



# Enabling, delivering and empowering global access to whole-person care

Jason Gorevic, CEO

39th Annual J.P. Morgan Healthcare Conference

January 2021

# 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, 2019, 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, 2019 and any subsequently filed Quarterly Reports on Form 10-Q. We have not reconciled Adjusted EBITDA guidance to U.S. GAAP net income (loss) because we do not provide guidance on U.S. GAAP net income (loss) or the reconciling items between Adjusted EBITDA and U.S. GAAP net income (loss) as a result of the uncertainty regarding, and the potential variability of, certain of these 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.

An abstract graphic in the top right corner consisting of a network of teal dots connected by thin lines, forming a complex web-like structure.

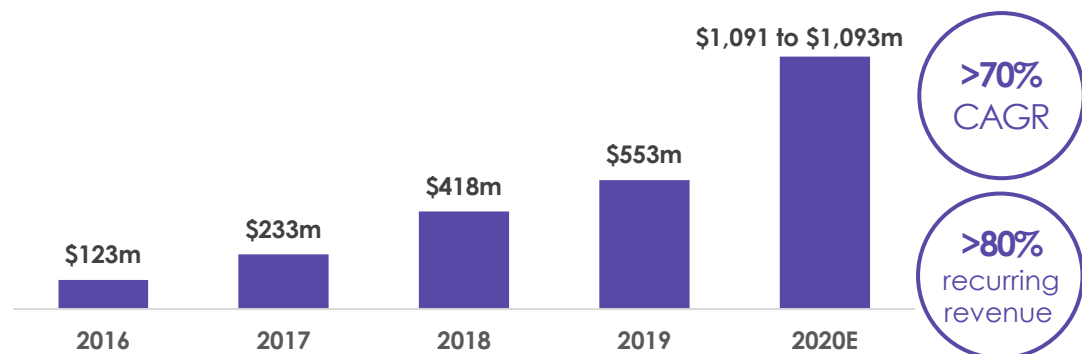
Our mission is to empower all people  
everywhere to live their healthiest lives  
by transforming the healthcare experience.

# Investment highlights

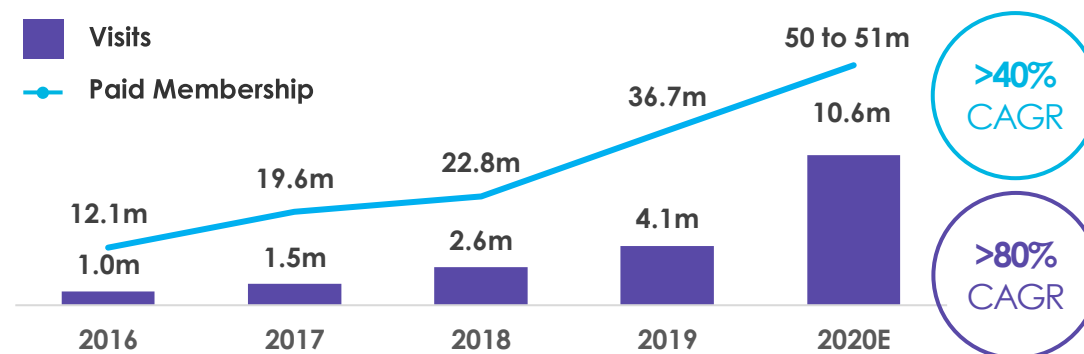
-  Consistent track record of revenue growth and margin improvement
-  Unmatched combination of expertise & advanced technology across the continuum of care
-  Advanced data and analytics driving superior outcomes
-  Global leader across distribution channels
-  Multiple levers for growth

# Teladoc Health shows a consistent track record of robust growth

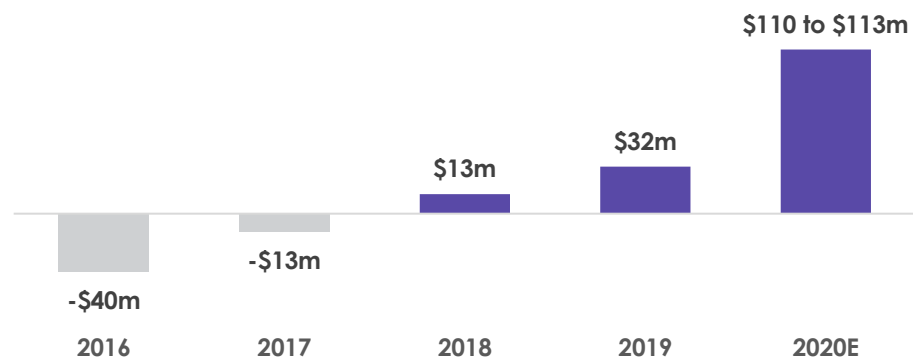
## Revenue (\$ millions)



