

**Empowering People with
Chronic Conditions to Live
Better and Healthier Lives**

May 19, 2020
Investor Presentation



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This presentation also contains estimates, internal assumptions and other statistical data made by independent parties and by us. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

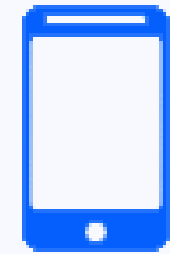
Our target results are the view of management. We can provide no assurances that any of these targets will be achieved.

In addition to the GAAP financials, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in this presentation, and not to rely on any single financial measure to evaluate our business. The forward-looking Adjusted EBITDA excludes (i) depreciation and amortization, (ii) amortization of intangible assets, (iii) stock-based compensation expense, (iv) lock-up related payroll taxes, (v) acquisition-related expenses, (vi) change in fair value of contingent consideration, (vii) other income, net, and (viii) provision for (benefit from) income taxes, the effect of which may be significant. We have not reconciled adjusted EBITDA guidance to GAAP net income (loss) because we do not provide guidance on GAAP net income (loss) or the reconciling items between adjusted EBITDA and 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 GAAP measure is not available without unreasonable effort.

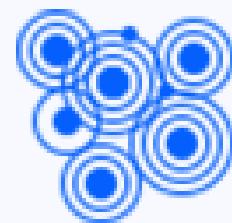
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We use [technology](#) to transform the experience of living with a chronic condition. We create a [consumer-first, data-driven digital health](#) experience that is personalized and puts the consumer in charge.



We are the pioneer in [Applied Health Signals](#), translating data into actionable, personalized and timely signals to improve Member outcomes and financial savings.



Our mission is to [empower people with chronic conditions](#) to live better and healthier lives. We started with diabetes, but now address hypertension, prediabetes, weight management, and behavioral health.



Our [Members love us](#) because we provide an experience that includes personalized analytics, real-time coaching, hardware, and supplies.



We do this for the country's [largest self-insured employers, payors, health plans and government](#) with a per participant per month [subscription service](#).



Healthcare is Ready for a New Kind of Experience

Content

Google

Community

Facebook

Commerce

Amazon

Care



We use technology to bring the Internet to Health and Care



One of the Largest Healthcare Problems in the World . . .

Chronic Conditions



Adults in the US have a chronic condition and 40% have more than one¹



US healthcare spend attributable to people with chronic and behavioral health conditions



Annual total cost to the US economy from chronic conditions²



Immediately Addressable Total Market Opportunity: Diabetes and Hypertension³



Notes:

1) As of 2014

2) Based on 2018 Milken Institute study

3) Calculation based on 147MM people in the U.S. with a chronic condition: 31.4M people with diabetes at \$900 PPPY; 39.6M people with Hypertension at \$468 PPPY. See slide 6 for additional information.

Our Immediately Addressable Markets

147MM people in the U.S. have a Chronic Condition

People with Diabetes⁽¹⁾

People with Hypertension⁽²⁾

$$31.4 \text{ MM} \times \$900 \text{ PPPY} = \$28.2\text{B}$$

$$39.6 \text{ MM} \times \$468 \text{ PPPY} = \$18.5\text{B}$$

\$46.7B Total Opportunity

Notes:

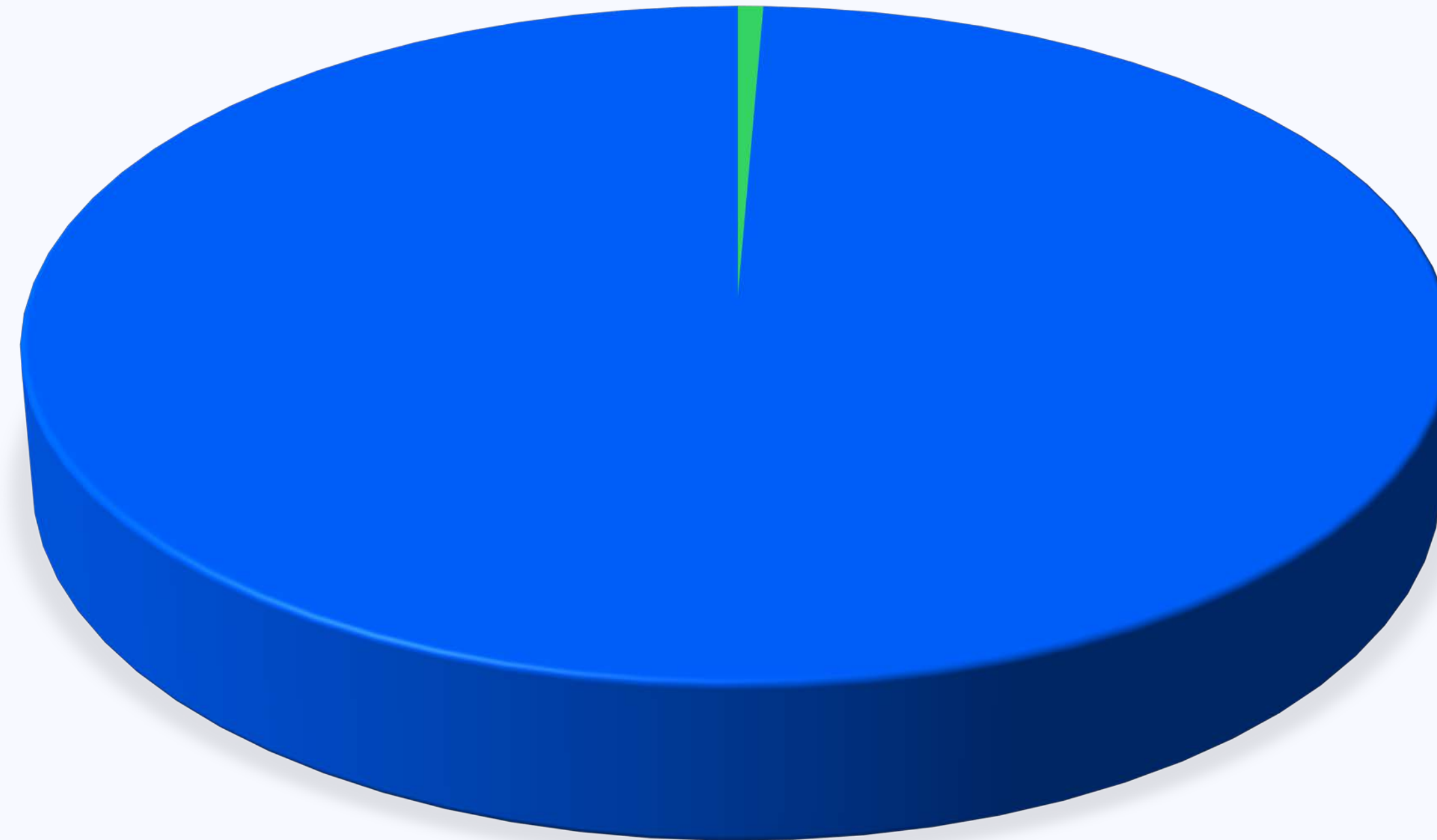
- 1) Diabetes population includes 13.7MM people covered by their employer, 12.7MM people covered by Medicare and 5.0MM people covered by Medicaid
- 2) Hypertension population does not include people with both hypertension and diabetes, which is approximately 74% of people with diabetes or 23.2MM people in the U.S. Hypertension population includes 27.4MM U.S. adults covered by their employer plus 12.2MM U.S. adults covered by Medicare/Medicaid



