



LifeStance Reports Second Quarter 2025 Results

August 7, 2025

SCOTTSDALE, Ariz., Aug. 07, 2025 (GLOBE NEWSWIRE) -- LifeStance Health Group, Inc. (Nasdaq: LFST), one of the nation's largest providers of outpatient mental healthcare, today announced financial results for the second quarter ended June 30, 2025.

(All results compared to prior-year comparative period, unless otherwise noted)

Q2 2025 Highlights and FY 2025 Outlook

- Revenue of \$345.3 million increased 11% compared to revenue of \$312.3 million
- Clinician base increased 11% to 7,708 clinicians, a sequential net increase of 173 in the second quarter
- Second quarter visit volumes increased 12% to 2.2 million
- Net loss of \$3.8 million compared to net loss of \$23.3 million
- Net cash provided by operations of \$64.4 million in the second quarter
- Adjusted EBITDA of \$34.0 million increased 19% compared to Adjusted EBITDA of \$28.6 million
- Free Cash Flow of positive \$56.6 million in the second quarter
- For full year 2025, reiterating expectations for revenue of \$1.40 billion to \$1.44 billion; raising Center Margin expectations to \$441 million to \$465 million; raising Adjusted EBITDA expectations to \$140 million to \$150 million

"I am incredibly proud of the LifeStance team for the strong results achieved in the second quarter," said Dave Bourdon, CEO of LifeStance. "We grew our clinician base by over 170 clinicians while at the same time improving productivity. We delivered double-digit organic revenue growth along with 10% Adjusted EBITDA margins, and are raising our full year guidance midpoint for Adjusted EBITDA by \$5 million. Also, we delivered exceptionally strong Free Cash Flow of \$57 million, our highest in any quarter to date, which provides additional capacity to invest further in the business."

Financial Highlights

<i>(in millions)</i>	<u>Q2 2025</u>	<u>Q2 2024</u>	<u>Y/Y</u>
Total revenue	\$ 345.3	\$ 312.3	11 %
Loss from operations	(3.0)	(15.9)	(81 %)
Center Margin	108.4	97.8	11 %
Net loss	(3.8)	(23.3)	(84 %)
Adjusted EBITDA	34.0	28.6	19 %
<u>As % of Total revenue:</u>			
Loss from operations	(0.9 %)	(5.1 %)	
Center Margin	31.4 %	31.3 %	
Net loss	(1.1 %)	(7.5 %)	
Adjusted EBITDA	9.8 %	9.2 %	

(All results compared to prior-year period, unless otherwise noted)

- Revenue grew 11% to \$345.3 million. Revenue growth in the second quarter was driven primarily by higher visit volumes from net clinician growth.
- Loss from operations was \$3.0 million and net loss was \$3.8 million.
- Center Margin grew 11% to \$108.4 million, or 31.4% of total revenue.
- Adjusted EBITDA increased 19% to \$34.0 million, or 9.8% of total revenue. Adjusted EBITDA as a percentage of revenue increased in the second quarter as a result of improved operating leverage from revenue growing faster than general and administrative expenses.

Balance Sheet, Cash Flow and Capital Allocation

For the six months ended June 30, 2025, LifeStance provided \$61.3 million cash flow from operations, including \$64.4 million during the second quarter of 2025. The Company ended the second quarter with cash of \$188.9 million and net long-term debt of \$272.9 million.

2025 Guidance

LifeStance is providing the following outlook for 2025:

- The Company is reiterating full year revenue of \$1.40 billion to \$1.44 billion; raising Center Margin to \$441 million to \$465 million; and raising Adjusted EBITDA to \$140 million to \$150 million.
- For the third quarter of 2025, the Company expects total revenue of \$345 million to \$365 million, Center Margin of \$105 million to \$119 million, and Adjusted EBITDA of \$33 million to \$39 million.

Conference Call, Webcast Information, and Presentations

LifeStance will hold a conference call today, August 7, 2025 at 8:30 a.m. Eastern Time to discuss the second quarter 2025 results. Investors who wish to participate in the call should dial 1-800-715-9871, domestically, or 1-646-307-1963, internationally, approximately 10 minutes before the call begins and provide conference ID number 1294873 or ask to be joined into the LifeStance call. A real-time audio webcast can be accessed via the Events and Presentations section of the LifeStance Investor Relations website (<https://investor.lifestance.com>), where related materials will be posted prior to the conference call.

About LifeStance Health Group, Inc.

Founded in 2017, LifeStance (Nasdaq: LFST) is reimagining mental health. We are one of the nation's largest providers of virtual and in-person outpatient mental healthcare for children, adolescents and adults experiencing a variety of mental health conditions. Our mission is to help people lead healthier, more fulfilling lives by improving access to trusted, affordable, and personalized mental healthcare. LifeStance and its supported practices employ approximately 7,700 psychiatrists, advanced practice nurses, psychologists and therapists and operates across 33 states and more than 550 centers. To learn more, please visit www.LifeStance.com.

