

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 06, 2024

LifeStance Health Group, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)  
  
4800 N. Scottsdale Road  
Suite 2500  
Scottsdale, Arizona  
(Address of Principal Executive Offices)

001-40478  
(Commission File Number)

86-1832801  
(IRS Employer  
Identification No.)

85251  
(Zip Code)

Registrant's Telephone Number, Including Area Code: 602 767-2100

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	LFST	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On May 9, 2024, LifeStance Health Group, Inc. ("LifeStance Health Group", "LifeStance" or the "Company") issued a press release announcing its results of operations for the first quarter ended March 31, 2024. A copy of the press release is furnished as Exhibit 99.1.

The information furnished under Item 2.02 of this Current Report on Form 8-K, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference into LifeStance Health Group's filings with the SEC under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 6, 2024, Danish Qureshi, the President and Chief Operating Officer of LifeStance Health Group, notified the Company of his decision to depart the Company, effective June 30, 2024.

**Item 7.01 Regulation FD Disclosure.**

A slide presentation, which includes supplemental information related to LifeStance Health Group, is furnished as Exhibit 99.2. The information furnished under Item 7.01 of this Current Report on Form 8-K, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference into LifeStance Health Group's filings with the SEC under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit</b>	<b>Description</b>
99.1	<a href="#">Press Release dated May 9, 2024.</a>
99.2	<a href="#">Slide presentation providing supplemental information.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LifeStance Health Group, Inc.

Date: May 9, 2024

By:

/s/ David Bourdon

**David Bourdon**  
Chief Financial Officer and Treasurer  
(principal financial and accounting officer)

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**Investor Relations Contact**

Monica Prokocki  
 VP of Finance & Investor Relations  
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 investor.relations@lifestance.com

**LifeStance Reports First Quarter 2024 Results**

SCOTTSDALE, Ariz. – May 9, 2024 – LifeStance Health Group, Inc. (Nasdaq: LFST), one of the nation’s largest providers of outpatient mental healthcare, today announced financial results for the first quarter ended March 31, 2024.

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

**Q1 2024 Highlights and FY 2024 Outlook**

- Revenue of \$300.4 million increased 19% compared to revenue of \$252.6 million
- Clinician base increased 15% to 6,866 clinicians, a sequential net increase of 221 in the first quarter
- First quarter visit volumes increased 15% to 1.9 million
- Net loss of \$21.1 million, primarily driven by stock-based compensation, compared to net loss of \$34.2 million
- Adjusted EBITDA of positive \$27.7 million compared to Adjusted EBITDA of \$10.1 million
- For full year 2024, reiterating expectations for revenue of \$1.19 billion to \$1.24 billion; raising Center Margin expectations to \$353 to \$373 million; raising Adjusted EBITDA expectations to \$88 to \$98 million; and reiterating expectations for positive Free Cash Flow

“I’m proud of the results achieved by our clinicians and team members this quarter. We met or exceeded expectations for the sixth consecutive quarter while delivering organic revenue growth of 19% and driving margin expansion,” said Ken Burdick, Chairman and CEO of LifeStance. “We also successfully navigated cash collection challenges that affected many healthcare providers, reinforcing LifeStance’s differentiation and resilience.”

**Financial Highlights**

	Q1 2024		Q1 2023		Y/Y
<i>(in millions)</i>					
Total revenue	\$	300.4	\$	252.6	19%
Loss from operations		(16.8)		(34.1)	(51)%
Center Margin		94.7		69.6	36%
Net loss		(21.1)		(34.2)	(38)%
Adjusted EBITDA		27.7		10.1	174%
<b>As % of Total revenue:</b>					
<i>Loss from operations</i>		(5.6)%		(13.5)%	
<i>Center Margin</i>		31.5%		27.6%	
<i>Net loss</i>		(7.0)%		(13.5)%	
<i>Adjusted EBITDA</i>		9.2%		4.0%	

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

- Revenue grew 19% to \$300.4 million. Strong revenue growth in the first quarter was driven primarily by higher visit volumes from net clinician growth and improvements in total revenue per visit.
- Loss from operations was \$16.8 million, primarily driven by stock-based compensation. Net loss was \$21.1 million.
- Center Margin grew 36% to \$94.7 million, or 31.5% of total revenue.
- Adjusted EBITDA increased 174% to \$27.7 million, or 9.2% of total revenue. Adjusted EBITDA as a percentage of revenue increased in the first quarter as a result of higher total revenue per visit, lower center costs as a percentage of revenue, and improved operating leverage from revenue growing faster than general and administrative expenses.