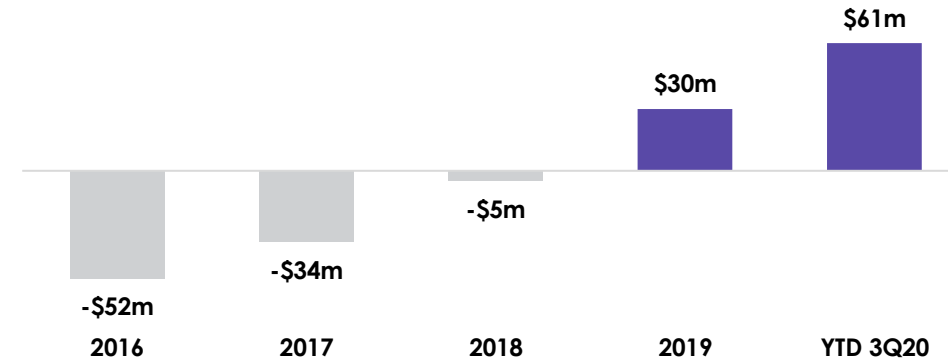
## Members & Visits (millions)<sup>(1)</sup>



## Adj. EBITDA (\$ millions)<sup>(2)</sup>



## Operating cash flow (\$ millions)



1. Excludes 22m VFO populations.

2. See adjusted EBITDA reconciliation immediately following this presentation.

# Teladoc Health is the global leader in comprehensive virtual care

## Virtual Care Delivery



**70M+**

U.S. lives with access to legacy Teladoc Health solutions

**10.6M**

Visits delivered by Teladoc Health clinicians & therapists in 2020

**>40%**

Fortune 500 companies using Teladoc Health

## Provider Enablement



**11K+**

Care locations as of 4Q20

**3.5M+**

Visits enabled by Teladoc platform solutions in 2020

**~600**

Health system clients

## Chronic Care Empowerment



**540K+**

People with chronic conditions served as of 3Q20

**1B+**

Member data points

**<25%**

Overlap between Livongo and Teladoc membership



# Teladoc Health - A trusted destination for whole-person health

For whatever healthcare  
need a consumer has...

Such as...

“ I want a better way to access primary care

“ My doctor told me to get surgery – do I need it?

“ **My blood pressure is out of control... I need help**

“ I need help managing my stress and anxiety

“ I want to easily connect with my doctor online

“ I want to lose weight and have more energy

“ I have a fever of 101.3

“ I need a referral to a cardiologist



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Across any site of care...



Hospital



Physician's office



On-the-go



At work



Home



# Teladoc Health - A trusted partner and destination for health

For whatever healthcare need a consumer has...

Across any site of care...

The right level of support...



