



Tivity Health

Investor Presentation

William Blair Growth Stock Conference

June 6, 2019



Cautionary Note on Forward-Looking Statements

Note on Forward-Looking Statements

This communication contains certain statements that are “forward-looking” statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based upon current expectations and include all statements that are not historical statements of fact and those regarding the intent, belief or expectations, including, without limitation, statements that are accompanied by words such as “will,” “expect,” “outlook,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” or other similar words, phrases or expressions and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding the merger, integration and transition plans, synergies, opportunities and anticipated future performance. Readers of this communication should understand that these statements are not guarantees of performance or results. Many risks and uncertainties could affect actual results and cause them to vary materially from the expectations contained in the forward-looking statements.

These risks and uncertainties include, among other things: the risk that expected benefits, synergies and growth opportunities of the transaction may not be achieved in a timely manner or at all; the risk that Tivity Health and Nutrisystem will be unable to retain or hire key personnel; the ability to successfully integrate Nutrisystem’s business with Tivity Health; the risk that the significant indebtedness incurred to fund the purchase price may limit Tivity Health’s ability to adapt to changes in the economy or market conditions, expose the company to interest rate risk for the variable rate indebtedness and require a substantial portion of cash flows from operations to be dedicated to the payment of indebtedness; and the risk that disruption from the transaction may adversely affect Tivity Health’s and Nutrisystem’s business and their respective relationships with customers, vendors or employees; Tivity Health’s and Nutrisystem’s ability to develop and implement effective strategies; Tivity Health’s and Nutrisystem’s ability to effectively compete against other entities, whose financial, research, staff, and marketing resources may exceed Tivity Health’s and Nutrisystem’s resources; Tivity Health’s and Nutrisystem’s ability to accurately forecast its revenues, margins, earnings and net income, as well as any potential charges that Tivity Health and Nutrisystem may incur as a result of changes in their respective businesses and leadership teams; the risks associated with deriving a significant concentration of revenues from a limited number of customers; Tivity Health’s and Nutrisystem’s ability to develop and maintain customer relationships and/or the ability of Tivity Health’s customers to enroll participants and to accurately forecast their level of enrollment and participation in Tivity Health’s and Nutrisystem’s programs in a manner and within the timeframe anticipated by Tivity Health and Nutrisystem; the risks associated with data privacy or security breaches, computer hacking, network penetration and other illegal intrusions of our information systems or those of third-party vendors or other service providers, which may result in unauthorized access by third parties to customer, employee or other proprietary information or member health information and may lead to a disruption in Tivity Health’s and Nutrisystem’s businesses, costs to modify, enhance, or remediate Tivity Health’s and Nutrisystem’s cybersecurity measures, enforcement actions, fines or litigation against, or damage to the business reputation of, Tivity Health and Nutrisystem; other risks detailed in Tivity Health’s and Nutrisystem’s most recent Annual Reports on Form 10-K for the year ended December 31, 2018 and other filings with the Securities and Exchange Commission (“SEC”). For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to both Tivity Health’s and Nutrisystem’s filings with the SEC. Except as required by law, neither Tivity Health nor Nutrisystem undertakes any obligation to update forward-looking statements made by it to reflect new information, subsequent events or circumstances.
























Overview

Tivity Health 2.0

Investment Highlights



Highly Experienced and Successful Management Team

Name & Title	Years of Experience	Experience	Selected Management Accomplishments
 Donato Tramuto Chief Executive Officer	35+	   	✓ Served as Co-Founder of Protocare, Inc., Founder, CEO and Chairman of Physicians Interactive (now Aptus Health), CEO of i3 (a division of UnitedHealth Group), and President at Caremark HomeHealth Care
 Dawn Zier President & Chief Operating Officer	25+	 	✓ Served as CEO of Nutrisystem, held multiple leadership positions at Reader's Digest Association, most recently as President of the company's international business and held positions at AT&T and Chase Manhattan Bank
 Adam Holland Chief Financial Officer	18+	  	✓ Served as the CFO of Kirkland's, Inc. and was a senior auditor with Ernst & Young, LLP
 Steve Janicak Division President, Healthcare	30+	 	✓ Served as the chief sales and marketing officer at CareCentrix and worked in sales and marketing functions with specific expertise of working with Medicare and managed care clients
 Keira Krausz Division President, Nutrition	25+	  	✓ Served as Chief Marketing Officer of Nutrisystem, as VP of Marketing for QSP, a subsidiary of Time Inc., and held roles at Reader's Digest Association
 David Burton Chief Enterprise Innovation Officer	20+	  	✓ Served EVP, Operations & Retail of Nutrisystem, as President at Carrington Consulting Group and Director of Production Systems, and Plant Manager at Cardone Industries