**Balance Sheet, Cash Flow and Capital Allocation**

For the three months ended March 31, 2024, LifeStance used \$21.8 million cash flow from operations. The Company ended the first quarter with cash of \$49.5 million and net long-term debt of \$279.9 million.

## 2024 Guidance

LifeStance is providing the following outlook for 2024:

- The Company is reiterating full year revenue of \$1.19 billion to \$1.24 billion; raising Center Margin to \$353 to \$373 million; and raising Adjusted EBITDA to \$88 to \$98 million. Additionally, the Company continues to expect to generate positive Free Cash Flow for the full year.
- For the second quarter of 2024, the Company expects total revenue of \$297 to \$315 million, Center Margin of \$85 to \$97 million, and Adjusted EBITDA of \$20 to \$26 million.

## Conference Call, Webcast Information, and Presentations

LifeStance will hold a conference call today, May 9, 2024 at 8:30 a.m. Eastern Time to discuss the first quarter 2024 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 3005519 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 health care 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 6,800 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](http://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](http://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 second quarter guidance and management's related assumptions; the Company's financial position; business plans and objectives; operating results; working capital and liquidity; 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: 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 supported 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 other risks and uncertainties set forth under "Risk Factors" included in the reports we have filed or will file with the Securities and

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Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2023 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 used in 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 second quarter of 2024 and full year 2024 are calculated in a manner consistent with the historical presentation of these measures at the end of this release. Reconciliation for the forward-looking second quarter of 2024 and full year 2024 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.

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Consolidated Financial Information and Reconciliations

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

	March 31, 2024	December 31, 2023
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 49,451	\$ 78,824
Patient accounts receivable, net	175,937	125,405
Prepaid expenses and other current assets	18,729	21,502
Total current assets	<u>244,117</u>	<u>225,731</u>
<b>NONCURRENT ASSETS</b>		
Property and equipment, net	182,428	188,222
Right-of-use assets	165,845	170,703
Intangible assets, net	208,529	221,072
Goodwill	1,293,346	1,293,346
Other noncurrent assets	12,051	10,895
Total noncurrent assets	<u>1,862,199</u>	<u>1,884,238</u>
Total assets	<u>\$ 2,106,316</u>	<u>\$ 2,109,969</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 11,938	\$ 7,051
Accrued payroll expenses	100,432	102,478
Other accrued expenses	37,272	35,012
Contingent consideration	4,454	8,169
Operating lease liabilities, current	49,729	46,475
Other current liabilities	3,639	3,688
Total current liabilities	<u>207,464</u>	<u>202,873</u>
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net	279,870	280,285
Operating lease liabilities, noncurrent	173,255	181,357
Deferred tax liability, net	15,970	15,572
Other noncurrent liabilities	760	952
Total noncurrent liabilities	<u>469,855</u>	<u>478,166</u>
Total liabilities	<u>\$ 677,319</u>	<u>\$ 681,039</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock – par value \$0.01 per share; 25,000 shares authorized as of March 31, 2024 and December 31, 2023; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock – par value \$0.01 per share; 800,000 shares authorized as of March 31, 2024 and December 31, 2023; 382,105 and 378,725 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	3,821	3,789
Additional paid-in capital	2,204,233	2,183,684
Accumulated other comprehensive income	2,886	2,303
Accumulated deficit	(781,943)	(760,846)
Total stockholders' equity	<u>1,428,997</u>	<u>1,428,930</u>
Total liabilities and stockholders' equity	<u>\$ 2,106,316</u>	<u>\$ 2,109,969</u>

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

**(unaudited)**

*(In thousands, except for Net Loss per Share)*

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
TOTAL REVENUE	\$ 300,437	\$ 252,589
OPERATING EXPENSES		
Center costs, excluding depreciation and amortization shown separately below	205,711	182,987
General and administrative expenses	88,934	84,626
Depreciation and amortization	22,564	19,069
Total operating expenses	\$ 317,209	\$ 286,682
LOSS FROM OPERATIONS	\$ (16,772)	\$ (34,093)
OTHER EXPENSE		
Gain on remeasurement of contingent consideration	2,015	1,037
Transaction costs	—	(86)
Interest expense, net	(5,903)	(5,092)
Other expense	(74)	(45)
Total other expense	\$ (3,962)	\$ (4,186)
LOSS BEFORE INCOME TAXES	(20,734)	(38,279)
INCOME TAX (PROVISION) BENEFIT	(363)	4,037
NET LOSS	\$ (21,097)	\$ (34,242)
NET LOSS PER SHARE, BASIC AND DILUTED	(0.06)	(0.09)
Weighted-average shares used to compute basic and diluted net loss per share	376,331	360,902
NET LOSS	\$ (21,097)	\$ (34,242)
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gains (losses) on cash flow hedge, net of tax	583	(1,270)
COMPREHENSIVE LOSS	\$ (20,514)	\$ (35,512)



