



Amwell® Announces Results for the Second Quarter Ended June 30, 2025

BOSTON – August 5, 2025 – Amwell® (NYSE: AMWL), a leading provider of a comprehensive SaaS-based technology-enabled healthcare platform, today announced financial results for the second quarter of 2025.

“In Q2, we pursued our strategic initiatives with focus and strong execution. We added Florida Blue, an innovative, large health plan, to our list of strategic clients. We also announced the extension award from the US Defense Health Agency, through which Amwell will continue to enable U.S. Defense Health Agency healthcare teams to deliver connected and seamless in-person and virtual care delivery for the Military Health System. Both provide strong validation of the value of our Amwell platform,” said Ido Schoenberg, MD, chairman and CEO. “We also made significant progress in our revenue quality and cost alignment measures, resulting in another strong quarter of EBITDA improvement, advancing us toward our goal of achieving positive cash flow from operations in 2026.”

Amwell Second Quarter 2025 Highlights:

- Recorded Total Revenue of \$70.9 million
 - Achieved subscription revenue of \$40.4 million
 - Generated Amwell Medical Group (“AMG”) visit revenue of \$22.8 million
- Reported gross margin of 56.1%
- Net loss was (\$19.5) million, compared to (\$18.4) million in first quarter of 2025
- Adjusted EBITDA of (\$4.7) million compared to (\$12.2) million in the first quarter of 2025
- Total visits were 1.2 million

Financial Outlook:

- The company revised its guidance for 2025, which calls for: (this reflects the previously announced divestiture of Amwell Psychiatric Care):
 - Revenue in the range of \$245 million to \$250 million, compared to previous guidance of \$250 million to \$260 million AMG visits between 1.3 million and 1.35 million, no change
- The company also narrowed its guidance range for Adjusted EBITDA to a range of between (\$50) million to (\$45) million, the better part of the previous guidance of (\$55) million to (\$45) million

The company also provided financial guidance for Q3 2025 Revenue and EBITDA:

- Q3 revenue in the range of \$53 million - \$56 million
- Q3 adjusted EBITDA in the range of (\$15) million – (\$13) million

The Company reiterated its objective to achieve positive cash flow from operations in 2026.

Amwell will host a conference call to discuss its financial results today at 5 p.m. ET. The call can be accessed via a live audio webcast at <https://edge.media-server.com/mmc/p/ve8zytc3/>. A webcast replay will be available for approximately 90 days at investors.amwell.com. Other than with respect to GAAP Revenue, the Company only provides guidance on a non-GAAP basis. The Company does not provide a reconciliation of forward-looking Adjusted EBITDA (non-GAAP) to GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation. Because other deductions used to calculate projected net income (loss) vary dramatically based on actual events, the Company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amount of these deductions may be material and, therefore, could result in projected GAAP net income (loss) being materially less than projected Adjusted EBITDA (non-GAAP).

About Amwell

Amwell offers payers and health systems a single, comprehensive, technology-enabled care platform. We use technology to provide patients with better access to more convenient, affordable and effective care. The Amwell platform includes software and services that power many clinical programs from Amwell and our growing number of partners. Our platform allows patients to experience unified, personalized and simple access to diversified clinical programs across the care continuum. As more people seek care online and more clinical programs become available, we offer integrated, future-ready, consistent solutions. The Amwell platform is proven, operating at a large scale, enabling care for millions of patients and their sponsors while delivering dependable outcomes. For almost two decades, Amwell has proudly served some of the largest and most sophisticated healthcare organizations in the U.S. and worldwide. For more information, visit business.amwell.com or LinkedIn.

Forward-Looking Statements

This press release contains forward-looking statements about us and our industry that involve substantial risks and uncertainties and are based on our beliefs and assumptions and on information currently available to us. All statements other than statements of historical facts contained in this press release, including statements regarding our future results of operations, financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” or “would,” or the negative of these words or other similar terms or expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our beliefs and assumptions only as of the date of this release. These statements, and related risks, uncertainties, factors and assumptions, include, but are not limited to: our ability to successfully transition our clients to Converge without significant attrition; our ability to renew and upsell our client base; the election by the Defense Health Agency to deploy our solution across their entire enterprise; the continuation of the DHA relationship beyond July 2026 with comparable financial terms; weak growth and increased volatility in the telehealth market; our ability to adapt to rapid technological changes; increased competition from existing and potential new participants in the healthcare industry; changes in healthcare laws, regulations or trends and our ability to operate in the heavily regulated healthcare industry; our ability to comply with federal and state privacy regulations; the significant liability that could result from a cybersecurity breach; our ability to commence and complete and strategic transformation initiatives and the impact of such initiatives; and other factors described under ‘Risk Factors’ in our most recent form 10-K filed with the SEC. These risks are not exhaustive. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. Further information on factors that could cause actual results to differ materially from the results anticipated by our forward-looking statements is included in the reports we have filed or will file with the Securities and Exchange Commission. These filings, when available, are available on the investor relations section of our website at investors.amwell.com and on the SEC’s website at www.sec.gov.