Compelling Market Conditions

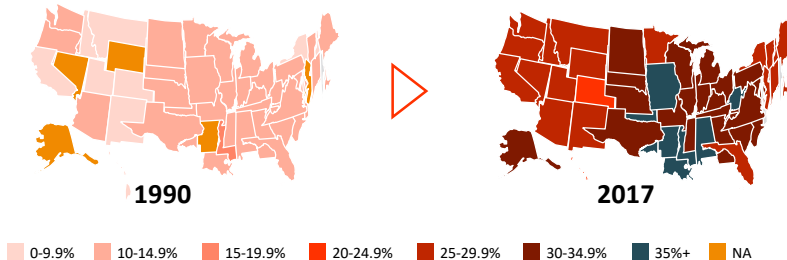
The Weight-Loss Market is a Growing Industry

- Global diet market continues to grow, reaching over \$60bn in 2014
- Over 170mm overweight or obese adults in the U.S. at any one time
 - Over 85mm are trying to lose weight
 - Over 48mm are actively trying to prevent weight gain
- Two-thirds of U.S. adults have a body mass index (“BMI”) that classifies them as overweight or obese
- In the last 35 years, obesity rates in the United States have increased significantly; more than doubling among adults and quadrupling among adolescents⁽¹⁾

Global weight loss market expected to grow 5+% in 2020

Adult obesity prevalence by state (1990 and 2017)

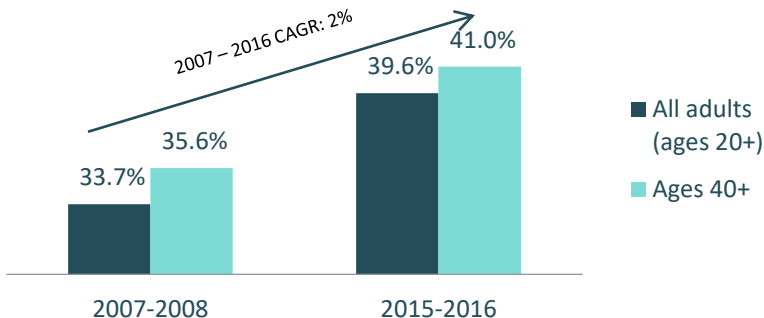
Percent of obese adults (BMI ≥ 30)



Source: <https://stateofobesity.org/adult-obesity> (Robert Wood Johnson Foundation).
Data based on self-reported height and weight.

Trends in obesity prevalence among US adults

Percentages represent obesity (BMI ≥ 30) prevalence



Source: JAMA.

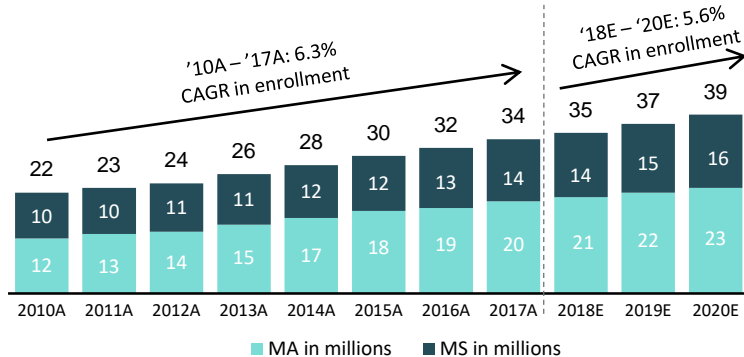
(1) National Center for Health Statistics, Centers for Disease Control and Prevention (2016). Prevalence of Overweight, Obesity, and Extreme Obesity Among Adults Aged 20 and Over: United States, 1960–1962 Through 2013–2014. (2) Centers for Disease Control and Prevention. (2018). BRFSS Prevalence & Trends Data: Home | DPH | CDC.

Compelling, Tangible Growth Opportunities

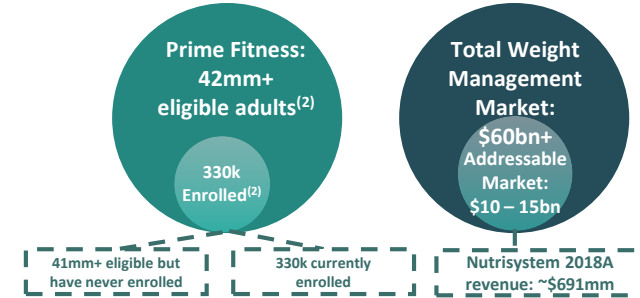
Tivity Health's businesses benefit from demographic tailwinds

- The U.S. population is aging and facing weight-related disease at unprecedented rates
- Embedded market growth with **~11,000 Americans aging into Medicare (65+ y/o) every day**
- Lifestyle issues, including fitness, nutrition and social isolation are top-of-mind for Tivity Health's MA customers
- The optimized Tivity Health will allow payors to address these issues with a uniquely positioned "calories in – calories out" strategy