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

	Three Months Ended March 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (21,097)	\$ (34,242)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	22,564	19,069
Non-cash operating lease costs	9,687	10,113
Stock-based compensation	20,581	23,866
Amortization of discount and debt issue costs	424	549
Gain on remeasurement of contingent consideration	(2,015)	(1,037)
Other, net	(47)	45
Change in operating assets and liabilities, net of businesses acquired:		
Patient accounts receivable, net	(50,532)	(17,138)
Prepaid expenses and other current assets	2,491	(4,543)
Accounts payable	4,981	(5,466)
Accrued payroll expenses	(2,045)	7,663
Operating lease liabilities	(9,608)	(8,736)
Other accrued expenses	2,778	1,967
Net cash used in operating activities	<u>\$ (21,838)</u>	<u>\$ (7,890)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(5,104)	(7,729)
Acquisitions of businesses, net of cash acquired	—	(19,820)
Net cash used in investing activities	<u>\$ (5,104)</u>	<u>\$ (27,549)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of long-term debt	(731)	(586)
Payments of contingent consideration	(1,700)	(4,302)
Net cash used in financing activities	<u>\$ (2,431)</u>	<u>\$ (4,888)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(29,373)</b>	<b>(40,327)</b>
Cash and Cash Equivalents - Beginning of period	78,824	108,621
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<u><b>\$ 49,451</b></u>	<u><b>\$ 68,294</b></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest, net	\$ 6,270	\$ 5,059
Cash paid for taxes, net of refunds	\$ (252)	\$ (13)
<b>SUPPLEMENTAL DISCLOSURES OF NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Contingent consideration incurred in acquisitions of businesses	\$ —	\$ 1,985
Acquisition of property and equipment included in liabilities	\$ 3,104	\$ 8,297

**RECONCILIATION OF LOSS FROM OPERATIONS TO CENTER MARGIN**

	Three Months Ended March 31,	
	2024	2023
<i>(in thousands)</i>		
Loss from operations	\$ (16,772)	\$ (34,093)
Adjusted for:		
Depreciation and amortization	22,564	19,069
General and administrative expenses <sup>(1)</sup>	88,934	84,626
<b>Center Margin</b>	<b>\$ 94,726</b>	<b>\$ 69,602</b>

(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 March 31,	
	2024	2023
<i>(in thousands)</i>		
Net loss	\$ (21,097)	\$ (34,242)
Adjusted for:		
Interest expense, net	5,903	5,092
Depreciation and amortization	22,564	19,069
Income tax provision (benefit)	363	(4,037)
Gain on remeasurement of contingent consideration	(2,015)	(1,037)
Stock-based compensation expense	20,581	23,866
Loss on disposal of assets	74	45
Transaction costs <sup>(1)</sup>	—	86
Executive transition costs	31	160
Litigation costs <sup>(2)</sup>	537	403
Strategic initiatives <sup>(3)</sup>	751	407
Real estate optimization and restructuring charges <sup>(4)</sup>	(147)	—
Amortization of cloud-based software implementation costs <sup>(5)</sup>	11	—
Other expenses <sup>(6)</sup>	95	292
<b>Adjusted EBITDA</b>	<b>\$ 27,651</b>	<b>\$ 10,104</b>

(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 months ended March 31, 2024 and 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 months ended March 31, 2024 and 2023, we continued a process of evaluating and adopting critical enterprise-wide systems for (i) human resources management, (ii) clinician credentialing and onboarding process, and for the three months ended March 31, 2023, (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. During the three months ended March 31, 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) Primarily includes costs incurred to consummate or integrate acquired centers, certain of which are wholly-owned and certain of which are supported 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.



