



# Reimagining Mental Health

Q3 2023 Earnings Presentation • November 8, 2023

# Forward-Looking Statements

## DISCLAIMERS

### Cautionary Note Regarding Forward-Looking Statements

This presentation and related oral statements, including during any question and answer portion of the presentation, 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 fourth-quarter guidance and management’s related assumptions; the Company’s financial position; business plans and objectives; including capital allocation; operating results; working capital and liquidity; and other statements contained in this presentation that are not historical facts. These statements 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, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow. 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

**6,418**

Clinicians  
18% Y/Y Growth

**\$1,005M**

Revenue | TTM<sup>(1)</sup>  
22% Y/Y TTM<sup>(1)</sup> Growth

**6.6M**

Visits | TTM<sup>(1)</sup>

**600+**

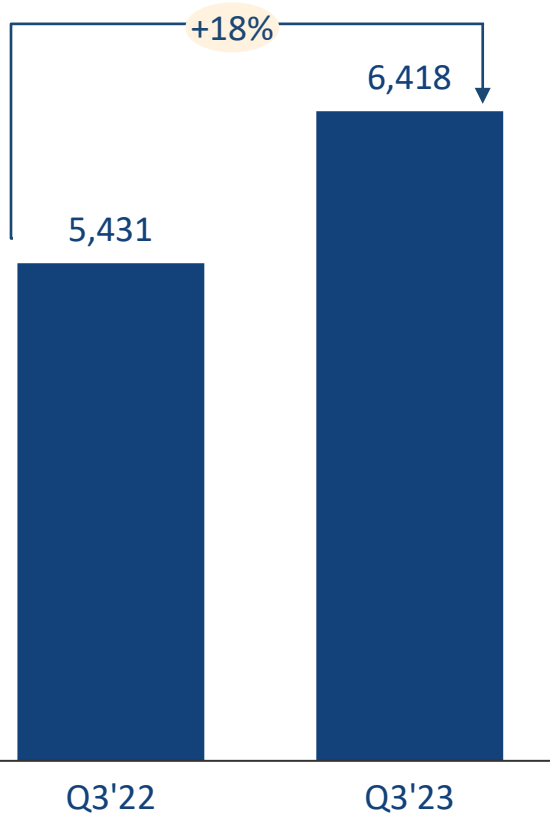
Centers  
in 33 States

# Q3 2023 Highlights

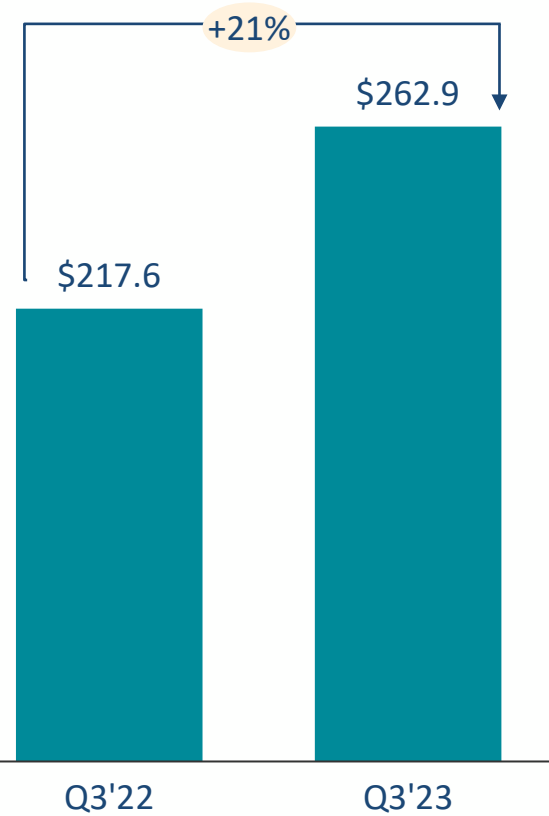
- **Q3 Revenue of \$262.9 million increased 21% year-over-year**
- **Total clinicians of 6,418, +18% Y/Y; 286 net clinician adds in Q3**
- **Q3 Center Margin of \$76.2 million, or 29.0% as a percentage of revenue**
- **Q3 Adjusted EBITDA of \$14.6 million, or 5.6% as a percentage of revenue**
- **Ended Q3 with a cash position of \$42.6 million**

