



Talkspace Announces Second Quarter 2025 Results

August 5, 2025

2Q 2025 Total revenue grew 18% year-over-year to \$54.3 million

driven by 35% year-over-year growth in Payor revenue

2Q 2025 Net loss of \$0.5 million and adjusted EBITDA¹ of \$2.3 million

2Q 2025 Share repurchases of \$1.4 million

NEW YORK, Aug. 05, 2025 (GLOBE NEWSWIRE) -- [Talkspace, Inc.](#) ("Talkspace" or the "Company") (NASDAQ: TALK), today reported second quarter 2025 financial results.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Unaudited	Results	% Variance from Prior Year	Results	% Variance from Prior Year
<i>(In thousands unless otherwise noted)</i>				
Number of completed Payor sessions during the period	385.1	29%	735.1	26%
Number of unique active Payor members during the period	111.2	25%	N/A	N/A
Total revenue	\$ 54,310	18%	\$ 106,492	16%
Costs and operating expenses	\$ 56,100	13%	\$ 109,367	13%
Net loss	\$ (541)	(14)%	\$ (223)	89%
Adjusted EBITDA (1)	\$ 2,282	94%	\$ 4,238	117%
Cash and cash equivalents at period end	\$ 54,342	—	\$ 54,342	—
Short-term marketable securities	\$ 48,427	—	\$ 48,427	—

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of the measure and a reconciliation to the most directly comparable GAAP measure, see "Reconciliation of GAAP Results to Non-GAAP Results."

Dr. Jon Cohen, CEO of Talkspace, said, "I'm pleased with the work our team did this quarter to progress several operational initiatives within the business. We exited the quarter with positive momentum from the technology and marketing investments we made in the first half of the year. These investments helped to deliver sequential growth in unique active payor members and completed payor sessions of 10%, respectively, which gives us strong visibility into our trajectory for the second half of the year."

Second Quarter 2025 Key Performance Metrics

- Revenue increased 18% over the prior-year period to \$54.3 million, driven by a 35% year-over-year increase in Payor revenue, partially offset by a 32% year-over-year decline in Consumer revenue.
- Cost of revenue, excluding depreciation and amortization, increased 24% over the prior-year period to \$30.9 million, driven by a higher number of completed Payor sessions.
- Total costs and operating expenses were \$56.1 million, an increase of 13% year-over-year, primarily due to an increase in cost of revenue, excluding depreciation and amortization.
- Net loss was \$(0.5) million, relatively flat from the second quarter of 2024.
- Adjusted EBITDA was \$2.3 million, an improvement from \$1.2 million adjusted EBITDA in the second quarter of 2024, primarily driven by an increase in revenue, partially offset by an increase in cost of revenue, excluding depreciation and amortization.

Financial Guidance

The following guidance is based on current market conditions and expectations and the information available to the Company today. For 2025 Talkspace continues to expect:

- Revenue to be in the range of \$220 million to \$235 million
- Adjusted EBITDA to be in the range of \$14 million to \$20 million

Conference Call, Presentation Slides, and Webcast Details

The Second Quarter 2025 earnings conference call and webcast will be held Tuesday, August 5, 2025, at 8:30 a.m. E.T. The conference call will be available via audio webcast at investors.talkspace.com and can also be accessed by dialing (888) 596-4144 for U.S. participants, or +1 (646) 968-2525 for international participants, and referencing participant code 8668160. A replay will be available shortly after the call's completion and remain available for approximately 90 days.

About Talkspace

Talkspace (NASDAQ: TALK) is a leading virtual behavioral healthcare provider committed to helping people lead healthier, happier lives through access to high-quality mental healthcare. At Talkspace, we believe that mental healthcare is core to overall health and should be available to everyone.

Talkspace pioneered the ability to text with a licensed therapist from anywhere and now offers a comprehensive suite of mental health services, including therapy for individuals, teens, and couples, as well as psychiatric treatment and medication management (18+). With Talkspace's core therapy offerings, members are matched with one of thousands of licensed therapists within days and can engage in live video, audio, or chat sessions, and/or unlimited asynchronous text messaging sessions.

All care offered at Talkspace is delivered through an easy-to-use, fully-encrypted web and mobile platform that meets HIPAA, federal, and state regulatory requirements. Most Americans have access to Talkspace through their health insurance plans, employee assistance programs, our partnerships with leading healthcare companies, or as a free benefit through their employer, school, or government agency.

For more information, visit www.talkspace.com.

