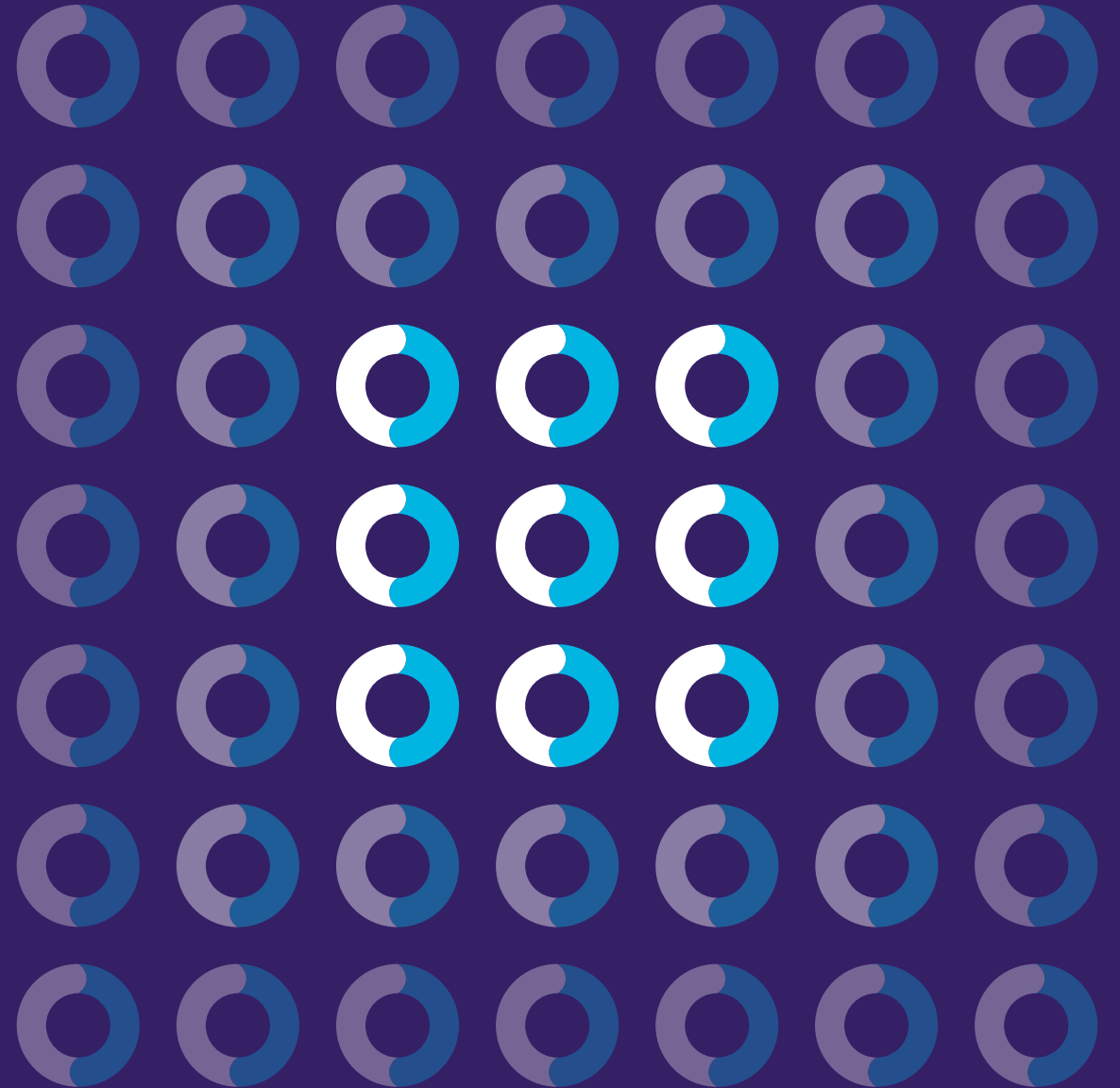




# Transforming how healthcare is accessed and delivered

Jason Gorevic, CEO

38<sup>th</sup> Annual J.P. Morgan Healthcare Conference  
January 13, 2020



# 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 for the year ended December 31, 2018, 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 to our Annual Report on Form 10-K for the year ended December 31, 2018 and any subsequently filed Quarterly Reports on Form 10-Q.

At Teladoc Health, we are transforming how people access healthcare around the world.

We are creating a new kind of healthcare experience – one with greater convenience, outcomes, and value.



