



**INVESTOR**  
**DAY** NEW YORK CITY  
03.05.2020

# 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, 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.



# Welcome and Overview

Jason Gorevic  
Chief Executive Officer

# Investment Highlights

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

**Global Leadership Position Across Channels**

**The Only Comprehensive Virtual Care Solution**

**Positioned to Broaden Role in Healthcare Delivery**

**Track Record of Delivering Strong Revenue Growth**

**Durable Business with Compelling Financial Model**



# Guided by Our Values

We are guided  
by shared  
values

We are passionate about **taking care of people**

We are committed to **unsurpassed quality**

We **keep our promises**

We lead with **integrity, accountability, and transparency**

We stand up for **what's right**

We strive to **create value**

We **respect** each other and value **succeeding together**

# Teladoc Health is the global virtual care leader

**TDOC**

publicly-traded on NYSE

**+2,400**

employees worldwide

**+450**

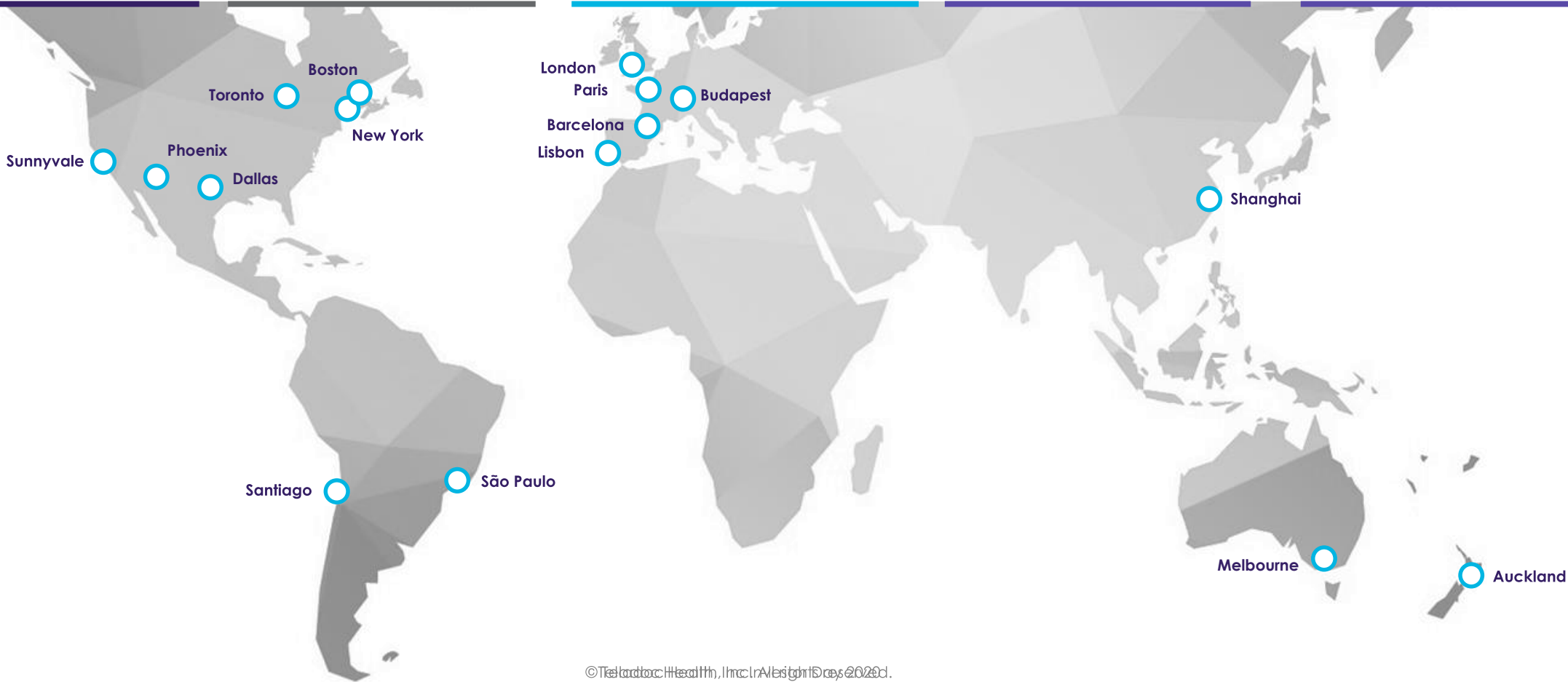
medical sub-specialties

**+40**

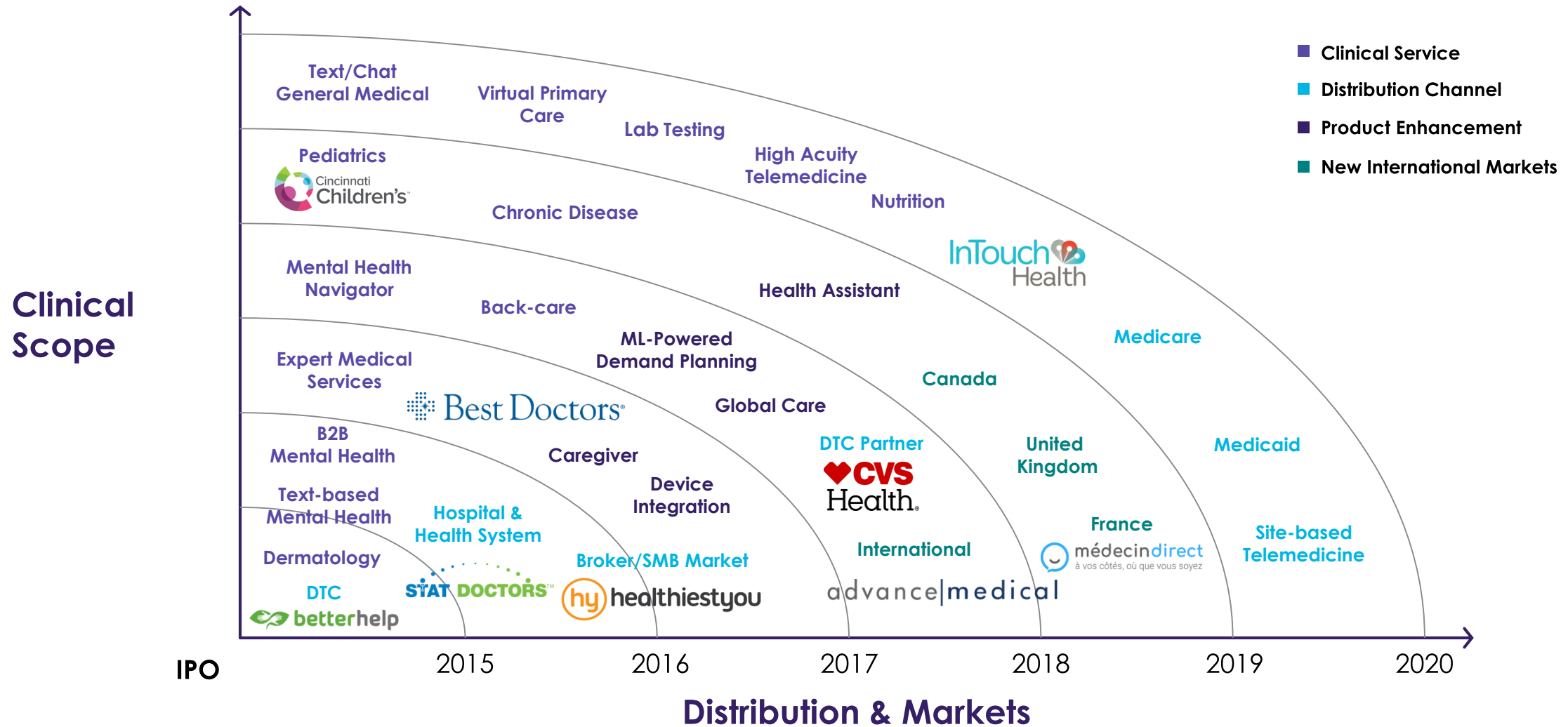
languages spoken

**+50,000**

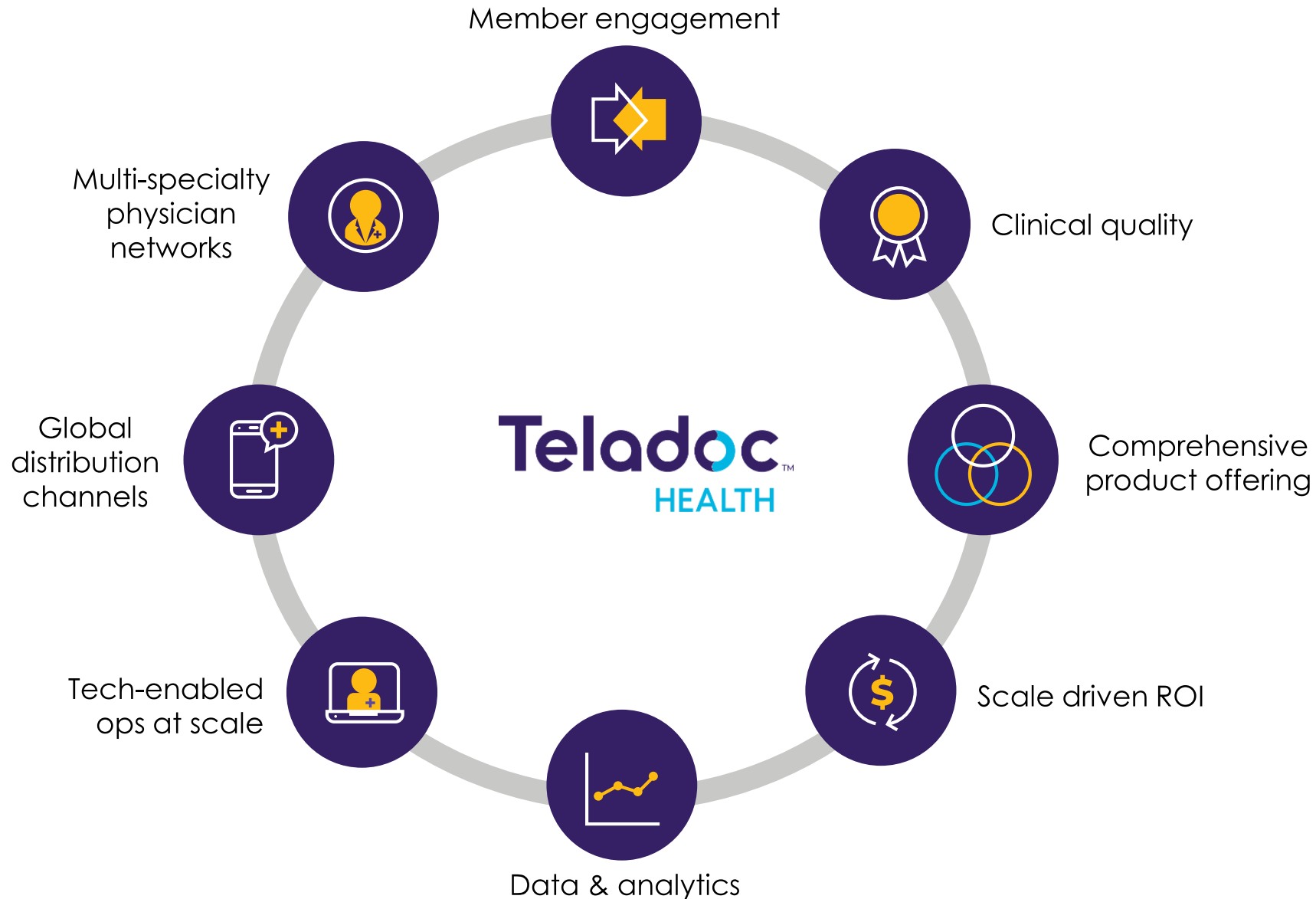
clinicians globally



# Execution of strategic vision since IPO



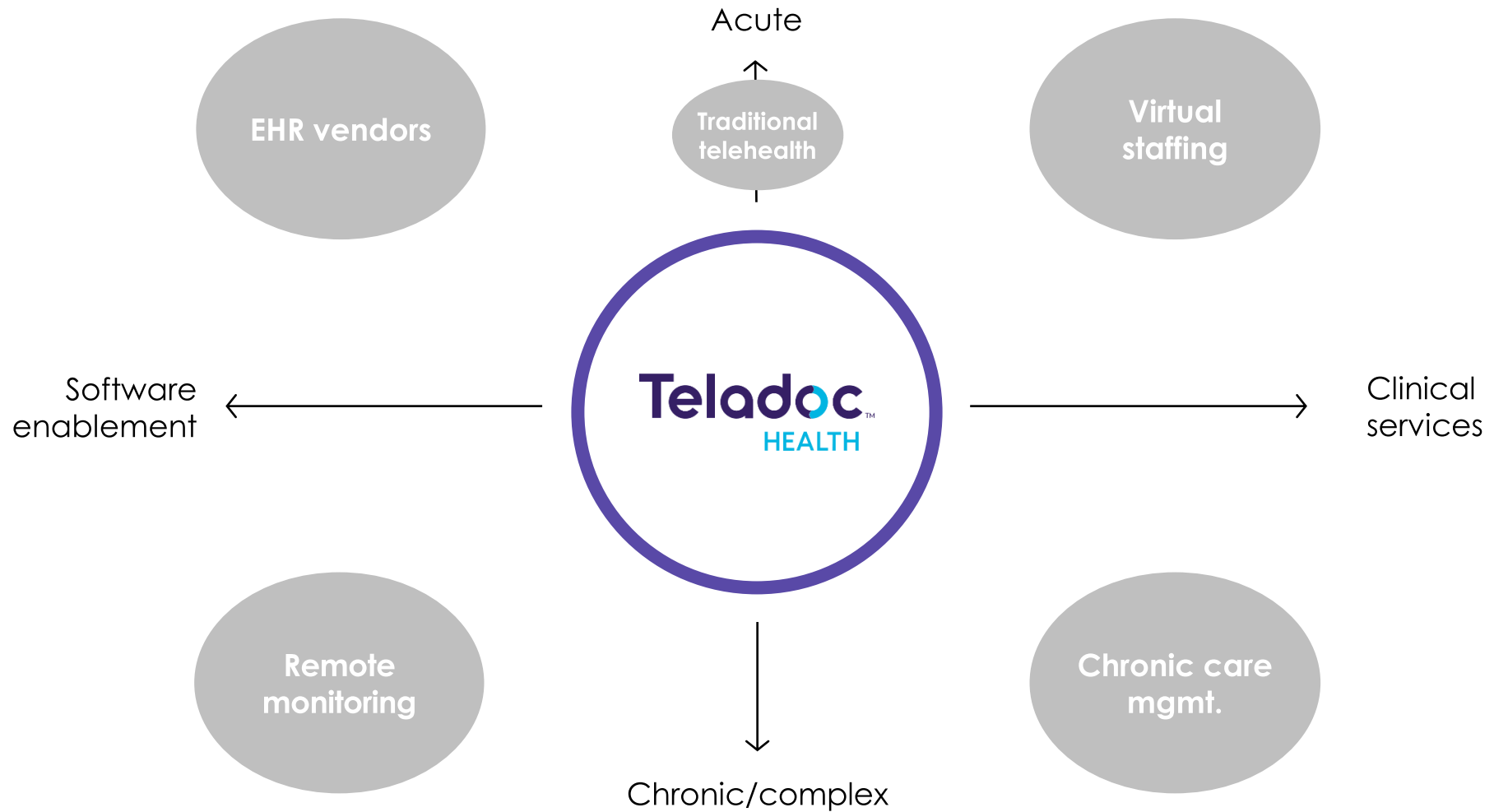
# Industry leading differentiated assets and capabilities



# Teladoc Health addresses the full range of acuity & care sites



# Strategic positioning drives competitive advantage



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

# Enabling us to 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



# Executing vision with strategic growth pillars

## Compelling Financial Model

### Expand footprint & distribution

Invest in channels  
Product cross-sell

### Clinical service innovation

New clinical service lines  
Clinical quality leadership

### Accelerate consumer adoption

Integrated, intuitive experiences  
Engagement science



## Assets & Capabilities





# Compound effect of investments in business

**More Members**

**X**

**More Products**

**X**

**More Utilization**

**X**

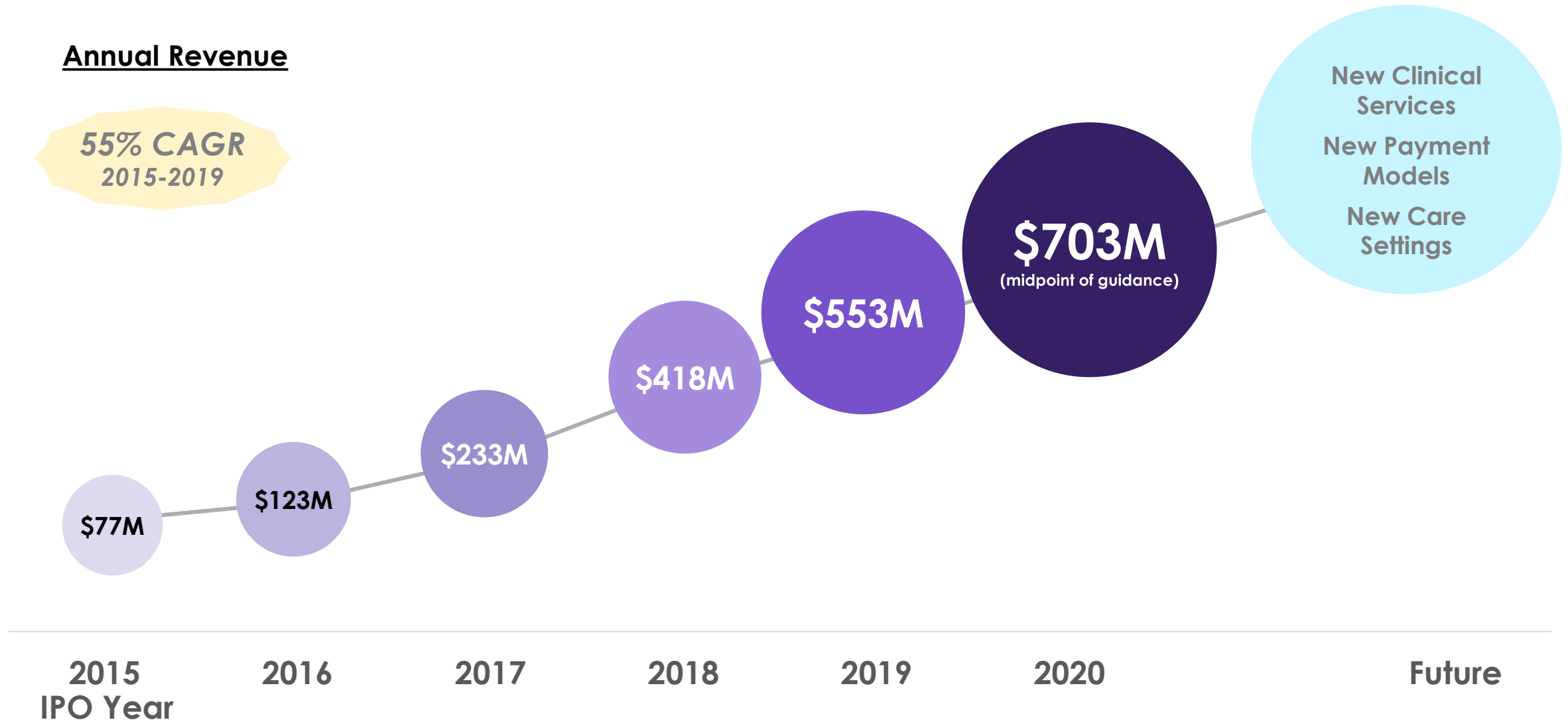
**More Payment Models**



# We are on a multibillion dollar journey

## Annual Revenue

**55% CAGR**  
2015-2019





# Teladoc Health Case Study

# Teladoc Health profile

1,500

US employees

4,300

Total US members

62%/38%

Female/male split

39.5

Average age

\$0

for virtual care

Everyday  
care



Dermatology



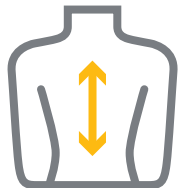
Mental  
healthcare



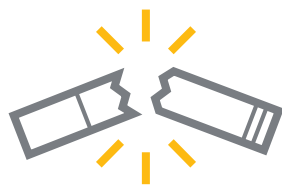
Expert medical  
services



Nutrition  
NEW for 2020!



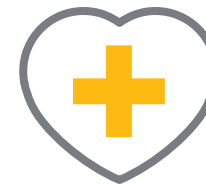
Back  
care



Tobacco  
cessation



Sexual  
health



Caregiving



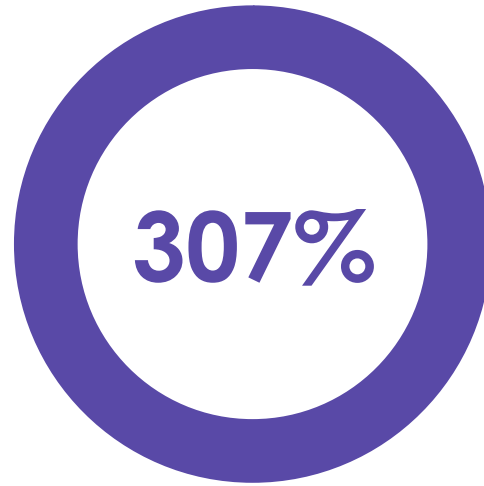
Global  
care

Strong communications approach

# Strong engagement & utilization



of members  
have registered  
their Teladoc  
account



2019 Gen Med  
utilization  
**42% YOY**  
visit increase



2019 Mental Health  
utilization  
**4.4** visits per user

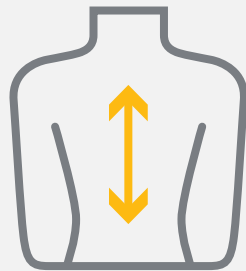


YOY growth in Expert  
Medical Services  
**25%** of cases for MSK

# Dramatic impact



**35% fewer**  
“Teladocable”  
visits per 1,000



**18% fewer**  
Musculoskeletal  
encounters per 1,000



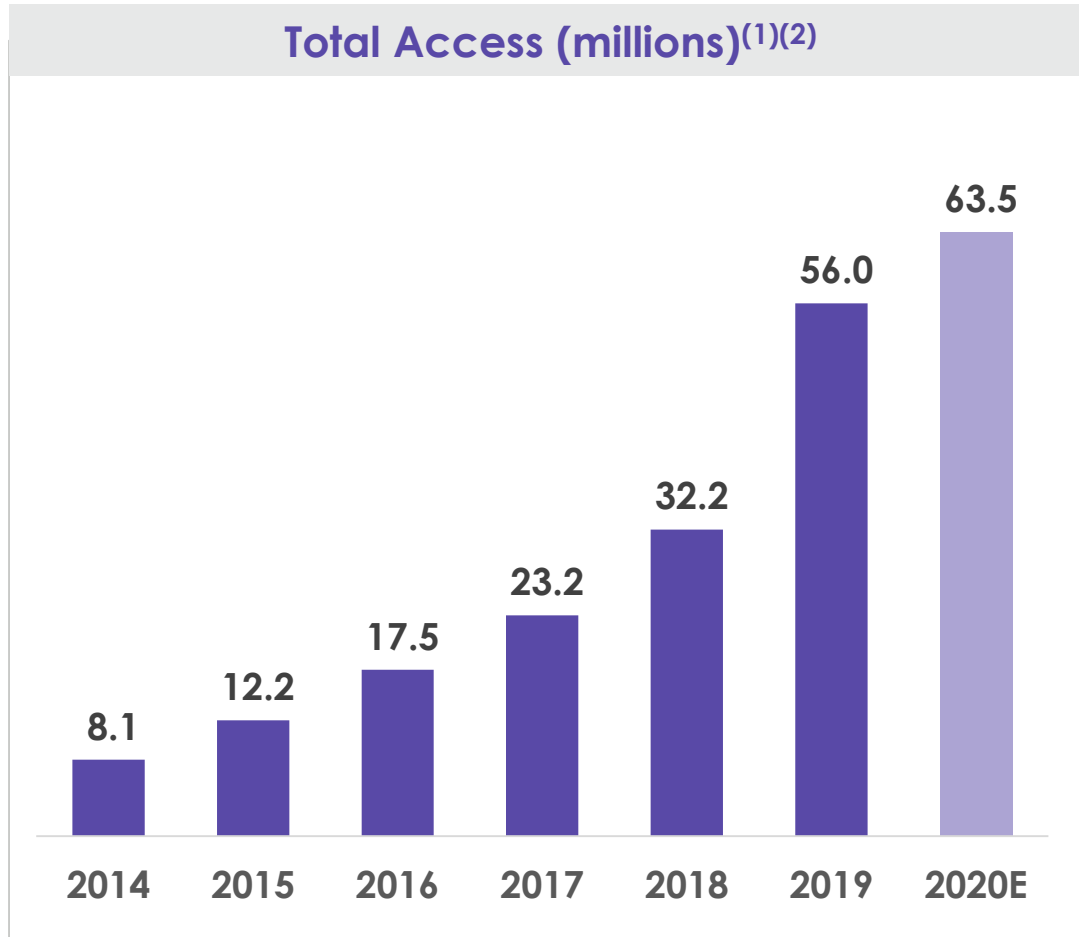
**40%**  
of BH users would  
not have sought  
treatment



**28% lower**  
total health  
benefits costs<sup>(1)</sup>

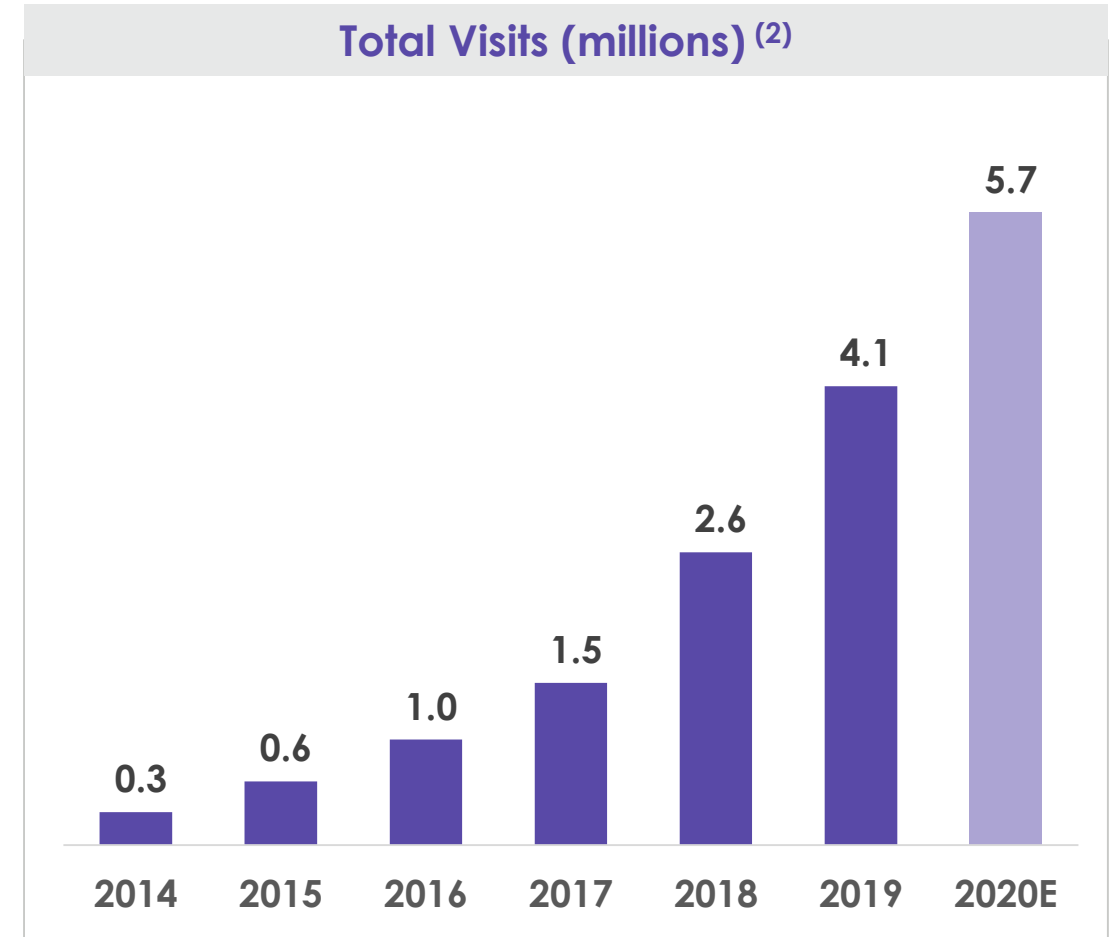
(1) Compared to benchmark claims costs for similar employers in 2019

# Serving More People with Accelerating Adoption



(1) US Paid membership + US VFO Access.

(2) 2020E reflects midpoint of guidance.



# Results and guidance show continued revenue growth and earnings expansion

millions	2019 actual	Growth vs. 2018	2020E guidance	Growth vs. 2019 <sup>(2)</sup>
<b>Revenue</b>	\$553	32%	\$695 – 710	27%
<b>Adj. EBITDA<sup>(1)</sup></b>	\$32	137%	\$60 – 70	>100%
<b>Adj. EBITDA<sup>(1)</sup> Margin</b>	5.8%	250 bps	8.6% – 9.9%	290 bps – 410 bps
<b>U.S. paid membership</b>	36.7	61%	43.0 – 45.0	20%
<b>Total visits</b>	4.1	57%	5.5 – 5.9	38%

(1) See adjusted EBITDA reconciliation immediately following this presentation.

(2) Midpoint of guidance.