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Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking, including statements regarding our financial condition, anticipated financial performance, achieving profitability, business strategy and plans, market opportunity and expansion and objectives of our management for future operations. These forward-looking statements generally are identified by the words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "forecast," "future," "intend," "may," "might," "opportunity," "plan," "possible," "potential," "predict," "project," "should," "strategy," "strive," "target," "will," or "would," the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many important factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) rapid technological change in our industry; (ii) our ability to secure clients' contract renewals; (iii) our ability to maintain and expand our network of therapists, psychiatrists and other providers; (iv) a decline in the prevalence of enterprise-sponsored healthcare or the emergence of new technologies may adversely impact our DTE business; (v) if our or our vendors' security measures fail or are breached; (vi) changes in healthcare laws, regulations or trends and our ability to operate in the heavily regulated healthcare industry; and (vii) the other factors, risks and uncertainties described under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 12, 2025, subsequent quarterly reports on Form 10-Q and our other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise unless required to do so under applicable law. We do not give any assurance that we will achieve our expectations.

Talkspace, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

Three Months Ended June 30,			Six Months Ended June 30,		
2025	2024	%	2025	2024	%
		Change			Change

(in thousands, except percentages, share and per share data)

Revenue:							
Payor revenue	\$ 40,501	\$ 29,945	35.3	\$ 78,343	\$ 58,453	34.0	
DTE revenue	9,403	9,628	(2.3)	18,986	19,541	(2.8)	
Consumer revenue	<u>4,406</u>	<u>6,485</u>	(32.1)	<u>9,163</u>	<u>13,480</u>	(32.0)	
Total revenue	<u>54,310</u>	<u>46,058</u>	17.9	<u>106,492</u>	<u>91,474</u>	16.4	
Costs and operating expenses:							
Cost of revenue, excluding depreciation and amortization	30,917	24,996	23.7	59,706	48,569	22.9	
Research and development	2,563	2,088	22.7	5,403	5,749	(6.0)	
Clinical operations, net	1,921	1,661	15.7	3,777	3,125	20.9	
Sales and marketing	14,253	13,240	7.7	28,178	26,240	7.4	
General and administrative	5,728	7,339	(22.0)	10,935	12,535	(12.8)	
Depreciation and amortization	<u>718</u>	<u>220</u>	226.4	<u>1,368</u>	<u>421</u>	224.9	
Total costs and operating expenses	<u>56,100</u>	<u>49,544</u>	13.2	<u>109,367</u>	<u>96,639</u>	13.2	
Loss from operations	(1,790)	(3,486)	48.7	(2,875)	(5,165)	44.3	
Financial income, net	<u>(1,325)</u>	<u>(3,044)</u>	(56.5)	<u>(2,851)</u>	<u>(3,422)</u>	(16.7)	
Loss before income taxes	(465)	(442)	(5.2)	(24)	(1,743)	98.6	
Income tax expense	<u>76</u>	<u>32</u>	137.5	<u>199</u>	<u>197</u>	1.0	
Net loss	<u>\$ (541)</u>	<u>\$ (474)</u>	(14.1)	<u>\$ (223)</u>	<u>\$ (1,940)</u>	88.5	
Net loss per share:							
Basic and Diluted	\$ (0.00)	\$ (0.00)	(14.3)	\$ (0.00)	\$ (0.01)	87.0	
Weighted average shares used to compute net loss per share:							
Basic and Diluted	167,532,721	169,148,522		168,098,647	168,997,734		

Talkspace, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2025	2024	% Change	2025	2024	% Change
(in thousands)						
Net loss	\$ (541)	\$ (474)	(14.1)	\$ (223)	\$ (1,940)	88.5
Other comprehensive income (loss):						
Change in unrealized gain (loss) on marketable debt securities	<u>(8)</u>	<u>—</u>	100.0	<u>17</u>	<u>—</u>	100.0
Total other comprehensive income (loss)	<u>(8)</u>	<u>—</u>	100.0	<u>17</u>	<u>—</u>	100.0
Total comprehensive loss	<u>\$ (549)</u>	<u>\$ (474)</u>	(15.8)	<u>\$ (206)</u>	<u>\$ (1,940)</u>	89.4

Talkspace, Inc.
Condensed Consolidated Balance Sheets

	June 30, 2025	December 31, 2024
(in thousands)	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 54,342	\$ 76,692
Marketable securities	48,427	41,118
Accounts receivable, net	15,422	9,643
Other current assets	<u>2,476</u>	<u>2,729</u>
Total current assets	120,667	130,182
Fixed assets, net	10,136	6,259
Other long-term assets	<u>1,983</u>	<u>2,236</u>

