

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2025**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from
to

Commission File Number: **001-37477**

TELADOC HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

04-3705970

(I.R.S. Employer Identification No.)

155 E 44th Street, Suite 1700

New York, New York

(Address of principal executive office)

10017

(Zip code)

(203) 635-2002

(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	TDOC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 23, 2025, the Registrant had 177,473,405 shares of Common Stock outstanding.

TELADOC HEALTH, INC.
QUARTERLY REPORT ON FORM 10-Q
For the period ended September 30, 2025

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PART I
FINANCIAL INFORMATION

ITEM 1. Financial Statements

TELADOC HEALTH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data, unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 726,249	\$ 1,298,327
Accounts receivable, net of allowance for doubtful accounts of \$3,868 and \$5,134 at September 30, 2025 and December 31, 2024, respectively	210,757	214,146
Inventories	39,904	38,138
Prepaid expenses and other current assets	115,849	113,296
Total current assets	1,092,759	1,663,907
Property and equipment, net	26,916	29,487
Goodwill	283,190	283,190
Intangible assets, net	1,336,653	1,431,360
Operating lease—right-of-use assets	32,365	27,092
Other assets	106,664	81,488
Total assets	\$ 2,878,547	\$ 3,516,524
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 52,198	\$ 33,130
Accrued expenses and other current liabilities	205,898	202,157
Accrued compensation	76,848	76,229
Deferred revenue—current	70,146	79,296
Convertible senior notes, net—current	—	550,723
Total current liabilities	405,090	941,535
Other liabilities	4,237	720
Operating lease liabilities, net of current portion	37,799	32,135
Deferred revenue, net of current portion	11,204	9,786
Deferred taxes, net	34,058	49,851
Convertible senior notes, net—non-current	994,044	991,418
Total liabilities	1,486,432	2,025,445
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 177,349,640 shares and 173,405,016 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	177	173
Additional paid-in capital	17,831,624	17,759,194
Accumulated deficit	(16,405,079)	(16,229,900)
Accumulated other comprehensive loss	(34,607)	(38,388)
Total stockholders' equity	1,392,115	1,491,079
Total liabilities and stockholders' equity	\$ 2,878,547	\$ 3,516,524

See accompanying notes to unaudited condensed consolidated financial statements.

TELADOC HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 626,439	\$ 640,508	\$ 1,887,708	\$ 1,929,083
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	187,179	179,745	574,545	562,342
Advertising and marketing	167,985	177,462	503,717	531,061
Sales	48,209	47,465	146,853	152,267
Technology and development	67,572	72,383	206,314	230,522
General and administrative	102,581	114,245	323,469	335,494
Goodwill impairments	12,625	—	71,763	790,000
Acquisition, integration, and transformation costs	1,931	457	6,777	1,287
Restructuring costs	1,950	3,580	11,989	14,753
Amortization of intangible assets	85,757	86,906	258,725	276,825
Depreciation of property and equipment	2,612	2,666	10,514	7,203
Total costs and expenses	678,401	684,909	2,114,666	2,901,754
Loss from operations	(51,962)	(44,401)	(226,958)	(972,671)
Interest income	(7,081)	(15,326)	(29,819)	(42,840)
Interest expense	4,526	5,660	14,764	16,957
Other expense (income), net	815	(2,239)	(9,991)	(1,306)
Loss before provision for income taxes	(50,222)	(32,496)	(201,912)	(945,482)
Provision for income taxes	(715)	780	(26,733)	7,354
Net loss	(49,507)	(33,276)	(175,179)	(952,836)
Other comprehensive loss, net of tax:				
Currency translation adjustment	791	1,860	3,781	(116)
Comprehensive loss	\$ (48,716)	\$ (31,416)	\$ (171,398)	\$ (952,952)
Net loss per share, basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.19)</u>	<u>\$ (1.00)</u>	<u>\$ (5.61)</u>
Weighted-average shares used to compute basic and diluted net loss per share	<u>176,934,781</u>	<u>171,496,282</u>	<u>175,678,949</u>	<u>169,824,993</u>

See accompanying notes to unaudited condensed consolidated financial statements.

TELADOC HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data, unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balances as of June 30, 2025	176,608,056	\$ 177	\$ 17,812,932	\$ (16,355,572)	\$ (35,398)	\$ 1,422,139
Exercise of stock options	—	—	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	741,584	—	—	—	—	—
Issuance of stock under employee stock purchase plan	—	—	—	—	—	—
Stock-based compensation	—	—	18,692	—	—	18,692
Other comprehensive income, net of tax	—	—	—	—	791	791
Net loss	—	—	—	(49,507)	—	(49,507)
Balances as of September 30, 2025	177,349,640	\$ 177	\$ 17,831,624	\$ (16,405,079)	\$ (34,607)	\$ 1,392,115
Balances as of December 31, 2024	173,405,016	\$ 173	\$ 17,759,194	\$ (16,229,900)	\$ (38,388)	\$ 1,491,079
Exercise of stock options	10,759	—	81	—	—	81
Issuance of common stock upon vesting of restricted stock units	3,655,934	3	(3)	—	—	—
Issuance of stock under employee stock purchase plan	277,931	1	1,672	—	—	1,673
Stock-based compensation	—	—	70,680	—	—	70,680
Other comprehensive income, net of tax	—	—	—	—	3,781	3,781
Net loss	—	—	—	(175,179)	—	(175,179)
Balances as of September 30, 2025	177,349,640	\$ 177	\$ 17,831,624	\$ (16,405,079)	\$ (34,607)	\$ 1,392,115
Balances as of June 30, 2024	171,124,883	\$ 171	\$ 17,689,096	\$ (16,148,215)	\$ (38,966)	\$ 1,502,086
Exercise of stock options	6,133	—	34	—	—	34
Issuance of common stock upon vesting of restricted stock units	812,998	1	(1)	—	—	—
Issuance of stock under employee stock purchase plan	—	—	—	—	—	—
Stock-based compensation	—	—	36,998	—	—	36,998
Other comprehensive income, net of tax	—	—	—	—	1,860	1,860
Net loss	—	—	—	(33,276)	—	(33,276)
Balances as of September 30, 2024	171,944,014	\$ 172	\$ 17,726,127	\$ (16,181,491)	\$ (37,106)	\$ 1,507,702
Balances as of December 31, 2023	166,658,253	\$ 167	\$ 17,591,551	\$ (15,228,655)	\$ (36,990)	\$ 2,326,073
Exercise of stock options	253,146	—	2,711	—	—	2,711
Issuance of common stock upon vesting of restricted stock units	4,728,547	5	(5)	—	—	—
Issuance of stock under employee stock purchase plan	304,068	—	3,153	—	—	3,153
Stock-based compensation	—	—	128,717	—	—	128,717
Other comprehensive loss, net of tax	—	—	—	—	(116)	(116)
Net loss	—	—	—	(952,836)	—	(952,836)
Balances as of September 30, 2024	171,944,014	\$ 172	\$ 17,726,127	\$ (16,181,491)	\$ (37,106)	\$ 1,507,702

See accompanying notes to unaudited condensed consolidated financial statements.

TELADOC HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (175,179)	\$ (952,836)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Goodwill impairments	71,763	790,000
Amortization of intangible assets	258,725	276,825
Depreciation of property and equipment	10,514	7,203
Amortization of right-of-use assets	7,973	7,144
Provision for allowances for doubtful accounts	(481)	2,199
Stock-based compensation	64,503	118,479
Deferred income taxes	(31,449)	611
Other, net	3,272	5,212
Changes in operating assets and liabilities:		
Accounts receivable	7,664	3,675
Prepaid expenses and other current assets	(1,326)	2,849
Inventory	(1,039)	(8,328)
Other assets	6,391	1,439
Accounts payable	16,256	(5,851)
Accrued expenses and other current liabilities	(2,247)	13,980
Accrued compensation	(4,795)	(35,943)
Deferred revenue	(9,777)	(10,456)
Operating lease liabilities	(10,249)	(8,088)
Other liabilities	(3,904)	(336)
Net cash provided by operating activities	206,615	207,778
Cash flows from investing activities:		
Capital expenditures	(6,274)	(4,658)
Capitalized software development costs	(86,862)	(89,750)
Proceeds from the sale of investment	740	—
Acquisitions accounted for as business combinations, net of cash acquired	(81,904)	—
Asset acquisition resulting in net intangible assets	(29,569)	—
Payments for investments	(27,875)	—
Other, net	60	—
Net cash used in investing activities	(231,684)	(94,408)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	81	2,711
Proceeds from employee stock purchase plan	1,901	3,721
Repayment of convertible senior notes	(550,629)	—
Payment of credit facility issuance costs	(4,109)	—
Other, net	—	(178)
Net cash (used in) provided by financing activities	(552,756)	6,254
Net (decrease) increase in cash and cash equivalents	(577,825)	119,624
Effect of foreign currency exchange rate changes	5,747	567
Cash and cash equivalents at beginning of the period	1,298,327	1,123,675
Cash and cash equivalents at end of the period	\$ 726,249	\$ 1,243,866
Cash paid for income taxes, net	\$ 5,765	\$ 7,234
Interest paid	\$ 8,664	\$ 8,662
Supplemental disclosure of non-cash investing activities		
Accruals related to Property and equipment, net and Intangible assets, net	\$ 7,696	\$ 3,706

See accompanying notes to unaudited condensed consolidated financial statements.

TELADOC HEALTH, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Description of Business

Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” or the “Company,” and is the global leader in virtual care, focused on forging a new healthcare experience with better convenience, outcomes, and value around the world. The Company’s mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience.

The Company was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. In June 2025, the Company relocated its principal executive office from Purchase, New York to New York, New York.

Note 2. Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements for the nine months ended September 30, 2025 and 2024, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the Condensed Consolidated Results of Operations, financial position and cash flows of Teladoc Health for the periods presented. However, the financial results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”) have been omitted or condensed pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The information in this report should be read in conjunction with the Company’s Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2024 (the “2024 Form 10-K”), which includes a complete set of footnote disclosures, including the Company’s significant accounting policies.

These consolidated financial statements include the results of Teladoc Health, as well as three professional associations and 10 professional corporations that comprise the “THMG Association” and five professional corporations that comprise the “Uplift Association.”

Teladoc Health Medical Group, P.A. (“THMG”) is party to a services agreement by and among it and the other professional associations and professional corporations in the THMG Association pursuant to which each professional association and professional corporation provides services to THMG. Each professional association and professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

Uplift Behavioral Health, P.C. (“Uplift PC”) is party to a services agreement by and among it and the other professional corporations in the Uplift Association pursuant to which each professional corporation provides services to Uplift PC. Each professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

The Company holds a variable interest in the THMG Association and the Uplift Association, which each contract with physicians and other health professionals in order to provide services to Teladoc Health. The THMG Association and the Uplift Association are each considered a variable interest entity (“VIE”) since each does not have sufficient equity to finance their respective activities without additional subordinated financial support. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it has both power and benefits—that is, it has (1) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance (power) and (2) the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits). The Company has the power and rights to control the activities that most significantly impact the THMG Association and the Uplift Association economic performance and funds and absorbs all losses of the VIE and appropriately consolidates the THMG Association and the Uplift Association.

