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PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Omada Health third-quarter 2025 earnings conference call. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Allan Kells, Head of Investor Relations for Omada Health. Please go ahead.

Allan Kells - *Omada Health Inc - Head, Investor Relations*

Thank you. Good afternoon. Welcome to Omada Health's third-quarter 2025 earnings call. Joining me today are Sean Duffy, Co-Founder and CEO; Wei-Li Shao, our President; and Steve Cook, our CFO.

Before we begin, I'd like to note that we will be discussing non-GAAP financial measures that we consider helpful in evaluating Omada's performance. You can find details on how these relate to our GAAP measures, along with the reconciliations in the press release that is available on our website.

We'll also make forward-looking statements based on our current expectations and assumptions, which are subject to risks and uncertainties, including factors listed in our press release and in the risk factors found in our filings with the SEC. Actual results could differ materially, and we assume no obligation to update these forward-looking statements.

With that, I'll turn the call over to Sean.

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

Good afternoon, everyone, and thank you, Allan, for the introduction. I appreciate all of you for taking the time to join us today.

Let me begin with highlights from our third quarter, which was another strong step forward for Omada. Total members climbed 53% year over year to 831,000. Revenue grew 49% year over year to \$68 million. GAAP gross margin reached 66% with non-GAAP at 68%, both up sharply from Q3 last year. We tightened the bottom line, reducing our net loss to \$3 million versus \$9 million in Q3 '24. And for the first time, we delivered a positive adjusted EBITDA quarter with Q3 landing at \$2 million compared with a \$5 million loss at Q3 a year ago.

These numbers are encouraging, but the real story is the impact behind them. One of our GLP-1 Care Track members recently told us, having struggled with weight for most of my life, I realize there is no quick fix. GLP-1 medicines are helpful, no doubt, but I needed to develop tools and a mindset geared toward my long-term success. Omada has been very helpful in giving me thinking about what I can do to better my life now and in the future.

Stories like that remind us why we're here to deliver evidence-based care between doctors' visits, care that weaves together clinical services, wraparound support for next-generation therapeutics such as GLP-1s and cutting-edge AI-driven experiences.

Our long-term mission at Omada is simple but bold, bend the curve for the more than 150 million Americans living with chronic conditions, such as prediabetes and obesity, diabetes, hypertension, and musculoskeletal disease. We pursue this mission on behalf of employers and health plans that seek healthier populations at lower costs. And during the third quarter, I believe we demonstrated meaningful progress towards this mission.

First, innovation remains front and center. Today, we announced prescribing for anti-obesity medications within our GLP-1 Care Track as a planned option for our clients. We believe it addresses many of today's market needs and positions us to better support the next wave of oral and injectable GLP-1 therapies, which we believe will span various price points in the future.

As those therapies evolve, so will questions employers face, chief among them, in addition to lifestyle support, how do we help ensure the right member is on the right medication at the right time. Our answer at Omada combines behavioral intelligence, which are learnings from health metrics, readiness, and engagement data from serving more than 100,000 GLP users; behavioral support to drive outcomes well on the medicines and sustainability well not; and flexibility that enables employers to tailor their GLP-1 benefit strategies against their unique needs.

The customer conversations we've had as we've shaped this offering have been clear. Many customers want help thoughtfully managing GLP-1 spend while preserving clinical value. They want a partner that can be configurable and flexible as they evolve their benefit strategies year over year, and they want a partner who is built for scale. Our new capability squarely targets these customer needs.

Beyond product innovation, in Q3, we deepened our research. August marked our 30th peer-reviewed publication, highlighting significant savings from our joint and muscle health program. We also published data from our weight health program, showing members in the analysis largely maintained weight on average one year after discontinuing GLP-1 therapy, evidence that challenges the narrative of inevitable rebound weight gain.

We are also proud that the business has been scaling efficiently. Through the first nine months of 2025, revenue is up 51%, and membership is up 53% versus the same period last year, while operating expenses rose only 24% and cost of revenue only 31%. That gap shows our ability to grow on top of strong foundations.

Key drivers of that operating leverage include years of investment in technology, clinical research, and streamlined operations, plus a deliberate multiproduct approach. One sales team currently sells four programs, so clients can work with a single trusted partner instead of managing different point solutions. The result is leverage for Omada and often loyalty from our customers.

As we look into 2026, we're excited about the path ahead. Our annual planning has surfaced two clear investment themes, making 2026 what I like to call the year of the Gs.

The first G is GLP-1s. We plan to invest in both the prescribing offering announced today as well as other improvements that can deepen our solutions across the GLP-1 life cycle.

The second G is GPTs and broader AI. We plan to keep weaving AI into many layers of our program, including more tools for members and the care team experience as well as leveraging these tools to drive internal productivity amongst our teams. We believe these investment areas can add value as we seek to widen our competitive moat and fuel sustainable, responsible growth.