# Reimagining Mental Health

Q1 2024 Earnings Presentation • May 9, 2024

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# 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 second-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: 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 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 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 and financial performance 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, 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

			
<b>1</b> <b>National platform</b> with unmatched scale	<b>2</b> <b>Multidisciplinary clinician model</b> composed of W-2 employed psychiatrists, APNs, psychologists & therapists	<b>3</b> <b>Tech-enabled platform supporting hybrid model</b> of virtual and in-person care	<b>4</b> <b>In-network reimbursement</b> providing affordable access to high-quality care

**6,866**  
Clinicians  
15% Y/Y Growth

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**\$1,104M**  
Revenue | TTM<sup>(1)</sup>  
21% Y/Y TTM<sup>(1)</sup> Growth

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**7.1M**  
Visits | TTM<sup>(1)</sup>

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**550+**  
Centers  
in 33 States

Note: Unless otherwise stated, data is as of March 31, 2024; <sup>(1)</sup> Trailing twelve months

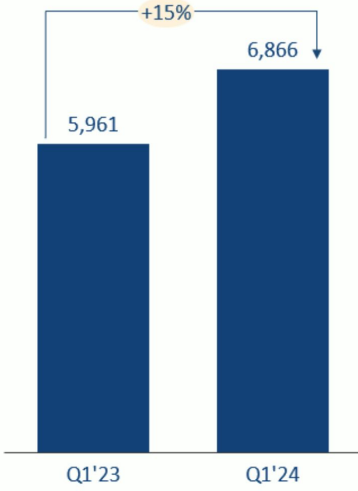
## Q1 2024 Highlights

- Q1 Revenue of \$300.4 million increased 19% year-over-year
- Total clinicians of 6,866, +15% Y/Y; 221 net clinician adds in Q1
- Q1 Visit Volumes of 1.9 million, +15% Y/Y
- Q1 Center Margin of \$94.7 million, or 31.5% as a percentage of revenue
- Q1 Adjusted EBITDA of \$27.7 million, or 9.2% as a percentage of revenue
- Ended Q1 with a cash position of \$49.5 million

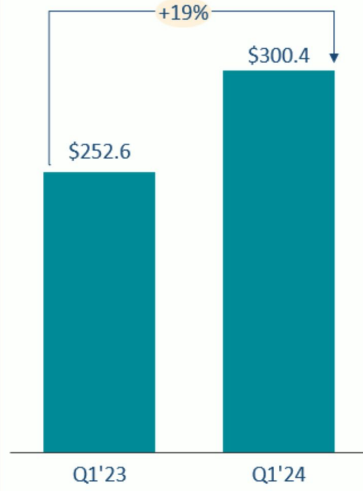
Note: See reconciliation of GAAP to non-GAAP measures in the Appendix to this presentation.

# Q1 2024 Results

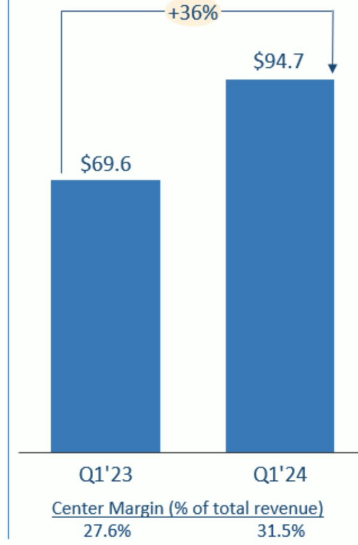
Clinicians



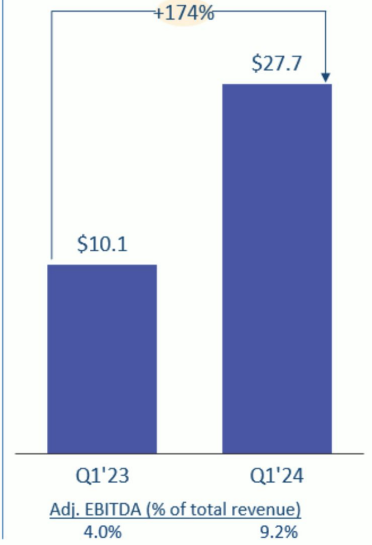
Revenue (in \$M)



Center Margin (in \$M)