Total revenue and net loss for the VIEs were \$84.7 million and \$0.2 million and \$65.6 million and \$0.0 million for the three months ended September 30, 2025 and 2024, respectively. Total revenue and net loss for the VIEs were

\$246.2 million and \$0.6 million and \$199.7 million and \$0.0 million for the nine months ended September 30, 2025 and 2024, respectively. The VIE's total assets, all of which were current, were \$37.1 million and \$29.4 million at September 30, 2025 and December 31, 2024, respectively. The VIE's total liabilities, all of which were current, were \$86.3 million and \$78.0 million at September 30, 2025 and December 31, 2024, respectively. The VIE's total stockholders' deficit was \$49.2 million and \$48.6 million at September 30, 2025 and December 31, 2024, respectively.

All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business and economic factors, and various other assumptions that the Company believes are necessary to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company's condensed consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment evolves. The Company believes that estimates used in the preparation of these condensed consolidated financial statements are reasonable; however, actual results could differ materially from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in the Condensed Consolidated Statements of Operations; if material, the effects of changes in estimates are disclosed in the Notes to Unaudited Condensed Consolidated Financial Statements.

Significant estimates and assumptions by management affect areas including the value and useful life of long-lived assets (including intangible assets), the capitalization and amortization of software development costs, allowances for sales, and the accounting for business combinations. Other significant areas include revenue recognition (including performance guarantees), the accounting for income taxes, contingencies (including earnouts), litigation and related legal accruals, the accounting for stock-based compensation awards, the probability assessment of satisfying vesting conditions for certain investments, and other items as described in Note 2. "Basis of Presentation and Principles of Consolidation" in the Summary of Significant Accounting Policies in the 2024 Form 10-K and as may be updated in this Quarterly Report in Note 2. "Basis of Presentation and Principles of Consolidation."

Fair Value Measurements

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to their short-term nature.

A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs that are supported by little or no market activity.

The Company measures its cash equivalents at fair value on a recurring basis. The Company classifies its cash equivalents within Level 1 because they are valued using observable inputs that reflect quoted prices for identical assets in active markets and quoted prices directly in active markets.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Standards

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvement to Income Tax Disclosures" to enhance the transparency and decision usefulness of income tax disclosures through expansion of disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis with early adoption permitted. The application of this new guidance is not expected to have a material impact on the Company's financial statements, as the guidance pertains only to disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 requires a public business entity ("PBE") to disclose information in the notes to financial statements about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. Entities would also have to disclose other specific expenses, gains, or losses that are already required to be disclosed under GAAP in this same disclosure, a qualitative description of the amounts remaining that are not separately disaggregated quantitatively, and the total amount of selling expenses, as well as the PBE's definition of selling expenses. In January 2025, the FASB Issued ASU No. 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)," which clarified that ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The application of this new guidance is not expected to have a material impact on the Company's financial statements, as the guidance pertains only to disclosures.

In May 2025, the FASB issued ASU No. 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," which clarifies current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity that meets the definition of a business. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements.

In May 2025, the FASB issued ASU No. 2025-04, "Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer." This new standard clarifies the accounting for share-based consideration payable to a customer under Topics 718 and 606. Key changes include expanding the "performance condition" definition, requiring an estimate of forfeitures, and clarifying the measurement guidance. ASU 2025-04 is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company expects that the adoption of this ASU will not have a material effect on its financial statements.

In July 2025, the FASB issued ASU No. 2025-05, "Measurement of Credit Losses for Accounts Receivable and Contract Assets." This new standard provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, "Revenue from Contracts with Customers." The practical expedient allows companies to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when measuring credit losses. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements.

In September 2025, the FASB issued ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This new standard provides updated guidance on the capitalization and disclosure of internal-use software costs, including cloud computing arrangements and enhancements to qualitative and quantitative disclosures. The amendments aim to clarify when capitalization should begin and end, and require enhanced disclosures to provide greater transparency about software development spending and amortization patterns. ASU 2025-06 is effective for annual periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements and related disclosures.

Note 3. Revenue, Deferred Revenue, and Deferred Device and Contract Costs

The Company generates access fees from customers, which primarily consist of employers, health plans, hospitals and health systems, insurance and financial services companies (collectively “Clients”), as well as individual paying users, accessing the THMG Association professional provider network, Uplift Association professional provider network, and the Company’s therapy and other wellness platforms, hosted virtual healthcare platform, and chronic care management platforms. Visit fee revenue is generated for general medical, expert medical service, virtual therapy, and other specialty visits, and is reported as a component of other revenue. Revenue associated with virtual healthcare device equipment sales included with the Company’s hosted virtual healthcare platform is also reported in other revenue.

The following table presents the Company’s revenues disaggregated by revenue source and geography (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue by Type				
Access Fees	\$ 520,907	\$ 555,275	\$ 1,570,346	\$ 1,672,097
Other	105,532	85,233	317,362	256,986
Total Revenue	\$ 626,439	\$ 640,508	\$ 1,887,708	\$ 1,929,083
Revenue by Geography				
U.S. Revenue	\$ 509,774	\$ 536,161	\$ 1,554,433	\$ 1,624,563
International Revenue	116,665	104,347	333,275	304,520
Total Revenue	\$ 626,439	\$ 640,508	\$ 1,887,708	\$ 1,929,083

Deferred Revenue

Deferred revenue represents billed, but unrecognized revenue, and is comprised of fees received in advance of the delivery or completion of the services and amounts received in instances when revenue recognition criteria have not been met. The Company records deferred revenue when cash payments are received in advance of the Company’s performance obligation to provide services. Deferred revenue is derived from 1) upfront payments for a device, which is amortized ratably over the expected member enrollment period; 2) upfront payments for certain services where payment is required for future periods before the service is delivered to the member, which is recognized when the services are provided; and 3) upfront payments from third-party financing companies with whom the Company works to provide certain Clients with a rental option, which is recognized over the rental period. Deferred revenue that will be recognized during the next twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as non-current deferred revenue.

The following table summarizes deferred revenue activities for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2025	2024
Beginning balance	\$ 89,082	\$ 109,282
Balances assumed as part of business acquisitions	890	—
Cash collected	65,752	68,858
Revenue recognized	(74,374)	(79,346)
Ending balance	\$ 81,350	\$ 98,794

The Company expects to recognize \$54.5 million of revenue throughout the remainder of 2025, \$18.8 million of revenue in the year ending December 31, 2026, and the remaining balance thereafter related to future performance obligations that are unsatisfied or partially unsatisfied as of September 30, 2025.

Deferred Device and Contract Costs

Deferred device and contract costs are classified as a component of prepaid expenses and other current assets or other assets, depending on term, and consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Deferred device and contract costs, current	\$ 33,548	\$ 33,188
Deferred device and contract costs, non-current	15,468	17,057
Total deferred device and contract costs	\$ 49,016	\$ 50,245

Deferred device and contract costs were as follows (in thousands):

	Deferred Device and Contract Costs
Beginning balance as of December 31, 2024	\$ 50,245
Additions	31,284
Cost of revenue recognized	(32,513)
Ending balance as of September 30, 2025	\$ 49,016

Note 4. Inventories

Inventories consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Raw materials and purchased parts	\$ 13,140	\$ 14,459
Work in process	608	600
Finished goods	26,156	23,079
Total inventories	\$ 39,904	\$ 38,138

Note 5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Prepaid expenses	\$ 71,082	\$ 67,471
Deferred device and contract costs, current	33,548	33,188
Other receivables	8,723	9,809
Other current assets	2,496	2,828
Total prepaid expenses and other current assets	\$ 115,849	\$ 113,296

Note 6. Acquisitions

Business Combinations

On August 8, 2025, Teladoc Health acquired full ownership of Telecare Australia Pty Ltd (“Telecare”). Including closing adjustments, the Company paid \$16.6 million, which is net of \$1.1 million of cash acquired. The acquisition of

Telecare was accounted for as a business combination, applying the concepts set forth under ASC Subtopic 805-10, "Business Combinations." Telecare is included as a component of the Company's Integrated Care reporting segment.

The purchase price allocation for the Telecare acquisition includes \$6.3 million for identifiable intangible assets and \$12.6 million for goodwill. None of the goodwill is deductible for tax purposes.

Concurrent with the closing of the acquisition of Telecare in the three months ended September 30, 2025, the Company recorded a full impairment of the \$12.6 million of acquired goodwill because the Integrated Care reporting unit's fair value at the time of acquisition was less than its carrying value. See Note 7. "Goodwill" for further information.

On February 28, 2025, Teladoc Health acquired full ownership of Catapult Health, LLC ("Catapult Health"). Including the final closing adjustments, the Company paid \$65.3 million, which is net of \$0.1 million of cash acquired. Additionally, the Company has accrued \$3.8 million for contingent consideration, which reflects the acquisition date fair value of potential future payments that are contingent upon the achievement of certain specified targets. The acquisition of Catapult Health was also accounted for as a business combination. Catapult Health is included as a component of the Company's Integrated Care reporting segment.

The purchase price allocations for the Catapult Health acquisition includes \$12.7 million for identifiable intangible assets and \$59.1 million for goodwill. The Company's estimate is that approximately 73.0% of the goodwill is tax deductible.

Concurrent with the closing of the acquisition of Catapult Health, in the three months ended March 31, 2025, the Company recorded a full impairment of the \$59.1 million of acquired goodwill because the Integrated Care reporting unit's fair value at the time of acquisition was less than its carrying value. See Note 7. "Goodwill" for further information.

Asset Acquisition

On April 30, 2025, Teladoc Health acquired Uplift Health Technologies, Inc. ("Uplift") by paying \$29.6 million in cash. The Company may pay up to an additional \$15.0 million during the year ending December 31, 2026 based on the achievement of certain specified targets. This transaction was accounted for as an asset acquisition since the acquired intangible asset, disclosed in client and other relationships, represented substantially all of the gross assets acquired. All revenue and expense recognized following the acquisition date related to Uplift are included as a component of the Company's BetterHelp reporting segment.

Other Investments

Investments in equity securities may be accounted for using (i) the fair value option if elected, (ii) fair value through earnings if fair value is readily determinable or (iii) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable. The election to use the measurement alternative is made for each eligible investment.

In the three months ended March 31, 2025, Teladoc Health paid \$27.0 million to acquire shares of common and preferred stock in a private company. In addition, the Company received warrants subject to certain vesting conditions that would allow for the purchase of additional preferred stock of the private company. This investment is included in "Other assets" in the Company's Condensed Consolidated Balance Sheet as of September 30, 2025.

Note 7. Goodwill

Goodwill consisted of the following (in thousands):

	Integrated Care	BetterHelp	Total
Balance as of December 31, 2024	\$ —	\$ 283,190	\$ 283,190
Additions associated with business combinations	71,763	—	71,763
Impairments	(71,763)	—	(71,763)
Balance as of September 30, 2025	\$ —	\$ 283,190	\$ 283,190

Concurrent with the closing of its acquisitions of Telecare and Catapult Health, the Company performed goodwill impairment tests on its Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, the Company recognized immediate impairments of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions in the three months ended September 30, and March 31, 2025, respectively, reflecting a year-to-date total of \$71.8 million. If the carrying value of the Integrated Care reporting unit continues to exceed its fair value, any future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

Goodwill is net of accumulated impairment charges of \$14.3 billion, of which \$12.3 billion was recognized prior to the Company reorganizing its reporting structure to include two reportable segments, \$1.2 billion was associated with goodwill assigned to the Integrated Care segment, and \$0.8 billion was associated with goodwill assigned to the BetterHelp segment. If the Company experiences sustained significant decreases in its share price, this may result in the need to perform impairment assessments of goodwill and long-lived assets including definite-lived intangibles that could result in future impairments.