Lastly, we were honored to welcome Dr. Tom Tsang as Omada's Chief Medical Officer. Tom is a physician, innovator, and seasoned operator. More recently, Tom was the CEO and Co-Founder of Valera Health. He also sits on the boards of NCQA and Blue Cross Blue Shield of Kansas City. His expertise in clinical quality, value-based care and telehealth perfectly aligns with our next chapter.

In short, I believe the stage is set for an exciting moment at Omada. We're proud of this quarter's results and even more energized by what lies ahead. We have the privilege and the responsibility to dream big on behalf of the more than 150 million Americans living with chronic disease. And as we execute, we believe that one day, we can truly bend the curve.

With that, I'll hand things over to Wei-Li, who will walk through the quarter in more detail.

Wei-Li Shao - Omada Health Inc - President

Thanks, Sean. Hello, everyone. I'm pleased to share more details on our results and provide an update on our progress against our strategic pillars. Some highlights from Q3 include: we ended the quarter with 831,000 members, up 53% compared to Q3 of last year. This includes 79,000 net new members during the quarter and 259,000 year to date, which is more than any full year in our history. This number growth reflects continued multi-condition adoption, strong demand for our GLP-1 offerings and solid execution by our teams.

During the current selling season, we have seen healthy activity and continued interest in Omada's programs, especially our GLP-1 Care Track, which we believe can position us well for success in 2026 and beyond. This activity includes early sales traction through a large new channel partner that supports our full suite of current offerings.

In six months, we have already closed multiple planned launches through this channel with new and upsold customers, representing an estimated 180,000 individuals and closing season isn't yet over. It's also noteworthy that 75% of these customers have chosen to offer multiple Omada programs to their employees, underscoring the appeal and value of our integrated multi-condition platform.

Now, I'd like to share our progress in the areas we view as our strategic pillars: innovation, programs that work, and our multi-condition platform versus point solution approach. These pillars guide how we innovate, engage members and partner with customers.

Starting with our first pillar, innovation. We invest in innovation to enhance the member experience, strengthen our competitive position and scale the impact of our care teams. Earlier this year, we introduced OmadaSpark, our AI-powered agent that interacts directly with members alongside our human coaches. We are pleased with how it's been received so far and early observations showed that members who interacted with the nutrition assistant demonstrated higher levels of ongoing engagement and were more likely to return to the Omada app compared to those who had not yet used the tool.

We've now built on that foundation with Meal Map, an AI-driven nutrition experience launched last month. Meal Map combines instant nutrient feedback with personalized guidance from our care teams to help members understand the quality of their food choices, not just the calories. It helps members move beyond restrictive dieting towards sustainable evidence-based habits that promote energy, digestive health, and cardiometabolic benefits.

Early observations include signs of higher engagement and more consistent meal tracking compared to traditional approaches with positive feedback both from members and clinicians. Together, OmadaSpark and Meal Map show how we're using AI to deliver more personalized and actionable educational experiences.

As Sean indicated, we also view our incremental investment in GLP-1 prescribing as an innovative way to address customer needs and potentially widen our moat. The next era of obesity therapeutics may be defined by a continuum of options, oral and injectable, first-line and maintenance,

single and dual agonist in multiple indications, thus creating more complexity for employers, providers and members alike. Managing that complexity requires more than just prescribing. It demands coordination and support to help ensure people start the right therapy, stay on it and transition smoothly as their needs evolve.

Our prescribing offering will be built for that environment with an integrated approach that considers the full journey of a patient from the time of prescription to the everyday moments. We will leverage behavioral intelligence to support prescribing decisions and medication management, helping ensure the right members start, stay on or safely discontinue therapy. Prescribing will be delivered through an integrated program experience that supports our members across all 50 states.

For more than a decade, Omada has focused on the moments that often matter most, the time between doctors' visits where real life happens. By integrating prescribing with our between visit care model, we aim to close the gap that often exists between a doctor's guidance and a member's daily actions and help to ensure that every part of the care plan continues where it matters most.

Increasingly, we believe our customers recognize this, too. Many are asking for prescribing, not because they need another vendor that can write prescriptions, but because they know what happens after prescribing.

Omada's engagement, data-driven coaching, and human connection is often where real behavior change happens. By aligning clinical care and behavior change, our approach to prescribing will bring these forces together and aim to deliver lasting metabolic improvement and help bend the curve of chronic disease. We look forward to sharing more as we approach its planned launch in the first half of next year.

Our second pillar, programs that work, focuses on programs grounded in clinical evidence and behavior change science that are designed to produce measurable and lasting results. A clear example of this is our GLP-1 Care Track, which supports members before, during and after GLP-1 therapy.