We routinely post information that may be important to investors on the "Investor Relations" section of our website at investor.lifestance.com. We encourage investors and potential investors to consult our website regularly for important information about us.

Forward-Looking Statements

Statements in this press release and on the related teleconference that express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements. These statements include, but are not limited to, statements with respect to: full year and third quarter guidance and management's related assumptions; business plans and objectives; and other statements contained in this press release that are not historical facts. When used in this press release and on the related teleconference, words such as "may," "will," "should," "could," "intend," "potential," "continue," "anticipate," "believe," "estimate," "expect," "plan," "target," "predict," "project," "seek" and similar expressions as they relate to us are intended to identify forward-looking statements. They involve a number of risks and uncertainties that may cause actual events and results to differ materially from such forward-looking statements. These risks and uncertainties include, but are not limited to: if reimbursement rates paid by third-party payors are reduced or if third-party payors otherwise restrain our ability to obtain or deliver care to patients, our business could be materially harmed; we may not grow at the rates we historically have achieved or at all, even if our key metrics may imply future growth, including if we are unable to successfully execute on our growth initiatives and business strategies; if we fail to manage our growth effectively, our expenses could increase more than expected, our revenue may not increase proportionally or at all, and we may be unable to execute on our business strategy; our ability to recruit new clinicians and retain existing clinicians; we conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations or experience adverse publicity, which could have a material adverse effect on our business, results of operations and financial condition; we are dependent on our relationships with supported practices, which we do not own, to provide healthcare services, and our business would be harmed if those relationships were disrupted or if our arrangements with these entities became subject to legal challenges; we operate in a competitive industry, and if we are not able to compete effectively, our business and financial performance would be harmed; the impact on us of healthcare reform legislation and other changes in the healthcare industry and in healthcare spending is currently unknown, but may harm our business; if our or our vendors' security measures fail or are breached and unauthorized access to our employees', patients' or partners' data is obtained, our systems may be perceived as insecure, we may incur significant liabilities, including through private litigation or regulatory action, our reputation may be harmed, and we could lose patients and partners; our business depends on our ability to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems; our existing indebtedness could adversely affect our business and growth prospects; and other risks and uncertainties set forth under "Risk Factors" included in the reports we have filed or will file with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2024 and subsequent filings made with the Securities and Exchange Commission. LifeStance does not undertake to update any forward-looking statements made in this press release to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based, except as otherwise required by law.

Non-GAAP Financial Information

This press release contains certain non-GAAP financial measures, including Center Margin, Adjusted EBITDA, and Adjusted EBITDA margin. Tables showing the reconciliation of these non-GAAP financial measures to the comparable GAAP measures are included at the end of this release. Management believes these non-GAAP financial measures are useful in evaluating the Company's operating performance, and may be helpful to securities analysts, institutional investors and other interested parties in understanding the Company's operating performance and prospects. This press release also refers to Free Cash Flow, which is calculated as net cash provided by operating activities less purchases of property and equipment. Management believes Free Cash Flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash generated from our operations that, after investments in property and equipment, can be used for future growth. These non-GAAP financial measures, as calculated, may not be comparable to companies in other industries or within the same industry with similarly titled measures of performance. Therefore, the Company's non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP, such as net loss or loss from operations.

Center Margin and Adjusted EBITDA anticipated for the third quarter of 2025 and full year 2025 are calculated in a manner consistent with the historical presentation of these measures at the end of this release. Reconciliation for the forward-looking third quarter of 2025 and full year 2025 Center Margin, Adjusted EBITDA guidance and Free Cash Flow is not being provided, as LifeStance does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation. As such, LifeStance management cannot estimate on a forward-looking basis without unreasonable effort the impact these variables and individual adjustments will have on its reported results.

Management acknowledges that there are many items that impact a company's reported results and the adjustments reflected in these non-GAAP measures are not intended to present all items that may have impacted these results.

CONSOLIDATED BALANCE SHEETS
(unaudited)
(In thousands, except for par value)

