# Financial Highlights

- **4Q Revenue of \$554M grew 45% y/y**
- **4Q Adjusted EBITDA<sup>(1)</sup> of \$77.1M grew 53% y/y**
- **FY-21 Operating Cash Flow of \$194M**
- **FY-22 Revenue guidance range \$2.55B to \$2.65B**
  - 1Q-22 Revenue guidance range \$565M to \$571M
- **FY-22 Adj. EBITDA guidance range \$330M to \$355M**
  - 1Q-22 Adj. EBITDA guidance range \$51M to \$55M

1. See reconciliation of GAAP to non-GAAP measures immediately following this presentation.

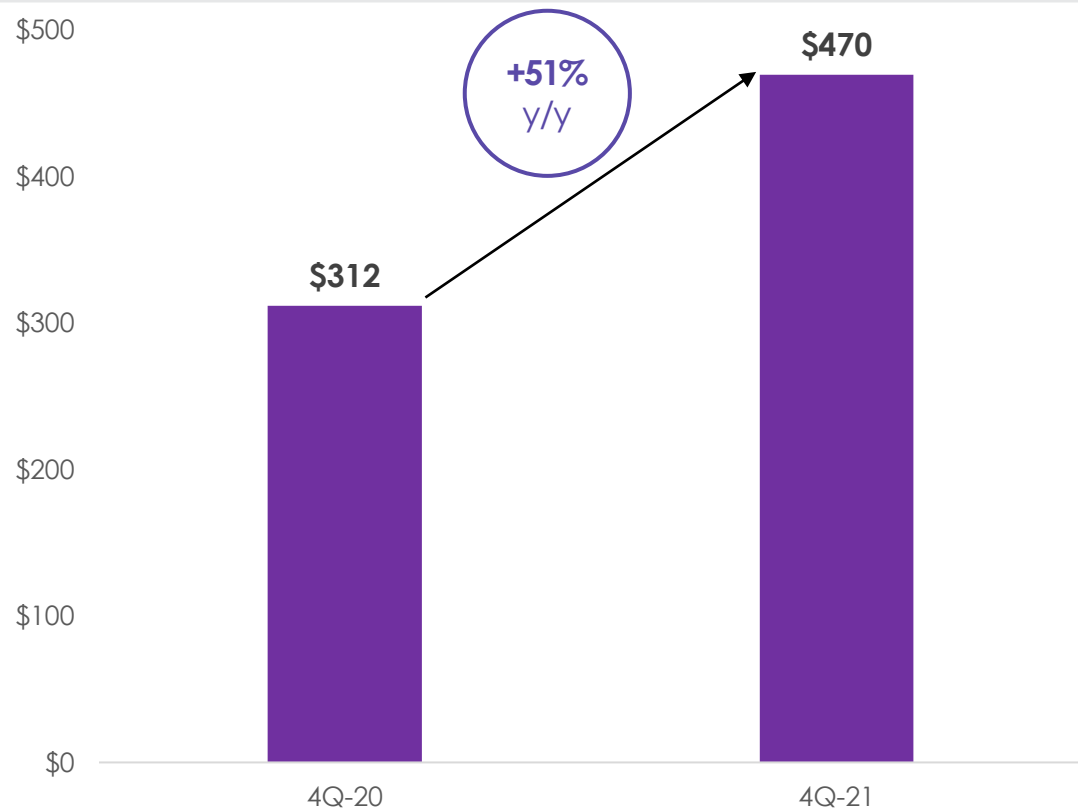
# 4Q-21 Results: Revenue & Adj. EBITDA



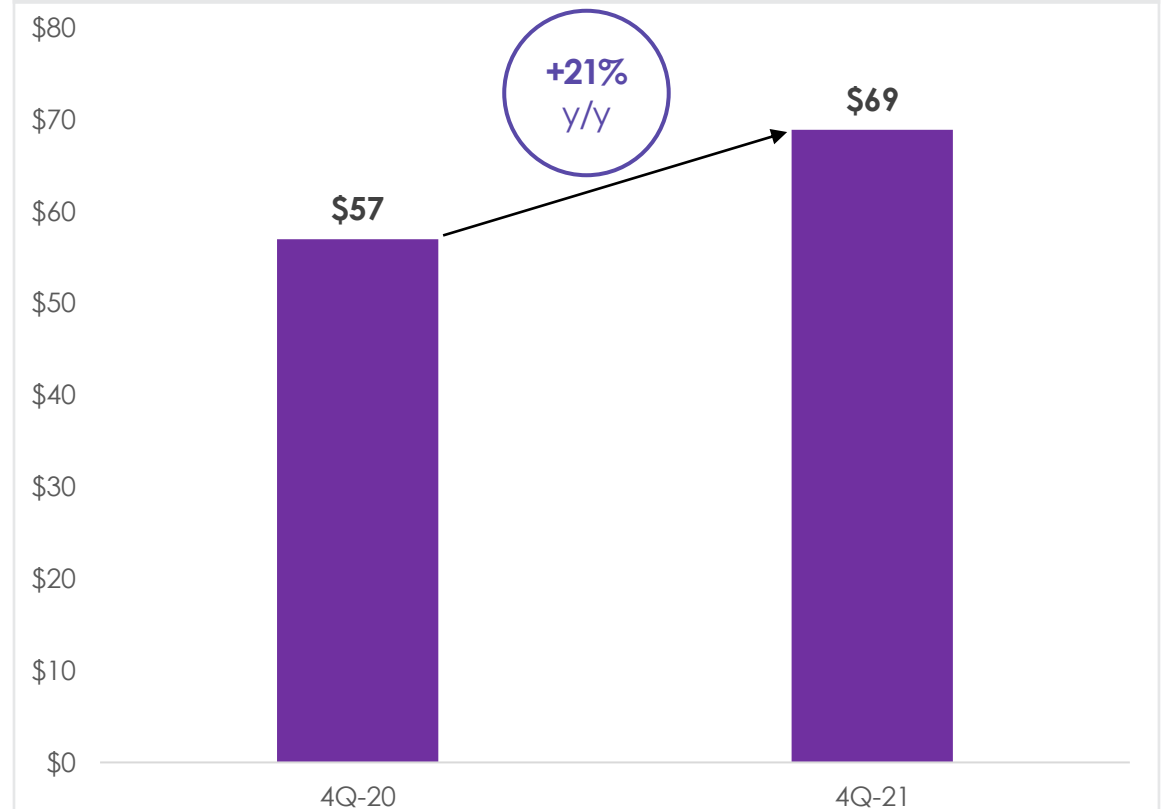
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# 4Q-21 Revenue: Access Fees & Visit Fees

