

December 27, 2023



Life Time Reaffirms Full Year Fiscal 2023 Guidance

CHANHASSEN, Minn., Dec. 27, 2023 /PRNewswire/ -- Based on information as of December 26, 2023, Life Time Group Holdings, Inc. ("Life Time," "we," "our," "us," or the "Company") (NYSE: LTH) today reaffirmed its guidance for fiscal year ended December 31, 2023, that it provided on October 25, 2023, as part of its third quarter earnings release.



Fourth Quarter 2023 Guidance (based upon range midpoints):

- Revenue is expected to increase approximately 18.5% to \$555-\$565 million from \$472.7 million in the prior year period.
- Net income is expected to be up approximately 13.1% to \$14-\$17 million from \$13.7 million in the prior year period.
- Adjusted EBITDA is expected to increase approximately 24.3% to \$131-\$135 million from \$107 million in the prior year period.

Full-Year 2023 Guidance (based upon range midpoints):

- Revenue is expected to increase approximately 21.7% to \$2,213-\$2,223 million from \$1,822.6 million for the prior year.
- Net income is expected to be \$66-\$69 million as compared with a net loss of \$1.8 million for the prior year.
- Adjusted EBITDA is expected to increase approximately 88.9% to \$530-\$534 million from \$281.7 million for the prior year.

Bahram Akradi, Founder, Chairman and CEO, stated: "We remain on track for a strong close to 2023 with average member visits and demand for our programming at an all-time high. Based on our expectations for continued growth and substantial asset light opportunities, we are pleased to re-affirm our 2023 guidance as we head into 2024. In addition, as shared previously, we expect to be free cash flow positive after all capital expenditures, including new club growth, by the middle of 2024. Our business and outlook remain strong. I look forward to continue working with senior vice president and controller, Erik Weaver – a 19-year Life Time veteran – as he assumes the role of interim Chief Financial Officer with the transition of Bob Houghton to his new career endeavor. Bob is a consummate professional and I wish him well."

About Life Time

Life Time (NYSE: LTH) empowers people to live healthy, happy lives through its portfolio of

more than 170 athletic country clubs across the United States and Canada. The Company's healthy way of life communities and ecosystem address all aspects of healthy living, healthy aging and healthy entertainment for people 90 days to 90+ years old. Supported by a team of more than 37,000 dedicated professionals, Life Time is committed to providing the best programs and experiences through its clubs, iconic athletic events and comprehensive digital platform.

Use of Non-GAAP Financial Measures and Key Performance Indicators

This press release includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States ("GAAP"), including Adjusted EBITDA and free cash flow. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should be considered in addition to, and not as a substitute for or superior to, net income (loss) or net cash provided by operating activities as a measure of financial performance or any other performance measure derived in accordance with GAAP, and should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items. In addition, these non-GAAP financial measures should be read in conjunction with the Company's financial statements prepared in accordance with GAAP. The reconciliations of the Company's non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated.

Adjusted EBITDA is defined as net income (loss) before interest expense, net, provision for (benefit from) income taxes and depreciation and amortization, excluding the impact of share-based compensation expense, (gain) loss on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance and other items that are not indicative of the Company's ongoing operations, including incremental costs related to COVID-19. Free cash flow or free cash flow after capital expenditures is defined as net cash provided by (used in) operating activities less capital expenditures, net of construction reimbursements.

The Company presents these non-GAAP financial measures because management believes that these measures assist investors and analysts in comparing the Company's operating performance across reporting periods on a consistent basis by excluding items that management does not believe are indicative of the Company's ongoing operating performance. Investors are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate for supplemental analysis. In evaluating the non-GAAP financial measures, investors should be aware that, in the future, the Company may incur expenses that are the same as or similar to some of the adjustments in the Company's presentation of its non-GAAP financial measures. There can be no assurance that the Company will not modify the presentation of non-GAAP financial measures in future periods, and any such modification may be material. In addition, the Company's non-GAAP financial measures may not be comparable to similarly titled measures used by other companies in the Company's industry or across different industries. The non-GAAP financial measures have limitations as analytical tools, and investors should not consider these measures in isolation or as substitutes for analysis of the Company's results as reported under GAAP.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of federal securities regulations. Forward-looking statements in this press release include, but are not

limited to, the Company's plans, strategies and prospects, both business and financial, including its financial outlook for the fourth quarter and full year 2023, growth, capital expenditures and free cash flow, consumer demand and industry and economic trends. These statements are based on the beliefs and assumptions of the Company's management. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning the Company's possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

Factors that could cause actual results to differ materially from those forward-looking statements included in this press release include, but are not limited to, risks relating to our business operations and competitive and economic environment, risks relating to our brand, risks relating to the growth of our business, risks relating to our technological operations, risks relating to our capital structure and lease obligations, risks relating to our human capital, risks relating to legal compliance and risk management and risks relating to ownership of our common stock and the other important factors discussed under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the "SEC") on March 8, 2023, (File No. 001-40887), as such factors may be updated from time to time in the Company's other filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any forward-looking statement that the Company makes in this press release speaks only as of the date of such statement. Except as required by law, the Company does not have any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation of Net Income to Adjusted EBITDA Guidance for Fourth Quarter 2023 and Fiscal Year 2023

(\$ in millions)
(Unaudited)

	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2023
Net income	\$14 – \$17	\$66 – \$69
Interest expense, net of interest income	34 – 33	130 – 129
Provision for income taxes	4 – 6	22 – 24
Depreciation and amortization	66 – 66	246 – 246
Share-based compensation expense	13 – 13	50 – 50
Other	0 – 0	16 – 16
Adjusted EBITDA	\$131 – \$135	\$530 – \$534

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