	June 30, 2025	December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 188,929	\$ 154,571
Patient accounts receivable, net	129,484	131,802
Prepaid expenses and other current assets	40,436	26,137
Total current assets	358,849	312,510
NONCURRENT ASSETS		
Property and equipment, net	160,615	166,041
Right-of-use assets	143,150	147,878
Intangible assets, net	183,966	190,799
Goodwill	1,293,346	1,293,346
Other noncurrent assets	6,878	7,724
Total noncurrent assets	1,787,955	1,805,788
Total assets	\$ 2,146,804	\$ 2,118,298
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 7,792	\$ 7,242
Accrued payroll expenses	129,187	117,461
Other accrued expenses	46,948	46,942
Operating lease liabilities, current	47,085	49,449
Other current liabilities	11,273	7,792
Total current liabilities	242,285	228,886
NONCURRENT LIABILITIES		
Long-term debt, net	272,856	279,790
Operating lease liabilities, noncurrent	143,431	148,699
Deferred tax liability, net	14,129	14,329
Other noncurrent liabilities	182	309
Total noncurrent liabilities	430,598	443,127
Total liabilities	\$ 672,883	\$ 672,013
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock – par value \$0.01 per share; 25,000 shares authorized as of June 30, 2025 and December 31, 2024; 0 shares issued and outstanding as of June 30, 2025 and December 31, 2024	—	—
Common stock – par value \$0.01 per share; 800,000 shares authorized as of June 30, 2025 and December 31, 2024; 389,077 and 382,735 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	3,891	3,827
Additional paid-in capital	2,291,056	2,259,818
Accumulated other comprehensive income	345	929
Accumulated deficit	(821,371)	(818,289)
Total stockholders' equity	1,473,921	1,446,285
Total liabilities and stockholders' equity	\$ 2,146,804	\$ 2,118,298

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
TOTAL REVENUE	\$ 345,311	\$ 312,331	\$ 678,281	\$ 612,768
OPERATING EXPENSES				
Center costs, excluding depreciation and amortization shown separately below	236,880	214,525	460,059	420,236
General and administrative expenses	97,375	95,153	191,806	184,087

Depreciation and amortization	14,006	18,600	27,762	41,164
Total operating expenses	<u>\$ 348,261</u>	<u>\$ 328,278</u>	<u>\$ 679,627</u>	<u>\$ 645,487</u>
LOSS FROM OPERATIONS	<u>\$ (2,950)</u>	<u>\$ (15,947)</u>	<u>\$ (1,346)</u>	<u>\$ (32,719)</u>
OTHER EXPENSE				
(Loss) gain on remeasurement of contingent consideration	—	(55)	—	1,960
Transaction costs	—	(792)	—	(792)
Interest expense, net	(2,900)	(5,823)	(5,973)	(11,726)
Other expense	(92)	(4)	(93)	(78)
Total other expense	<u>\$ (2,992)</u>	<u>\$ (6,674)</u>	<u>\$ (6,066)</u>	<u>\$ (10,636)</u>
LOSS BEFORE INCOME TAXES	(5,942)	(22,621)	(7,412)	(43,355)
INCOME TAX BENEFIT (PROVISION)	2,151	(656)	4,330	(1,019)
NET LOSS	<u>\$ (3,791)</u>	<u>\$ (23,277)</u>	<u>\$ (3,082)</u>	<u>\$ (44,374)</u>
LOSS PER SHARE				
Basic	<u>(0.01)</u>	<u>(0.06)</u>	<u>(0.01)</u>	<u>(0.12)</u>
Diluted	<u>(0.01)</u>	<u>(0.06)</u>	<u>(0.01)</u>	<u>(0.12)</u>
Weighted-average shares outstanding				
Basic	<u>386,733</u>	<u>379,427</u>	<u>385,015</u>	<u>377,880</u>
Diluted	<u>386,733</u>	<u>379,427</u>	<u>385,015</u>	<u>377,880</u>
NET LOSS	<u>\$ (3,791)</u>	<u>\$ (23,277)</u>	<u>\$ (3,082)</u>	<u>\$ (44,374)</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Unrealized (losses) gains on cash flow hedge, net of tax	(267)	(243)	(584)	340
COMPREHENSIVE LOSS	<u>\$ (4,058)</u>	<u>\$ (23,520)</u>	<u>\$ (3,666)</u>	<u>\$ (44,034)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(In thousands)

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (3,082)	\$ (44,374)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	27,762	41,164
Non-cash operating lease costs	20,669	19,476
Stock-based compensation	39,700	45,131
Amortization of discount and debt issue costs	506	844
Gain on remeasurement of contingent consideration	—	(1,960)
Other, net	753	191
Change in operating assets and liabilities, net of businesses acquired:		
Patient accounts receivable, net	2,318	(41,815)
Prepaid expenses and other current assets	(15,179)	(2,762)
Accounts payable	(277)	3,208
Accrued payroll expenses	11,725	20,100
Operating lease liabilities	(23,498)	(22,082)
Other accrued expenses	(93)	5,101
Net cash provided by operating activities	<u>\$ 61,304</u>	<u>\$ 22,222</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(14,923)	(10,214)
Net cash used in investing activities	<u>\$ (14,923)</u>	<u>\$ (10,214)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of long-term debt	(3,625)	(1,463)
Payments of contingent consideration	—	(2,400)
Taxes related to net share settlement of equity awards	(8,398)	—
Net cash used in financing activities	<u>\$ (12,023)</u>	<u>\$ (3,863)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS		34,358	8,145
Cash and Cash Equivalents - Beginning of period		154,571	78,824
CASH AND CASH EQUIVALENTS – END OF PERIOD		<u>\$ 188,929</u>	<u>\$ 86,969</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for interest, net	\$	8,753	\$ 12,626
Cash paid for taxes, net of refunds	\$	1,459	\$ (154)
SUPPLEMENTAL DISCLOSURES OF NON CASH INVESTING AND FINANCING ACTIVITIES			
Acquisition of property and equipment included in liabilities	\$	2,286	\$ 1,726