**Access Fee Revenue** (\$ millions) <sup>(1)</sup>



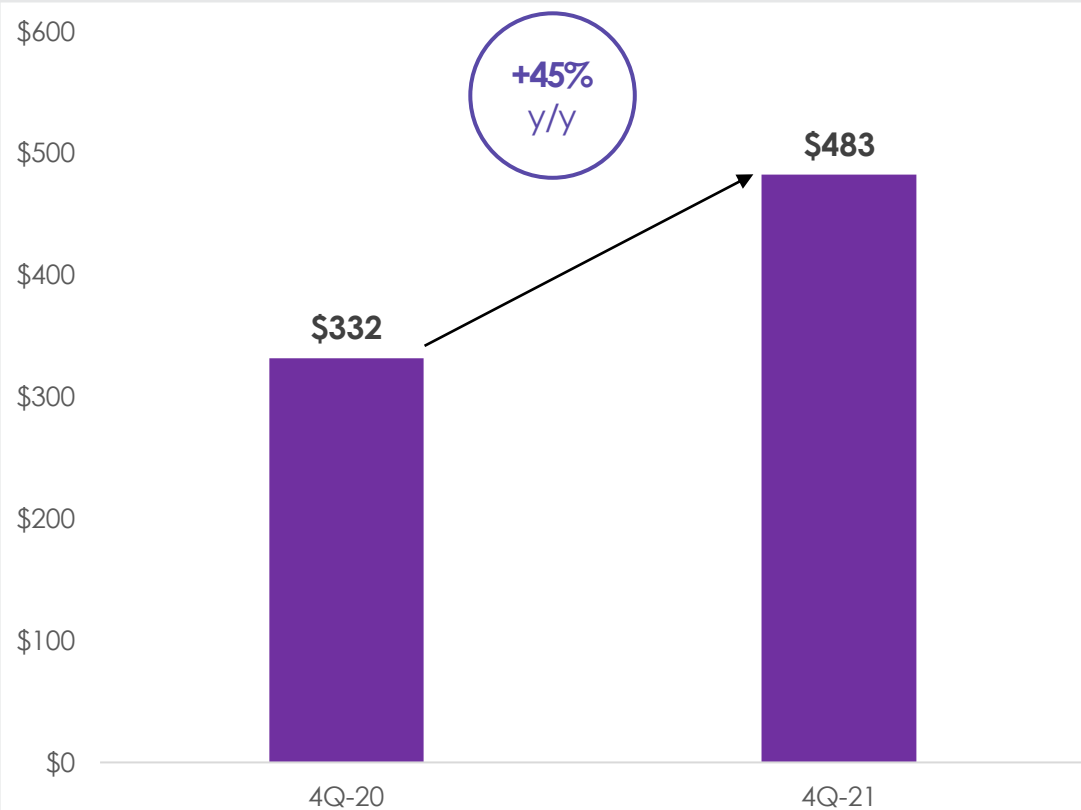
**Visit Fee Revenue** (\$ millions) <sup>(1)</sup>