In September, we released results from a 12-month discontinuation analysis showing that members in the analysis who stopped GLP-1 medications but stayed in the Omada program largely maintained their weight one year after GLP-1 discontinuation. Participants in the analysis experienced a mere 0.8% average weight change one year after discontinuation with 63% maintaining or continuing to lose weight during that period. That compares to the 11% to 12% average weight gain seen in key clinical trials without ongoing lifestyle support.

This analysis was completed as part of the Omada Insights Lab ANSWERS initiative, which examines and shares real-world data from Omada's behavior change weight health programs. These findings highlight the value of Omada's human-led and digitally enhanced care model and demonstrate our ability to deliver outcomes that extend beyond medication use.

We also reached another important milestone this quarter, publishing our 30th peer-reviewed manuscript. The research analyzed our Omada for joint and muscle health program and found that members using Omada's virtual physical therapy on average had lower medical utilization and costs compared to in-person physical therapy, even after accounting for program costs.

In this analysis, median per member per month savings exceeded \$100 in the first six months and the total MSK-related savings topped \$1,000 per member at both 6 and 12 months, delivering an approximately 1.8x ROI. This research adds to our growing body of evidence showing that virtual integrated care can drive both clinical and financial value for our customers.

Our third pillar is the power of an integrated multi-condition platform. We believe customers increasingly recognize the limitations of point solutions and the advantages of a single scalable partner. We continue to see growth in multi-condition adoption.

In addition to the early multi-condition success I mentioned with our new large channel partner, another good example from Q3 was our expansion with a consultant partner through which employers representing approximately 110,000 benefit-eligible employees will now have the ability to provide those employees with access to Omada's full cardiometabolic suite. This partner expanded from offering only our MSK program to embedding our full cardiometabolic suite into the offering they make available to their clients.

In summary, our performance this quarter reflects the strength of our strategy and our ability to execute.

And with that, I'll turn it over to Steve to discuss the financial results in more detail.

Steve Cook - Omada Health Inc - Chief Financial Officer

Thank you, Wei-Li. Hello, everyone. Today, I'm going to walk through our results and our updated outlook. Fundamentally, Omada makes money by demonstrating the value of our solutions to employers, health plans, PBMs, and other payers who then pay for Omada on behalf of their employees or members. As individuals enroll in our programs, we begin charging a monthly membership fee based in part on member engagement. This model can create an enduring revenue stream with good visibility, and we saw that reflected in our Q3 performance.

As Sean and Wei-Li mentioned, our members grew 53% to end Q3 at 831,000. Revenue in Q3 was \$68 million, up 49% year over year. The primary factors that drove our member and revenue growth include strong adoption of our GLP-1 programs, increased penetration of multi-condition customers, and increased effectiveness of our marketing campaigns.

Moving to gross profit. Our Q3 GAAP gross profit was \$45 million, up 58% compared to Q3 '24, and our GAAP gross margin was 66% compared to 63% in Q3 '24. Q3 adjusted gross profit was \$46 million, representing 56% growth year over year. Adjusted gross margin was 68%, an improvement of approximately 300 basis points year over year. A key driver of our gross margin progress was the efficiency gained through our self-built care team platform, which we have continued to enhance by adding capabilities such as an AI care team tool designed to help our care teams provide more efficient and effective care.

Moving to operating expenses. Our GAAP operating expenses were up 28% year over year to \$47 million in Q3. Adjusted operating expenses were \$44 million in Q3, up 26% year over year. This growth supported 49% revenue growth, demonstrating strong operating leverage that has been driven by operating multiple conditions on one platform that can be sold by a single sales force, scale created through our channel partners in our B2B2C go-to-market model and spending discipline as we focus on profitability. As a result of this leverage, we have made good progress towards sustained profitability.

Our GAAP net loss in Q3 was \$3 million compared to a \$9 million loss in Q3 '24, representing net loss margins of negative 5% and negative 20%, respectively. Our GAAP loss per share in Q3 was \$0.06 compared to a loss of \$1.18 in Q3 '24. Adjusted EBITDA in Q3 was \$2 million, which compares to a loss of \$5 million in Q3 '24. Our Q3 adjusted EBITDA margin was 4% compared to negative 11% in Q3 '24. We are very pleased with our narrowing net loss and our first quarter of positive adjusted EBITDA in Q3, which has been achieved through our focus on building a scalable business in a disciplined manner.

As Sean discussed, we are making investments heading into 2026 while remaining focused on managing spending and continuing our progress towards sustained profitability and our 20%-plus long-term adjusted EBITDA target. We aim to meet an important moment in a dynamic market by investing responsibly in areas such as prescribing, additional GLP-1 support, AI, and other product enhancements that have potential to widen our moat, deepen our differentiation, and position us for durable growth in the years ahead.