# Playbook for growth

David Sides  
Chief Operating Officer

# Key themes

Commercially integrated, global leader with right-to-win

Multiple levers to capture new opportunities & existing whitespace

Best in class assets & operational capabilities for sustained growth

# Executing vision with strategic growth pillars

## Compelling Financial Model

### Expand footprint & distribution

Invest in channels  
Product cross-sell

### Clinical service innovation

New clinical service lines  
Clinical quality leadership

### Accelerate consumer adoption

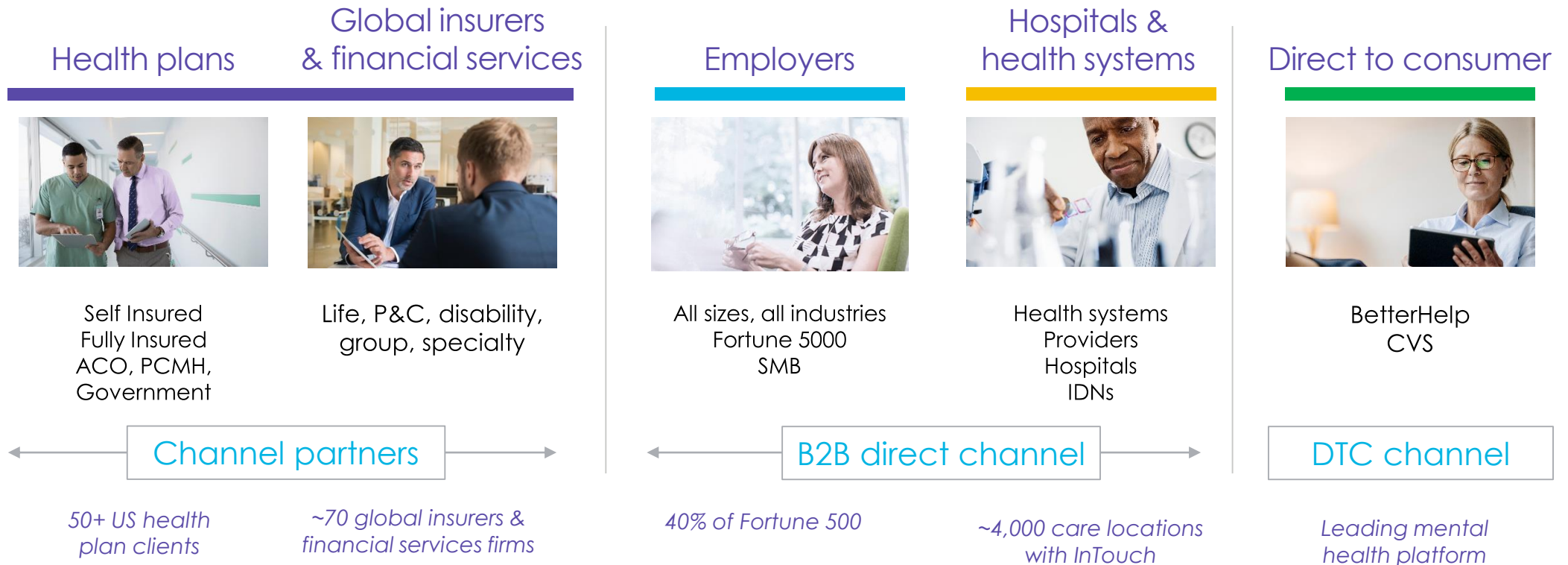
Integrated, intuitive experiences  
Engagement science



### Assets & Capabilities



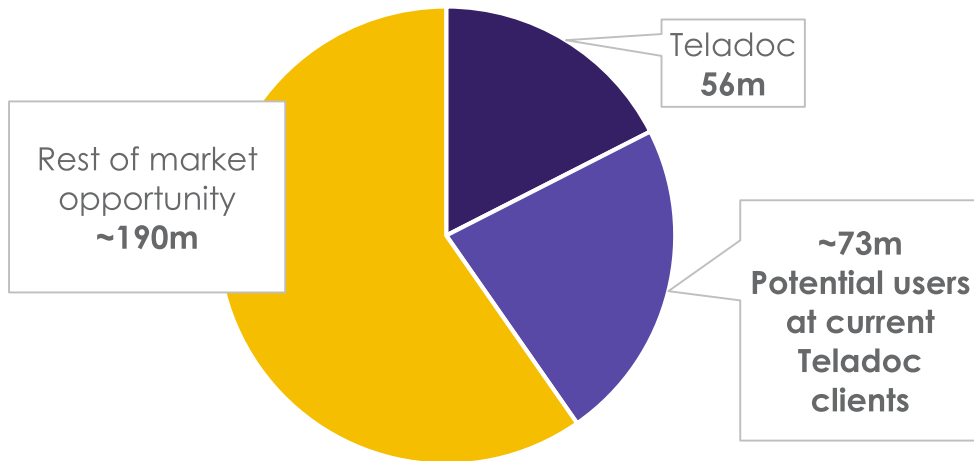
# Teladoc Health's global, multichannel distribution



# Significant white space; Teladoc is at the vanguard

## Domestic White Space

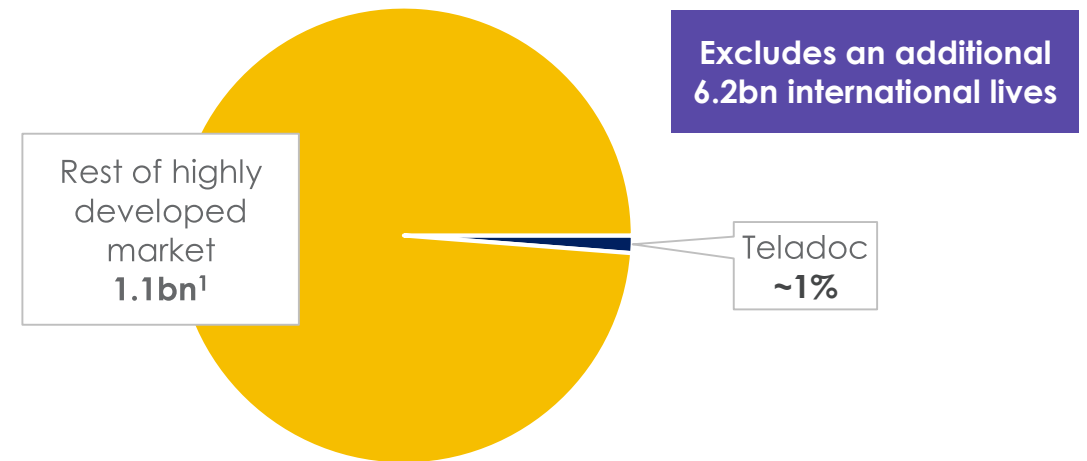
US Population: ~320m



Source: US Kaiser Family Foundation, AIS

## International White Space

International Population of Highly Developed Countries: 1.1bn<sup>1</sup>

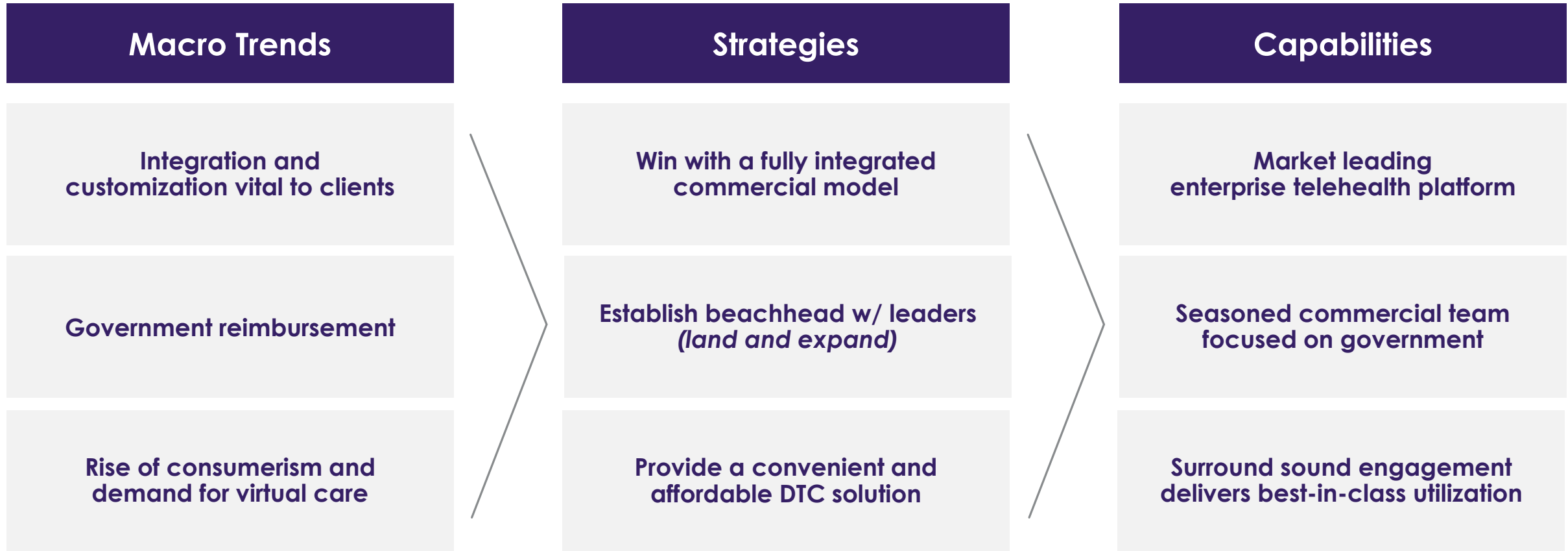


Source: UN Human Development Index

1. Includes all countries outside of the US receiving a "Very High Human Development" status in the 2019 UN Human Development Index, incorporating measures of Life Expectancy, Education and Standard of Living

59 countries compose this tier with example countries including Australia, Canada, the UK, Japan, France, Germany, Italy, Spain, S. Korea, Argentina, among others

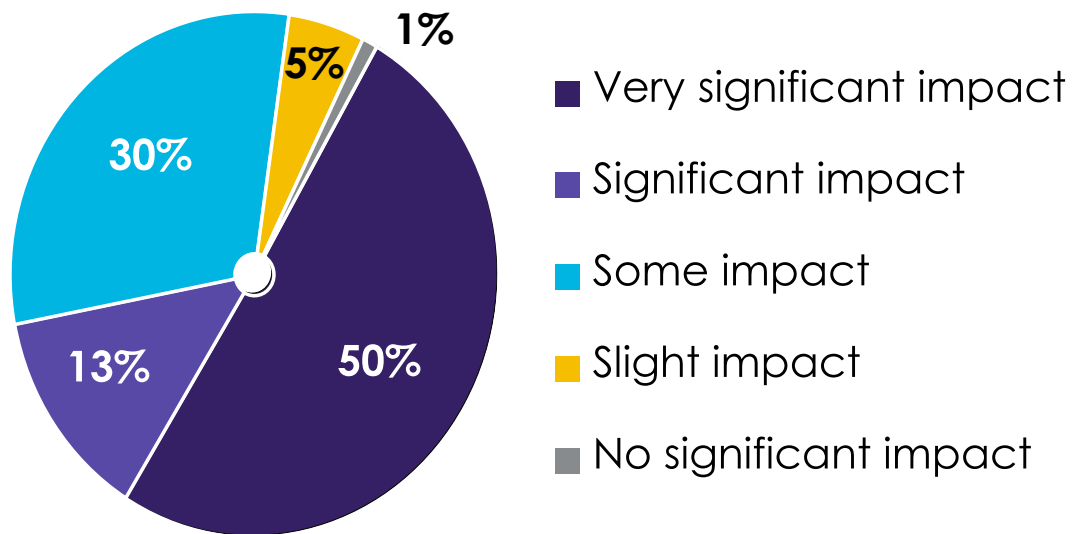
# Strategy aligned with macro tailwinds



# Emerging trends: Client integration and customization

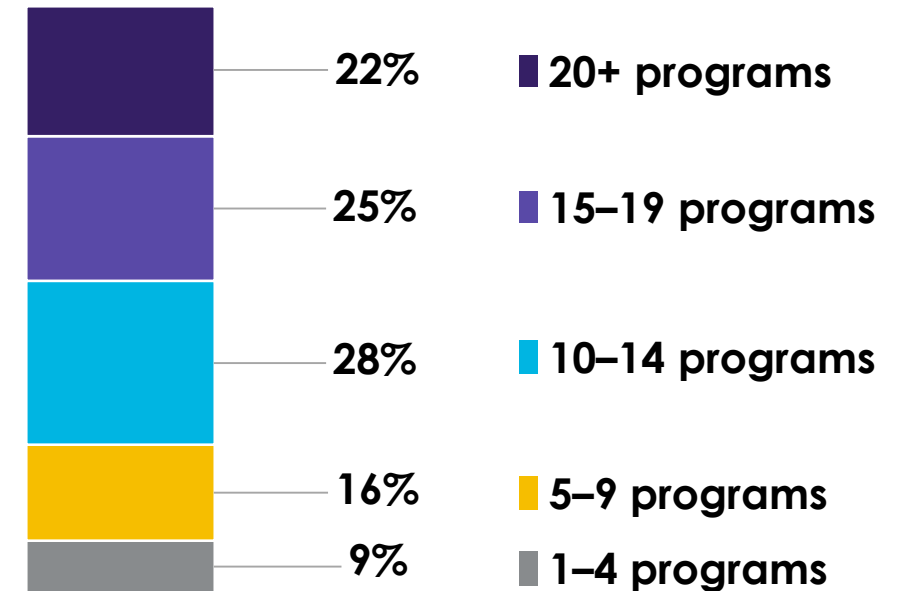
## Virtual care core to overall strategy<sup>1</sup>

### Large Employers' Views on the Impact of Virtual Care



## Desire to integrate digital health point solutions<sup>2</sup>

### All Companies: Number of Programs Offered



Sources:

1. National Business Group On Health Employer Survey

2. Castlight Ecosystem Research

# Evolution to an integrated commercial model



- Clients & RFPs using “Virtual Care” language
- Client & prospect discussions elevated to C-Suite
- Average deal sizes increasing



# Evolution to an integrated commercial model



- Land & expand, whitespace focused strategy
- Investing in best practices for growth enablement & commercial tools

# Evolution to an integrated commercial model



- Half of new deals are multi-product
- Multi-product pipeline reaching new highs
- Compounding effect on utilization and increases stickiness

# Evolution to an integrated commercial model



- \$108M (~20%) international revenue FY 2019
- Telehealth → Johnston Group (Canada)
- Full Virtual Care → AIG (UK)

# Evolution to an integrated commercial model



- Rapidly diversifying revenue base
- ~50% of FY'19 subscription revenue is outside legacy B2B U.S. group business

# Evolution to an integrated commercial model



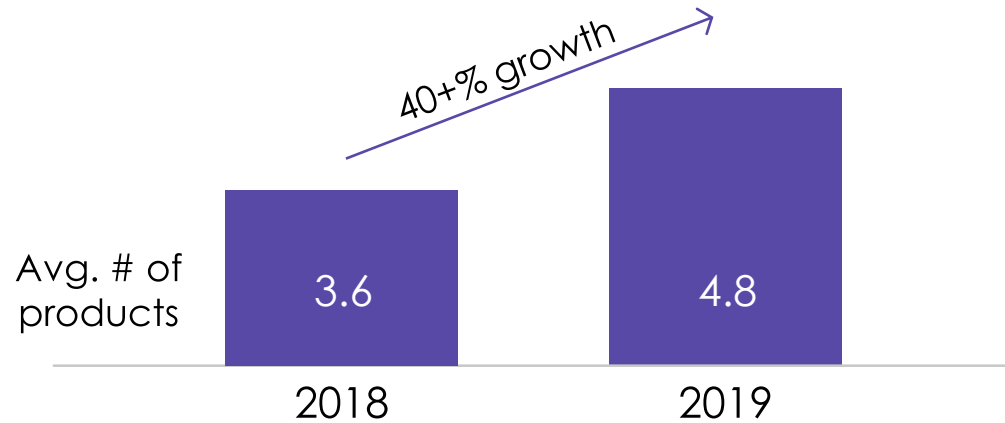
**Our acquired companies are actively selling into our legacy client base and every major product we have developed is selling into an acquired company**

1. Excludes InTouch.

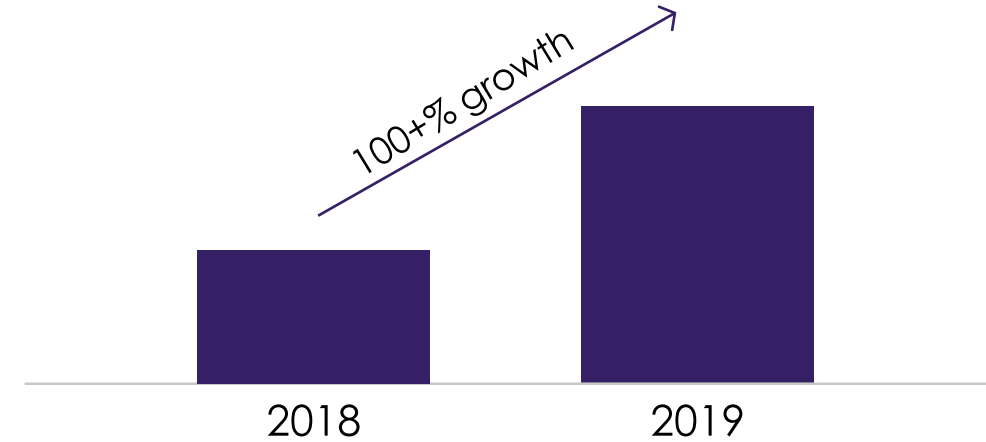
# Our commercial flywheel in action

Top 5 2019 Clients

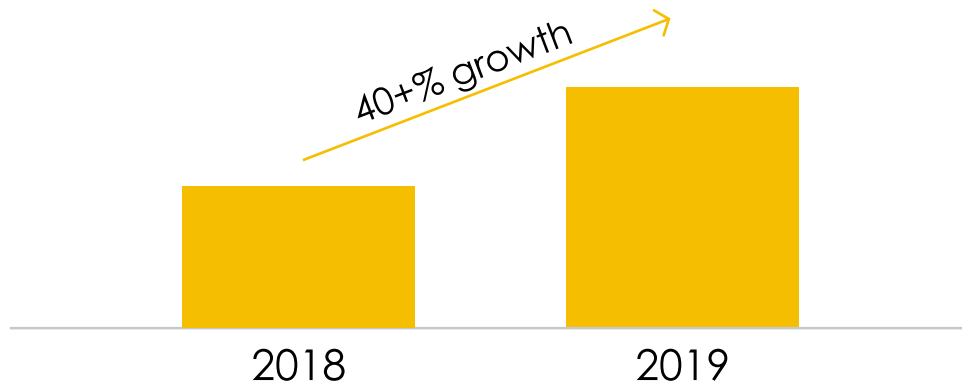
## Increased Total Revenue



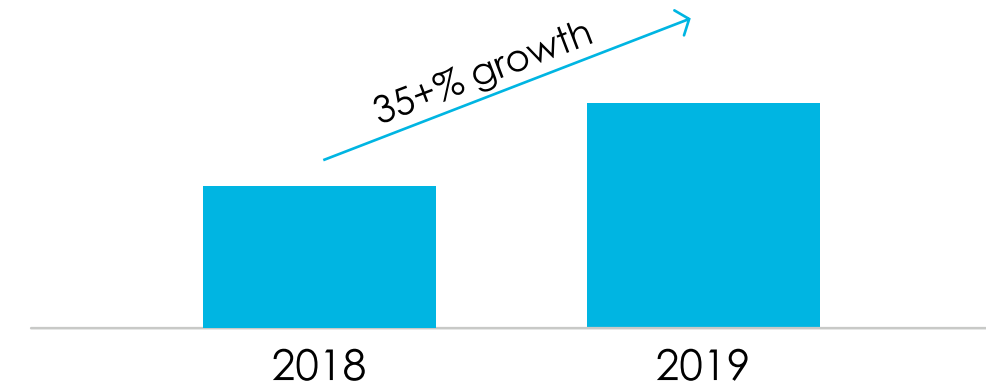
## Increased Paid Membership



## Increased Visits

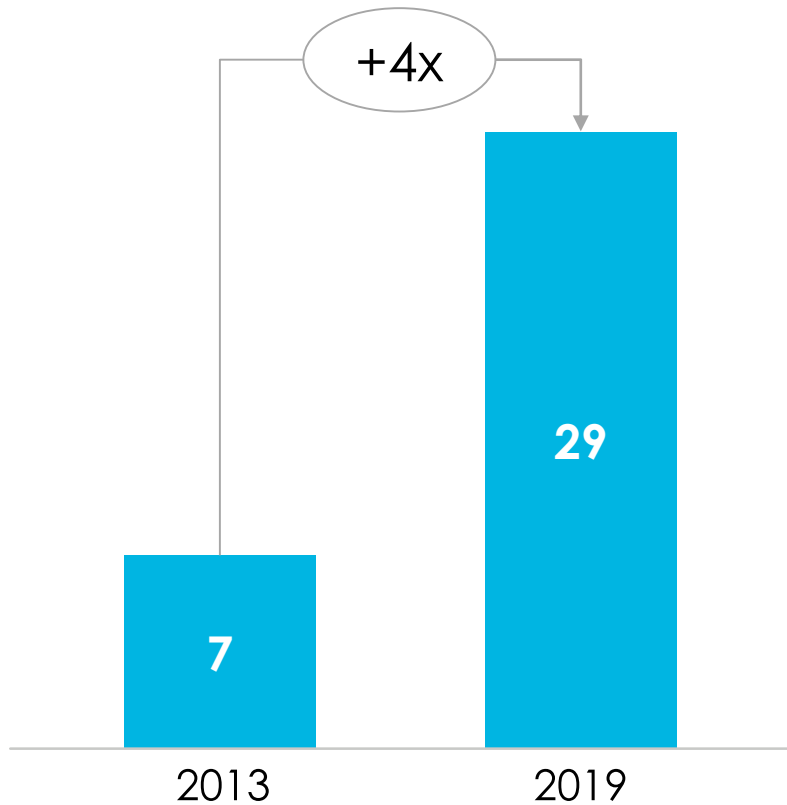


## Increased Subscription Revenue



# Emerging trends: Favorable government reimbursement

## State Medicaid Programs Reimbursing for Live Video in Patient's Home<sup>1</sup>



## Improved Regulatory Environment

- Bipartisan Budget Act passes including five specific telehealth expansions
- Medicaid expansions
- State telehealth payment parity laws
- Medicare Advantage expansion
- CMS proposed rule to further expand telehealth coverage for MA network adequacy

Sources:

1. Public Health Institute/Center for Connected Health Policy. *State Telehealth Medicaid Fee-For-Service Policy: A Historical Analysis of Telehealth: 2013 - 2019*

# Client story: Leading health plan

## Client needs

- High-cost members & analytics
- A partner for future Medicaid/Medicare regulation and expansions

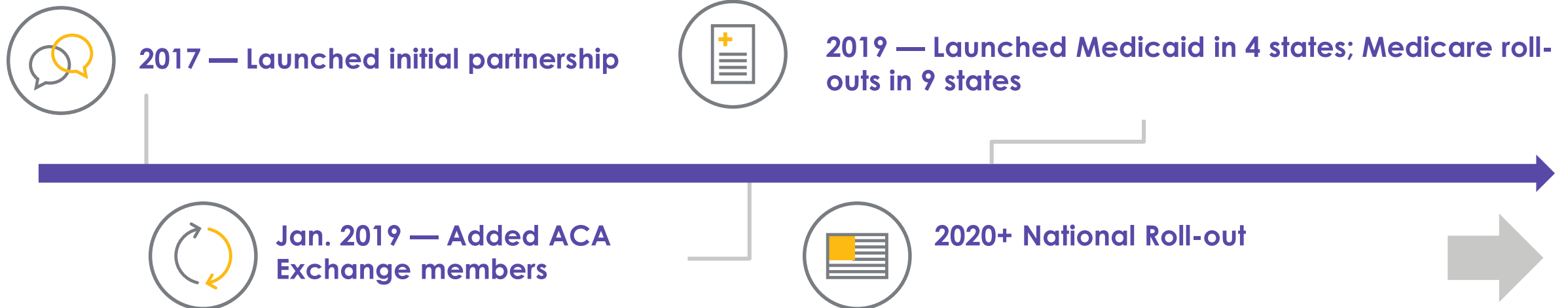
## Keys to success

- Targeted engagement & alignment with client strategy
- Understanding state complexities to drive Medicaid expansions

## Results and next opportunities

- \$20M+ in 2019 savings
- Full product suite to existing groups
- Joint research opportunities and deep virtual care collaborations

## Key relationship milestones





# Emerging trends: Consumer habits shifting

Retail clinics, pharmacies,  
and alternative sites of care



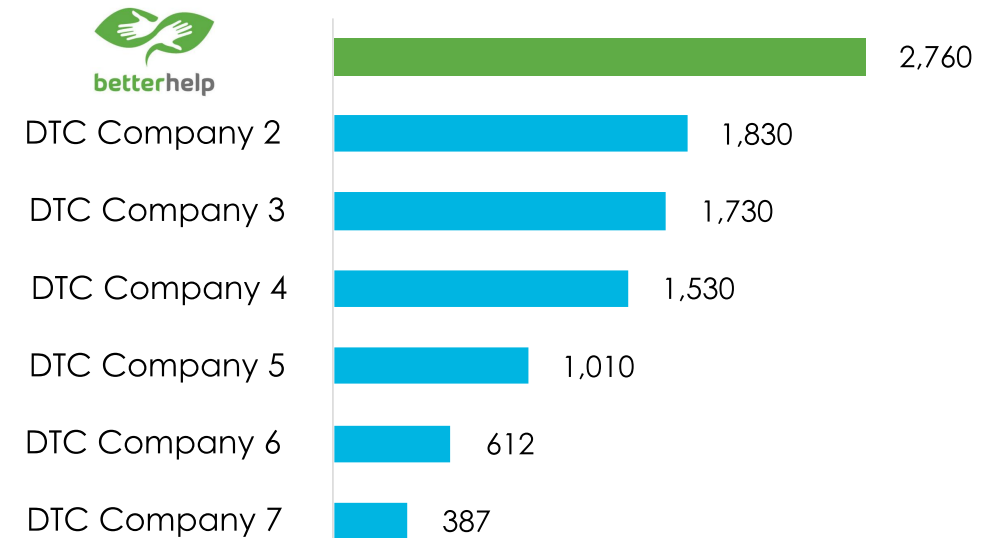
*CVS plans to have 1,500 HealthHUBs  
operating by end of 2021*



*Launched RediClinic Express in  
partnership with InTouch in 2019*

Direct-to-Consumer  
(Text/chat and Rx supply)

Monthly web visits (000s)<sup>1</sup>



Sources:

1. Raymond James Research; SimilarWeb.

# Success in mental health DTC

Providing convenient, affordable, private, professional counseling

## 2019 growth stats



**Visits Per Member: ▲ 43%**

**Revenue / CAC Ratio: ▲ 28%**

**LTV Per Member: ▲ 37%**

To allow a full year of data, LTV and visits compare cohorts of members who started paying in January/February of 2018 to members who started paying in January/February of 2019. Revenue and CAC are based on all members during the full year. Visits relate to live scheduled sessions over phone or video.

## Key competencies



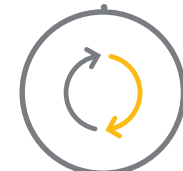
Powerful consumer acquisition and activation platform



Data and analytics to measure and optimize experience, onboarding, retention, and LTV



DTC marketing expertise, utilizing diversified ad channels with high ROI



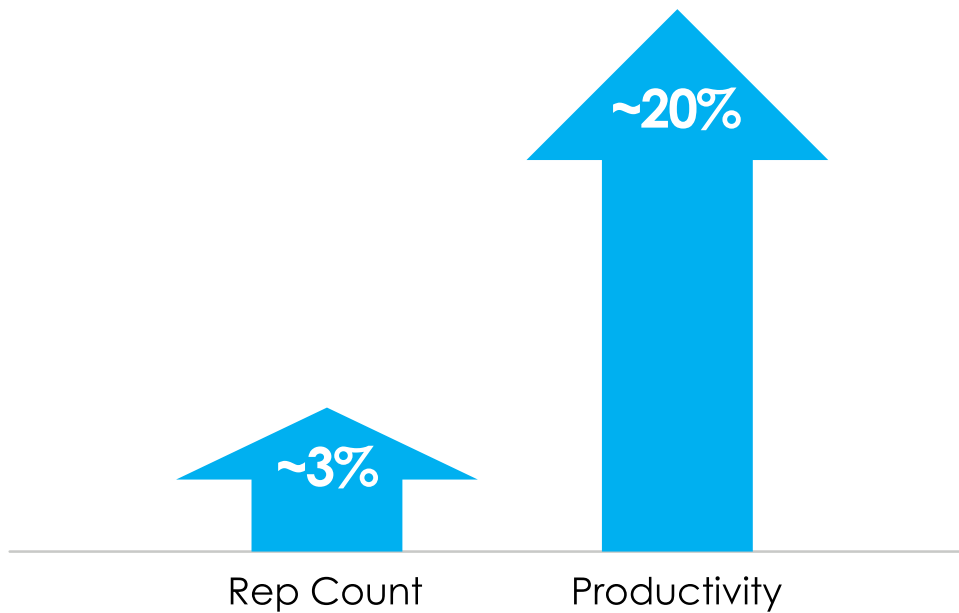
Unmatched focus on consumer satisfaction and quality, adaptable to fit the specific needs of each user



Rapid execution with strong test and learn methodology

# Operations enabling commercial growth

## Growth in rep productivity<sup>1</sup>



## 2019 Global selling season

Strong demand across all channels

RFP pipeline up ~10% YoY

Bookings up ~30% YoY

Larger average deal size

Multi-product half of bookings

***Over 90% retention rate and ~90% visibility into 2020 revenue***

1. Q4'19 vs. Q4'18. Rep productivity defined as trailing 12 month average bookings per Q4 sales and client management rep

# Executing vision with strategic growth pillars

## Compelling Financial Model

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Product cross-sell

### Clinical service innovation

New clinical service lines  
Clinical quality leadership

### Accelerate consumer adoption

Integrated, intuitive experiences  
Engagement science



### Assets & Capabilities



# Operational enhancements



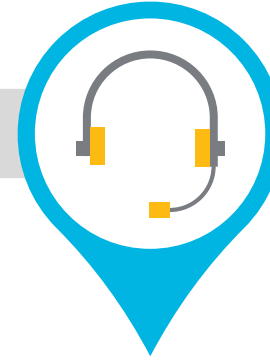
## INVEST

Marketing Ops  
to showcase  
breadth, reach,  
and differentiation



## AUTOMATE

Terms and  
conditions  
Credentialing



## MODERNIZE

Empower the  
virtual workforce  
AI call evaluation  
AI care plans



## SCALE

Follow-the-sun  
service model  
International  
expansion of call  
center platform