MA and MS membership growth constantly provides new eligibles⁽¹⁾

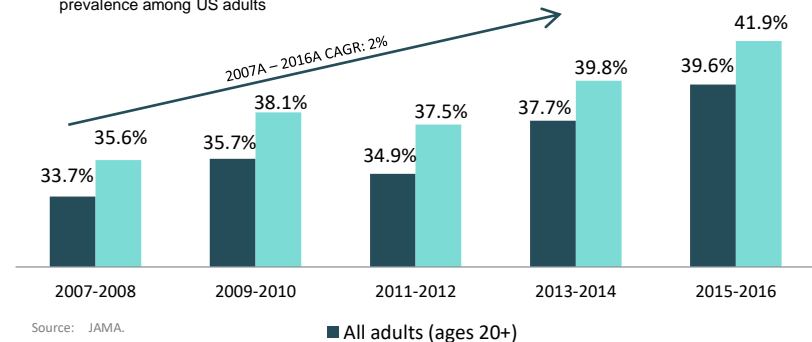


Significant growth potential for both Healthcare and Nutrition Divisions



Adult obesity is high and growing in Tivity Health's core demographic

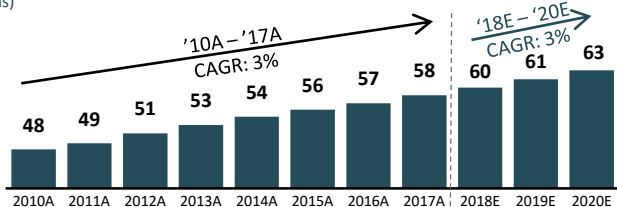
Percentages represent obesity (BMI ≥ 30) prevalence among US adults



Medicare is a Large and Growing Market Segment

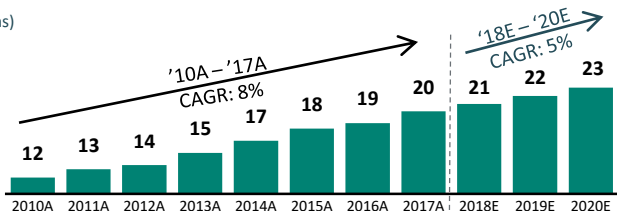
Medicare beneficiaries growth trend⁽¹⁾

(in millions)



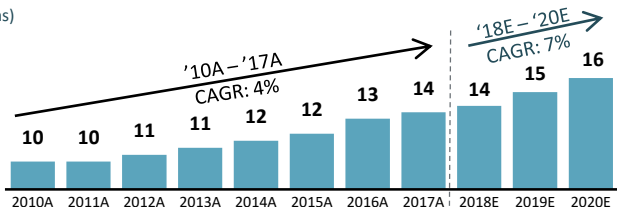
MA membership growth trend⁽¹⁾

(in millions)



MS membership growth trend⁽¹⁾

(in millions)



Market overview

- Medicare is the federal health insurance program for senior citizens (aged 65+) with ~60mm current beneficiaries
 - Medicare enrollment has grown at long-term CAGR of 3% per annum
 - ~11,000 Americans become eligible for Medicare every day
- Medicare Advantage (MA) and Medicare Supplement (MS) plans are options for eligible Medicare beneficiaries to receive Medicare benefits through private insurance companies
 - MA and MS plans are approved by Medicare and are required to cover basic benefits
 - In addition, MA and MS plans have flexibility to provide additional benefits including hearing, dental, vision and **health and wellness**

Health Plans and Providers Have Recognized the Importance of the Social Determinants of Health

Average Number of Unhealthy Days for a Medicare Advantage Member over a 30-Day Period



Food

Food Insecurity

26.6 Unhealthy Days¹



Social Support

Loneliness

24.4 Unhealthy Days¹

¹ Source: Humana Bold Goal 2019 Progress Report

There is a potential \$15.64 per member per month higher medical cost associated with having an Unhealthy Day¹



Overview

Healthcare Division

Healthcare Division - Business Overview

Division overview

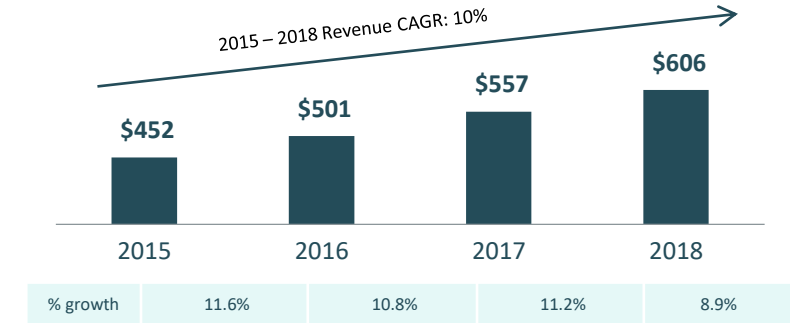
- Tivity's Healthcare Division is a leading provider of fitness and health improvement programs for health plans, focused on advancing long-lasting health and vitality for members
- Healthcare Division works with Medicare Advantage, Medicare Supplement and commercial health plans to offer fitness solutions and health improvement programs to members
- Healthcare Division's fitness networks encompass ~16,000 participating locations