# Investment Highlights

**The Only Comprehensive Virtual Care Solution**

**Industry Leader with Differentiated Assets, Capabilities and Scale**

**Global Leadership Position Across Channels**

**Consistent Track Record of Delivering Strong Revenue Growth**

**Compelling Financial Model**

# Teladoc Health is the global virtual care leader

**TDOC**

publicly-traded on NYSE

**+2,400**

employees worldwide

**+450**

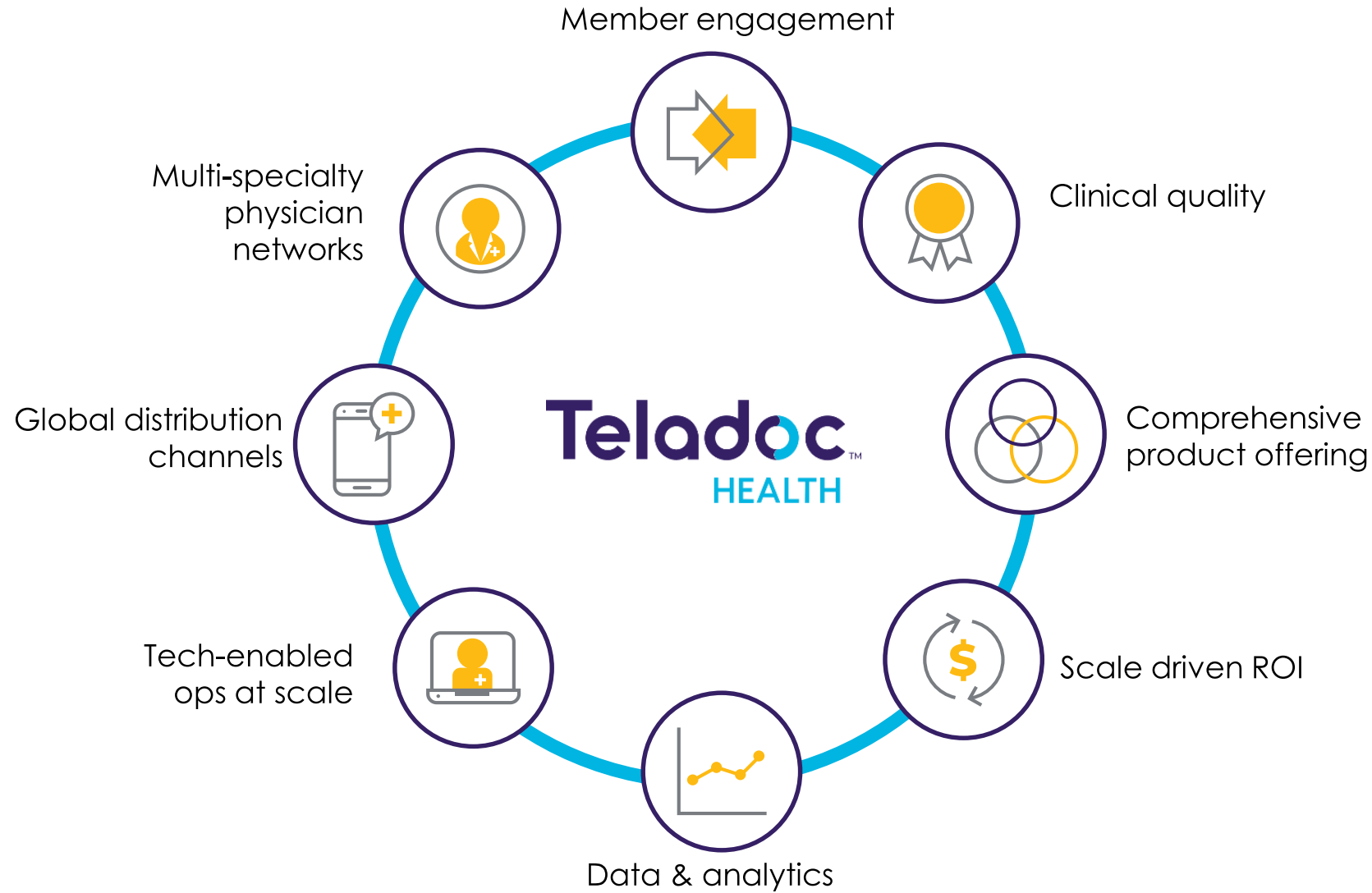
medical sub-specialties

**+50,000**

clinicians globally



# Industry leading differentiated assets and capabilities



# 2019: Delivering above the High End of Expectations

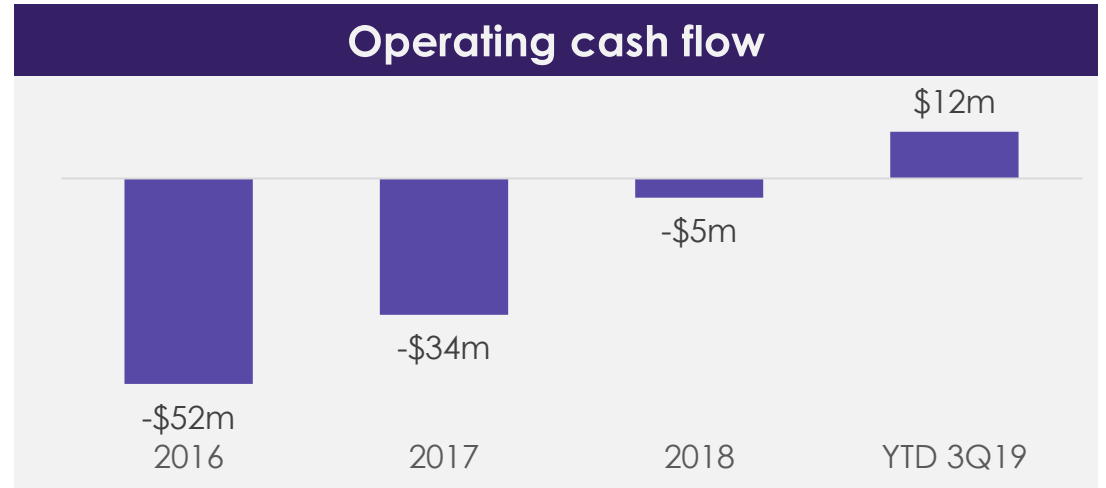
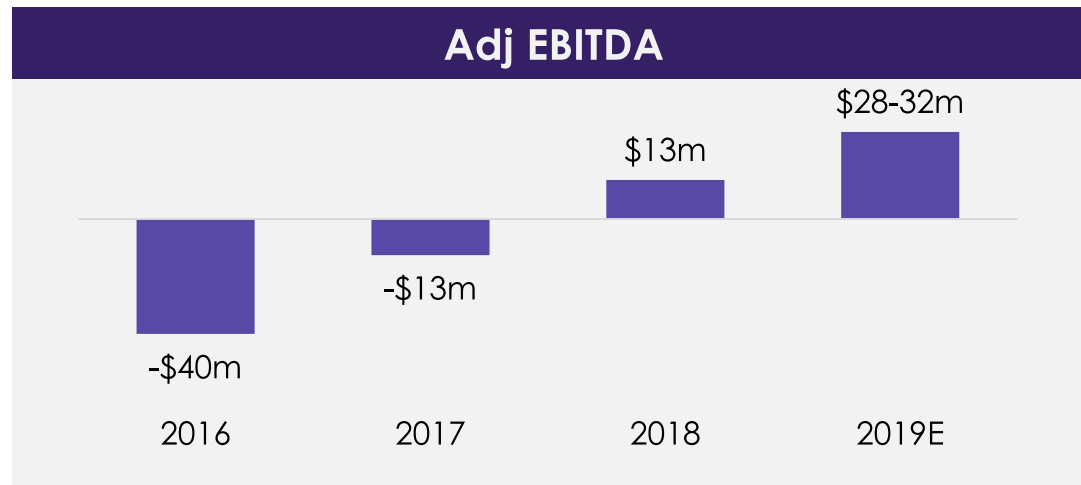
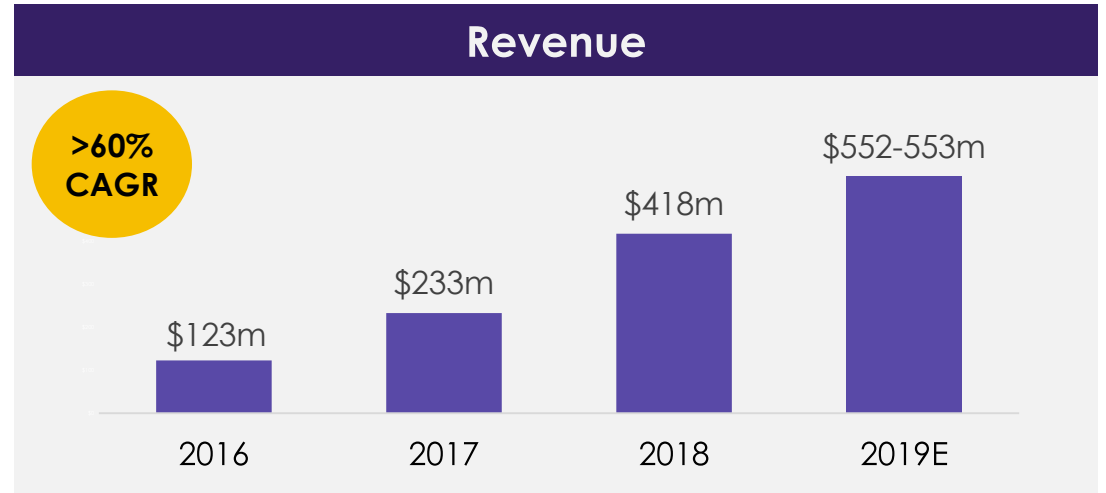
## 3Q 2019 Year-to-Date