RECONCILIATION OF LOSS FROM OPERATIONS TO CENTER MARGIN

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Loss from operations	\$ (2,950)	\$ (15,947)	\$ (1,346)	\$ (32,719)
Adjusted for:				
Depreciation and amortization	14,006	18,600	27,762	41,164
General and administrative expenses ⁽¹⁾	97,375	95,153	191,806	184,087
Center Margin	\$ 108,431	\$ 97,806	\$ 218,222	\$ 192,532

(1) Represents salaries, wages and employee benefits for our executive leadership, finance, human resources, marketing, billing and credentialing support and technology infrastructure and stock-based compensation for all employees.

RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Net loss	\$ (3,791)	\$ (23,277)	\$ (3,082)	\$ (44,374)
Adjusted for:				
Interest expense, net	2,900	5,823	5,973	11,726
Depreciation and amortization	14,006	18,600	27,762	41,164
Income tax (benefit) provision	(2,151)	656	(4,330)	1,019
Loss (gain) on remeasurement of contingent consideration	—	55	—	(1,960)
Stock-based compensation expense	21,116	24,550	39,700	45,131
Loss on disposal of assets	92	4	93	78
Transaction costs ⁽¹⁾	—	792	—	792
Executive transition costs	534	560	719	591
Litigation costs ⁽²⁾	953	292	1,158	829
Strategic initiatives ⁽³⁾	—	407	—	1,158
Real estate optimization and restructuring charges ⁽⁴⁾	(52)	(103)	(97)	(250)
Amortization of cloud-based software implementation costs ⁽⁵⁾	398	169	755	180
Other expenses ⁽⁶⁾	—	77	—	172
Adjusted EBITDA	\$ 34,005	\$ 28,605	\$ 68,651	\$ 56,256

(1) Primarily includes capital markets advisory, consulting, accounting and legal expenses related to our underwritten public offering completed in the second quarter of 2024.

(2) Litigation costs include only those costs which are considered non-recurring and outside of the ordinary course of business based on the following considerations, which we assess regularly: (i) the frequency of similar cases that have been brought to date, or are expected to be brought within two years, (ii) the complexity of the case (e.g., complex class action litigation), (iii) the nature of the remedy(ies) sought, including the size of any monetary damages sought, (iv) the counterparty involved, and (v) our overall litigation strategy. During each of the three and six months ended June 30, 2025 and 2024, litigation costs included cash expenses related to distinct litigation matters, including a privacy class action litigation and a compensation model class action litigation, and for the three and six months ended June 30, 2024, a securities class action litigation.

(3) Strategic initiatives consist of expenses directly related to a multi-phase system upgrade in connection with our recent and significant expansion. During the three and six months ended June 30, 2024, we continued a process of evaluating and adopting critical enterprise-wide systems for (i) human resources management and (ii) clinician credentialing and onboarding process. Strategic initiatives represents costs, such as third-party

consulting costs and one-time costs, that are not part of our ongoing operations related to these enterprise-wide systems. We considered the frequency and scale of this multi-part enterprise upgrade when determining that the expenses were not normal, recurring operating expenses.

(4) Real estate optimization and restructuring charges consist of cash expenses and non-cash charges related to our real estate optimization initiative, which included certain asset impairment and disposal costs, certain gains and losses related to early lease terminations, and exit and disposal costs related to our real estate optimization initiative to consolidate our physical footprint during 2023. As the decision to close these centers was part of a significant strategic project driven by a historic shift in behavior, the magnitude of center closures was greater than what would be expected as part of ordinary business operations and did not constitute normal recurring operating activities. During the three and six months ended June 30, 2025 and 2024, real estate optimization and restructuring charges consisted of certain gains and losses related to early lease terminations of previously abandoned real estate leases in 2023.

(5) Represents amortization of capitalized implementation costs related to cloud-based software arrangements that are included within general and administrative expenses included in our unaudited consolidated statements of operations and comprehensive loss.

(6) Represents costs incurred pre- and post-center acquisition to integrate operations, including expenses related to conversion of compensation model, legacy system costs and data migration, consulting and legal services, and overtime and temporary labor costs and includes severance expense unrelated to integration services, which are included in our unaudited consolidated statements of operations and comprehensive loss.

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