# Q3 2023 Results

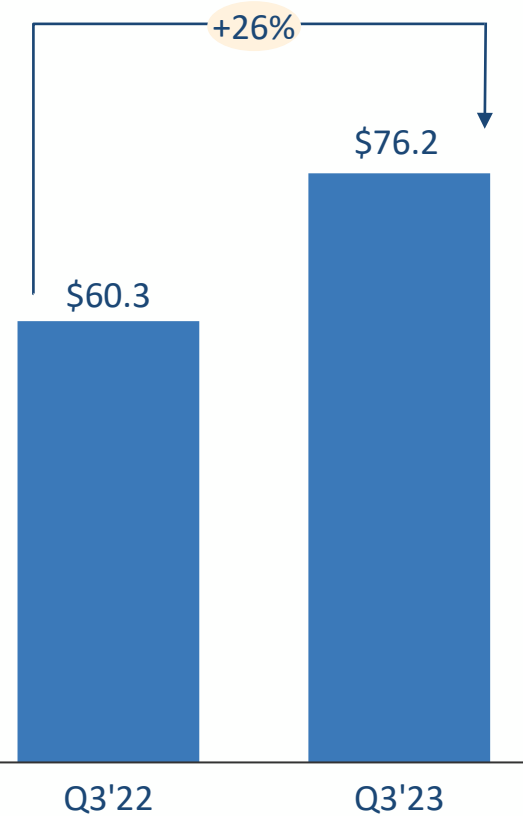
Clinicians



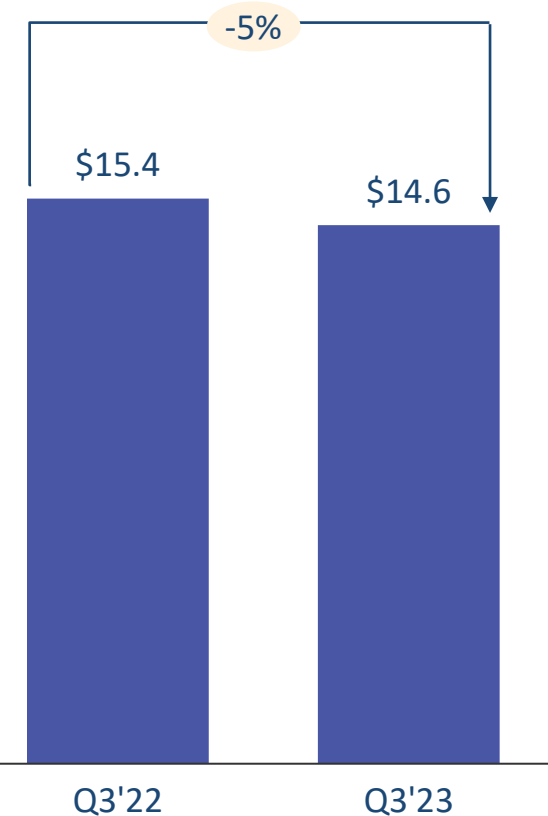
Revenue (in \$M)



Center Margin (in \$M)



Adjusted EBITDA (in \$M)