Key Metrics	YTD 3Q 2019
Visit Growth	+63%
Revenue Growth	+34%
Gross Margin	68%
Adj. EBITDA	+119%

## Full-Year 2019 & 4Q19 Expected Results

Key Metrics	4Q19 Expected Results	Prior 4Q19 Guidance	FY2019 Expected Results	Prior FY2019 Guidance
Revenue	\$155-156m	\$149-153m	\$552-553m	\$546-550m
Visits	>1.2m	1.0-1.2m	>4.1m	3.9-4.1m

# Consistent track record of strong growth and improving financial performance





# Robust selling momentum entering 2020

## 2019 global selling season

Strong demand across all channels

RFP pipeline up ~10% y/y

Bookings up ~30% y/y

Larger average deal size

Multi-product half of bookings

- Bookings represents the guaranteed annual contract value of new business signed YTD through November 2019.
- RFP pipeline represents US-only.

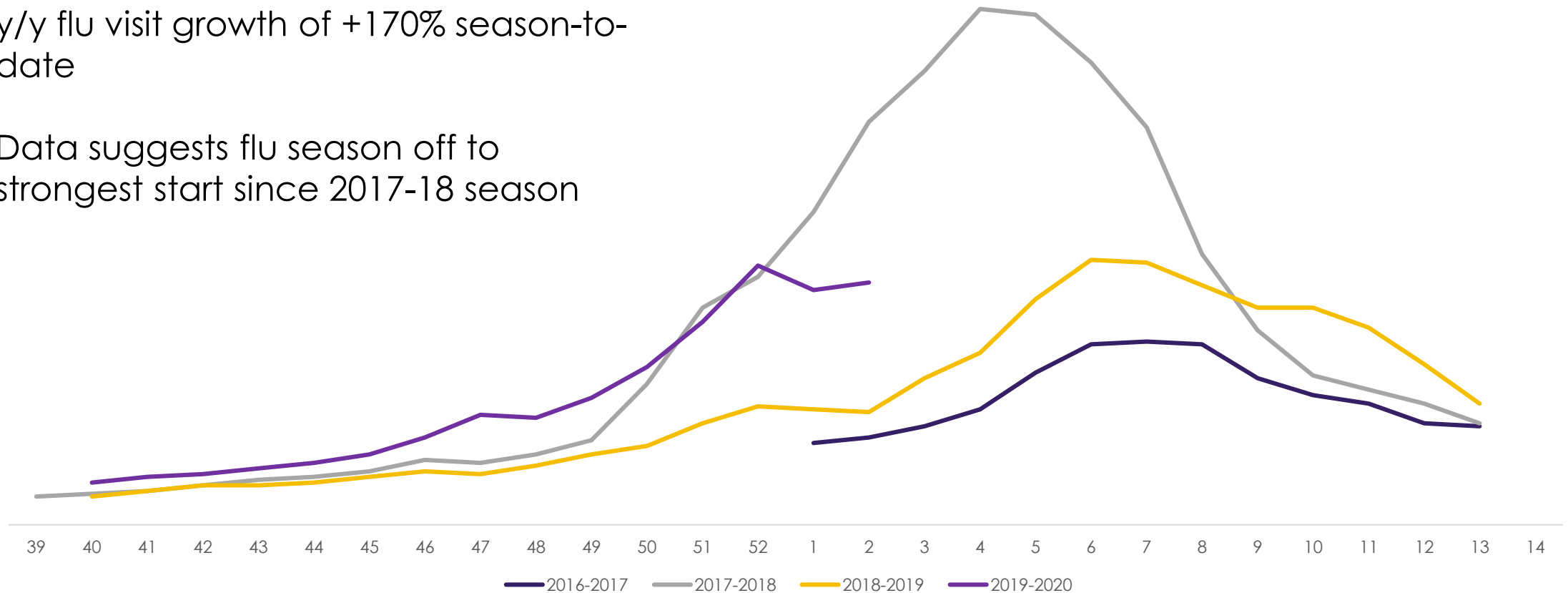
## Recent client wins



# Teladoc Flu Tracker points to a stronger flu season

## Teladoc percent of gen med visits associated with the flu

- Teladoc Health Flu Tracker indicates y/y flu visit growth of +170% season-to-date
- Data suggests flu season off to strongest start since 2017-18 season

