



# Reimagining Mental Health

INVESTOR PRESENTATION • JANUARY 2023

# 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 third quarter guidance and management’s related assumptions, 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; actual or anticipated changes or fluctuations in our results of operations; 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: Reimagining Mental Healthcare

**OUR MISSION** Increasing access to trusted, affordable, and personalized mental healthcare

**OUR VISION** A truly healthy society where mental and physical healthcare are unified to make lives better

## Building the Leading Outpatient Mental Health Platform



**1**  
**National platform** with unmatched scale



**2**  
**Multidisciplinary clinician model** composed of W-2 employed psychiatrists, APNs, psychologists & therapists



**3**  
**Tech-enabled platform** supporting **hybrid model** of virtual and in-person care



**4**  
**In-network reimbursement** providing affordable access to high-quality care

**5,431**

Clinicians  
24% Y/Y Growth

**\$820M**

Revenue | TTM <sup>(1)</sup>  
38% Y/Y Growth

**\$54M**

Adj. EBITDA | TTM <sup>(1)</sup>

**600+**

Centers  
in 34 States <sup>(2)</sup>

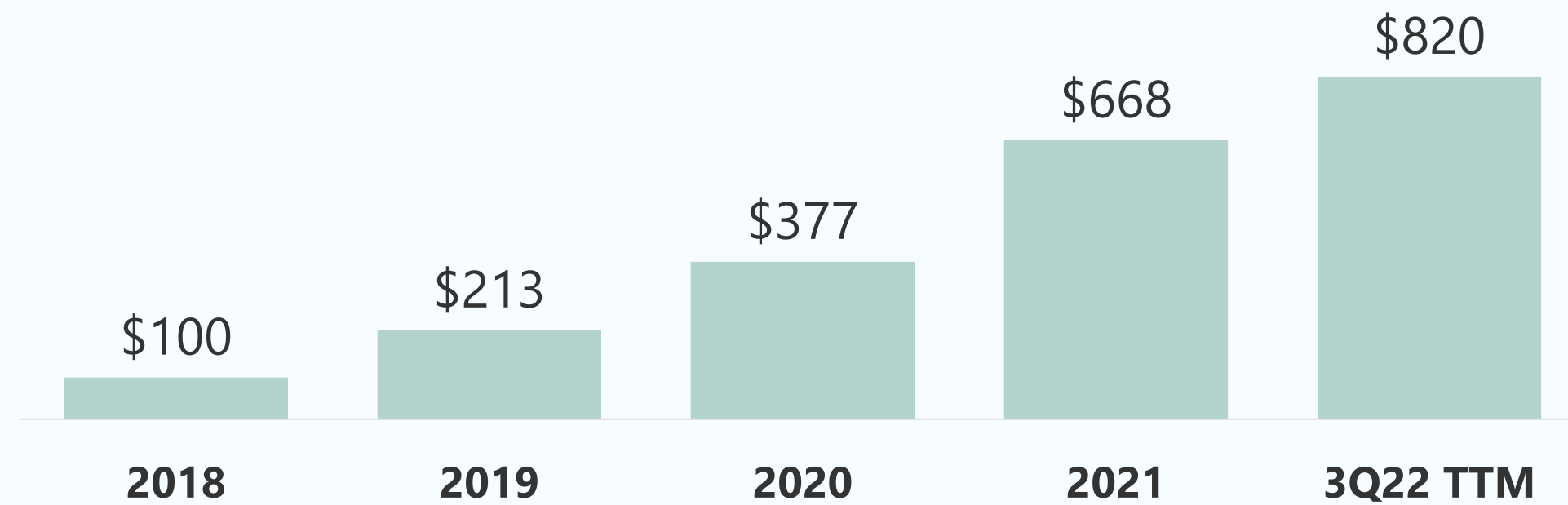
\*Note: Unless otherwise stated, data is as of September 30, 2022;