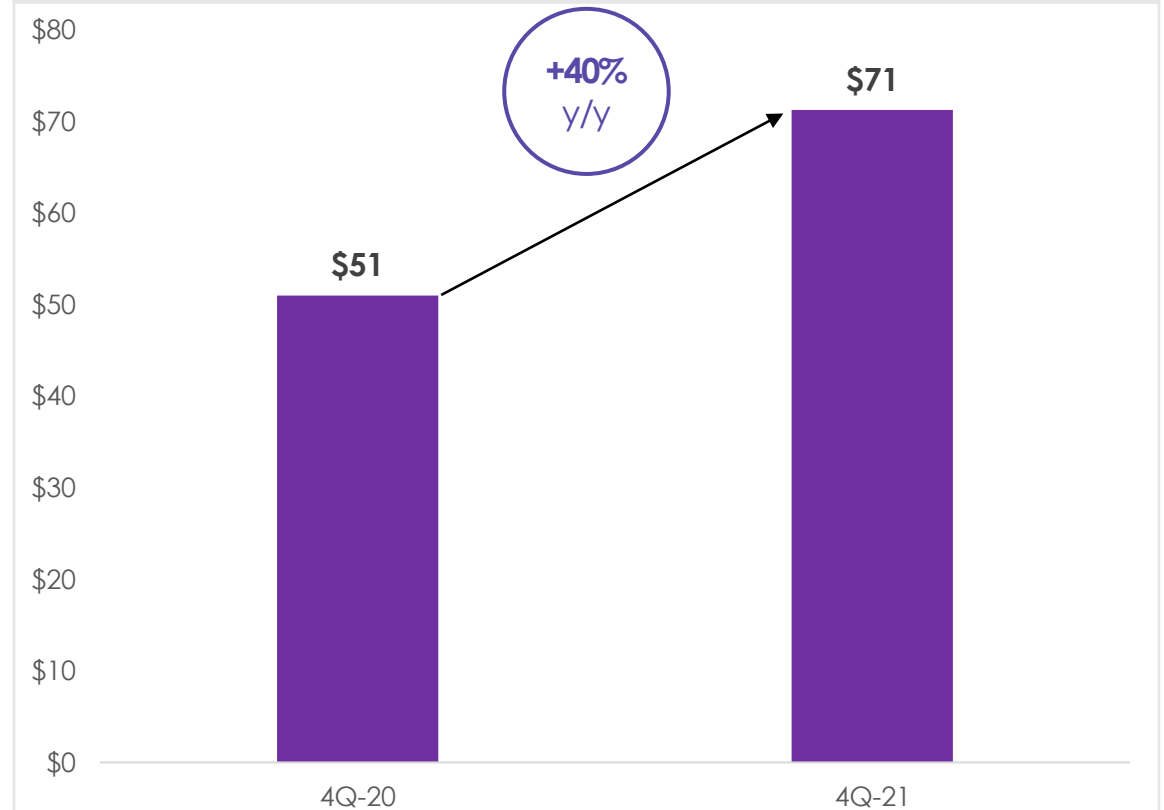
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# 4Q-21 Revenue: U.S. & International

## U.S. Revenue (\$ millions) <sup>(1)</sup>



## International Revenue (\$ millions) <sup>(1)</sup>



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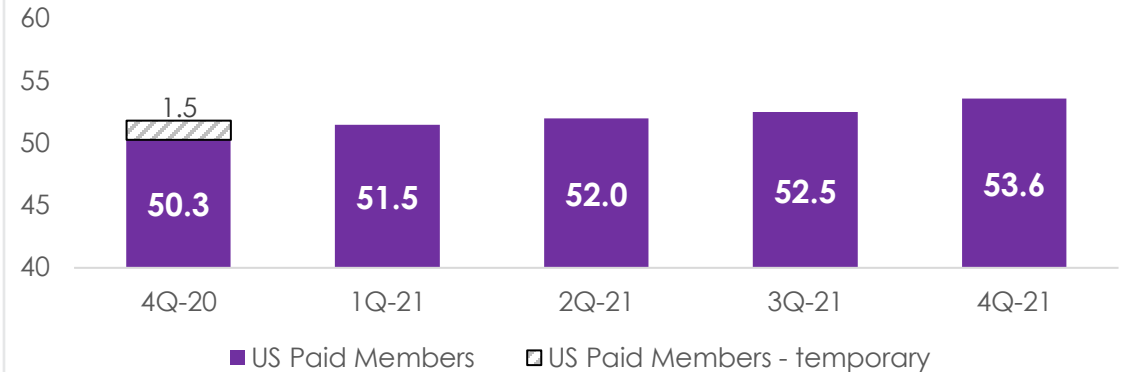
# Quarterly Trend: Revenue, Membership, & Avg Revenue per Member

## Revenue (\$ millions) <sup>(1)</sup>

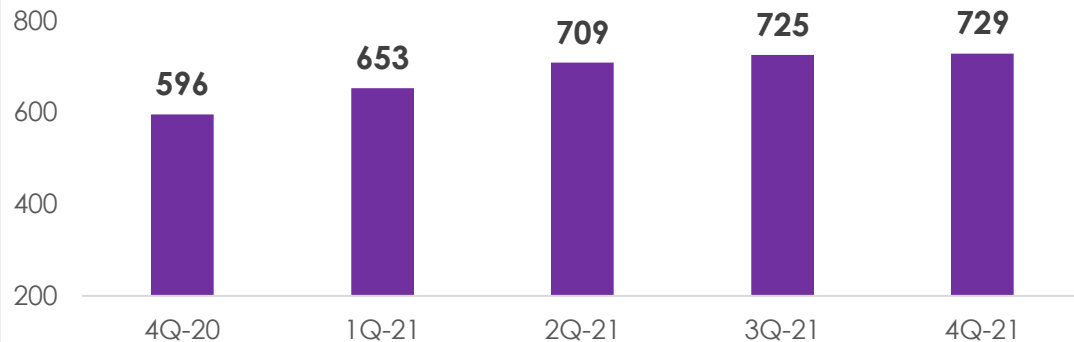
|                      | 4Q-20        | 1Q-21        | 2Q-21        | 3Q-21        | 4Q-21        |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Access Fees          | \$312        | \$382        | \$431        | \$449        | \$470        |
| Visit Fees           | \$57         | \$61         | \$62         | \$63         | \$69         |
| Other Revenue        | \$14         | \$11         | \$10         | \$10         | \$15         |
| <b>Total Revenue</b> | <b>\$383</b> | <b>\$454</b> | <b>\$503</b> | <b>\$522</b> | <b>\$554</b> |