BEHAVIORAL NUDGES



SELF-SERVICE



DIGITAL THERAPEUTICS



PRIMARY CARE PHYSICIANS



COACHES, NURSES, THERAPISTS



SPECIALISTS



REFERRALS

# Only connected virtual care system serving the full healthcare needs of consumers, payors and providers

## The Teladoc Health Experience



**Delivers** whole-person care through our care providers

**Empowers** consumers with tools and insights

**Enables** our clients to offer their best care to their patients

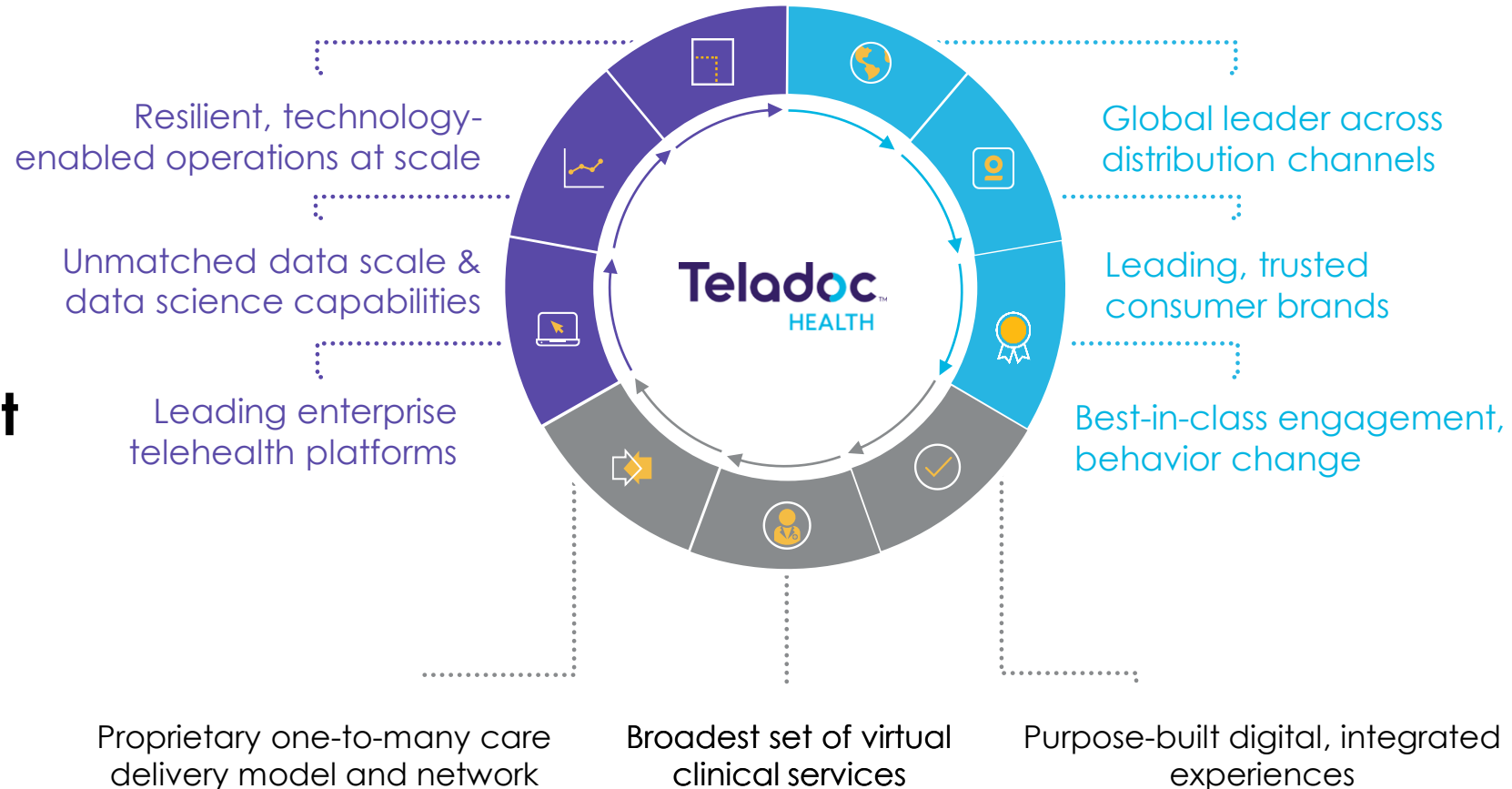
# Uniquely positioned to win

**Technology & data at scale** *delivering actionable insights*

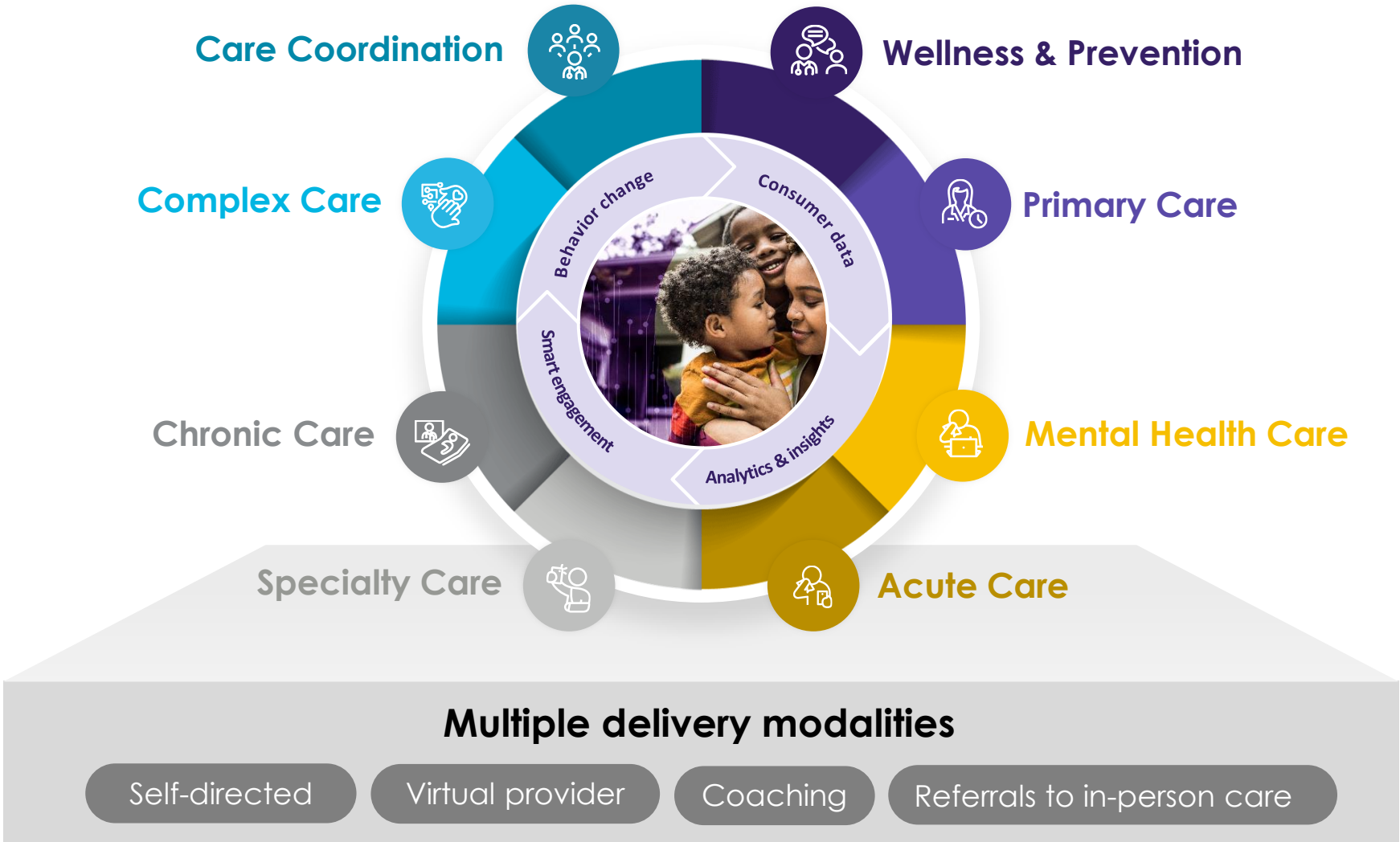
**Distribution & Engagement** *driving industry-leading utilization*