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AMERICAN WELL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(unaudited)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 219,072	\$ 228,316
Accounts receivable (\$1,239 and \$616, from related parties and net of allowances of \$7,568 and \$7,236, respectively)	53,557	71,885
Inventories	2,184	2,858
Deferred contract acquisition costs	2,591	2,513
Prepaid expenses and other current assets	12,249	11,421
Total current assets	289,653	316,993
Restricted cash	795	795
Property and equipment, net	295	376
Intangible assets, net	84,025	101,538
Operating lease right-of-use asset	5,585	7,203
Deferred contract acquisition costs, net of current portion	5,128	5,350
Other assets	3,175	2,213
Investment in minority owned joint venture	—	1,500
Total assets	<u>\$ 388,656</u>	<u>\$ 435,968</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,728	\$ 5,015
Accrued expenses and other current liabilities	39,429	49,326
Operating lease liability, current	3,701	3,690
Deferred revenue (\$147 and \$198 from related parties, respectively)	41,058	53,232
Total current liabilities	87,916	111,263
Other long-term liabilities	1,278	1,170
Operating lease liability, net of current portion	2,688	4,511
Deferred revenue, net of current portion (\$0 and \$10 from related parties, respectively)	2,201	2,780
Total liabilities	<u>94,083</u>	<u>119,724</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 100,000,000 shares authorized, no shares issued or outstanding as of June 30, 2025 and as of December 31, 2024	—	—
Common stock, \$0.01 par value; 1,000,000,000 Class A shares authorized, 14,441,896 and 13,922,877 shares issued and outstanding, respectively; 100,000,000 Class B shares authorized, 1,369,518 shares issued and outstanding; 200,000,000 Class C shares authorized 277,777 issued and outstanding as of June 30, 2025 and as of December 31, 2024	161	156
Additional paid-in capital	2,300,267	2,286,380
Accumulated other comprehensive income	(13,514)	(15,840)
Accumulated deficit	(2,004,326)	(1,965,924)
Total American Well Corporation stockholders' equity	282,588	304,772
Non-controlling interest	11,985	11,472
Total stockholders' equity	<u>294,573</u>	<u>316,244</u>
Total liabilities and stockholders' equity	<u>\$ 388,656</u>	<u>\$ 435,968</u>

AMERICAN WELL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue				
(\$833, \$828, \$1,265 and \$1,700 from related parties, respectively)	\$ 70,898	\$ 62,790	\$ 137,731	\$ 122,312
Costs and operating expenses:				
Costs of revenue, excluding depreciation and amortization of intangible assets	31,143	39,294	62,717	80,447
Research and development	18,237	20,806	40,339	47,486
Sales and marketing	12,518	18,386	25,094	44,112
General and administrative	21,155	28,464	44,347	61,221
Depreciation and amortization expense	8,224	8,216	16,024	16,454
Total costs and operating expenses	<u>91,277</u>	<u>115,166</u>	<u>188,521</u>	<u>249,720</u>
Loss from operations	(20,379)	(52,376)	(50,790)	(127,408)
Interest income and other income (expense), net	845	2,668	3,533	6,452
Gain on divestiture	—	—	10,713	—
Loss before expense from income taxes and loss from equity method investment	(19,534)	(49,708)	(36,544)	(120,956)
Benefit (Expense) from income taxes	725	(97)	157	\$ (1,372)
Loss from equity method investment	(722)	(774)	(1,500)	\$ (1,700)
Net loss	(19,531)	(50,579)	(37,887)	(124,028)
Net income (loss) attributable to non-controlling interest	165	(659)	513	\$ (2,003)
Net loss attributable to American Well Corporation	<u>\$ (19,696)</u>	<u>\$ (49,920)</u>	<u>\$ (38,400)</u>	<u>\$ (122,025)</u>
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.24)	\$ (3.36)	\$ (2.43)	\$ (8.28)
Weighted-average common shares outstanding, basic and diluted	15,892,970	14,875,589	15,783,281	14,738,355
Net loss	\$ (19,531)	\$ (50,579)	\$ (37,887)	\$ (124,028)
Other comprehensive income (loss), net of tax:				
Foreign currency translation	2,669	(4,748)	2,326	(5,311)
Comprehensive loss	(16,862)	(55,327)	(35,561)	(129,339)
Less: Comprehensive income (loss) attributable to non-controlling interest	165	(659)	513	(2,003)
Comprehensive loss attributable to American Well Corporation	<u>\$ (17,027)</u>	<u>\$ (54,668)</u>	<u>\$ (36,074)</u>	<u>\$ (127,336)</u>