Moving to our balance sheet. We ended Q3 with cash and cash equivalents of \$199 million compared to \$223 million in Q2 '25. The decrease was driven by us paying off our \$30 million of debt, partially offset by our positive cash flow in the quarter.

Moving to guidance. We expect 2025 revenue in the range of \$251.5 million to \$254.5 million, up from a prior range of \$235 million to \$241 million. The midpoint of this range reflects 49% growth over 2024. We expect 2025 adjusted EBITDA in the range of negative \$2 million to breakeven, up from a prior range of negative \$9 million to negative \$5 million. The midpoint of this range reflects an improvement of approximately \$28 million compared to 2024.

In summary, we are pleased with our Q3 performance, which demonstrated continued momentum in our business and the scalability of our model.

With that, we'll now open the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Lisa Gill, JPMorgan.

Lisa Gill - JPMorgan Chase & Co - Analyst

Thanks very much. Good afternoon. Congrats on the great results. Can you spend a few minutes just talking about prescribing of GLP-1 around, one, the fulfillment price? Will you actually be fulfilling the drug? Will it be -- they'll be bringing the coupon or the prescription to the pharmacy? Just if you can talk about this new initiative that you have today and how that will play out. Thank you.

Sean Duffy - Omada Health Inc - Chief Executive Officer, Co-Founder, Director

Yeah. Certainly, Lisa, this is Sean. Thank you for the question. Good to hear your voice. Let me just first share, we're very excited about this. We view it as a next evolution of our GLP-1 Care Track. So let me just describe a little bit more on the why behind prescribing, and we can answer some of the tactical details you highlighted here. First and foremost, any time we do something new to Omada, we listen to customers, we listen to members.

And at the customer level, they're seeing what we're seeing and what we highlighted in the opening remarks, which is a new era of obesity therapeutics, different medicines, different form factors, different price points. And this creates a new need to support our clients and our members with managing the complexity of medication optimization alongside the lifestyle support that they know Omada to be great at. So we think this creates a new world where Omada can serve to support the right GLP for the right person to deliver additional client and member value, and that's really germane to the mission to bend the curve.

Specific to some of the tactics, actually, this will be an integrated experience within the Omada care program, but these will not be compounded meds. They'll be branded meds fulfilled by the pharmacy of the member's choice, and it will be an enterprise model working specifically with clients and plans.

And I don't know, Wei-Li, you have anything to comment on top.

Wei-Li Shao - Omada Health Inc - President

Yeah, Sean, just to add on top of that, I believe, Lisa, you also asked a question about pricing in there, too as well. As we just only announced the capability today, there's nothing to share regarding pricing. But what I can say about that is that it will be incremental pricing on top of our monthly chronic condition management fee. The strategic intent, of course, is to make this pricing not only accretive on the top line for revenue, but also accretive to margin as well.

Lisa Gill - JPMorgan Chase & Co - Analyst

Just as a quick follow-up there. I mean, we saw Trump making an announcement on TrumpRx talking about GLP-1s in roughly the \$149 range. Should I be thinking that you're going to have the opportunity to offer these at a pretty substantial discount?

Wei-Li Shao - Omada Health Inc - President

Look, on the announcement, we believe that today's announcement is really a neat moment and perhaps a transformational moment for the field of obesity. And it's almost a serendipitous that it occurred on the day that we launched a prescribing solution because as shared, we've been looking

toward a world with different meds, different price points, perhaps even different price points at different doses with different indications. That world creates a lot of complexity for buyers. That world creates an opportunity to simplify that for buyers and members. And so that's germane to the news we announced today. And we're thrilled by it. I mean, at the end of the day, lower prices enables broadened access. And we think that's a great thing for the world and are really heartened with seeing that news.

Sean Duffy - Omada Health Inc - Chief Executive Officer, Co-Founder, Director

Yeah. Lisa, thanks. And maybe I'll just add on to that a little bit just because all this news, of course, is just fresh off the page. And as it relates to will we be able to direct patients towards this price. It always has been, as we've been over the last year, talking to customers and developing our prescribing plus behavior change lifestyle intervention program, which we again announced today, always has been the intent that we would help patients or what we call members find the best price because we know access and affordability is important.

But again, all this information is fresh off the newswire. And so we're going to have to see exactly how the price follows through from Medicare fee-for-service over to Medicare Advantage over to the commercial segment. That's typically the flow, but we'll have to see if indeed it pans out that way. And we feel incredibly fortunate that we are poised in this position to be able to leverage what we think could be a transformative moment in obesity care.

Operator

Craig Hettenbach, Morgan Stanley.

Craig Hettenbach - Morgan Stanley - Analyst

Thank you. Just following up on that and understand you said it could be accretive to revenue and margin. Can you just talk even high level about just kind of investments that maybe you need to make to kind of get this off the ground and how you think about that implications for 2026?