We Are Just Getting Started

328,000*

Livongo for
Diabetes
Members



31,400,000
People with Diabetes

+500K People newly diagnosed with Diabetes per Year



**As of March 31, 2020*

We Are Changing What it Feels Like to Have a Chronic Condition

Healthcare Before

With Livongo

SCARED & ALONE



NEVER ALONE | ANSWERS 24 X 7

MUST ORDER & PAY FOR SUPPLIES



EQUIPMENT & SUPPLIES JUST ARRIVE

WRITE EVERYTHING & TRACK YOURSELF



LIVONGO KEEPS DATA YOU CAN SHARE

FEELING JUDGED AT EVERY STEP

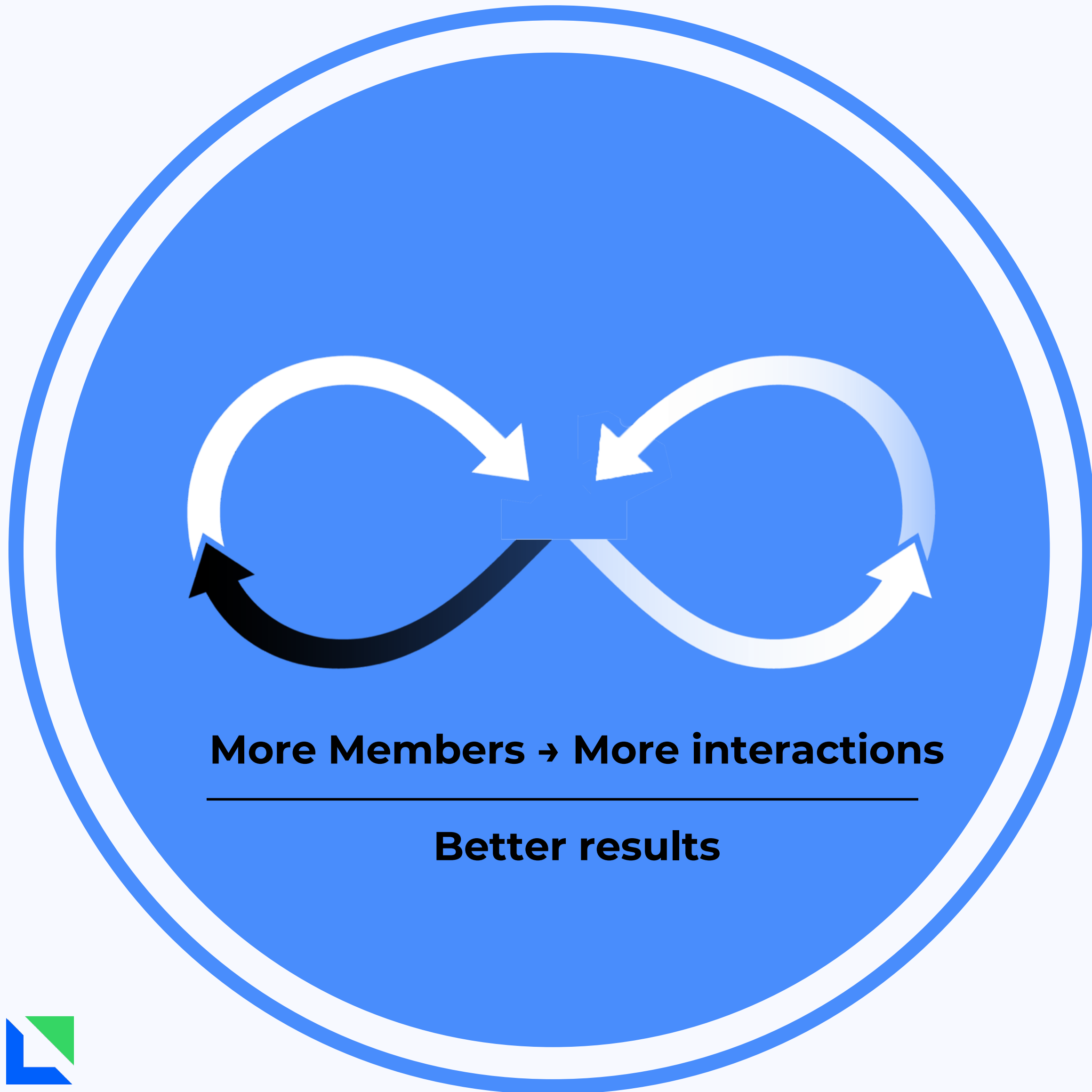


NEVER ANY JUDGMENT, ONLY EMPATHY

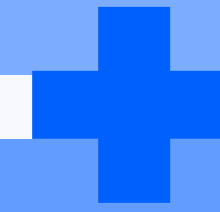
99.9% of time is spent alone outside of the Healthcare System