# Provider network capacity

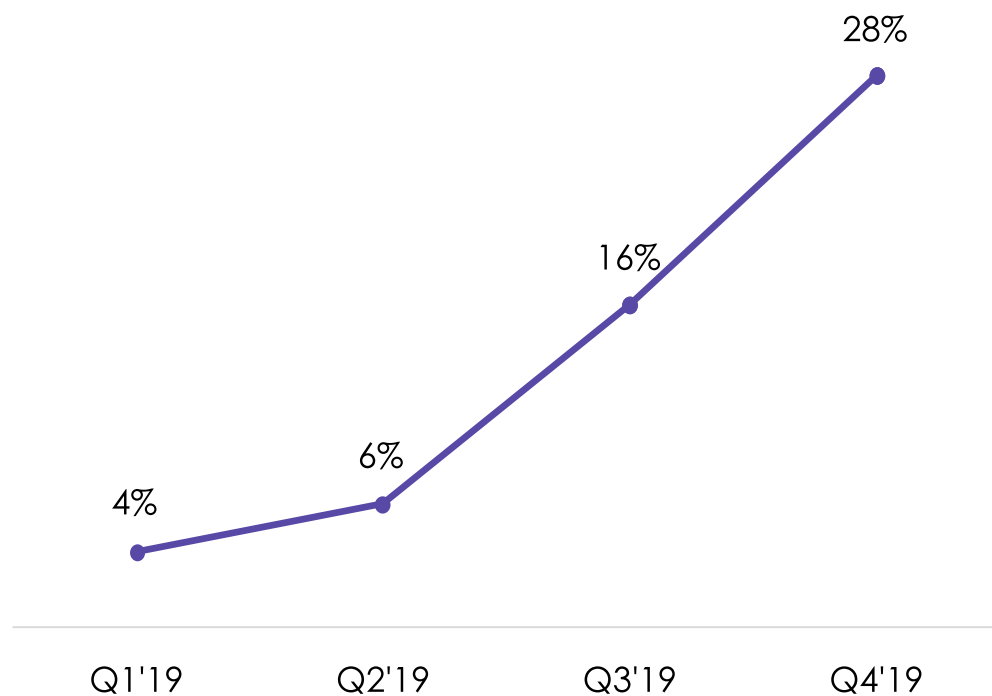
Macro Trends

Strategies

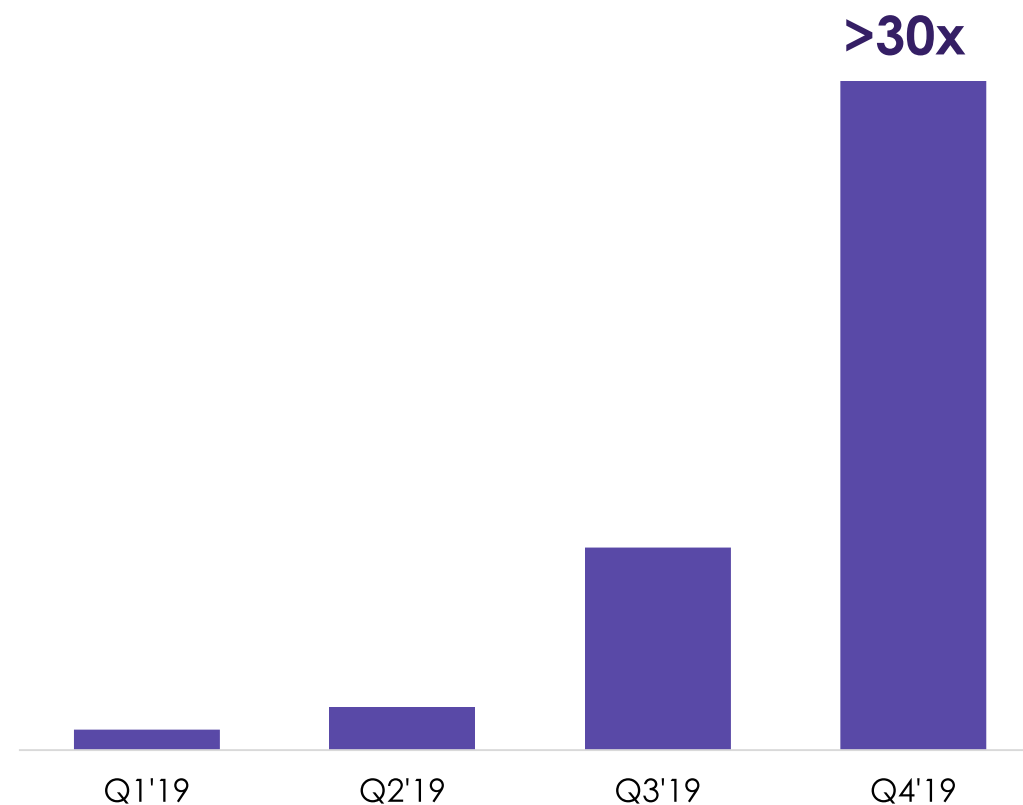
Capabilities

## US telehealth provider network

Growth Since Q4'18 (Indexed)



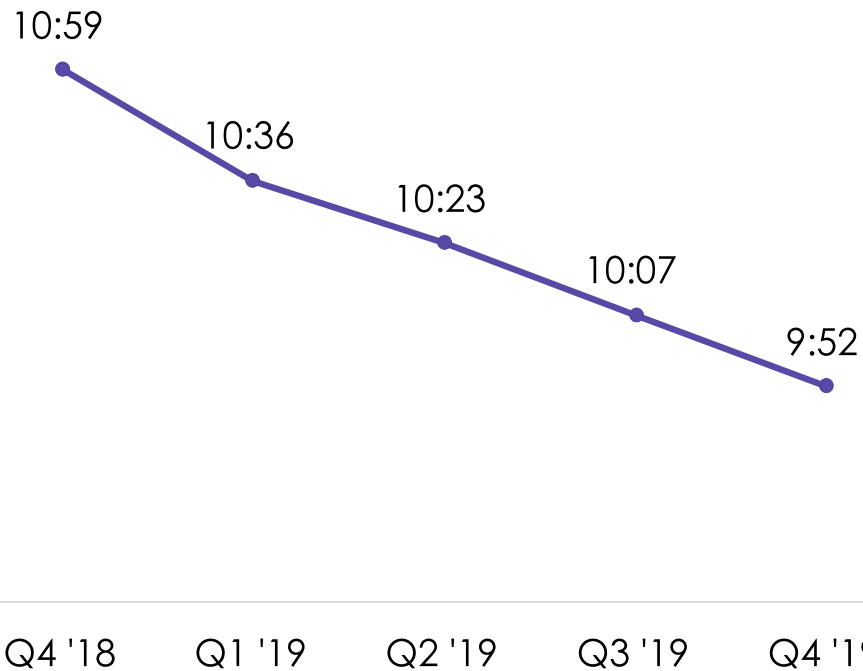
## Verified Medicaid providers



# Investing in technology to deliver operating leverage

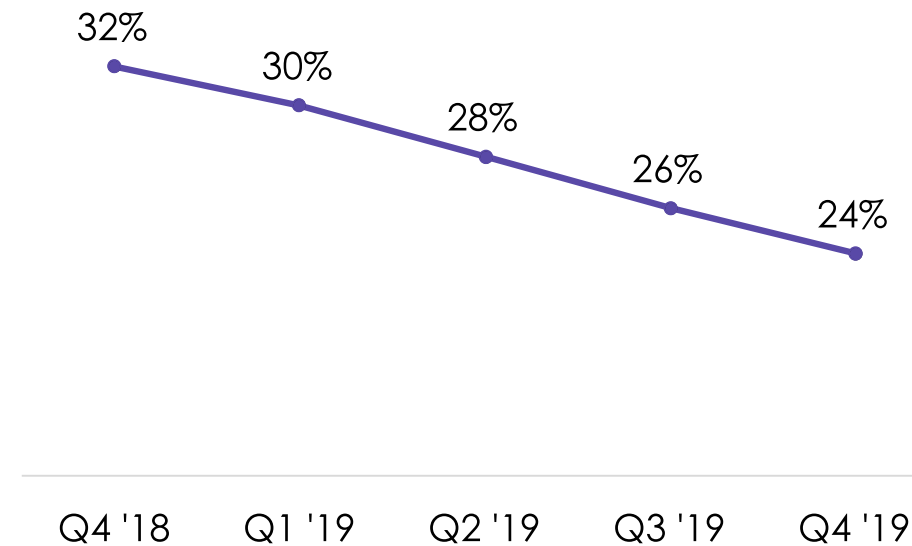
## Call center productivity

**Average call handle time in minutes**  
(Trailing 12 months)



## Member intake

**% of inbound requests via call center**  
(Trailing 12 months)



Shift in visit volume entry moving from Call Center to Mobile App

# Summary

Commercially integrated, global leader with right-to-win

Multiple levers to capture new opportunities & existing whitespace

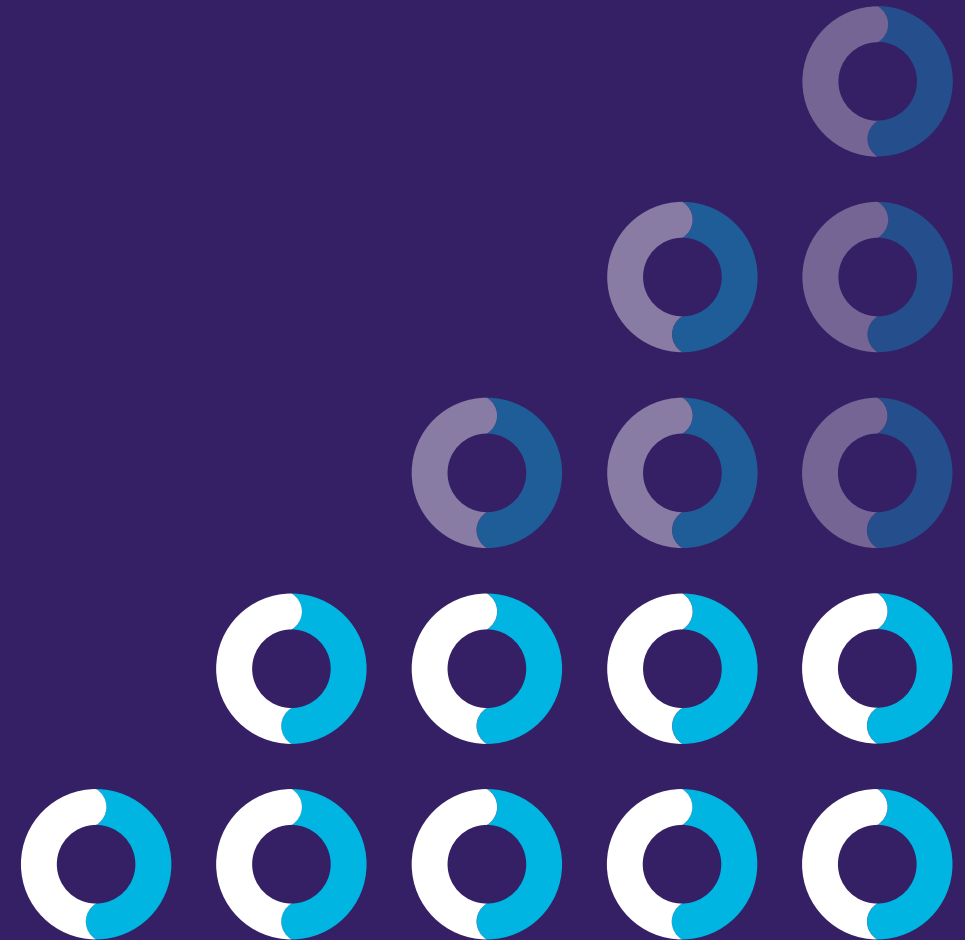
Best in class assets & operational capabilities for sustained growth





# Member engagement

Stephany Verstraete  
Chief Marketing Officer



# Summary

Adoption is accelerating across sponsored and DTC populations, and we're uniquely capturing the demand

Expansion of multi-service eligibility drives activation growth

Our scale, tenure and expertise build an unmatched base of activated users, creating a flywheel dynamic that fuels utilization, visit growth and marketing yield over time

# Activation is accelerating: sponsored populations

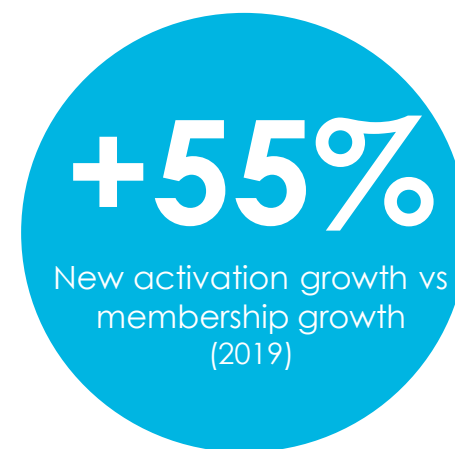
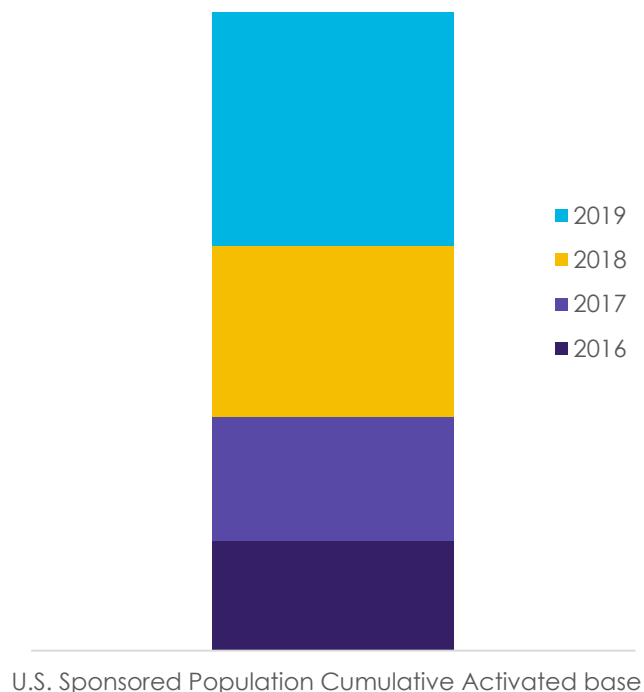
Leading consumer engagement for more than a decade generates unmatched momentum



## Macro trends

- **Increased confidence in resolution:** 84% of people who had a visit said they were able to completely resolve their medical concerns in the visit \*
- **People searching for virtual care** as a category +45% vs prior year
- **Insurance coverage is most impactful driver of increased usage** of telehealth\*

## Accelerating growth in activated user base



**New activation growth rate outpacing membership growth**

# Activation is accelerating: DTC populations

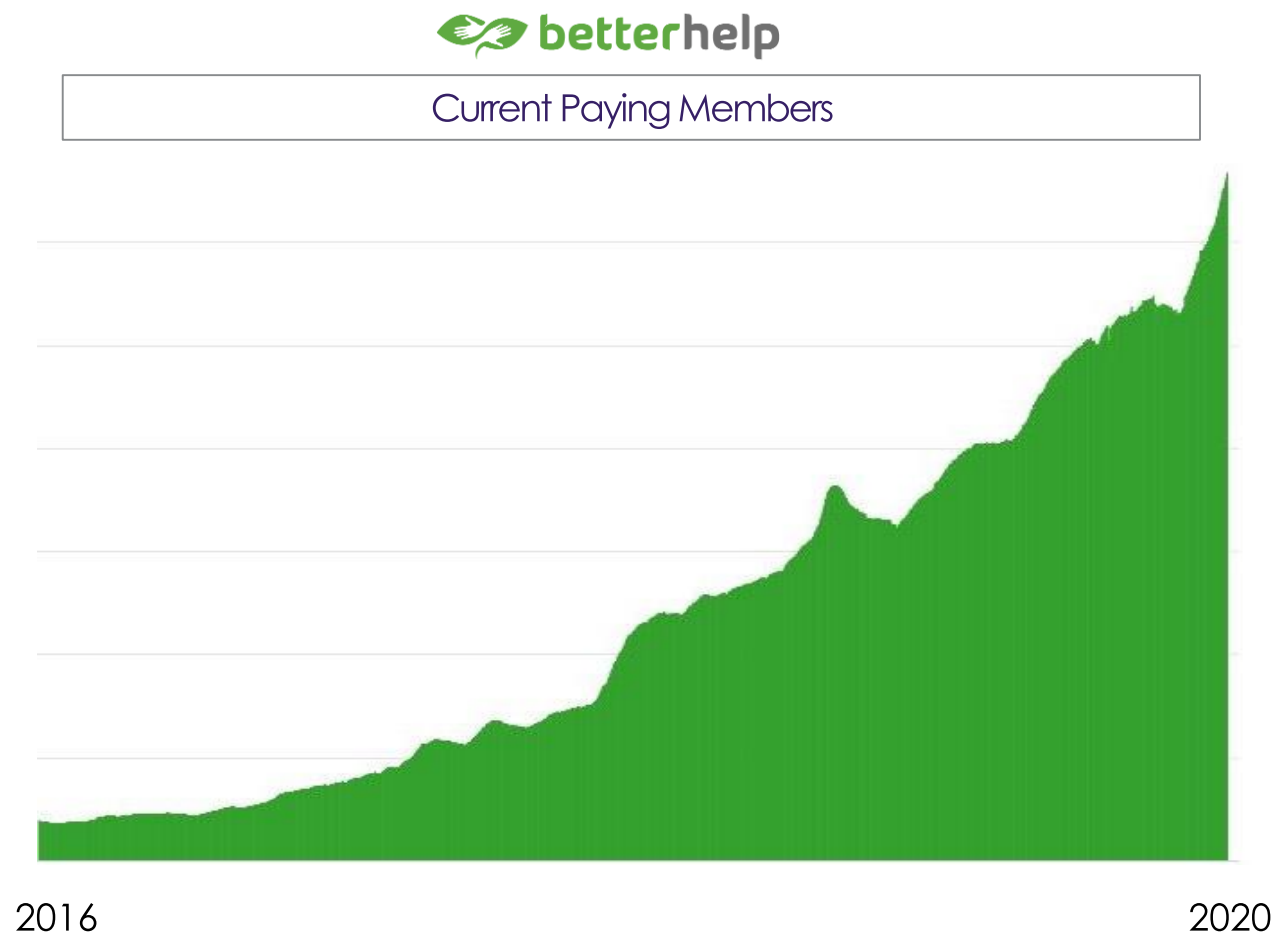
Leading mental health Direct-to-Consumer offering



## Macro trends

- Globally mental health continues to go under-reported, **rise of next generations will fuel sustained demand** acceleration
- **66% of 18-25 yr olds say mental health symptoms have affected their job performance**, ~2x total population average \*

\*Teladoc Health "Mental Health in the Workplace: Global Impact" Study 2019

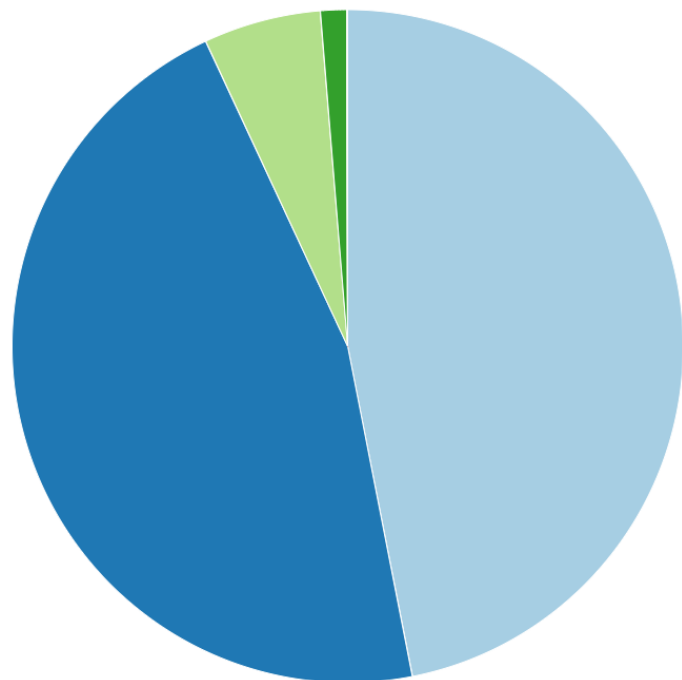


# Focused test & learn strategies strengthen overall BetterHelp growth trajectory

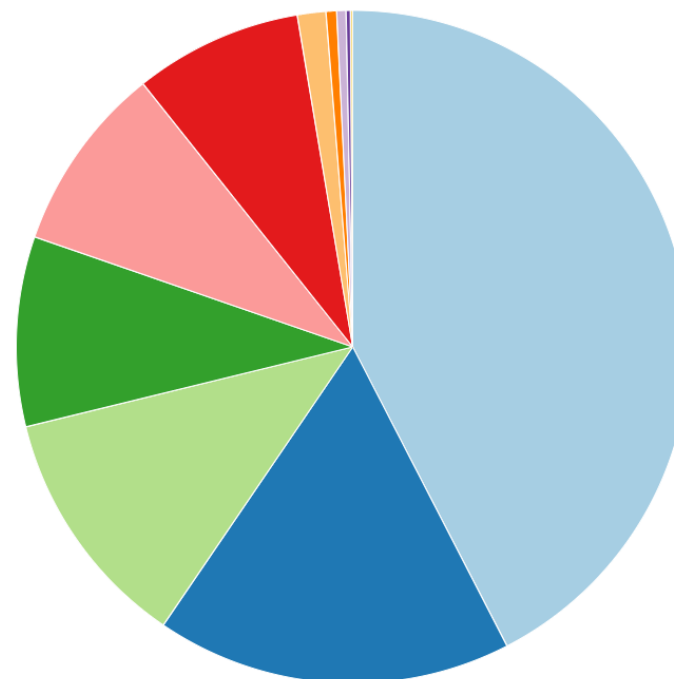


 **betterhelp** Media mix by spend

2017



2019



# Engagement capabilities serve any: front door, population, economic model



## DEMOGRAPHIC

✓ Mom

Child

Boomer

Gen Z

## COVERAGE

✓ DTC

✓ Commercial

Medicaid+Medicare

## FRONT DOOR

✓ Teladoc

✓ BetterHelp

✓ United

✓ Minute Clinic

✓ Hospitals

## CLINICAL NEED

✓ Primary

✓ Specialty

✓ Chronic/Complex

Core user: **comes in via many of our front doors**

Engagement profile: **standard**

Clinical specialties profile: **multi-specialty power user**

# Engagement capabilities serve any: front door, population, economic model



## DEMOGRAPHIC

- ✓ Mom
- ✓ Child

Boomer  
Gen Z

## COVERAGE

- DTC  
Commercial
- ✓ Medicaid

## FRONT DOOR

- ✓ Teladoc
- BetterHelp  
United  
Minute Clinic
- ✓ Hospitals

## CLINICAL NEED

- ✓ Primary
- Specialty  
Chronic/Complex

Emerging user: **child covered by Medicaid**

Engagement profile: **highly complex**

- ✓ Dedicated team in-house
- ✓ State level regulatory compliance & approvals
- ✓ Multi-lingual, mobile-phone centric



# Engagement capabilities serve any: front door, population, economic model



## DEMOGRAPHIC

Mom

Child

✓ **Boomer**

Gen Z

## COVERAGE

DTC

Commercial

✓ **Medicaid+Medicare**

## FRONT DOOR

✓ **Teladoc**

BetterHelp

United

Minute Clinic

✓ **Hospitals**

## CLINICAL NEED

Primary

✓ **Specialty**

✓ **Chronic/Complex**

Emerging user: **retiree, well connected with broader healthcare system**

Engagement profile: **reassurance seeker**

- ✓ Highly research-based, confidence in care quality & resolution triggers action
- ✓ Values multiple surround sound touchpoints



# Engagement capabilities serve any: front door, population, economic model



## DEMOGRAPHIC

Mom  
Child  
Boomer

✓ **Gen Z**

## COVERAGE

✓ **DTC**  
✓ **Commercial**

Medicaid+Medicare

## FRONT DOOR

✓ **Teladoc**  
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United  
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Hospitals

## CLINICAL NEED

✓ **Primary**  
✓ **Specialty**

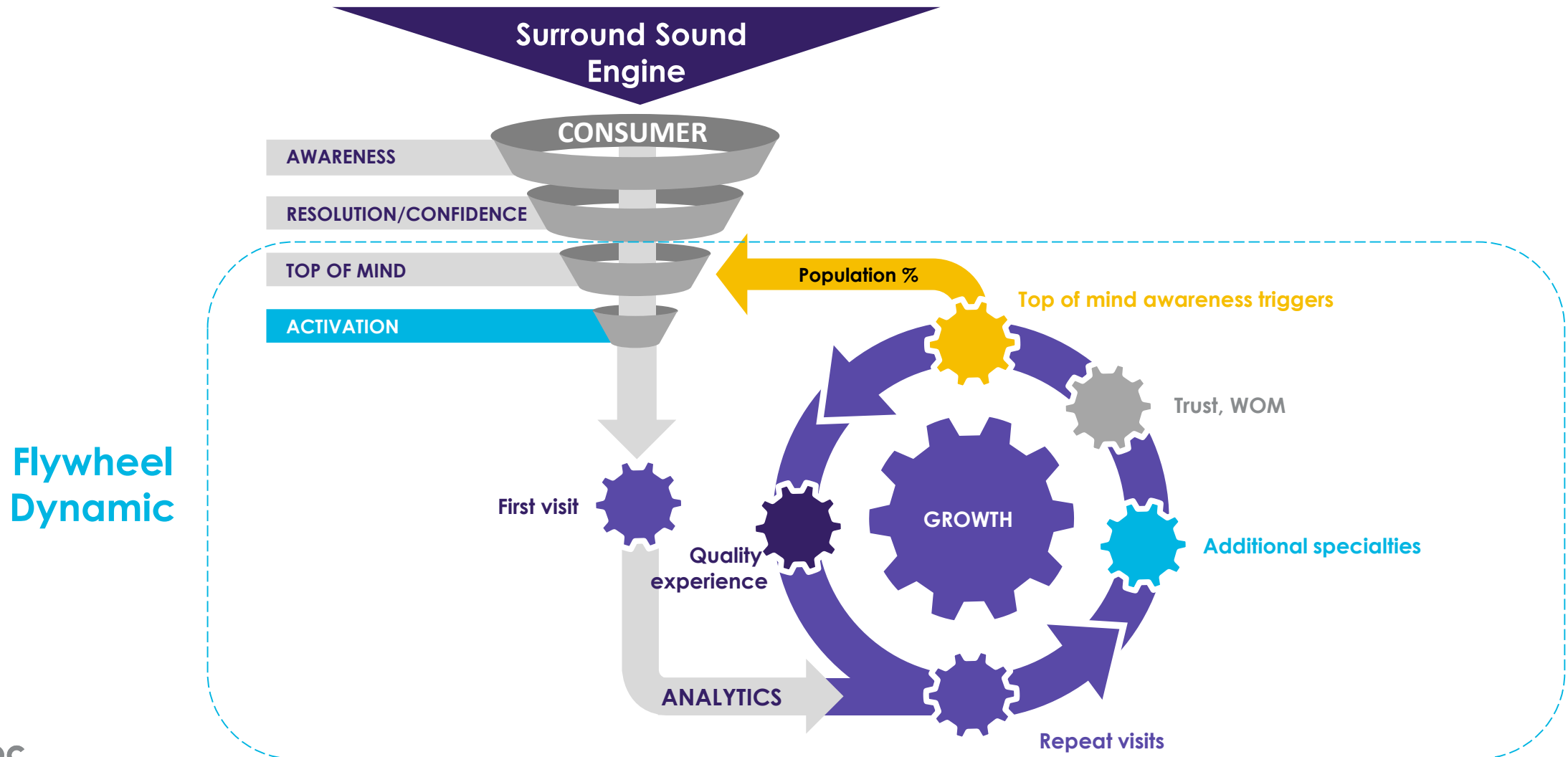
Chronic/Complex

Power user of the future: **digital native**  
**who thinks & acts virtual first**

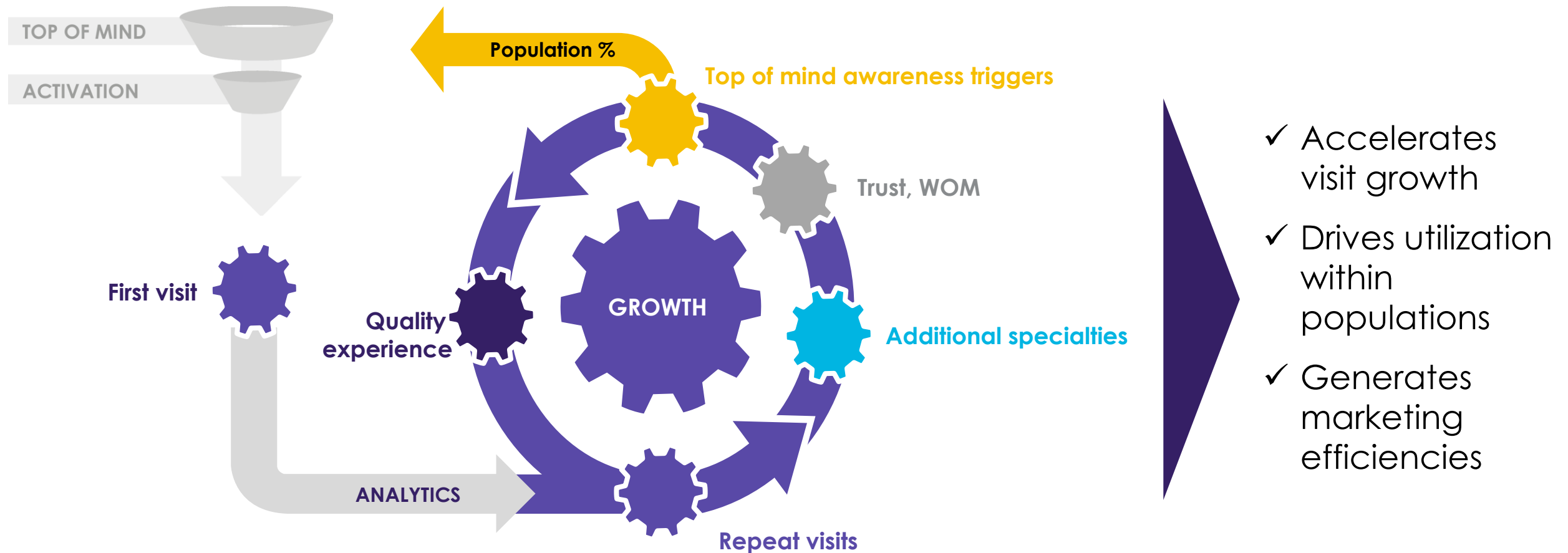
Engagement profile:

- ✓ “Phygital”
- ✓ Hyper-custom
- ✓ Connected, communal

# Surround sound engine builds activated base, fueling flywheel dynamic



# Flywheel dynamic generates organic growth engine



# Multiple specialties are key driver of adoption growth

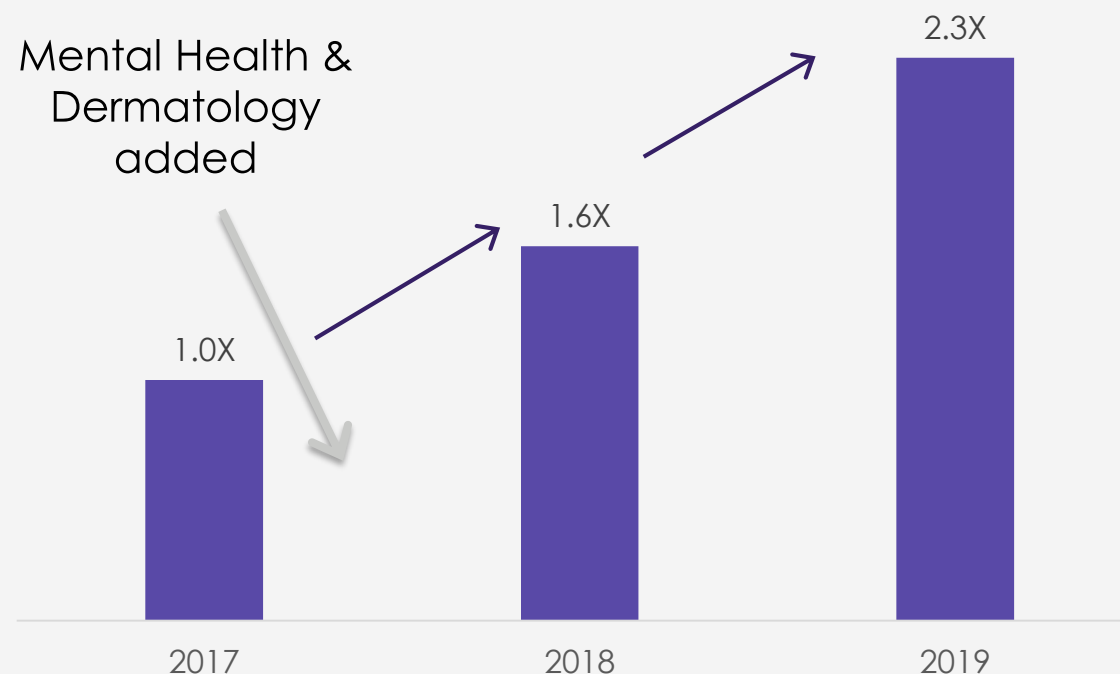


## Macro trends

- **“Limited services provided”** is the **top barrier** to increased usage<sup>1</sup>
- **35%** of repeat users of sponsored Teladoc Behavioral Health service say they **wouldn't have gotten help otherwise**<sup>2</sup>

