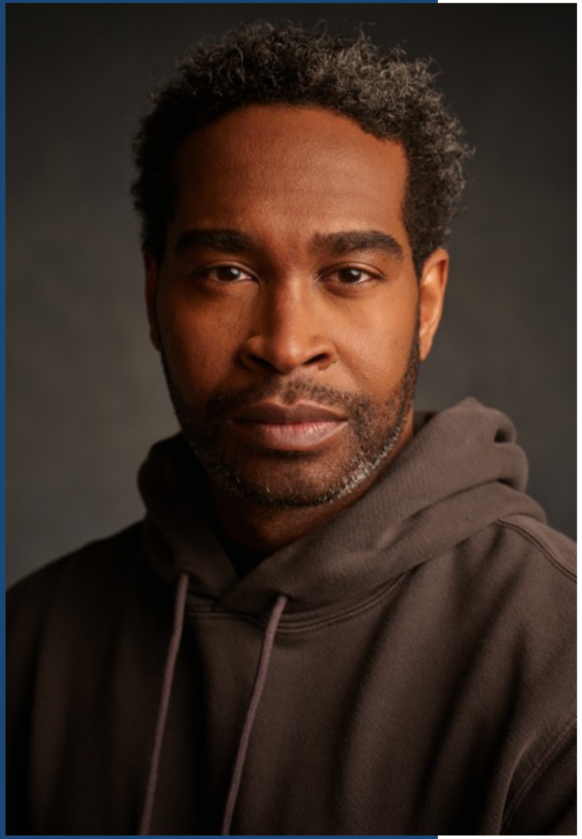
LifeStance HEALTH

Q1 2022 Earnings Presentation

May 9, 2022



Forward-Looking Statements

DISCLAIMERS

Cautionary Note Regarding Forward-Looking Statements

This presentation and related oral statements contain forward-looking statements about LifeStance Health Group, Inc. and its subsidiaries (“LifeStance”) and the industry in which LifeStance operates, including statements regarding full-year and second quarter guidance, future results of operations and financial position of LifeStance, which are subject to known and unknown uncertainties and contingencies outside of LifeStance's control and which are largely based on our current expectations and projections about future events and financial trends that we believe may affect LifeStance's financial condition, results of operations, business strategy, and prospects. LifeStance's actual results, events, or circumstances may differ materially from these statements. Forward-looking statements include all statements that are not historical facts. Words such as “anticipate,” “believe,” “envision,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” “contemplate” and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are subject to a number of risks, uncertainties, factors and assumptions, including, among other things: 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; 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 harmed; 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 affiliated practices, which we do not own, to provide health care 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, results of operations and financial condition would be harmed; the impact of health care reform legislation and other changes in the healthcare industry and in health care spending on us 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 the other factors set forth in our filings with the Securities and Exchange Commission. The forward-looking statements, together with statements relating to our past performance, should not be regarded as a reliable indicator of our future performance. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as may be required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future mergers, dispositions, joint ventures, or investments.

Use of Non-GAAP Financial Measures

In addition to financial measures presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes certain non-GAAP financial measures, including Center Margin and Adjusted EBITDA. These non-GAAP measures are in addition to, and not a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by LifeStance may differ from the non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable U.S. GAAP measure is included in the Appendix to these slides or as otherwise described in these slides.

Market and Industry Data

This presentation also contains information regarding our market and industry that is derived from third-party research and publications. This information involves a number of assumptions and limitations. Forecasts, assumptions, expectations, beliefs, estimates and projections involve risk and uncertainties and are subject to change based on various factors.