Total assets	\$ 132,786	\$ 138,677
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,618	\$ 7,710
Accrued expenses and other current liabilities	7,056	8,031
Deferred revenue	2,866	3,282
Total current liabilities	18,540	19,023
Warrant liabilities	862	1,690
Other long-term liabilities	443	569
Total liabilities	19,845	21,282
STOCKHOLDERS' EQUITY:		
Common stock	17	17
Additional paid-in capital	382,364	386,612
Accumulated deficit	(269,459)	(269,236)
Accumulated other comprehensive income	19	2
Total stockholders' equity	112,941	117,395
Total liabilities and stockholders' equity	\$ 132,786	\$ 138,677

Talkspace, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended	
	June 30,	
	2025	2024
<i>(in thousands)</i>		
Cash flows from operating activities:		
Net loss	\$ (223)	\$ (1,940)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,368	421
Accretion of discount on marketable securities	(457)	—
Stock-based compensation	4,688	5,359
Remeasurement of warrant liabilities	(828)	(510)
Increase in accounts receivable	(5,779)	(1,380)
Decrease in other current assets	253	3,416
Increase in accounts payable	908	1,622
Decrease in deferred revenue	(416)	(336)
Decrease in accrued expenses and other current liabilities	(975)	(5,155)
Other	(129)	(79)
Net cash (used in) provided by operating activities	<u>(1,590)</u>	<u>1,418</u>
Cash flows from investing activities:		
Purchases of marketable securities	(20,557)	—
Proceeds from maturities of marketable securities	13,705	—
Capitalized internal-use software costs	(4,492)	(2,110)
Other	(42)	(40)
Net cash used in investing activities	<u>(11,386)</u>	<u>(2,150)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	727	1,584
Payments for employee taxes withheld related to vested stock-based awards	(1,697)	(1,843)
Repurchase of common stock for retirement	(8,404)	(8,004)
Net cash used in financing activities	<u>(9,374)</u>	<u>(8,263)</u>
Net decrease in cash and cash equivalents	(22,350)	(8,995)
Cash and cash equivalents at the beginning of the period	76,692	123,908
Cash and cash equivalents at the end of the period	<u>\$ 54,342</u>	<u>\$ 114,913</u>

Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we believe adjusted EBITDA, a non-GAAP measure, is useful in evaluating

our operating performance, and our management uses it as a key performance measure to assess our operating performance. Because adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and in evaluating acquisition opportunities. We also use adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial measure, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. We believe that the use of adjusted EBITDA is helpful to our investors as it is a metric used by management in assessing the health of our business and our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Some of the limitations of adjusted EBITDA include (i) adjusted EBITDA does not necessarily 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 requirements. In evaluating adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments described herein. 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. 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. Adjusted EBITDA should not be considered as an alternative to income (loss) before income taxes, net income (loss), income (loss) 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.

A reconciliation is provided below for adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review our financial statements prepared in accordance with GAAP and the reconciliation of our non-GAAP financial measure to its most directly comparable GAAP financial measure, and not to rely on any single financial measure to evaluate our business. We do not provide a forward-looking reconciliation of adjusted EBITDA guidance as the amount and significance of the reconciling items required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts. These reconciling items could be meaningful.

Adjusted EBITDA

We calculate adjusted EBITDA as net loss adjusted to exclude (i) depreciation and amortization, (ii) stock-based compensation expense, (iii) financial income, net, (iv) income tax expense, and (v) certain non-recurring expenses, where applicable.

Talkspace, Inc. Reconciliation of GAAP Results to Non-GAAP Results

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Net loss	\$ (541)	\$ (474)	\$ (223)	\$ (1,940)
Add:				
Depreciation and amortization	718	220	1,368	421
Stock-based compensation	2,355	3,107	4,688	5,359
Financial income, net	(1,325)	(3,044)	(2,851)	(3,422)
Income tax expense	76	32	199	197
Non-recurring expenses ⁽¹⁾	999	1,338	1,057	1,338
Adjusted EBITDA	<u>\$ 2,282</u>	<u>\$ 1,179</u>	<u>\$ 4,238</u>	<u>\$ 1,953</u>

(1) For the three and six months ended June 30, 2025, non-recurring expenses primarily consisted of severance costs, one-time legal fees and other one-time expenses. For the three and six months ended June 30, 2024, non-recurring expenses primarily consisted of severance costs related to the departure of key executives of the Company and other related costs.