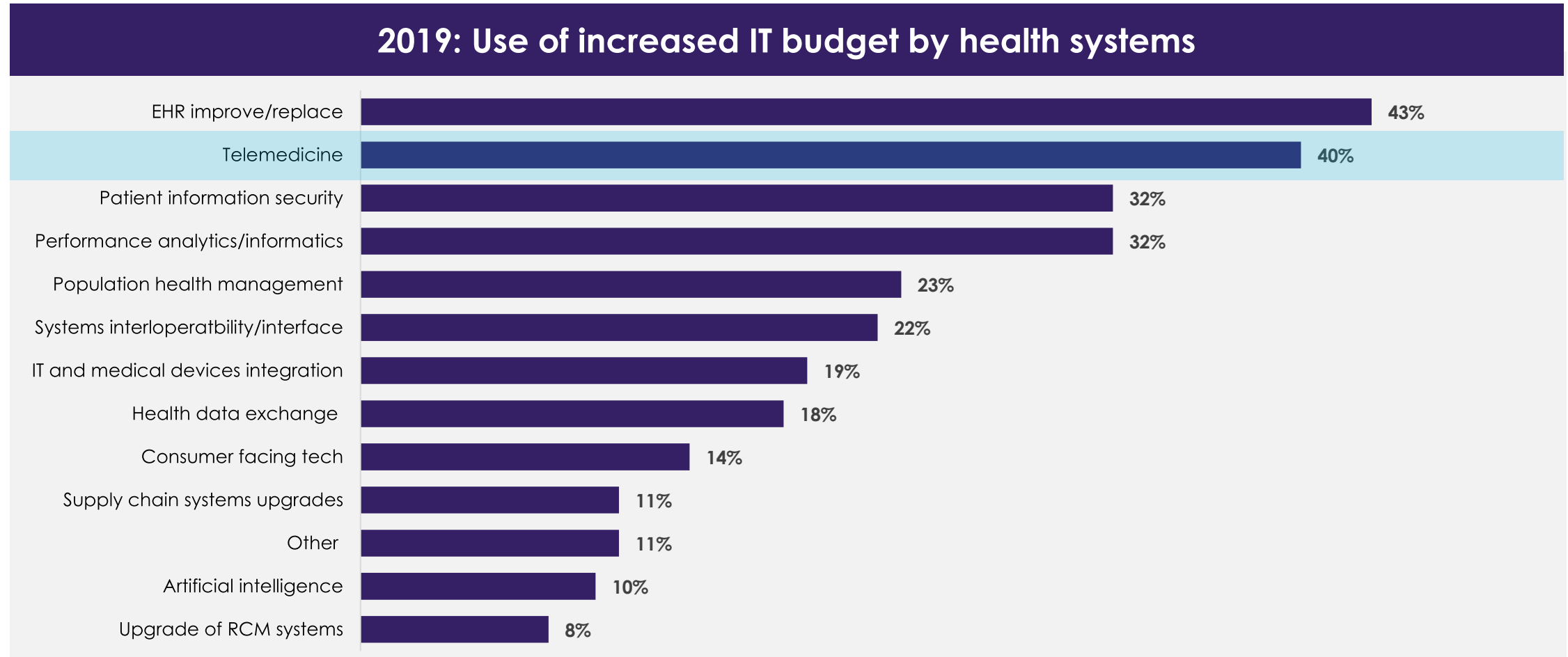


# We play a central role in how medical care is accessed, enabled and delivered

- Consumer-centric, single access point to a full spectrum of integrated virtual care services
- Uniquely able to:
  - Diagnose and treat
  - Use Teladoc Health or client provider networks
  - Navigate to optimal virtual or in-person providers
- Providers enabled to deliver care ubiquitously across a full array of care settings and patient populations



# Growing interest in facility-based Telemedicine presents an attractive growth opportunity



Source: 2019 J.P. Morgan Hospital Survey



# Teladoc Health to Acquire InTouch Health

**~\$80M**

'19E Revenue <sup>(1)</sup>

**~35%**

'19E Revenue Growth <sup>(2)</sup>

**Mid-60's**

Gross Margin

**~70%**

Recurring Revenue <sup>(3)</sup>

**30 of 50**

Largest US Health Systems  
as Clients <sup>(4)</sup>

**#1**

KLAS Rated Virtual  
Care Platform '18 & '19

- Leading provider of cloud-based comprehensive telemedicine software and physician services for hospitals and health systems, enabled by proprietary hardware
- Platform utilized across 40+ clinical use cases, including neurology, psychiatry, neonatology, intensive care, and others
- 2019 & 2018 winner of “Best in KLAS” distinction as highest-rated vendor for overall performance in KLAS’ “Telehealth Virtual Care Platforms” report and Category Leader for Virtual Care Platforms in the “Best in KLAS: Software & Services” report
- Over 470 clients and 3,600 care locations globally, including many leading health systems

## Representative Clients



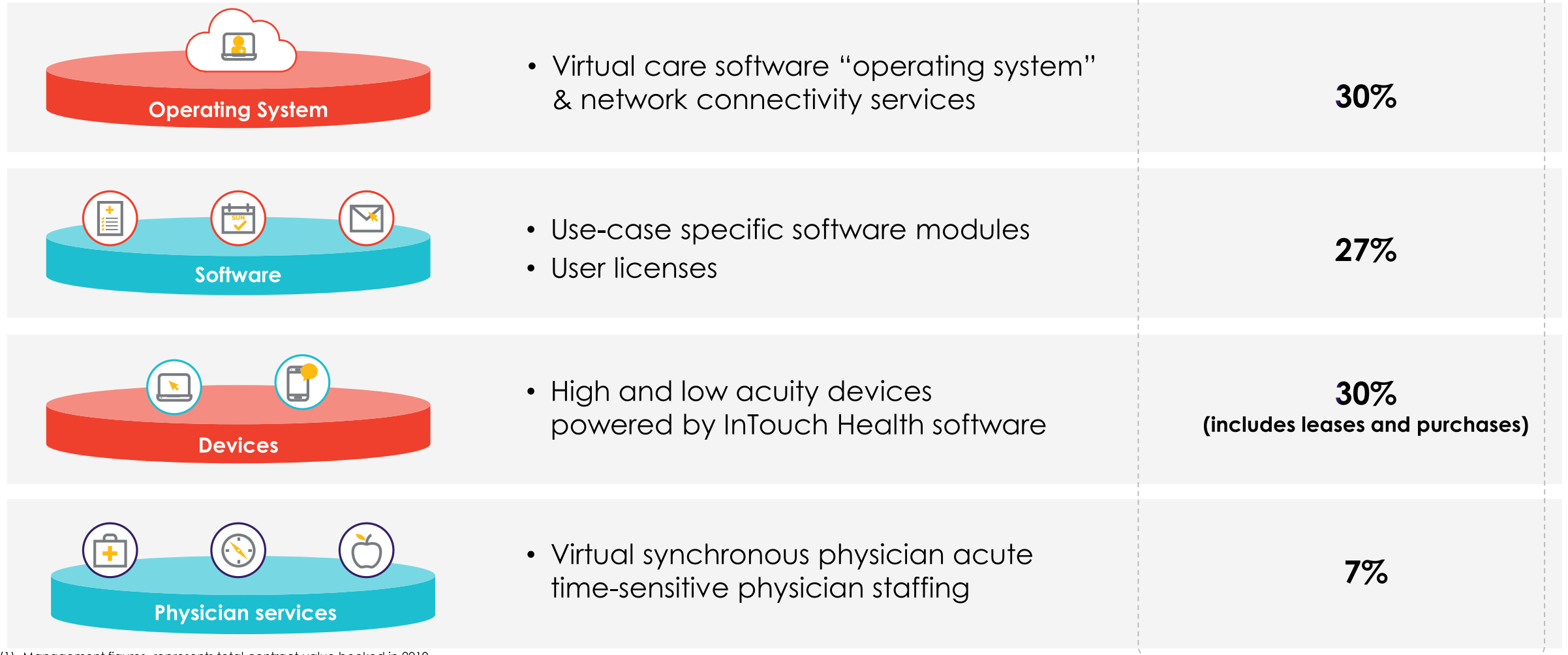
(1) Management estimates. ASC 606 basis.

(2) Management estimates. ASC 605 basis.

(3) Leased hardware, network, software, support, and PCM revenue.