\*Totals may not sum due to rounding

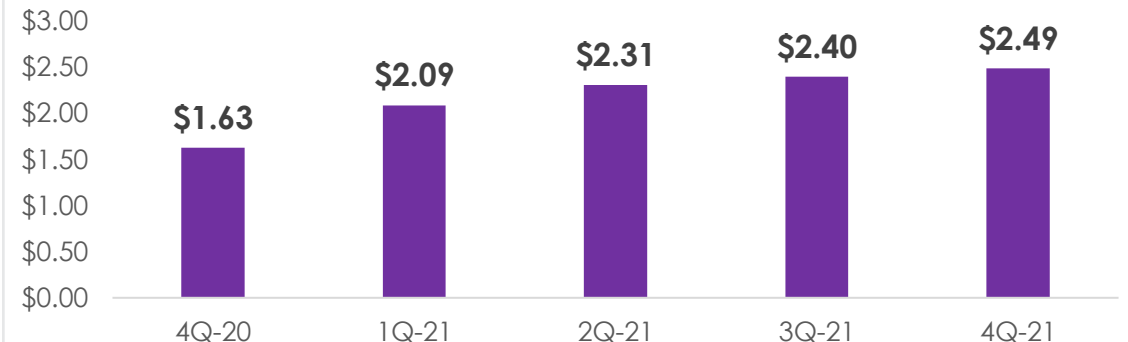
## U.S. Paid Members (millions)