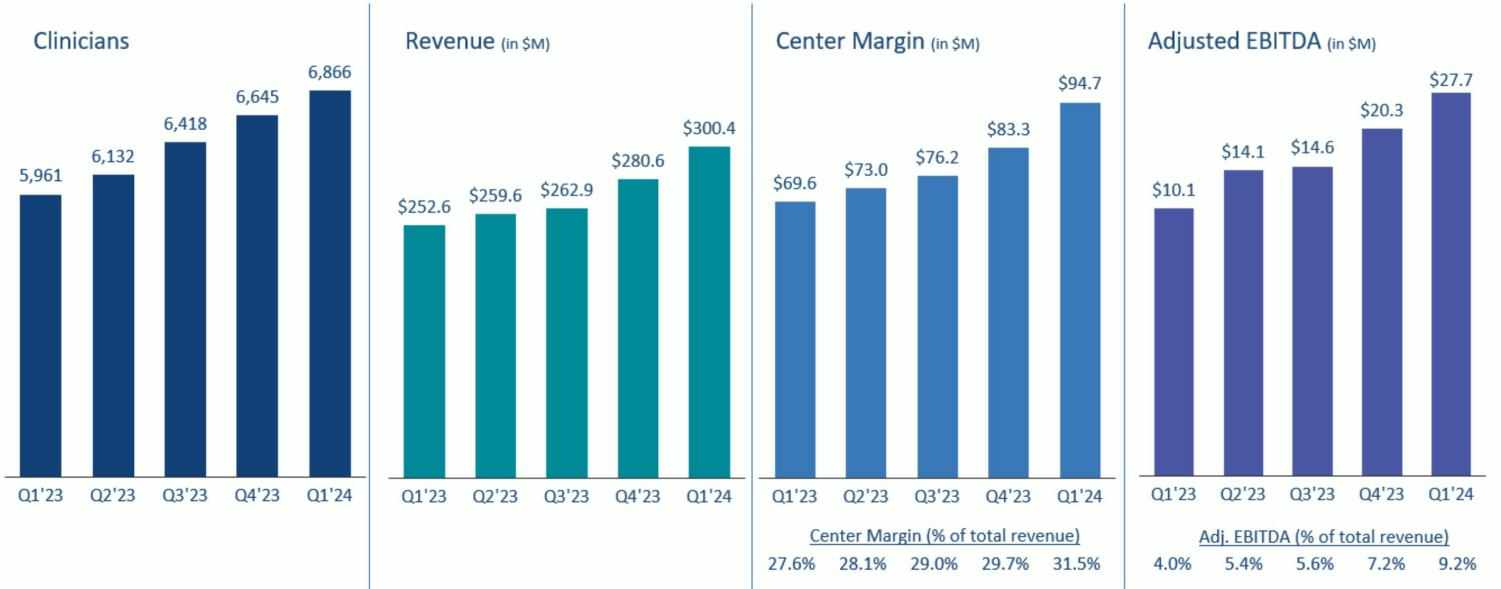


Adjusted EBITDA (in \$M)



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

# Quarterly Trends



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



# Balance Sheet, Cash Flow, and Capital Allocation

## Balance Sheet & Cash Flow

**\$49M**

Cash & Cash Equivalents

**\$280M**

Net Long-term Debt\*

**(\$22M)**

Operating Cash Flow (YTD)

**\$5M**

Capital Expenditures (YTD)

## Capital Allocation



### De Novos

Selective deployment to enable clinician and market growth

Opened 2 de novos in Q1



### Acquisitions

No M&A anticipated in 2024

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

\*Long-Term Debt is Net of Current Portion and Unamortized Discount and Debt Issue Costs

# 2024 Guidance

(All \$ in M)	FY 2024	Q2 2024
<b>Revenue</b>	\$1,190 – \$1,240 <i>(Reaffirmed)</i>	\$297 – \$315
<b>Center Margin</b>	\$353 – \$373 <i>(Raised from \$345 - \$365)</i>	\$85 – \$97
<b>Adj. EBITDA</b>	\$88 – \$98 <i>(Raised from \$80 - \$90)</i>	\$20 – \$26
<b>Free Cash Flow</b>	Positive <i>(Reaffirmed)</i>	

### Planning Assumptions

- Assumes no more than 20 de novo center openings
- Assumes no M&A spend in 2024

Note: Center Margin and Adjusted EBITDA anticipated for second quarter of 2024 and full year 2024 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 2024 and full year 2024 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. 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

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# Quarterly Statements of Operations and Comprehensive Loss