**Clinical expertise & experiences** *ensuring superior outcomes*

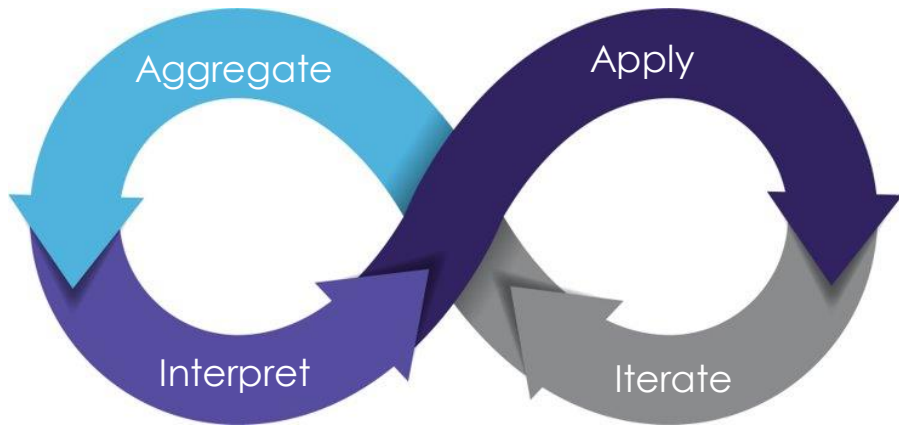
## Category-defining capabilities



# Unrivaled suite of solutions to power Whole-person Health



# Our data-driven, personalized healthcare delivers real results



## Driving better outcomes for...

### Members

- **Empowered health decisions**, delivering 25,000 personalized health nudges every day
- **Satisfaction** – NPS<sup>1</sup> of 60+

### Care Providers

- **Better clinical treatment decisions** through data and personalized insights
- **Stepped-care model enablement**, with providers practicing at top-of-license

### Clients

- **Engagement**, leading to 30%+ enrollment in chronic condition solutions<sup>2</sup>
- **Cost-of-care savings** as high as \$1,908 PPPY for individuals with diabetes<sup>3</sup>

1. Reflects net promoter score across Teladoc Health products and services  
2. Reflects average enrollment of recruitable individuals for Livongo for Diabetes clients 12 months following initial launch  
3. \$129 in medical savings per month plus supply cost savings (assumed to be \$1 per test strip, used once per day)