1. Trailing twelve months as of September 30, 2022

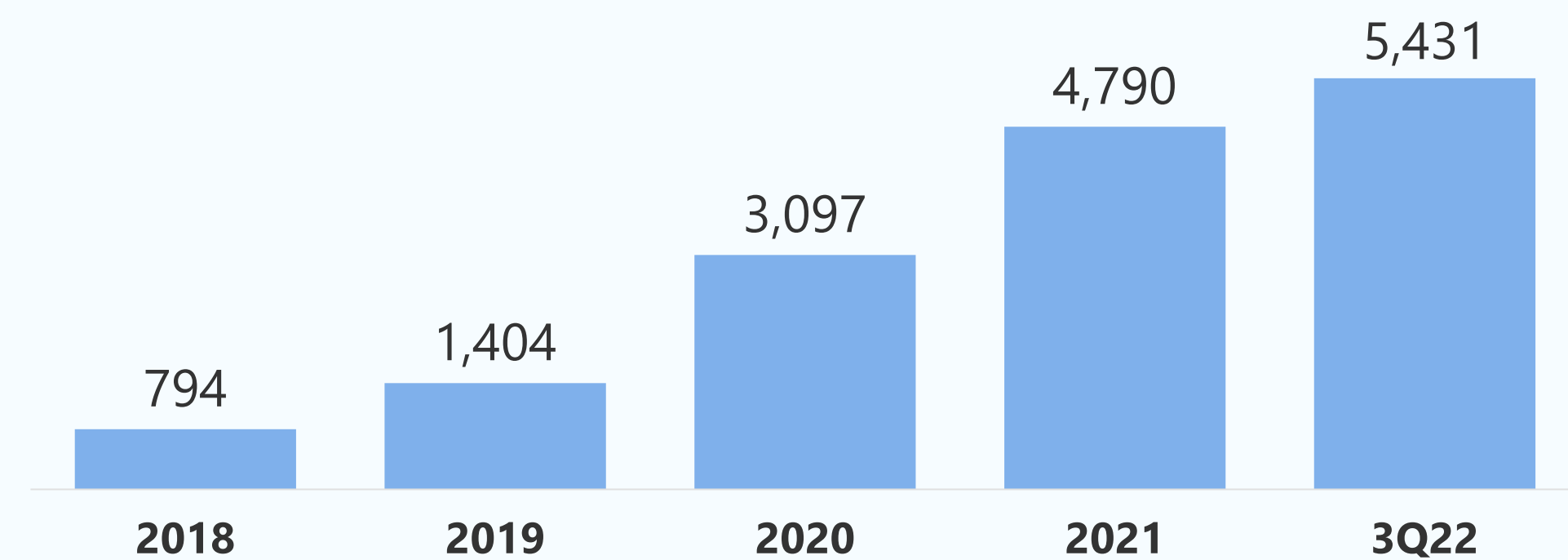
2. State count is as of January 1<sup>st</sup>, 2023

