LifeStance First Quarter 2026 Earnings Script

Monica Prokocki, VP of Finance & Investor Relations

Thank you, Operator.

Good morning, everyone, and welcome to LifeStance Health's first quarter 2026 earnings conference call.

I'm Monica Prokocki, Vice President of Finance and Investor Relations. Joining me today are Dave Bourdon, Chief Executive Officer and Ryan McGroarty, Chief Financial Officer.

We issued the earnings release and presentation before the market opened this morning. Both are available on the Investor Relations section of our website, investor.lifestance.com. In addition, a replay will be available following the call.

Before turning over to management for their prepared remarks, please direct your attention to the disclaimers about forward-looking statements included in the earnings press release and SEC filings.

Today's remarks contain forward-looking statements, including statements about our financial performance outlook, business model and strategy. Those statements involve risks, uncertainties, and other factors, as noted in our periodic filings with the SEC that could cause actual results to differ materially.

Please note that we report results using non-GAAP financial measures, which we believe provide additional information for investors to help facilitate comparison of current and past performance. A reconciliation to the most directly comparable GAAP measures is included in the earnings press release tables and presentation appendix.

Unless otherwise noted, all results are compared to the comparable period in the prior year.

At this time, I'll turn the call over to Dave Bourdon, CEO of LifeStance. Dave?

Dave Bourdon, Chief Executive Officer

Thanks, Monica, and thank you all for joining us today.

We had an exceptional start to the year at LifeStance. We exceeded each of our guided metrics with strong revenue growth of over 21% and more than $50 million in Adjusted EBITDA, a 48% increase over last year.

We grew our clinician base by more than 300 in the quarter to over 8,300 clinicians. We also delivered meaningful year-over-year improvements in clinician productivity, reflecting the continued impact of the initiatives we implemented last year.

Given the outperformance in the quarter, we are raising our full-year guidance across all metrics and later Ryan will provide the details on our improved view of 2026.

From a macro environment perspective, we continue to see a growing demand for high-quality mental healthcare, as well as patients seeking more affordable solutions driving a shift from cash pay to insurance coverage. LifeStance is uniquely positioned to meet these needs. We're seeing this through our success in growing our clinician base, attracting new patients, and driving clinical and operational excellence.

Regarding operational execution, the momentum we established in 2025 with strong visit growth and clinician productivity carried into the first quarter. These efforts centered around enhancements to new patient conversion and engagement. Importantly, these initiatives are embedded in our operating model and supported by clinician-level visibility, education, and incentives, giving us confidence in their durability as we continue to scale our clinician base.

Turning to technology, we continue to apply digital and AI tools in focused, practical ways to improve patient access, clinician experience, and operational efficiency.

Across the organization, digital and AI tools—including digital patient check-in, AI-driven workflows, and robotic process automation—support operational excellence, particularly in areas with heavy manual processes, such as revenue cycle management.

In addition, AI-enabled scheduling tools support our new patient telephone booking process, resulting in converting more calls to appointments.

We are also rolling out AI-assisted clinical documentation to reduce administrative burden and cognitive load for clinicians, enabling them to spend more time with patients, which should improve patient and clinician satisfaction.

As for our new EHR, last quarter, we announced the selection of a best-in-class vendor, with implementation expected to begin this year and the transition occurring during 2027. Our focus has now shifted to organizational readiness and early clinician engagement. The transition to the new EHR will support our ability to scale efficiently, integrate AI more seamlessly, and improve the consistency of both the clinician and patient experience while delivering clinical excellence.

There remains a tremendous opportunity for technology to further enable the business. We will remain focused on prioritizing use cases with clear clinical and operational impact as we deploy these tools more broadly across the organization. This approach to technology strengthens LifeStance's leadership position while reinforcing clinician trust and the quality of care we deliver to patients.

Turning to geographic expansion, we see a significant opportunity ahead to increase both density within our existing markets and to expand our geographic footprint.

As we've discussed, tuck-in acquisitions are our preferred way of entering new MSAs, and after three years, we're back to executing on M&A with a disciplined and targeted approach. We have established a strong pipeline of potential acquisitions and expect tuck-ins going forward to be a meaningful part of our geographic expansion strategy. We're pleased that during the first quarter, we opened two new markets through acquisitions, adding high-quality practices that align well with our model and our culture.