LifeStance at a Glance*

Mission-driven

Increasing access to personalized, trusted and affordable mental healthcare

Building the Nation's Leading Outpatient Mental Health Platform

$727M | TTM revenues[1]

4,989 | Clinicians

32 | States

500+ | Centers

10+ | Integrated care programs

Hybrid | Virtual and in-person care model

*Note: Unless otherwise stated, data is as of March 31, 2021; [1]Trailing twelve months

Q1 Financial Highlights

- **Q1 Revenue of $203.1 million increased 42% year-over-year**
- **Q1 Center Margin of $54.2 million**, or 26.7% as a percentage of revenue
- **Q1 Adjusted EBITDA of $12.5 million**, or 6.2% as a percentage of revenue
- Ended Q1 with a **cash position of $114.0 million**

Note: See reconciliation of GAAP to non-GAAP measures in the Appendix to this presentation.

Q1 2022 Strategy & Key Developments

- **Total clinicians of 4,989, +51% Y/Y**; 199 net clinician adds in Q1
- **Completed 2 acquisitions in Q1,** bringing the total since inception to 79
- **Opened 41 de novo centers in Q1** to support the company's differentiated hybrid model offering both in-person and virtual care
- **Continued to deploy proprietary online booking and intake experience ("OBIE")** across the country, which is now live in 7 states
- **Entered into a new credit facility in early May**, which will repay our existing net long-term debt at a more favorable cost of debt than the existing credit facility and provide access to incremental debt capital to fund growth through up to $100 million in delayed draw loans and $50 million in revolving loans at close (undrawn at close)
- **Awarded grants through the LifeStance Health Foundation to non-profits that directly serve youth and adolescent populations**, including the American Foundation for Suicide Prevention, to improve access for youth and further support the destigmatization of mental health

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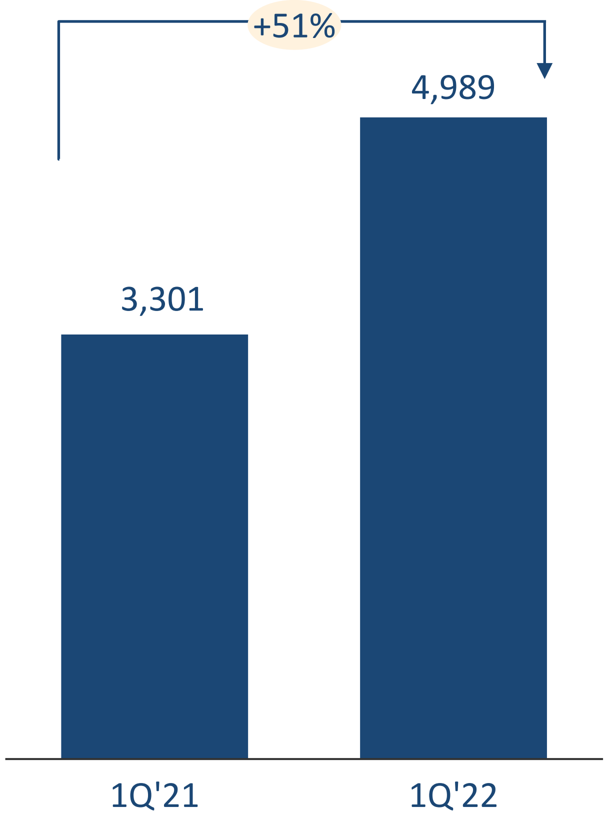
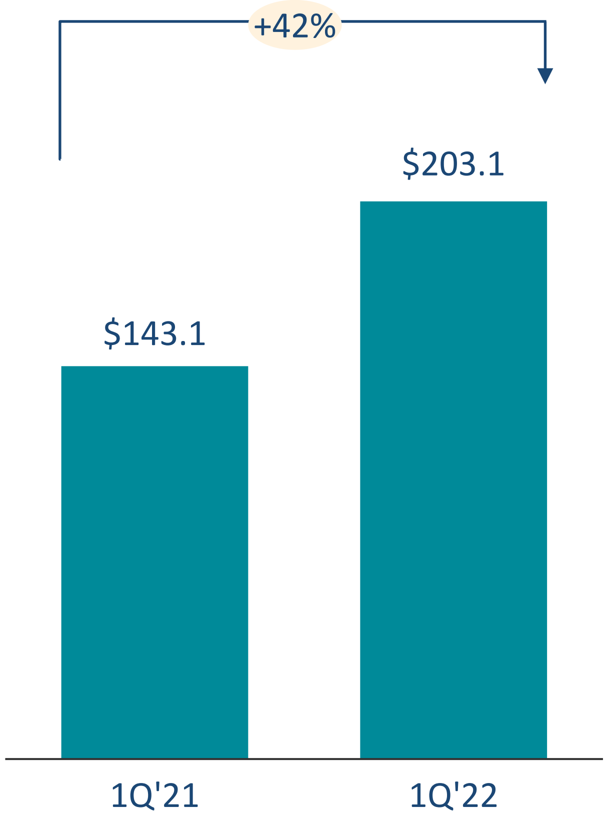
Q1 2022 Results