Note 8. Intangible Assets, Net and Certain Cloud Computing Costs

Intangible assets, net consisted of the following (dollars in thousands):

	Useful Life	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
September 30, 2025					
Client and other relationships	2 to 20 years	\$ 1,518,446	\$ (581,729)	\$ 936,717	10.6
Trademarks	2 to 15 years	330,554	(274,051)	56,503	4.9
Software	3 to 5 years	679,687	(426,165)	253,522	2.0
Acquired technology	4 to 7 years	341,763	(251,852)	89,911	2.1
Intangible assets, net		<u>\$ 2,870,450</u>	<u>\$ (1,533,797)</u>	<u>\$ 1,336,653</u>	8.2
December 31, 2024					
Client relationships	2 to 20 years	\$ 1,453,811	\$ (490,426)	\$ 963,385	11.6
Trademarks	2 to 15 years	324,229	(263,671)	60,558	5.8
Software	3 to 5 years	575,106	(293,588)	281,518	2.1
Acquired technology	4 to 7 years	341,563	(215,664)	125,899	2.8
Intangible assets, net		<u>\$ 2,694,709</u>	<u>\$ (1,263,349)</u>	<u>\$ 1,431,360</u>	8.7

The following table presents the Company's amortization of intangible assets expense by component (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Amortization of acquired intangibles	\$ 43,523	\$ 51,089	\$ 130,306	\$ 179,372
Amortization of capitalized software development costs	42,234	35,817	128,419	97,453
Amortization of intangible assets	<u>\$ 85,757</u>	<u>\$ 86,906</u>	<u>\$ 258,725</u>	<u>\$ 276,825</u>

Periodic amortization of intangible assets that will be charged to expense over the remaining life of the intangible assets as of September 30, 2025 was as follows (in thousands):

Years Ending December 31,		
2025	\$	86,444
2026		301,090
2027		229,252
2028		130,271
2029 and thereafter		589,596
	\$	<u>1,336,653</u>

Net cloud computing costs, which are primarily related to the implementation of the Company's customer relationship management ("CRM") and enterprise resource planning ("ERP") systems, are recorded in "Other assets" in the Company's Condensed Consolidated Balance Sheets. As of September 30, 2025 and December 31, 2024, the cloud computing costs were \$45.0 million and \$44.8 million, respectively. The associated expense for cloud computing costs, which is recorded in general and administration expense, was \$2.5 million and \$1.3 million for the three months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025 and 2024, the associated expense for cloud computing costs was \$6.3 million and \$3.7 million, respectively. The capitalized cloud computing implementation costs are amortized over the shorter of the term of the related cloud computing arrangement or the period of benefit from the right to access the hosted software. The amortization period will be periodically reassessed to determine if it continues to be reasonable.

Note 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Franchise, sales and other taxes	\$ 41,517	\$ 28,112
Marketing and advertising	39,627	44,057
Client performance guarantees and accrued rebates	29,393	36,865
Consulting fees/provider fees	14,958	18,974
Professional fees	10,960	9,358
Insurance	10,239	7,653
Operating lease liabilities—current	10,227	10,337
Information technology	8,653	10,147
Staff augmentation	5,146	2,708
Lease abandonment obligation—current	4,556	5,036
Interest payable	4,201	1,483
Other	26,421	27,427
Total	<u>\$ 205,898</u>	<u>\$ 202,157</u>

Note 10. Debt

Outstanding Convertible Senior Notes

At December 31, 2024, the Company had three series of convertible senior notes outstanding. The issuances of such notes originally consisted of (i) \$1.0 billion aggregate principal amount of 1.25% convertible senior notes due 2027 (the "2027 Notes"), issued on May 19, 2020 for net proceeds to the Company of \$975.9 million after deducting offering costs of approximately \$24.1 million, (ii) \$287.5 million aggregate principal amount of 1.375% convertible senior notes due 2025 (the "2025 Notes"), issued on May 8, 2018 for net proceeds to the Company of \$279.1 million after deducting

offering costs of approximately \$8.4 million, and (iii) \$550.0 million aggregate principal amount of 0.875% convertible senior notes due 2025 that were issued by Livongo Health, Inc. ("Livongo") on June 4, 2020 for which the Company agreed to assume all of Livongo's rights and obligations (the "Livongo Notes" and together with the 2027 Notes and the 2025 Notes, the "Notes").

On the May 15, 2025 maturity date, the Company paid \$0.6 million to settle the outstanding principal amount of the 2025 Notes and, on the June 1, 2025 maturity date, paid \$550.0 million to settle the outstanding principal amount of the Livongo Notes. As of September 30, 2025, only the 2027 Notes remain outstanding.

The following table presents certain terms of the 2027 Notes that were outstanding as of September 30, 2025:

	2027 Notes
Principal Amount Outstanding as of September 30, 2025 (in thousands)	\$ 1,000,000
Interest Rate Per Year	1.25 %
Fair Value as of September 30, 2025 (in thousands) (1)	\$ 926,000
Fair Value as of December 31, 2024 (in thousands) (1)	\$ 875,000
Maturity Date	June 1, 2027
Optional Redemption Date	June 5, 2024
Conversion Date	December 1, 2026
Conversion Rate Per \$1,000 Principal Amount as of September 30, 2025	4.1258
Remaining Contractual Life as of September 30, 2025	1.7 years

- (1) The Company estimates the fair value of its 2027 Notes utilizing market quotations for debt that have quoted prices in active markets. Since the Notes do not trade on a daily basis in an active market, the fair value estimates are based on market observable inputs based on borrowing rates currently available for debt with similar terms and average maturities. The 2027 Notes would be classified as Level 2 within the fair value hierarchy, as defined in Note 2. "Basis of Presentation and Principles of Consolidation."

The 2027 Notes are unsecured obligations of the Company and rank senior in right of payment to the Company's indebtedness that is expressly subordinated in right of payment to such 2027 Notes; equal in right of payment to the Company's liabilities that are not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness (including the Credit Agreement described below); and structurally junior to all indebtedness and other liabilities incurred by the Company's subsidiaries.

Holders may convert all or any portion of their 2027 Notes in integral multiples of \$1,000 principal amount, at their option, at any time prior to the close of business on the business day immediately preceding the applicable conversion date only under the following circumstances:

- during any quarter (and only during such quarter), if the last reported sale price of the shares of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price for the 2027 Notes on each applicable trading day;
- during the five business day period after any 10 consecutive trading day period in which the trading price was less than 98% of the product of the last reported sale price of Company's common stock and the conversion rate for the 2027 Notes on each such trading day;
- upon the occurrence of specified corporate events described under the applicable indenture; or
- if the Company calls the 2027 Notes for redemption, at any time until the close of business on the second business day immediately preceding the redemption date.

On or after the applicable conversion date, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of the 2027 Notes, regardless of the foregoing circumstances.

The 2027 Notes are convertible into shares of the Company's common stock at the applicable conversion rate shown in the table above. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination thereof, at the Company's election. If the Company elects to satisfy the conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of cash and shares of the Company's common stock, the amount of cash and shares of the Company's common stock due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 25 consecutive trading day observation period.

The Company may redeem for cash all or part of the 2027 Notes, at its option, on or after the applicable optional redemption date shown in the table above if the last reported sale price of its common stock exceeds 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately preceding the date on which the Company provides notice of the redemption. The redemption price will be the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest, if any. In addition, calling the 2027 Notes for redemption on or after the applicable optional redemption date will constitute a make-whole fundamental change with respect to the 2027 Notes, in which case the conversion rate applicable to the conversion of the 2027 Notes, if it is converted in connection with the redemption, will be increased in certain circumstances as described in the applicable indenture.

The Company accounts for the 2027 Notes at amortized cost within the liability section of its Condensed Consolidated Balance Sheets. The Company has reserved an aggregate of 4.1 million shares of common stock for the 2027 Notes.

The net carrying values of the indicated notes consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
2025 Notes		
Principal	\$ —	\$ 725
Less: Debt discount (1)	—	(2)
Net carrying amount	—	723
Livongo Notes		
Principal	—	550,000
Less: Debt discount (1)	—	—
Net carrying amount	—	550,000
2027 Notes		
Principal	1,000,000	1,000,000
Less: Debt discount (1)	(5,956)	(8,582)
Net carrying amount	994,044	991,418
Total net carrying amount	\$ 994,044	\$ 1,542,141
Convertible senior notes, net—current	\$ —	\$ 550,723
Convertible senior notes, net—non-current	994,044	991,418
Total net carrying amount	\$ 994,044	\$ 1,542,141

(1) Included in the accompanying Condensed Consolidated Balance Sheets within Convertible senior notes, net—current and Convertible senior notes, net—non-current and amortized to interest expense over the expected life of the notes using the effective interest rate method.

The following table sets forth total interest expense recognized related to the indicated notes (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
2025 Notes				
Contractual interest expense	\$ —	\$ 2	\$ 3	\$ 7
Amortization of debt discount	—	—	1	2
Total	\$ —	\$ 2	\$ 4	\$ 9
Effective interest rate	— %	1.8 %	1.8 %	1.8 %
Livongo Notes				
Contractual interest expense	\$ —	\$ 1,203	\$ 2,005	\$ 3,609
Amortization of debt discount	—	—	—	—
Total	\$ —	\$ 1,203	\$ 2,005	\$ 3,609
Effective interest rate	— %	0.9 %	0.9 %	0.9 %
2027 Notes				
Contractual interest expense	\$ 3,125	\$ 3,125	\$ 9,375	\$ 9,375
Amortization of debt discount	880	865	2,626	2,584
Total	\$ 4,005	\$ 3,990	\$ 12,001	\$ 11,959
Effective interest rate	1.6 %	1.6 %	1.6 %	1.6 %

Revolving Credit Facility

On July 17, 2025 (the “Effective Date”), the Company entered into a credit agreement (the “Credit Agreement”) that provides for a five-year, \$300.0 million senior secured revolving credit facility (the “Revolving Credit Facility”).

Interest rates under the Revolving Credit Facility are variable and are equal to the euro interbank offered rate, the Sterling Overnight Index Average Reference Rate, the Secured Overnight Financing Rate (“Adjusted Term SOFR”) or the Canadian Overnight Repo Rate Average, in each case, plus a margin of 2.75% to 3.25% per annum based on the Company’s secured net leverage ratio, or, at the Company’s option, at a base reference rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) the rate of interest last quoted by the administrative agent of the Revolving Credit Facility (the “Administrative Agent”) as its “base rate” and (c) the one-month Adjusted Term SOFR plus 1.00%, plus a margin of 1.75% to 2.25% per annum based on the Company’s secured net leverage ratio.

The Company will pay customary agency fees and a commitment fee based on the daily unused portion of the Revolving Credit Facility at a rate of 0.50% per annum. The Revolving Credit Facility is not subject to amortization and will mature on the fifth anniversary of the Effective Date.