# We are the leader across the global healthcare market

## Employers



**>40%**  
of Fortune 500

## Health plans



**50+**  
US health  
plan clients

## Global insurers & financial services



**~70**  
global insurers &  
financial services firms

## Direct to consumer



**Leading**  
mental health  
platform, CVS retail  
partnership

## Hospitals & health systems

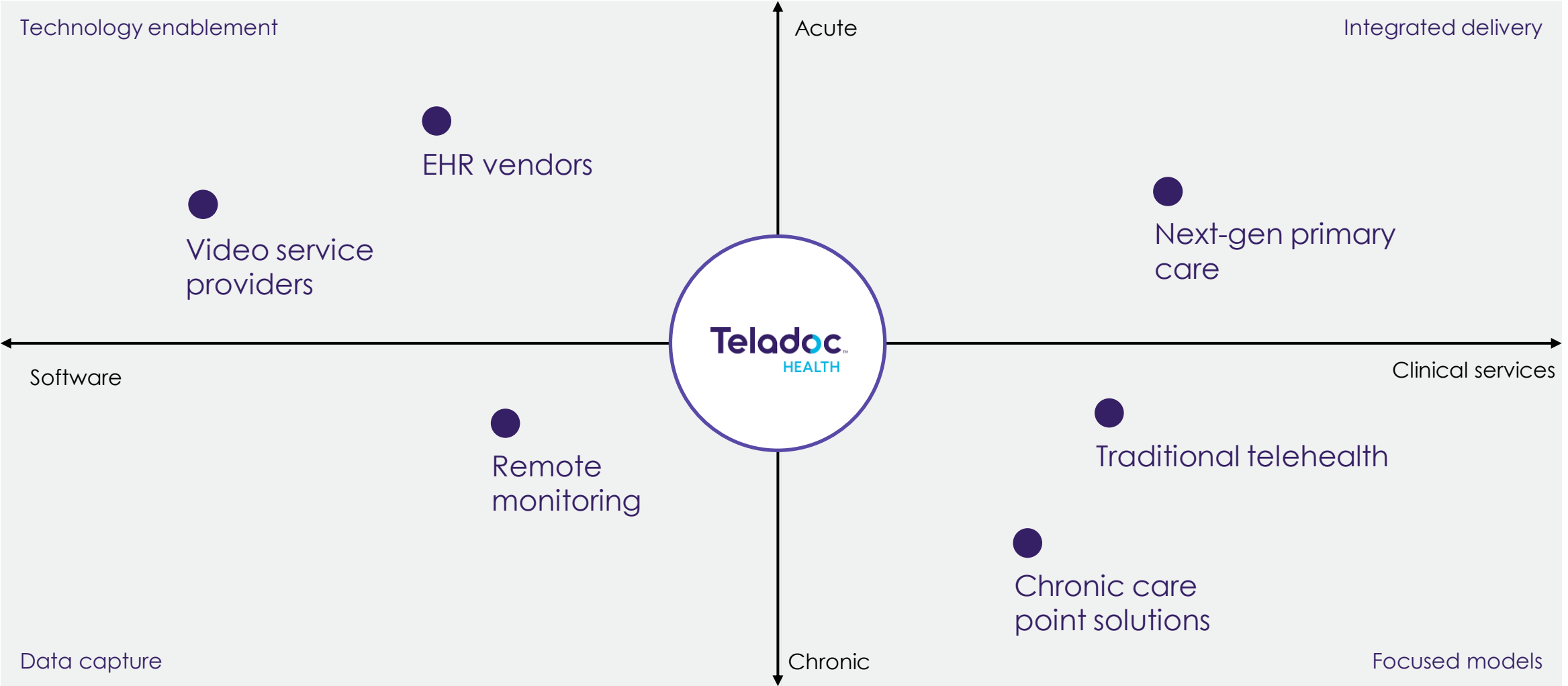


**11,000+**  
care locations

Across channels, Teladoc Health provided and enabled over **14M<sup>1</sup> visits** in 2020

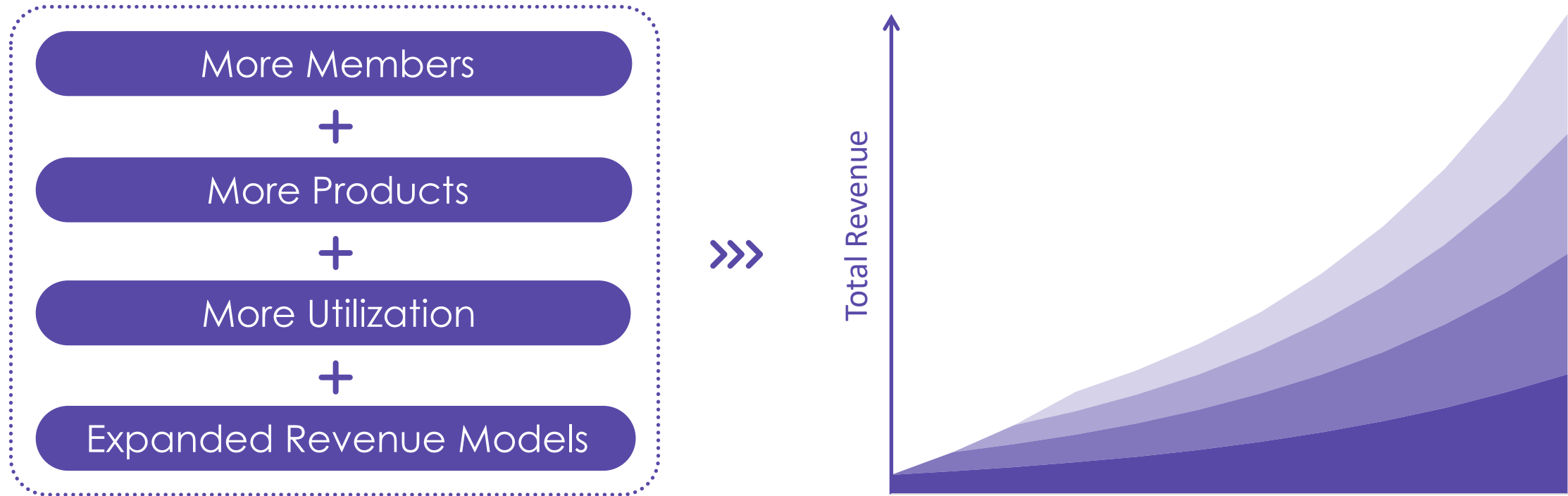


# Covering the full spectrum of care with an unmatched integrated model



# Driving growth through multiple reinforcing levers





Growing into a \$250B<sup>1</sup> U.S. virtual care market opportunity



1. "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?", McKinsey & Company, May 29, 2020

# 2020 bookings position us for a strong 2021

## 2020 global selling season

-  Bookings up over 35% year-over-year<sup>1</sup>
-  Multi-product bookings 2/3rds of new deals<sup>1</sup>
-  Increasing average deal size
-  Cross-sell pipeline growing, 40+ opportunities