Clinicians



Revenue (in $M)



Center Margin (in $M)

Center Margin (% of total revenue)

1Q'21	1Q'22
30.7%	26.7%

Adjusted EBITDA (in $M)

Adj. EBITDA (% of total revenue)

1Q'21	1Q'22
8.8%	6.2%

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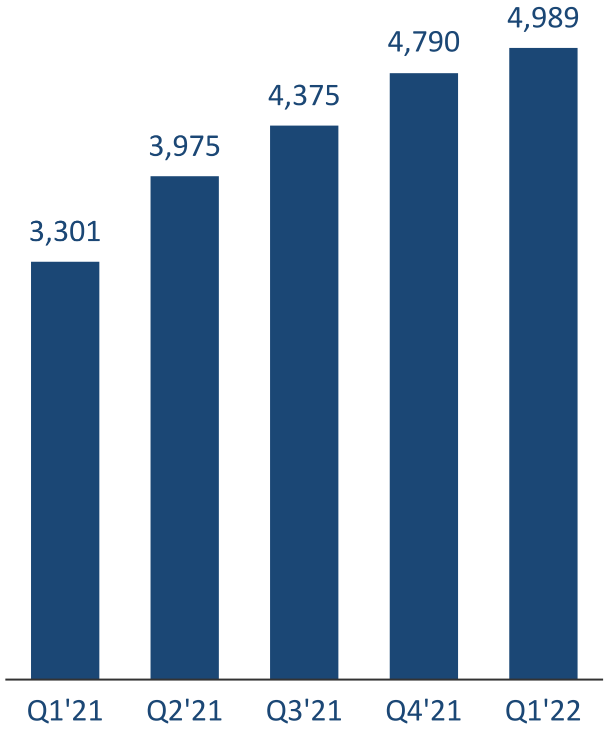
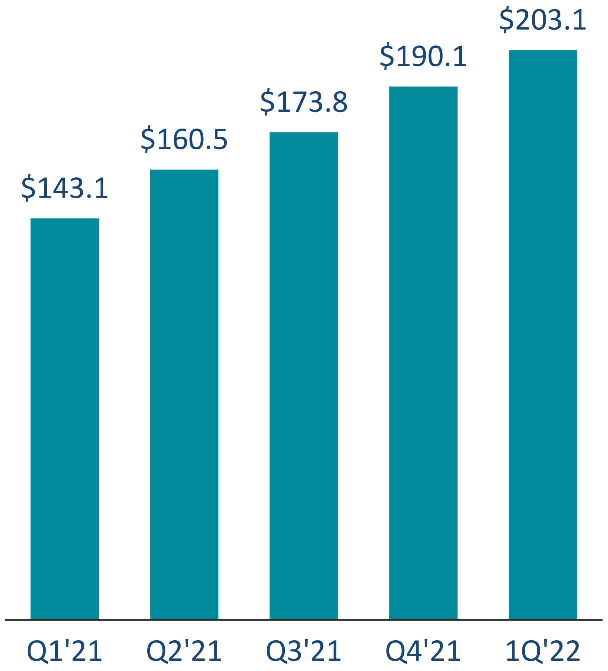
Note: See reconciliation of GAAP to non-GAAP measures in the Appendix to this presentation.