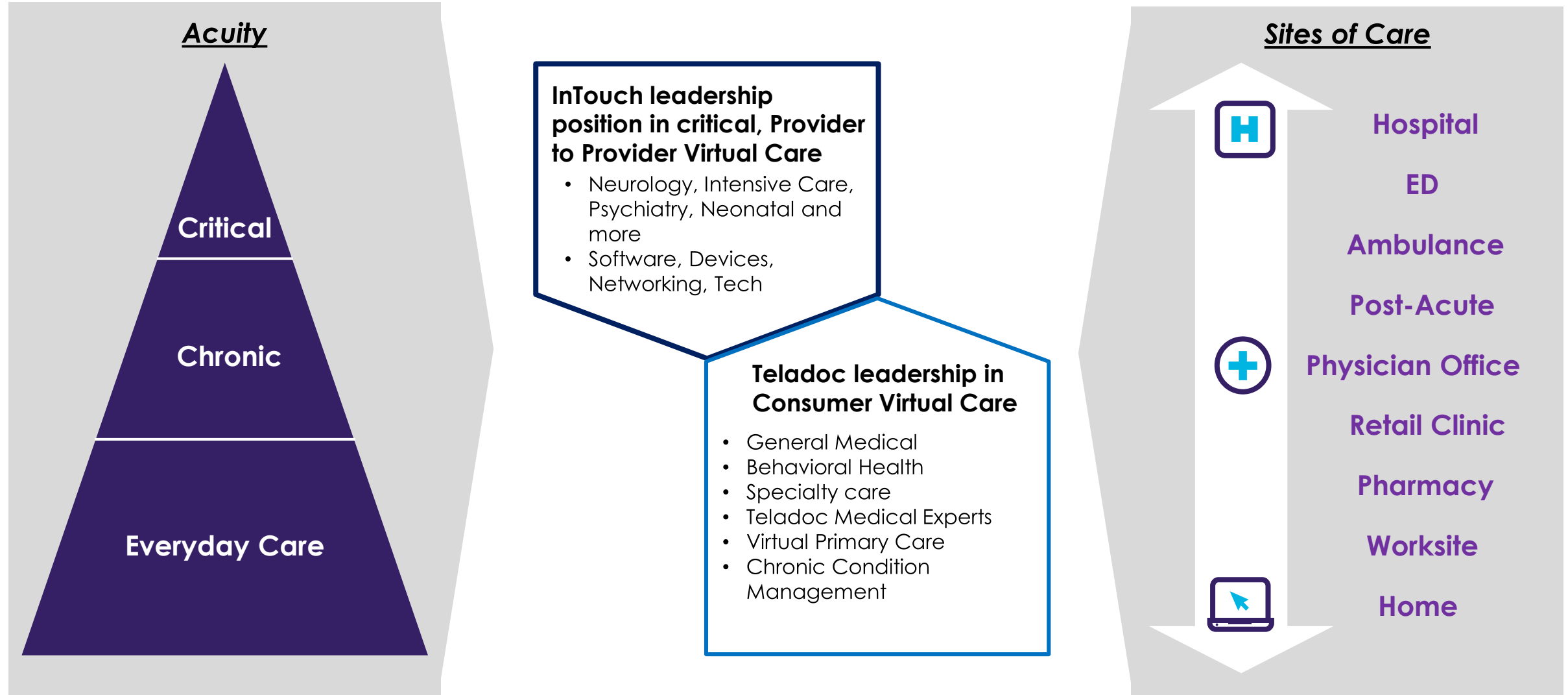
(4) Source: Definitive Healthcare

# InTouch Health diversified set of revenue streams



(1) Management figures, represents total contract value booked in 2019.

# Teladoc covers the full range of acuity across sites of care with the addition of InTouch Health

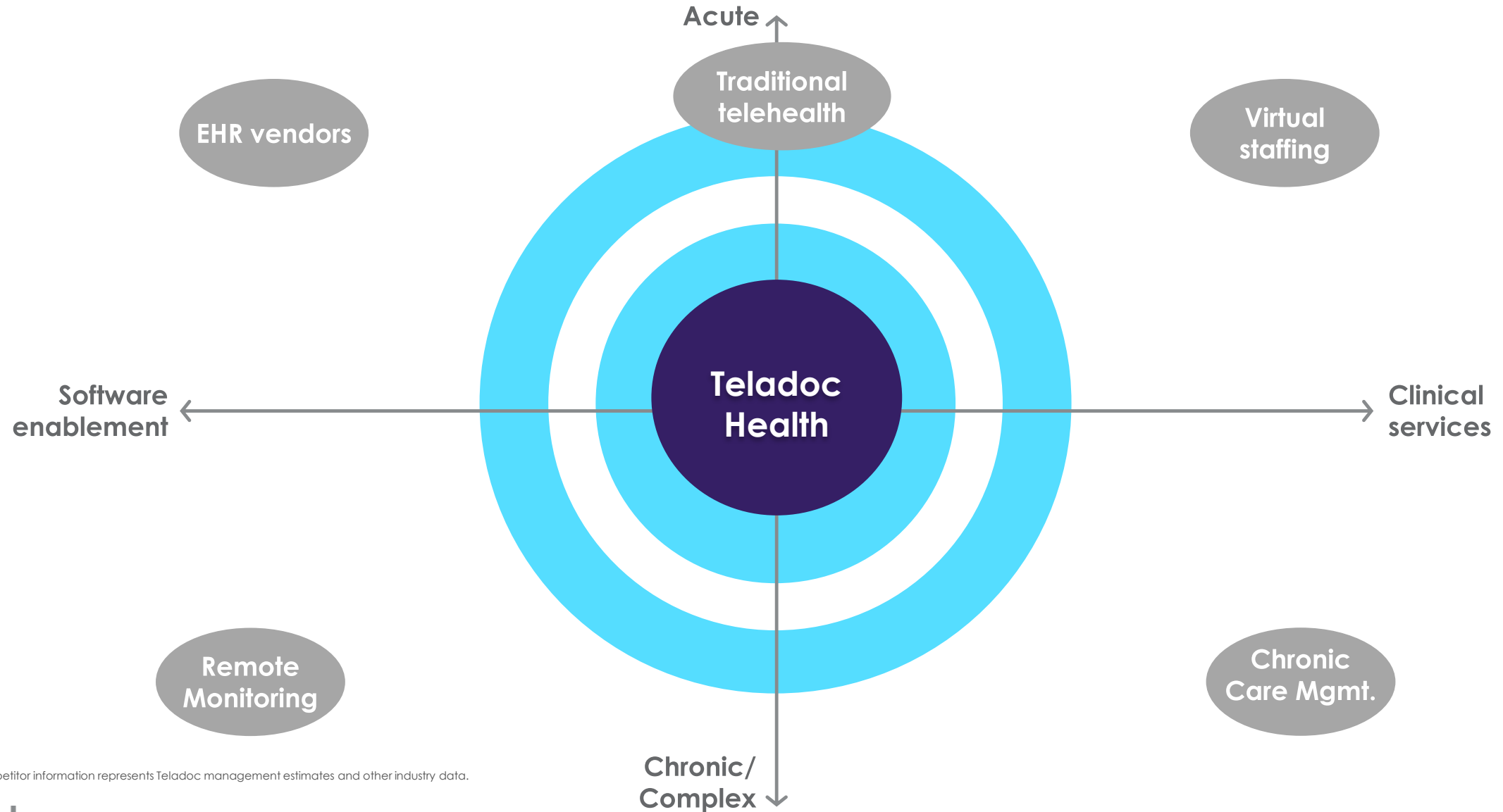


# Highly strategic acquisition enhances our vision of becoming a single integrated source of virtual care across care settings

<b>Leadership at every healthcare entry point</b>	Combines the leading consumer and facility-based virtual care platforms, furthering our goal to meet the patient at every front door of the healthcare system.
<b>Single Solution</b>	Creates the clear leader in the facility-based market both inside and outside the four walls of the hospital, enabling a single, integrated virtual solution for consumer and provider-to-provider use cases with substantial cross-sell and greenfield opportunities.
<b>Clinical capabilities</b>	Expands our clinical capabilities to include critical time-sensitive provider-to-provider consultations across high-acuity specialties including neurology, intensive care, cardiology, and others.
<b>Reach across sites of care</b>	Integrated offering to enable solutions to facilitate smoother transitions in care and greater coordination across sites of care including the home, worksite, retail clinic, physician offices, hospitals, and post-acute facilities.
<b>Cost efficiencies</b>	Enables opportunity for operational efficiencies



# Teladoc Health's unique competitive advantage



Note: Competitor information represents Teladoc management estimates and other industry data.