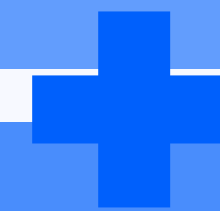
Data Drives Personalized Outcomes



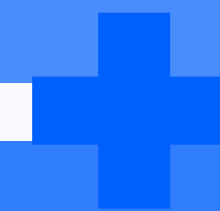
Targeted enrollment results in 34% sign-up rate



Over 40% of Members benefit from nudges to drive behavior change



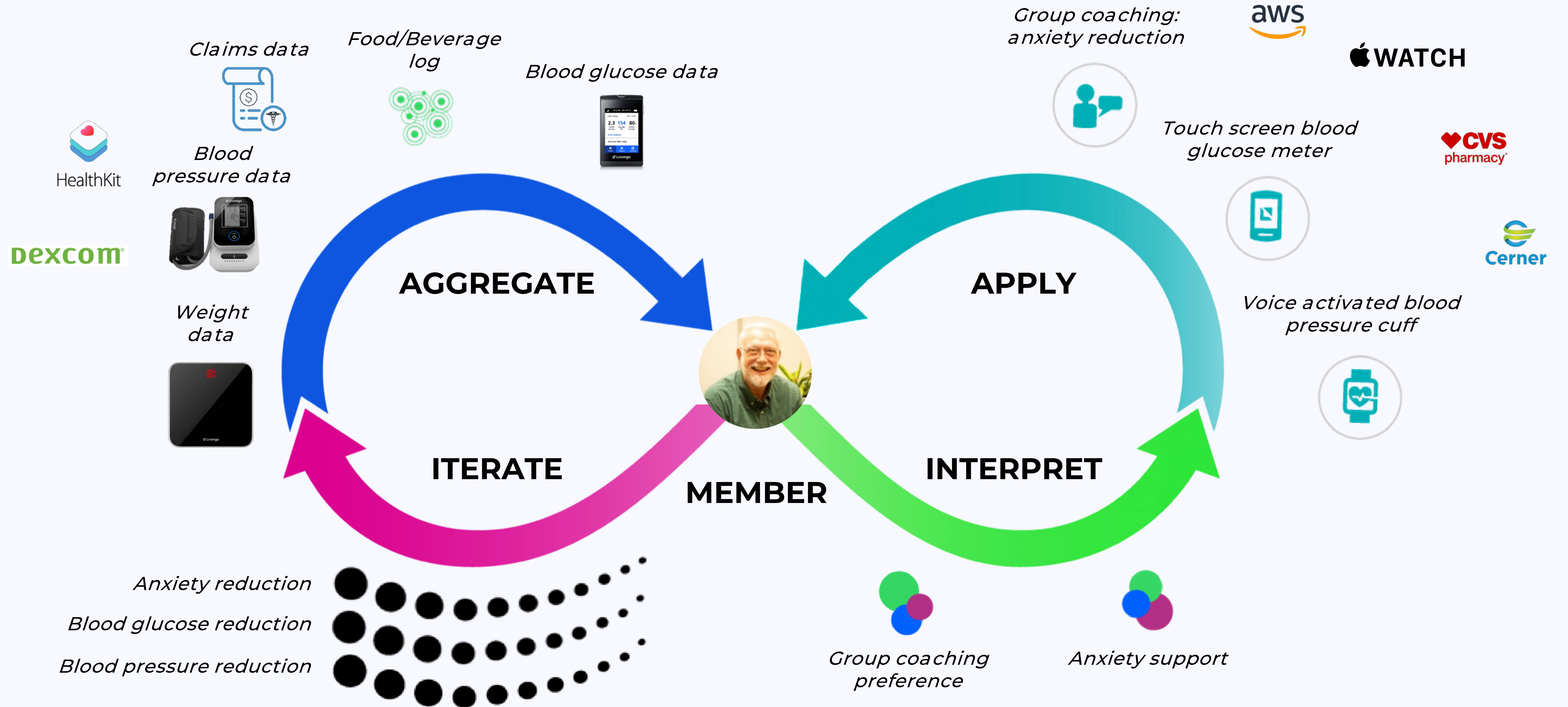
Personalized and scalable coaching



Remove Med barriers and increase Med usage 4.5%



Our AI + AI Engine Powers Our Platform



Remote Monitoring Drives Results that Matter



Satisfaction

+64 average Member NPS⁽¹⁾

Outcomes

Member Improvements⁽²⁾

<i>HbA1c</i>	<i><u>0.8 points</u></i>
<i>Systolic BP</i>	<i><u>10mmHg</u></i>
<i>Weight loss</i>	<i><u>7.3%</u></i>
<i>DASS</i>	<i><u>55%</u></i>

Savings

\$1,908 per participant per year gross medical savings in diabetes⁽³⁾

Notes:

- 1) NPS as of December 31, 2019
- 2) Demonstrated at Fortune Brands after their Members spent 2 years enrolled in the Livongo for Diabetes solution over a 6-week period in individuals with BP of at least 140/80 in a peer-reviewed study prepared by Livongo and presented to the American College of Cardiology in April 2019; Average reduction in weight for Members who used Livongo's solution for 12 months as of December 1, 2018; Depression Anxiety Stress Scale improvement shown in 55% of Members from the time of enrollment as of March 31, 2019
- 3) \$129 in medical savings plus supply cost savings (assumed to be \$1 per test strip, used once a day)



Remote Monitoring Maximizes Virtual Care

Capture Data

Connected Devices



24/7 Remote Monitoring



Data Access to Providers

Health Summary Report



Clinical Portal



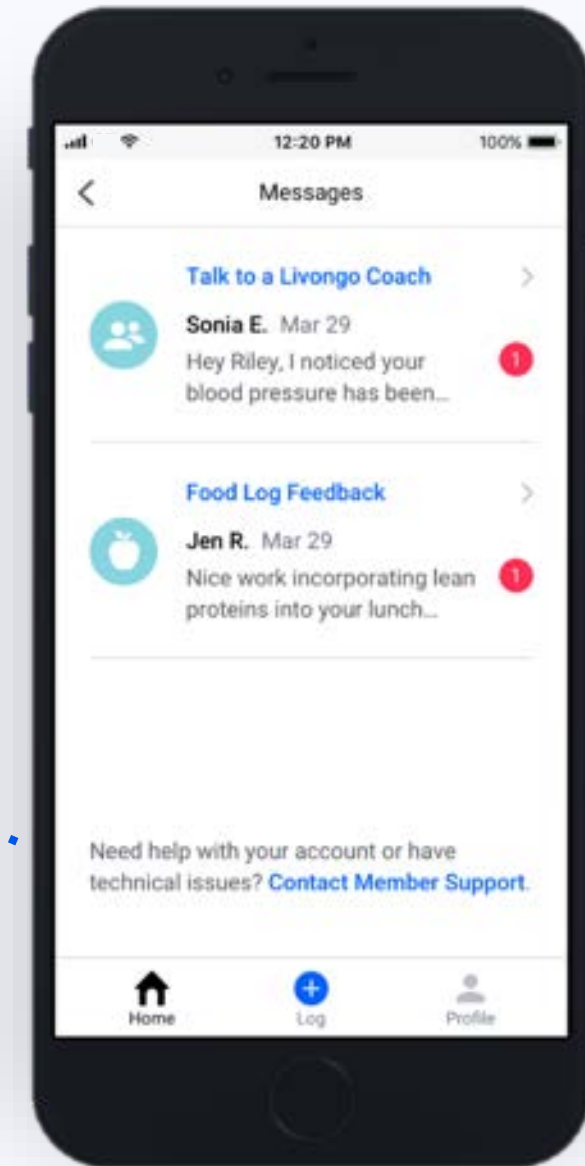
Proven Virtual Coaching

2.7x

Coaching session increase since January 2020

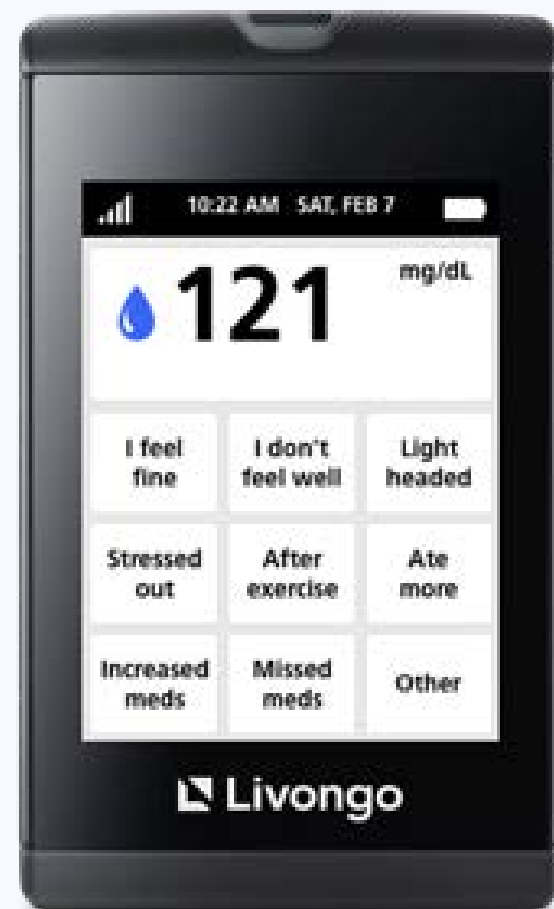
57%

of Members who took a Health Nudge™ found it valuable

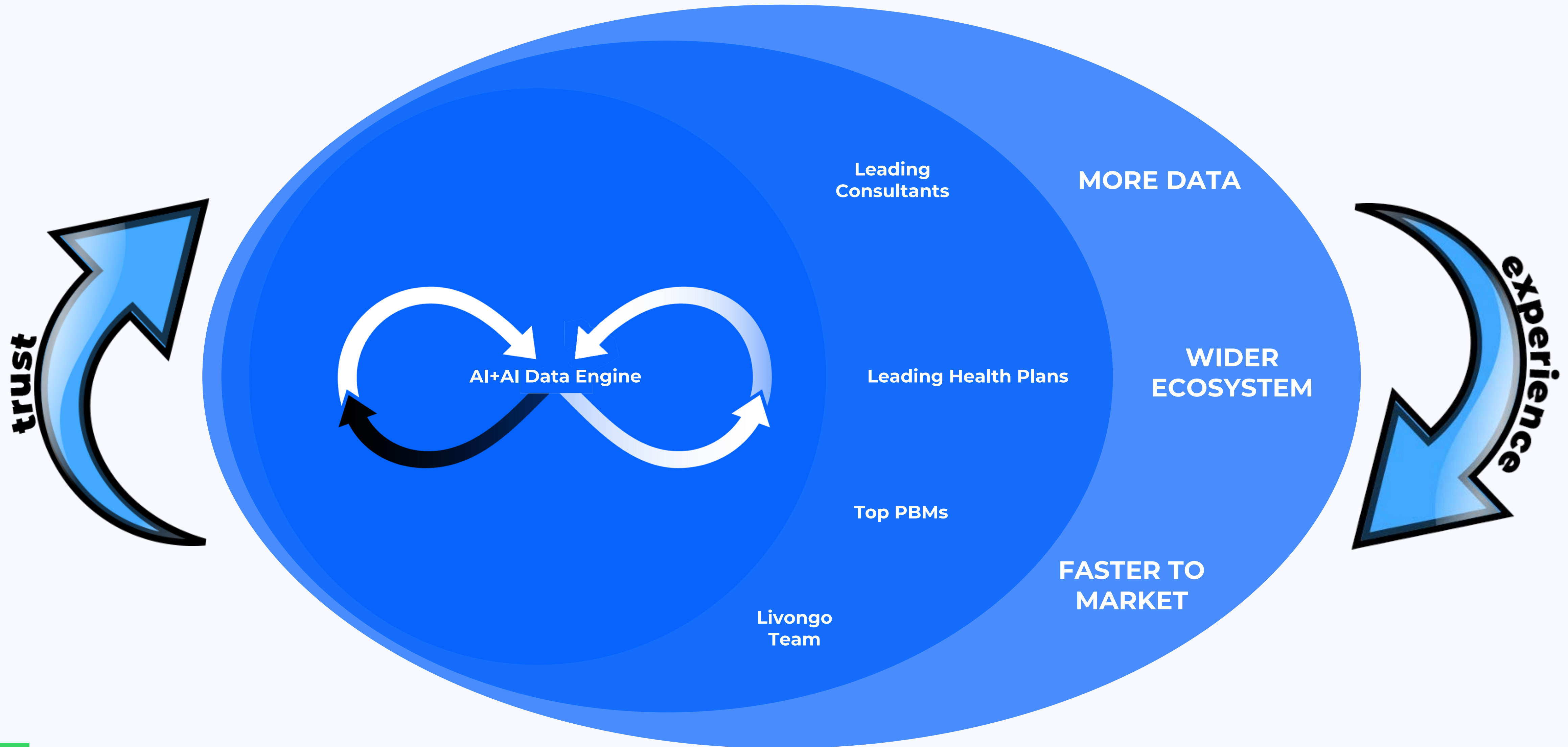


2.0x

Stress button since January 2020

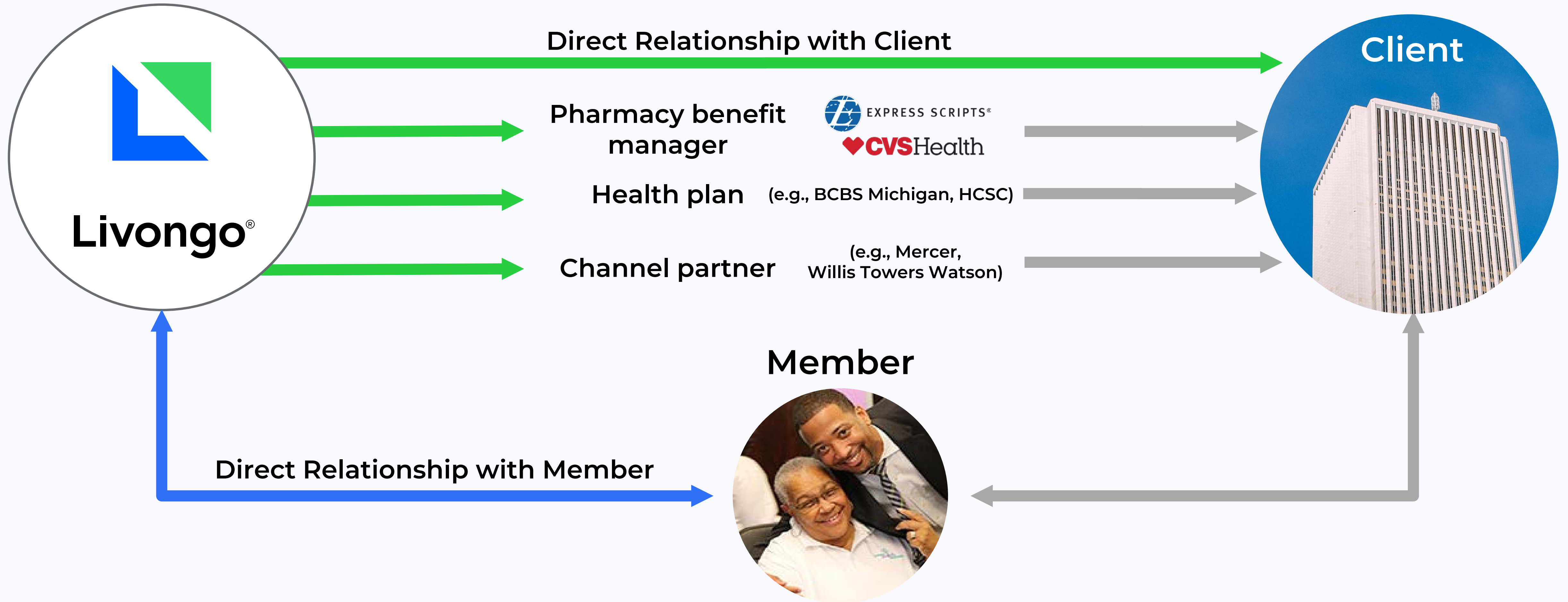


Multiple Competitive Moats



Constantly growing competitive distance, propelled by improving Client trust and Member experience.