<i>(SM)</i>	2024	2023			
	Q1	Q4	Q3	Q2	Q1
<b>Total revenue</b>	<b>\$300.4</b>	<b>\$280.6</b>	<b>\$262.9</b>	<b>\$259.6</b>	<b>\$252.6</b>
<b>Operating expenses</b>					
Center costs, excluding depreciation and amortization	205.7	197.3	186.7	186.6	183.0
General and administrative expenses	88.9	93.4	130.9	101.9	84.6
Depreciation and amortization	22.6	22.2	19.6	19.5	19.1
<b>Loss from operations</b>	<b>(16.8)</b>	<b>(32.3)</b>	<b>(74.4)</b>	<b>(48.4)</b>	<b>(34.1)</b>
<b>Other income (expense)</b>					
Gain (loss) on remeasurement of contingent consideration	2.0	(0.5)	1.9	1.5	1.0
Transaction costs	—	—	—	(0.0)	(0.1)
Interest expense, net	(5.9)	(5.5)	(5.5)	(5.1)	(5.1)
Other expense	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Total other expense	(4.0)	(6.0)	(3.6)	(3.6)	(4.2)
<b>Loss before income taxes</b>	<b>(\$20.7)</b>	<b>(38.3)</b>	<b>(78.0)</b>	<b>(52.0)</b>	<b>(38.3)</b>
Income tax (provision) benefit	(0.4)	(6.6)	16.4	6.5	4.0
<b>Net loss</b>	<b>(\$21.1)</b>	<b>(\$45.0)</b>	<b>(\$61.6)</b>	<b>(\$45.5)</b>	<b>(\$34.2)</b>
<b>Other comprehensive income (loss)</b>					
Unrealized gains (losses) on cash flow hedge, net of tax	0.6	(2.1)	0.2	2.1	(1.3)
<b>Comprehensive loss</b>	<b>(\$20.5)</b>	<b>(\$47.0)</b>	<b>(\$61.4)</b>	<b>(\$43.3)</b>	<b>(\$35.5)</b>

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

# Quarterly GAAP to Non-GAAP Reconciliations – Center Margin

<i>(\$M)</i>	2024	2023			
	Q1	Q4	Q3	Q2	Q1
<b>Loss from operations</b>	<b>(\$16.8)</b>	<b>(\$32.3)</b>	<b>(\$74.4)</b>	<b>(\$48.4)</b>	<b>(\$34.1)</b>
<b>Adjusted for:</b>					
Depreciation and amortization	22.6	22.2	19.6	19.5	19.1
General and administrative expenses <sup>(1)</sup>	88.9	93.4	130.9	101.9	84.6
<b>Center Margin</b>	<b>\$94.7</b>	<b>\$83.3</b>	<b>\$76.2</b>	<b>\$73.0</b>	<b>\$69.6</b>

Subtotals in the schedule above may not foot or cross-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)	2024		2023		
	Q1	Q4	Q3	Q2	Q1
<b>Net loss</b>	<b>(\$21.1)</b>	<b>(\$45.0)</b>	<b>(\$61.6)</b>	<b>(\$45.5)</b>	<b>(\$34.2)</b>
<b>Adjusted for:</b>					
Interest expense, net	5.9	5.5	5.5	5.1	5.1
Depreciation and amortization	22.6	22.2	19.6	19.5	19.1
Income tax provision (benefit)	0.4	6.6	(16.4)	(6.5)	(4.0)
(Gain) loss on remeasurement of contingent consideration	(2.0)	0.5	(1.9)	(1.5)	(1.0)
Stock-based compensation	20.6	20.9	21.5	33.1	23.9
Loss on disposal of assets	0.1	0.0	0.0	0.0	0.0
Transaction costs <sup>(1)</sup>	—	—	—	0.0	0.1
Executive transition costs	0.0	—	0.1	0.4	0.2
Litigation costs <sup>(2)</sup>	0.5	1.8	45.4	3.4	0.4
Strategic initiatives <sup>(3)</sup>	0.8	0.7	0.8	2.0	0.4
Real estate optimization and restructuring charges <sup>(4)</sup>	(0.1)	6.0	1.3	3.7	—
Amortization of cloud-based software implementation costs <sup>(5)</sup>	0.0	—	—	—	—
Other expenses <sup>(6)</sup>	0.1	1.0	0.2	0.3	0.3
<b>Adjusted EBITDA</b>	<b>\$27.7</b>	<b>\$20.3</b>	<b>\$14.6</b>	<b>\$14.1</b>	<b>\$10.1</b>

Subtotals in the schedule above may not foot or cross-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 months ended March 31, 2024 and 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 months ended March 31, 2024 and 2023, we continued a process of evaluating and adopting critical enterprise-wide systems for (i) human resources management, (ii) clinician credentialing and onboarding process, and for the three months ended March 31, 2023, (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. During the three months ended March 31, 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) Primarily includes costs incurred to consummate or integrate acquired centers, certain of which are wholly-owned and certain of which are supported 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