Steve Cook - Omada Health Inc - Chief Financial Officer

Hey, Craig. This is Steve. Absolutely, thank you for the question. We're not talking through specific numbers at this point. We're just at the tail end of our -- or the end of our 2026 annual planning process. Obviously, to stand this up, it's going to require some investment, namely across our engineering and our product organization as well as our sales and marketing teams.

So as we think through the go forward here, we're going to plan to provide more specific guidance once we get into the March call and to be able to stand up this functionality. But this has been on the back of our health plan customers, our PBM customers asking us to stand up this functionality. So we do realize that it's going to be an investment that we're going to need to make in 2026.

Craig Hettenbach - Morgan Stanley - Analyst

Got it. And then just separately, a question on the selling season. Last year, I think 50% of new customers started with two conditions or more. Just trying to get a sense in terms of is that still the trend in terms of this year? And anything that's standing out one year to the next in terms of what's really resonating most with customers this year?

Wei-Li Shao - Omada Health Inc - President

Yeah. Craig, this is Wei-Li. Thanks for the question regarding the multiproduct penetration. You're correct. We've said historically that we've seen quarters where closed deals for new business and upsell have far exceeded 50%. We continue to press on that, as you might imagine, and we

continue to make progress on it. The results in the selling season so far, I mean, we're a little more than halfway through. But if you look at Q3, we're pleased with the progress, and we continue to make traction against our multiproduct sales.

And maybe I'll comment too a little bit on the pipeline, some of you probably are wondering about that, too as well. In Q3, we're seeing double-digit volume deal growth Q3 to Q3 last year. So we like what we see. But of course, the selling season is not over yet. And our sales teams, you can bet, are busy closing out the year as strong as possible.

Operator

Richard Close, Canaccord Genuity.

Richard Close - *Canaccord Genuity Corp - Analyst*

Yeah. A couple of questions here. First, congratulations on the strong results. Just maybe a follow-up on the GLP-1 and maybe, Steve, how you're thinking about those investments? Should we assume that you're able to, with some of the AI initiatives and whatnot, keep gross margins in the ZIP code of 68% even with rolling out this new offering or prescribing?

Steve Cook - *Omada Health Inc - Chief Financial Officer*

Yeah. No, absolutely, Richard. Thank you for the question. As we've committed to, our goal in the future is to get to 70% annualized gross margins. And a lot of the investment that we intend to complete next year is actually going to hit in operating expenses across sales and marketing and R&D. And on that front, we remain committed to hitting a 20%-plus EBITDA margin, which we're going to stair step into over the coming years.

We do view 2026 as a key investment year for us. Again, we're feeling a tremendous amount of demand to stand up this prescribing ability to stand up additional functionality within our GLP-1 offering as well as, per your comments, continuing to invest in AI, which not only has the ability for our care teams to become more efficient, but also drive additional ARPU and revenue as it has the ability to enhance product personalization and keep our members in program longer term.

Richard Close - *Canaccord Genuity Corp - Analyst*

Okay. That's helpful. And then just on the recent large partnership or CVS launch. Those clients that you talked about, are those launching January 1 and then the consulting would that arrangement launch January 1 as well?

Wei-Li Shao - *Omada Health Inc - President*

Richard, this is Wei-Li. I won't comment specifically to the performance with CVS. We have built pipeline. We have closed deals. And yes, because it's a closing season, as with deals that we closed this year, including ones that we may be closing with CVS, you can expect that most of them, the overwhelming dominant majority of them will be launching in the January timeframe consistent with what normally happens there.

Operator

Elizabeth Anderson, Evercore ISI.

Elizabeth Anderson - *Evercore Inc - Analyst*

Hi, guys. Congrats on the quarter, and thanks so much for the question. I was just wondering, maybe to piggybacking on the back of that one a little bit. You're obviously -- you're talking about these investments, and that makes very -- a ton of sense in terms of the opportunities available to you. Can you remind us sort of if we think about the typical seasonality, does that change with any of these new initiatives that you're -- you've been talking about and launched and are planning to launch? Because as I'm thinking about it, if I kind of flow through some of the margin outperformance year-to-date with some of the typical seasonality, I can get sort of well above your guidance range. So I just want to make sure I have that down correctly.

Wei-Li Shao - *Omada Health Inc - President*

Yeah. Elizabeth, good to hear from you. This is Wei-Li. Regarding some of the new investments and the announcements, specifically, for instance, around prescribing and how we're going to integrate that with our GLP-1 Care Track. Regarding the typical seasonality on selling, of course, again, we've only just announced it. We will begin -- commence selling in the early part of next year. And we anticipate that like any other new offering that is as significant potentially as this one, it will follow the normal selling cycle.

And so that selling cycle in the enterprise world, B2B world could be anywhere from 6 months, 12 months, 18 months depending upon the client. So you would expect that as we do that, we'll follow that normal selling cycle. And so they're unlikely to be immediate sales because we've got to move through that motion.