# The leading virtual care platform across channels

Over 4 million annual visits  
~\$630m in annual revenue pro-forma for InTouch Health

Employers	Insurers	Government	Providers	Consumer	International
<ul style="list-style-type: none"><li>• <b>40%</b> of Fortune 500</li><li>• <b>Thousands</b> of small businesses, labor unions and employer coalitions</li></ul>	<ul style="list-style-type: none"><li>• <b>50+</b> US health plan clients including commercial, Medicare and Medicaid populations</li></ul>	<ul style="list-style-type: none"><li>• Public sector: US federal, state and local municipalities</li><li>• Medicare &amp; Medicaid</li><li>• InTouch Health opens the door to Medicare fee-for-service populations</li></ul>	<ul style="list-style-type: none"><li>• Leading software platform enabling virtual care delivery</li><li>• <b>~4,000</b> care locations with addition of InTouch Health</li><li>• Leader across all levels of acuity and care settings with addition of InTouch Health</li></ul>	<ul style="list-style-type: none"><li>• Leading behavioral health platform</li><li>• Partnership with leading national retailers</li></ul>	<ul style="list-style-type: none"><li>• <b>70</b> global insurance and financial services firms</li><li>• Delivering care in over <b>40</b> languages across more than <b>175</b> countries around the world</li></ul>

# The InTouch acquisition enhances our key growth strategies

## Expand footprint and distribution

- ✓ Existing distribution channels
- ✓ Product cross sell/upsell
- ✓ Government programs
- Direct to consumer
- Global markets leadership

## Clinical services innovation

- Virtual primary care
- ✓ Integrated behavioral health solutions
- ✓ Virtual Center of Excellence specialty services
- ✓ Chronic care
- ✓ Clinical quality leadership

## Accelerate consumer adoption

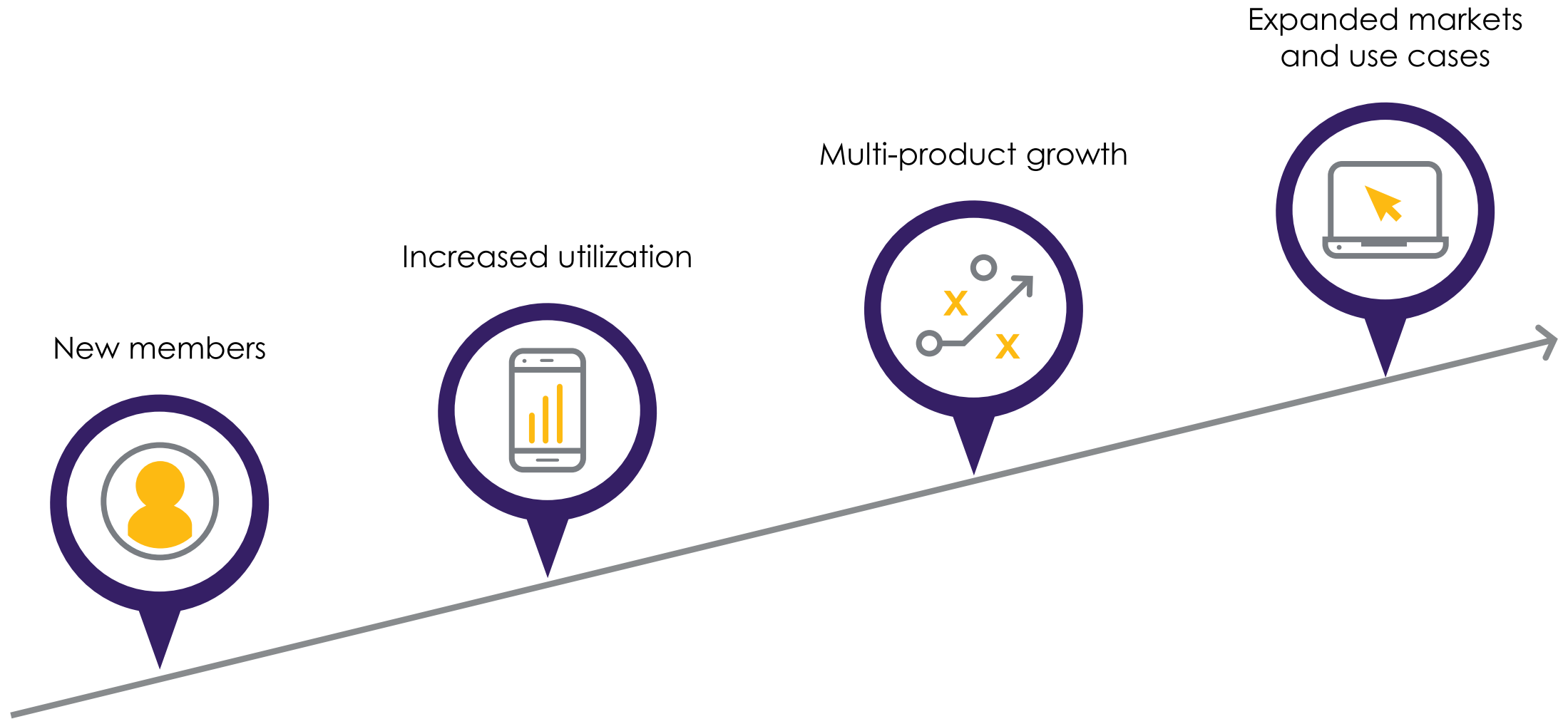
- Integrated, intuitive consumer experiences
- Engagement science and surround sound investments
- Virtual first experience
- ✓ Expanding access points and modalities