(SMM)	2024		2023		
	Q1	Q4	Q3	Q2	Q1
<b>Key Metrics</b>					
Clinicians	6,866	6,645	6,418	6,132	5,961
<b>Total Revenue</b>	<b>\$300.4</b>	<b>\$280.6</b>	<b>\$262.9</b>	<b>\$259.6</b>	<b>\$252.6</b>
Center costs, excluding depreciation and amortization	205.7	197.3	186.7	186.6	183.0
<b>Center Margin (Non-GAAP)</b>	<b>\$94.7</b>	<b>\$83.3</b>	<b>\$76.2</b>	<b>\$73.0</b>	<b>\$69.6</b>
<i>% Margin</i>	31.5%	29.7%	29.0%	28.1%	27.6%
General and administrative expenses	88.9	93.4	130.9	101.9	84.6
Depreciation and amortization	22.6	22.2	19.6	19.5	19.1
<b>Loss from operations</b>	<b>(16.8)</b>	<b>(32.3)</b>	<b>(74.4)</b>	<b>(48.4)</b>	<b>(34.1)</b>
<b>Other (expense) income</b>					
Other (expense) income	(4.3)	(12.7)	12.8	2.9	(0.1)
<b>Net loss</b>	<b>(21.1)</b>	<b>(545.0)</b>	<b>(561.6)</b>	<b>(545.5)</b>	<b>(534.2)</b>
<b>Other comprehensive income (loss)</b>					
Unrealized gains (losses) on cash flow hedge, net of tax	0.6	(2.1)	0.2	2.1	(1.3)
<b>Comprehensive loss</b>	<b>(\$20.5)</b>	<b>(\$47.0)</b>	<b>(\$61.4)</b>	<b>(\$43.3)</b>	<b>(\$35.5)</b>
<b>Adjusted EBITDA build</b>					
Net loss	(21.1)	(45.0)	(61.6)	(45.5)	(34.2)
Interest expense, net	5.9	5.5	5.5	5.1	5.1
Depreciation and amortization	22.6	22.2	19.6	19.5	19.1
Income tax provision (benefit)	0.4	6.6	(16.4)	(6.5)	(4.0)
(Gain) loss on remeasurement of contingent consideration	(2.0)	0.5	(1.9)	(1.5)	(1.0)
Stock-based compensation	20.6	20.9	21.5	33.1	23.9
Loss on disposal of assets	0.1	0.0	0.0	0.0	0.0
Transaction costs	—	—	—	0.0	0.1
Executive transition costs	0.0	—	0.1	0.4	0.2
Litigation costs	0.5	1.8	45.4	3.4	0.4
Strategic initiatives	0.8	0.7	0.8	2.0	0.4
Real estate optimization and restructuring charges	(0.1)	6.0	1.3	3.7	—
Amortization of cloud-based software implementation costs	0.0	—	—	—	—
Other expenses	0.1	1.0	0.2	0.3	0.3
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$27.7</b>	<b>\$20.3</b>	<b>\$14.6</b>	<b>\$14.1</b>	<b>\$10.1</b>
<i>% Margin</i>	9.2%	7.2%	5.6%	5.4%	4.0%