Blue chip customer base



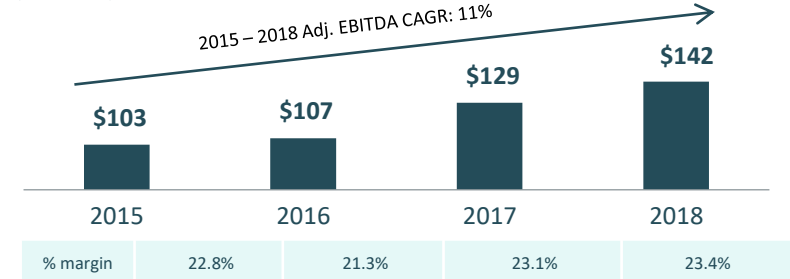
Revenue

(\$ in millions)



Adj. EBITDA⁽¹⁾

(\$ in millions)





(1) Includes stock-based compensation expense.

Healthcare Division - Business Overview

Key Statistics

2018 Revenue: \$606mm
 2018 Adj. EBITDA⁽¹⁾: \$142mm
 % Margin: 23.4%

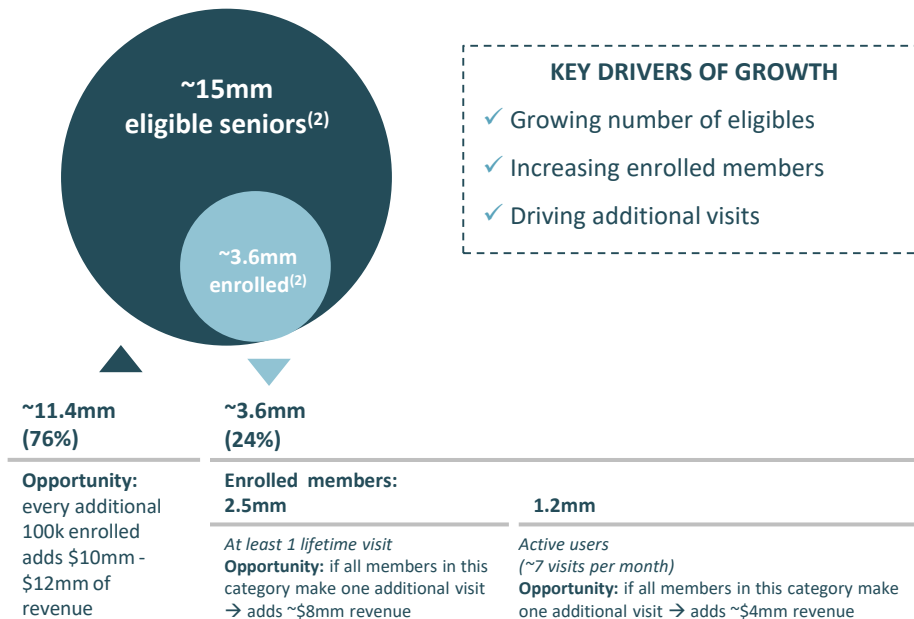
Share of 2018A Revenue	 80%	 17%	WholeHealth Living™ 3%
Description	<ul style="list-style-type: none"> Physical fitness program for seniors (65+ y/o) offered through 64 health plans Offered free to members of participating MA plans 15,000+ participating locations including fitness centers and alternative venues and 1,300+ additional “Flex” venues 	<ul style="list-style-type: none"> Reduced cost access to physical fitness in a national network for working age adults (18 – 64 y/o) Offered by 3 large national associations Average fee per month for members of \$27 11,000+ participating locations including fitness centers and alternative venues 	<ul style="list-style-type: none"> Access to networks of solutions for specialty health benefits Offered primarily through health plans as a benefit at no additional cost to members
Value proposition	<ul style="list-style-type: none"> Drives MA enrollment and retention Reduces healthcare costs for payors Drives usage at gyms during off -peak periods 	<ul style="list-style-type: none"> Reduces healthcare costs for payors Membership access to largest network of gyms for a broad-based audience 90% of Prime revenue is direct-to-consumer which ties seamlessly into Nutrisystem business model 	<ul style="list-style-type: none"> Flexible cost-effective access to specialty providers National network of 80,000+ providers Provider network includes acupuncturists, chiropractors, massage therapists, physical / occupational / speech therapists and naturopathic practitioners
Customers	<ul style="list-style-type: none"> Medicare Advantage plans Medicare Supplement plans Group Retiree plans 	<ul style="list-style-type: none"> Large national associations Commercial health plans Employers / employees 	<ul style="list-style-type: none"> Employers Regional plans

Healthcare Division's Flagship Solution - SilverSneakers

SilverSneakers overview

- The nation's leading fitness program specifically designed for older adults
- Available to Medicare Advantage and Medicare Supplement individual and group plan members
- #1 market share with 56% of the MA market
- 7 of the 10 largest MA plans use SilverSneakers, with a total of 60 contracts with 64 health plan clients
- 81 net promoter score (ahead of brands including Apple, Amazon and Netflix)
- 26 year track record of changing member behavior

SilverSneakers by the numbers⁽¹⁾



SilverSneakers has grown revenue and enrollment annually for the past 10 years

(1)
(2)

Some numbers may not tie due to rounding.