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

Elizabeth, I would just add in terms of specifically on your guidance question and seasonality. Historically speaking, Q4 is a little bit slower as we get towards the holidays. So we're -- while revenue is sequentially increasing up from \$68 million to \$69 million on an implied level, that's mostly due to just going into that back half into Q4 and getting into the holiday season. So we're going to spend the rest of that Q4 really building that pipeline and make sure that we hit 2026 strong out of the gate.

Operator

Saket Kalia, Barclays.

Saket Kalia - *Barclays Services Corp - Analyst*

Thanks for taking my questions here, and congrats on these results. Sean and Wei-Li, maybe for you, folks, specifically on going back to sort of the GLP-1 mechanics. Maybe the question is, is this really geared towards existing subscribers of your life cycle management tools, or is this something that's really meant to pull through new subscribers of those tools? So certainly understand that the economics for the new offering is still very much TBD. But I'm kind of curious what the strategy was with sort of the core business.

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

Yeah, for sure. So thank you so much for the question. This is Sean here. So this will be a new capability that can be turned on and, of course, offered to existing clients. So clients that offer our current GLP-1 Care Track solutions, obviously, this is something we're going to discuss with them against the value prop that we described to simplify their members, their employees' experience. And equally, it's something that we'll work to bring forward to net new clients as well. So it's going to be a combination.

Equally, I commented in my opening remarks on the importance of configurability, and I just want to punctuate that. What you find in the employer landscape relative to decisions around paying for or not paying for GLP-1s is a lot of diversity. You have various benefit strategies, you have various goals. We think enabling a lot of flexibility for these clients becomes a strategic differentiator.

So if you want to support Omada without prescribing, you want to add prescribing, we have flexibility there and a number of permutations within. So we're excited to really meet this unique moment where there's a lot of dynamism at the client level relative to discussions and strategies, and we expect it to continue to change and to have flexible capabilities alongside that, we feel really meets the needs of today.

Saket Kalia - *Barclays Services Corp - Analyst*

Got it. That makes sense. Maybe for my follow-up for you, Steve. It was another quarter of accelerating member growth year over year. And maybe it's tough to break out, but if you can, can you just talk about sort of how that member growth looks like for the GLP Care Track versus your other offerings?

And maybe relatedly, I mean, I think going back to the IPO, we kind of all assumed sort of a very consistent engagement rate. Maybe just to mark-to-market, has the engagement rate changed at all given all the new offerings that you have?

Wei-Li Shao - *Omada Health Inc - President*

Saket, this is Wei-Li. Let me take that one as it relates to kind of demand volume across the multi-condition platform. Certainly, GLP-1s in terms of our GLP-1 Care Track has been a tailwind in our growth. We have seen significant growth year over year with that. So that is part of the growth story in Q3. But it's equally important, if not more important to say that we have experienced significant growth across the entire multi-condition platform.

As folks may recall, we think that's been driven by a couple of things. The first one of which is that we've always said strategically, our approach to the marketplace with GLP-1s, given GLP-1s is a gateway to the broader cardiometabolic conversation is that the discussion around GLP-1s is a tide that will lift all shifts, meaning that it opens up the door to also upsell or sell the new logos, the rest of our cardiometabolic programs in diabetes prevention, weight health, hypertension, and diabetes management. And we're seeing that happen.

The second one is we've been committed to a multi-condition, multiproduct platform sales approach now for years. We've noted in previous disclosures, the progress we've made against that strategy last year. And what we're really seeing is that, that selling or that multiproduct penetration that we achieved last year through the selling season is really pulling through into 2025 this year, and we're seeing that materialize in the healthy growth and performance that we've seen in Q3.

Now, as it relates to engagement patterns and how that's changed, we've always said historically that we've got 55% engagement still at the end of year one. And then if you make it to year one, you're highly likely to stay engaged with us at year two, 50% are still engaged at year two. And we're seeing that trend continue, and we're quite pleased with that progress.

So hopefully, that answers your question and backs into a little bit of kind of what explains the accelerated growth in Q3.

Operator

Ryan MacDonald, Needham & Company.

Ryan MacDonald - *Needham & Company LLC - Analyst*

Hi. Thank you for taking my question, and congrats on a great quarter. Maybe this one is for Wei-Li. Completely understand that and it's great to see sort of the demand across multiple conditions. But I guess during the current selling season, I'm curious, we're hearing a lot of conversations around basically GLP-1 sort of starting a lot of conversations and sort of enabling sort of broader multi-condition conversations. But I guess as a starting point, are you seeing more demand, or are more of the conversations focused on using Omada as a GLP-1 companion solution or perhaps an alternative to solution to covering GLP-1s amongst your client base?