## Chronic Care Enrollment (000s)

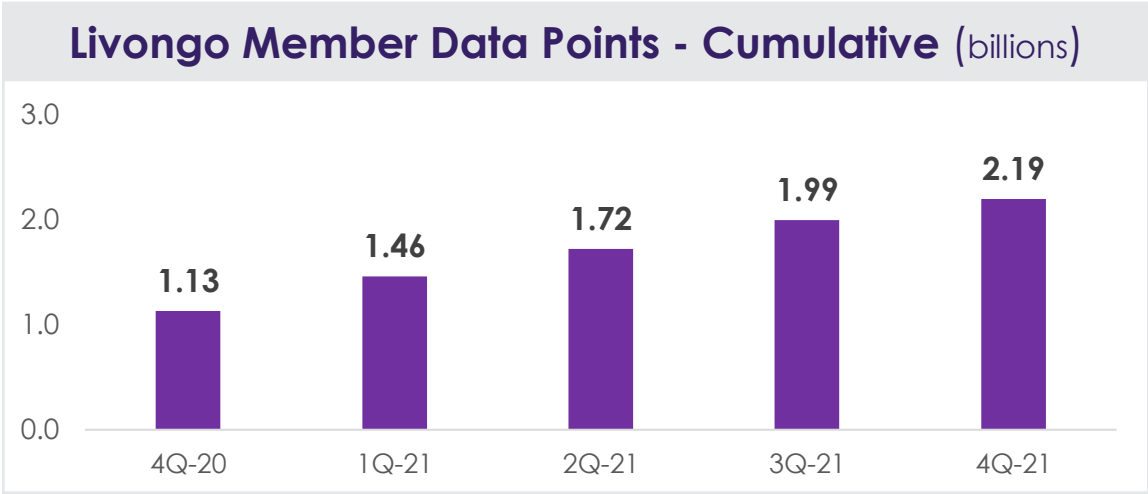
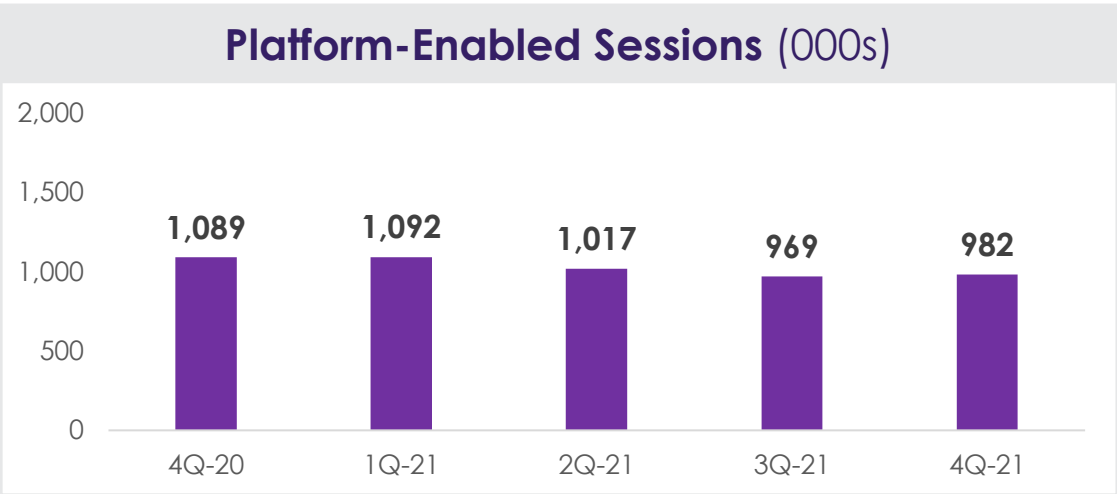
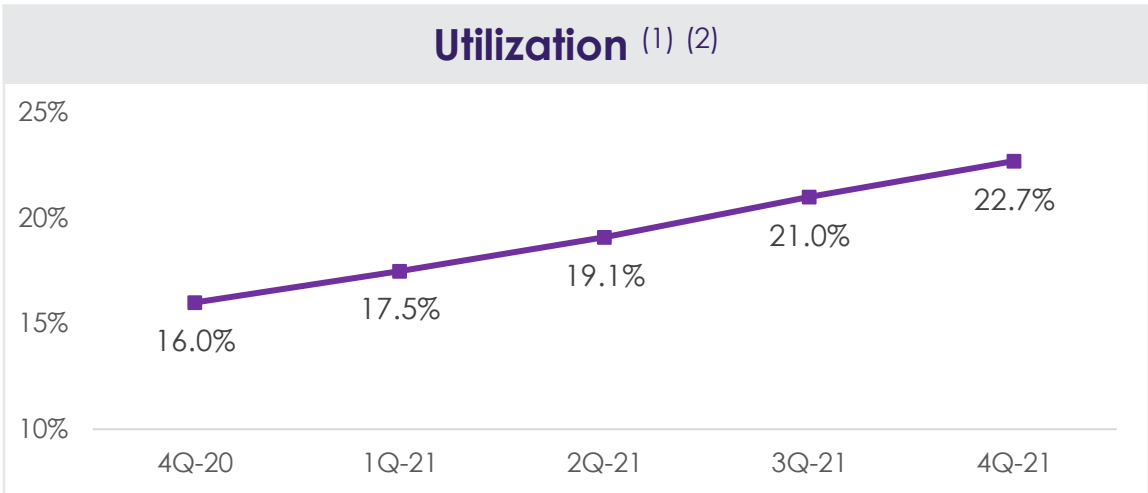
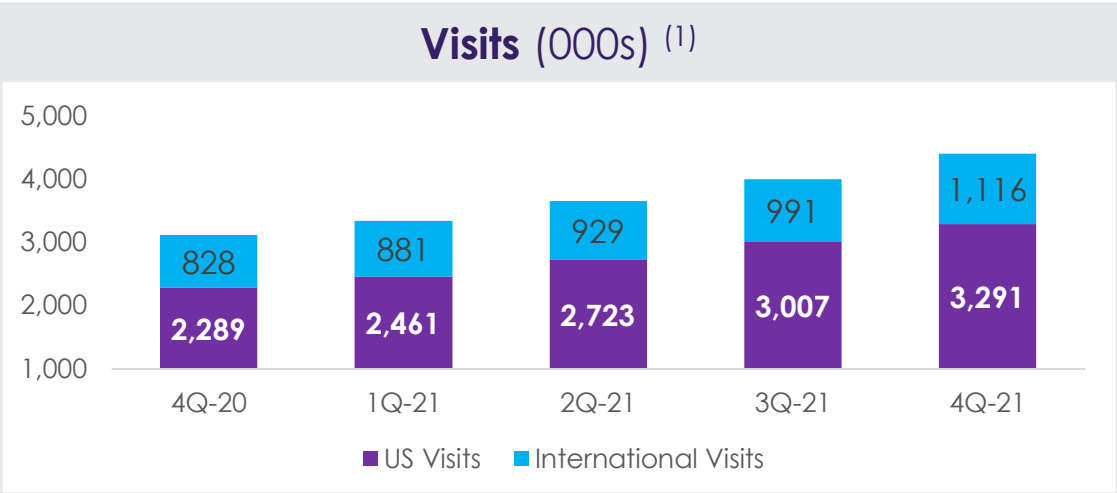


## Avg US Revenue per Member <sup>(1)</sup> <sup>(2)</sup>



- During the fourth quarter of 2021, Teladoc Health refined its definition of international revenues to reflect all international revenues based on location of the customer. Previously, direct to consumer activities were primarily reflected based on the location of operations. In addition, certain activities related to our international operations are now reflected in visit revenues versus access fee revenues. Prior period amounts have been recast to conform with current presentation. Consistent with this change, the corresponding metrics have been updated.
- Average U.S. Revenue Per Member measures the average quarterly amount of access revenue that Teladoc Health generates from a U.S. paid member. It is calculated by dividing the quarterly U.S. access revenue generated from the Company's U.S. paid members, excluding certain non-member based access fees, by the total average number of U.S. paid members during the quarter.