Quarterly Trends

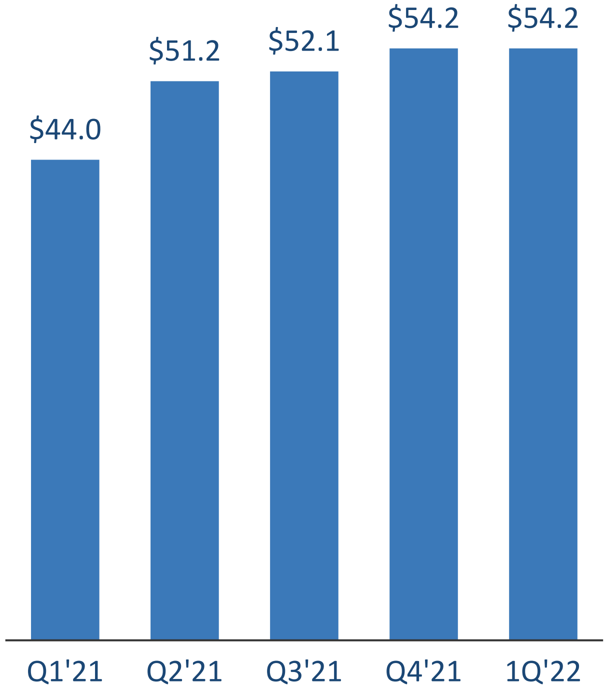
Clinicians



Revenue (in $M)



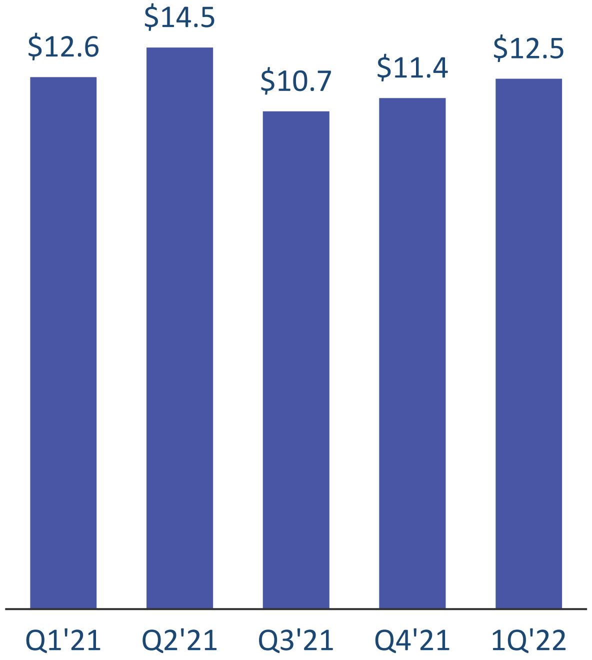
Center Margin (in $M)



Center Margin (% of total revenue)

30.7%	31.9%	29.9%	28.5%	26.7%

Adjusted EBITDA (in $M)



Adj. EBITDA (% of total revenue)

8.8%	9.1%	6.2%	6.0%	6.2%

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Note: See reconciliation of GAAP to non-GAAP measures in the Appendix to this presentation.

Balance Sheet, Cash Flow & Capital Allocation

Balance Sheet & Cash Flow

$114M
Cash and Cash Equivalents

$177M
Net Long-term Debt

$3M
Operating Cash Flow (Q1)

$28M
Capital Expenditures (Q1)

Capital Allocation

De Novos

Highly efficient model with predictable profitability

267 de novos opened since inception, including **41** in Q1

Acquisitions

Disciplined investments to drive growth

79 acquisitions since inception, including **2** in Q1

Continue to deploy capital in a disciplined manner to grow our clinician base and expand our footprint

