

Teladoc, Inc.
Form S-1/A
June 05, 2015

Table of Contents

As filed with the Securities and Exchange Commission on June 4, 2015

Registration No. 333-204577

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

TELADOC, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

7389

(Primary Standard Industrial
Classification Code Number)

**2 Manhattanville Road
Suite 203**

**Purchase, New York 10577
(203) 635-2002**

(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

04-3705970

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

Jason Gorevic

**Mark Hirschhorn
Teladoc, Inc.**

**2 Manhattanville Road, Suite 203
Purchase, New York 10577
(203) 635-2002**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Marc D. Jaffe
Rachel W. Sheridan
Brandon J. Bortner
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022**

**Adam C. Vandervoort
Chief Legal Officer & Secretary
Teladoc, Inc.
2 Manhattanville Road, Suite 203
Purchase, New York 10577
(203) 635-2002**

**Alexander D. Lynch
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
(212) 310-8000**

Edgar Filing: Teladoc, Inc. - Form S-1/A

(212) 906-1200

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐

(Do not check if a
smaller reporting company)

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Subject to completion, dated June 4, 2015

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Prospectus

Shares

Common Stock

This is the initial public offering of shares of common stock of Teladoc, Inc. We are selling _____ shares of common stock.

Prior to this offering, there has been no public market for our common stock. We expect the public offering price to be between \$ _____ and \$ _____ per share. We will apply for listing of our common stock on the New York Stock Exchange, or the NYSE, under the symbol "TDOC."

We are an "emerging growth company" as defined by the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See "Prospectus Summary Implications of Being an Emerging Growth Company."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 20 of this prospectus.

	Per Share	Total
Public offering price	\$ _____	\$ _____
Underwriting discount	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

We have granted the underwriters an option for a period of 30 days to purchase up to an additional _____ shares of common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about _____, 2015.

J.P. Morgan

Deutsche Bank Securities

William Blair

Wells Fargo Securities

SunTrust Robinson Humphrey

_____, 2015

Table of Contents

Table of Contents

TABLE OF CONTENTS

<u>Prospectus Summary</u>	Page 1
<u>Risk Factors</u>	20
<u>Special Note Regarding Forward-Looking Statements</u>	53
<u>Use of Proceeds</u>	54
<u>Dividend Policy</u>	55
<u>Capitalization</u>	56
<u>Dilution</u>	58
<u>Selected Historical Financial Information</u>	60
<u>Unaudited Pro Forma Consolidated Financial Information</u>	62
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	65
<u>Business</u>	88
<u>Management</u>	113
<u>Executive and Director Compensation</u>	122
<u>Certain Relationships and Related Person Transactions</u>	134
<u>Principal Stockholders</u>	136
<u>Description of Capital Stock</u>	139
<u>Shares Eligible for Future Sale</u>	145
<u>Material U.S. Federal Income Tax Consequences to Non-U.S. Holders</u>	148
<u>Underwriting</u>	153
<u>Legal Matters</u>	159
<u>Experts</u>	159
<u>Where You Can Find More Information</u>	159
<u>Index to Financial Statements</u>	F-1

You should rely only on the information contained in this prospectus and in any related free-writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to give you any other information and take no responsibility for any other information that others may give you. We are offering to sell, and seeking offers to buy, the common stock only in jurisdictions where offers and sales are permitted. The information in this document may only be accurate on the date of this document, regardless of its time of delivery or of any sales of the common stock. Our business, financial condition, results of operations or cash

flows may have changed since such date.

Market, Industry and Other Data

This prospectus includes estimates regarding market and industry data and forecasts, which are based on publicly available information, industry publications and surveys, reports from government agencies, reports by market research firms or other independent sources and our own estimates based on our management's knowledge of and experience in the market sectors in which we compete.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Trademarks

We own or otherwise have rights to the trademarks and service marks, including those mentioned in this prospectus, used in conjunction with the marketing and sale of our products and services. This prospectus includes trademarks, such as Teladoc and AmeriDoc, which are protected under applicable intellectual property laws and are our property and the property of our subsidiaries. This prospectus also contains trademarks, service marks, copyrights and trade names of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trademarks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by any other companies. Solely for convenience, our trademarks and trade names referred to in this prospectus may appear without the ® or symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. You should read this entire prospectus and should consider, among other things, the matters set forth under "Risk Factors," "Selected Historical Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our audited consolidated financial statements and related notes thereto appearing elsewhere in this prospectus before making your investment decision. Unless otherwise indicated or the context otherwise requires, references in this prospectus to "Teladoc," the "Company," "our company," "we," "us" and "our" refer to Teladoc, Inc., a Delaware corporation, together with its consolidated subsidiary. References herein to "fiscal year" refer to our fiscal years, which end on December 31.