Mastery of the Ecosystem



Multiple channels to reach our Clients



A Diversified Base of Blue-Chip Clients

**1,252
Clients**

&

**>328,000
Members**

Added **380** new Client relationships and over **105,000**
Livongo for Diabetes Members in Q1 2020

Over **30%** of the 2018 Fortune 500 companies are current Clients



An Experienced Leadership Team Built for Scale



Glen Tullman
Executive Chairman



Zane Burke
Chief Executive Officer



Dr. Jennifer Schneider
President



Lee Shapiro
Chief Financial Officer



Dave Engberg
Chief Technology Officer



Amar Kendale
Chief Product Officer



Anmol Maden
Chief Data Scientist



Bimal Shah
Chief Medical Officer



Arnon Geshuri
Chief People Officer



Jim Pursley
Chief Commercial Officer



Michael Sturmer
SVP of Health Services



Courtnee LeClaire
Chief Marketing Officer





FINANCIAL HIGHLIGHTS

Financial Highlights

High revenue growth

- One of the largest CAGRs among publicly traded SaaS companies
- Q1'20 Revenue of \$68.8M, up 115%

Attractive recurring revenue business model

- Predominance of revenue is per participant per month
- Estimated Value of Agreements¹ signed in Q1'20 of \$89M

Favorable gross margin profile

- Gross margins in the 70's

Significant customer traction

- Ended Q1'20 with 1,252 Clients, up 44% quarter-over-quarter

Strong land and expand & renewals

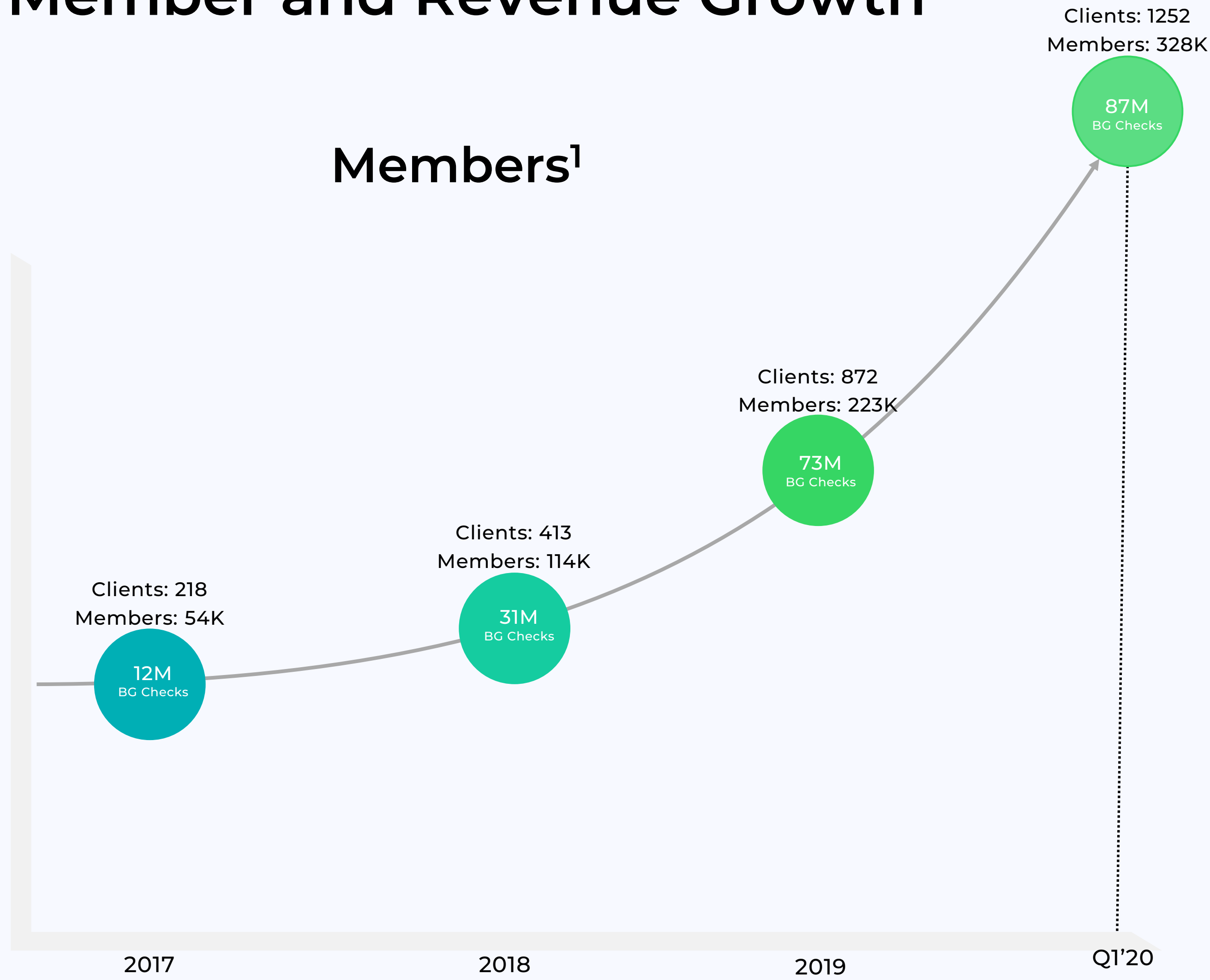
- Dollar-based net expansion rate was over 110% as of March 31, 2020



1) Estimated Value of Agreements was previously referred to as Total Contract Value. We define Estimated Value of Agreement as contractually committed orders to be invoiced under agreements initially entered into during the relevant period. Estimated Value of Agreement includes agreements entered into with new clients or expansion opportunities entered into with existing clients during a given period. Livongo adjusts these assumptions regularly based on new data and a high degree of judgment is required for such assumptions.