While these deals will contribute a non-material amount of revenue this year, they establish new market entry points to support future growth in 2027 and beyond. Where attractive tuck-in opportunities are not available to us, we'll continue to enter new geographies with a de novo approach.

Finally, I'd like to highlight our progress on clinical excellence. Our clinicians and the positive impact we're having on patients is the foundation of everything we do at LifeStance.

Measuring how we're improving patient outcomes at scale is critical to ensuring our care is effective, and we also use these findings to identify opportunities to improve that care. In April, we published new clinical outcomes data from nearly 180,000 LifeStance patients that showed roughly three quarters benefitted from clinically significant improvements in their anxiety and depression, further validating our commitment to clinical excellence.

These clinical outcomes, combined with strong patient satisfaction, as reflected in our over 4.7 out of 5 Google stars rating for our over 575 centers, reinforce that our model is working. And importantly, these strong patient outcomes and high satisfaction scores are the direct result of the dedication of our clinicians and our ongoing commitment to enable our clinicians to deliver high-quality care to patients.

With that, I'll turn it over to Ryan to provide additional commentary on our financial performance and outlook. Ryan?

Ryan McGroarty, Chief Financial Officer

Thanks, Dave.

I am pleased with the team's operational and financial performance in the first quarter, which exceeded our expectations.

For the quarter, revenue grew 21% to $403 million. Revenue surpassed our expectations from both better-than-expected total revenue per visit and visit volumes.

Visit volumes of 2.5 million increased 18%. The outperformance was driven by a combination of better-than-expected clinician productivity and net clinician adds.

Total revenue per visit of $163 increased 3% and was modestly ahead of our expectations.

Our visits per average clinician were strong once again, increasing 7% year-over-year for the second consecutive quarter. This was achieved while at the same time adding 309 clinicians in the first quarter, bringing our total clinician base to 8,349, representing growth of 11%.

Turning to profitability, Center Margin of $136 million in the quarter increased 24% and was 33.7% as a percentage of revenue. This came in ahead of our expectations primarily due to the revenue beat, as well as lower spending in center costs.

Adjusted EBITDA increased 48% to $51 million in the quarter, which was very strong and exceeded our expectations. This resulted in a margin as a percentage of revenue of 12.7%. The outperformance in the quarter was attributable to favorable Center Margin.

We also finished with positive net income of $14 million in the quarter, as compared to $1 million last year.

Turning to liquidity – we generated robust free cash flow of $22 million in the first quarter, which was an improvement of $32 million from the first quarter of last year.

We exited the quarter with a strong balance sheet, including a cash position of $195 million and net long-term debt of $263 million. Importantly, that cash balance reflects $49 million deployed toward share repurchases during the quarter, following the Board's $100 million authorization in February.

With net leverage of 0.5x and gross leverage of 1.6x, we believe we are well positioned with significant financial flexibility to support the business and execute on our strategic priorities.

In terms of our outlook for the full year, we are raising our revenue range by $25 million at the midpoint to $1.64 to $1.68 billion. The midpoint of the revenue guidance implies a growth rate of 17%.

We are also raising our Center Margin range by $21 million at the midpoint to $547 to $571 million and raising our Adjusted EBITDA range by $15 million at the midpoint to $200 to $220 million. The midpoint of the Adjusted EBITDA guidance implies a margin as a percentage of revenue of 12.7%, which is over 150 basis points of margin expansion year-over-year.

As we previously communicated, our annual guidance assumes year-over-year revenue growth driven primarily by higher visit volumes combined with low-to-mid single digit increases to our total revenue per visit.

Additionally, we continue to expect stock-based compensation of approximately $60 to $70 million this year.

For the second quarter, we expect revenue of $405 to $425 million, Center Margin of $135 to $147 million, and Adjusted EBITDA of $50 to $60 million.

As we look beyond 2026, we continue to expect annual revenue growth in the mid-teens, and to achieve mid-teens adjusted EBITDA margins by full year 2028. The macro trends we're seeing across mental healthcare, along with the momentum in our performance, reinforce our confidence in that outlook.

With that, I'll turn it back to Dave for his closing comments.

Dave Bourdon, Chief Executive Officer

Thanks, Ryan.

This is an exciting time for LifeStance. Demand for mental healthcare is growing while affordability is increasingly important for patients. Our model is differentiated and delivers high quality outcomes. This combination gives us confidence to meet the needs of patients and provide a compelling place to practice for clinicians.

Operator, we will now take questions.