## Broaden role in healthcare delivery

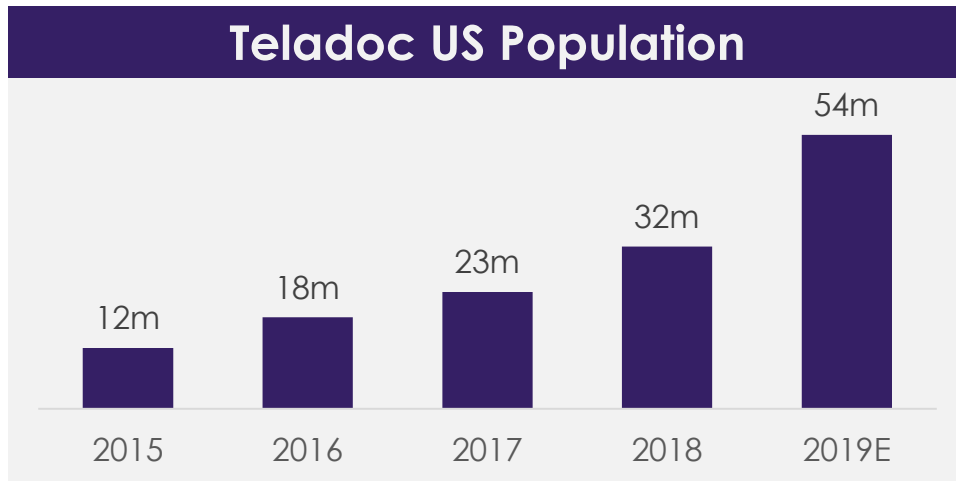
- ✓ Health system use cases
- ✓ Insurer scope of services
- ✓ In home solutions
- ✓ Integration with local delivery system

✓ Significant expansion from InTouch Health

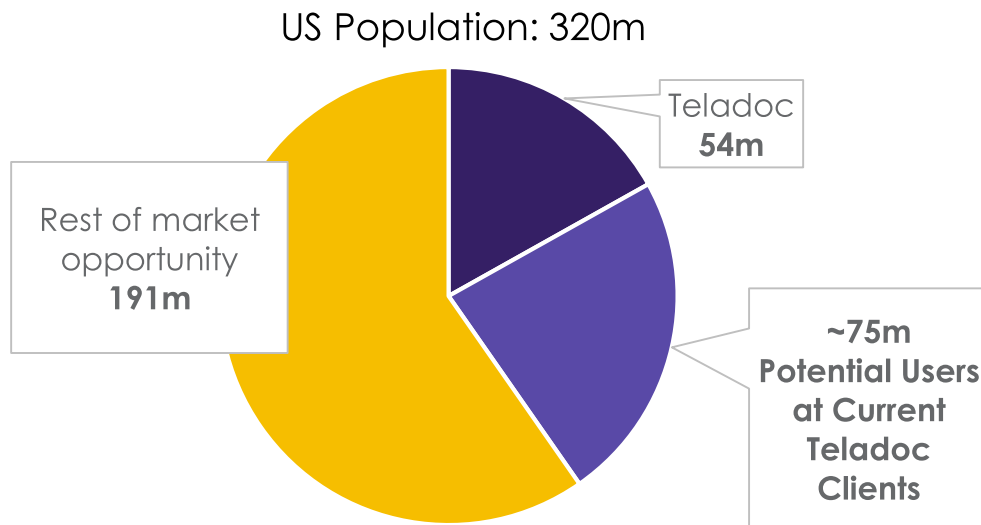
# We continue execute on our growth strategies



# Still only scratching the surface: US White Space Opportunity

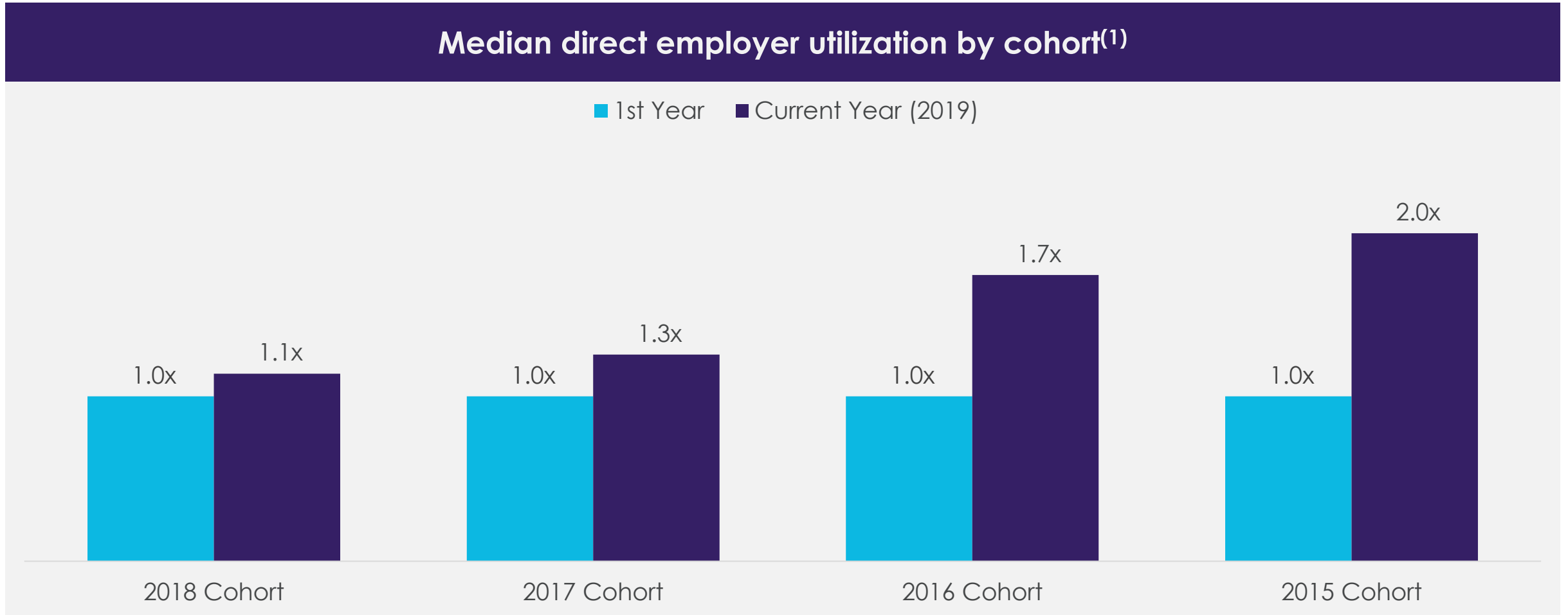


- ✓ **45%+** 4-year US Teladoc population CAGR
- ✓ **75 million** potential members within existing clients still to be captured
- ✓ Substantial new logo opportunities
- ✓ Whole market addressable through overlay of
  - Medicare/Medicaid expansion
  - DTC (e.g., Better Help, CVS MC)
  - Provider markets