In connection with the closing of the Credit Agreement, the Company paid \$4.1 million in fees that are being amortized over the life of the Credit Agreement. At September 30, 2025, \$3.9 million of the fees remain unamortized and are being carried as an asset.

The Company’s obligations under the Credit Agreement are unconditionally guaranteed by all material domestic and foreign wholly-owned subsidiaries of the Company (the “Subsidiary Guarantors” and together with the Company, the “Obligors”), with customary exceptions.

On the Effective Date, each of the Obligors and the Administrative Agent entered into a pledge and security agreement, pursuant to which the Obligors granted a security interest in substantially all of their respective assets, in each case, subject to customary exceptions and exclusions.

Compliance with Debt Covenants

The Credit Agreement contains customary representations and warranties, affirmative covenants, negative covenants and events of default. The Credit Agreement also contains financial covenants that are tested on the last day of each of the Company's fiscal quarters. These financial covenants include a maximum secured net leverage ratio of 3.5:1, subject to a 4.0:1 covenant holiday following certain permitted acquisitions or permitted collaborations, and a minimum consolidated interest coverage ratio of 3.0:1.

As of September 30, 2025, the Company had approximately \$2.2 million of outstanding letters of credit under the Revolving Credit Facility, leaving approximately \$297.8 million available for borrowing, from which the Company had not drawn.

Note 11. Leases**Operating Leases**

The Company has operating leases for facilities, hosting co-location facilities, and certain equipment under non-cancelable leases in the U.S. and various international locations. The leases have remaining lease terms of less than one to ten years, with options to extend the lease term from one to five years. At the inception of an arrangement, the Company determines whether the arrangement is, or contains, a lease based on the terms covering the right to use property, plant or equipment for a stated period of time. The Company separately allocates the lease (e.g., fixed lease payments for right-to-use land, building, etc.) and non-lease components (e.g., common area maintenance) for its leases.

The Company leases office space under non-cancelable operating leases in the U.S. and various international locations. The future minimum lease payments under non-cancelable operating leases were as follows (in thousands):

	As of September 30, 2025
Operating Leases:	
2025	\$ 3,266
2026	13,300
2027	10,095
2028	7,953
2029	6,432
2030 and thereafter	15,733
Total future minimum payments	56,779
Less: imputed interest	(8,753)
Present value of lease liabilities	\$ 48,026
Accrued expenses and other current liabilities	\$ 10,227
Operating lease liabilities, net of current portion	\$ 37,799

The Company rents certain virtual healthcare platforms to selected qualified customers under arrangements that qualify as either sales-type lease or operating lease arrangements. Leases have terms that generally range from two to five years.

The Company recorded certain restructuring costs related to lease impairments and the related charges due to the abandonment and/or exit of excess leased office space. However, the lease liabilities related to these spaces remain an outstanding obligation of the Company as of September 30, 2025. See Note. 12, "Restructuring," for further information.

Note 12. Restructuring

The Company accounts for restructuring costs in accordance with Accounting Standards Codification ("ASC") Subtopic 420-10, "Exit or Disposal Cost Obligations" and ASC Section 360-10-35, "Property, Plant and Equipment-

Subsequent Measurement." The costs are recorded to the "Restructuring costs" line item within the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss as they are recognized.

The Company recorded \$2.0 million of restructuring costs during the three months ended September 30, 2025, of which \$1.7 million was related to employee transition, severance, employee benefits, and related costs and \$0.3 million was related to costs associated with office space reductions, including \$0.1 million of right-of-use asset impairment charges. The Company recorded \$12.0 million of restructuring costs during the nine months ended September 30, 2025, of which \$10.6 million was related to employee transition, severance, employee benefits, and related costs and \$1.4 million was related to costs associated with office space reductions, including \$0.5 million of right-of-use asset impairment charges.

The Company recorded \$3.6 million of restructuring costs during the three months ended September 30, 2024, of which \$2.3 million was related to employee transition, severance, employee benefits, and related costs and \$1.3 million was related to costs associated with office space reductions, including \$1.0 million of right-of-use asset impairment charges. The Company recorded \$14.8 million of restructuring costs during the nine months ended September 30, 2024, of which \$10.7 million was related to employee transition, severance, employee benefits, and related costs and \$1.3 million was related to costs associated with office space reductions, including \$1.0 million of right-of-use asset impairment charges, and \$2.8 million was for other restructuring related costs.

The portion of these expenses that are to be settled by cash disbursements was accounted for as a restructuring liability under the line item "Accrued expenses and other current liabilities" in the Company's Condensed Consolidated Balance Sheets.

The table below summarizes the accrual and charges incurred and cash payments made with respect to the Company's restructurings, with the severance related portion included in the line item "Accrued compensation" and the lease termination and other related portion included in the line item "Accrued expenses and other current liabilities" in the Company's Condensed Consolidated Balance Sheet as of September 30, 2025 (in thousands):

	Restructuring Plan			Total
	Severance	Lease Termination	Other (1)	
Accrued Balance, December 31, 2024	\$ 1,152	\$ 5,036	\$ —	\$ 6,188
Additions	10,650	806	12	11,468
Cash payments	(10,442)	(1,286)	(12)	(11,740)
Accrued Balance, September 30, 2025	<u>\$ 1,360</u>	<u>\$ 4,556</u>	<u>\$ —</u>	<u>\$ 5,916</u>

(1) Reflects amounts associated with other restructuring related costs.

Note 13. Stock-based Compensation

The Company regularly issues share-based compensation to its employees and directors who are not employees of the Company. The accounting guidance for share-based compensation requires measurement of compensation cost for share-based awards at fair value and recognition of compensation cost over the service period. For a full description of the Company's stock-based compensation programs, refer to Note 13 of the Company's financial statements included in the Company's 2024 Form 10-K.

In the nine months ended September 30, 2025, the Company granted a portion of its employees awards in the form of restricted stock units ("RSUs") and performance stock units ("PSUs"). The total number of units granted was approximately 8.8 million and the aggregate fair value of the awards was \$83.1 million. A portion of the awards granted consisted of RSUs vesting over a three year period, with one-third vesting on the first anniversary of the grant and with the remainder vesting quarterly thereafter. A smaller portion of the awards granted consisted of PSUs subject to the achievement of specific performance criteria that will time-vest over a three year period, whereas the expense will be recognized on an accelerated tranche-by-tranche basis.

The following table reflects stock-based compensation expense by award type for the indicated periods (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Options	\$ 264	\$ 1,900	\$ 2,079	\$ 5,799
RSUs	17,521	32,549	58,228	109,058
PSUs	(1,125)	(947)	3,186	1,903
Employee Stock Purchase Plan	336	545	1,010	1,719
Total stock-based compensation	\$ 16,996	\$ 34,047	\$ 64,503	\$ 118,479

Total compensation costs for stock-based awards were recorded for the indicated periods as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenue (exclusive of depreciation and amortization, which are shown separately)	\$ 509	\$ 1,075	\$ 1,588	\$ 3,782
Advertising and marketing	1,083	3,856	3,888	11,023
Sales	3,156	5,204	11,009	20,124
Technology and development	4,129	8,152	14,161	27,134
General and administrative	8,119	15,760	33,857	56,416
Total stock-based compensation expense	16,996	34,047	64,503	118,479
Capitalized stock-based compensation	1,696	2,951	6,177	10,238
Total stock-based compensation	\$ 18,692	\$ 36,998	\$ 70,680	\$ 128,717

As of September 30, 2025, the Company had unrecognized compensation cost related to outstanding stock-based award as follows (dollars in thousands):

Award Type	Unearned Compensation	Weighted Average Remaining Life (Years)
Options	\$ 1,504	1.9
RSUs	\$ 85,299	1.8
PSUs	\$ 9,479	2.1

Note 14. Provision for Income Taxes

The Company recorded an income tax benefit of \$0.7 million and \$26.7 million for the three and nine months ended September 30, 2025, respectively, and an income tax expense of \$0.8 million and \$7.4 million for the same periods in 2024. The tax benefit in the nine months ended September 30, 2025 resulted primarily from discrete benefits of \$20.1 million related to completion of a research and development tax credit study and \$11.1 million from the current year's acquisitions, offset by ordinary tax expense of approximately \$4.6 million. The tax expense in the nine months ended September 30, 2024 was primarily due to a shortfall related to stock-based compensation awards that vested during the year.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law. The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. These changes were reflected in the income tax provision for the period ending September 30, 2025 and have a minimal impact on the effective tax rate but result in favorable cash tax impacts in 2025 as a result of certain accelerated tax deductions.

Note 15. Commitments and Contingencies

Commitments

The Company has contractual obligations to make future payments related to its outstanding convertible senior notes, which are presented in Note 10. Debt, and its long-term operating leases, which are presented in Note 11. Leases.

Legal Matters

From time to time, Teladoc Health is involved in various litigation matters arising in the normal course of business, including the matters described below. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions, and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are subject to appeal. Whether any losses, damages, or remedies ultimately resulting from such matters could reasonably have a material effect on the Company's business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. As of the date of these financial statements, Teladoc Health's management does not expect any litigation matter to have a material adverse impact on its business, financial condition, results of operations, or cash flows.

On June 6, 2022, a purported securities class action complaint (*Schneider v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period October 28, 2021 through April 27, 2022. The complaint asserted violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's business, operations, and prospects. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On August 2, 2022, a duplicative purported securities class action complaint (*De Schutter v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Eastern District of New York, which was consolidated with the *Schneider* case in the Southern District court under the caption *In re Teladoc Health, Inc. Securities Litigation*. The lead plaintiff subsequently filed amended complaints that expanded the alleged class period to February 11, 2021 to July 27, 2022. On July 5, 2023, the court granted the defendants' motion to dismiss the complaint, and on September 24, 2024 the U.S. Court of Appeals for the Second Circuit affirmed in part, and vacated in part, the Southern District court's dismissal and remanded for further proceedings. On March 21, 2025, the court granted the defendant's renewed motion to dismiss, and on July 25, 2025 the lead plaintiff filed an appeal of the Southern District Court's dismissal in the United States Court of Appeals for the Second Circuit. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuit vigorously.

There have been multiple putative class-action lawsuits filed against the Company's subsidiary BetterHelp in connection with the consent order that BetterHelp entered into with the U.S. Federal Trade Commission in July 2023. The actions have been filed in California federal and state courts and in Canada. The cases are substantially similar, involving allegations of misleading patients as to BetterHelp's use of patient data and associated alleged violations of law involving privacy, advertising, contract, and tort. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuits vigorously.

On February 13, 2023, Data Health Partners, Inc. ("Data Health Partners") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware alleging that certain of the Company's products, including its blood glucose meter, infringe upon certain patents held by Data Health Partners and seeking unspecified damages, attorney's fees and costs. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuit vigorously.

On May 17, 2024, a purported securities class action complaint (*Stary v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's current and former officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period November 2, 2022 through February 20, 2024. The complaint asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934

and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's advertising spend on BetterHelp. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On July 15, 2024, a duplicative purported securities class action complaint (*Waits v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in *Waits* were substantially similar to those in *Stary*. The *Stary* and *Waits* actions were consolidated. On December 10, 2024, the District Court appointed co-lead plaintiffs, and, on February 24, 2025 the lead plaintiffs filed an amended complaint that asserts Exchange Act claims for a putative class of shareholders who purchased or acquired stock between July 26, 2023 and February 20, 2024. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuits vigorously, including through the filing of a motion to dismiss the complaint on June 20, 2025.