# LifeStance Today: A Scaled National Outpatient Mental Healthcare Provider

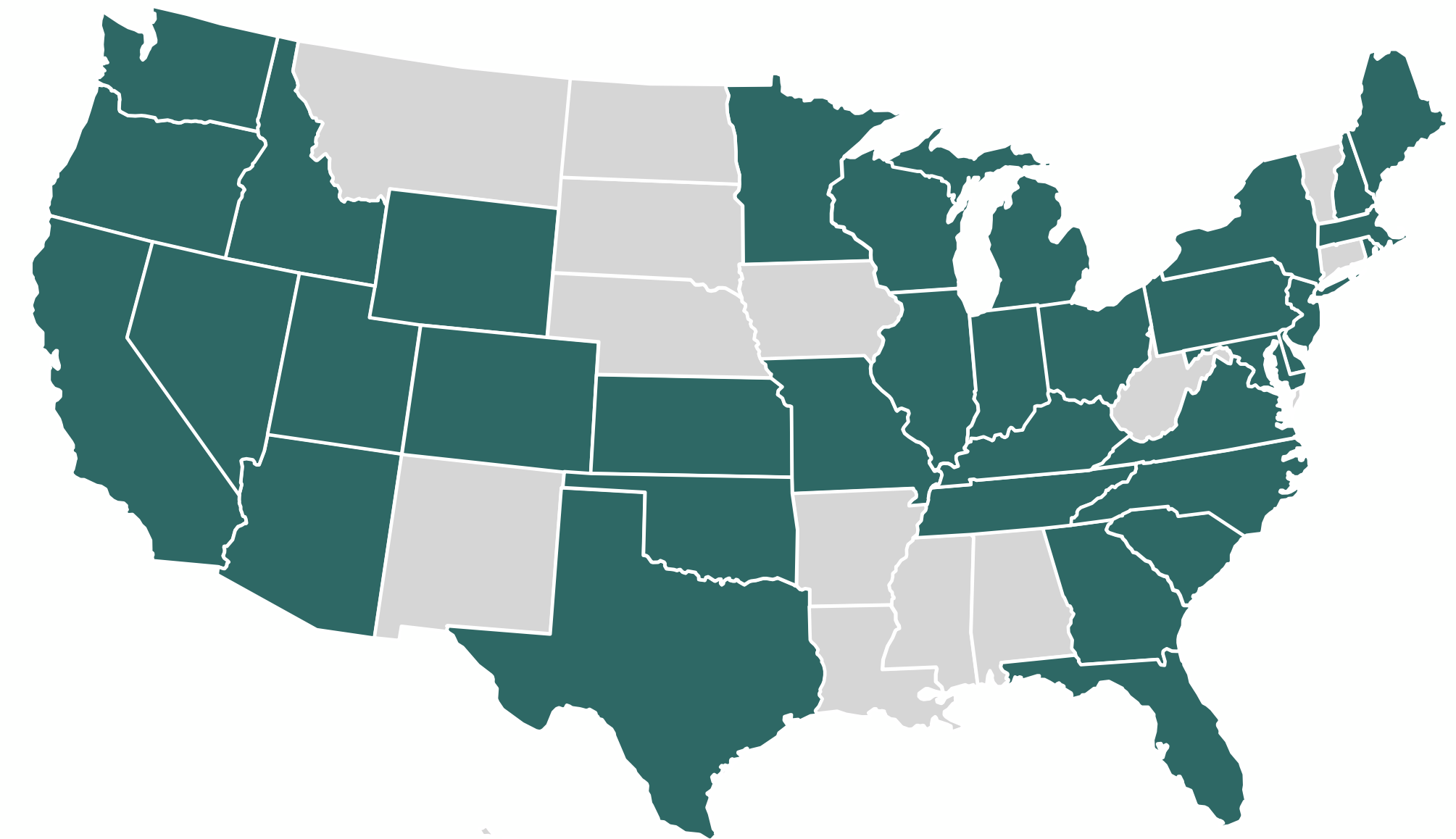
GROWTH OF ANNUAL REVENUE TO >\$820M (3Q22 TTM)



GROWTH OF CLINICIAN BASE TO >5,400 CLINICIANS



~90% of the U.S. Population Has Access to LifeStance



<b>States</b>	<b>34<sup>(1)</sup></b>	<b>MSAs</b>	<b>~150<sup>(1)</sup></b>
<b>Clinicians</b>	<b>&gt;5,400</b>	<b>% of Top 45 MSAs</b>	<b>100%<sup>(1)</sup></b>

\*Note: Unless otherwise stated, data is as of September 30, 2022;  
1. As of January 1<sup>st</sup>, 2023