AMERICAN WELL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share and per share amounts)
(unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (37,887)	\$ (124,028)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	16,025	16,451
Provisions for credit losses	379	695
Amortization of deferred contract acquisition costs	1,297	1,099
Amortization of deferred contract fulfillment costs	470	173
Inventory provisions	250	—
Net gain on divestiture	(10,713)	—
Stock-based compensation expense	13,349	26,058
Loss on equity method investment	1,500	1,700
Deferred income taxes	(10)	(11)
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	10,767	(22,692)
Inventories	674	1,079
Deferred contract acquisition costs	(1,058)	(1,539)
Prepaid expenses and other current assets	(1,112)	(3,017)
Other assets	220	71
Accounts payable	(1,350)	1,072
Accrued expenses and other current liabilities	(9,239)	5,293
Deferred revenue	(13,394)	16,047
Net cash used in operating activities	(29,832)	(81,549)
Cash flows from investing activities:		
Purchases of property and equipment	(9)	(101)
Capitalized software development costs	—	(7,972)
Investment in less than majority owned joint venture	—	(1,715)
Purchases of investments	(1,000)	—
Proceeds from divestiture, net of cash divested	20,400	—
Net cash provided by (used in) investing activities	19,391	(9,788)
Cash flows from financing activities:		
Proceeds from employee stock purchase plan	544	956
Payments for the purchase of treasury stock	(2)	—
Net cash provided by financing activities	542	956
Effect of exchange rates changes on cash, cash equivalents, and restricted cash	655	(4,749)
Net decrease in cash, cash equivalents, and restricted cash	(9,244)	(95,130)
Cash, cash equivalents, and restricted cash at beginning of period	229,111	372,833
Cash, cash equivalents, and restricted cash at end of period	\$ 219,867	\$ 277,703
Cash, cash equivalents, and restricted cash at end of period:		
Cash and cash equivalents	219,072	276,908
Restricted cash	795	795
Total cash, cash equivalents, and restricted cash at end of period	\$ 219,867	\$ 277,703
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 2,252	\$ 2,195

Non-GAAP Financial Measures:

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States, of US GAAP, we use adjusted EBITDA, which is a non-U.S GAAP financial measure to clarify and enhance an understanding of past performance. We believe that the presentation of adjusted EBITDA enhances an investor's understanding of our financial performance. We further believe that adjusted EBITDA is a useful financial metric to assess our operating performance from period-to-period by excluding certain items that we believe are not representative of our core business. We use certain financial measures for business planning purposes and in measuring our performance relative to that of our competitors. We utilize adjusted EBITDA as the primary measure of our performance.

We calculate adjusted EBITDA as net loss adjusted to exclude (i) interest income and other income, net, (ii) tax benefit and expense, (iii) depreciation and amortization, (iv) gain on divestiture, (v) stock-based compensation expense, (vi) severance and strategic transformation costs and (vii) capitalized software costs.

We believe adjusted EBITDA is commonly used by investors to evaluate our performance and that of our competitors. However, our use of the term adjusted EBITDA may vary from that of others in our industry. Adjusted EBITDA should not be considered as an alternative to net loss before taxes, net loss, loss per share or any other performance measures derived in accordance with U.S. GAAP as measures of performance.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations of adjusted EBITDA include (i) adjusted EBITDA does not properly reflect capital commitments to be paid in the future, and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and adjusted EBITDA does not reflect these capital expenditures. Our legal, accounting and other professional expenses reflect cash expenditures and we expect such expenditures to recur from time to time. Our adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure.

In evaluating adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. Adjusted EBITDA should not be considered as an alternative to loss before benefit from income taxes, net loss, earnings per share, or any other performance measures derived in accordance with U.S. GAAP. When evaluating our performance, you should consider adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

The following table presents a reconciliation of adjusted EBITDA from the most comparable GAAP measure, net loss, for the three and six months ended June 30, 2025 and 2024 and the three months ended March 31, 2025:

(in thousands)	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>		<u>Three Months Ended March 31, 2025</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	
Net loss	\$ (19,531)	\$ (50,579)	\$ (37,887)	\$ (124,028)	\$ (18,356)
Add:					
Depreciation and amortization	8,224	8,216	16,024	16,454	7,800
Interest income and other income (expense), net	(845)	(2,668)	(3,533)	(6,452)	(2,688)
Gain on divestiture	—	—	(10,713)	—	(10,713)
Benefit (Expense) from income taxes	(725)	97	(157)	1,372	568
Stock-based compensation	5,662	9,838	13,348	26,066	7,686
Severance and strategic transformation costs ⁽¹⁾	2,541	5,297	6,006	13,956	3,465
Capitalized software costs	—	(5,154)	—	(7,972)	—
Adjusted EBITDA	<u>\$ (4,674)</u>	<u>\$ (34,953)</u>	<u>\$ (16,912)</u>	<u>\$ (80,604)</u>	<u>\$ (12,238)</u>

- (1) Severance and strategic transformation costs include expenses associated with the termination of employees and expenses that focus on transforming the strategy of the Company's sales and growth organization as well as our overall cost structure.