2019 Guidance

Eligible: enrolled in MA or MS plan that offers SilverSneakers as a covered benefit

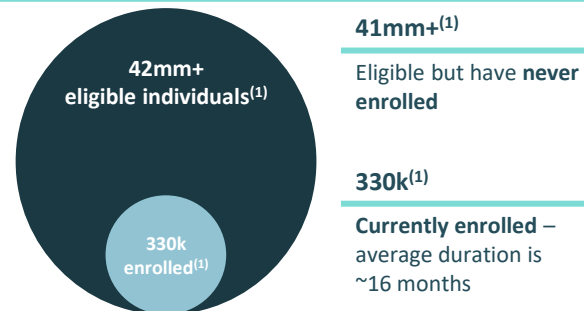
Enrolled: have signed up at a participating location (a gym) and attended at least one class

Healthcare Division - Prime Fitness Segment Overview

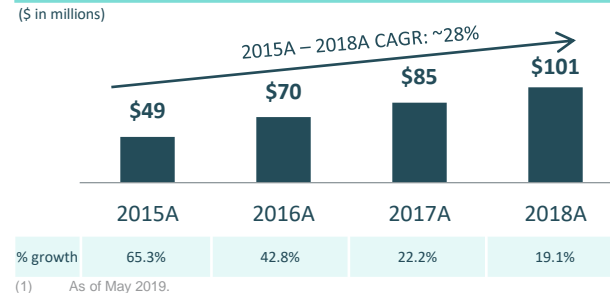
Prime Fitness overview

- Discounted membership access to largest network of gyms for a broad-based audience (18-64 y/o)
 - 11,000+ participating locations including fitness centers and alternative venues (4% y-o-y growth)
- ~28% revenue CAGR from 2015A – 2018A
- Offered through three large national associations; commercial health plans, employers and Walmart
- On 2/19/19, announced multi-year agreement with Walmart to offer a comprehensive fitness program to its 1.5mm full-time U.S. associates**
 - Program will be powered by Prime Fitness
 - Program will offer national fitness network with full reciprocity

Prime Fitness by the numbers



Prime Fitness historical revenues



Significant opportunity to introduce Nutrisystem products to Prime Fitness population



Overview

Nutrition Division

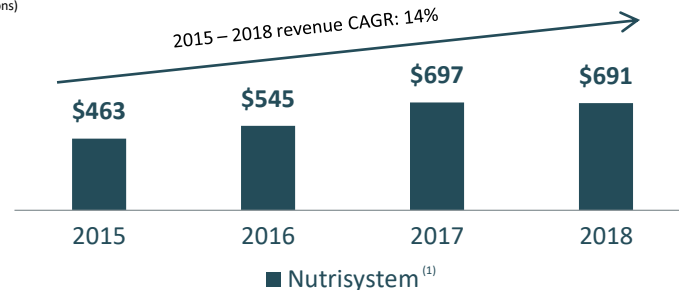
Nutrition Division - Business Overview

Division overview

- Nutrition Division is a nimble, data-driven, customer-centric, e-commerce business serving a large and growing weight loss market; the business is predominantly direct-to-consumer (94%) although certain products are also available at leading retail locations
- Scientifically-backed product innovation has been a cornerstone of the success with an increased focus on personalized nutrition that can expand beyond weight loss. Programs are comprehensive and include food, companion app, and counseling. Key programs and products:
- Externally recognized competency as performance-based and engagement marketers with deep expertise across all media/digital channels; demonstrated ability to drive revenue per customer throughout the customer journey providing an attractive return on marketing investment
- Annual marketing spend is flexible. Company uses real-time data analytics for decision making and can be nimble over the course of the year
- Scalable multi-brand platform allowing us to easily service new brands

Revenue

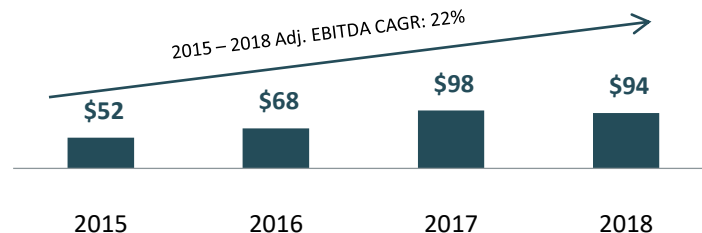
(\$ in millions)



% growth	14.8%	17.9%	27.8%	(0.9%)
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Adj. EBITDA⁽²⁾

(\$ in millions)



% margin	11.2%	12.4%	14.1%	13.6%
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Note:

(1)

(2)

2019E represents midpoint of ranges \$682 - \$702mm and \$90mm - \$100mm for revenue and Adjusted EBITDA, respectively.