2022 Guidance

(All $ in M)	FY 2022		Q2 2022
Revenue	$865 – $885	• Unchanged	$209 – $214
Center Margin	$240 – $255	• Unchanged	$57 – $61
Adj. EBITDA	$63 – $67	• Unchanged	$12 – $15

Planning Assumptions

- Assumes **80 to 90 de novo center openings**, weighted heavily toward the first half of the year
- Assumes **M&A spend of $50M to $70M**
- Assumes no further COVID-related impacts or changes in the labor market environment

Note: Center Margin and Adjusted EBITDA anticipated for second quarter of 2022 and full year 2022 are calculated in a manner consistent with the historical presentation of these measures in the Appendix to this presentation. Reconciliation for the forward-looking second quarter of 2022 and full year 2022 Center Margin and Adjusted EBITDA guidance is not being provided, as LifeStance does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation. 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.

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Appendix

Quarterly Statements of Operations

($M)	2022	2021			
	Q1	Q4	Q3	Q2	Q1
Total Revenues	**$203.1**	**$190.1**	**$173.8**	**$160.5**	**$143.1**
Operating expenses					
Center costs, excluding depreciation and amortization	148.9	135.8	121.8	109.3	99.1
General and administrative	103.4	152.7	162.9	85.5	32.7
Depreciation and amortization	15.7	15.4	13.8	12.8	12.2
Loss from operations	**(64.9)**	**(113.8)**	**(124.7)**	**(47.0)**	**(0.9)**
Other income (expense)					
Loss on remeasurement of contingent consideration	(0.4)	(1.1)	(0.9)	(0.3)	(0.3)
Transaction costs	(0.3)	(0.1)	(0.1)	(2.0)	(1.5)
Interest expense	(3.4)	(3.6)	(3.5)	(23.2)	(8.6)
Other expense	-	(0.0)	-	(1.4)	(0.1)
Total other expense	(4.2)	(4.9)	(4.5)	(26.8)	(10.6)
Loss before taxes	**(69.0)**	**(118.6)**	**(129.2)**	**(73.8)**	**(11.4)**
Income tax benefit	6.7	10.6	8.8	3.8	2.8
Net loss	**($62.3)**	**($108.0)**	**($120.5)**	**($70.0)**	**($8.7)**

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

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GAAP to Non-GAAP Reconciliations – Center Margin

($M)	2022	2021			
	Q1	Q4	Q3	Q2	Q1
Loss from operations	**($64.9)**	**($113.8)**	**($124.7)**	**($47.0)**	**($0.9)**
Adjusted for:					
Depreciation and amortization	15.7	15.4	13.8	12.8	12.2
General and administrative (1)	103.4	152.7	162.9	85.5	32.7
Center Margin	**$54.2**	**$54.2**	**$52.1**	**$51.2**	**$44.0**

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

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

GAAP to Non-GAAP Reconciliations – Adjusted EBITDA

	2022	2021			
($M)	Q1	Q4	Q3	Q2	Q1
Net loss	**($62.3)**	**($108.0)**	**($120.5)**	**($70.0)**	**($8.7)**
Adjusted for:					
Interest expense	3.4	3.6	3.5	23.2	8.6
Depreciation and amortization	15.7	15.4	13.8	12.8	12.2
Income tax benefit	(6.7)	(10.6)	(8.8)	(3.8)	(2.8)
Loss on remeasurement of contingent consideration	0.4	1.1	0.9	0.3	0.3
Stock and unit-based compensation	59.9	108.6	120.7	29.5	0.6
Management fees (1)	-	-	-	1.4	0.1
Loss on disposal of assets	-	0.0	-	-	-
Transaction costs (2)	0.3	0.1	0.1	2.0	1.5
Offering related costs (3)	-	-	-	8.7	-
Endowment to the LifeStance Health Foundation	-	-	-	10.0	-
Other expenses (4)	1.8	1.1	0.9	0.5	0.6
Adjusted EBITDA	**$12.5**	**$11.4**	**$10.7**	**$14.5**	**$12.6**