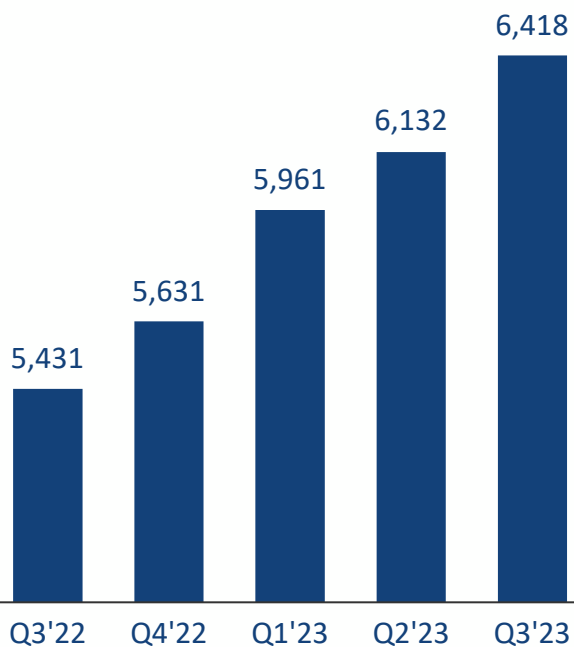


Center Margin (% of total revenue)  
27.7%      29.0%

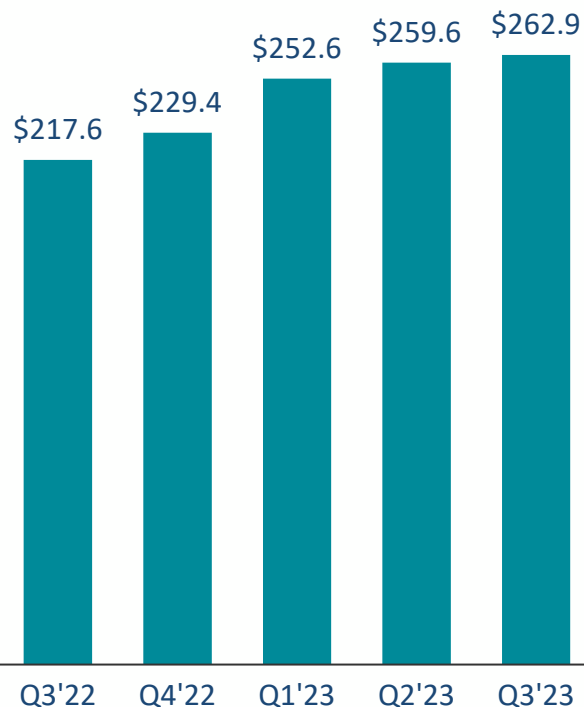
Adj. EBITDA (% of total revenue)  
7.1%      5.6%

# Quarterly Trends

Clinicians



Revenue (in \$M)

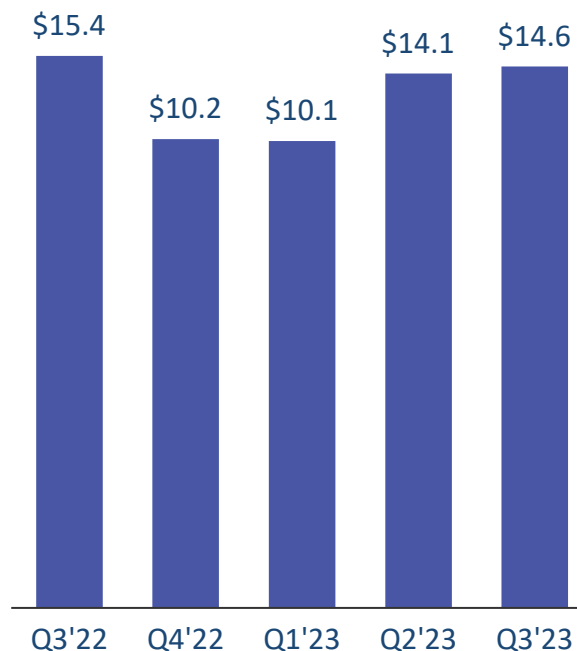


Center Margin (in \$M)



Center Margin (% of total revenue)  
27.7% 27.3% 27.6% 28.1% 29.0%

Adjusted EBITDA (in \$M)



Adj. EBITDA (% of total revenue)  
7.1% 4.4% 4.0% 5.4% 5.6%

# Balance Sheet, Cash Flow, and Capital Allocation

## Balance Sheet & Cash Flow

**\$43M**

Cash & Cash Equivalents

**\$248M**

Net Long-term Debt\*

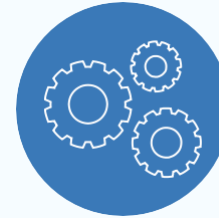
**(\$34M)**

Operating Cash Flow (YTD)

**\$29M**

Capital Expenditures (YTD)