Retail and QVC included within Nutrisystem category.

Includes stock-based compensation expense.

Nutrition Division – Products and Programs

Nutrisystem® Key Statistics

2018 Revenue: \$691mm
2018 Adj. EBITDA⁽¹⁾: \$94mm
% Margin: 13.6%

Nutrisystem®
FreshStart

Nutrisystem® | **D**

Nutrisystem®
FOR MEN

A La Carte /
Health and Wellness

**DNA
BODY BLUEPRINT™**

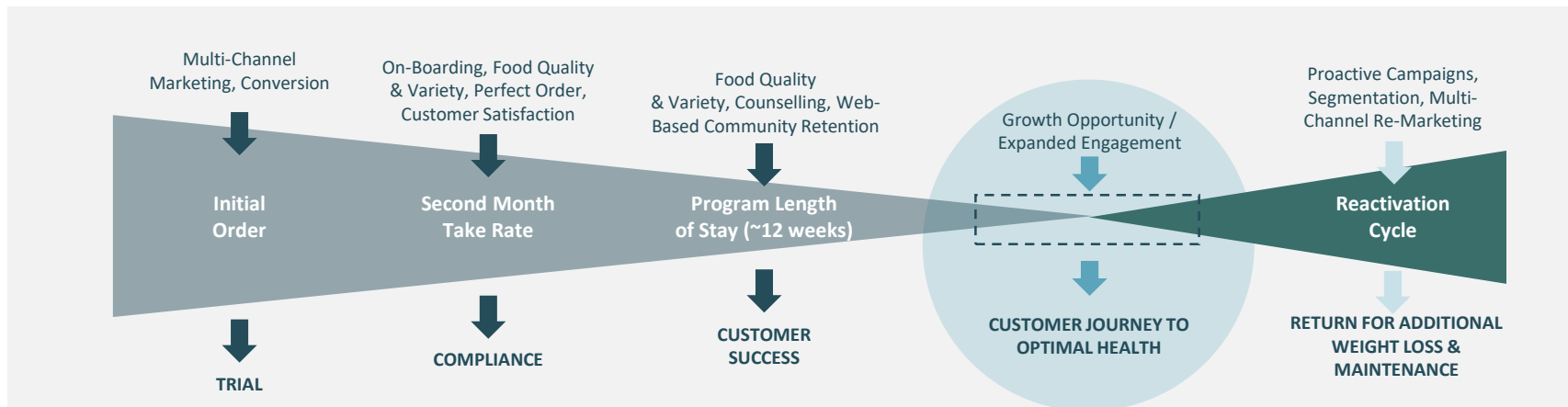
**SOUTH
BEACH
DIET®**

Description	<ul style="list-style-type: none"> Jumpstart weight loss plan, designed for customers to lose up to 13 lbs and seven inches in their first month Includes Fresh Start week and probiotic Fresh Start shakes as well as incorporating flexible meal options 	<ul style="list-style-type: none"> America's #1 diabetes home delivery weight loss program Designed for weight loss to help you manage your Type 2 Diabetes Lose weight and lower blood glucose levels by 1.02% (A1C) 	<ul style="list-style-type: none"> Customers can lose up to 18 lbs and eight inches overall in their first month and retain muscle mass 	<ul style="list-style-type: none"> A la carte offerings, various shakes, DNA testing kits, and vitamin products More additions to come 	<ul style="list-style-type: none"> Developed by Dr. Arthur Agatston to promote good carbs, healthy fats and lean protein Customers can lose up to nine lbs and three inches in first two weeks Keto-friendly options introduced in 2019
	<ul style="list-style-type: none"> Six different plans to meet customer preference and diet choice including: Basic, Core, Uniquely Yours, Uniquely Yours Plus, Vegetarian, and Retail 	<ul style="list-style-type: none"> Four different plans to meet needs based on individual's diabetes severity or risk of diabetes including: Diabetes Basic, Diabetes Core, Diabetes Uniquely Yours, and Retail 	<ul style="list-style-type: none"> Six different plans to meet customer preference and diet choice including: Basic, Core, Uniquely Yours, Uniquely Yours Plus, Vegetarian, and Retail 	<ul style="list-style-type: none"> A la carte menu which includes meals, snacks, proprietary shakes and vitamins to promote weight loss, digestive health and general health DNA Body Blueprint™ Kit & Report + Nutrition Plan: targeted to individuals transitioning off program and looking to maintain their weight 	<ul style="list-style-type: none"> Five different plans to meet customer goals and meal variety preference including: Silver, Gold, Platinum, Diabetes Gold, and Retail