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

1 - Represents management fees paid to certain of our executive officers and affiliates of our principal stockholders pursuant to the management services agreement entered into in connection with the acquisition of LifeStance by affiliates of TPG Inc.(the "TPG Acquisition"). During the year ended December 31, 2021, the management services agreement terminated in connection with the IPO and we were required to pay a one-time fee of $1.2 million to such parties.
2 - Primarily includes capital markets advisory, consulting, accounting and legal expenses related to our acquisitions.
3 - Primarily includes non-recurring incremental professional services, such as accounting and legal, and directors' and officers' insurance incurred in connection with the IPO.
4 - Primarily includes costs incurred to consummate or integrate acquired centers, certain of which are wholly-owned and certain of which are affiliated practices, in addition to the compensation paid to former owners of acquired centers and related expenses that are not reflective of the ongoing operating expenses of our centers. Acquired center integration and other are components of general and administrative expenses included in our consolidated statements operations. Former owner fees are components of center costs, excluding depreciation and amortization included in our consolidated statements of operations.

Quarterly Non-GAAP Financial Metrics

($M)	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Key Metrics					
Clinicians	**4,989**	**4,790**	**4,375**	**3,975**	**3,301**
Total Revenues	**$203.1**	**$190.1**	**$173.8**	**$160.5**	**$143.1**
Center costs	148.9	135.8	121.8	109.3	99.1
Center Margin (Non-GAAP)	**$54.2**	**$54.2**	**$52.1**	**$51.2**	**$44.0**
% Margin	26.7%	28.5%	*29.9%*	*31.9%*	*30.7%*
General and administrative	103.4	152.7	162.9	85.5	32.7
Depreciation and amortization	15.7	15.4	13.8	12.8	12.2
Loss from operations	**(64.9)**	**(113.8)**	**(124.7)**	**(47.0)**	**(0.9)**
Other income (expenses)					
Other income (expenses)	2.5	5.7	4.2	(23.0)	(7.8)
Net loss	**($62.3)**	**($108.0)**	**($120.5)**	**($70.0)**	**($8.7)**
Adjusted EBITDA build					
Net loss	(62.3)	(108.0)	(120.5)	(70.0)	(8.7)
Interest expense	3.4	3.6	3.5	23.2	8.6
Depreciation and amortization	15.7	15.4	13.8	12.8	12.2
Income tax benefit	(6.7)	(10.6)	(8.8)	(3.8)	(2.8)
Loss on remeasurement of contingent consideration	0.4	1.1	0.9	0.3	0.3
Stock and unit-based compensation	59.9	108.6	120.7	29.5	0.6
Management fees	-	-	-	1.4	0.1
Loss on disposal of assets	-	0.0	-	-	-
Transaction costs	0.3	0.1	0.1	2.0	1.5
Offering related costs	-	-	-	8.7	-
Endowment to the LifeStance Health Foundation	-	-	-	10.0	-
Other expenses	1.8	1.1	0.9	0.5	0.6
Adjusted EBITDA (Non-GAAP)	**$12.5**	**$11.4**	**$10.7**	**$14.5**	**$12.6**
% Margin	6.2%	6.0%	*6.2%*	*9.1%*	*8.8%*