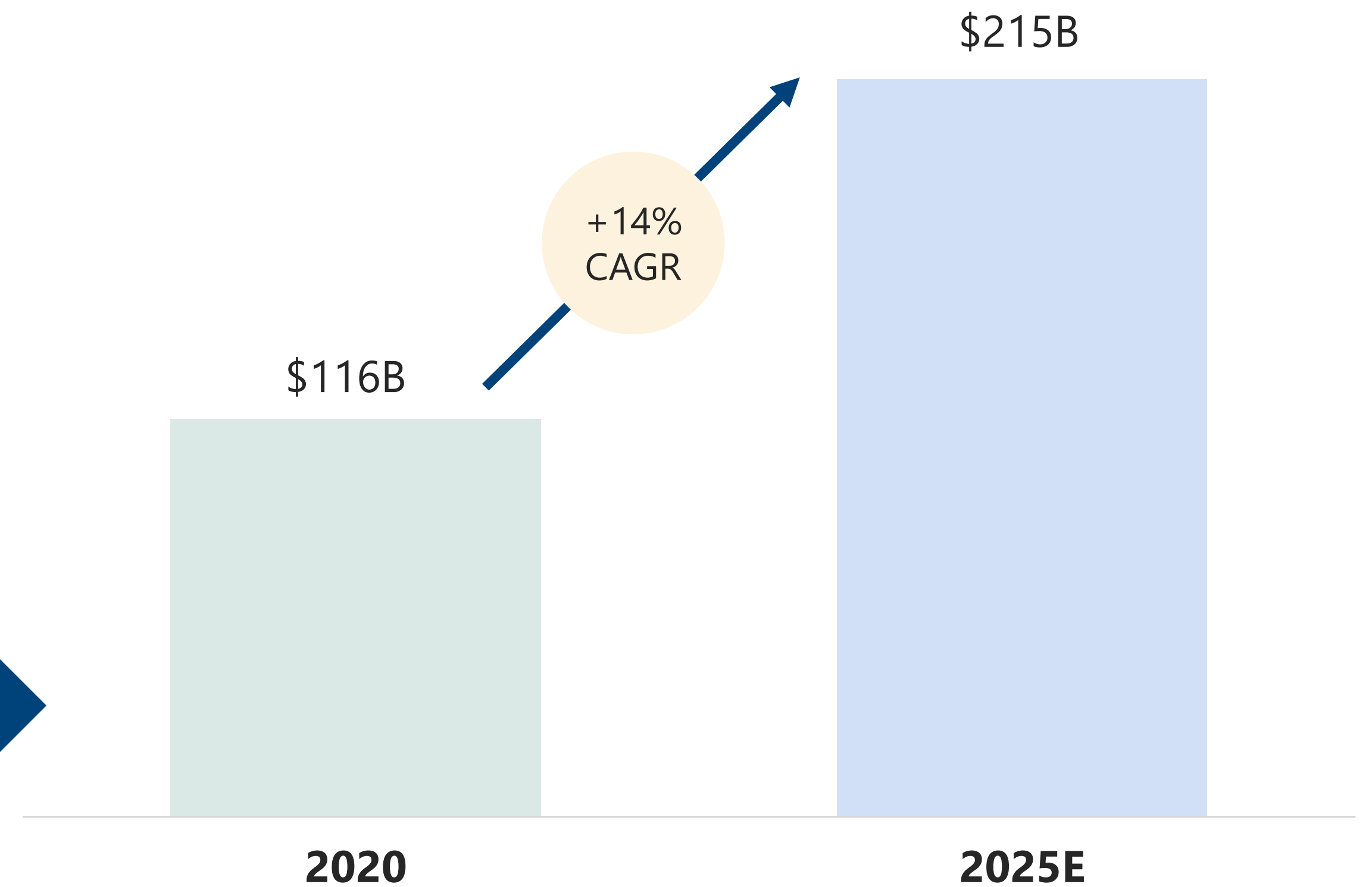
# Massive Market Opportunity Driven by the Unmet Need for Mental Healthcare

 **53M Americans living with mental illness<sup>(1)</sup>**

 **Increased awareness and reduced stigma**

 **Bipartisan regulatory tailwinds**

**LifeStance is uniquely positioned as a scaled player in the highly fragmented mental healthcare market<sup>(2)</sup>**



Notes:  
1. Substance Abuse and Mental Health Services Administration (SAMHSA), 2020 National Survey on Drug Use and Health  
2. Calculation of our total addressable market for outpatient mental healthcare in the U.S. of approximately \$116B reflects our estimate based on data derived from third-party industry reports as well as claims data analysis. Our estimate is calculated based on (i) the estimated spend on outpatient mental healthcare in the U.S. for 2020, plus (ii) the estimated spend on mental health patients in the U.S. who are unserved and underserved, plus (iii) the estimated spend on patients in the U.S. who are unaware that they need treatment but have unmet mental health needs that are otherwise commercially addressable;