<sup>1</sup>, J.D. Power 2019 U.S. Telehealth Satisfaction Study  
<sup>2</sup>, Teladoc post-visit user survey, 2019

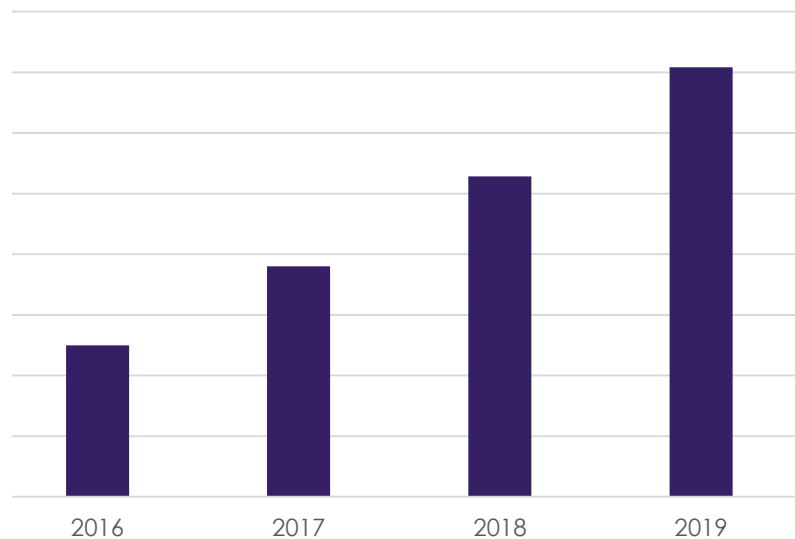
## Teladoc Usage Case Study<sup>3</sup>: Utilization following product additions



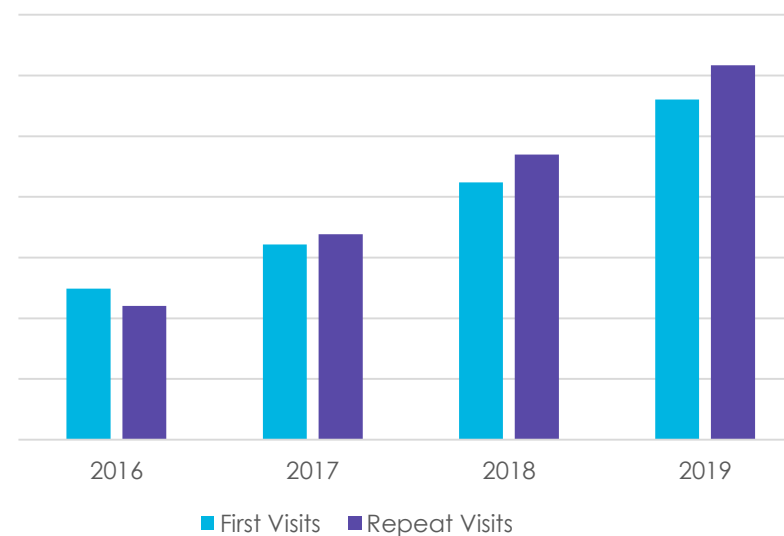
# Teladoc flywheel dynamic fueling sustainable growth across sponsored populations



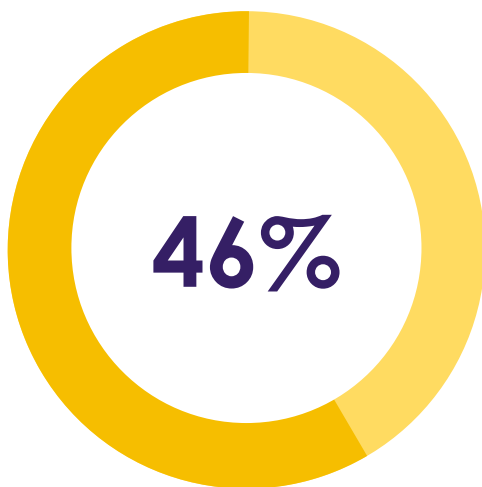
Visits from Teladoc members activated in prior years



New & repeat Teladoc visits

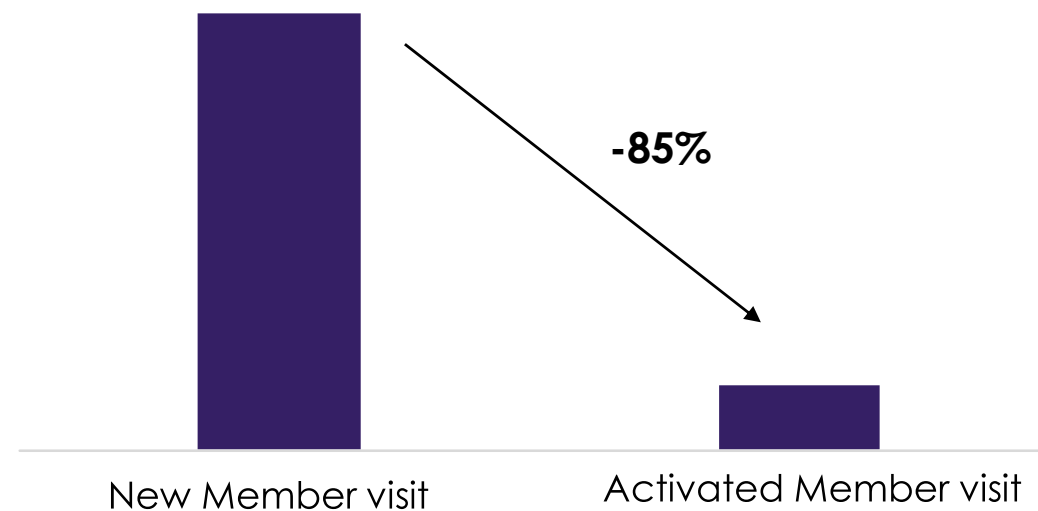


# Generating multi-year value



**Of 3-year Teladoc visits are generated in years 2 & 3**  
(2017 activation cohort)

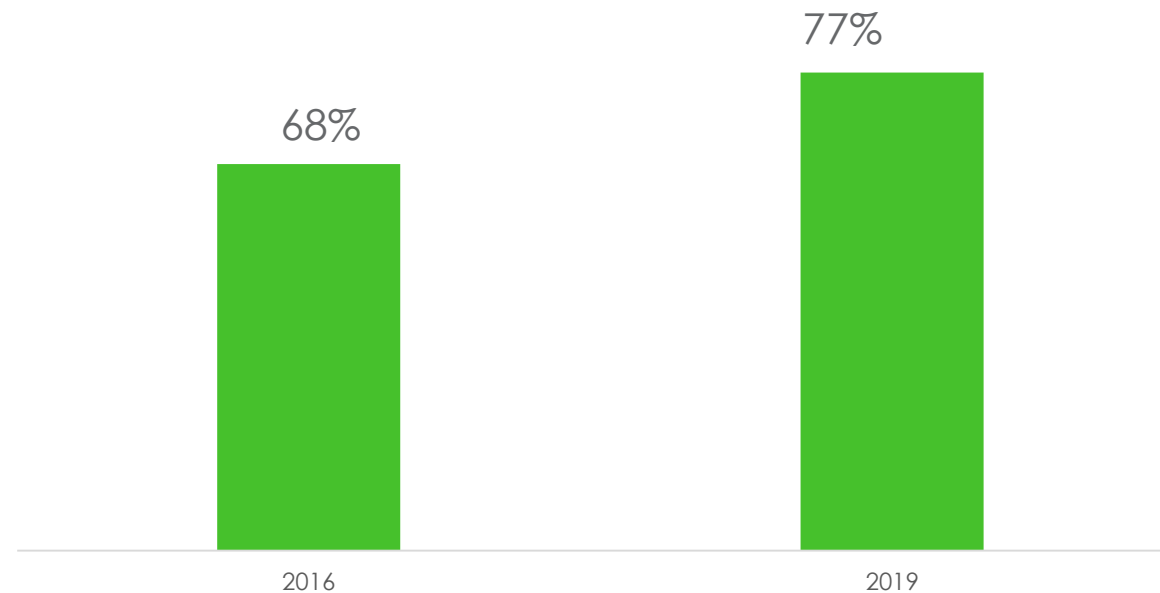
**Teladoc New Member vs. Activated Member Visit Advertising Cost**



# BetterHelp flywheel effective at increasing satisfaction and stickiness



% of revenue from members using  
≥3 months



# Summary

Adoption is accelerating across sponsored and DTC populations, and we're uniquely capturing the demand

Expansion of multi-service eligibility drives activation growth

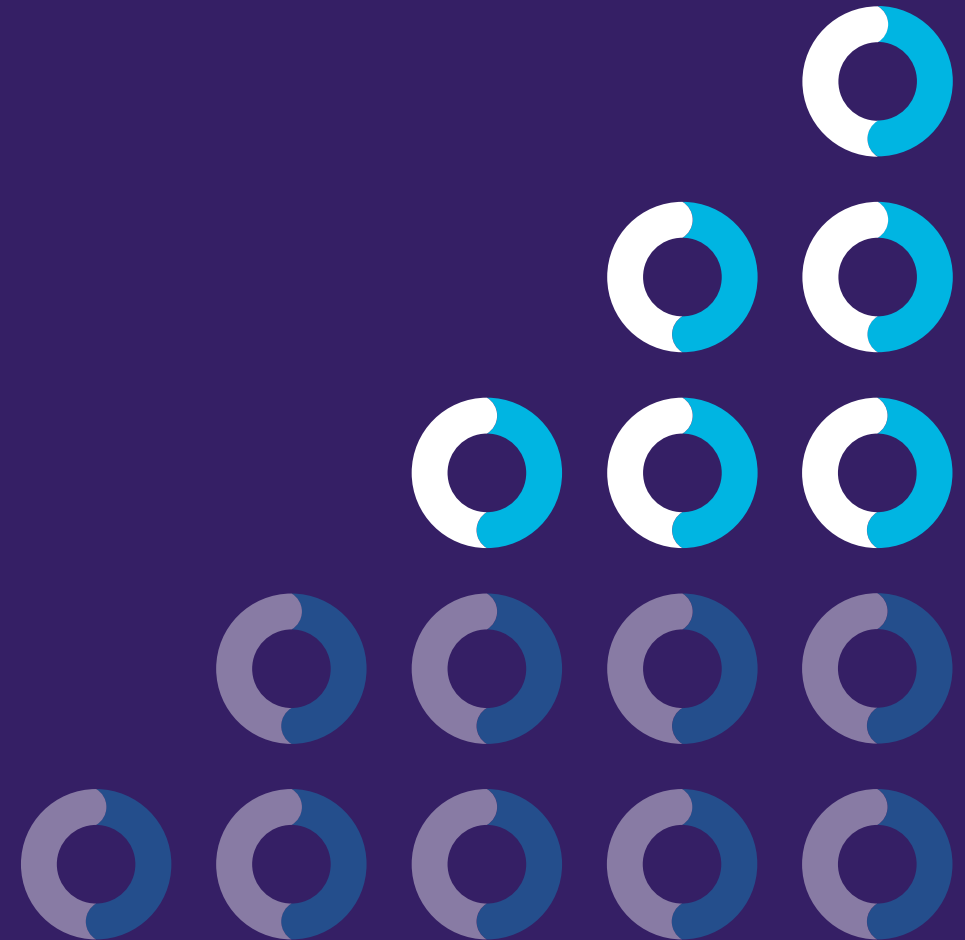
Our scale, tenure and expertise build an unmatched base of activated users, creating a flywheel dynamic that fuels utilization, visit growth and marketing yield over time





# Product strategy

Dan Trencher  
SVP of Product & Corporate Strategy



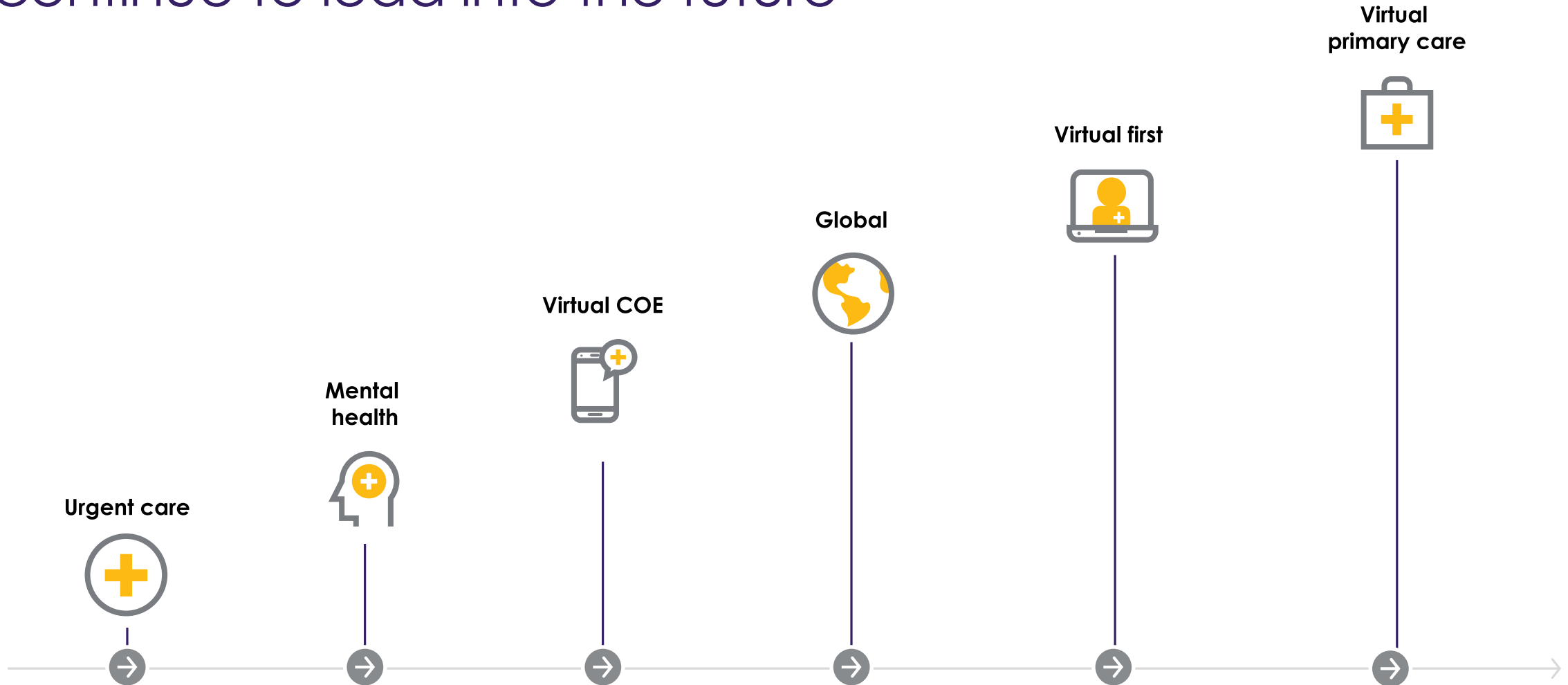
# Key themes

Driving evolution in the virtual care industry, and continuing to lead through innovation

Reimagining care delivery across spectrum of Primary and Specialty Care

Strategy resonating in market

# Teladoc has driven the evolution of virtual care and will continue to lead into the future



# Paradigm shift for virtual care



## Episodic health need

### “Side benefit”

Sick care

Acute care

Individual physician

Limited coordination

Home/Office



## Integrated patient care

### Key strategic enabler

Prevention and screenings

Chronic condition support and referrals

Virtual care team

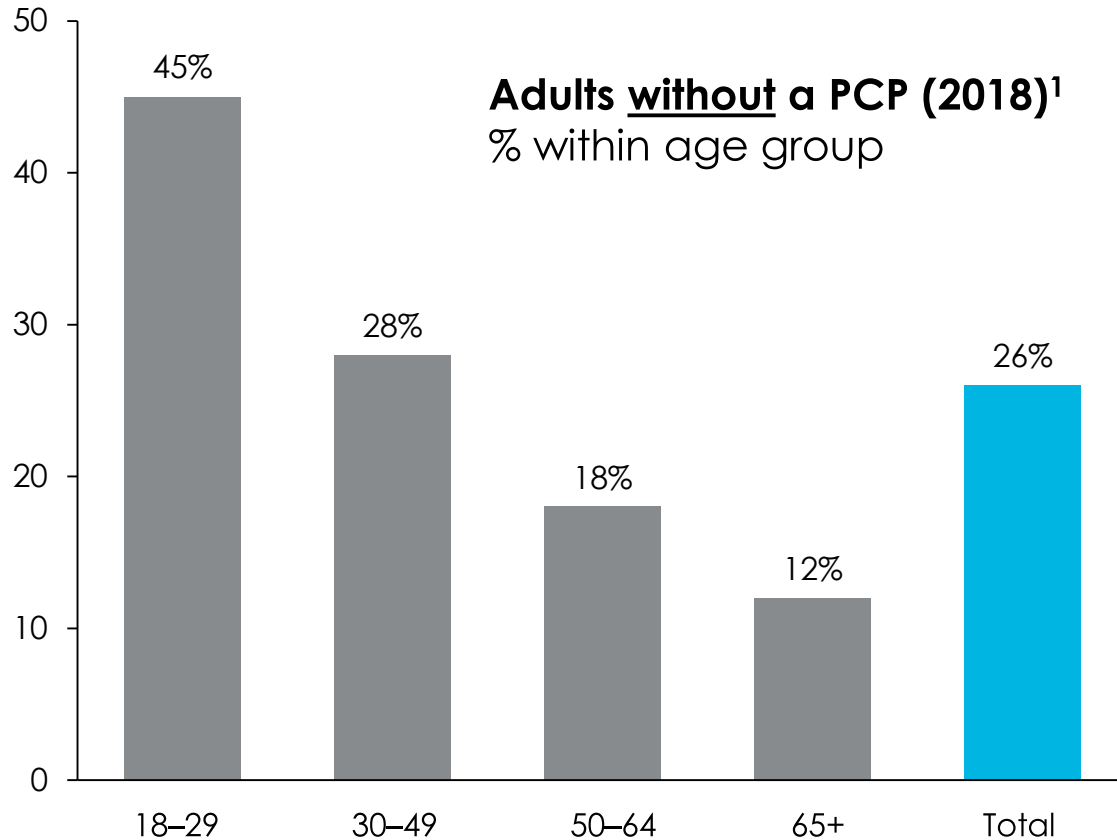
Continuity with healthcare ecosystem

Across sites of care

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



# Many adults lack a primary care team

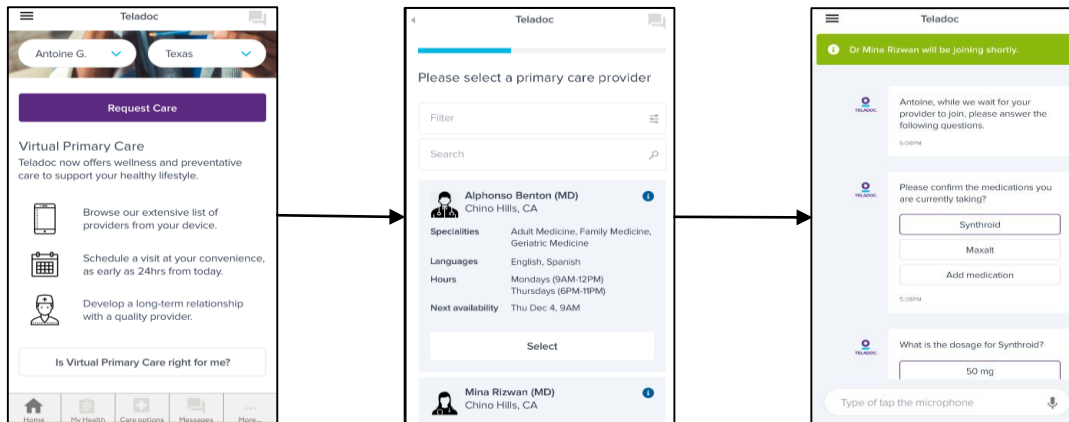


- Millennial preferences—for **convenience, access, fast service, connectivity, and price transparency**—upending the traditional office-based primary care<sup>1</sup>
- **Younger adults skipping annual wellness exams to address acute issues last-minute** through urgent clinics, retail clinics, or telemedicine<sup>1</sup>
- Those who do not have a PCP are **expected to have greater health-related complications**<sup>2</sup>

- Source: (1) [KFF Health Tracking Poll \(conducted July 17–22, 2018\)](#); (2) "Primary care doctors aren't so important to millennials" (Washington Post, Oct 2018); (3) [Growing Disease Burden \(Health Affairs, Nov 2013\)](#)

# VPC: reimagining primary care

- Convenient, timely access
- Care coordination
- Better outcomes
- Long term cost impact
- Optimized referrals



Biometrics, Q&A, HRA, EHR data, other inputs



Member



Virtual PCP

Visits, follow ups, and connection to ecosystem



Virtual care  
check up



Virtual  
care plan



Preferred  
Community  
Care  
Partners



Mental  
Health,  
Nutrition



Expert  
Medical  
Services



Chronic care  
follow up



Labs

# Specialty care: making a difference in mental health



## Offerings

---

Mental Health Care Telehealth

---

Mental Health Navigator

---

Better Help

## Impact

---

**33%** would not have sought  
Mental Health Care

---

**\$27,158 savings** average per case  
**112 Days** saved to see a Psychiatrist

---

**70%** improvement within 3 months



# Specialty Expansion

Innovation in specialty care



## Nutrition

Market leading tele-nutrition service  
launched in January 2020



National  
Registered  
Dietitian  
Network



Tele-  
Consultation  
& Nutrition  
Plan



Clinical  
Quality  
Management

## Pediatric Telehealth Solution

Purpose-built for pediatric patients,  
co-developed with Cincinnati  
Children's Hospital Medical Center



Pediatric  
registration



Review of  
symptoms



Adolescent  
visits without  
parent



Age-based  
exam  
templates



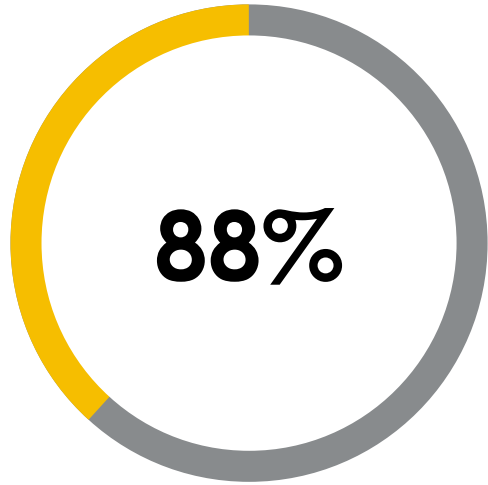
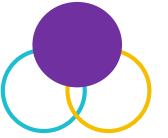
Minor  
dependent  
initiated visit  
and privacy



Weight-based  
dosing for  
prescriptions

# Virtual Center of Excellence

Addressing the growing need to deliver high-quality care for complex conditions with a multidisciplinary care team



of large employers have deployed a COE strategy, and nearly a third plan to expand to additional conditions<sup>1</sup>

Without the traditional barriers of geographic distance and institutional affiliations, Teladoc Health brings together care providers to collaborate on complex cases:

- **Teladoc Medical Experts** spanning 450 sub-specialties review diagnoses and treatment plans
- **Smart referrals** to mental healthcare and in-network care including traditional Centers of Excellence
- **Best-in-class telemedicine devices** extend specialists' reach through provider-to-provider consultations for neurology, psychiatry, intensive care, neonatology, cardiology, and other specialties

<sup>1</sup> National Business Group on Health, 2020 Large Employers' Health Care Strategy and Plan Design Survey

# Client story: Fortune 100 employer

## Partnership expansion across products

### Client needs

- Deliver spectrum of services through simplified experience
- Cost efficient and valuable benefits for employees
- Drive significant cost savings

### Keys to success

- Depth of Teladoc benefit offerings
- Robust engagement strategy to drive utilization
- High touch vendor collaboration and integration

### Results and next opportunities

- 51% increase in Teladoc integrated utilization over the last 4 years
- \$6.1M in 2019 total cost savings
- Looking to add back care, nutrition, and analytics

## Key relationship milestones

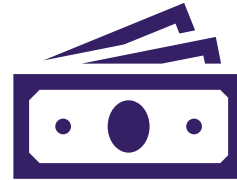


# New Opportunities to Broaden our Role in Healthcare



## New Clinical Services

- Virtual Primary Care
- Expanded Specialty Care
- Pediatric Mental Health
- Remote Patient Monitoring
- Expanded Chronic Condition Management



## New Payment Models

- Medicare/Medicaid FFS
- Value-based Care
- Gain Sharing
- Risk Sharing
- Int'l state-sponsored healthcare



## New Care Settings

- Post-Acute
- Primary Care / Specialty Practice
- Retail Clinic
- Worksite
- Home-based Care

# Key themes

Driving evolution in the virtual care industry, and continuing to lead through innovation

Reimagining care delivery across spectrum of Primary and Specialty Care

Strategy resonating in market



# Quality & patient experience

Lew Levy, MD FACP  
Chief Medical Officer

# Key Takeaways

We have industry leading clinical quality assets and capabilities

Our global presence and scale unlocks the power of data and analytics

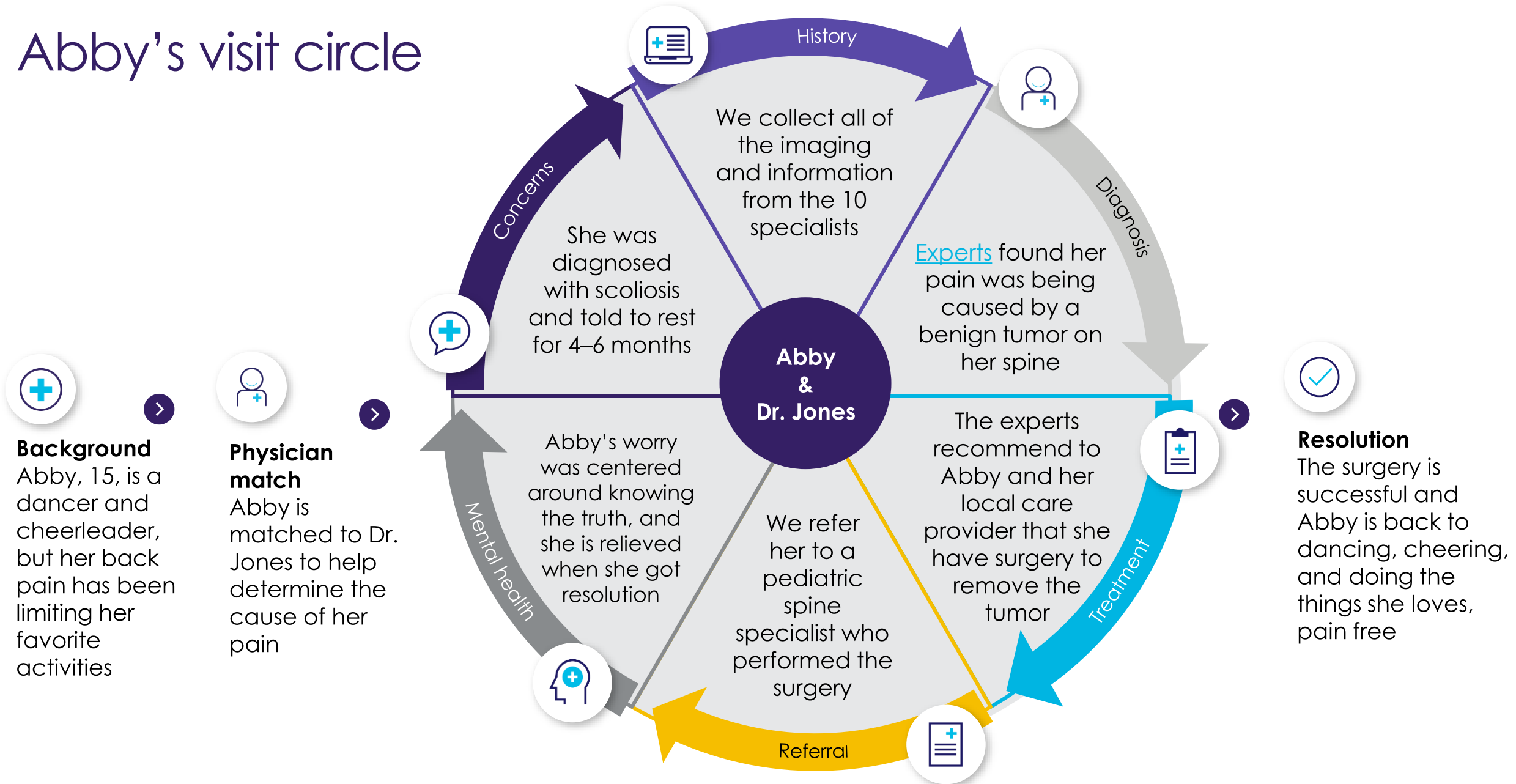
Teladoc's clinical leadership across the spectrum of acuity is a true competitive differentiator

# Abby

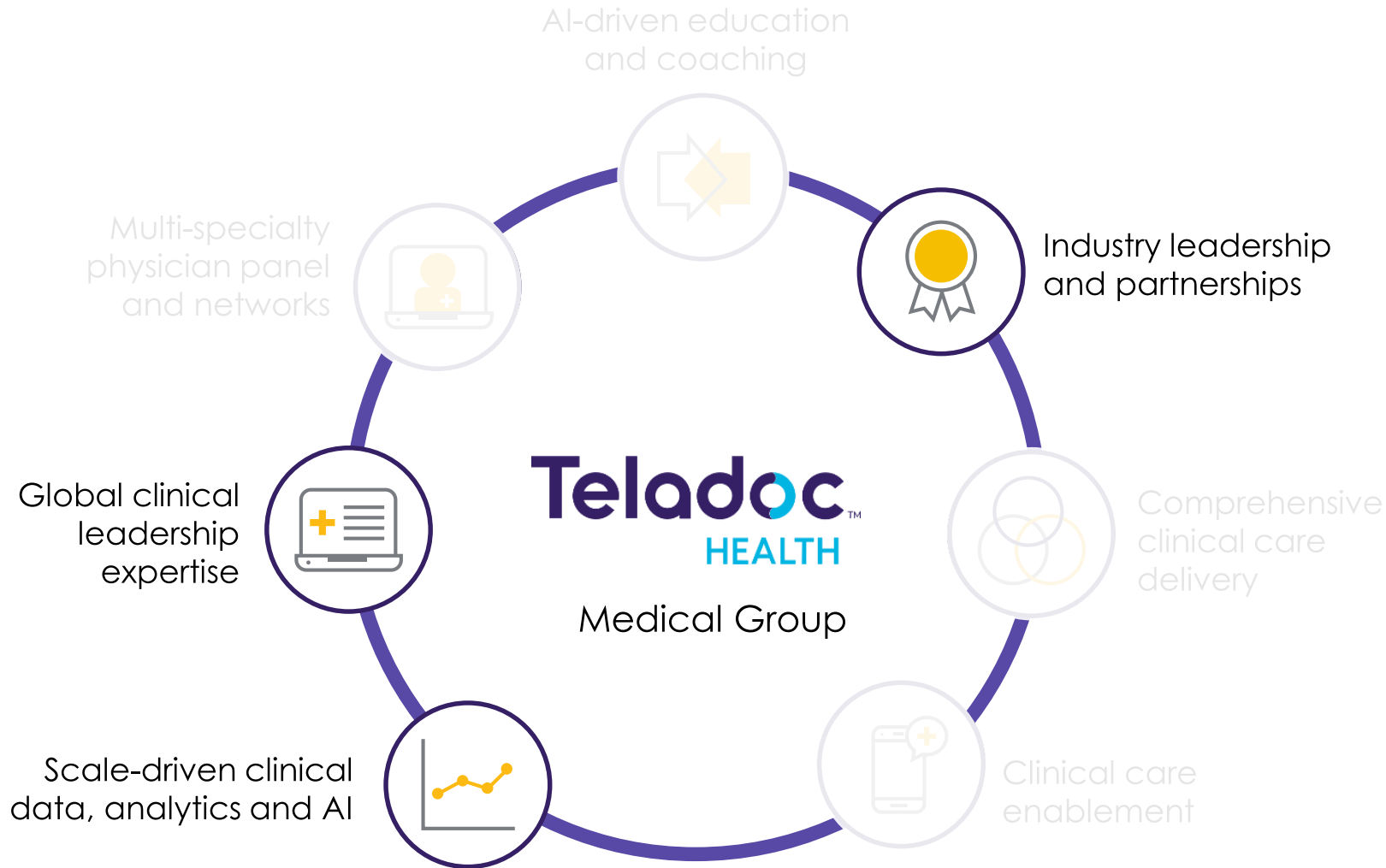
A 15-year-old dancer  
with back pain



# Abby's visit circle



# Industry leading clinical quality assets and capabilities



Uniquely able to:

- ✓ **Diagnose and treat in multiple countries**
- ✓ **Provide comprehensive services**
- ✓ **Improve quality of care**

# We have industry leading clinical quality assets and capabilities

Global clinical  
leadership  
expertise



**Dr. Jason Tibbels**  
Chief Quality Officer  
Member Texas Medical Board



**Dr. Bridget McCabe**  
MD, MPH, FAAP  
Medical Director, Clinical  
Quality & Informatics  
Executive Medical Director  
Patient Safety Organization  
(PSO)



- Asia Pacific
- Middle East
- Europe
- UK
- North and South America

# Our global presence and scale unlocks the power of data and analytics

Scale-driven clinical data, analytics and AI



- Leveraging the data of market leading 4M+ annual visits
- Controlling pharmacy spend through targeted outreach
- Harnessing voice data through AI: Learning key elements of optimized outcomes and patient satisfaction
- Controlling antibiotic prescribing through customized clinical dashboards
- Proprietary clinical practice guidelines derived through research and experiential data
- Population data driving development of virtual primary care offering

# COVID-19 case study

In market within first week with education and access to care around the world

Scale-driven clinical data, analytics and AI



## Providers

- ✓ CDC
- ✓ Protocols
- ✓ Reporting capabilities



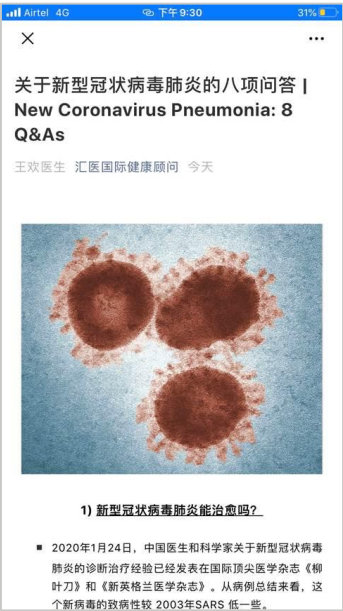
## Clients

- ✓ Medical leadership calls
- ✓ Webinars
- ✓ Consumer collateral in Engagement Center



## Members

- ✓ Education
- ✓ Aid
- ✓ Awareness



# Teladoc's clinical leadership across the spectrum of acuity is a true competitive differentiator

Industry  
leadership &  
partnerships



## Clinical collaborations and partnerships

### First and only Patient Safety Organization (PSO)



Industry leading learning lab through reputation of clinical excellence and scale

Vanguard of research through highly competitive AHRQ grants

### Unique clinical partnerships



Evolving teaching site for future generation of doctors interested in virtual care

Accredited by ACCME to grant medical education credits to practicing physicians

# Summary

We have industry leading clinical quality assets and capabilities

Our global presence and scale unlocks the power of data and analytics

Teladoc's clinical leadership across the spectrum of acuity is a true competitive differentiator



## Chuck Divita

Executive Vice President, Commercial Markets

- Leads commercial health insurance business
- Former Senior Vice President and Chief Financial Officer of GMHC
- Nearly 10+ current and former board appointments

# GUIDEWELL





# Introducing InTouch Health

Jason Gorevic, Chief Executive Officer

# Why facility-based telemedicine?

## Why facility-based telemedicine?



**Market  
Under-penetration**



**Clinical Use Case  
Progression**



**Market Tailwinds**

## Why InTouch?



**Culture**



**Business Model &  
Financial Profile**



**Market Leadership**

# InTouch Health market leadership

*Leading enterprise telehealth solution for hospitals and health systems*



## **Industry leader in critical, provider-to-provider consultations**

Neurology, intensive care, psychiatry, neonatology, cardiology

## **Award winning, medical-grade telehealth devices**

Connecting patients and providers for care in the home, in clinics, and in the highest acuity in-patient settings

## **#1 Virtual Care Platform by KLAS Research**

Recognized for unrivaled customer service and clinician/patient experience



# Together with InTouch Health, Teladoc Health will be the clear virtual care leader – from the hospital to the home

Combined, Teladoc Health covers the full range of acuity across sites of care

## INTEGRATED VIRTUAL CARE SOLUTION



Hospital



Ambulance



ED



Post-Acute



Physician Office



Retail Clinic



Worksite



Home

# Partnering with the world's leading organizations

## Health Systems



## Health Plans

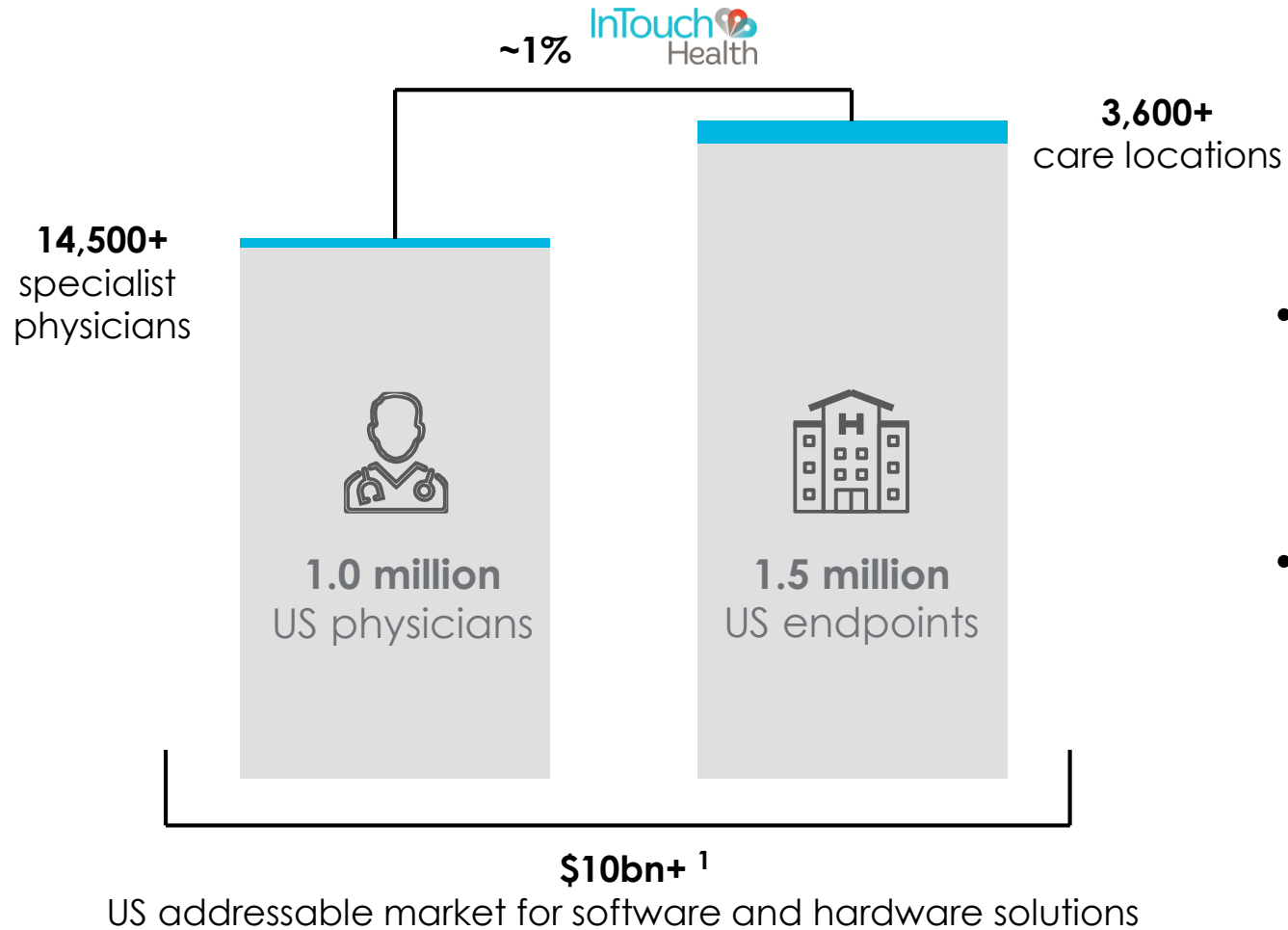


## Employers



# Large market with favorable tailwinds

*\$10bn+ U.S. total addressable market growing with expansion of use cases and utilization*



- Including virtual physician services, U.S. addressable market may be as large as \$25 to \$30 billion<sup>(3)</sup>
- International market estimated to represent at least 1x U.S. additional addressable market opportunity

(1) TAM based on a count of all domestic Care Locations \* monthly price, plus all domestic physicians \* an average physician license fee.

(2) REACH Health 2017 U.S. Telemedicine Industry Benchmark Survey.

(3) Citi research & LEK consulting.



# InTouch Health overview

Joe DeVivo, InTouch Health Chief  
Executive Officer

# Key themes

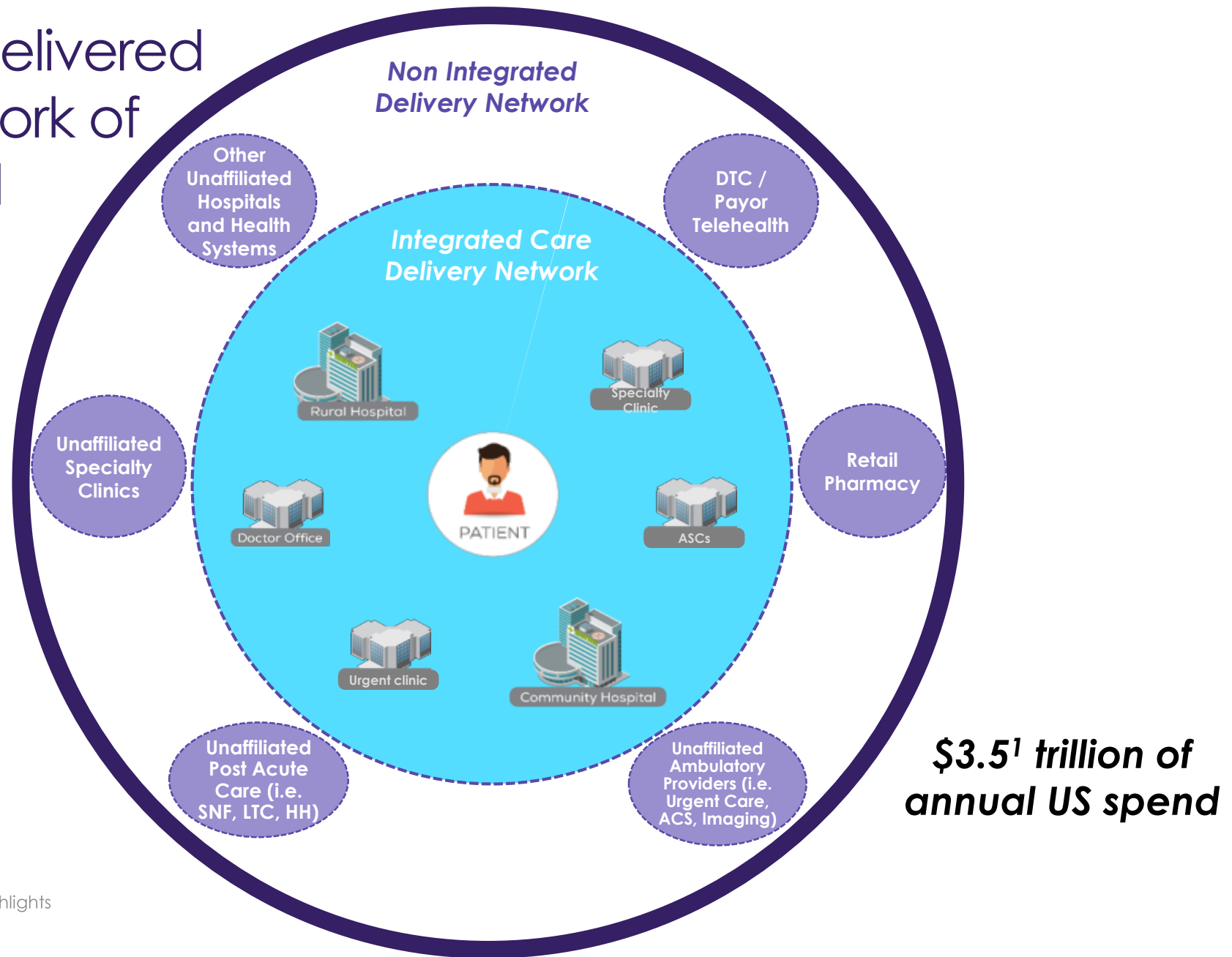
InTouch combines market leading software, hardware, and networking solutions to create the most comprehensive site-based virtual care solution on the market

Combined organization is positioned to lead the virtualization of healthcare across care settings

InTouch Health has compelling financial model, with highly recurring revenue and significant potential for growth within clients

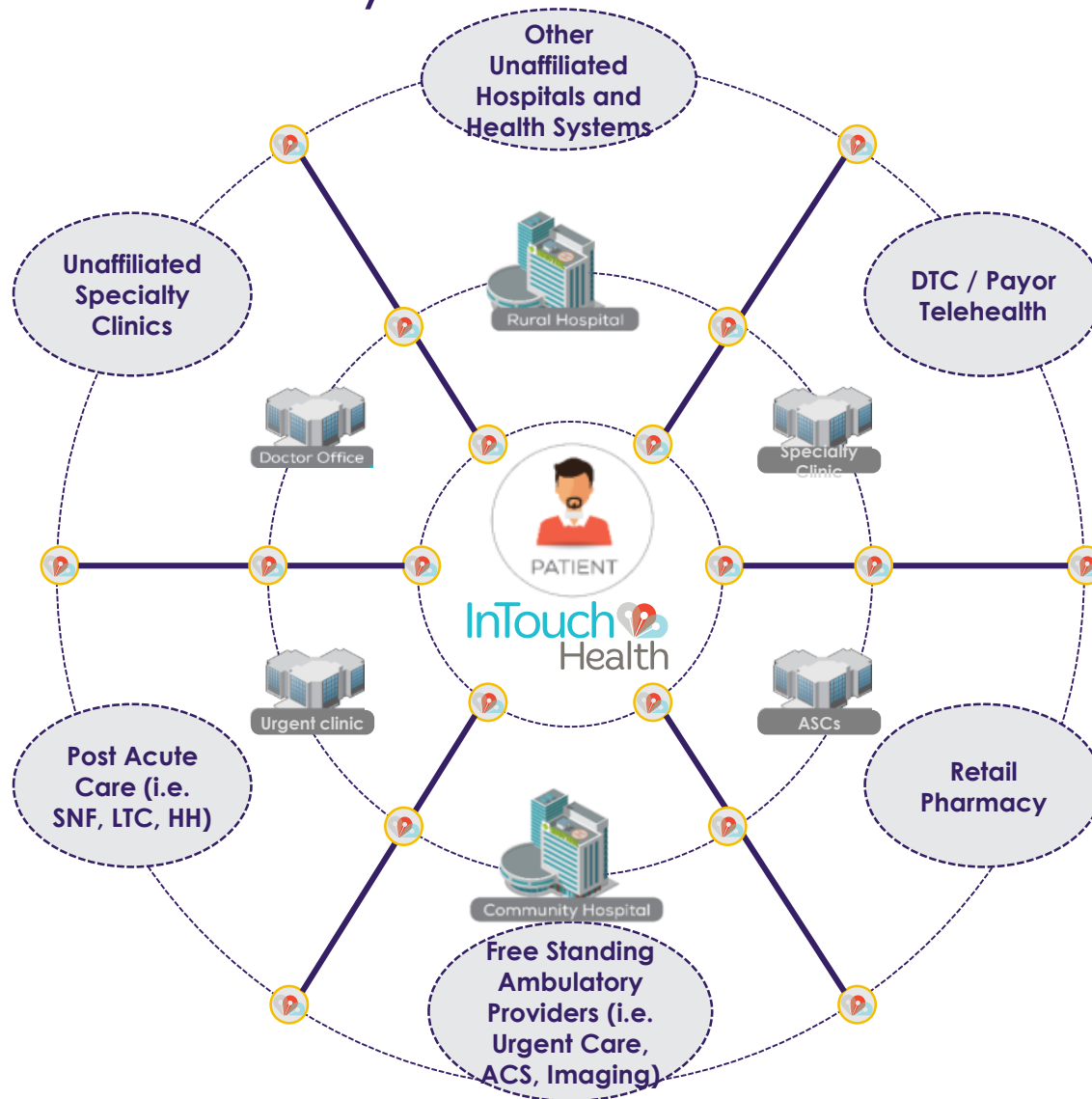


Healthcare is delivered over a patchwork of non-integrated care points



(1) CMS National Health Expenditures 2017 Highlights

# InTouch is the platform to virtualize healthcare delivery from inside the local health system out



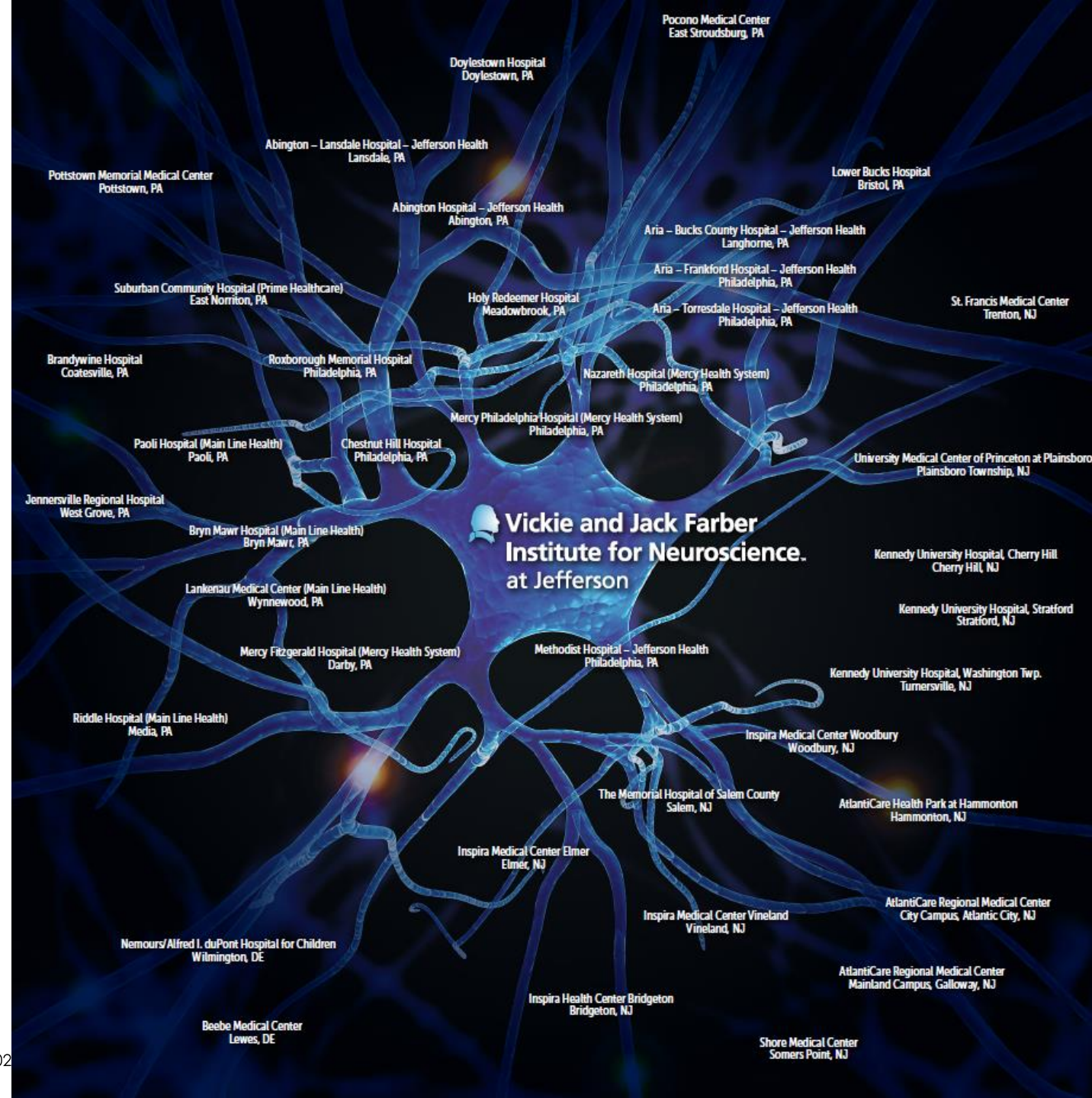
- Connecting doctors anywhere to patients anywhere, anytime
- Specialists and generalists
- Scheduled and unscheduled
- Onsite or online

***"Most health system executives would prefer a single, enterprise-wide telehealth platform"***

*Sage Growth Partners study:  
Defining Telemedicine's role – The view  
from the C-Suite*

# Jefferson Health uses InTouch to connect 38 hospitals

Multiple hospitals with various EMRs and IT infrastructures are all connected through the InTouch Network



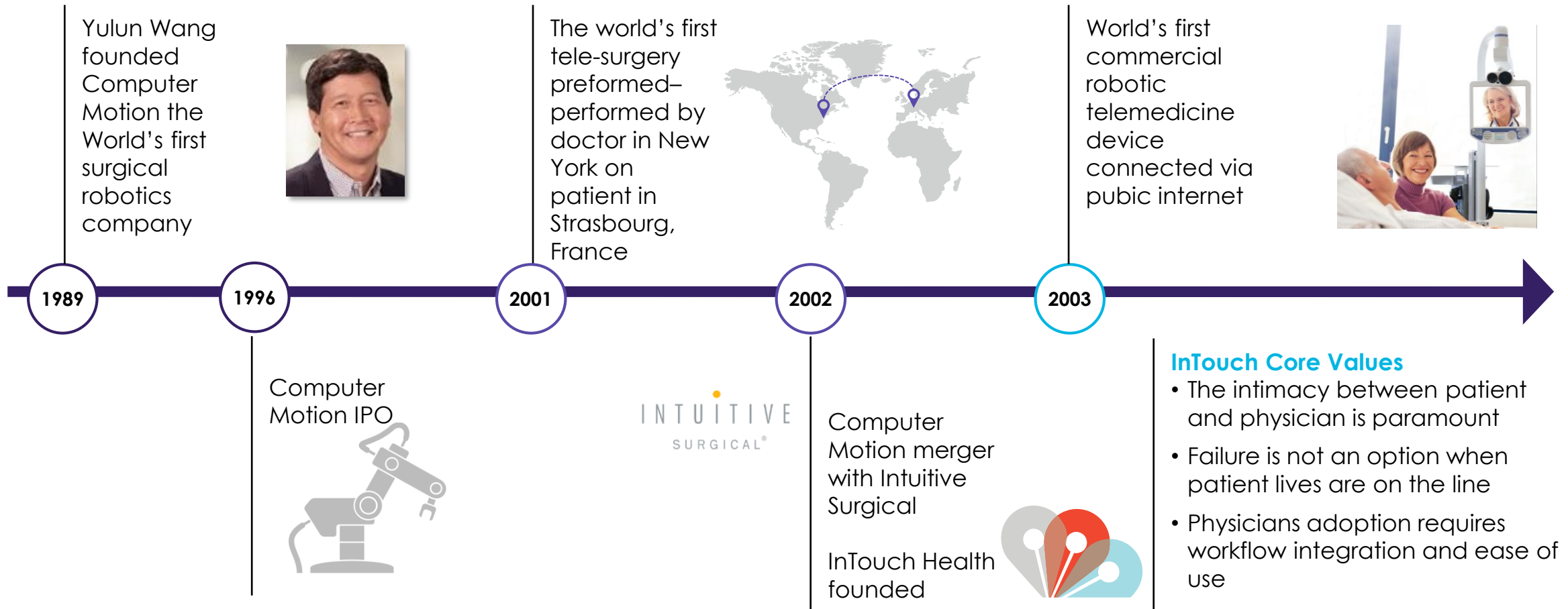
# Early Beginnings...

Building a medical-grade company

## Surgical Robotics Visionary

## Lindbergh Procedure

## Telehealth Visionary





# Historical milestones

The New York Times



# The evolution of InTouch Health

## Finding a Market 2003-2007

- 1<sup>st</sup> Telehealth Network over public internet
- 1<sup>st</sup> large scale Telestroke program linking 30 hospitals
- 1<sup>st</sup> commercial robot for telemedicine use cases

**#1**  
KLAS Rated Virtual  
Care Platform 3  
Years in a Row

## Building Telestroke 2008-2011

- 1<sup>st</sup> commercial cellular Telehealth solution
- 1<sup>st</sup> Telehealth Workflow documentation solution
- 1<sup>st</sup> FDA Class II clearance for active patient monitoring

**~\$80M'**  
'19E Rev.  
**70%**  
Recurring Rev.

## Expand Use Cases 2012-2016

- Fully redundant global network with system-wide failover
- 1<sup>st</sup> commercial EMS solution
- 1<sup>st</sup> autonomous robot for commercial clinical use

**40+**  
Clinical Use Cases

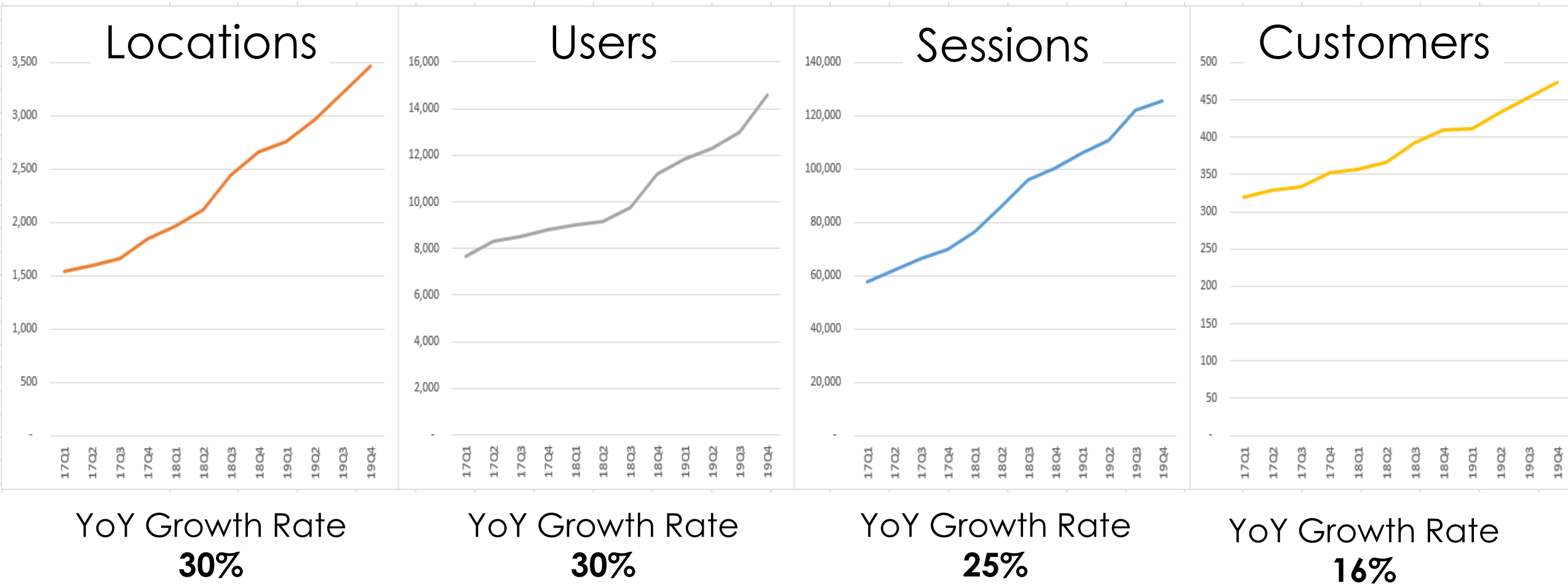
## Building Enterprise 2016-Present

- Launch Enterprise strategy with low acuity solutions
- Integrate DTP / DTC capability
- Enable competitor conversions
- Expand ecosystem through partnerships

**35 of 50**  
Largest US  
Health Systems

(1) Management estimate, unaudited

# Increasing customer engagement

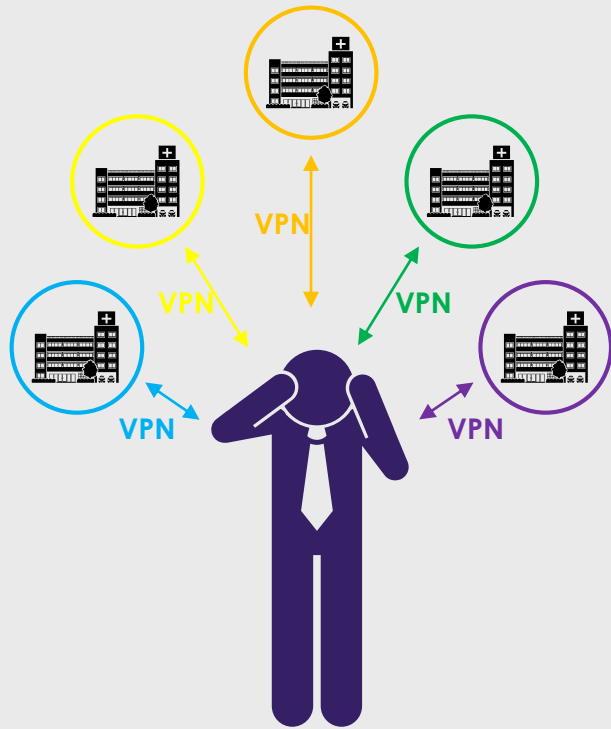


(Metrics based on FMS and Reach data, excludes TruClinic)

# Enterprise solution utilizing proprietary network architecture

*Single network to easily and reliably connect multiple care locations and providers*