# Quarterly Trend: Key Operating Metrics

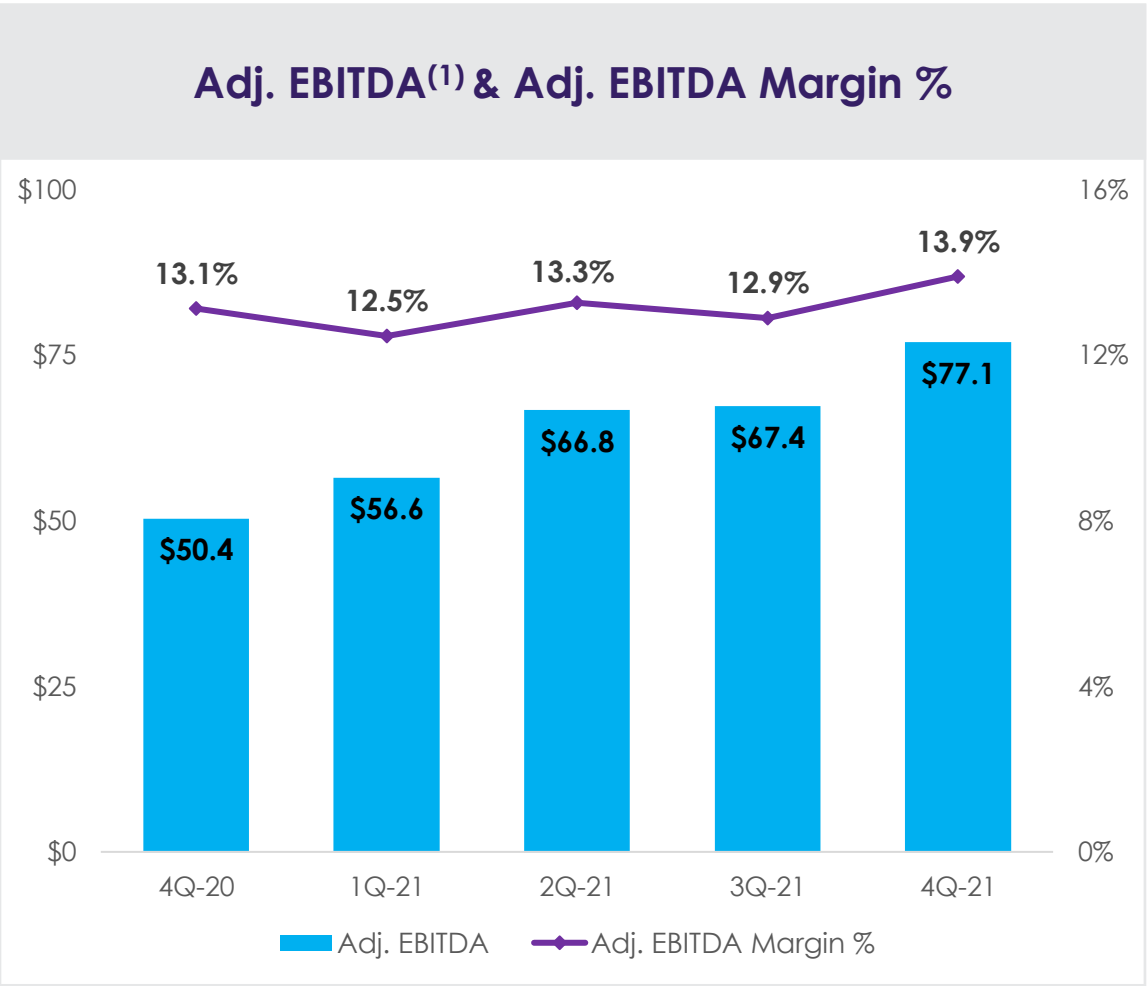
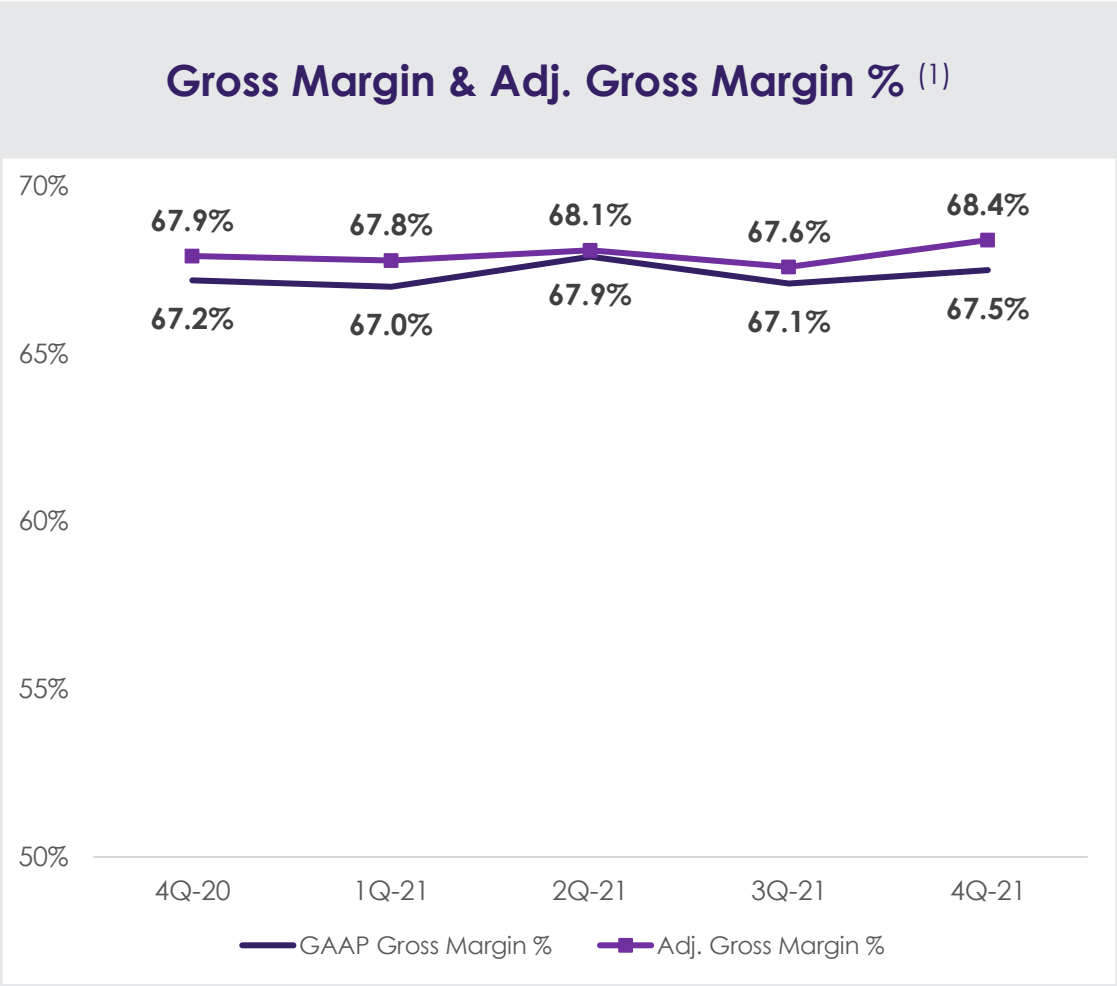