Wei-Li Shao - *Omada Health Inc - President*

Yeah. Thanks for the question. The short answer to that is we are actually seeing both. So when we look at the marketplace, what we observe are different segments of buyers with different needs. And once explained, I think, will be quite understandable.

Certainly, there are a class of buyers or a segment of buyers who have chosen to reimburse or cover GLP-1s for obesity with their employees. And oftentimes, there is demand and interest not only in our GLP-1 Care Track, but also to make sure that they're supporting others within -- with cardiometabolic conditions that are not on a GLP-1, aka diabetes, hypertension, diabetes prevention, and weight health. And that's where we're seeing demand and interest for a significant multiproduct sale opportunity.

However, there still is a large segment of buyers out there, both small and very, very large, that are sitting on the sidelines regarding their decision to cover and reimburse GLP-1s. Some of them have said no. Some of them are still actively considering it. And in those particular situations, their employees are still having demand to be supported for their weight health journey. And in those particular cases, of course, they're not purchasing or buying our GLP-1 Care Track, but they are interested to understand how the rest of our cardiometabolic suite can be helpful for them. And so we're seeing traction in both of those segments per se across our selling season.

And as I mentioned before, that has been our strategic intent and bet that GLP-1s, whether they're covered or not, is a tide that will lift our multi-condition platform shifts. And we're seeing that materialize. And again, we're seeing that in the closing season as well as our Q3 performance.

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

Hey, Ryan. This is Sean here. Just this is a good moment to remind that our PBM partners, the contracts that we have with them enable the employers that work with them to deploy the broad suite of Omada solutions. And that's actually true for the employers that work with those PBMs that choose to cover GLP-1s.

Equally, that's true for the employers that work with those PBMs who choose not to cover GLP-1s. So it really is a rising tide lifts all boats scenario. And then sometimes we get asked, well, we are seeing some, although it's the exception rather than the rule, clients choosing to stop coverage of GLPs, that's an area that we have some active conversations as well because oftentimes, those clients really feel obligated to make sure that they don't leave their employees in alert here, and we can come in and really shine light on our support and our capabilities to support people having stopped the med.

So again, all that stems back to the comments I made a bit earlier in that there's lots of different client demands and voices here and the configurability and the scale we have to meet a multitude of those demands we believe is a differentiator.

Ryan MacDonald - *Needham & Company LLC - Analyst*

Super helpful color. Maybe as a follow-up, and I recognize we only had probably four to five hours to process sort of the Trump administration announcement here. But obviously, Omada has always been sort of very focused on the commercial side of the market. But part of the announcement today, obviously, is sort of the acceptance in terms of Medicare coverage for these drugs starting, I believe, in April of next year. That's -- I think

there's about 40% of sort of the 65-plus population that would be clinically eligible for GLPs. Does that sort of size of opportunity sort of create an opportunity for Omada to sort of expand beyond commercial into potentially looking for a solution for Medicare over time?

Wei-Li Shao - Omada Health Inc - President

Yeah. Ryan, Wei-Li here. Super insightful question. You're correct in the sense that it could potentially represent an expansion opportunity for us. As a refresher to folks, we are heavily penetrated or focused on the commercially insured segment.

Over the recent years, we have received significantly more interest and fast-growing interest in our Medicare Advantage book of business which continues to grow across our multi-condition platform. And of course, then there's Medicare fee-for-service, which is the most pertinent for today's White House announcement regarding the price reduction for GLP-1s.

It's interesting. We'll have to see how this evolves. But if history is any indicator, usually, when there's a policy announcement or change, in this case, we perceive to be very positive policy improvement or change with Medicare fee-for-service, that Medicare Advantage then takes note and follows suit.

And then after that, the commercially insured segment then also follows suit watching Medicare Advantage. So it's early days to tell whether or not that cascade will actually occur. There's a lot of details to be worked out. Obviously, the pharmaceutical manufacturers probably will have a very clear position on this. That's just not clear yet, at least to me or to us. But if that's the case, rest assured, we'll be ready to catalyze and capitalize upon that opportunity.

Operator

David Roman, Goldman Sachs.

David Roman - Goldman Sachs - Analyst

I wanted just to go a little bit broader here. There's clearly a ton of focus on GLP-1s. But maybe you could talk about how you're seeing GLP-1s drive pull-through in the rest of the portfolio? And anything you could do to help us break down the contributors to member growth this quarter. The math we're getting to is about two-thirds of the growth coming from your established franchise, about a third coming from GLP-1. So any perspective you could provide there would be helpful.

Wei-Li Shao - Omada Health Inc - President

Yes. David, Wei-Li here. I won't comment to the proportional or fractional split of the one-third, two-thirds. But what I can say or will say is that GLP-1, for instance, the GLP-1 Care Track volume still is a minority of our total new member as well as total member number. So hopefully, that gives you and others some indication. So the majority of our growth in volume is still coming from our non-GLP-1 business spread across MSK, prevention and weight health, diabetes, and hypertension.