<sup>1</sup> Legacy TDOC data through Nov '20 YTD

## Recent client wins



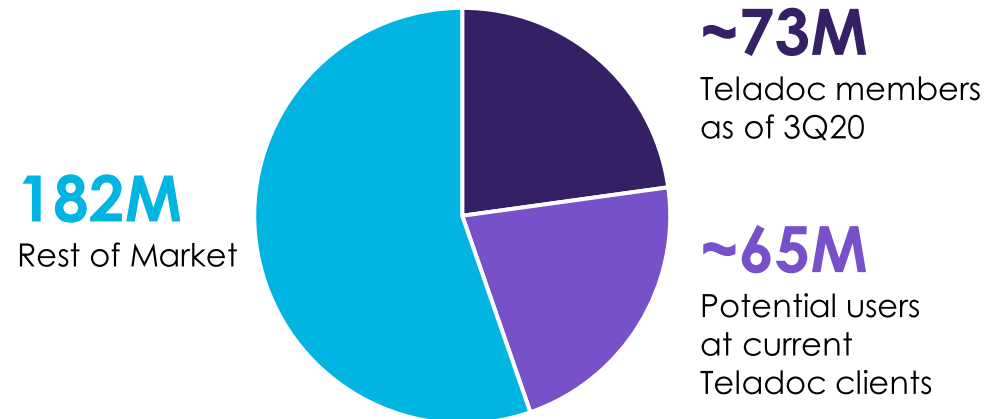
# Still only scratching the surface: US membership whitespace

We have significant room to grow within existing Teladoc client relationships across both telehealth and chronic condition products

## US telehealth member whitespace

Room to acquire more telehealth members through existing customer relationships and via new logos

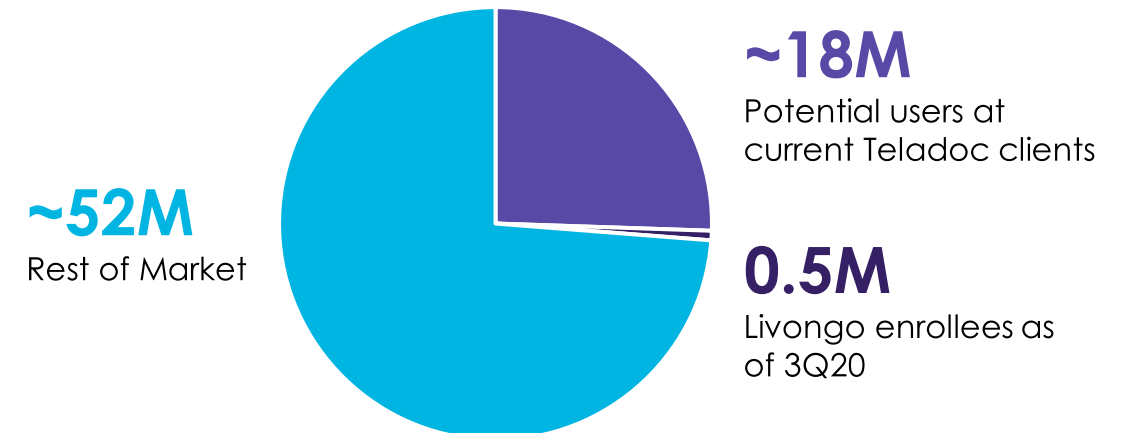
U.S. Population: **320M**



## US diabetes + hypertension whitespace

Existing Teladoc relationships present significant opportunity to expand Livongo enrollees