## Capital Allocation



### De Novos

Selective deployment  
to enable clinician and  
market growth

Opened 8 de novos  
in Q3 and 23 YTD



### Acquisitions

No acquisitions in Q3

No further M&A  
anticipated in 2023

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

# 2023 Guidance

(All \$ in M)	FY 2023	Q4 2023
<b>Revenue</b>	\$1,030 – \$1,040 <i>(Narrowed from \$1,010 - \$1,040; midpoint raised)</i>	\$255 – \$265
<b>Center Margin</b>	\$292 – \$300 <i>(Narrowed from \$280 - \$300; midpoint raised)</i>	\$73 – \$81
<b>Adj. EBITDA</b>	\$56 – \$60 <i>(Narrowed from \$50 - \$62; midpoint raised)</i>	\$17 – \$21

## Planning Assumptions

- Assumes no more than 36 de novo center openings
- Assumes M&A spend of ~\$40M, inclusive of up to \$20M in earnouts from prior years' acquisitions
- Assumes no further COVID-related impacts or changes in the labor market environment

Note: Center Margin and Adjusted EBITDA anticipated for fourth quarter of 2023 and full year 2023 are calculated in a manner consistent with the historical presentation of these measures in the Appendix to this presentation. Reconciliation for the forward- looking fourth quarter of 2023 and full year 2023 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.





# Appendix

# Quarterly Statements of Operations and Comprehensive Loss

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Total revenue</b>	\$262.9	\$259.6	\$252.6	\$229.4	\$217.6	\$209.5	\$203.1
<b>Operating expenses</b>							
Center costs, excluding depreciation and amortization	186.7	186.6	183.0	166.7	157.3	149.7	148.9
General and administrative expenses	130.9	101.9	84.6	89.8	81.2	103.6	103.4
Depreciation and amortization	19.6	19.5	19.1	18.9	17.9	16.7	15.7
<b>Loss from operations</b>	<b>(74.4)</b>	<b>(48.4)</b>	<b>(34.1)</b>	<b>(46.0)</b>	<b>(38.8)</b>	<b>(60.5)</b>	<b>(64.9)</b>
<b>Other income (expense)</b>							
Gain (loss) on remeasurement of contingent consideration	1.9	1.5	1.0	(2.2)	1.2	(0.2)	(0.4)
Transaction costs	—	(0.0)	(0.1)	(0.2)	(0.2)	(0.0)	(0.3)
Interest expense, net	(5.5)	(5.1)	(5.1)	(5.2)	(4.2)	(7.1)	(3.4)
Other expense	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	—	—
Total other expense	(3.6)	(3.6)	(4.2)	(7.7)	(3.4)	(7.3)	(4.2)
<b>Loss before income taxes</b>	<b>(78.0)</b>	<b>(52.0)</b>	<b>(38.3)</b>	<b>(53.7)</b>	<b>(42.2)</b>	<b>(67.8)</b>	<b>(69.0)</b>
Income tax benefit (provision)	16.4	6.5	4.0	7.1	4.4	(0.9)	6.7
<b>Net loss</b>	<b>(\$61.6)</b>	<b>(\$45.5)</b>	<b>(\$34.2)</b>	<b>(\$46.7)</b>	<b>(\$37.9)</b>	<b>(\$68.7)</b>	<b>(\$62.3)</b>
<b>Other comprehensive income (loss)</b>							
Unrealized gains (losses) on cash flow hedge, net of tax	0.2	2.1	(1.3)	0.1	3.2	—	—
<b>Comprehensive loss</b>	<b>(\$61.4)</b>	<b>(\$43.3)</b>	<b>(\$35.5)</b>	<b>(\$46.6)</b>	<b>(\$34.7)</b>	<b>(\$68.7)</b>	<b>(\$62.3)</b>

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

# Quarterly GAAP to Non-GAAP Reconciliations – Center Margin

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Loss from operations</b>	<b>(\$74.4)</b>	<b>(\$48.4)</b>	<b>(\$34.1)</b>	<b>(\$46.0)</b>	<b>(\$38.8)</b>	<b>(\$60.5)</b>	<b>(\$64.9)</b>
<b>Adjusted for:</b>							
Depreciation and amortization	19.6	19.5	19.1	18.9	17.9	16.7	15.7
General and administrative expenses <sup>(1)</sup>	130.9	101.9	84.6	89.8	81.2	103.6	103.4
<b>Center Margin</b>	<b>\$76.2</b>	<b>\$73.0</b>	<b>\$69.6</b>	<b>\$62.7</b>	<b>\$60.3</b>	<b>\$59.8</b>	<b>\$54.2</b>

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-based compensation for all employees.