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

Quarterly Balance Sheets

($M)	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Cash and cash equivalents	114.0	148.0	212.1	276.2	39.5
Patient accounts receivable	95.0	76.1	70.1	60.1	47.8
Prepaid expenses and other current assets	54.3	42.4	46.1	27.8	22.3
Total current assets	**263.3**	**266.5**	**328.3**	**364.1**	**109.6**
Property and equipment, net	170.9	152.2	115.1	91.8	70.8
Intangible assets, net	291.2	300.4	308.0	316.5	323.3
Goodwill	1,229.3	1,204.5	1,160.0	1,138.7	1,099.7
Deposits	3.7	3.5	3.4	3.3	2.9
Total noncurrent assets	**1,695.1**	**1,660.6**	**1,586.4**	**1,550.4**	**1,496.7**
Total assets	**$1,958.4**	**$1,927.1**	**$1,914.8**	**$1,914.4**	**$1,606.3**
Accounts payable	15.1	14.2	3.1	10.0	5.9
Accrued payroll expenses	73.2	60.0	57.6	50.4	45.4
Other accrued expenses	21.8	26.5	28.3	38.8	25.7
Current portion of contingent consideration	13.5	14.1	14.0	10.9	14.9
Other current liabilities	2.0	2.0	2.2	2.6	4.9
Total current liabilities	**125.6**	**116.8**	**105.2**	**112.6**	**96.8**
Long-term debt, net	177.4	157.4	157.5	157.1	387.3
Other noncurrent liabilities	57.5	50.3	22.9	15.7	14.2
Contingent consideration, net of current portion	1.1	3.3	3.1	3.2	1.1
Deferred tax liability, net	54.3	54.3	81.2	81.2	81.2
Total noncurrent liabilities	**290.3**	**265.3**	**264.7**	**257.2**	**483.8**
Total liabilities	**$415.9**	**$382.1**	**$369.9**	**$369.8**	**$580.5**
Redeemable units	-	-	-	-	**71.8**
Common stock/units	3.7	3.7	3.7	3.7	1,010.5
Additional paid-in capital	1,958.2	1,898.4	1,790.2	1,669.5	2.1
Accumulated deficit	(419.4)	(357.1)	(249.0)	(128.6)	(58.6)
Total stockholders'/members' equity	**1,542.5**	**1,545.0**	**1,544.9**	**1,544.6**	**954.0**
Total liabilities, redeemable units and stockholders'/members' equity	**$1,958.4**	**$1,927.1**	**$1,914.8**	**$1,914.4**	**$1,606.3**

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

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Statements of Cash Flows

($M)	1Q'22	1Q'21	2021 FY
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	**(62.3)**	**(8.7)**	**(307.2)**
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	15.7	12.2	54.1
Stock and unit-based compensation	59.9	0.6	259.4
Deferred income taxes	-	-	(26.9)
Loss on debt extinguishment	-	-	14.4
Amortization of debt issue costs	0.3	0.4	1.8
Loss on remeasurement of contingent consideration	0.4	0.3	2.6
Endowment of shares to LifeStance Health Foundation	-	-	9.0
Change in operating assets and liabilities, net of businesses acquired:			
Patient accounts receivable	(18.1)	(3.1)	(24.2)
Prepaid expenses and other current assets	(12.1)	(8.0)	(29.1)
Accounts payable	1.9	3.0	0.6
Accrued payroll expenses	12.8	7.3	15.3
Other accrued expenses	4.9	5.9	39.6
Net cash provided by operating activities	**$3.3**	**$9.9**	**$9.4**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(27.9)	(11.1)	(94.5)
Acquisitions of businesses, net of cash acquired	(22.9)	(0.8)	(99.6)
Net cash used in investing activities	**($50.9)**	**($11.8)**	**($194.1)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from initial public offering, net of underwriters discounts and commissions and deferred offering costs	-	-	548.9
Payments of deferred offering costs	-	(0.3)	-
Issuance of common units to new investors	-	-	1.0
Proceeds from long-term debt	20.0	26.2	98.8
Payments of debt issue costs	-	(1.0)	(2.4)
Payments of long-term debt	(0.3)	(0.8)	(311.4)
Prepayment for debt paydown	-	-	(8.8)
Payments of contingent consideration	(5.7)	(1.5)	(12.3)
Taxes related to net share settlement of equity awards	(0.4)	-	-
Net cash provided by financing activities	**$13.5**	**$22.6**	**$313.9**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**($34.0)**	**$20.7**	**$129.2**
Cash and Cash Equivalents - Beginning of period	148.0	18.8	18.8
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$114.0**	**$39.5**	**$148.0**

Subtotals in the schedule above may not foot due to rounding. Amounts are unaudited.

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