Overview

We are the nation's first and largest telehealth platform, delivering on-demand healthcare anytime, anywhere, via mobile devices, the internet, video and phone. Our solution connects consumers, or our Members, with our over 1,100 board-certified physicians and behavioral health professionals, or our Providers, who treat a wide range of conditions and cases from acute diagnoses such as upper respiratory infection, urinary tract infection and sinusitis to dermatological conditions, anxiety and smoking cessation. Nearly 11 million unique Members now benefit from access to Teladoc 24 hours a day, seven days a week, 365 days a year, at a cost of \$40 per visit. Our solution is delivered with a median response time of less than ten minutes from the time a Member requests a telehealth visit to the time they speak with a Teladoc physician. We completed approximately 300,000 telehealth visits in 2014.

The Teladoc solution is transforming the access, cost and quality dynamics of healthcare delivery for all of our market participants. Our Members rely on Teladoc to remotely access affordable, on-demand healthcare whenever and wherever they choose. Employers, health plans and health systems, or our Clients, purchase our solution to reduce their healthcare spending while at the same time offering convenient, affordable, high-quality healthcare to their employees or beneficiaries. Our Providers have the ability to generate meaningful income and deliver their services more efficiently with no administrative burden. We believe the value proposition of our solution is evidenced by our overall Member satisfaction rate, which has exceeded 95% over the last six years, and a 104% annual net dollar retention rate among our Clients on average over the last three years. We further believe any consumer, employer or health plan or practitioner interested in a better approach to healthcare is a potential Teladoc Member, Client or Provider.

According to the Centers for Disease Control and Prevention, or the CDC, there are approximately 1.25 billion ambulatory care visits in the United States per year, including those at primary care offices, hospital emergency rooms, outpatient clinics and other settings. We estimate that approximately 417 million, or 33%, of these visits could be treated through telehealth.

The U.S. healthcare system is experiencing a growing crisis of access, cost and quality of care due to inefficiencies in today's healthcare system and barriers between participants. According to the National Association of Community Health Centers, or the NACHC, approximately 62 million individuals in the United States currently have no or inadequate access to primary care as a result of physician shortages. Additionally, according to the Department of Health and Human Services, the Patient Protection and Affordable Care Act, or PPACA, has already expanded coverage to 16.4 million of the 47 million previously uninsured Americans. This number is widely expected to increase over the next several years due to individual and employer mandates, premium subsidies, state health insurance exchanges and ban on withholding coverage due to pre-existing medical conditions, increasing demand for access to primary care physicians. Absent convenient access to a primary care physician, individuals will most likely either not seek care at all or visit emergency

Table of Contents

rooms or urgent care clinics, the most expensive and often inefficient settings for their primary care needs. These market dynamics impact not only the consumers seeking care, but also the health plans and employers that ultimately bear all or a portion of these costs. According to the CDC, 79.7% of emergency room visits not resulting in a hospital admission were due to lack of access to an alternative provider, and a recent study published in The Journal of American Medical Association estimated that approximately \$734 billion, or 27%, of all healthcare spending in 2011 was wasted due to factors such as the provision of unnecessary services, inefficient delivery of care and inflated prices.

Innovators in other industries have solved access, cost and quality inefficiencies through the implementation of technology platforms and business models that deliver products and services on-demand and create new economies by connecting and empowering both consumers and businesses. We have taken the same approach to solving the pervasive access, cost and quality challenges facing the current healthcare system. Consumers' ability to access high-quality, affordable care has been limited by many factors such as physician availability, prohibitive costs, physician office hours and geographic locations. Likewise, burdensome administration, cancellations, unfilled appointment slots, geographic constraints and business hour limitations have historically impacted physician efficiency and, as a result, constrained physicians' income. We have created a platform that is uniquely positioned to bridge the supply and demand gap between physicians and consumers by fundamentally changing the way market participants access and deliver healthcare eliminating traditional barriers and inefficiencies between participants and empowering them to engage in a healthcare marketplace anytime, anywhere. Our platform provides our Members with access to board-certified physicians, comprehensive clinical programs and consumer engagement strategies in an economic model that delivers multiple benefits to all participants. The unique combination of these features enables us to dynamically and efficiently match consumer demand and physician availability in real-time.

Our underlying technology platform is complex, deeply integrated and has been purpose-built over the last ten years for the evolving healthcare marketplace. Our platform is highly scalable and can support substantial growth in our current membership base. Our platform provides for broad interconnectivity between healthcare constituents and, we believe, uniquely positions us as a focal point in the rapidly evolving healthcare industry to introduce innovative, technology-based solutions, such as remote patient monitoring, post-discharge treatment plan adherence and in-home and chronic care.