# LifeStance Was Founded to Solve these Challenges

1

Lack of Access = Disease Burden from Mental Health Conditions

- Virtual and in-person visits
- Data-driven personalized care

2

Lack of Affordability = Lack of Treatment

- 100% of commercial revenue in-network
- Multiple national payor contracts

3

Lack of Scale and Organization = Clinician Burnout and Turnover

- Culture of clinical collaboration
- Digital tools to facilitate care

4

Lack of Care Coordination = Poor Outcomes and High Costs

- Multidisciplinary team of mental health specialists
- Coordination with primary care referral partners



# CEO Impressions from First 4 Months

*We are well positioned for long-term growth and profitability acceleration beyond 2023*



- ✓ **Uniquely addressing large market** with underfunded mental healthcare and underserved individuals with mental health conditions; opportunity to grow core and expand into adjacencies
- ✓ **Compelling vision** of forming a truly healthy society where mental and physical healthcare are unified to make lives better
- ✓ **Sound business model + strategy** with hybrid, in-person and virtual care platform and multidisciplinary approach
- ✓ **Build scalable infrastructure** to better support clinicians and patients while achieving operating leverage
- ✓ **Focus forward** on execution, profitability and operational excellence to deliver long-term value for all stakeholders

# LifeStance Growth Horizons

*Past: 2017 – Today* ✓<sup>(1)</sup>

★ *Near-Term (1-2 years)*

*Mid-Term (3-5 years)*

## BUILD SCALE

- Establish LifeStance as one of the largest outpatient mental healthcare providers
- 600+ centers in 34 states<sup>(2)</sup>
- 5,400+ clinicians
- 10+ integrated care platforms
- 86 acquisitions

## FORTIFY & GROW OUR CORE

- Fortify the core by shifting to organic growth, standardization, automation and strategic investments
- Expand referral & PCP relationships
- Pilot adjacencies & enterprise partnership model
- Initiate VBC with select partners

## DIFFERENTIATION & OPTIMIZATION

- Drive greater operating leverage and profitability in core business
- Broaden clinical outcomes data and analytics capabilities
- Expand adjacencies and enterprise partnerships
- Expand VBC approach
- Coordinate physical and mental health