And again, we don't think at least that, that is by happenstance or by coincidence. It is, we believe, a result of our strategy around multiproduct sales, which is, again, something we've been working on and pursuing for years now and is materializing well in the Q3 performance.

Sean Duffy - Omada Health Inc - Chief Executive Officer, Co-Founder, Director

David, just one other key driver of overperformance in the quarter. Very consistent with Q2 is our efficiencies on the marketing front. We've been -- this has been a tailwind for us throughout the entire course of the year. And as we disclosed at the end of last year, we saw a 60% increase in marketing efficacy on the campaigns that we were sending as we just go out to more customers and are more targeted with our enrollment

campaigns, we've been able to become just more effective at getting more folks in the door. So that -- we saw that momentum also continue in Q3.

David Roman - *Goldman Sachs - Analyst*

Got it. That's super helpful. And I know you talked a little bit about growing engagement in response to an earlier question. But if you look at the trend in members, one of the things that I think is unique about what you've seen in the past two years is for a lot of businesses like yours, you see a big uptick in Q1 in members when you expand into new contracts. And then it kind of like peters off throughout the year as people try something, they don't repeat utilization. But you're sort of seeing the opposite effect of a big step-up and then actually continued incremental growth from there in members.

So Steve, is that -- obviously, there's a dynamic there with product value proposition, but also marketing effect. Maybe help us understand a little bit better what's helping you diverge from what we normally see in businesses of sort of similar structure?

Wei-Li Shao - *Omada Health Inc - President*

Yeah. To make sure I understand the question, I think you're asking -- this is Wei-Li, by the way, asking about, hey, listen, most companies, and you could see this in the global app download data, especially with the Sensor Tower data have strong performance in Q1 and then just a downward slant to Q4 and then a strong repeated cyclical performance in Q1. We have -- it's true. It appears that maybe we have a little bit of a different trend. I think that what we've seen are a few drivers that have led to Q3 performance.

The first one, of course, is back to the multiproduct. I mean this is a classic example of what you do in the previous year will either hurt you or help you in the following year, depending on how well you do, which means of the multi-condition kind of product penetration success that we've had in previous years, including last year's selling cycle paying off now in the back half of this year.

The second piece is what you mentioned that I'll pick up on, and we feel like you're correct, is on the marketing outreach or marketing enrollment rate performance side of things. As Steve alluded to a little bit earlier, we have, in 2024, saw a 60% improvement in enrollment rate performance. We committed back then that we'd continue to work on that, and we have, and we're seeing continued improvement in enrollment rate performance through the year, and that certainly has been a contributor as well.

The third and last piece I'd say is that we, for many, many years now, have been working on a, what we call a multi-campaign digital outreach strategy, complemented by a multichannel outreach strategy, for instance, digital signage on site as well as direct mail and all the other things you might imagine. And we feel like we've got a decent rhythm and cadence that not only supports at least we saw this year, a strong Q1, but also supports continued performance throughout the year as opposed to just cyclically just in Q1. And so we continue to experiment in that particular area. We're seeing some success, and we believe that, that also has been a contributor to what we've seen in Q3.

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

And David, this is Sean here. One other thing to just highlight is Q3 was a very innovative quarter relative to the member experience. We talked about Meal Map. We talked about building on top of OmadaSpark. We really took a big step forward in what we're able to offer to members. And we found that when we launch really exciting new product capabilities, that's, of course, attractive to the members that are already using Omada.

Equally, that's interesting and attractive to folks that are just learning about Omada for the first time. So oftentimes, it gives us more to talk about in that first outreach, and you can really turn the product innovation into something that helps pull more people into your experience.

Operator

Gene Mannheimer, Freedom Capital Markets.

Gene Mannheimer - *Freedom Capital Markets - Analyst*

Thanks. Good afternoon, and congrats on the great results. Do you guys publish or disclose a product density number? Or said differently, you talk about the percent of members that are engaged in multi-condition programs and how that has trended, say, the last couple of quarters?

Sean Duffy - *Omada Health Inc - Chief Executive Officer, Co-Founder, Director*

Yeah, Gene, thank you for the question. What we have disclosed in the past is the percent of customers who are working with us in a multiproduct fashion. So at the end of last year, we had 31% of our total customers working with us across more than one product. And when we looked across the 2024 selling season, over 50% of our net new business started with us in a multiproduct fashion. So that's a metric that we're going to evaluate if we want to continue to disclose on a go-forward basis, but we'll potentially be updating that after we close out 2025.

Operator

Thank you. At this time, I'm showing no further questions. This concludes Omada Health's third-quarter 2025 earnings conference call. Thank you for participating. You may now disconnect.

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