Our solution offers our Clients substantial savings opportunities and an attractive return on investment, or ROI. We recently commissioned Veracity Healthcare Analytics, an independent healthcare data analytics company, to perform an independent study of the nation's largest home-improvement retailer, a Client since 2012, representing over 150,000 of our Members as of December 31, 2014. The study was prepared on behalf of Veracity Healthcare Analytics by two doctors of medicine and a doctor of science and pharmacy, in each case, professors at leading academic institutions. The study found that this Client saved \$1,157 on average per employee when its employees received care through Teladoc instead of receiving care in other settings for the same diagnosis. The study also measured the total healthcare expenditure per-Member-per-month during the 16-month period immediately preceding the implementation of Teladoc in order to establish a trend and predict the Client's average monthly expenditure per-Member-per-month over the 20-month period following the introduction of Teladoc. The study demonstrated a meaningful reduction in average per-Member-per-month spending of \$21.30 to the Client relative to predicted cost, or a monthly healthcare expenditure savings of 10.2% per Member. Additionally, during 2014 the Client achieved an ROI of approximately \$9.00 for every \$1.00 spent per Member. Finally, the study demonstrated that 92% of the Client's employees that used Teladoc for a medical issue resolved their issue completely and did not require a follow up visit at a physician's office, emergency room or other location. We believe these results are representative of the results

Table of Contents

achieved by our other Clients as well as the value proposition we can provide the broader U.S. healthcare system.

We currently serve over 4,000 employers, health plans, health systems and other entities. These Clients collectively purchase access to our solution for our nearly 11 million Members. We believe our Business to Business to Consumer, or B2B2C, distribution strategy is the most efficient method by which to reach consumers and deliver telehealth to our Members. We have over 20 health plans as Clients, including some of the largest in the United States such as Aetna, Blue Shield of California, Highmark and Centene. Health plans serve as Clients as well as distribution channels to self-insured employer Clients that contract with us through a health plan relationship. Our over 1,600 direct and administrative services only, or ASO, employer Clients include 160 Fortune 1000 companies and industry leaders such as Accenture, Bank of America, Pepsi and Shell. We also have a number of health system Clients such as Henry Ford, Memorial Hermann and Mount Sinai. The remainder of our Clients are from channel partners such as brokers, resellers and consultants who sell into a range of small, medium and large enterprises. Over the past two years, we have more than doubled our client and membership bases. We believe telehealth is in the early stages of what eventually will become widespread adoption. A 2014 Towers Watson study suggests as many as 71% of employers with more than 1,000 employees are expected to offer telehealth by 2017.

We generate revenue from our Clients on a contractually recurring, per-Member-per-month, subscription access fee basis, which provides us with significant revenue visibility. In addition, under the majority of our Client contracts, we generate additional revenue on a per-telehealth visit basis, through a visit fee. Subscription access fees are paid by our Clients on behalf of their employees, dependents and other beneficiaries, while visit fees are paid by either Clients or Members. We generated \$19.9 million and \$43.5 million in revenue for the years ended December 31, 2013 and 2014, respectively, representing 119% year-over-year growth, and \$9.4 million and \$16.5 million for the three months ended March 31, 2014 and 2015, respectively, representing 75% year-over-year growth. For the three months ended March 31, 2015, 80% and 20% of our revenue were derived from subscription access fees and visit fees, respectively, and for the year ended December 31, 2014, 85% and 15% of our revenue were derived from subscription access fees and visit fees, respectively.

Industry Challenges and Our Opportunity

Barriers and inefficiencies in the current U.S. healthcare system present market participants with three major challenges: (i) consumers lack sufficient access to high-quality, cost-effective healthcare at appropriate sites of care, while bearing an increasing share of costs; (ii) employers and health plans lack an effective solution that reduces costs while enhancing healthcare access for beneficiaries and (iii) providers lack flexibility to increase productivity by delivering care on their own terms. Market participants are therefore increasingly unable to effectively and efficiently receive, deliver or administer healthcare. At the same time, the emergence of technology platforms solving massive structural challenges in other industries has highlighted the need for a similar solution in healthcare. We believe there is a significant opportunity to solve these challenges through a trusted solution, such as ours, that matches consumer demand and physician supply in real-time, while offering health plans and employers an attractive, cost-effective healthcare alternative for their beneficiaries.

Growing Healthcare Access Crisis for Consumers

Consumers in the United States are experiencing challenges in obtaining access to affordable, high-quality healthcare at appropriate sites of care. A 2014 NACHC report found that 62 million individuals in the United States have no or inadequate access to primary care as a result of local

Table of Contents

physician shortages. According to a 2014 Merritt Hawkins study, the average lead time to see a primary care physician across various metro areas was 19 days. We believe provider supply is projected to further contract, evidenced by the 2014 Survey of America's Physicians: Practice Patterns and Perspectives, or the 2014 Survey of America's Physicians, where 81% of physicians describe themselves as either over-extended or at full capacity. Additionally, according to a 2010 Association of American Medical Colleges, or AAMC, report, the healthcare system will have a shortage of approximately 131,000 physicians by 2025, including a shortage of approximately 52,000 primary care physicians. Given expected population growth and aging in the United States, as well as the projected increase in healthcare demand from PPACA implementation, the supply and demand gap for access to healthcare services is expected to further widen, placing additional pressure on an already overburdened healthcare system that lacks physician capacity and diagnoses-appropriate access points.

This access crisis has resulted in U.S. consumers either seeking care at inappropriate, more costly settings, such as hospital emergency rooms, or foregoing needed care entirely. According to the CDC, there are approximately 1.25 billion in-person ambulatory care visits in the United States per year, including those at primary care offices, hospital emergency rooms, outpatient clinics and other settings. We estimate that approximately 417 million, or 33%, of these visits could be treated through telehealth.