Member and Revenue Growth

Members¹



Revenue (\$M)

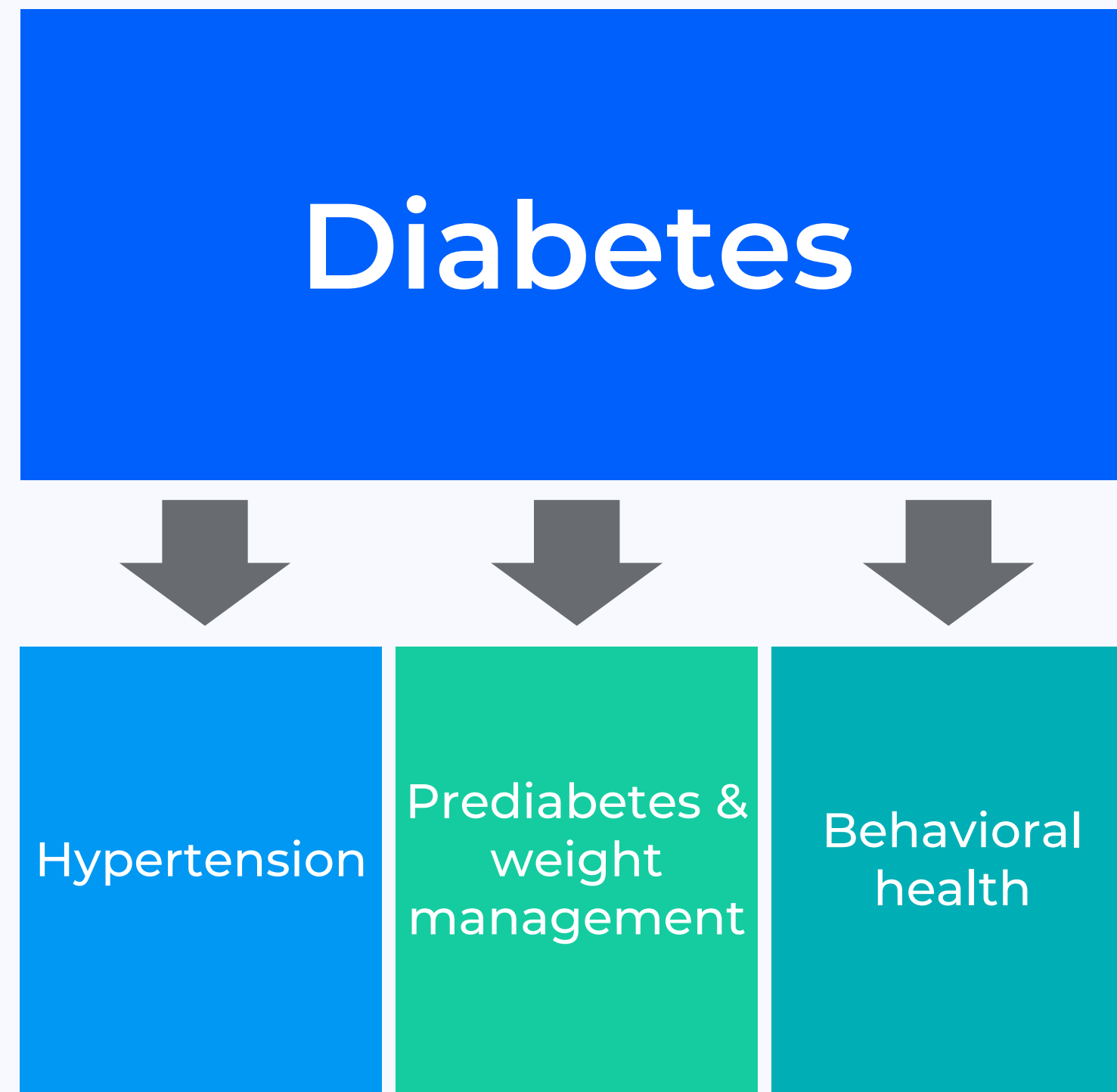


¹Livongo for Diabetes Members only

Organic Growth Drivers

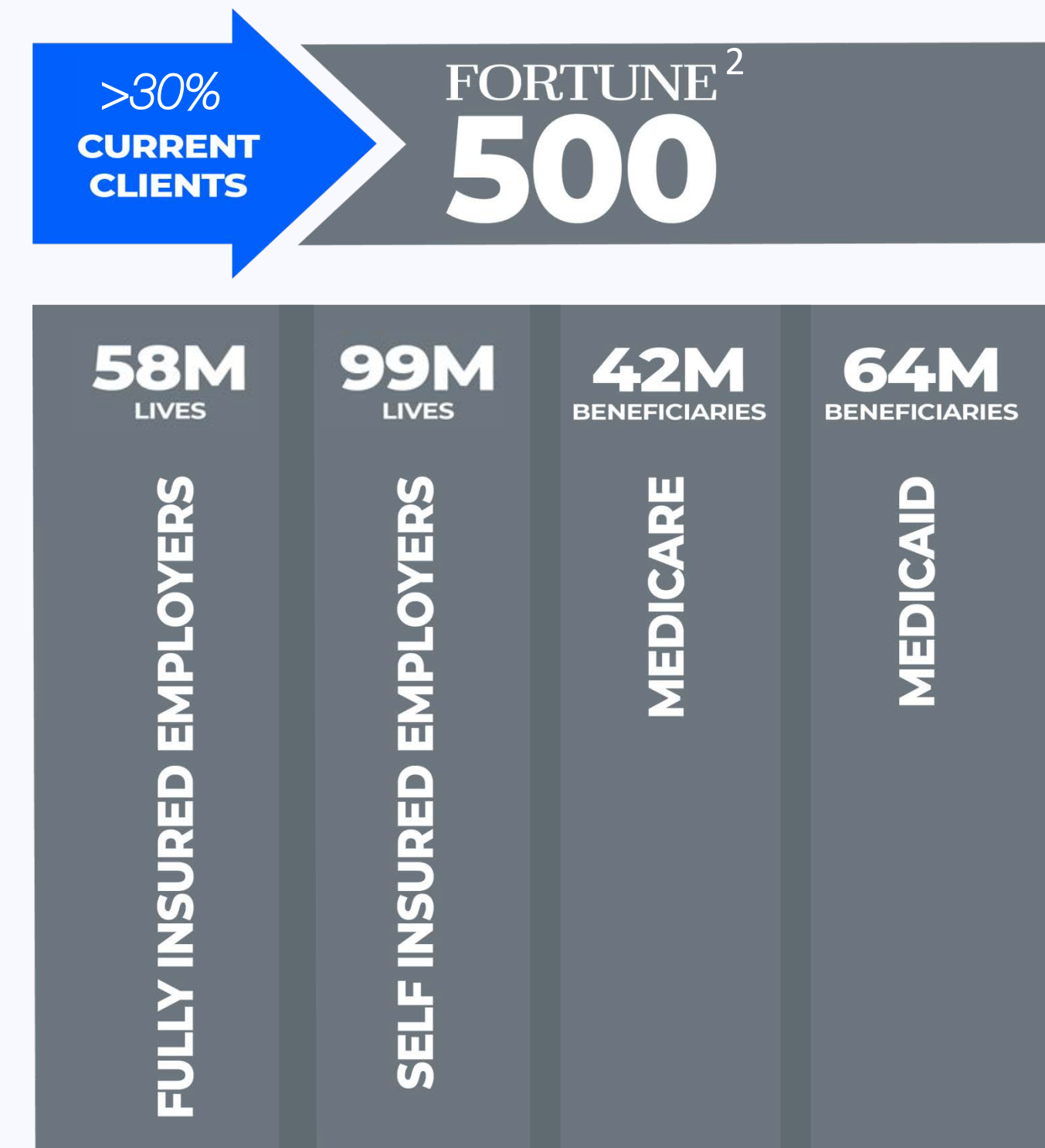
Increase product density

Penetrate new markets and cross sell additional solutions to **existing Clients**



Expand Client base

Increase penetration in our markets by continuing to **win new Clients**



Notes:

1) After 12 months for Clients who began enrollment in a given year

2) 2019 Fortune 500



Our 2020 Outlook

<i>Revenue</i>	<i>Low</i>	<i>High</i>	<i>Growth</i>
<i>Fiscal 2020</i>	<i>\$290M</i>	<i>\$303M</i>	<i>+70% to 78%</i>
<i>Q2'20</i>	<i>\$73M</i>	<i>\$75M</i>	<i>+78% to 83%</i>
<i>Adjusted EBITDA</i>	<i>Low</i>	<i>High</i>	<i>Margin Chg.</i>
<i>Fiscal 2020</i>	<i>\$(14M)</i>	<i>\$(10M)</i>	<i>+7 to 8.5 pts YOY</i>
<i>Q2'20</i>	<i>\$(2.0M)</i>	<i>\$0</i>	



"Livongo's spirit of innovation and determination is seemingly always on display, and the company's leadership and fundraising efforts play an important role in bringing us closer to a cure."

*Aaron J. Kowalski,
Juvenile Diabetes Research Foundation President and CEO*



2019 JDRF Ride
111 Livongan Riders
Largest Riding Team in JDRF History
\$254,000 Raised for the JDRF Ride to Cure Diabetes

Thank You.

LIVONGO HEALTH, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(in thousands, except percentages)