Source: US Kaiser Family Foundation, AIS

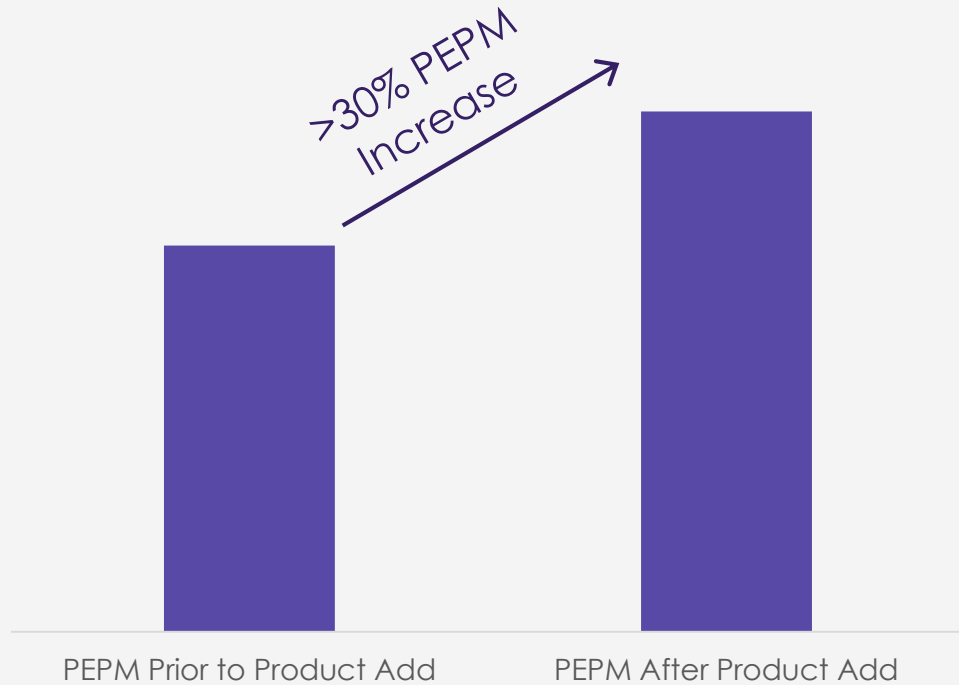
# Increasing constant-client utilization trends



(1) First year utilization measured as annualized utilization of first calendar year with eligibility. Current year utilization reflects annualized YTD 2019 through Dec 15<sup>th</sup>. Min. membership size of 300.

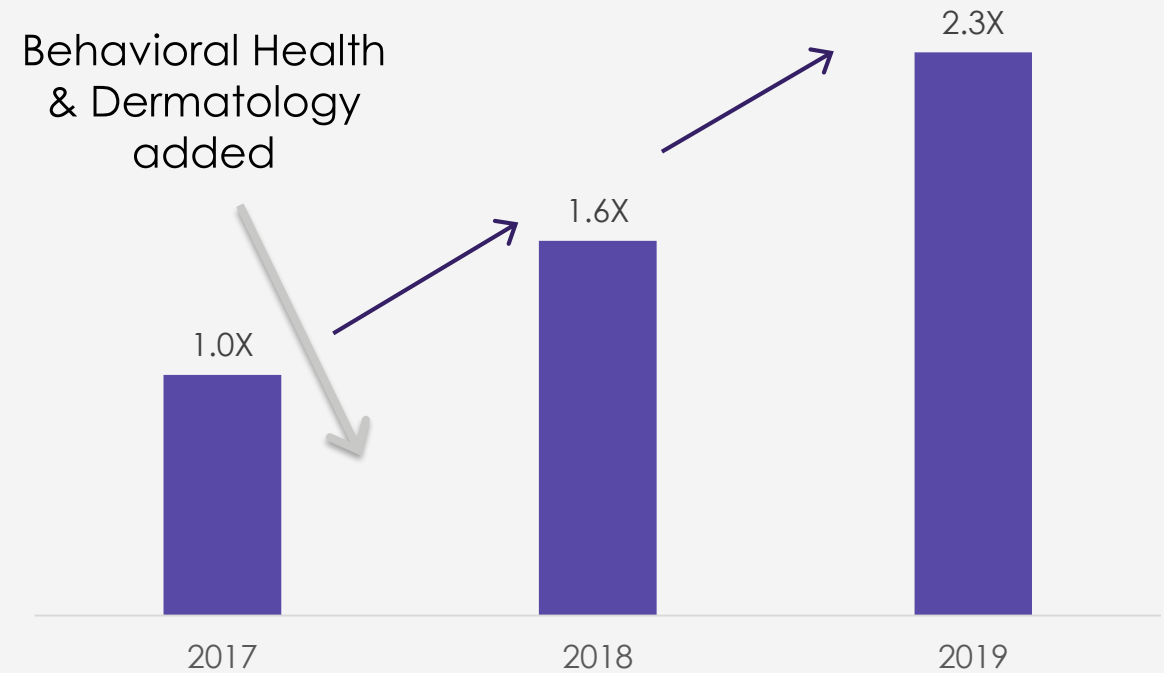
# Multi-product adoption drives revenue and usage

## PEPM Case Study<sup>1</sup>: 2019 Employers Adding Product in 2019



(1) Represents average change in PEPM for 40+ employer clients lives adding product in 2019.

## Usage Case Study<sup>2</sup>: Utilization following product additions



(2) Represents large client that rolled our behavioral and dermatology products over 4Q17 and 1Q18.

# Compelling economic model provides revenue growth, visibility, and operating efficiency



## **Sustainable long-term growth**

60%+ 3-year revenue CAGR, 20-30% expected long-term organic growth



## **High degree of visibility**

85% of revenue on a subscription basis, over 90% retention rate, ~90% visibility into 2020 revenue.



## **Gross margin strength**

Digital platform access now at >70% of volume, up from 50% in 2016



## **Customer acquisition and engagement spending efficiency**

Double-digit efficiency gains over the past two years.



## **Operating efficiencies and leverage**

410bps of adjusted Opex leverage year-to-date 3Q19 vs prior year, driving continued margin improvements



# Summary

**The only comprehensive virtual care solution**

**Industry leader with differentiated assets, capabilities and scale**

**Global leadership position across channels**

**Consistent track record of delivering strong revenue growth**

**Compelling financial model**

**4Q19 & full-year 2019 earnings: February 26<sup>th</sup>**

**Teladoc Health Investor Day: March 5<sup>th</sup> in NYC**

# Appendix

# Transaction terms

<b>Key terms</b>	<ul style="list-style-type: none"><li>• Purchase price of approximately \$600 million; consideration consisting of:<ul style="list-style-type: none"><li>• \$150 million of cash</li><li>• \$450 million in Teladoc Health stock</li></ul></li></ul>
<b>Transaction structure</b>	<ul style="list-style-type: none"><li>• Cash portion of consideration funded by cash on hand</li><li>• Implied 5.4M TDOC shares issued to sellers (subject to customary lock-up)<sup>(1)</sup></li></ul>
<b>Process and timing</b>	<ul style="list-style-type: none"><li>• Transaction is expected to close in Q2'20</li></ul>
<b>Financial impact</b>	<ul style="list-style-type: none"><li>• Upon closing of the transaction, Teladoc Health will provide an updated full-year 2020 financial outlook and guidance for the combined company after completing valuation and related purchase accounting considerations</li><li>• \$300+ million cash on balance sheet post-transaction</li></ul>

(1) Based on TDOC 10 day VWAP as of 1/7/20.