Healthcare Cost Burden and Lack of Viable Options for Health Plans and Employers

The U.S. healthcare system is burdened by significant waste and extreme variations in access, cost and quality of care. A recent study published in The Journal of American Medical Association estimates that approximately \$734 billion, or 27%, of all healthcare spending in 2011 was wasted due to factors such as the provision of unnecessary services, inefficient delivery of care and inflated prices. When consumers are forced to seek care at inappropriate and more costly sites of care, those cost inefficiencies impact not only the consumer, but also the health plans and employers that ultimately bear all or a portion of these costs.

The costs and associated burdens on health plans, employers and consumers are only expected to increase. The Centers for Medicare & Medicaid Services, or CMS, forecasted U.S. national health expenditures to reach \$3.1 trillion, or approximately 18% of the U.S. Gross Domestic Product, or GDP, in 2014, and approximately 20% of GDP by 2022. A 2013 survey by the National Business Group on Health and Towers Watson indicated that employers bear on average approximately two-thirds of their employee's healthcare costs and CMS forecasted U.S. employers to spend approximately \$660 billion on healthcare in 2015. Despite the significant amount of dollars spent, U.S. healthcare outcomes remain inferior relative to those of many other countries.

The unsustainable levels of spending on healthcare and extreme inefficiencies in the system have driven an increased focus by employers and health plans to control healthcare expenditures. Governments, private insurance companies and self-insured employers are implementing meaningful cost containment measures, including shifting financial responsibility to patients through higher co-pays and deductibles and delivering healthcare through alternative, more cost-effective methods. The increasing shift of financial responsibility to patients coupled with increased pricing transparency has, in turn, heightened beneficiary focus on healthcare alternatives. According to a 2013 survey for Prudential Insurance by MRops, Inc. and Oxygen Research Inc., 49% of employers are extremely or very likely to eventually offer only high deductible health plans, or HDHPs. As consumers take responsibility for a larger share of their healthcare costs and spend more on healthcare services, they are also demanding higher quality care, greater control in how and where they receive care, increased convenience and more service for every dollar spent.

Table of Contents

Challenging Environment for Physicians is Constraining Supply

Physicians face declining compensation paired with diminishing productivity due to a combination of reimbursement cuts and an increasing administrative burden. These factors have contributed to physician dissatisfaction and negatively impacted their desire to practice medicine. Medscape's 2014 Physician Compensation Report shows that 50% of all physicians do not feel fairly compensated and 42% would not choose medicine as their career today.

In response to this growing dissatisfaction, physicians are reducing access to healthcare in a number of different ways. The 2014 Survey of America's Physicians indicated that 44% of physicians plan to take steps to limit access to their practices, including cutting back on the number of patients seen, working part-time, closing their practices to new members, seeking non-clinical jobs or retiring. Notably, 39% of surveyed physicians indicated they plan to accelerate retirement given changes in the healthcare environment. Further, administrative challenges are expected to increase. According to the same survey, 50% of physicians anticipate the implementation of the tenth revision of the International Statistical Classification of Diseases and Related Health Problems, or ICD-10, to cause severe administrative problems in their practices. This is expected to further increase the 20% of daily time surveyed physicians indicated they already spend on non-clinical paperwork, which is constraining their productivity. These constraints have driven physicians to seek more control over the way they deliver care to new and existing patients, increase their income and reduce the amount of time they spend on administration.

Opportunity to Remove Barriers Through an Innovative Platform that Benefits All Participants

We believe we have a significant opportunity to solve access, cost and quality of care challenges through a platform that matches consumer demand and physician availability in real-time, while offering health plans and employers an attractive, cost-effective alternative for their beneficiaries through our platform. As consumerism in healthcare increases and consumers and providers become accustomed to on-demand services in other industries, they are similarly demanding technology-powered solutions for their healthcare needs. The emergence and subsequent rapid adoption of technologies such as big data and analytics, cloud-based solutions, online video and mobile applications represents an enormous opportunity for healthcare innovation. We believe the confluence of consumer empowerment, emergence of broad technology solutions and focus by all constituents on providing high-quality, cost-effective healthcare creates a unique opportunity for a disruptive platform that transforms the way consumers access, providers deliver and employers and health plans administer high-quality, cost-efficient healthcare.

Our Value Proposition

We focus exclusively on delivering on-demand healthcare anytime, anywhere, via mobile devices, the internet, video and phone. We believe our solution provides market participants a value proposition that is differentiated from the traditional healthcare system.

Value Proposition for Members

Our philosophy is to center care around the Member. We believe we offer our Members the following value proposition.

On-Demand Care. We offer our Members 24 hours a day, seven days a week, 365 days a year access to high-quality, on-demand care without the burdens associated with travel and wait times. We provide our Members with access to our Providers with a median response time of less than ten minutes from the time a Member requests a telehealth visit, as compared to an average primary care appointment lead time of 19 days.