U.S. Population with Diabetes or Hypertension: **70M**

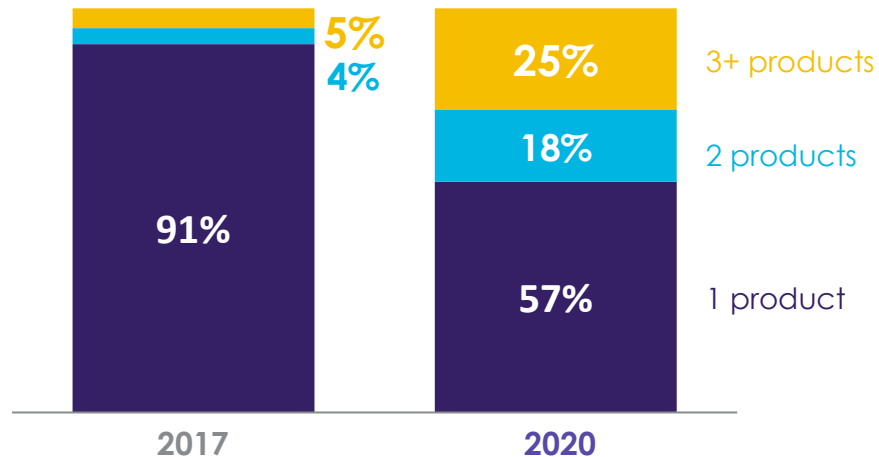


Sources: Kaiser Family Foundation, AIS, CDC

# Significant revenue opportunity in multiproduct cross-selling

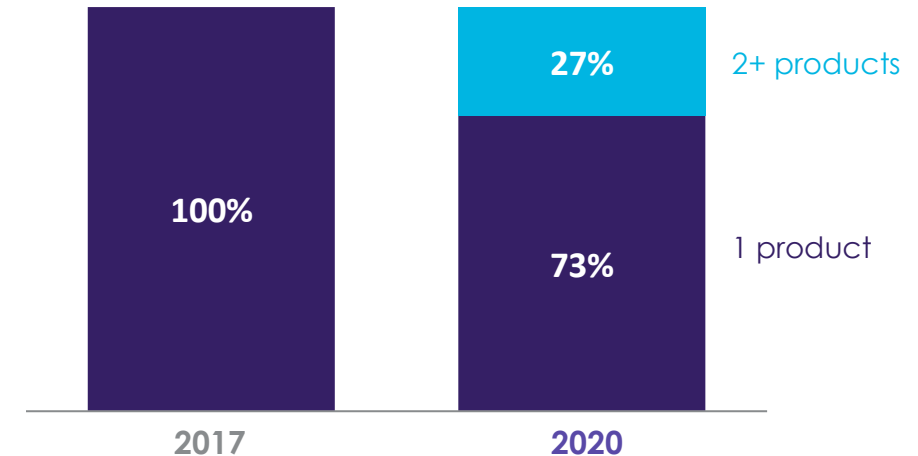
## US telehealth multiproduct adoption

% of US telehealth members with access to 1, 2 or 3+ products 2017 vs. 2020



## US chronic condition multiproduct adoption

% of clients with access to 1 or 2+ products 2017 vs. 2020



## Multiproduct access improves business performance

### Stickier Clients

5-point higher NPS for members >1 product  
90%+ Client Retention

### Member Engagement

60% higher utilization for clients with 3+ telehealth products

### PMPM Growth

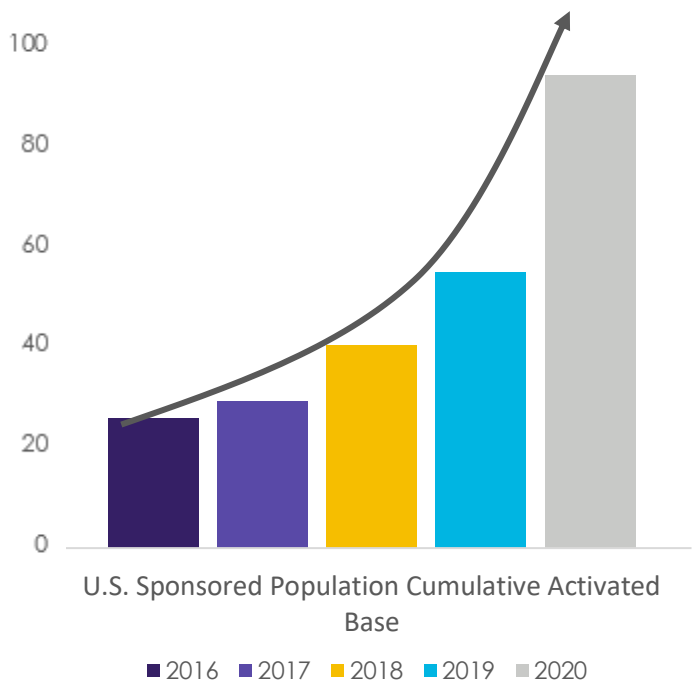
10%+ 3-year CAGR (through 3Q20)

# Consumer adoption and trust at scale driving lasting growth

Record number of new activations combined with high consumer satisfaction drives durable growth in utilization

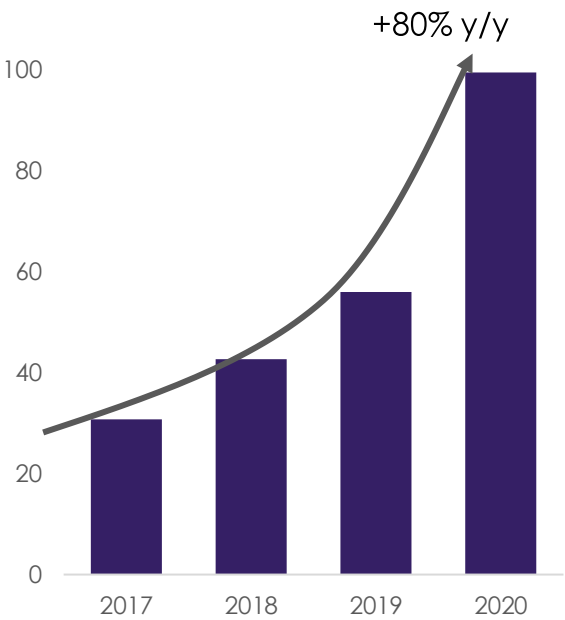
## Rate of people trying Teladoc is accelerating

New registration growth outpacing new member growth by 100%+ in 2020



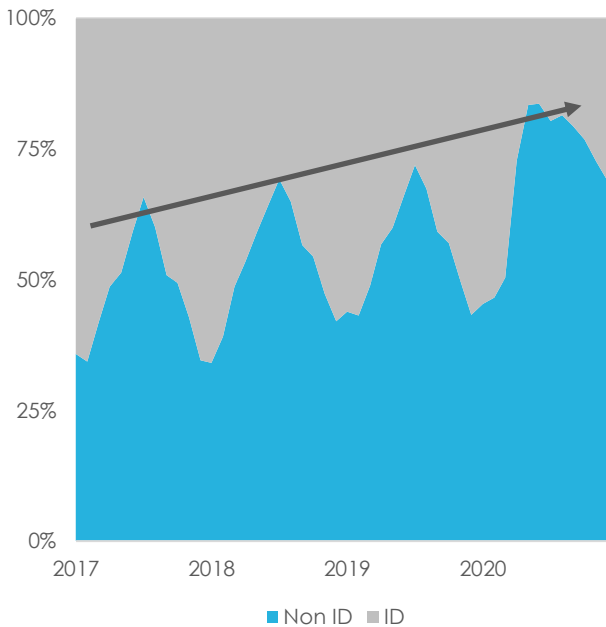
## Flywheel dynamic fuels durable growth