# Quarterly GAAP to Non-GAAP Reconciliations – Adjusted EBITDA

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net loss</b>	<b>(\$61.6)</b>	<b>(\$45.5)</b>	<b>(\$34.2)</b>	<b>(\$46.7)</b>	<b>(\$37.9)</b>	<b>(\$68.7)</b>	<b>(\$62.3)</b>
<b>Adjusted for:</b>							
Interest expense, net	5.5	5.1	5.1	5.2	4.2	7.1	3.4
Depreciation and amortization	19.6	19.5	19.1	18.9	17.9	16.7	15.7
Income tax (benefit) provision	(16.4)	(6.5)	(4.0)	(7.1)	(4.4)	0.9	(6.7)
(Gain) loss on remeasurement of contingent consideration	(1.9)	(1.5)	(1.0)	2.2	(1.2)	0.2	0.4
Stock-based compensation	21.5	33.1	23.9	35.2	34.9	57.5	59.9
Loss on disposal of assets	0.0	0.0	0.0	0.1	0.1	—	—
Transaction costs <sup>(1)</sup>	—	0.0	0.1	0.2	0.2	0.0	0.3
Executive transition costs	0.1	0.4	0.2	0.8	0.5	—	—
Litigation costs <sup>(2)</sup>	45.4	3.4	0.4	0.7	0.1	—	—
Strategic initiatives <sup>(3)</sup>	0.8	2.0	0.4	—	—	—	—
Real estate optimization and restructuring charges <sup>(4)</sup>	1.3	3.7	—	—	—	—	—
Other expenses <sup>(5)</sup>	0.2	0.3	0.3	0.6	0.9	0.9	1.8
<b>Adjusted EBITDA</b>	<b>\$14.6</b>	<b>\$14.1</b>	<b>\$10.1</b>	<b>\$10.2</b>	<b>\$15.4</b>	<b>\$14.6</b>	<b>\$12.5</b>

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

(1) Primarily includes capital markets advisory, consulting, accounting and legal expenses related to our acquisitions.

(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 the three and nine months ended September 30, 2023, litigation costs included cash expenses related to three distinct litigation matters, including (x) a securities class action litigation, (y) a privacy class action litigation and (z) a compensation model 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 each of the three and nine months ended September 30, 2023, we continued a process of evaluating and adopting three critical enterprise-wide systems for (i) human resources management, (ii) clinician credentialing and onboarding process and (iii) a scalable electronic health resources system. 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 include 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. 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 has been and is expected to be greater than what would be expected as part of ordinary business operations and do not constitute normal recurring operating activities.

(5) 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 unaudited consolidated statements of operations and comprehensive loss. Former owner fees is a component of center costs, excluding depreciation and amortization included in our unaudited consolidated statements of operations and comprehensive loss.