Table of Contents

Access to High-Quality Physician Network. We have secured our Providers' services through a long-term services agreement with Teladoc Physicians, P.A., or Teladoc PA, a professional association, that has agreed to provide our Members, through its physicians, access to telehealth services and recommended treatment 24 hours per day, 365 days per year. Our contracted physician network is comprised of approximately 675 board-certified physicians with an average of 20 years of experience, and, according to a 2014 RAND study, Teladoc increased access for Members who used it, as more than one-third of Teladoc visits occurred on weekends and holidays when primary care physicians were not available.

Ease of Use. Our user-friendly interface offers Members access to care via mobile devices, the internet, video and phone, whenever and wherever each individual chooses.

Cost-Efficient Care. The average primary care physician visit costs \$145 and the average emergency room visit costs \$1,957 according to the Agency for Healthcare Research and Quality and PLoS ONE, respectively. At \$40 per Teladoc visit, we offer our Members substantial savings, which is meaningful as employers and health plans shift costs to cost conscious consumers.

Superior Experience. We recently commissioned Veracity Healthcare Analytics, an independent healthcare data analytics company, to perform resource utilization and health spending analyses on two of our largest Clients, the nation's largest home-improvement retailer and Rent-A-Center. The related studies were prepared on behalf of Veracity Healthcare Analytics by two doctors of medicine and a doctor of science and pharmacy, in each case, professors at leading academic institutions. Each study demonstrated that 92% of participating Members' diagnoses were completely resolved during the 30-day period following the initial Teladoc visit, which we believe evidences the overall enhanced consumer experience we provide all of our Members and is reflected in over 95% of our Members indicating by survey that they were satisfied with our services over each of the past six years.

Value Proposition for Clients

We believe we offer our Clients the following value proposition.

Proven Return on Investment. Our solution offers our Clients substantial savings opportunities and a proven ROI. We recently commissioned independent studies on each of two of our large Clients collectively representing approximately 175,000 of our Members. These studies demonstrated meaningful client-savings and substantial client-ROI resulting from the use of our solution. We believe these findings are representative of the results achieved by our other Clients and the value proposition we offer the broader U.S. healthcare system.

High-Quality Care. Our solution is backed by over 100 proprietary Evidence Based clinical guidelines that assist Provider and Member decisions and criteria regarding diagnosis, management and treatment. These guidelines were specifically designed for telehealth using clinical expertise and the best available clinical evidence derived from systematic research. We also deploy the telehealth industry's highest credentialing requirements, which, together with our clinical guidelines, lead to quality interactions and reliable resolutions.

Consumer Engagement. Our predictive models allow us to identify Members most likely to use our solution and to increase adoption by Members, which in turn drives ROI for Clients. We use claims data, plan design and other metrics to influence behavior. For example, we identify Members who have been high utilizers of emergency rooms and urgent care and seek to re-direct their non-emergency visits to our lower-cost solution. Our engagement strategies are supported by our self-service communications portals for Provider and Member

Table of Contents

interaction as well as our initiatives to promote worksite marketing and executive sponsorship to drive awareness and adoption by Members.

Beneficiary Satisfaction. We believe our Clients also benefit from Member satisfaction with us and our solution, as evidenced by our overall Member satisfaction rate of over 95% over the last six years and 104% annual net dollar retention rate among our Clients on average over the last three years.

Value Proposition for Providers

We believe we offer our Providers the following value proposition.

Meaningful Income. Our solution empowers physicians and other healthcare professionals with the convenience of immediate access to new patients without the administrative burden. Teladoc physicians have the ability to earn approximately \$150 per hour on our platform, representing an over 50% increase to the average full-time physician hourly wage of \$99.00 according to a 2013 Becker's Healthcare Report. Further, a number of Teladoc physicians generate income in excess of \$100,000 per year on our platform.

Enhanced Work Flexibility and Productivity. We offer physicians and other healthcare professionals control and scheduling flexibility to determine when and where they practice medicine. Our solution enables physicians to be more productive by performing telehealth visits outside of office hours and during down-time in their schedules as nearly 50% of our visits occur outside of normal business hours when many traditional care settings are not accessible. Our Providers are able to work while traveling, on weekends or on holidays.

Simple Reimbursement and Significantly Reduced Administration. We reimburse physicians and healthcare providers electronically, twice per month, which significantly reduces their administrative burden. With no claims forms or paperwork to complete and no physical office to manage, our model allows physicians to focus their attention on delivering high-quality care to their patients.

Our Competitive Strengths

We believe the following are our key competitive strengths.

Leading Solution and First-Mover Advantage

Our solution is composed of an integrated technology platform, high-quality Provider network, sophisticated consumer engagement strategies and entrenched distribution channels. We have developed a strong brand, established strong relationships with Clients and have become a leading telehealth platform in the United States. Our history of innovation and long-standing operating history provide us with a significant first-mover advantage, including what we believe are the following telehealth industry firsts:

Integrated Technology Platform. We were the first to build a scalable, integrated technology platform for telehealth with an Application Program Interface, or API, that powers direct connectivity between Providers and Members and multiple real-time payor integrations.