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

# Quarterly Balance Sheets

(SM)	2024	2023			
	Q1	Q4	Q3	Q2	Q1
<b>Current assets</b>					
Cash and cash equivalents	49.5	78.8	42.6	79.6	68.3
Patient accounts receivable, net	175.9	125.4	149.7	121.8	118.4
Prepaid expenses and other current assets	18.7	21.5	71.9	36.5	25.8
<b>Total current assets</b>	<b>244.1</b>	<b>225.7</b>	<b>264.3</b>	<b>237.9</b>	<b>212.5</b>
Property and equipment, net	182.4	188.2	190.1	193.1	193.5
Right-of-use assets	165.8	170.7	180.7	191.4	196.2
Intangible assets, net	208.5	221.1	233.6	243.8	254.0
Goodwill	1,293.3	1,293.3	1,293.4	1,293.5	1,293.6
Other noncurrent assets	12.1	10.9	13.0	11.2	8.8
<b>Total noncurrent assets</b>	<b>1,862.2</b>	<b>1,884.2</b>	<b>1,910.8</b>	<b>1,933.0</b>	<b>1,946.1</b>
<b>Total assets</b>	<b>\$2,106.3</b>	<b>\$2,110.0</b>	<b>\$2,175.1</b>	<b>\$2,170.9</b>	<b>\$2,158.6</b>
Accounts payable	11.9	7.1	10.4	8.0	7.7
Accrued payroll expenses	100.4	102.5	83.6	81.1	83.7
Other accrued expenses	37.3	35.0	91.0	34.3	32.0
Contingent consideration	4.5	8.2	9.0	10.5	13.3
Operating lease liabilities, current	49.7	46.5	43.6	43.4	41.6
Other current liabilities	3.6	3.7	3.3	3.3	2.8
<b>Total current liabilities</b>	<b>207.5</b>	<b>202.9</b>	<b>240.9</b>	<b>180.9</b>	<b>181.1</b>
Long-term debt, net	279.9	280.3	248.4	248.7	224.8
Operating lease liabilities, noncurrent	173.3	181.4	191.5	205.6	207.9
Deferred tax liability, net	16.0	15.6	38.4	38.3	37.6
Other noncurrent liabilities	0.8	1.0	0.9	2.6	2.1
<b>Total noncurrent liabilities</b>	<b>469.9</b>	<b>478.2</b>	<b>479.1</b>	<b>495.2</b>	<b>472.3</b>
<b>Total liabilities</b>	<b>\$677.3</b>	<b>\$681.0</b>	<b>\$720.0</b>	<b>\$676.0</b>	<b>\$653.4</b>
Common stock	3.8	3.8	3.8	3.8	3.8
Additional paid-in capital	2,204.2	2,183.7	2,162.8	2,141.2	2,108.2
Accumulated other comprehensive income	2.9	2.3	4.4	4.2	2.0
Accumulated deficit	(781.9)	(760.8)	(715.9)	(654.3)	(608.8)
<b>Total stockholders' equity</b>	<b>1,429.0</b>	<b>1,428.9</b>	<b>1,455.0</b>	<b>1,494.9</b>	<b>1,505.1</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$2,106.3</b>	<b>\$2,110.0</b>	<b>\$2,175.1</b>	<b>\$2,170.9</b>	<b>\$2,158.6</b>

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



# Statements of Cash Flows

<i>(\$M)</i>	Q1'24	Q1'23
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net loss</b>	<b>(21.1)</b>	<b>(34.2)</b>
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	22.6	19.1
Non-cash operating lease costs	9.7	10.1
Stock-based compensation	20.6	23.9
Amortization of discount and debt issue costs	0.4	0.5
Gain on remeasurement of contingent consideration	(2.0)	(1.0)
Other, net	(0.0)	0.0
Change in operating assets and liabilities, net of businesses acquired:		
Patient accounts receivable, net	(50.5)	(17.1)
Prepaid expenses and other current assets	2.5	(4.5)
Accounts payable	5.0	(5.5)
Accrued payroll expenses	(2.0)	7.7
Operating lease liabilities	(9.6)	(8.7)
Other accrued expenses	2.8	2.0
<b>Net cash used in operating activities</b>	<b>(\$21.8)</b>	<b>(\$7.9)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(5.1)	(7.7)
Acquisitions of businesses, net of cash acquired	—	(19.8)
<b>Net cash used in investing activities</b>	<b>(\$5.1)</b>	<b>(\$27.5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of long-term debt	(0.7)	(0.6)
Payments of contingent consideration	(1.7)	(4.3)
<b>Net cash used in financing activities</b>	<b>(\$2.4)</b>	<b>(\$4.9)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(\$29.4)</b>	<b>(\$40.3)</b>
Cash and Cash Equivalents - Beginning of period	\$78.8	108.6
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<b>\$49.5</b>	<b>\$68.3</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)

<i>(\$M)</i>	2024	2023			
	Q1	Q4	Q3	Q2	Q1
<b>Net cash (used in) provided by operating activities</b>	<b>(\$21.8)</b>	<b>\$16.8</b>	<b>(\$25.4)</b>	<b>(\$0.4)</b>	<b>(\$7.9)</b>
<b>Purchases of property and equipment</b>	<b>(\$5.1)</b>	<b>(\$11.4)</b>	<b>(\$9.8)</b>	<b>(\$11.6)</b>	<b>(\$7.7)</b>
<b>Free Cash Flow</b>	<b>(\$26.9)</b>	<b>\$5.4</b>	<b>(\$35.2)</b>	<b>(\$12.0)</b>	<b>(\$15.6)</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

	2024	2023			
	Q1	Q4	Q3	Q2	Q1
<b>Total Revenue (\$M)</b>	\$300.4	\$280.6	\$262.9	\$259.6	\$252.6
<b>Total Visits (000s)</b>	1,912	1,783	1,714	1,705	1,665
<b>Total Revenue Per Visit (TRPV)</b>	\$157.1	\$157.4	\$153.4	\$152.3	\$151.7

Amounts are unaudited.