# Non-GAAP Financial Metrics

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Key Metrics</b>							
<b>Clinicians</b>	<b>6,418</b>	<b>6,132</b>	<b>5,961</b>	<b>5,631</b>	<b>5,431</b>	<b>5,226</b>	<b>4,989</b>
<b>Total Revenue</b>	<b>\$262.9</b>	<b>\$259.6</b>	<b>\$252.6</b>	<b>\$229.4</b>	<b>\$217.6</b>	<b>\$209.5</b>	<b>\$203.1</b>
Center costs, excluding depreciation and amortization	186.7	186.6	183.0	166.7	157.3	149.7	148.9
<b>Center Margin (Non-GAAP)</b>	<b>\$76.2</b>	<b>\$73.0</b>	<b>\$69.6</b>	<b>\$62.7</b>	<b>\$60.3</b>	<b>\$59.8</b>	<b>\$54.2</b>
<i>% Margin</i>	29.0%	28.1%	27.6%	27.3%	27.7%	28.5%	26.7%
General and administrative expenses	130.9	101.9	84.6	89.8	81.2	103.6	103.4
Depreciation and amortization	19.6	19.5	19.1	18.9	17.9	16.7	15.7
<b>Loss from operations</b>	<b>(74.4)</b>	<b>(48.4)</b>	<b>(34.1)</b>	<b>(46.0)</b>	<b>(38.8)</b>	<b>(60.5)</b>	<b>(64.9)</b>
<b>Other income (expense)</b>							
Other income (expense)	12.8	2.9	(0.1)	(0.6)	1.0	(8.3)	2.5
<b>Net loss</b>	<b>(61.6)</b>	<b>(45.5)</b>	<b>(34.2)</b>	<b>(46.7)</b>	<b>(37.9)</b>	<b>(68.7)</b>	<b>(62.3)</b>
<b>Other comprehensive income (loss)</b>							
Unrealized gains (losses) on cash flow hedge, net of tax	0.2	2.1	(1.3)	0.1	3.2	—	—
<b>Comprehensive loss</b>	<b>(61.4)</b>	<b>(43.3)</b>	<b>(35.5)</b>	<b>(46.6)</b>	<b>(34.7)</b>	<b>(68.7)</b>	<b>(62.3)</b>
<b>Adjusted EBITDA build</b>							
Net loss	(61.6)	(45.5)	(34.2)	(46.7)	(37.9)	(68.7)	(62.3)
Interest expense, net	5.5	5.1	5.1	5.2	4.2	7.1	3.4
Depreciation and amortization	19.6	19.5	19.1	18.9	17.9	16.7	15.7
Income tax benefit (provision)	(16.4)	(6.5)	(4.0)	(7.1)	(4.4)	0.9	(6.7)
(Gain) loss on remeasurement of contingent consideration	(1.9)	(1.5)	(1.0)	2.2	(1.2)	0.2	0.4
Stock-based compensation	21.5	33.1	23.9	35.2	34.9	57.5	59.9
Loss on disposal of assets	0.0	0.0	0.0	0.1	0.1	—	—
Transaction costs	—	0.0	0.1	0.2	0.2	0.0	0.3
Executive transition costs	0.1	0.4	0.2	0.8	0.5	—	—
Litigation costs	45.4	3.4	0.4	0.7	0.1	—	—
Strategic initiatives	0.8	2.0	0.4	—	—	—	—
Real estate optimization and restructuring charges	1.3	3.7	—	—	—	—	—
Other expenses	0.2	0.3	0.3	0.6	0.9	0.9	1.8
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$14.6</b>	<b>\$14.1</b>	<b>\$10.1</b>	<b>\$10.2</b>	<b>\$15.4</b>	<b>\$14.6</b>	<b>\$12.5</b>
<i>% Margin</i>	5.6%	5.4%	4.0%	4.4%	7.1%	7.0%	6.2%