High-Quality Provider Network. We were the first to deliver nationwide access to board-certified physicians 24 hours a day, seven days a week, 365 days a year and establish over 100 proprietary Evidence Based clinical guidelines specifically designed for telehealth. In addition, we are the first and only telehealth company that has received certification by the National Committee for Quality Assurance, or NCQA, an independent, not-for-profit,

Table of Contents

healthcare-oriented organization founded in 1990 dedicated to improving healthcare quality and verifying adherence to national standards of excellence in the provision of healthcare.

Consumer Engagement Strategies. We were the first to implement sophisticated behavioral analytics and predictive modeling to better understand our Members and to drive increased engagement with Teladoc.

Innovative Technology Platform

Our integrated solution positions us at the center of the patient, provider and payor relationship and as a key participant in the rapidly emerging, technology-powered healthcare industry. We continually incorporate new product features into our platform to meet the evolving needs of the highly complex healthcare industry. We believe our technology platform contains several differentiating features, including the following:

Purpose-Built. Our platform is built specifically to serve the needs of consumers, employers and health plans and providers. We believe that ours is the only platform that incorporates the core functionality required to offer telehealth in a single system.

Integration and Interoperability. Our fully functional API powers external connectivity, and we have deep integration with other premier healthcare solutions, including electronic prescribing, HSA payment and administration, care coordination and cost transparency. In addition, we pride ourselves on what we believe is unmatched integration with the payor community that enables us to uniquely provide real-time eligibility, checking, real-time Member financial liability calculations and clinical data exchange.

Customization for Members, Clients and Providers. Each of our constituents has their own purpose-built interface.

Significant and Measureable Return on Investment

Our solution offers our Clients substantial savings opportunities and an attractive ROI. We recently commissioned an independent study of the nation's largest home-improvement retailer, a Client that represented over 150,000 of our Members as of December 31, 2014. The study found that this Client saved \$1,157 on average per telehealth visit when its employees received care through Teladoc instead of receiving care in other settings for the same diagnosis. The study also measured the total healthcare expenditure per-Member-per-month during the 16-month period immediately preceding the implementation of Teladoc in order to establish a trend and predict the Client's average monthly expenditure per-Member-per-month over the 20-month period following the introduction of Teladoc. The study demonstrated a meaningful reduction in average per-Member-per-month spending of \$21.30 to the Client relative to predicted cost, or a monthly healthcare expenditure savings of 10.2% per Member. Additionally, during 2014 the Client achieved an ROI of approximately \$9.00 for every \$1.00 spent per Member. Finally, the study demonstrated that 92% of the Client's employees that used Teladoc for a medical issue resolved their issue completely and did not require a follow up visit at a physician's office, emergency room or other location. We believe these results are representative of the results achieved by our other Clients as well as the value proposition we can provide the broader U.S. healthcare system.

Highly Scalable Platform

Our platform is highly scalable and can currently provide the same level of Member support and response time for upwards of 10,000 visits per day versus our current rate of approximately 1,500 visits per day on average. Similarly, our platform is currently equipped to serve over 100 million Members and can be scaled quickly to serve even higher volumes. Further, our platform has been built to accommodate the seamless and quick introduction of new services and products,

Table of Contents

such as behavioral health, dermatology and other services that are currently in development stages. We believe our highly scalable platform provides us with significant growth opportunities within our existing membership and client bases and allows us to grow with low capital expenditure requirements.

Clinical Capabilities Tailored to Telehealth

We believe that by directly recruiting, credentialing, training and contracting with our Providers we have built our clinical capabilities in a manner that supports the operational complexity of and commitment to clinical quality required in telehealth. Our Providers are board-certified with an average of 20 years of experience and are credentialed through an NCQA-certified process. The NCQA's accreditation process involves a comprehensive on-site and off-site review by a team of physicians and managed care experts that evaluates more than 60 quality-related healthcare standards, including quality management and improvement and utilization management. The results of the evaluation are reviewed by the NCQA's National Review Oversight Committee prior to their assigning an accreditation level. The NCQA's requirements are developed with the input and support of health plans, providers, purchasers, unions and consumer groups. Our clinical capabilities are designed specifically for telehealth. For example, our Members have the option to share a record of every visit and their electronic medical record, or EMR, with their existing physicians. Prior to every visit, the Provider reviews the Member's proprietary EMR and certifies to this review by completing a multi-step checklist. During and following the visit, the Provider references our over 100 proprietary Evidence Based clinical guidelines and other telehealth-specific content. In addition, Members and Providers remain connected following visits. Members receive personalized notes, patient education materials and are able to ask questions of our clinical team via the Teladoc Message Center. Over 10% of all visits are reviewed by our clinical quality assurance staff to ensure adherence to appropriate treatment and prescription patterns. We believe our track record of zero medical malpractice claims is a testament to our Providers' clinical quality.