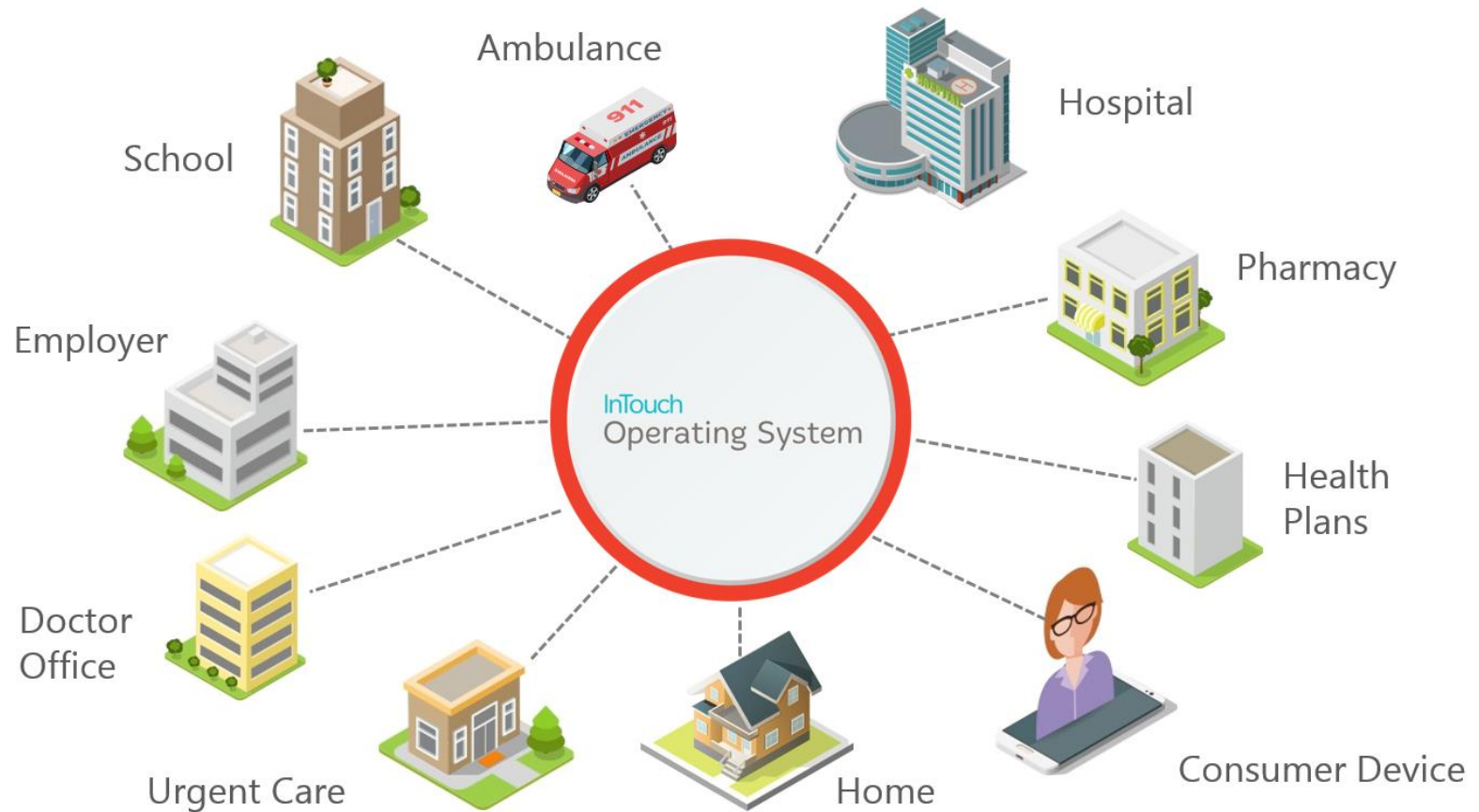
## Current State of Play



### Competitors' Customer

- Multiple Passwords
- No Access Controls
- Different IT Systems & Personnel

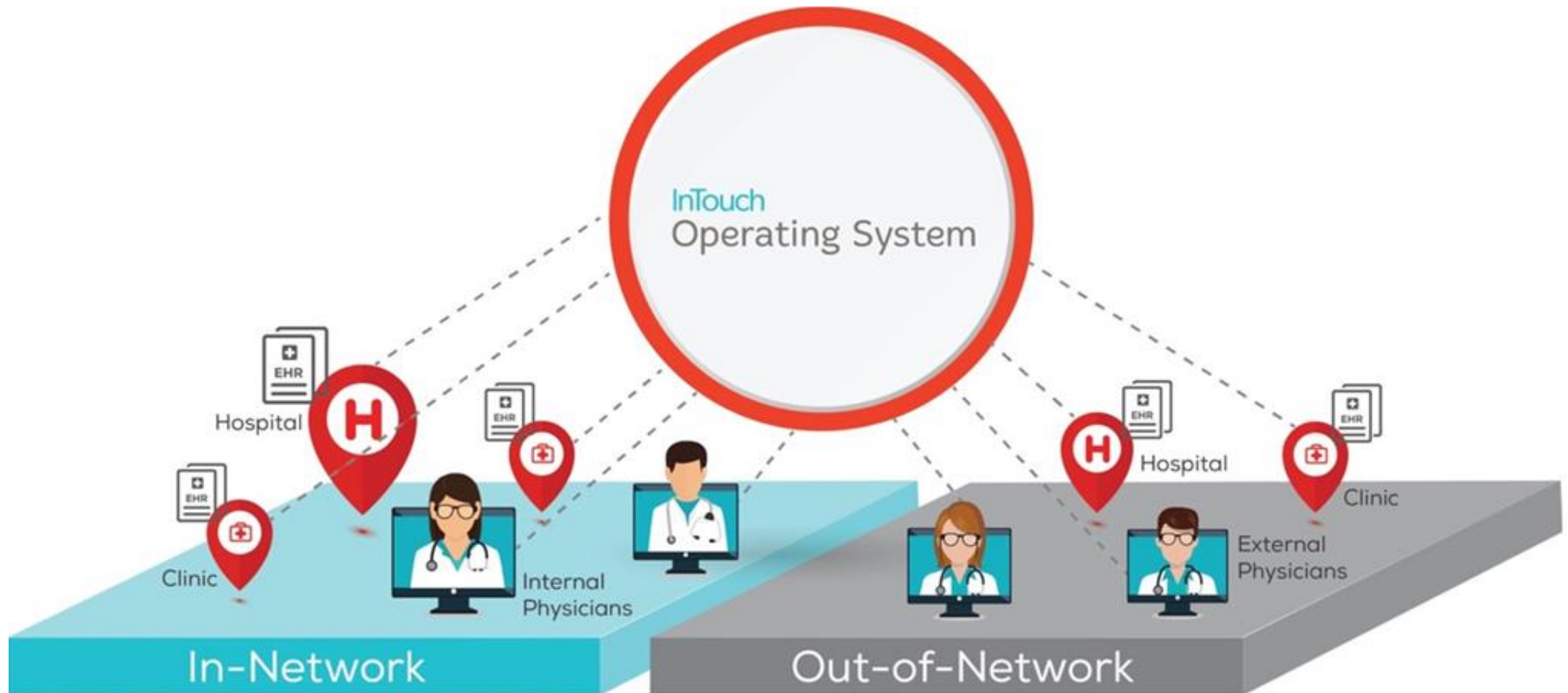
## InTouch Managed Service Provider



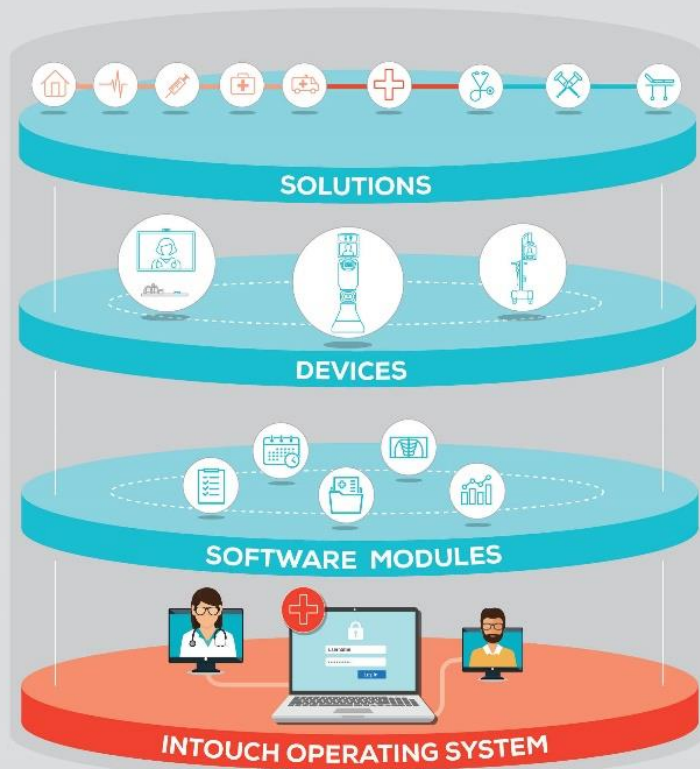


# The power of the InTouch Operating System

*A single virtual backbone to connect people, healthcare systems, HIT systems, devices and 3<sup>rd</sup> party applications to virtualize healthcare delivery*

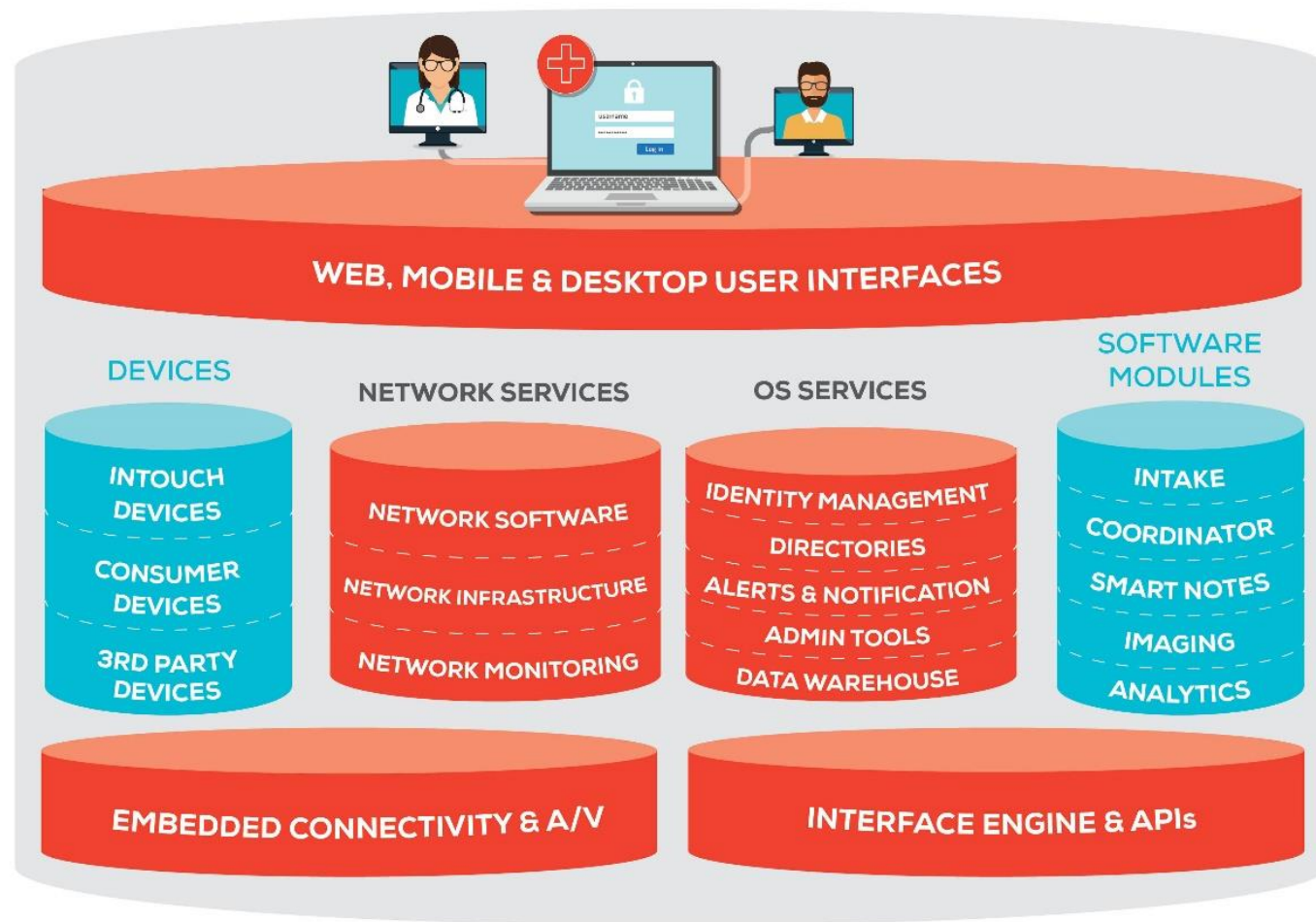


# InTouch Platform



**HITRUST**  
CSF Certified

# InTouch Operating System



# Leveraging our platform to enable an IoMT solution

InTouch uniquely positioned to enable remote access to devices located inside hospital firewalls

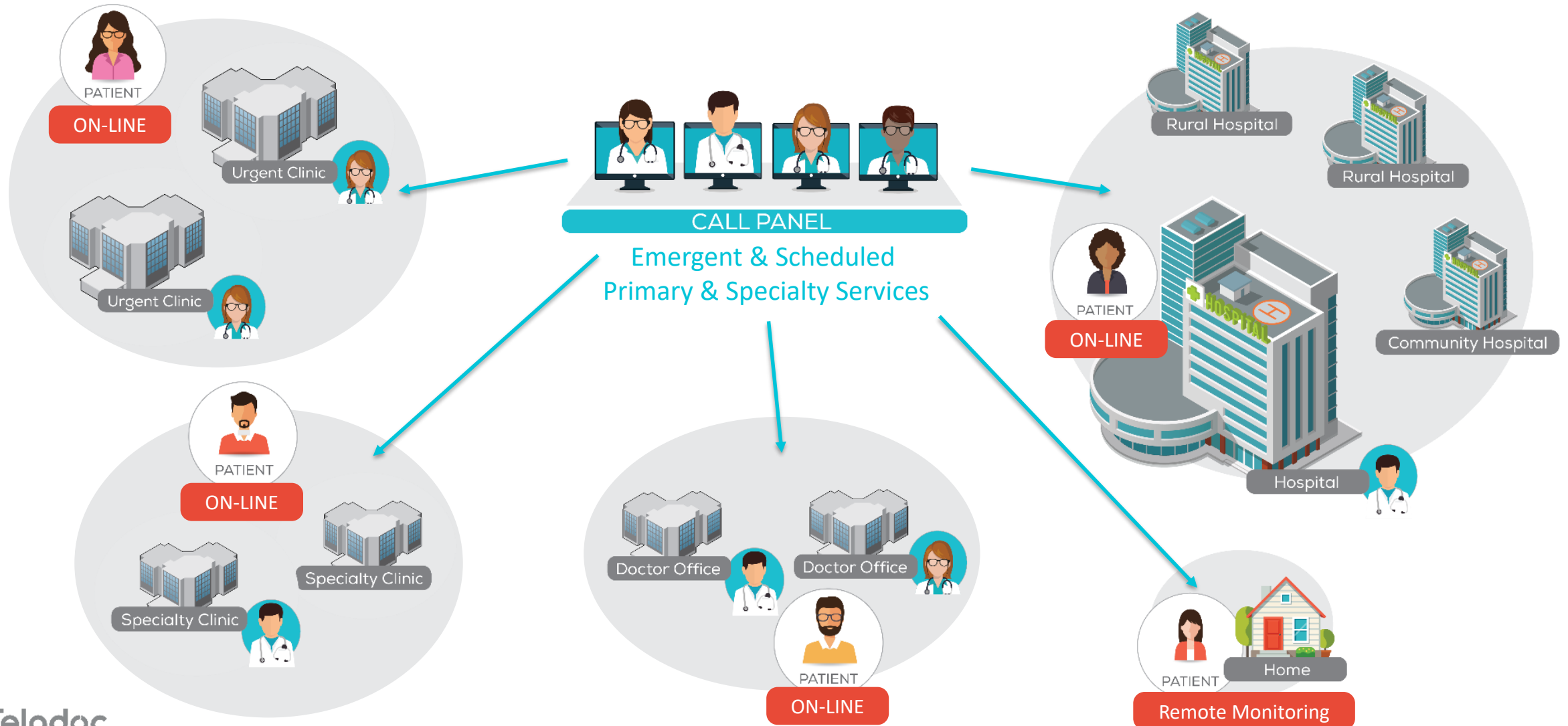


- **Multi-year licensing service agreement** with Intuitive Surgical to build an Internet of Medical Things (IoMT) network
- IoMT network will **connect thousands of da Vinci Surgical Systems** around the world **to exchange real-time data** for:
  - Enhanced clinical insights to achieve better patient outcomes
  - Proactive service and maintenance monitoring
  - The ability to extract data for data analytics and machine learning



- GE partnered with InTouch after a multi-year, multi-vendor evaluation once determining it is **the only reliable, scalable, global solution**
  - 2016: GE launched 'Virtual Trainer' for all global MR/CT installs
  - 2018: Expanded program to include cardiac ultrasound devices
  - 2019: Expanded to additional use cases
- Partnership grew in 2019 to embed InTouch A/V into Mural, GE's new patient surveillance and monitoring solution

# InTouch platform enables system-wide virtualization of care

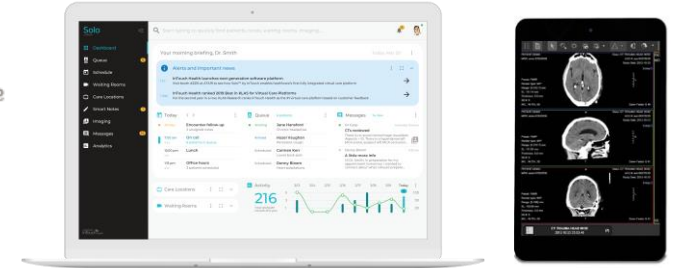




# Leveraging our platform we deliver a comprehensive set of virtual care technology solutions

## Software

Layered software modules to enable a broad range of scheduled and unscheduled clinical workflows



## Devices

Purpose-built software and devices to ensure reliable connections across the entire care continuum



## 44 active use cases

Elements of the InTouch Platform are combined to deliver a wide range of clinical use case solutions

### Mental Health



### Neonatology



### Stroke



### Pediatric EM



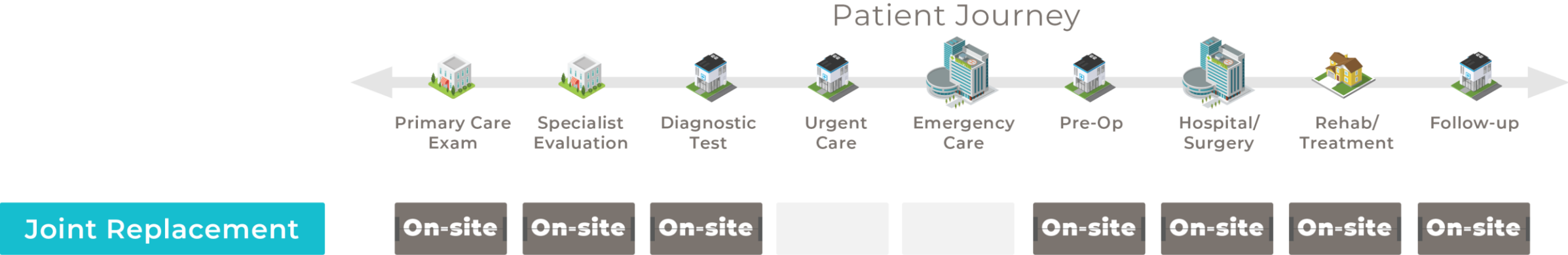
### ICU




### Cardiology



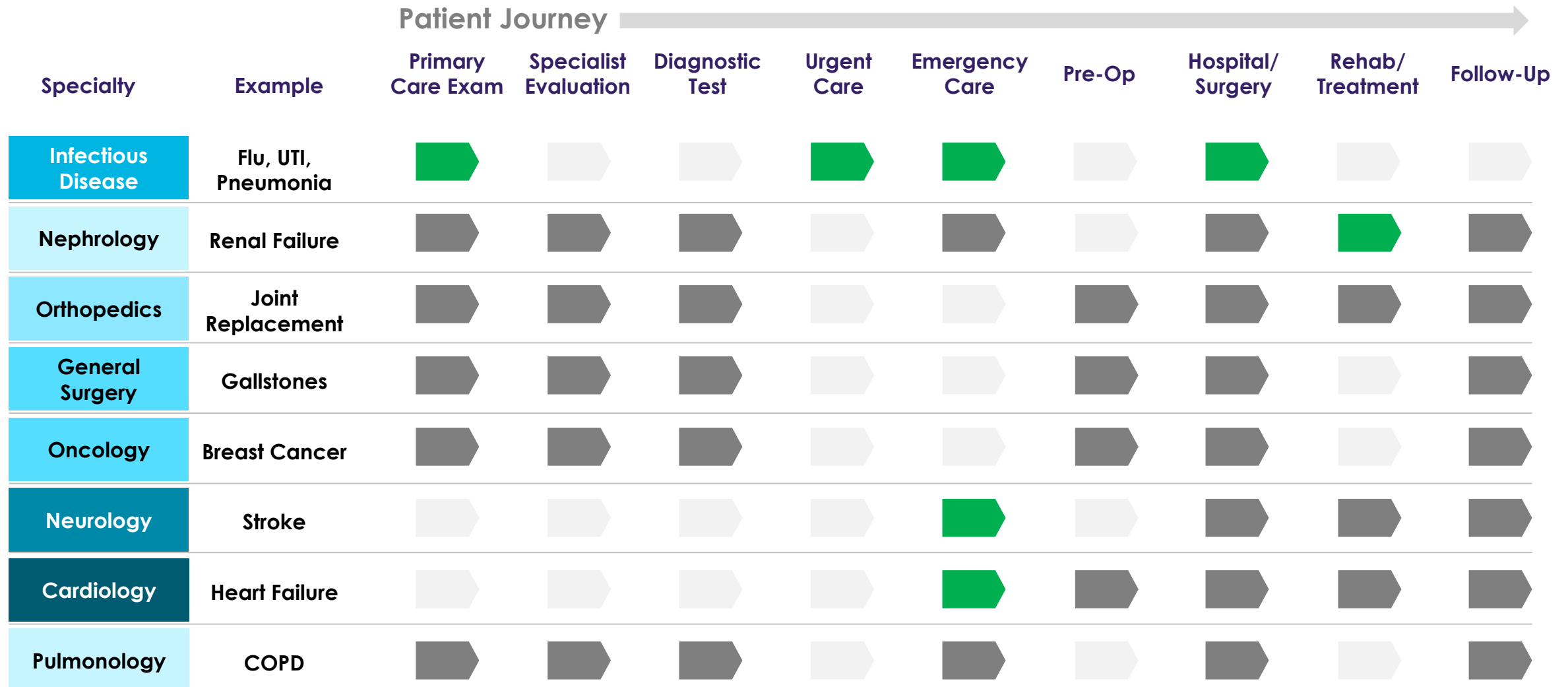
# Traditional patient journey



# Historically all on-site

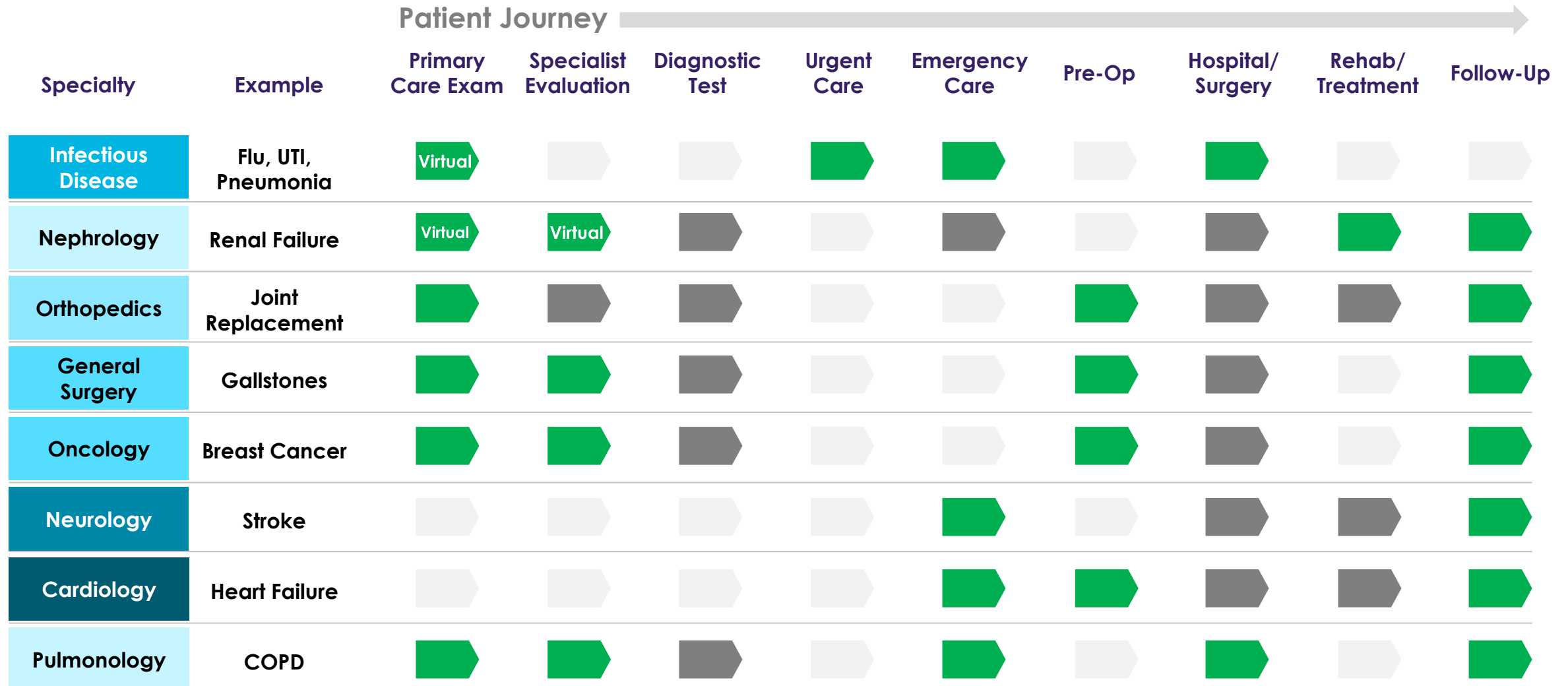
		Patient Journey 								
Specialty	Example	Primary Care Exam	Specialist Evaluation	Diagnostic Test	Urgent Care	Emergency Care	Pre-Op	Hospital/ Surgery	Rehab/ Treatment	Follow-Up
Infectious Disease	Flu, UTI, Pneumonia	On-Site								
Nephrology	Renal Failure									
Orthopedics	Joint Replacement									
General Surgery	Gallstones									
Oncology	Breast Cancer									
Neurology	Stroke									
Cardiology	Heart Failure									
Pulmonology	COPD									

# Today's virtual enabled





# InTouch Health + Teladoc Health future



# Configurable software modules

*Modular software designed to build a solution that works for any use case and workflow and provide a seamless experience across web, desktop, and mobile.*



# InTouch Health solutions and services

## Products & Services

## Description

## % of 2019 TCV<sup>(1)</sup>



- High and low acuity devices powered by InTouch Health software
- Leased or purchased

**30%**  
*(Includes leases and purchases)*



- Virtual care software “operating system” & network connectivity

**27%**



- Configurable, use-case specific software modules
- User licenses

**30%**



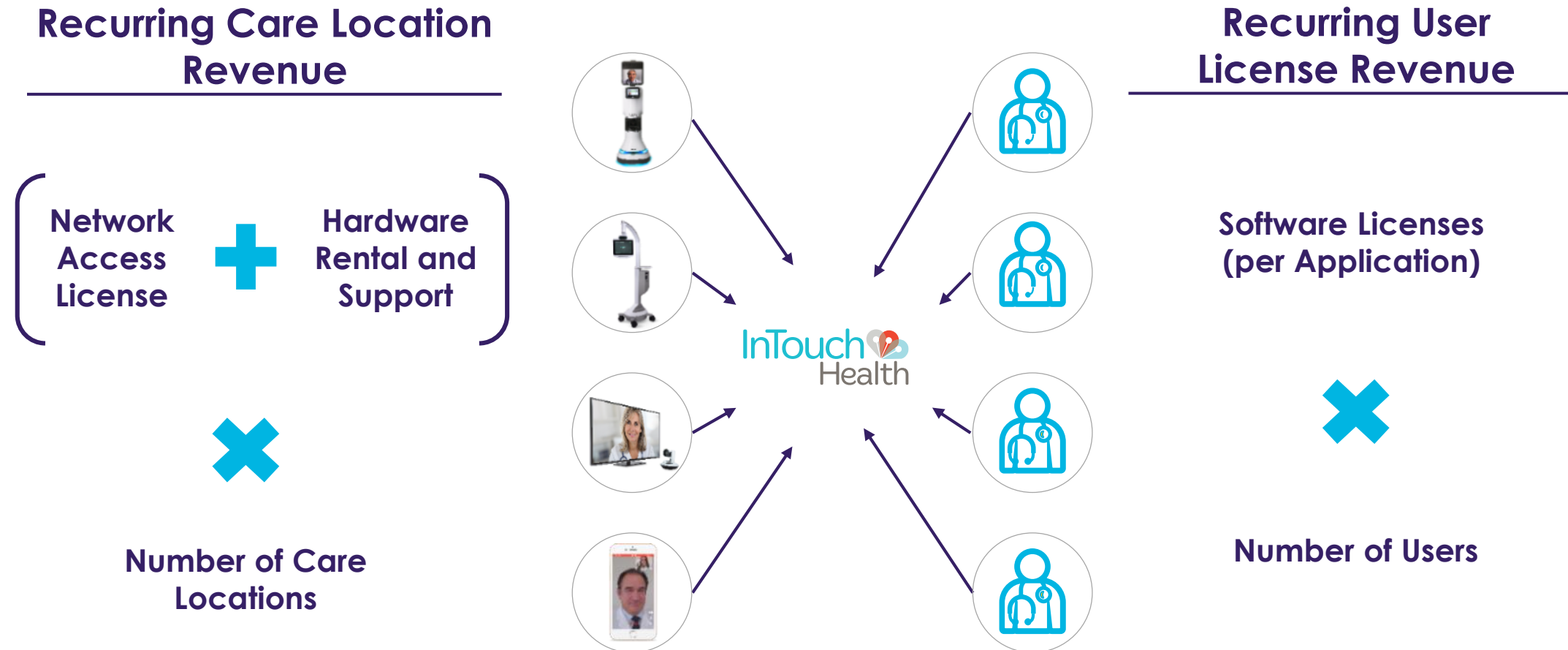
- Virtual synchronous, acute time-sensitive physician staffing

**7%**

**70% Recurring  
Rev.**

(1) Management figures.