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

# Quarterly Balance Sheets

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Current assets</b>							
Cash and cash equivalents	42.6	79.6	68.3	108.6	90.3	96.7	114.0
Patient accounts receivable, net	149.7	121.8	118.4	100.9	113.3	99.7	95.0
Prepaid expenses and other current assets	71.9	36.5	25.8	23.7	49.0	47.9	54.3
<b>Total current assets</b>	<b>264.3</b>	<b>237.9</b>	<b>212.5</b>	<b>233.2</b>	<b>252.6</b>	<b>244.3</b>	<b>263.3</b>
Property and equipment, net	190.1	193.1	193.5	194.2	193.4	190.7	170.9
Right-of-use assets	180.7	191.4	196.2	199.4	—	—	—
Intangible assets, net	233.6	243.8	254.0	263.3	272.5	282.1	291.2
Goodwill	1,293.4	1,293.5	1,293.6	1,272.9	1,249.8	1,243.7	1,229.3
Other noncurrent assets	13.0	11.2	8.8	10.8	11.4	7.9	3.7
<b>Total noncurrent assets</b>	<b>1,910.8</b>	<b>1,933.0</b>	<b>1,946.1</b>	<b>1,940.6</b>	<b>1,727.1</b>	<b>1,724.4</b>	<b>1,695.1</b>
<b>Total assets</b>	<b>\$2,175.1</b>	<b>\$2,170.9</b>	<b>\$2,158.6</b>	<b>\$2,173.9</b>	<b>\$1,979.7</b>	<b>\$1,968.7</b>	<b>\$1,958.4</b>
Accounts payable	10.4	8.0	7.7	12.3	7.9	12.9	15.1
Accrued payroll expenses	83.6	81.1	83.7	75.7	61.6	61.2	73.2
Other accrued expenses	91.0	34.3	32.0	30.4	29.3	26.2	21.8
Current portion of contingent consideration	9.0	10.5	13.3	15.9	10.8	9.0	13.5
Operating lease liabilities, current	43.6	43.4	41.6	38.8	—	—	—
Other current liabilities	3.3	3.3	2.8	2.9	2.6	2.2	2.0
<b>Total current liabilities</b>	<b>240.9</b>	<b>180.9</b>	<b>181.1</b>	<b>176.0</b>	<b>112.3</b>	<b>111.5</b>	<b>125.6</b>
Long-term debt, net	248.4	248.7	224.8	225.1	212.0	203.4	177.4
Operating lease liabilities, noncurrent	191.5	205.6	207.9	212.6	—	—	—
Contingent consideration, net of current portion	—	—	—	—	1.5	3.7	1.1
Deferred tax liability, net	38.4	38.3	37.6	38.7	55.4	54.3	54.3
Other noncurrent liabilities	0.9	2.6	2.1	2.8	67.0	64.5	57.5
<b>Total noncurrent liabilities</b>	<b>479.1</b>	<b>495.2</b>	<b>472.3</b>	<b>479.1</b>	<b>335.9</b>	<b>325.8</b>	<b>290.3</b>
<b>Total liabilities</b>	<b>\$720.0</b>	<b>\$676.0</b>	<b>\$653.4</b>	<b>\$655.1</b>	<b>\$448.2</b>	<b>\$437.4</b>	<b>\$415.9</b>
Common stock	3.8	3.8	3.8	3.8	3.8	3.8	3.7
Additional paid-in capital	2,162.8	2,141.2	2,108.2	2,084.3	2,050.5	2,015.7	1,958.2
Accumulated other comprehensive income	4.4	4.2	2.0	3.3	3.2	—	—
Accumulated deficit	(715.9)	(654.3)	(608.8)	(572.6)	(526.0)	(488.1)	(419.4)
<b>Total stockholders' equity</b>	<b>1,455.0</b>	<b>1,494.9</b>	<b>1,505.1</b>	<b>1,518.7</b>	<b>1,531.5</b>	<b>1,531.3</b>	<b>1,542.5</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$2,175.1</b>	<b>\$2,170.9</b>	<b>\$2,158.6</b>	<b>\$2,173.9</b>	<b>\$1,979.7</b>	<b>\$1,968.7</b>	<b>\$1,958.4</b>