Repeat visits from registered base of users, US sponsored population



## Consistent trend towards non-infectious disease supports broader use of Teladoc services

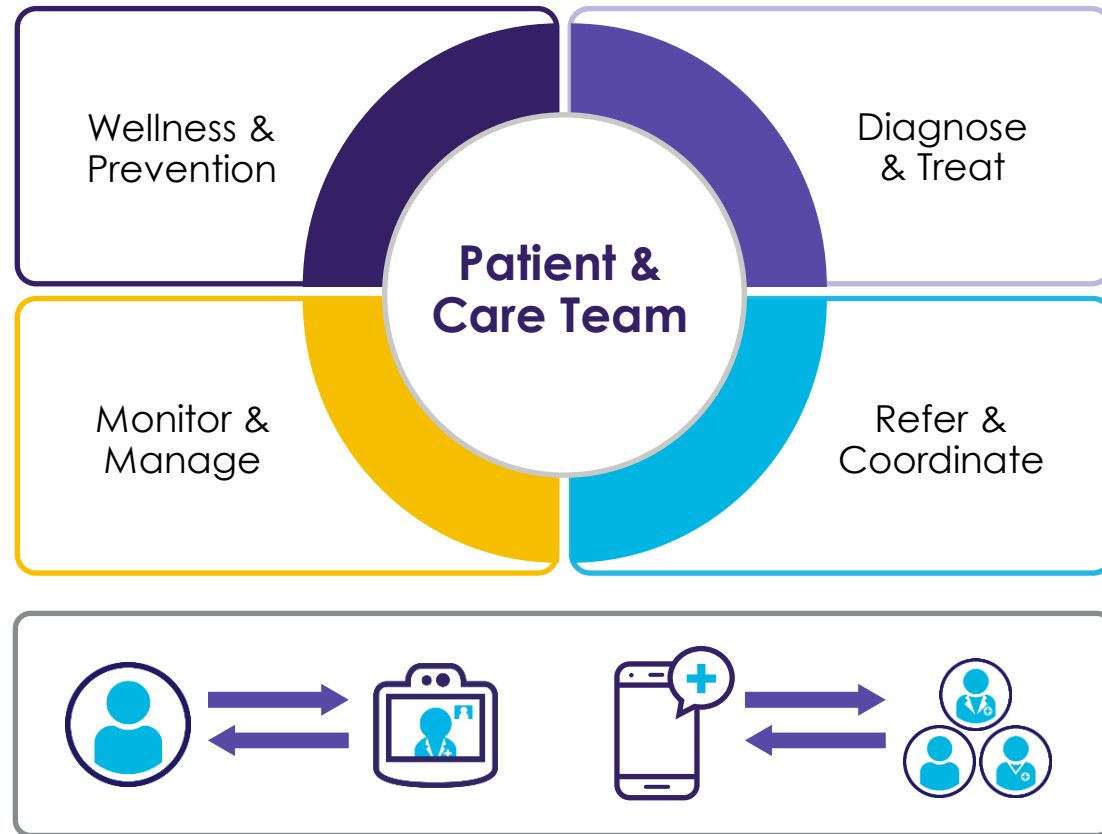
Visit mix, infectious vs non-infectious disease, US sponsored population





# Strong results position Teladoc Primary 360 for success

## A new approach to primary care



## Impressive initial outcomes

- **Early detection of chronic disease;** 50% of hypertension diagnoses are first time
- **>70 distinct diagnoses**
- **30% engagement, 95 NPS**
- **Top 5 concerns** (obesity, hypertension, anxiety / depression, MSK, diabetes) **can be addressed by Teladoc Health solutions**
- **Care coordination** to Teladoc services (~10%) and in-network specialists (~20%)

## Early commercial traction

- New pilots with multiple partners as of January 2021

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



## Sustainable long-term growth

**30-40%** average annual revenue growth expected through 2023



## High degree of visibility

**80%+** of revenue on a subscription basis, **90%+** retention rate



## Strong gross margin profile with growing operating leverage

Mid-60s gross margin, significant operating leverage opportunity



## Low capital intensity business model

Strong expected cash flow generation

# | Appendix

# Reconciliation of EBITDA and Adjusted EBITDA to Net Loss

(in 000s)

	Year Ended December 31,			
	2016	2017	2018	2019
Net loss	\$ (74,216)	\$ (106,782)	\$ (97,084)	\$ (98,864)
Add:				
Interest expense, net	2,588	17,491	26,112	29,013
Income tax benefit	510	(225)	118	(10,591)
Depreciation expense	2,176	3,771	4,057	3,382
Amortization expense	6,094	15,324	31,545	35,570
EBITDA	(62,848)	(70,421)	(35,252)	(41,490)
Stock-based compensation	7,723	30,597	43,769	66,702
Amortization of warrants and loss on extinguishment of debt	8,454	14,122	0	0
Gain on sale	0	0	(5,500)	0
Acquisition and integration related costs	6,959	13,196	10,391	6,620
Adjusted EBITDA	\$ (39,712)	\$ (12,506)	\$ 13,408	\$ 31,832