Plan pricing begins at ~\$10/day and averages between ~\$11.25 - \$13.50/day

Nutrition Division – Customer Lifecycle

- Customer journey includes initial diet cycle defined as first nine months from first start date; reactivation cycle is 10 months+ from initial start
 - 65-70% of customer lifetime value (“LTV”) revenue is received during initial diet cycle; 30-35% during reactivation cycle. This allows for a very quick return on marketing spend
- Nutrisystem has seen meaningful increases in revenue per customer through focused efforts on product enhancements, increased flexibility, pricing, and product upsells, revenue per customer and reactivation revenue has increased significantly over the past five years
- Proprietary database continues to grow and opportunity to reactivate former customers at lower costs (e-mail & direct mail)



Nutrisystem has a quick return on marketing investment and has effectively improved customer yield



COMBINATION

$$1 + 1 = 3$$

Complementary Businesses Will Drive Accelerated Growth



Combined Platform & Complementary Competencies



- Leading provider of fitness and health improvement programs for health plans for 26 years
- #1 market share in senior fitness
- 75mm+ eligibles
- 16,000+ network locations
- ~\$600mm+ revenue
- Strong, long-term relationships with health plans
- 2 key product offerings
 - **SilverSneakers®**
 - › Leading fitness program specifically designed for older adults (age 65+)
 - › Most recognized senior wellness / fitness brand for over 26 years
 - › Critical program offering for MA and MS
 - › 3.6mm currently enrolled⁽¹⁾
 - **Prime® Fitness**
 - › Large network of gyms for broad based audience aged 18 – 64
 - › 330,000 currently enrolled⁽¹⁾
 - › High growth, significant white space opportunity

Potential New Revenue Streams:
Post Discharge Meal Plans
Caregiver Program
Social Isolation
Lifestyle Aging