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

# Statements of Cash Flows

(\$M)	Nine Months Ended Q3'23	Six Months Ended Q2'23	Q1'23	Nine Months Ended Q3'22	Six Months Ended Q2'22	Q1'22
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Net loss</b>	<b>(141.3)</b>	<b>(\$79.7)</b>	<b>(\$34.2)</b>	<b>(168.9)</b>	<b>(\$131.1)</b>	<b>(\$62.3)</b>
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:						
Depreciation and amortization	58.2	38.6	19.1	50.3	32.4	15.7
Non-cash operating lease costs	30.2	20.3	10.1	—	—	—
Stock-based compensation	78.5	56.9	23.9	152.2	117.4	59.9
Loss on debt extinguishment	—	—	—	3.4	3.4	—
Amortization of discount and debt issue costs	1.6	1.1	0.5	1.4	0.7	0.3
(Gain) loss on remeasurement of contingent consideration	(4.4)	(2.6)	(1.0)	(0.6)	0.6	0.4
Other, net	5.1	2.7	—	—	—	—
Loss on disposal of assets	—	—	0.0	0.1	—	—
Change in operating assets and liabilities, net of businesses acquired:						
Patient accounts receivable, net	(48.5)	(20.6)	(17.1)	(34.6)	(21.9)	(18.1)
Prepaid expenses and other current assets	(52.3)	(15.2)	(4.5)	(5.8)	(5.4)	(12.1)
Accounts payable	(3.8)	(5.4)	(5.5)	1.1	1.7	1.9
Accrued payroll expenses	7.6	5.2	7.7	(0.6)	(0.3)	12.8
Operating lease liabilities	(30.1)	(16.9)	(8.7)	—	—	—
Other accrued expenses	65.6	7.3	2.0	18.8	13.5	4.9
<b>Net cash (used in) provided by operating activities</b>	<b>(\$33.7)</b>	<b>(\$8.3)</b>	<b>(\$7.9)</b>	<b>\$16.9</b>	<b>\$11.1</b>	<b>\$3.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of property and equipment	(29.1)	(19.3)	(7.7)	(68.9)	(53.8)	(27.9)
Acquisitions of businesses, net of cash acquired	(19.8)	(19.8)	(19.8)	(40.3)	(35.1)	(22.9)
<b>Net cash used in investing activities</b>	<b>(\$48.9)</b>	<b>(\$39.1)</b>	<b>(\$27.5)</b>	<b>(\$109.2)</b>	<b>(\$88.9)</b>	<b>(\$50.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from long-term debt, net of discount	25.0	25.0	—	237.5	228.0	20.0
Payments of debt issue costs	(0.2)	(0.2)	—	(7.3)	(7.2)	—
Payments of long-term debt	(1.8)	(1.2)	(0.6)	(181.2)	(181.2)	(0.3)
Prepayment for debt paydown	—	—	—	(1.6)	(1.6)	—
Payments of contingent consideration	(6.4)	(5.2)	(4.3)	(12.3)	(11.1)	(5.7)
Taxes related to net share settlement of equity awards	—	—	—	(0.5)	(0.5)	(0.4)
<b>Net cash provided by (used in) financing activities</b>	<b>\$16.6</b>	<b>\$18.4</b>	<b>(\$4.9)</b>	<b>\$34.6</b>	<b>\$26.4</b>	<b>\$13.5</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(\$66.0)</b>	<b>(\$29.0)</b>	<b>(\$40.3)</b>	<b>(\$57.7)</b>	<b>(\$51.3)</b>	<b>(\$34.0)</b>
Cash and Cash Equivalents - Beginning of period	108.6	108.6	108.6	148.0	148.0	148.0
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<b>\$42.6</b>	<b>\$79.6</b>	<b>\$68.3</b>	<b>\$90.3</b>	<b>\$96.7</b>	<b>\$114.0</b>

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

# Quarterly GAAP to Non-GAAP Reconciliations – Free Cash Flow (FCF)

(\$M)	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net cash (used in) provided by operating activities</b>	<b>(\$25.4)</b>	<b>(\$0.4)</b>	<b>(\$7.9)</b>	<b>\$36.0</b>	<b>\$5.7</b>	<b>\$7.8</b>	<b>\$3.3</b>
<b>Purchases of property and equipment</b>	<b>(\$9.8)</b>	<b>(\$11.6)</b>	<b>(\$7.7)</b>	<b>(\$10.4)</b>	<b>(\$15.1)</b>	<b>(\$25.9)</b>	<b>(\$27.9)</b>
<b>Free Cash Flow</b>	<b>(\$35.2)</b>	<b>(\$12.0)</b>	<b>(\$15.6)</b>	<b>\$25.6</b>	<b>(\$9.4)</b>	<b>(\$18.1)</b>	<b>(\$24.6)</b>

We define FCF, a non-GAAP performance measure, as net cash (used in) provided by operating activities less purchases of property and equipment. We believe that FCF 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. FCF is presented for supplemental informational purposes only and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash (used in) provided by operating activities. It is important to note that other companies, including companies in our industry, may not use this metric, may calculate metrics differently, or may use other financial measures to evaluate their liquidity, all of which could reduce the usefulness of this non-GAAP metrics as a comparative measure.

The above table presents a reconciliation of net cash (used in) provided by operating activities to FCF, the most directly comparable financial measure calculated in accordance with GAAP. Amounts are unaudited.



# Quarterly Visits and Total Revenue Per Visit

	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Total Revenue (\$M)</b>	\$262.9	\$259.6	\$252.6	\$229.4	\$217.6	\$209.5	\$203.1
<b>Total Visits (000s)</b>	1,714	1,705	1,665	1,487	1,429	1,413	1,392
<b>Total Revenue Per Visit (TRPV)</b>	\$153.4	\$152.3	\$151.7	\$154.3	\$152.3	\$148.3	\$145.9

Amounts are unaudited.