On June 18, 2024, a verified shareholder derivative complaint (*Roy v. Gorevic, et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company as a nominal defendant and certain of the Company's current and former officers and directors. The complaint asserts violations of Sections 10(b) and 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, gross mismanagement and abuse of control in connection with factual assertions similar to those in the purported securities class action complaint described in the preceding paragraph. The complaint seeks damages to the Company allegedly sustained as a result of the acts and omissions of the named officers and directors and seeks an order directing the Company to reform and improve the Company's corporate governance. On October 4, 2024 the parties agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. On October 1, 2024, a duplicative verified stockholder derivative complaint (*Brigman, et al. v. Daniel, et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in *Brigman* are substantially similar to those in *Roy*, and also alleges insider trading violations and misappropriation of information against certain defendants. On April 7, 2025 the parties agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. The named directors and officers have not yet responded to the complaint.

Note 16. Segments

ASC Subtopic 280-10, "*Segment Reporting*," establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company's Chief Executive Officer is the CODM and is responsible for reviewing financial information presented on a segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates segments based on segment operating revenues, segment expenses, and Adjusted EBITDA. The CODM reviews annual-operating-plan-to-actual variances for these measures on a regular basis to assess the performance of the segments and to make decisions about allocating resources. The Company does not include the following items in segment expenses and Adjusted EBITDA: provision for income taxes; interest income; interest expense; other expense (income), net; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation charges; goodwill impairment; and stock-based compensation. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net loss and are included in the reconciliations that follow.

The Company's computation of segment Adjusted EBITDA may not be comparable to other similarly titled metrics computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

Operating revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are based upon allocation methodologies, including the following: revenue, headcount, time and other relevant usage measures, and/or a combination of such.

The Company has two reportable segments: Integrated Care and BetterHelp. The Integrated Care segment includes a suite of global virtual medical services including general medical, expert medical services, specialty medical, chronic condition management, mental health, and enabling technologies and enterprise telehealth solutions for hospitals

and health systems. The BetterHelp segment includes virtual therapy and other wellness services provided on a global basis which are predominantly marketed and sold on a direct-to-consumer basis.

The CODM does not review any information regarding total assets on a segment basis. Segments do not record intersegment revenues, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for the Company as a whole.

The following tables present the financial results of the Company's reportable segments, along with reconciliations of the segments' total consolidated Adjusted EBITDA to the consolidated net loss for the periods indicated (in thousands):

Three Months Ended September 30, 2025	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 389,538	\$ 236,901	\$ 626,439
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	124,254	62,417	
Advertising and marketing, exclusive of stock-based compensation (1)		134,599	
Other segment expenses (2)	199,216	36,044	
Adjusted EBITDA	<u>\$ 66,068</u>	<u>\$ 3,841</u>	<u>69,909</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			16,996
Goodwill impairment			12,625
Acquisition, integration, and transformation costs			1,931
Restructuring costs			1,950
Amortization of intangible assets			85,757
Depreciation of property and equipment			2,612
Other expense (income), net			815
Interest expense			4,526
Interest income			(7,081)
Loss before provision for income taxes			<u>(50,222)</u>
Provision for income taxes			(715)
Net loss			<u>\$ (49,507)</u>

Three Months Ended September 30, 2024	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 383,666	\$ 256,842	\$ 640,508
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	113,006	65,665	
Advertising and marketing, exclusive of stock-based compensation (1)		143,389	
Other segment expenses (2)	202,621	32,572	
Adjusted EBITDA	<u>\$ 68,039</u>	<u>\$ 15,216</u>	<u>83,255</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			34,047
Goodwill impairment			—
Acquisition, integration, and transformation costs			457
Restructuring costs			3,580
Amortization of intangible assets			86,906
Depreciation of property and equipment			2,666
Other expense (income), net			(2,239)
Interest expense			5,660
Interest income			(15,326)
Loss before provision for income taxes			(32,496)
Provision for income taxes			780
Net loss			<u>\$ (33,276)</u>

Nine Months Ended September 30, 2025	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 1,170,516	\$ 717,192	\$ 1,887,708
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	381,649	191,308	
Advertising and marketing, exclusive of stock-based compensation (1)		401,863	
Other segment expenses (2)	614,970	100,605	
Adjusted EBITDA	<u>\$ 173,897</u>	<u>\$ 23,416</u>	<u>197,313</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			64,503
Goodwill impairment			71,763
Acquisition, integration, and transformation costs			6,777
Restructuring costs			11,989
Amortization of intangible assets			258,725
Depreciation of property and equipment			10,514
Other expense (income), net			(9,991)
Interest expense			14,764
Interest income			(29,819)
Loss before provision for income taxes			(201,912)
Provision for income taxes			(26,733)
Net loss			<u>\$ (175,179)</u>

Nine Months Ended September 30, 2024	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 1,138,198	\$ 790,885	\$ 1,929,083
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	350,964	207,595	
Advertising and marketing, exclusive of stock-based compensation (1)		426,095	
Other segment expenses (2)	607,493	101,060	
Adjusted EBITDA	<u>\$ 179,741</u>	<u>\$ 56,135</u>	<u>235,876</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			118,479
Goodwill impairment			790,000
Acquisition, integration, and transformation costs			1,287
Restructuring costs			14,753
Amortization of intangible assets			276,825
Depreciation of property and equipment			7,203
Other expense (income), net			(1,306)
Interest expense			16,957
Interest income			(42,840)
Loss before provision for income taxes			(945,482)
Provision for income taxes			7,354
Net loss			<u>\$ (952,836)</u>

(1) The significant segment expense categories and amounts align with the information that is regularly provided to the CODM.

(2) Other segment expenses for the corresponding reportable segment includes:

Integrated Care—advertising and marketing expenses, sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

BetterHelp—sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Geographic data for long-lived assets (representing property and equipment, net) were as follows (in thousands):

	As of	
	September 30, 2025	December 31, 2024
United States	\$ 22,506	\$ 25,686
International	4,410	3,801
Total long-lived assets	<u>\$ 26,916</u>	<u>\$ 29,487</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

Many statements made in this Quarterly Report on Form 10-Q that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipates,” “believes,” “suggests,” “targets,” “projects,” “plans,” “expects,” “future,” “intends,” “estimates,” “predicts,” “potential,” “may,” “will,” “should,” “could,” “would,” “likely,” “foresee,” “forecast,” “continue” and other similar words or phrases, as well as statements in the future tense to identify these forward-looking statements. These forward-looking statements and projections are contained throughout this Form 10-Q, including the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this Form 10-Q, you should understand that these statements are not guarantees of performance or results. The forward-looking statements and projections are subject to and involve risks, uncertainties, and assumptions and you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. Factors that may materially affect such forward-looking statements and projections include, but are not limited to, the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”) and in our other reports and U.S. Securities and Exchange Commission (“SEC”) filings. These cautionary statements should not be construed by you to be exhaustive and are made only as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should evaluate all forward-looking statements made in this Form 10-Q in the context of these risks and uncertainties.

Overview

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” the “Company,” or “we.” In June 2025, the Company relocated its principal executive office from Purchase, New York to New York, New York. Teladoc Health is the global leader in virtual care focused on forging a new healthcare experience with better convenience, outcomes, and value around the world.

We were founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms. Today, we have a vision of making virtual care the first step on any healthcare journey, and we are delivering on this mission by providing virtual care that includes primary care, mental health, chronic condition management, and more.

The impact that the imposition of tariffs and changes to global trade policies will have on our consolidated results of operations is uncertain. We expect tariffs on goods imported into the U.S. from Canada, Mexico, and China, and other countries upon which tariffs may be imposed, to continue to be met with retaliatory tariffs from those countries which would impact our consolidated results of operations as we import components for assembling welcome kits, refill kits, and replacement components for our chronic care management solutions and virtual healthcare devices manufactured for sale or lease as part of our hosted virtual healthcare platform solution. The extent and duration of tariffs and the resulting impact on macroeconomic conditions and on our business are uncertain and may depend on various factors, including negotiations between the U.S. and affected countries, retaliation imposed by other countries, tariff exemptions, negative sentiment toward U.S. companies and products, and availability of lower cost inputs that may be sourced domestically or in other countries with no or lower tariffs. We will continue to evaluate the nature and extent of the impact to our business and consolidated results of operations. For further information, see “Risk Factors—We depend on a limited number of third-party suppliers for certain components of our medical devices, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials, could harm our business,” and “—Our international operations pose certain political, legal and compliance, operational, regulatory, economic, and other risks to our business that may be

different from or more significant than risks associated with our domestic operations, and our exposure to these risks is expected to increase” included in our 2024 Form 10-K.

Key Factors Affecting Our Performance

We believe that our future performance will depend on many factors, including the following:

As it relates to the Integrated Care segment:

Number of U.S. Integrated Care Members. U.S. Integrated Care members represent the number of unique individuals who have paid access and visit fee only access to our suite of integrated care services in the U.S. at the end of the applicable period. Individuals who have paid access offer a greater margin than those who have visit fee only access and, over time, the mix of those who have paid access as compared to those who have visit fee only access has declined. Our revenue growth rate and long-term profitability are affected by our ability to increase cross selling capability among our existing members over time because we derive a substantial portion of our revenue from access and other fees via Client contracts that provide members access to the THMG Association professional provider network in exchange for a contractual based periodic fee. Therefore, we believe that our ability to add new members and retain existing members, and to increase utilization and penetration further into existing and new health plan and employer Clients is a key indicator of our increasing market adoption, the growth of our business, and our future revenue potential. We further believe that increasing our membership is an integral objective that will provide us with the ability to continually innovate our services and support initiatives that will enhance members’ experiences. However, certain health plans that have historically promoted our services to our employer Clients have developed, and may in the future continue to develop, solutions that replicate our services or offer competitive services at discounted prices to our current or prospective Clients, which could result in a loss of members. For further information, see “Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed,” and “—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations” included in our 2024 Form 10-K. U.S. Integrated Care members increased by 8.6 million, or 9%, to 102.5 million at September 30, 2025, compared to the same period in 2024.

Chronic Care Program Enrollment. Chronic care program enrollment represents the total number of enrollees across our suite of chronic care programs at the end of a given period. Our chronic care program enrollments are one of the key components of our virtual care platform that we believe positions us to drive greater engagement with our platforms and increase revenue. Chronic care program enrollment decreased by 1% to 1.165 million at September 30, 2025, compared to 1.179 million at September 30, 2024.

Average Monthly Revenue Per U.S. Integrated Care Member. Average monthly revenue per U.S. Integrated Care member measures the average monthly amount of global revenue that we generate from a U.S. Integrated Care member for a particular period. It is calculated by dividing the total revenue generated from the Integrated Care segment by the average number of U.S. Integrated Care members during the applicable period. Approximately 20% of total Integrated Care revenues relates to international and hospital and health systems for which membership is not considered as a management metric. We believe that our ability to increase the revenue generated from each member over time is also a key indicator of our increasing market adoption, the growth of our business, and future revenue potential. Average monthly revenue per U.S. Integrated Care member was \$1.27 in the three months ended September 30, 2025, compared to \$1.36 in the same period in 2024. Average monthly revenue per U.S. Integrated Care member was \$1.27 in the nine months ended September 30, 2025, compared to \$1.37 in the same period in 2024.