(unaudited)

Three Months Ended March 31, 2020

	GAAP	Stock-Based Compensation Expense	Amortization of Intangible Assets	Lock-Up Related Payroll Taxes	Change in Fair Value of Contingent Consideration	Tax Impact	Non- GAAP
Cost of revenue	\$ 18,108	\$ (92)	\$ (420)	\$ —	\$ —	\$ —	\$ 17,596
Gross profit	\$ 50,715	\$ 92	\$ 420	\$ —	\$ —	\$ —	\$ 51,227
Gross margin	73.7%						74.4%
Research and development	\$ 13,997	\$ (2,216)	\$ —	\$ (153)	\$ —	\$ —	\$ 11,628
Sales and marketing	\$ 27,655	\$ (2,052)	\$ (276)	\$ (167)	\$ —	\$ —	\$ 25,160
General and administrative	\$ 15,846	\$ (3,703)	\$ —	\$ (280)	\$ —	\$ —	\$ 11,863
Change in fair value of contingent consideration	\$ 84	\$ —	\$ —	\$ —	\$ (84)	\$ —	\$ —
Total operating expenses	\$ 57,582	\$ (7,971)	\$ (276)	\$ (600)	\$ (84)	\$ —	\$ 48,651
Income (loss) from operations	\$ (6,867)	\$ 8,063	\$ 696	\$ 600	\$ 84	\$ —	\$ 2,576
Income (loss) before provision for income taxes	\$ (5,552)	\$ 8,063	\$ 696	\$ 600	\$ 84	\$ —	\$ 3,891
Net income (loss)	\$ (5,573)	\$ 8,063	\$ 696	\$ 600	\$ 84	\$ —	\$ 3,870
Net income (loss) attributable to common stockholders	\$ (5,573)	\$ 8,063	\$ 696	\$ 600	\$ 84	\$ —	\$ 3,870
Net income (loss) per share attributable to common stockholders, diluted	\$ (0.06)						\$ 0.03
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders, diluted	95,543						112,278