Well-Established Distribution Channels and Strategic Alliances

We have spent over ten years developing sales channels and strategic alliances, which we believe provide an opportunity to sell our solution through trusted partners and are not easily replicated. Our solution is sold through a highly efficient and effective B2B2C distribution network wherein we reach consumers through our Clients and channel partners rather than marketing our solution directly to potential Members. We sell through a direct sales force to our Clients who in turn buy our solution on behalf of their beneficiaries. In addition, a range of third-parties including brokers, agents, benefits consultants and resellers, whom we refer to as channel partners, sell our solution to various end markets. Notably, many of our health plan Clients also act as channel partners because they resell our solution to their ASO accounts and other customers. We believe the breadth of our distribution strategy allows us to reach employers of nearly every size and in nearly every market, which are capable of purchasing our solution for a large number of beneficiaries, rather than attempting to sell our solution one consumer at a time.

Our Growth Strategies

The following are our key growth strategies.

Expand our Membership with New and Existing Clients

We intend to increase our membership by adding additional Members from both existing Clients and from new Clients. We plan to execute this strategy by further penetrating existing relationships and by pursuing new relationships through our distribution channels and an expanded sales team. Within existing accounts, we believe our current membership represents only a fraction of the potential Members available to us. Our existing health plan Clients and self-insured Clients

Table of Contents

associated with these health plans currently purchase our solution for only 9% of their beneficiaries in the aggregate, which provides us the opportunity to grow our membership base by more than 50 million individuals within these existing Clients alone. Similarly, we have 160 Fortune 1000 Clients, representing a significant opportunity for new Client growth with large employers. We are investing heavily in new marketing technologies and support staff to aid our sales force in penetrating existing accounts, lead generation, new Client generation and implementations. We further believe that as market leader in the telehealth industry, we have a strong, established brand and are uniquely positioned to capitalize on the Business to Consumer, or B2C, channel in the future.

Expand into New Clinical Specialties

We currently offer our Clients access to over 1,100 board-certified physicians who treat a wide range of conditions and cases from acute diagnoses such as upper respiratory infection, urinary tract infection and sinusitis to dermatological conditions. We also currently offer direct-to-Member access to behavioral health professionals who treat conditions such as anxiety and smoking cessation. We intend to leverage our highly scalable platform by expanding into new clinical specialties, such as standalone dermatology services, second opinions and chronic conditions such as diabetes, and by focusing on expanding our services amongst current Clients such as by offering behavioral health as a commercial service to our Clients. As we expand our clinical offerings, we intend to further eliminate gaps in continuity of care in order to provide coordinated care along the healthcare delivery continuum.

Leverage Existing Sales Channels and Penetrate New Markets

We have developed a highly effective distribution network to target large employers and we are committing incremental sales and marketing resources to the small and medium business, or SMB, sales channel to increase our penetration within this market. Additionally, we intend to further penetrate the provider market, notably hospitals and group physician practices, as we believe our solution offers these markets an attractive platform from which to generate substantial income by acquiring new patients and to better participate in emerging risk-sharing and value-based payment models, such as Accountable Care Organizations and Patient-Centered Medical Homes. Lastly, with expanded access to available health insurance as a result of PPACA implementation, we intend to pursue health insurance exchanges, which represent an attractive new sales channel.

Expand Across Care Settings and Use Cases

We intend to expand our solution across use cases and additional care settings. We also continually explore ancillary opportunities to broaden our business, including by expanding our relationship with Medicare Advantage and Medicaid Managed Care plans. We believe our services have wide applicability across new use cases, including home care, post discharge, wellness/screening and chronic care. We are also currently extending the number, range and functionality of our benefits applications, and will continue to respond quickly to evolving market needs with innovative solutions, including broadened health kiosk access, mobile applications, biometric devices and at-home testing.

Increase Engagement by Our Members

We believe there is significant opportunity within our existing membership base to increase engagement by continually increasing awareness of and loyalty to our solution. We believe our solution can become the single source for on-demand healthcare for our Members by continuing to add new and complementary products and services, third-party connections and other strategic alliances. We will continually refine and enhance our user experience, which is a critical driver of new and repeat engagement and we will continue validating our Member satisfaction with surveys

Table of Contents

and other proactive tools. We are also building robust data repositories to strengthen our predictive models and multi-channel marketing strategies to provide a more complete picture of our Members, enhancing our ability to lead targeted and purposeful campaigns, and we will continue to invest heavily in marketing technologies that allow us to increase Member touch-points. Lastly, we will continue to actively engage Clients in benefit design, worksite marketing and executive sponsorship strategies to drive awareness about our solution.

Expand through Focused Acquisitions

We plan to continue to leverage our know-how and the scale of our platform to selectively pursue acquisitions. To date, we have completed three acquisitions that have expanded our distribution capabilities and broadened our service offering, including into areas such as behavioral health. Our acquisition strategy is centered on acquiring technologies, products, capabilities, clinical specialties and distribution channels that are highly scalable and rapidly growing. We will continue to evaluate and pursue acquisition opportunities that are complementary to our business.