As it relates to the BetterHelp segment:

BetterHelp Paying Users. BetterHelp paying users represent the average number of global monthly paying users of our BetterHelp therapy services during the applicable period, including both those who pay directly out-of-pocket and those who utilize their insurance coverage. We believe that our ability to add new paying users and retain existing users is a key indicator of the market adoption of BetterHelp, the growth of this segment, and future revenue potential. Effectively reaching potential paying users through various advertising channels remains critical to our success. BetterHelp paying users decreased by 4% to 0.382 million for the three months ended September 30, 2025, compared to 0.398 million for the three months ended September 30, 2024, and decreased by 4% to 0.389 million for the nine months ended September 30, 2025, compared to 0.407 million for the nine months ended September 30, 2024.

As it relates to the Company:

Seasonality. Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and strong operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience weak operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

Critical Accounting Estimates and Policies

Our discussion and analysis of our results of operations, liquidity and capital resources are based on our condensed consolidated financial statements which have been prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, business combinations, goodwill and other intangible assets, income taxes, and other items. We base our estimates on historical and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances, including assumptions as to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results may differ from our estimates and could have a significant adverse effect on our results of operations and financial position. For a discussion of our critical accounting policies and estimates see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2024 Form 10-K.

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with GAAP, we use certain non-GAAP financial measures to clarify and enhance an understanding of past performance, which include Adjusted EBITDA (as defined below) and free cash flow. We believe that the presentation of these financial measures enhances an investor's understanding of our financial performance, and are commonly used by investors to evaluate our performance and that of our competitors. We further believe that these financial measures are useful to assess our operating performance and financial and business trends from period-to-period by excluding certain items that we believe are not representative of our core business, and that free cash flow reflects an additional way of viewing our liquidity that, when viewed together with GAAP results, provides management, investors, and other users of our financial information with a more complete understanding of factors and trends affecting our cash flows. We use these non-GAAP financial measures for business planning purposes and in measuring our performance relative to that of our competitors. We utilize Adjusted EBITDA as a key measure of our performance.

Adjusted EBITDA consists of net loss before provision for income taxes; other expense (income), net; interest income; interest expense; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation cost; goodwill impairments; and stock-based compensation.

Free cash flow is net cash provided by operating activities less capital expenditures and capitalized software development costs.

Our use of these non-GAAP terms may vary from that of others in our industry, and other companies may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Non-GAAP measures have important limitations as analytical tools and you should not consider them in isolation, and they should not be considered as an alternative to net loss before provision for income taxes, net loss, net loss per share, net cash from operating activities or any other measures derived in accordance with GAAP. Some of these limitations are:

- Adjusted EBITDA eliminates the impact of the provision for income taxes on our results of operations, and does not reflect other expense (income), net, interest income, or interest expense;
- Adjusted EBITDA does not reflect restructuring costs. Restructuring costs may include certain lease impairment costs, certain losses related to early lease terminations, and severance;
- Adjusted EBITDA does not reflect significant acquisition, integration, and transformation costs. Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused on integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems. These transformation cost adjustments made to our results do not represent normal, recurring, operating expenses necessary to operate the business but rather, incremental costs incurred in connection with our acquisition and integration activities;
- Adjusted EBITDA does not reflect goodwill impairment charges; and
- Adjusted EBITDA does not reflect the significant non-cash stock-based compensation expense which should be viewed as a component of recurring operating costs.

In addition, although amortization of intangible assets and depreciation of property and equipment are non-cash charges, the assets being amortized and depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any expenditures for such replacements.

We compensate for these limitations by using these non-GAAP measures along with other comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include net loss, net loss per share, net cash provided by operating activities, and other performance measures.

In evaluating these financial measures, you should be aware that in the future we may incur expenses similar to those eliminated in this presentation. Our presentation of these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

Condensed Consolidated Results of Operations

The following table sets forth our Condensed Consolidated Statements of Operations data for the three months ended September 30, 2025 and 2024 and the dollar and percentage change between the respective periods (dollars in thousands, except per share data):

	Three Months Ended September 30,		Variance	%
	2025	2024		
Revenue	\$ 626,439	\$ 640,508	\$ (14,069)	(2)%
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	187,179	179,745	7,434	4 %
Advertising and marketing	167,985	177,462	(9,477)	(5)%
Sales	48,209	47,465	744	2 %
Technology and development	67,572	72,383	(4,811)	(7)%
General and administrative	102,581	114,245	(11,664)	(10)%
Goodwill impairments	12,625	—	12,625	N/M
Acquisition, integration, and transformation costs	1,931	457	1,474	N/M
Restructuring costs	1,950	3,580	(1,630)	(46)%
Amortization of intangible assets	85,757	86,906	(1,149)	(1)%
Depreciation of property and equipment	2,612	2,666	(54)	(2)%
Total costs and expenses	678,401	684,909	(6,508)	(1)%
Loss from operations	(51,962)	(44,401)	(7,561)	17 %
Interest income	(7,081)	(15,326)	8,245	(54)%
Interest expense	4,526	5,660	(1,134)	(20)%
Other expense (income), net	815	(2,239)	3,054	(136)%
Loss before provision for income taxes	(50,222)	(32,496)	(17,726)	55 %
Provision for income taxes	(715)	780	(1,495)	(192)%
Net loss	\$ (49,507)	\$ (33,276)	\$ (16,231)	49 %
Net loss per share, basic and diluted	\$ (0.28)	\$ (0.19)	\$ (0.09)	47 %
Adjusted EBITDA (1)	\$ 69,909	\$ 83,255	\$ (13,346)	(16)%

N/M - Not Meaningful

(1) Non-GAAP Financial Measure

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The following table sets forth our Condensed Consolidated Statements of Operations data for the nine months ended September 30, 2025 and 2024 and the dollar and percentage change between the respective periods (dollars in thousands, except per share data):

	Nine Months Ended September 30,		Variance	%
	2025	2024		
Revenue	\$ 1,887,708	\$ 1,929,083	\$ (41,375)	(2)%
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	574,545	562,342	12,203	2 %
Advertising and marketing	503,717	531,061	(27,344)	(5)%
Sales	146,853	152,267	(5,414)	(4)%
Technology and development	206,314	230,522	(24,208)	(11)%
General and administrative	323,469	335,494	(12,025)	(4)%
Goodwill impairments	71,763	790,000	(718,237)	N/M
Acquisition, integration, and transformation costs	6,777	1,287	5,490	N/M
Restructuring costs	11,989	14,753	(2,764)	(19)%
Amortization of intangible assets	258,725	276,825	(18,100)	(7)%
Depreciation of property and equipment	10,514	7,203	3,311	46 %
Total costs and expenses	2,114,666	2,901,754	(787,088)	(27)%
Income (loss) from operations	(226,958)	(972,671)	745,713	(77)%
Interest income	(29,819)	(42,840)	13,021	(30)%
Interest expense	14,764	16,957	(2,193)	(13)%
Other expense (income), net	(9,991)	(1,306)	(8,685)	N/M
Income (loss) before provision for income taxes	(201,912)	(945,482)	743,570	(79)%
Provision for income taxes	(26,733)	7,354	(34,087)	N/M
Net income (loss)	\$ (175,179)	\$ (952,836)	\$ 777,657	(82)%
Net income (loss) per share, basic and diluted	\$ (1.00)	\$ (5.61)	\$ 4.61	(82)%
Adjusted EBITDA (1)	\$ 197,313	\$ 235,876	\$ (38,563)	(16)%

N/M - Not Meaningful

(1) Non-GAAP Financial Measure

The following table reconciles net loss, the most directly comparable GAAP financial measure, to Adjusted EBITDA for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (49,507)	\$ (33,276)	\$ (175,179)	\$ (952,836)
Add:				
Provision for income taxes	(715)	780	(26,733)	7,354
Other expense (income), net	815	(2,239)	(9,991)	(1,306)
Interest expense	4,526	5,660	14,764	16,957
Interest income	(7,081)	(15,326)	(29,819)	(42,840)
Depreciation of property and equipment	2,612	2,666	10,514	7,203
Amortization of intangible assets	85,757	86,906	258,725	276,825
Restructuring costs	1,950	3,580	11,989	14,753
Acquisition, integration, and transformation costs	1,931	457	6,777	1,287
Goodwill impairments	12,625	—	71,763	790,000
Stock-based compensation	16,996	34,047	64,503	118,479
Adjusted EBITDA	\$ 69,909	\$ 83,255	\$ 197,313	\$ 235,876
Integrated Care	\$ 66,068	\$ 68,039	\$ 173,897	\$ 179,741
BetterHelp	3,841	15,216	23,416	56,135
Adjusted EBITDA	\$ 69,909	\$ 83,255	\$ 197,313	\$ 235,876

Revenue. The following table presents revenues disaggregated by revenue source and geography for the three months ended September 30, 2025 and 2024:

(\$ in thousands, unaudited)	Three Months Ended September 30,		Variance	%
	2025	2024		
Revenue by Type				
Access Fees	\$ 520,907	\$ 555,275	\$ (34,368)	(6)%
Other	105,532	85,233	20,299	24 %
Total Revenue	\$ 626,439	\$ 640,508	\$ (14,069)	(2)%
Revenue by Geography				
U.S. Revenue	\$ 509,774	\$ 536,161	\$ (26,387)	(5)%
International Revenue	116,665	104,347	12,318	12 %
Total Revenue	\$ 626,439	\$ 640,508	\$ (14,069)	(2)%

The following table presents revenues disaggregated by revenue source and geography for the nine months ended September 30, 2025 and 2024:

(\$ in thousands, unaudited)	Nine Months Ended September 30,		Variance	%
	2025	2024		
Revenue by Type				
Access Fees	\$ 1,570,346	\$ 1,672,097	\$ (101,751)	(6)%
Other	317,362	256,986	60,376	23 %
Total Revenue	<u>\$ 1,887,708</u>	<u>\$ 1,929,083</u>	<u>\$ (41,375)</u>	<u>(2)%</u>
Revenue by Geography				
U.S. Revenue	\$ 1,554,433	\$ 1,624,563	\$ (70,130)	(4)%
International Revenue	333,275	304,520	28,755	9 %
Total Revenue	<u>\$ 1,887,708</u>	<u>\$ 1,929,083</u>	<u>\$ (41,375)</u>	<u>(2)%</u>

Total revenue was \$626.4 million for the three months ended September 30, 2025, compared to \$640.5 million for the three months ended September 30, 2024, a decrease of \$14.1 million, or 2%. This decrease in revenue was driven by lower revenue in our BetterHelp segment, partially offset by higher revenue in our Integrated Care segment. The acquisitions of Catapult Health, Uplift, and Telecare increased total revenue for the three months ended September 30, 2025 by approximately 2 percentage points. Other revenue predominately includes visit fees and, to a lesser extent, revenue from the sales of our telehealth solutions for hospitals and health systems.

Total revenue was \$1,887.7 million for the nine months ended September 30, 2025, compared to \$1,929.1 million for the nine months ended September 30, 2024, a decrease of \$41.4 million, or 2%. This decrease in revenue was driven by lower revenue in our BetterHelp segment, partially offset by higher revenue in our Integrated Care segment. The acquisitions of Catapult Health, Uplift, and Telecare increased total revenue for the nine months ended September 30, 2025 by approximately 1 percentage point.