# How customers buy from InTouch Health



**3-year contracts and recurring revenue model drives significant revenue visibility**

# Trusted industry-leading virtual care solutions

*Top ranked for patient and provider satisfaction*



## #1 Virtual Care Platform

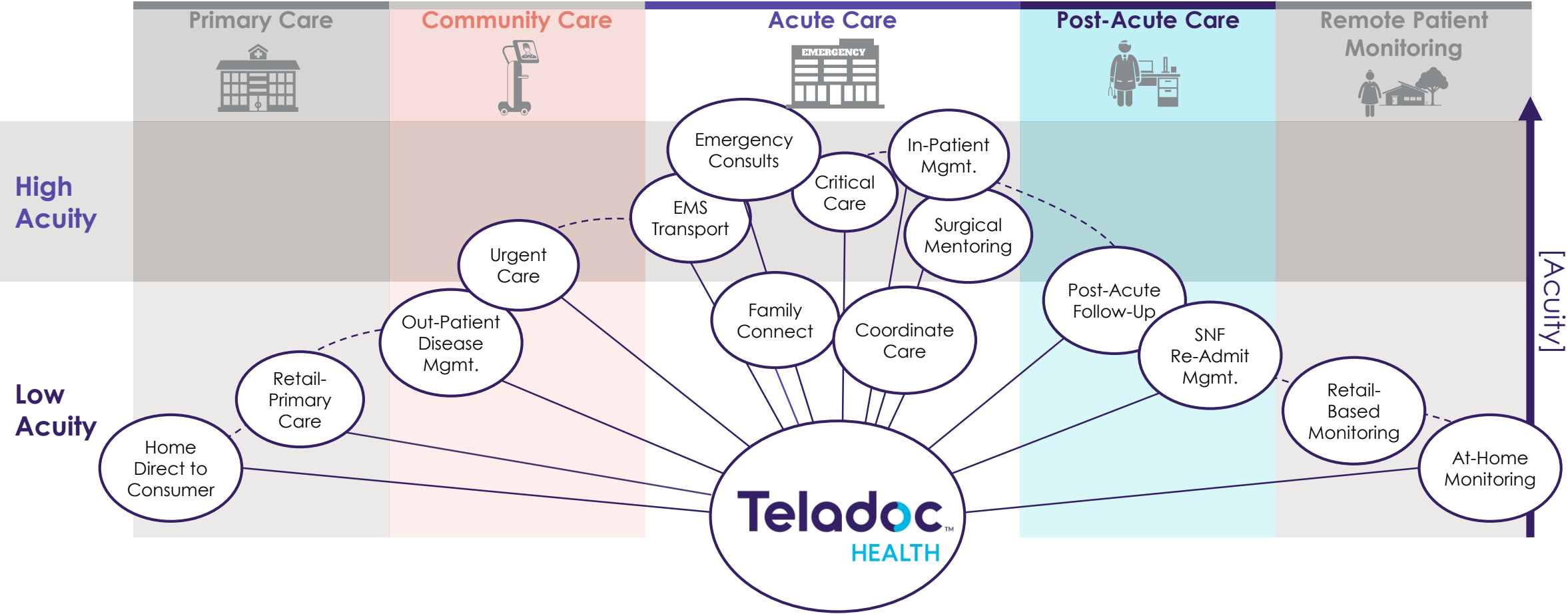
For the third year in a row, InTouch Health is recognized as Best in KLAS for Virtual Care Platforms in the “2020 Best in KLAS: Software & Service” report



## #1 Direct to Consumer

Teladoc Health won the J.D. Power award for Highest Telehealth Satisfaction with Direct to Consumer Providers and ranked the Best in Customer Service

# End-to-end virtual care platform



Teladoc Health well positioned to address entire continuum of care as system-wide virtualization of care rapidly expands

# Key themes

InTouch combines market leading software, hardware, and networking solutions to create the most comprehensive site-based virtual care solution on the market

Combined organization is positioned to lead the virtualization of healthcare across care settings

InTouch Health has compelling financial model, with highly recurring revenue and significant potential for growth within clients



# How InTouch & Teladoc Health deliver value for health systems

Jefferson Health







## Judd Hollander, MD

Senior Vice President of Healthcare Delivery Innovation

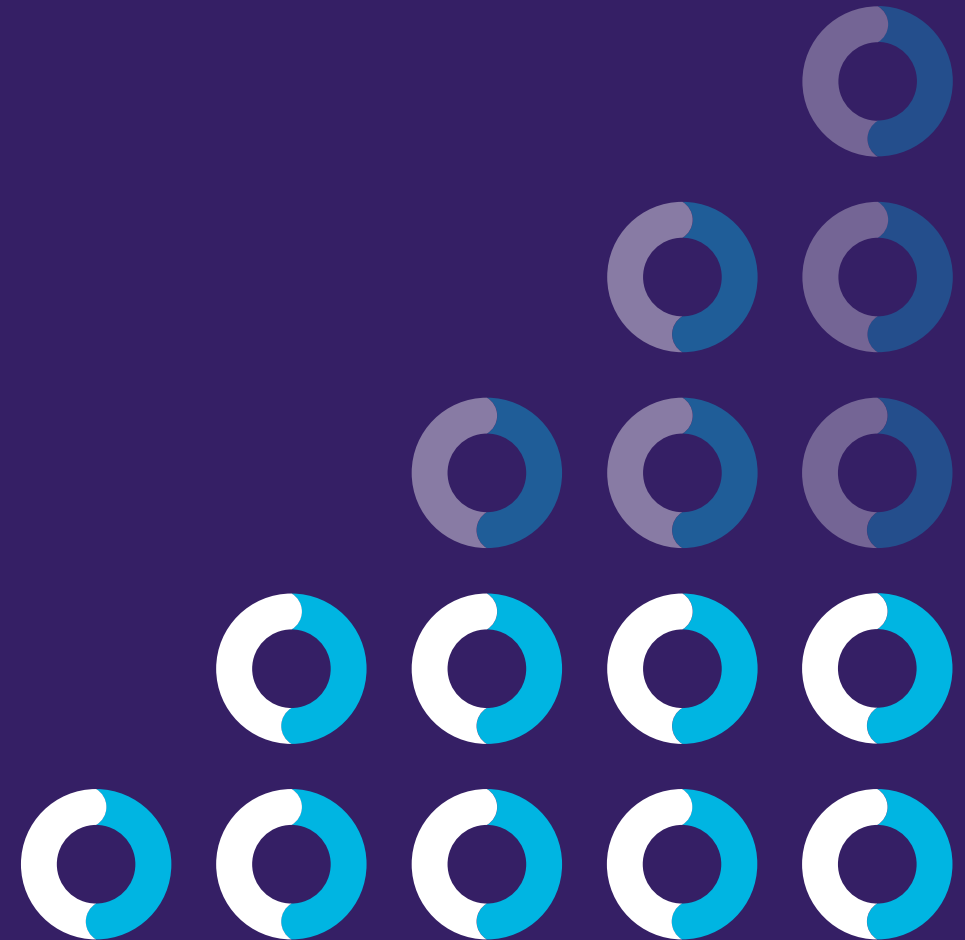
- Leads JeffConnect Telemedicine Program and Jefferson Urgent Care
- More than 500 Peer-reviewed articles, books, book chapters and editorials published
- Former President of the Society for Academic Emergency Medicine





# Financial overview

Mala Murthy, Chief Financial Officer



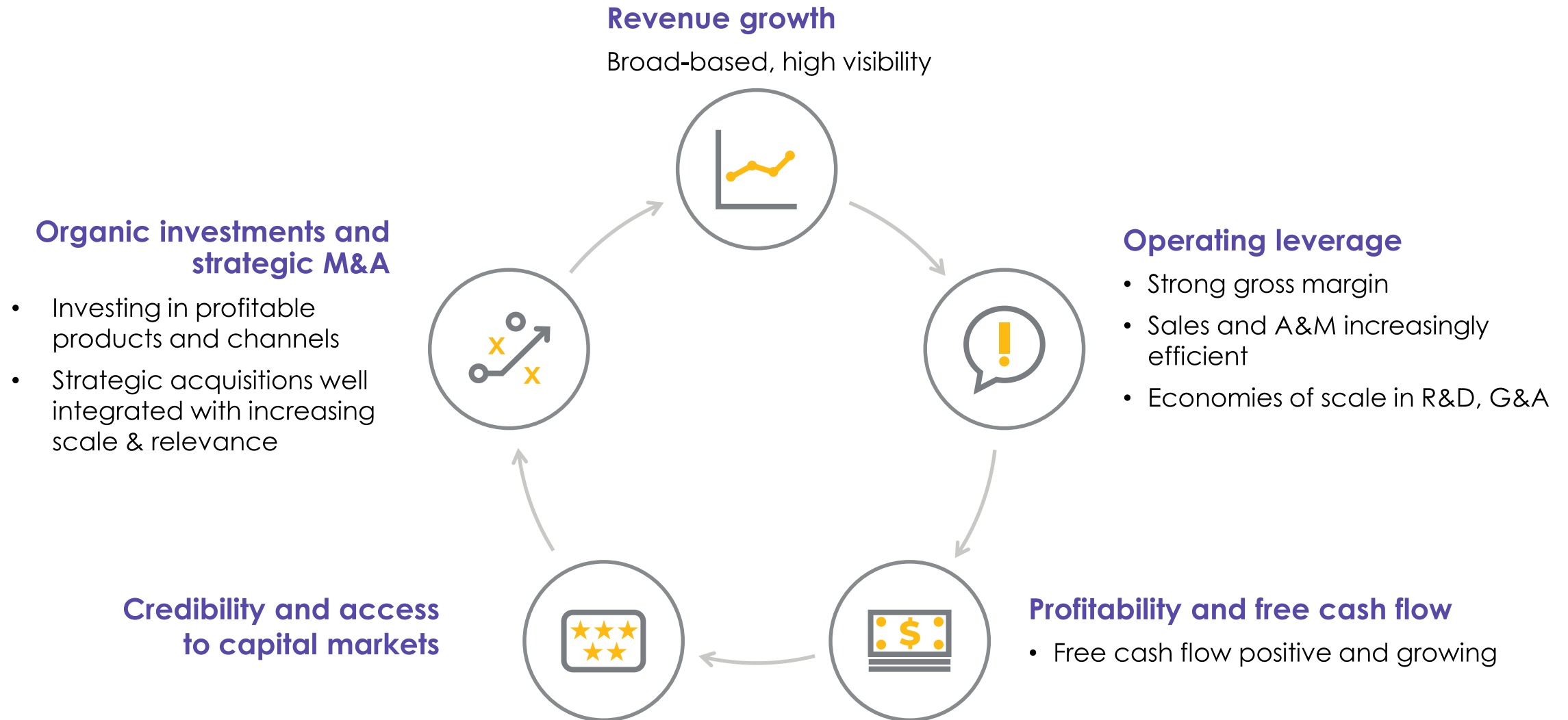
# Key themes

We have a demonstrated history of meeting or exceeding financial targets

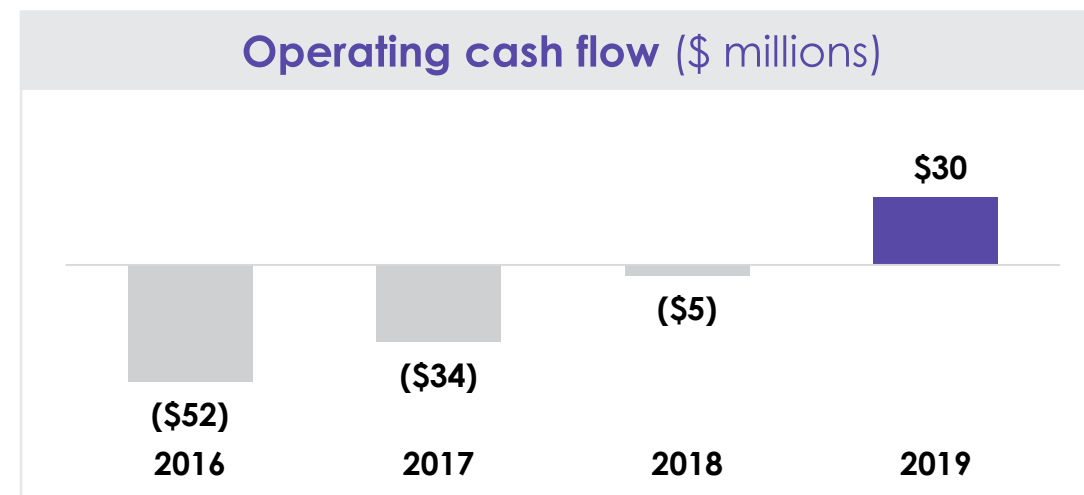
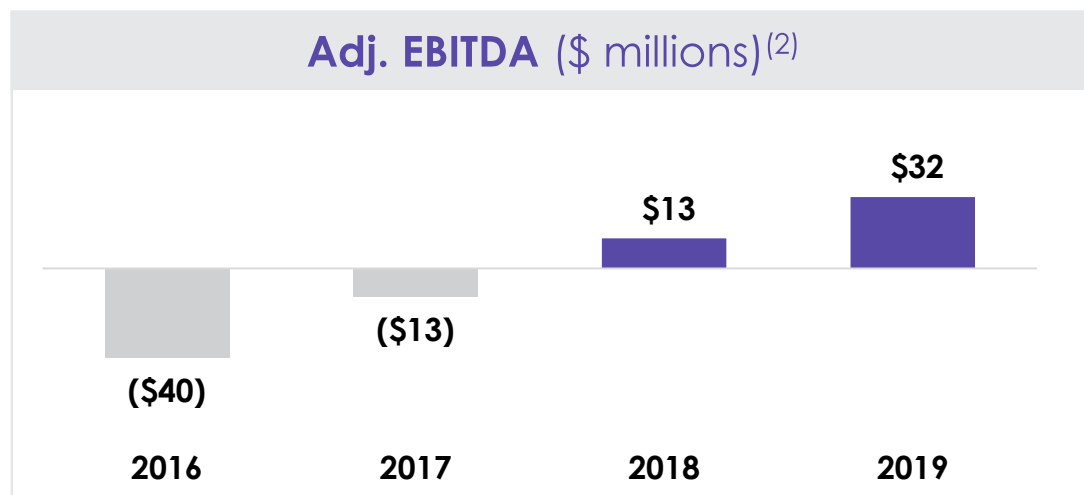
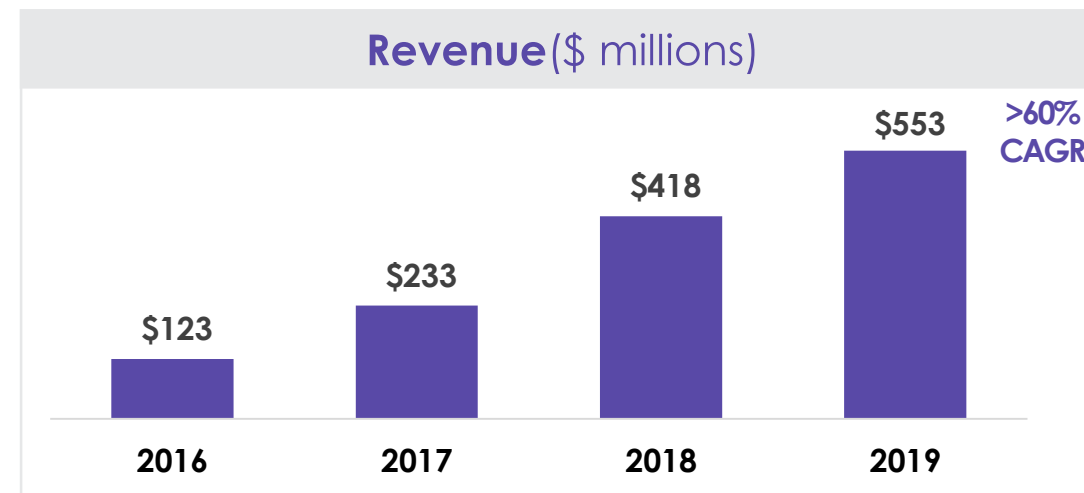
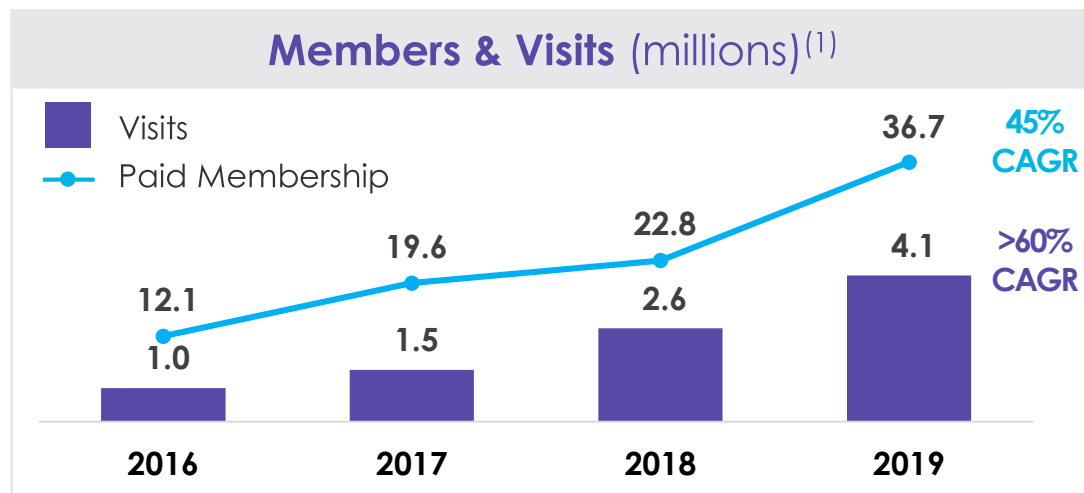
Compelling financial model, with a foundation for sustained growth & margin expansion

Positive free cash flow generation for continued investment in growth & operational excellence

# Compelling financial model



# Consistent track record



(1) Pro forma to exclude Aetna Fully Insured, Amerigroup, and other VFO.

(2) See adjusted EBITDA reconciliation immediately following this presentation.

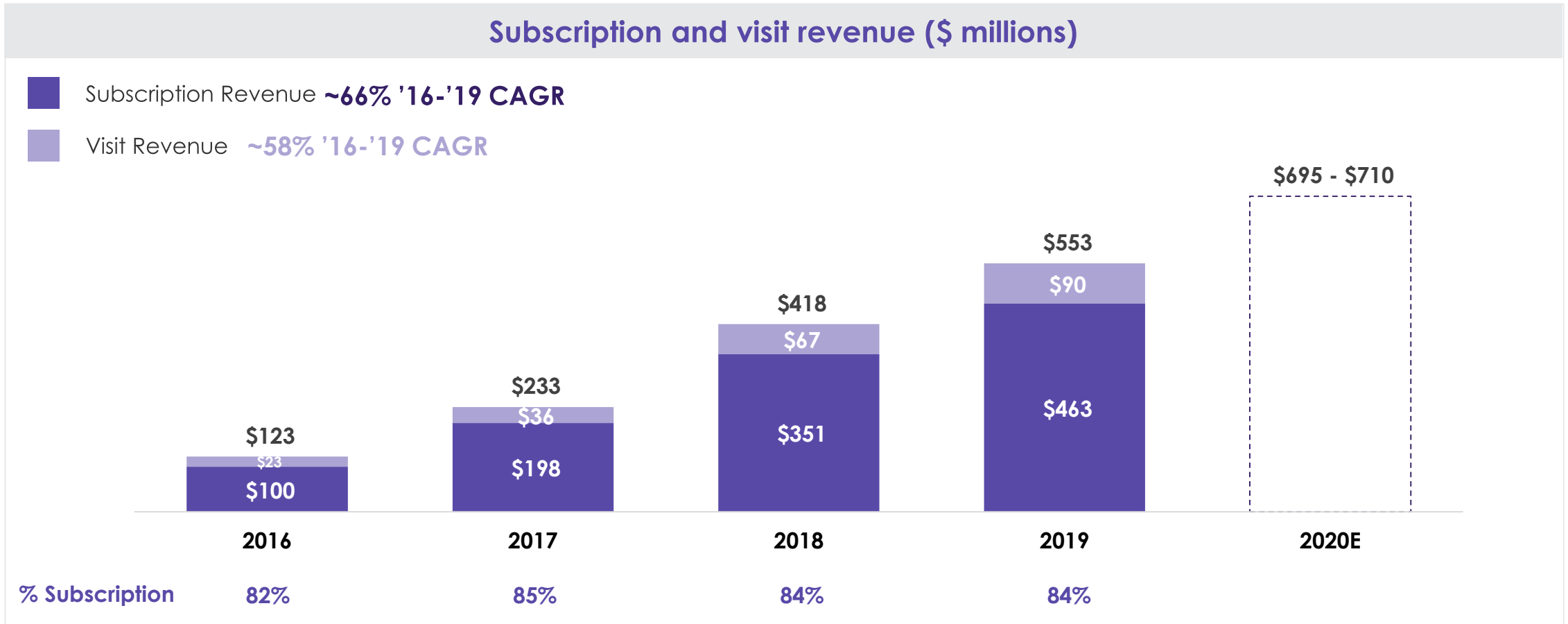
# Results and guidance show continued revenue growth and earnings expansion

millions	2019 actual	Growth vs. 2018	2020E guidance	Growth vs. 2019 <sup>(2)</sup>
<b>Revenue</b>	\$553	32%	\$695 – 710	27%
<b>Adj. EBITDA<sup>(1)</sup></b>	\$32	137%	\$60 – 70	>100%
<b>Adj. EBITDA<sup>(1)</sup> Margin</b>	5.8%	250 bps	8.6% – 9.9%	290 bps – 410 bps
<b>U.S. paid membership</b>	36.7	61%	43.0 – 45.0	20%
<b>Total visits</b>	4.1	57%	5.5 – 5.9	38%

(1) See adjusted EBITDA reconciliation immediately following this presentation.

(2) At mid-point of guidance.

# Growing subscription revenue, complemented by fast growing visit revenue



# Our revenue is diverse and durable

**We are more global**



**20% of our revenue mix is now outside the US**

**We are more diversified**



**Our channel growth in 2019 ranged from 19% to 50%+**

**We have deeper penetration with our clients**



**>30% of new business in 2019 was from existing clients**

**50% of new bookings are multi product**

**We have strong rates of retention**

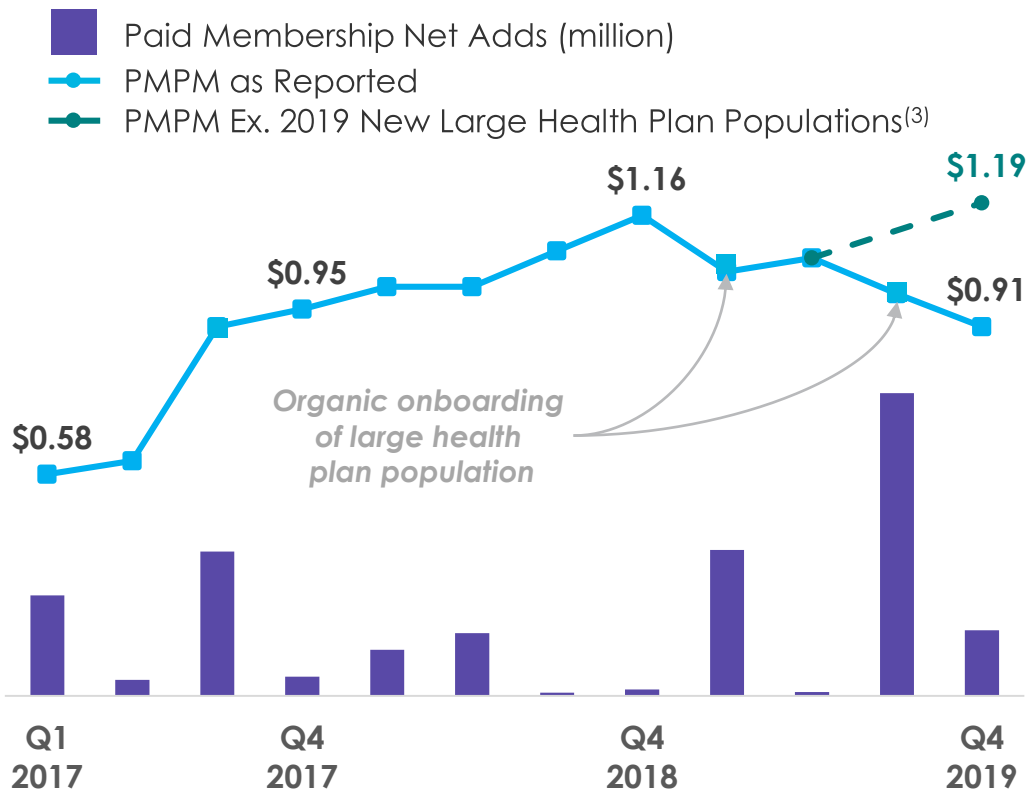


**Our retention rates are consistently over 90%**

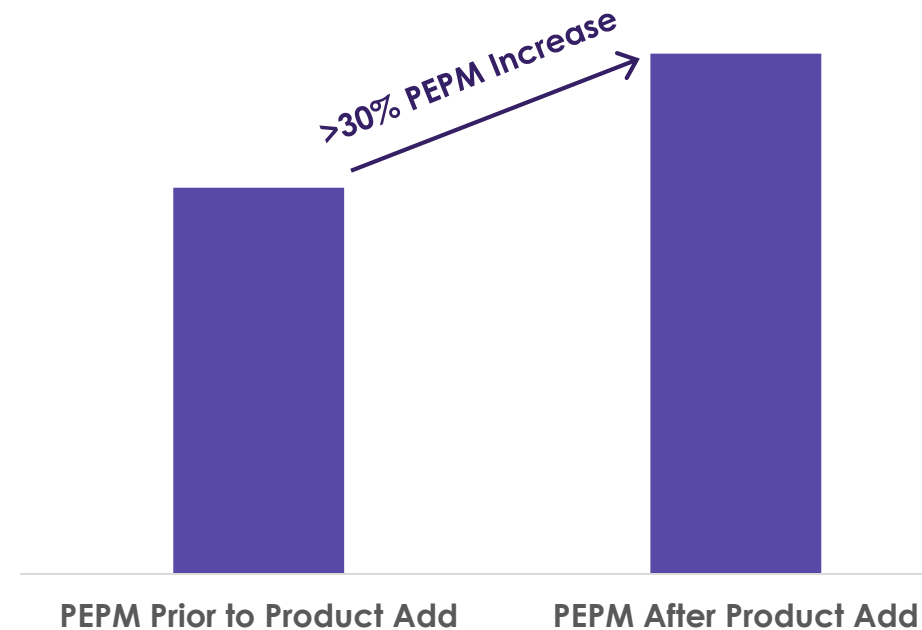


# Continued strength in PMPM

## Membership <sup>(1)(2)</sup> & Average PMPM

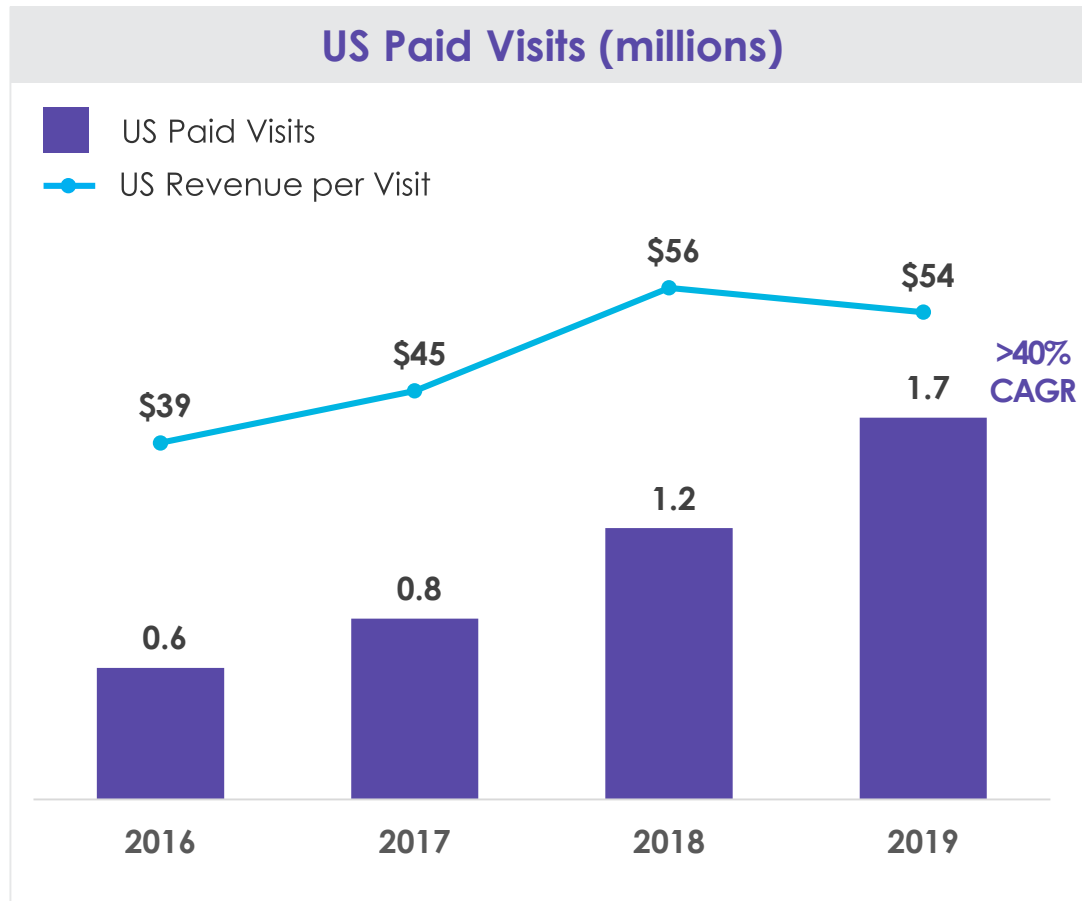


## Case Study: Employers Adding Product in 2019<sup>(4)</sup>



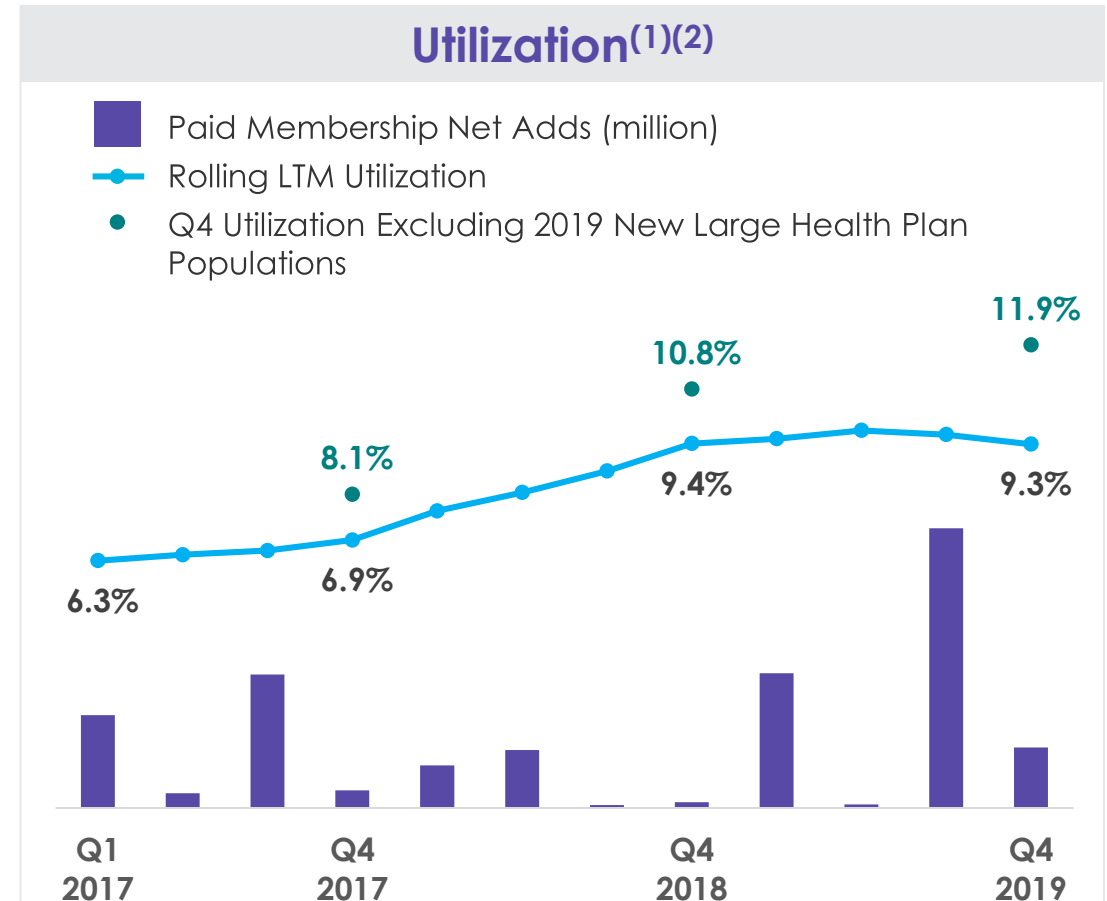
- (1) US Paid Membership only.  
 (2) US Paid Membership net adds pro forma to exclude Aetna Fully Insured and Amerigroup.  
 (3) Q4 2019 pro forma to exclude new large health plan populations.  
 (4) Represents average change in PEPM for 40+ employer clients lives adding product in 2019.