Risks Related to Our Business

Investing in our common stock involves substantial risk. You should carefully consider all of the information in this prospectus prior to investing in our common stock. There are several risks related to our business and our ability to leverage our strengths described elsewhere in this prospectus that are described under "Risk Factors" elsewhere in this prospectus. Among these important risks are the following:

ongoing legal challenges to our business model that assert that our business model does not meet applicable legal requirements in order for our affiliated physicians to prescribe medications for our Members, and new state actions against our business model;

the inability, or potential inability, of our providers to conduct visits in certain states due to our ongoing legal challenges regarding the prescription of medication in connection with a telehealth visit;

our dependence on our relationships with affiliated professional entities to contract for the clinical and professional services provided to our Members;

evolving government regulations and our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to or our business, compliance with which may require us to change our practices at an undeterminable and possibly significant monetary cost;

our ability to operate in the heavily regulated healthcare industry, failure of which could result in penalties, significant changes to our operations or adverse publicity;

our history of net losses and accumulated deficit;

the impact of recent healthcare reform legislation and other changes in the healthcare industry;

risks of the loss of any of our significant Clients;

risks associated with the immaturity of the telehealth market and limited consumer acceptance of telehealth;

risks associated with a decrease in the number of individuals offered benefits by our Clients or the number of products and services to which they subscribe;

our ability to establish and maintain strategic relationships with third parties;

our ability to recruit and retain a network of qualified Providers;

Table of Contents

risk that the insurance we maintain may not fully cover all potential exposures;

rapid technological change in the telehealth market;

risks associated with federal and state privacy regulations regarding the use and disclosure of personally identifiable information or medical information and the significant liability that could result from a cybersecurity breach or our failure to comply with such regulations;

our ability to compete in the growing telehealth industry among both established companies and new entrants;

risks associated with a material weakness in internal control over financial reporting related to the breadth of our internal accounting team that has been identified; and

the amount of the costs, fees, expenses and charges related to this initial public offering and the related costs of being a public company.

Implications of Being an Emerging Growth Company

As a company with less than \$1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, enacted in April 2012. An "emerging growth company" may take advantage of exemptions from some of the reporting requirements that are otherwise applicable to public companies that are not emerging growth companies. These exemptions include:

being permitted to present only two years of audited consolidated financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, in the assessment of our internal control over financial reporting;

reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and

exemption from the requirements of holding a nonbinding advisory vote on executive compensation and obtaining stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including, but not limited to, if we become a "large accelerated filer," or if our annual gross revenue exceeds \$1.0 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of some, but not all, of the reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Table of Contents

Company Information

Teladoc, Inc. was incorporated in the State of Texas on June 13, 2002 and changed its state of incorporation to the State of Delaware on October 16, 2008. Our principal executive offices are located at 2 Manhattanville Road, Suite 203, Purchase, New York 10577, and our telephone number is (203) 635-2002. We also maintain offices and our physician network operations center at several facilities in the Dallas, Texas area. Our website address is www.teladoc.com. Information on, or accessible through, our website is not part of this prospectus, nor is such content incorporated by reference herein, and should not be relied upon in determining whether to make an investment in our common stock.

Table of Contents

THE OFFERING

Common stock offered by us	shares.
Common stock outstanding after this offering	shares.
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an additional shares of common stock.
Use of proceeds	We estimate the proceeds to us from this offering will be approximately \$ million, based on an assumed public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including to expand our current business through acquisitions of, or investments in, other businesses, products or technologies. However, we have no commitments with respect to any such acquisitions or investments at this time. See "Use of Proceeds."
Dividend policy	We do not currently pay and do not currently anticipate paying dividends on our common stock following this offering. Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants in our debt agreements, and will be at the sole discretion of our board of directors. See "Dividend Policy," "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Indebtedness" and "Description of Capital Stock."
Proposed NYSE symbol	"TDOC"
Risk factors	See "Risk Factors" beginning on page 20 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Unless we specifically state otherwise, throughout this prospectus the number of shares of our common stock to be outstanding after completion of this offering is based on shares outstanding as of June 4, 2015 and excludes:	

 shares of common stock sold or issued pursuant to the exercise of options subsequent to June 4, 2015;

 shares of common stock issuable upon the exercise of options outstanding as of June 4, 2015 at a weighted average exercise price of \$ per share;

 shares of common stock issuable upon the exercise of warrants outstanding as of June 4, 2015 at a weighted average exercise price of \$ per share;

Table of Contents

shares of common stock reserved for issuance under our 2015 Incentive Award Plan, which we plan to adopt in connection with this offering; and

shares of common stock reserved for issuance under our Employee Stock Purchase Plan, which we plan to adopt in connection with this offering.

Unless we specifically state otherwise, all information in this prospectus assumes:

the automatic conversion of all outstanding shares of our preferred stock into shares of our common stock, which will occur immediately prior to the closing of this offering;

no exercise of the option to purchase additional shares by the underwriters;

an initial offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus;

the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the closing of this offering; and

the completion of a -for- split of our common stock in connection with the filing of our amended and restated certificate of incorporation.