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately below). Cost of revenue was \$187.2 million for the three months ended September 30, 2025, compared to \$179.7 million for the three months ended September 30, 2024, an increase of \$7.4 million, or 4%. On a year-to-date basis, cost of revenue increased by \$12.2 million, or 2%, to \$574.5 million. The increase for both periods was primarily driven by higher labor costs, technology costs, amortization of devices, and travel costs, offset by lower physician costs.

Advertising and Marketing Expenses. Advertising and marketing expenses were \$168.0 million for the three months ended September 30, 2025, compared to \$177.5 million for the three months ended September 30, 2024, a decrease of \$9.5 million, or 5%. On a year-to-date basis, advertising and marketing expenses decreased by \$27.3 million, or 5%, to \$503.7 million. The decrease for both periods was driven mainly by lower digital and media advertising costs and lower employee compensation costs, partially offset by higher professional fees.

Sales Expenses. Sales expenses were \$48.2 million for the three months ended September 30, 2025, compared to \$47.5 million for the three months ended September 30, 2024, an increase of \$0.7 million, or 2%. This increase reflects higher commissions and professional fees, offset by lower employee compensation costs and costs for conferences and events. On a year-to-date basis, sales expenses decreased by \$5.4 million, or 4%, to \$146.9 million. This reflects lower employee compensation costs, partially offset by higher commission costs and professional fees.

Technology and Development Expenses. Technology and development expenses were \$67.6 million for the three months ended September 30, 2025, compared to \$72.4 million for the three months ended September 30, 2024, a decrease of \$4.8 million, or 7%. The decrease primarily reflects lower employee compensation costs, partially offset by higher professional fees and infrastructure, hosting, and software license costs. On a year-to-date basis, technology and development expenses decreased by \$24.2 million, or 11% to \$206.3 million. The year-to-date decrease was primarily driven by lower employee compensation costs, partially offset by higher professional fees, infrastructure, hosting, and software license costs, and costs for dues and subscriptions.

For the three months ended September 30, 2025 and 2024, research and development costs, which exclude amounts reflected as capitalized software development costs, were \$21.5 million and \$22.4 million, respectively. For the nine months ended September 30, 2025 and 2024, research and development costs were \$66.4 million and \$69.5 million, respectively.

General and Administrative Expenses. General and administrative expenses decreased \$11.7 million, or 10%, to \$102.6 million for the three months ended September 30, 2025, compared to \$114.2 million for the three months ended September 30, 2024. The decrease was primarily driven by lower employee compensation costs, legal costs, bad debt expenses, and professional fees, partially offset by higher indirect taxes. On a year-to-date basis, general and administrative expenses decreased by \$12.0 million, or 4%, to \$323.5 million, compared to \$335.5 million in the prior year. This reflects lower employee compensation costs, bad debt expenses, legal costs, and credit card processing fees, offset by higher indirect taxes and software and infrastructure costs.

Goodwill Impairments. Concurrent with the completion of the acquisitions of Telecare and Catapult Health, we performed goodwill impairment tests on the Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, immediate impairments of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions were recognized in the three months ended September 30, and March 31, 2025, respectively, reflecting a year-to-date total of \$71.8 million. If the carrying value of the Integrated Care reporting unit continues to exceed its fair value, any future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

Acquisition, Integration, and Transformation Costs. Acquisition, integration, and transformation costs primarily consisted of costs to integrate and upgrade our Customer Relationship Management and Enterprise Resource Planning ecosystem and costs to integrate the operations of acquired businesses and were \$1.9 million and \$0.5 million for the three months ended September 30, 2025 and 2024, respectively, and were \$6.8 million and \$1.3 million for the nine months ended September 30, 2025 and 2024, respectively.

Restructuring Costs. Restructuring costs for the three months ended September 30, 2025 were \$2.0 million, of which \$1.7 million was for employee transition, severance, employee benefits, and related costs and \$0.3 million was related to costs associated with office space reductions, including \$0.1 million of right-of-use asset impairment charges. Restructuring costs for the nine months ended September 30, 2025 were \$12.0 million, of which \$10.6 million was for employee transition, severance, employee benefits, and related costs and \$1.4 million was related to costs associated with office space reductions, including \$0.5 million of right-of-use asset impairment charges.

Restructuring costs for the three months ended September 30, 2024 were \$3.6 million, of which \$2.3 million was for employee transition, severance, employee benefits, and related costs and \$1.3 million was related to costs associated with office space reductions, including \$1.0 million of right-of-use asset impairment charges. Restructuring costs for the nine months ended September 30, 2024 were \$14.8 million, of which \$10.7 million was for employee transition, severance, employee benefits, and related costs and \$1.3 million was related to costs associated with office space reductions, including \$1.0 million of right-of-use asset impairment charges, and \$2.8 million was for other restructuring related costs.

We are currently evaluating a number of initiatives intended to improve our efficiency and competitiveness while responding to macroeconomic conditions and supporting our long-term growth objectives. These initiatives include, but are not limited to, optimizing operational costs and streamlining processes and branding. We are in the process of estimating charges associated with these initiatives and expect to begin recognizing any related charges in the three months ending December 31, 2025.

Amortization of Intangible Assets.

The following table shows amortization of intangible assets broken down by components for the periods indicated (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	%	2025	2024	%
Amortization of acquired intangibles	\$ 43,523	\$ 51,089	(15)%	\$ 130,306	\$ 179,372	(27)%
Amortization of capitalized software development costs	42,234	35,817	18%	128,419	97,453	32%
Amortization of intangible assets	\$ 85,757	\$ 86,906	(1)%	\$ 258,725	\$ 276,825	(7)%

Amortization of intangible assets was \$85.8 million for the three months ended September 30, 2025, compared to \$86.9 million for the three months ended September 30, 2024, a decrease of \$1.1 million, or 1%. Amortization of intangible assets was \$258.7 million for the nine months ended September 30, 2025, compared to \$276.8 million for the nine months ended September 30, 2024, a decrease of \$18.1 million, or 7%. The decrease for both periods was primarily driven by the lower amortization associated with the Livongo trademark, partially offset by an increase in the amortization of capitalized software development costs related to our investment in platforms.

Depreciation of Property and Equipment. Depreciation of property and equipment was \$2.6 million for the three months ended September 30, 2025, compared to \$2.7 million for the three months ended September 30, 2024, a decrease of \$0.1 million, or 2%. On a year-to-date basis, depreciation of property and equipment was \$10.5 million for the nine months ended September 30, 2025, compared to \$7.2 million for the nine months ended September 30, 2024, an increase of \$3.3 million, or 46%.

Interest Income. Interest income consisted of interest earned on cash and cash equivalents. Interest income was \$7.1 million for the three months ended September 30, 2025, compared to \$15.3 million for the three months ended September 30, 2024. Interest income was \$29.8 million for the nine months ended September 30, 2025, compared to \$42.8 million for the nine months ended September 30, 2024. The decrease for the three and nine months ended September 30, 2025 was driven by lower interest rate yields and a lower average balance of cash and cash equivalents.

Interest Expense. Interest expense consisted of interest costs and the amortization of debt discounts primarily associated with the convertible senior notes. Interest expense was \$4.5 million for the three months ended September 30, 2025, compared to \$5.7 million for the three months ended September 30, 2024. Interest expense was \$14.8 million for the nine months ended September 30, 2025, compared to \$17.0 million for the nine months ended September 30, 2024. The decrease for the three and nine months ended September 30, 2025 was driven by the maturation of the Livongo Notes and the 2025 Notes.

Other Expense (Income), net. Other expense (income), net was an expense of \$0.8 million for the three months ended September 30, 2025, compared to an income of \$2.2 million for the three months ended September 30, 2024. Other expense (income), net was an income of \$10.0 million for the nine months ended September 30, 2025, compared to an income of \$1.3 million for the nine months ended September 30, 2024. The change in both periods primarily reflects the impact of foreign currency exchange rate fluctuations.

Provision for Income Taxes. We recorded an income tax benefit of \$0.7 million for the three months ended September 30, 2025 compared to an income tax expense of \$0.8 million for the three months ended September 30, 2024, and an income tax benefit of \$26.7 million for the nine months ended September 30, 2025 compared to an income tax expense of \$7.4 million for the nine months ended September 30, 2024. The tax benefit in 2025 resulted primarily from discrete benefits of \$20.1 million related to completion of a research and development tax credit study in the three months ended March 31, 2025 and \$11.1 million from the current year's acquisitions, offset by ordinary tax expense of \$4.6 million. The tax expense in 2024 was primarily due to a shortfall related to stock-based compensation awards that vested during the year.

Segment Information

The following tables set forth the results of operations by segment for the three and nine months ended September 30, 2025 and 2024 (dollars in thousands):

Integrated Care	Three Months Ended September 30,		Variance	%
	2025	2024		
Revenue	\$ 389,538	\$ 383,666	\$ 5,872	2 %
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	124,254	113,006	11,248	10 %
Other segment expenses (1)	199,216	202,621	(3,405)	(2)%
Adjusted EBITDA	\$ 66,068	\$ 68,039	\$ (1,971)	(3)%
Adjusted EBITDA Margin %	17.0%	17.7%		

Integrated Care	Nine Months Ended September 30,		Variance	%
	2025	2024		
Revenue	\$ 1,170,516	\$ 1,138,198	\$ 32,318	3 %
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	381,649	350,964	30,685	9 %
Other segment expenses (1)	614,970	607,493	7,477	1 %
Adjusted EBITDA	\$ 173,897	\$ 179,741	\$ (5,844)	(3)%
Adjusted EBITDA Margin %	14.9%	15.8%		

(1) Other segment expenses includes advertising and marketing expenses, sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Integrated Care total revenue increased by \$5.9 million, or 2%, to \$389.5 million for the three months ended September 30, 2025 and increased by \$32.3 million, or 3%, to \$1,170.5 million for the nine months ended September 30, 2025. The acquisition of Catapult Health and Telecare increased Integrated Care total revenue for the three months ended September 30, 2025 and the nine months ended September 30, 2025 by approximately 2 percentage points and 2 percentage points, respectively.

Integrated Care cost of revenue, exclusive of depreciation, amortization, and stock-based compensation, increased by \$11.2 million, or 10%, to \$124.3 million for the three months ended September 30, 2025, and increased by \$30.7 million, or 9%, to \$381.6 million for the nine months ended September 30, 2025. For both periods, the increase was primarily driven by higher labor costs, technology costs, and amortization of device costs, partially offset by lower physician costs.

Integrated Care other segment expenses decreased by \$3.4 million to \$199.2 million for the three months ended September 30, 2025, and increased by \$7.5 million to \$615.0 million for the nine months ended September 30, 2025. The decrease for the three months ended September 30, 2025 was primarily driven by lower employee compensation costs, legal costs, and bad debt expense, partially offset by higher indirect taxes, digital marketing expenses, professional fees, and commissions. The increase for the nine months ended September 30, 2025 was primarily driven by higher indirect taxes, professional fees, digital marketing expenses, software and infrastructure costs, and commissions, partially offset by lower employee compensation, bad debt expenses, and legal costs.