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2. Utilization measures the ratio of visits to total U.S. paid members. It is calculated by dividing monthly visits by monthly U.S. paid members in the quarter and annualizing the result. Visit fee only visits are excluded.



# Quarterly Trend: Adj. Gross Margin %, Adj. EBITDA, & Adj. EBITDA Margin



1. See reconciliation of GAAP to non-GAAP measures immediately following this presentation

# Balance Sheet Highlights and Cash Flow

- **Cash, Cash Equivalents, & ST Investments**  
(as of December 31, 2021): **\$896M**
- **Convertible & LT Debt on Balance Sheet**  
(as of December 31, 2021): **\$1.23B**
- **Operating Cash Flow (FY-21): \$194M**
- **Capital Expenditures + Capitalized Software Development Costs (FY-21): \$64M**

# Guidance: 1Q-22 and FY-22

|   | <u>1Q-22</u>       | <u>Y/Y % Growth</u> | <u>FY-22</u>         | <u>Y/Y % Growth</u> |
|---|--------------------|---------------------|----------------------|---------------------|
| <b>Revenue (\$M)</b>                    | \$565 to \$571     | 25% to 26%          | \$2,550 to \$2,650   | 25% to 30%          |
| <b>Net Loss per Share</b>               | (\$.60) to (\$.50) | NM                  | (\$1.60) to (\$1.40) | NM                  |
| <b>Adj. EBITDA (\$M) <sup>(1)</sup></b> | \$51 to \$55       | -10% to -3%         | \$330 to \$355       | 23% to 33%          |
| <b>US Paid Members (M)</b>              | 54.0 to 54.5       | 5% to 6%            | 54.0 to 56.0         | 1% to 5%            |
| <b>US VFO Access (M)</b>                | 24.0 to 25.0       | 9% to 14%           | 24.0 to 25.0         | -1% to +3%          |
| <b>Total Visits (M)</b>                 | 4.3 to 4.5         | 29% to 35%          | 18.5 to 20.0         | 20% to 30%          |

1. Excluding the benefit in 1Q-21 and FY-21 from lower expenses on Livongo devices attributable to purchase accounting adjustments related to the merger, Y/Y % growth for Adj. EBITDA would be +3% to +11% in 1Q-22 and 35% to 45% in FY-22.

# | Appendix

# Reconciliation of EBITDA and Adjusted EBITDA to Net Loss

(in 000s)

|   | <b>Q4 2020</b> | <b>Q1 2021</b> | <b>Q2 2021</b> | <b>Q3 2021</b> | <b>Q4 2021</b> |
|---|----------------|----------------|----------------|----------------|----------------|
| Net loss  | \$ (393,967)   | \$ (199,649)   | \$ (133,819)   | \$ (84,340)    | \$ (10,985)    |
| Add:  |                |                |                |                |                |
| Loss on extinguishment of debt                    | 99             | 11,459         | 31,419         | 850            | 20             |
| Other expense (income), net                       | (282)          | (5,652)        | (217)          | 376            | 405            |
| Interest expense, net                             | 21,101         | 22,125         | 20,473         | 18,895         | 18,872         |
| Income tax (benefit) expense                      | (85,457)       | 87,039         | 3,196          | 3,643          | (49,741)       |
| Depreciation and amortization                     | 36,960         | 48,659         | 51,341         | 51,907         | 52,332         |
| EBITDA  | (421,546)      | (36,019)       | (27,607)       | (8,669)        | 10,903         |
| Stock-based compensation                          | 414,380        | 86,300         | 82,970         | 71,701         | 61,615         |
| Acquisition, Integration and Transformation costs | 57,550         | 6,323          | 11,421         | 4,340          | 4,559          |
| Adjusted EBITDA                                   | \$ 50,384      | \$ 56,604      | \$ 66,784      | \$ 67,372      | \$ 77,077      |