# Utilization and pricing trends support continued visit growth



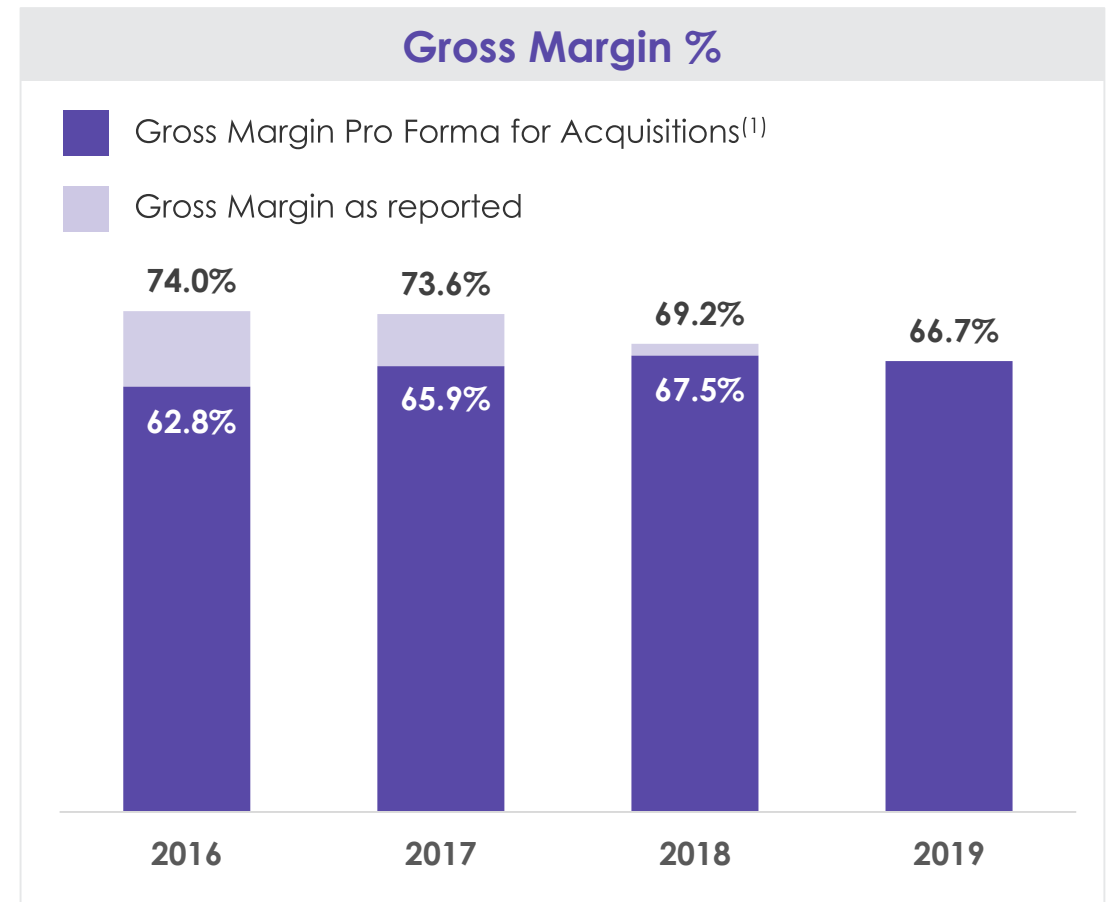
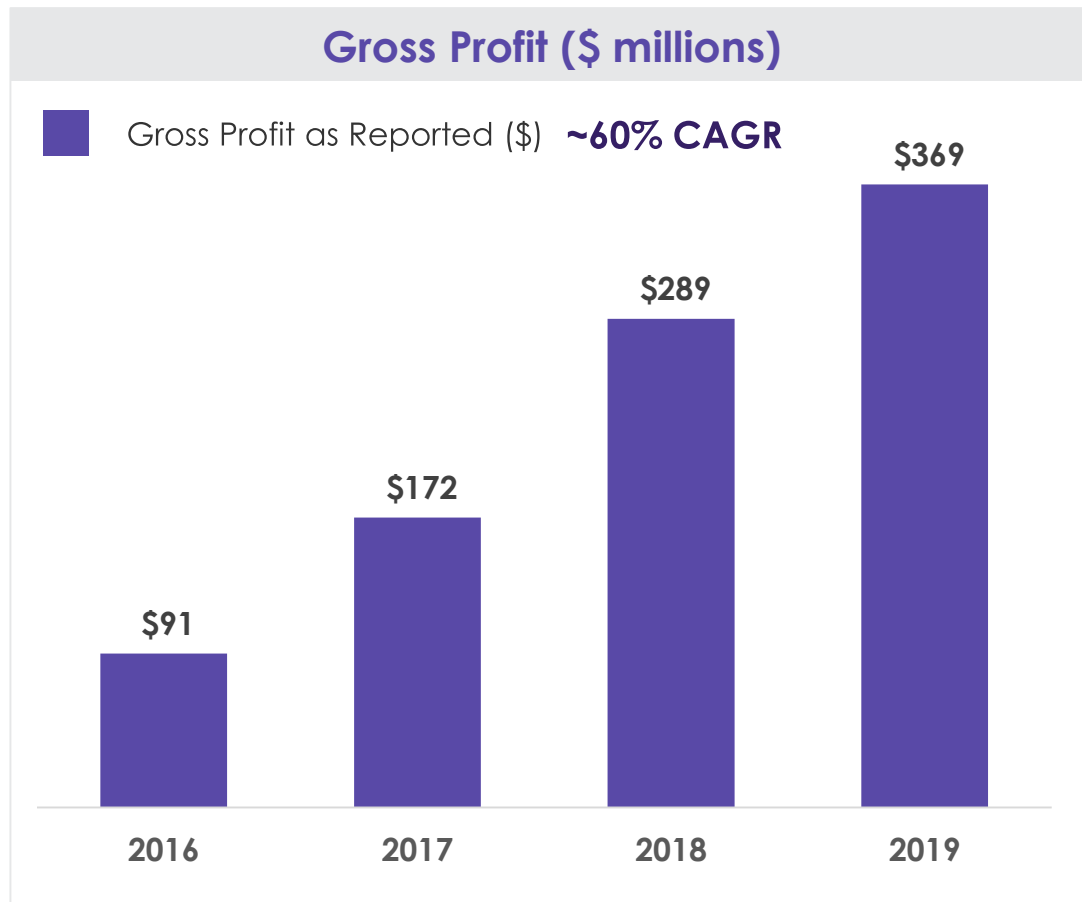
(1) US Paid Membership only.

(2) Pro forma to exclude Aetna Fully Insured, Amerigroup, and VFO.



# Gross profit dynamics

Stable gross margins on a pro forma basis



(1) Full-year pro forma for acquisitions of Best Doctors and Advance Medical from 2016.

# Gross margin levers

## Access Mix

- Shift towards digital access
- Digital now 78% of all visits, up 28 pts since Q1 2016. Call center now 22% of mix

## Operational Efficiency

- Continued call center efficiencies, including use of AI
- Current call center staffing per call down 29% versus year-end 2018
- Alternative physician staffing models

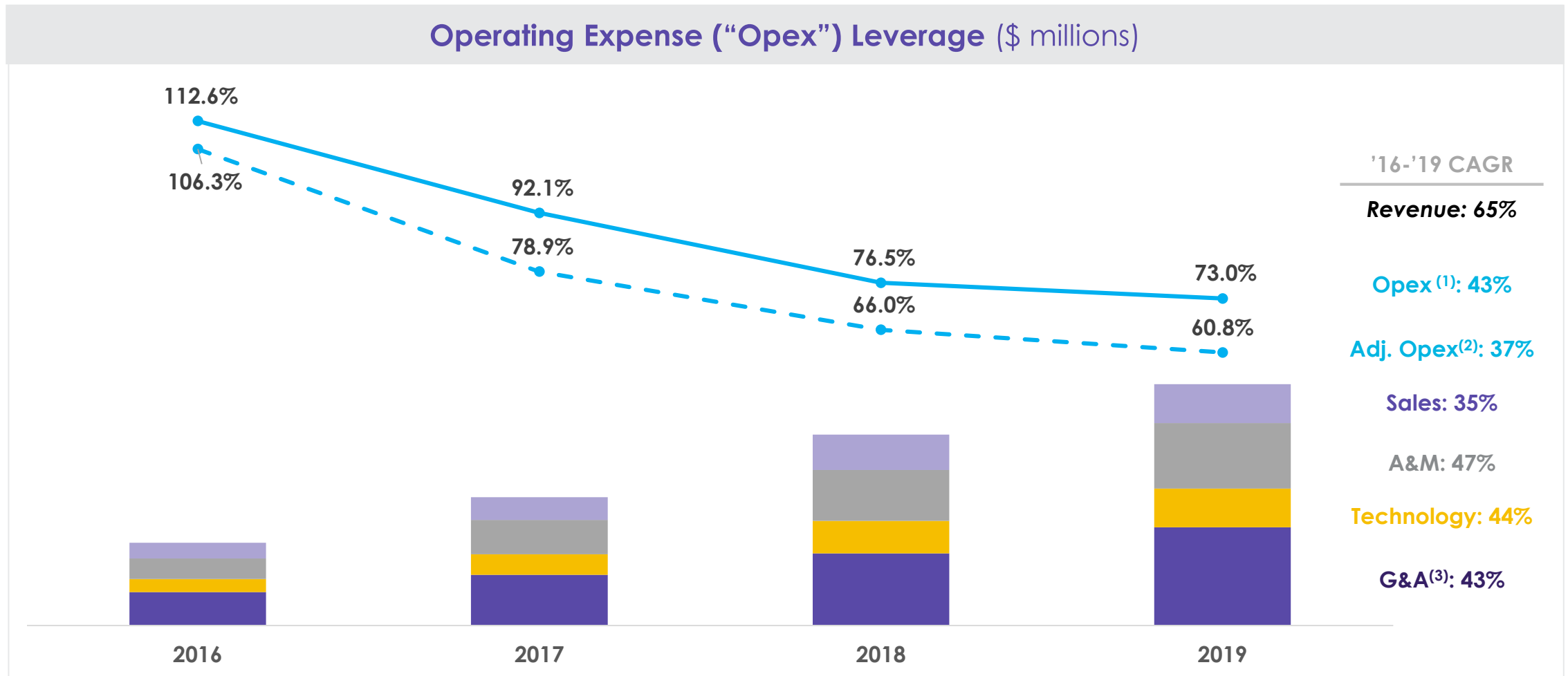
## Pricing

- Judicious pricing architecture
- Multi-product sales driving incremental PMPM
- Meaningful increases in standard contract visit pricing

## Platform as a Service

- Growth in hospital and health system software platform
- Licensed platform margins in-line with or greater than overall business

# Investing in growth while delivering operating leverage



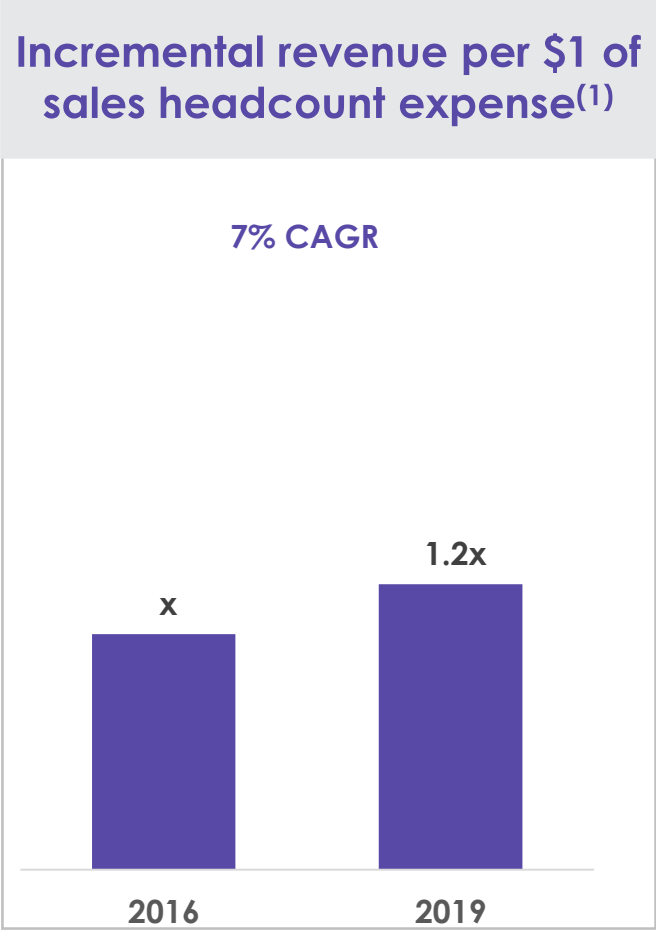
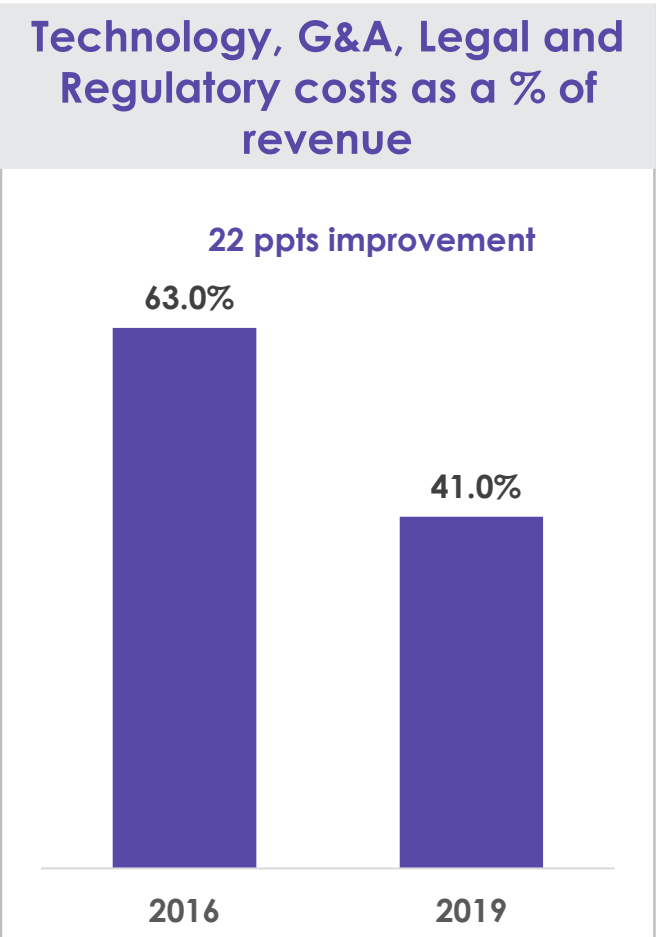
Note: Sales, A&M, Technology, G&A CAGR represents expense inclusive of stock-based compensation.

(1) Opex excludes depreciation and amortization, gain on sale, and merger and acquisition related expenses.

(2) Adj. Opex excludes stock-based compensation, depreciation and amortization, gain on sale, and merger and acquisition related expenses.

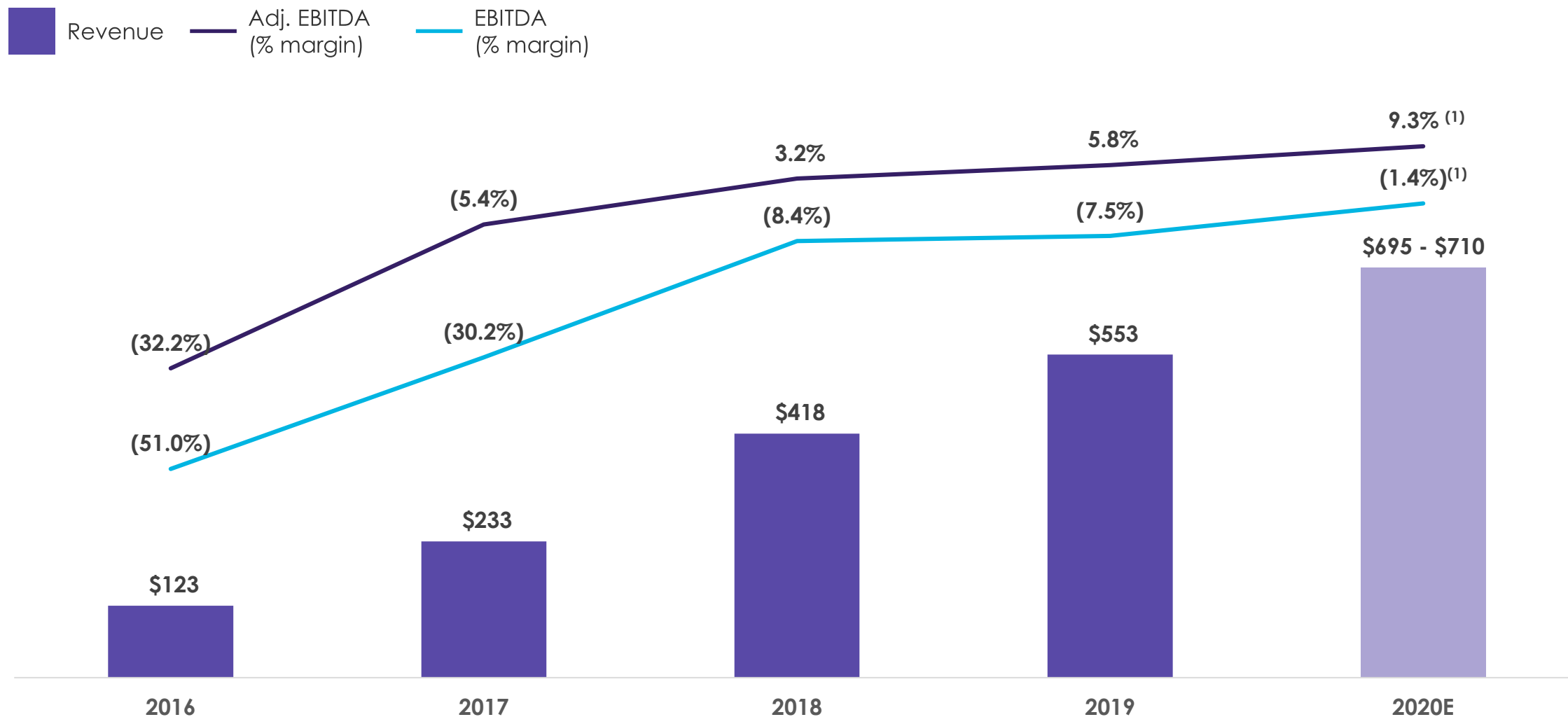
(3) Includes legal & regulatory.

# Opex leverage: a combination of increasing revenue yield and cost efficiencies



(1) Revenue growth excluding DTC per \$ of sales expense

# Driving increasingly profitable growth



(1) Reflects midpoint of guidance.

# Balance sheet as of December 31, 2019

## Liquidity (\$ in millions)

Cash & marketable securities \$517.1

## Debt

	Maturity	Rate	Outstanding
Convertible notes 2022	12/15/22	3.0%	\$275.0
Convertible notes 2025	5/15/25	1.4%	\$287.5
<b>Total</b>		<b>2.2%</b>	<b>\$562.5</b>
<b>Net Debt</b>			<b>\$45.4</b>

## Liquidity highlights

- Solid progress in cash flow generation with Cash flow from operations for full year 2019 of \$30M; free cash flow of \$19M<sup>(1)</sup>
- Anticipate utilizing ~\$150M of cash for the pending In Touch Health acquisition
- Convertible notes mature over the longer term with well timed intervals.

Note: Free cash flow represents cash flow from operations less capital expenditures



# Executing vision with strategic growth pillars

## Compelling Financial Model

### Expand footprint & distribution

Invest in channels  
Product cross-sell

### Clinical service innovation

New clinical service lines  
Clinical quality leadership

### Accelerate consumer adoption

Integrated, intuitive experiences  
Engagement science



## Assets & Capabilities



# Executing vision with strategic growth pillars

## Compelling Financial Model

### Expand footprint & distribution

Government health plans  
Expanded international markets

### Clinical service innovation

Virtual primary care (VPC)  
Nutrition, Pediatrics

### Accelerate consumer adoption

Expanded engagement channels  
Member experience enhancement



### Assets & Capabilities



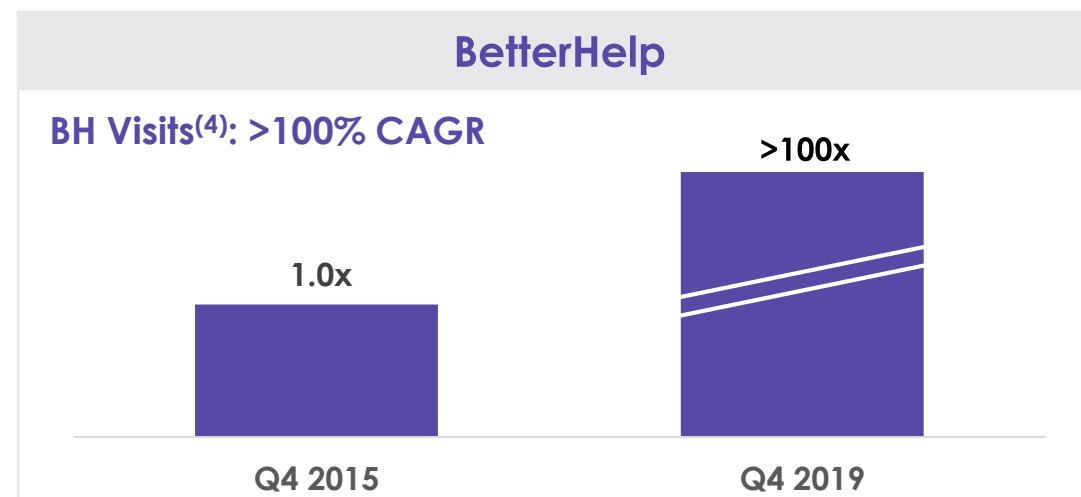
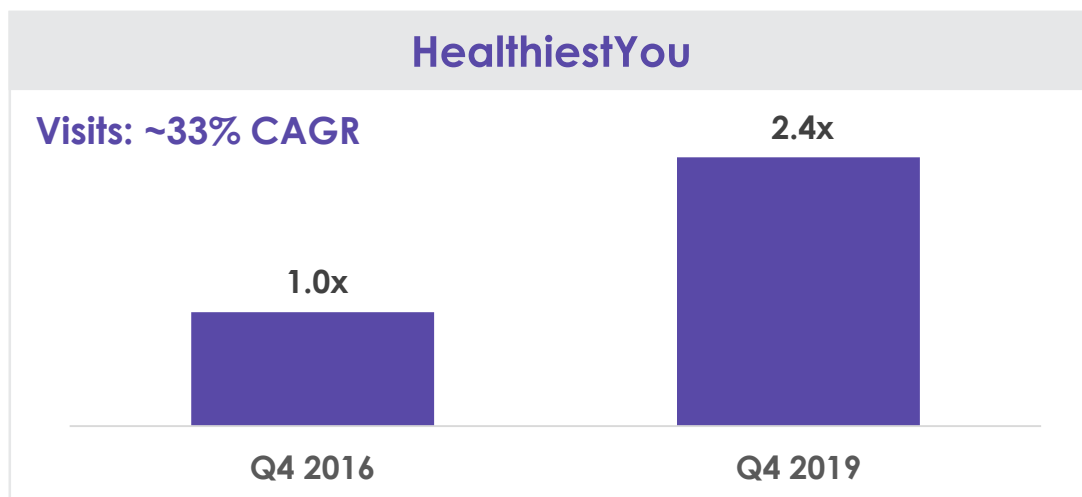
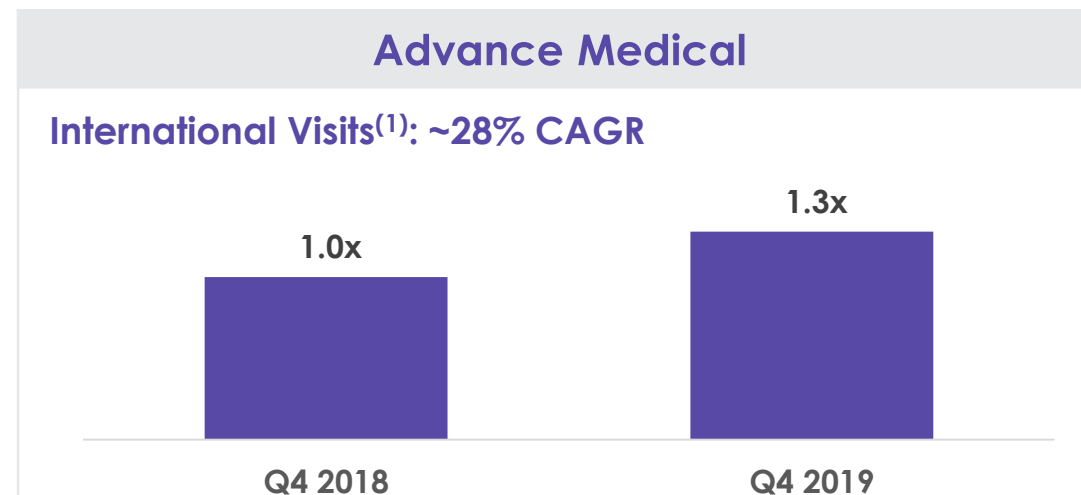
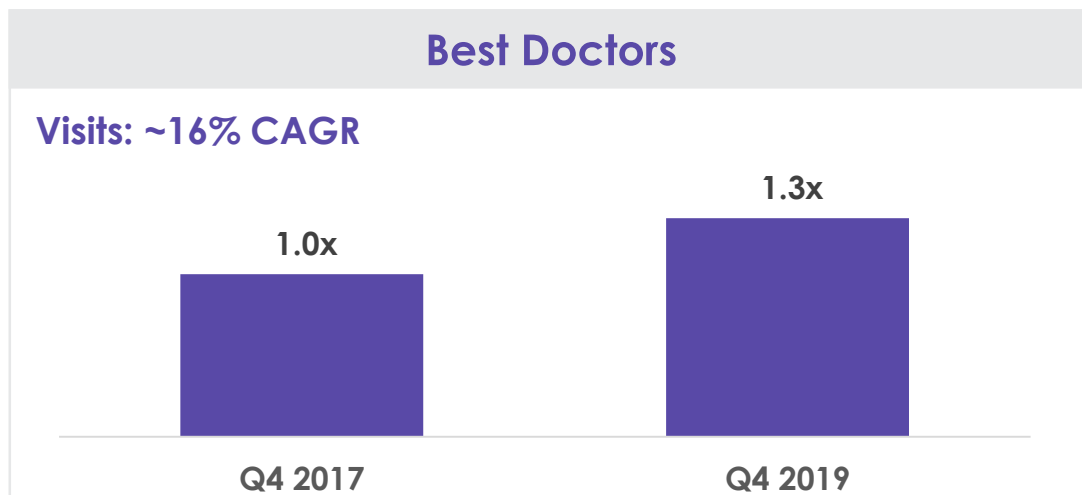
Continuous quality improvement  
Follow the sun service model

AI credentialing applications  
Data analytics for enhanced clinical guidelines

Machine learning tools for advanced network management

# Strong M&A track record

Core Product Volume: Q4 2019 vs. 1<sup>st</sup> Quarter as Consolidated Company



(1) International engagements includes international engagements and expert medical opinions.

# Long-term operating plan/financial algorithm

	Guidance	Comment
Revenue	20% – 30% annual organic growth	<ul style="list-style-type: none"><li>• Continued growth in member base</li><li>• Expanded cross selling/upselling</li><li>• International expansion beyond core markets</li><li>• Expanded product offerings to all facets of virtual primary care and specialty care</li></ul>
Adj. EBITDA <sup>(1)</sup> margin	+ 200 – 300 bps expansion per year	<ul style="list-style-type: none"><li>• Balanced growth across subscription, visits and M&amp;A</li><li>• Pricing leverage</li><li>• Continued economies of scale in technology, sales and G&amp;A</li><li>• Continued marketing efficiencies</li></ul>

(1) See adjusted EBITDA reconciliation immediately following this presentation.

# Summary

Broad-based, highly visible revenue growth

Increasingly efficient operating expense fuels top-line growth and margin expansion

Internally generated free cash flow to fund investments in future growth & operational excellence

Access to capital markets allows us to continue our successful track record of disciplined M&A that increases our market share, scale, and relevance

Long-term revenue guidance of 20% – 30% annual organic growth with 200 to 300 bps of Adj. EBITDA margin expansion per year

# Adj. EBITDA reconciliation

## GAAP to non-GAAP reconciliations EBITDA and Adjusted EBITDA (\$ millions)

	2014	2015	2016	2017	2018	2019
<b>Net loss</b>	<b>(\$17.0)</b>	<b>(\$58.0)</b>	<b>(\$74.2)</b>	<b>(\$106.8)</b>	<b>(\$97.1)</b>	<b>(\$98.9)</b>
Interest expense, net	1.5	2.2	2.6	17.5	26.1	29.0
Income tax provision (benefit)	0.4	0.0	0.5	(0.2)	0.1	(10.6)
Depreciation and amortization	2.3	4.9	8.3	19.1	35.6	39.0
<b>EBITDA</b>	<b>(\$12.8)</b>	<b>(\$50.9)</b>	<b>(\$62.8)</b>	<b>(\$70.4)</b>	<b>(\$35.3)</b>	<b>(\$41.5)</b>
Stock compensation	0.5	3.1	7.7	30.6	43.8	66.7
Amortization of warrants and loss on extinguishment of debt	—	—	8.4	14.1	-	-
Acquisition and integration related costs	0.2	0.5	7.0	13.2	10.4	6.6
Gain on sale	—	—	—	—	(5.5)	-
<b>Adjusted EBITDA</b>	<b>(\$12.1)</b>	<b>(\$47.3)</b>	<b>(\$39.7)</b>	<b>(\$12.5)</b>	<b>\$13.4</b>	<b>\$31.8</b>

# Thank you



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03.05.2020