BetterHelp	Three Months Ended September 30,		Variance	%
	2025	2024		
Therapy Services	\$ 231,803	\$ 250,588	\$ (18,785)	(7)%
Other Wellness Services	5,098	6,254	(1,156)	(18)%
Total Revenue	236,901	256,842	(19,941)	(8)%
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	62,417	65,665	(3,248)	(5)%
Advertising and marketing, exclusive of stock-based compensation	134,599	143,389	(8,790)	(6)%
Other segment expenses (1)	36,044	32,572	3,472	11 %
Adjusted EBITDA	\$ 3,841	\$ 15,216	\$ (11,375)	(75)%
Adjusted EBITDA Margin %	1.6 %	5.9%		

BetterHelp	Nine Months Ended September 30,		Variance	%
	2025	2024		
Therapy Services	\$ 701,644	\$ 773,373	\$ (71,729)	(9)%
Other Wellness Services	15,548	17,512	(1,964)	(11)%
Total Revenue	717,192	790,885	(73,693)	(9)%
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	191,308	207,596	(16,288)	(8)%
Advertising and marketing, exclusive of stock-based compensation	401,863	426,094	(24,231)	(6)%
Other segment expenses (1)	100,605	101,060	(455)	— %
Adjusted EBITDA	\$ 23,416	\$ 56,135	\$ (32,719)	(58)%
Adjusted EBITDA Margin %	3.3%	7.1%		

(1) Other segment expenses includes sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

BetterHelp total revenue decreased by \$19.9 million, or 8%, to \$236.9 million for the three months ended September 30, 2025, and decreased by \$73.7 million, or 9%, to \$717.2 million for the nine months ended September 30, 2025, driven by a 4% decrease in average monthly paying users in the respective periods. The acquisition of Uplift increased BetterHelp total revenue for both the three months ended September 30, 2025 and the nine months ended September 30, 2025 by approximately 2 percentage points and 1 percentage point, respectively.

BetterHelp cost of revenue, exclusive of depreciation, amortization, and stock-based compensation, decreased by \$3.2 million, or 5%, to \$62.4 million for the three months ended September 30, 2025, and decreased by \$16.3 million, or 8%, to \$191.3 million for the nine months ended September 30, 2025. For both periods, the decrease was primarily driven by lower therapist costs.

BetterHelp advertising and marketing, exclusive of stock-based compensation, decreased by \$8.8 million, or 6%, to \$134.6 million for the three months ended September 30, 2025, and decreased by \$24.2 million, or 6%, to \$401.9 million for the nine months ended September 30, 2025, primarily reflecting lower spending on digital and media advertising, partially offset by higher professional fees.

BetterHelp other segment expenses increased by \$3.5 million, or 11%, to \$36.0 million for the three months ended September 30, 2025, and decreased by \$0.5 million to \$100.6 million for the nine months ended September 30, 2025. The increase for the three months ended September 30, 2025 was primarily driven by higher employee compensation and indirect taxes, partially offset by lower credit card processing fees and occupancy costs. The decrease for the nine months ended September 30, 2025 was primarily driven by lower indirect taxes, credit card processing fees, and occupancy costs, partially offset by higher employee compensation costs.

Liquidity and Capital Resources

The following table presents a summary of our cash flow activity for the nine months ended September 30, 2025 and 2024 (in thousands):

Consolidated Statements of Cash Flows - Summary	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 206,615	\$ 207,778
Net cash used in investing activities	(231,684)	(94,408)
Net cash (used in) provided by financing activities	(552,756)	6,254
Effect of foreign currency exchange rate changes	5,747	567
Total (decrease) increase in cash and cash equivalents	\$ (572,078)	\$ 120,191

Our principal source of liquidity is our cash and cash equivalents, totaling \$726.2 million as of September 30, 2025. We anticipate continuing positive operating cash flows for 2025.

We believe that our existing cash and cash equivalents will be sufficient to meet our working capital, capital expenditure, and contractual obligation needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, contract renewal activity, number of visits, our ability to retain and/or obtain new members, the timing and extent of spending to support product development efforts, our expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of telehealth, and our debt service obligations. We may in the future enter into arrangements to acquire or invest in additional complementary businesses, services, technologies, and intellectual property rights. We may be required to seek additional equity or debt financing to fund working capital, capital expenditures and acquisitions, and to settle debt obligations. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all, which would adversely affect our business, financial condition, and results of operations.

On July 17, 2025, we entered into the five-year, \$300.0 million Revolving Credit Facility. We entered into the Revolving Credit Facility to preserve and enhance our financial and operational flexibility, however, we do not currently anticipate borrowing any amounts under the facility. See Note 10. "Debt" to the condensed consolidated financial statements for additional information on the Revolving Credit Facility.

We routinely enter into contractual obligations with third parties to provide professional services, licensing, and other products and services in support of our ongoing business. The current estimated cost of these contracts is not expected to be significant to our liquidity and capital resources based on contracts in place as of September 30, 2025.

Cash from Operating Activities

Cash flows provided by operating activities consisted of net loss adjusted for certain non-cash items and the cash effect of changes in assets and liabilities. Net cash provided by operating activities was \$206.6 million for the nine months ended September 30, 2025 compared to net cash provided by operating activities of \$207.8 million for the nine months ended September 30, 2024.

The primary uses of cash from operating activities are for the payment of cash compensation, provider fees, engagement marketing, direct-to-consumer digital and media advertising, inventory, insurance, technology costs, interest expense and acquisition, integration, and transformation costs. Historically, cash compensation is at its highest level in the first quarter when discretionary employee compensation related to the previous fiscal year is paid.

Cash from Investing Activities

Cash used in investing activities was \$231.7 million for the nine months ended September 30, 2025, and \$94.4 million for the nine months ended September 30, 2024. During the nine months ended September 30, 2025, we paid \$65.3 million, net of cash acquired, to purchase Catapult Health, paid \$29.6 million for the net intangible assets associated

with the Uplift acquisition, paid a total of \$16.6 million, net of cash acquired, to purchase Telecare, and paid \$27.0 million to acquire the securities of a private company.

Cash from Financing Activities

Cash used in financing activities for the nine months ended September 30, 2025 was \$552.8 million compared to cash provided by financing activities of \$6.3 million for the nine months ended September 30, 2024. This primarily reflects the repayment of our Livongo Notes and 2025 Notes upon maturity and payment of issuance costs related to the Revolving Credit Facility in the nine months ended September 30, 2025.

Free Cash Flow

The following is a reconciliation of net cash provided by operating activities to free cash flow (in thousands, unaudited):

	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 206,615	\$ 207,778
Capital expenditures	(6,274)	(4,658)
Capitalized software development costs	(86,862)	(89,750)
Free Cash Flow	\$ 113,479	\$ 113,370

Free cash flow was \$113.5 million for the nine months ended September 30, 2025, compared to \$113.4 million for the nine months ended September 30, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk and Foreign Currency Exchange Risk

Our cash and cash equivalents are subject to interest rate volatility, which impacts the amount of interest income earned, and represents our principal market risk. A 1% change in interest rates would result in a change of interest income generated from our cash and cash equivalents by approximately \$7.0 million over the next 12 months. We do not expect cash flows related to our convertible senior notes to be affected by a sudden change in market interest rates as they bear fixed interest rates. We do not enter into investments for trading or speculative purposes.

We operate our business primarily within the U.S., which accounts for approximately 82% of our revenues. We have not utilized hedging strategies with respect to our foreign currency exchange exposure, however we may begin to do so.

Concentrations of Risk and Significant Clients

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although we deposit our cash with multiple financial institutions in the U.S. and in foreign countries, our deposits, at times, may exceed federally insured limits. Our cash equivalents are primarily invested in institutional money market funds.

No single Client represented over 10% of consolidated revenues for the three or nine months ended September 30, 2025 or 2024. For the Integrated Care segment, a significant portion of our revenue is derived from large enterprises, mainly health plans. Revenue from the five largest customers was 31% of total Integrated Care segment revenue for the nine months ended September 30, 2025 and 2024. For further information, see “Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed,” and “—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations” included in our 2024 Form 10-K.

For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

Item 4. Controls and Procedures

Management's Report on Internal Control over Financial Reporting

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As allowed by SEC guidelines, this evaluation excludes the operations of Catapult Health, Uplift, and Telecare, which were acquired during the nine months ended September 30, 2025.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to legal proceedings, claims and litigation arising in the ordinary course of our business. Descriptions of certain legal proceedings to which we are a party are contained in Note 15. "Commitments and Contingencies," to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q and are incorporated by reference herein.

Item 1A. Risk Factors

For a discussion of potential risks and uncertainties related to our Company see the information in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in the "Special Note Regarding Forward-Looking Statements" section in Part I, Item 2, of this Quarterly Report on Form 10-Q.

Item 5. Other Information

(a) On October 23, 2025, the Company filed a Current Report on Form 8-K announcing that Mala Murthy informed the Company of her decision to resign, effective November 21, 2025, to pursue another career opportunity outside of the healthcare industry. Following her departure and until a new Chief Financial Officer is appointed, Charles Divita, III, the Company's Chief Executive Officer, will serve as principal financial officer in addition to his current duties.

(c) **Rule 10b5-1 Trading Plans.** During the three months ended September 30, 2025, the following director and officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933):

On August 14, 2025, Kelly Bliss, our President, U.S. Group Health, adopted a Rule 10b5-1 trading plan. Ms. Bliss's trading plan provides for the sale of up to 10,000 shares of our common stock through December 2026.

On August 15, 2025, Kenneth H. Paulus, a member of our Board of Directors, adopted a Rule 10b5-1 trading plan. Mr. Paulus's trading plan provides for the purchase of up to 10,000 shares of our common stock through November 2025.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Exhibit Index				
		Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Seventh Amended and Restated Certificate of Incorporation of Teladoc Health, Inc.	8-K	001-37477	3.1	6/2/22	
3.2	Seventh Amended and Restated Bylaws of Teladoc Health, Inc.	10-K	001-37477	3.2	2/23/24	
10.1	Credit Agreement, dated July 17, 2025, among Teladoc Health, Inc., JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and swingline lender, and the lenders party thereto.	8-K	001-37477	10.1	7/23/25	
31.1	Chief Executive Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Chief Executive Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	XBRL Taxonomy Extension Schema Document.					*
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					*
101.DEF	XBRL Definition Linkbase Document.					*
101.LAB	XBRL Taxonomy Label Linkbase Document.					*
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					*

104	Cover Page Interactive Data File – The Cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
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* Filed herewith.

** Furnished herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TELADOC HEALTH, INC.

Date: October 30, 2025

By: /s/ CHARLES DIVITA, III
Name: Charles Divita, III
Title: Chief Executive Officer

Date: October 30, 2025

By: /s/ MALA MURTHY
Name: Mala Murthy
Title: Chief Financial Officer

Certification

I, Charles Divita, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “registrant”) for the period ended September 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 30, 2025

/s/ CHARLES DIVITA, III

Charles Divita, III

Chief Executive Officer

Certification

I, Mala Murthy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “registrant”) for the period ended September 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 30, 2025

/s/ MALA MURTHY

Mala Murthy

Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “Company”) for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles Divita, III, Chief Executive Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2025

/s/ CHARLES DIVITA, III

Charles Divita, III

Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “Company”) for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mala Murthy, Chief Financial Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2025

/s/ MALA MURTHY

Mala Murthy

Chief Financial Officer