# Reconciliation of GAAP Gross Profit to Adjusted Gross Profit and Adjusted Gross Margin

(in 000s)

|   | <b>Q4 2020</b>    | <b>Q1 2021</b>    | <b>Q2 2021</b>    | <b>Q3 2021</b>    | <b>Q4 2021</b>    |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue   | \$ 383,321        | \$ 453,675        | \$ 503,139        | \$ 521,658        | \$ 554,235        |
| Cost of revenue (exclusive of depreciation and amortization, which is shown separately below) | (122,942)         | (145,959)         | (160,273)         | (169,041)         | (174,985)         |
| Depreciation and amortization of intangible assets  | (2,846)           | (3,576)           | (1,240)           | (2,545)           | (5,406)           |
| Gross Profit  | 257,533           | 304,140           | 341,626           | 350,072           | 373,844           |
| Depreciation and amortization of intangible assets  | 2,846             | 3,576             | 1,240             | 2,545             | 5,406             |
| Adjusted gross profit   | <u>\$ 260,379</u> | <u>\$ 307,716</u> | <u>\$ 342,866</u> | <u>\$ 352,617</u> | <u>\$ 379,250</u> |
| Gross margin  | 67.2%             | 67.0%             | 67.9%             | 67.1%             | 67.5%             |
| Adjusted gross margin   | 67.9%             | 67.8%             | 68.1%             | 67.6%             | 68.4%             |

# Revenues & Selected Operating Metrics - Recast

(In thousands, except Average U.S. Revenue per Member)

|                                 | 1Q         | 2Q         | 3Q         | 4Q         | 1Q         | 2Q         | 3Q         | 4Q         |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue <sup>(1)</sup>          | 2020       | 2020       | 2020       | 2020       | 2021       | 2021       | 2021       | 2021       |
| <b>Access Fees Revenue</b>      |            |            |            |            |            |            |            |            |
| U.S.                            | \$ 99,917  | \$ 138,396 | \$ 176,635 | \$ 263,220 | \$ 327,553 | \$ 371,591 | \$ 386,181 | \$ 403,095 |
| International                   | 34,147     | 40,187     | 45,799     | 48,954     | 54,553     | 59,474     | 62,737     | 66,821     |
| Total                           | 134,064    | 178,583    | 222,434    | 312,174    | 382,106    | 431,065    | 448,918    | 469,916    |
| <b>Visit Fee Revenue</b>        |            |            |            |            |            |            |            |            |
| U.S.                            | 44,043     | 59,556     | 52,628     | 55,437     | 57,128     | 59,196     | 59,863     | 65,328     |
| International                   | 2,692      | 2,891      | 2,601      | 1,608      | 3,383      | 3,058      | 2,690      | 3,588      |
| Total                           | 46,735     | 62,447     | 55,229     | 57,045     | 60,511     | 62,254     | 62,553     | 68,916     |
| <b>Other</b>                    |            |            |            |            |            |            |            |            |
| U.S.                            | -          | -          | 10,299     | 13,589     | 10,671     | 9,363      | 9,583      | 14,472     |
| International                   | -          | -          | 850        | 513        | 387        | 457        | 604        | 931        |
| Total                           | -          | -          | 11,149     | 14,102     | 11,058     | 9,820      | 10,187     | 15,403     |
| Total Revenue                   | \$ 180,799 | \$ 241,030 | \$ 288,812 | \$ 383,321 | \$ 453,675 | \$ 503,139 | \$ 521,658 | \$ 554,235 |
| U.S. Revenue                    | \$ 143,960 | \$ 197,952 | \$ 239,562 | \$ 332,246 | \$ 395,352 | \$ 440,150 | \$ 455,627 | \$ 482,895 |
| International Revenue           | 36,839     | 43,077     | 49,250     | 51,075     | 58,323     | 62,989     | 66,031     | 71,340     |
| Total Revenue                   | \$ 180,799 | \$ 241,030 | \$ 288,812 | \$ 383,321 | \$ 453,675 | \$ 503,139 | \$ 521,658 | \$ 554,235 |
| Average U.S. Revenue per Member | \$ 0.80    | \$ 0.92    | \$ 1.06    | \$ 1.63    | \$ 2.09    | \$ 2.31    | \$ 2.40    | \$ 2.49    |

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# Revenues & Selected Operating Metrics - Recast

(In thousands)

|   | 1Q<br>2020 | 2Q<br>2020 | 3Q<br>2020 | 4Q<br>2020 | 1Q<br>2021 | 2Q<br>2021 | 3Q<br>2021 | 4Q<br>2021 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Visits <sup>(1)</sup></b>                  |            |            |            |            |            |            |            |            |
| U.S. Visits                                   | 1,514      | 2,108      | 2,172      | 2,289      | 2,461      | 2,723      | 3,007      | 3,291      |
| International Visits                          | 706        | 769        | 793        | 828        | 881        | 929        | 991        | 1,116      |
| Total Visits                                  | 2,220      | 2,877      | 2,965      | 3,117      | 3,342      | 3,652      | 3,998      | 4,407      |
| U.S. Paid Membership                          | 42.9       | 51.5       | 51.5       | 51.8       | 51.5       | 52.0       | 52.5       | 53.6       |
| Utilization                                   | 12.1%      | 14.4%      | 14.8%      | 16.0%      | 17.5%      | 19.1%      | 21.0%      | 22.7%      |
| Platform-Enabled Sessions                     | n/a        | n/a        | 987        | 1,089      | 1,092      | 1,017      | 969        | 982        |
| Total Visits & Sessions Provided<br>& Enabled | 2,220      | 2,877      | 3,952      | 4,206      | 4,434      | 4,669      | 4,967      | 5,389      |

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