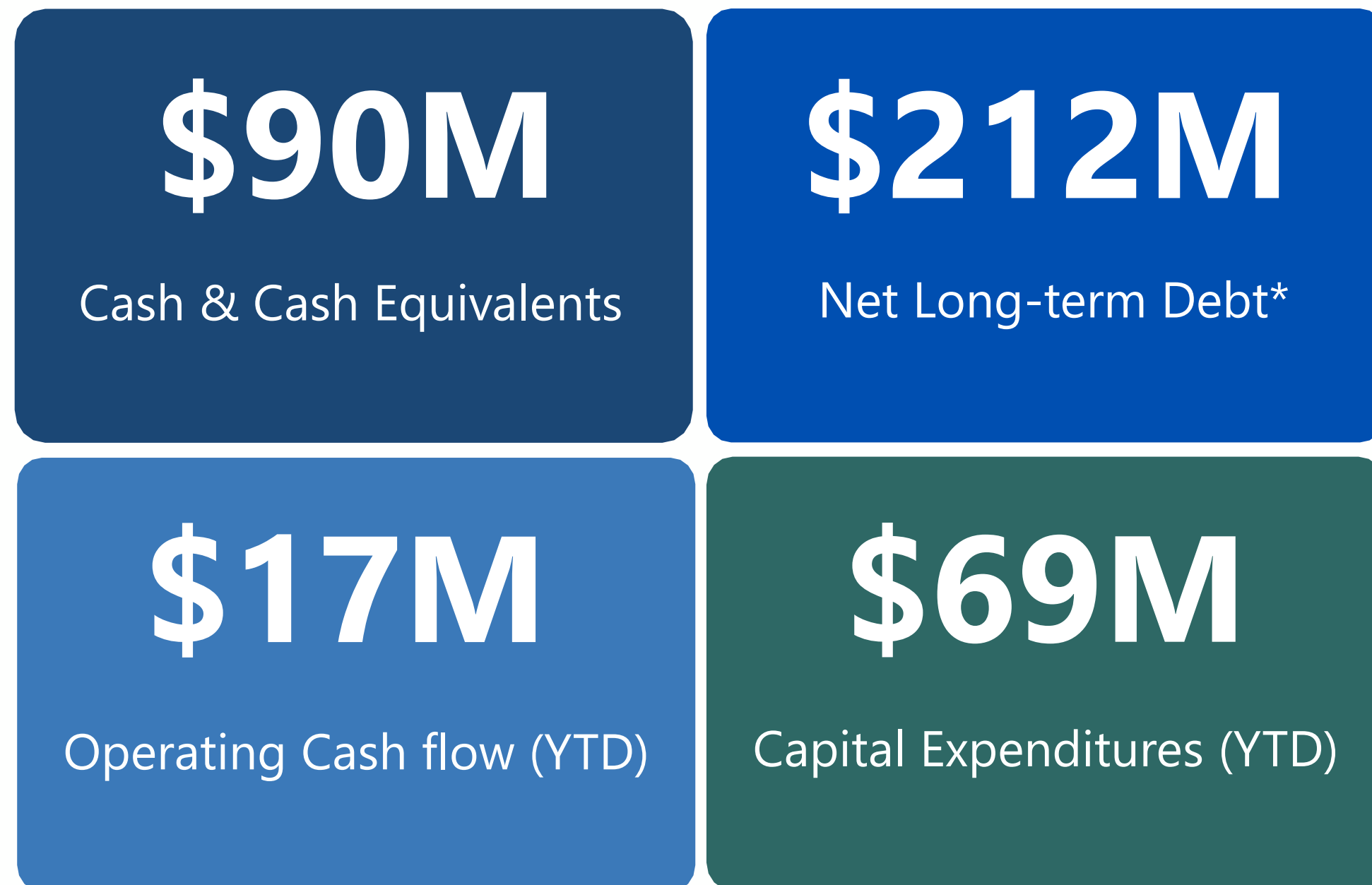
Notes:

1. Unless otherwise stated, data in this column is as of September 30, 2022
2. State count is as of January 1<sup>st</sup>, 2023



# Financial Priorities and Capital Allocation

## LIQUIDITY AS OF SEPTEMBER 30, 2022



## LONG-TERM DRIVERS OF FREE CASH FLOW

- Greater focus on operating leverage and profitability
- Investments in working capital improvements
- More focused approach to M&A
- Continued moderation of pace of de novo openings
- **No plans for near-term equity or debt capital raise**

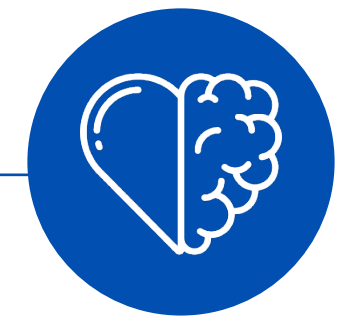
*Evolving from purely growth mindset to balanced set of objectives that include operational excellence, profitable growth, and disciplined capital deployment*

# Investment Highlights

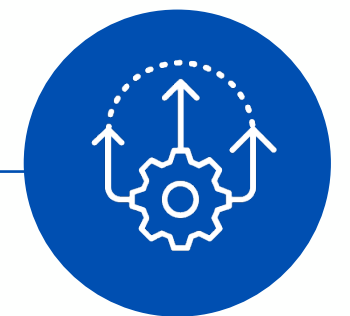
Massive market opportunity driven by growing patient need and industry tailwinds



Large, scaled national brand uniquely positioned to unify mental and physical healthcare



Hybrid in-person and virtual business model and multidisciplinary approach



Clear pathway to generate long-term sustainable profitable growth and free cash flow