Increased Relevance for Health Plans

Expand Channels and Drive
Engagement

Integrated Products and Cross-Selling

Expanded Customer Reach

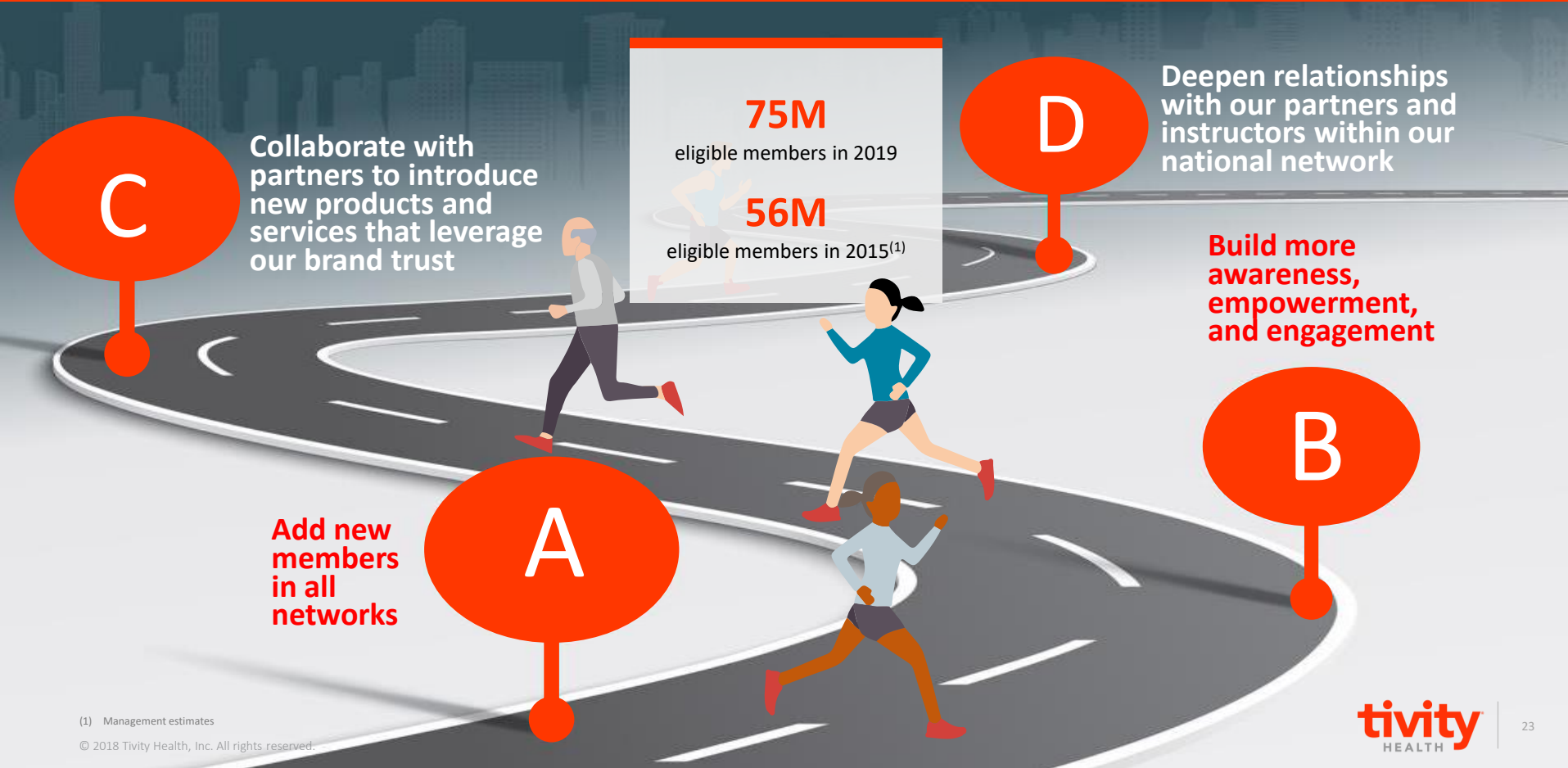
Attractive & Durable Financial Profile

Holistic Approach to Managing Chronic
Conditions (*Calories In and Calories
Out*)

- Leading provider of weight management products for 45 years
- #2 market share in weight management
- ~133mm overweight Americans are trying to lose weight or prevent weight gain⁽²⁾
- 200+ products
- ~\$700mm+ revenue
- 2 household brands
 - **Nutrisystem®**
 - › Market leading weight loss program
 - › Customizable nutrition and counseling services, including plans specifically designed for individuals with Diabetes
 - › 63% of consumers who want to lose weight would consider Nutrisystem⁽³⁾
 - › **DNA Body Blueprint** is targeted to individuals transitioning off program and looking to maintain their weight
 - **South Beach Diet®**
 - › Unique, heart-healthy and low-carb weight loss meal programs, products and services
 - › High growth, unique adjacent product offering; launched in 2017

Value-Creation FOR A-B-C-D and E

Driving The A-B-C-D Strategy



(1) Management estimates

Driving The A-B-C-D Strategy

Nutrisystem

SUPPORTING CAPABILITIES

- Nutrisystem's precision marketing & digital prowess will accelerate capabilities to engage members and drive revenue
- Strengthens SilverSneakers media strategy
- Nutrisystem buying power for television will allow more cost effective advertising for SilverSneakers
- Cross-promotion of Tivity Health solutions
- Capitalize on Nutrisystem's direct-to-consumer and marketing expertise
- Leverage Nutrisystem's proven ability to reactivate former users
- Leverage the scale and volume of the Nutrisystem award-winning contact center to enhance exposure to SilverSneakers and Prime Fitness

Nutrisystem Benefits
Tivity Health



Tivity Health Benefits
Nutrisystem



tivity
HEALTH

SUPPORTING CAPABILITIES

- Potential new distribution channel for Nutrisystem – health plans
- Potential new distribution channel for Nutrisystem – partner locations
- Cross-promotion of Nutrisystem solutions

Build more
awareness,
empowerment,
and engagement

Add new
members
in all
networks

A

B

Driving The A-B-C-D Strategy

C

Collaborate with partners to introduce new products and services that leverage our brand trust

Nutrisystem

SUPPORTING CAPABILITIES

- Post discharge meal plan to reduce readmissions
- Lifestyle aging
- Supports the Caregiver Program
- Prime/Nutrisystem cross-selling combo offer
- Social Isolation issues

Nutrisystem Benefits
Tivity Health



Tivity Health Benefits
Nutrisystem



tivity
HEALTH

SUPPORTING CAPABILITIES

- Expose Nutrisystem to Tivity Health partnerships
- Lifestyle aging
- Supports the Caregiver Program
- Prime/Nutrisystem cross-selling combo offer
- Social Isolation issues

Driving The A-B-C-D Strategy

D

Deepen relationships with our partners and instructors within our national network

Nutrisystem

SUPPORTING CAPABILITIES

- Provide partner locations a new revenue stream
- Nutrition counseling core competency

Nutrisystem Benefits
Tivity Health



Tivity Health Benefits
Nutrisystem



tivity
HEALTH

SUPPORTING CAPABILITIES

- Provides new distribution channel for Nutrisystem products

Strategy E – Expand into Addressing Social Determinants of Health and Complex Chronic Conditions

E

Holistic approach to addressing social determinants of health and complex chronic conditions



Strategy E – Expand into SDoH and Complex Chronic Conditions

Where Calories in + Calories Out = Better Outcomes

E

Holistic approach to addressing social determinants of health and complex chronic conditions

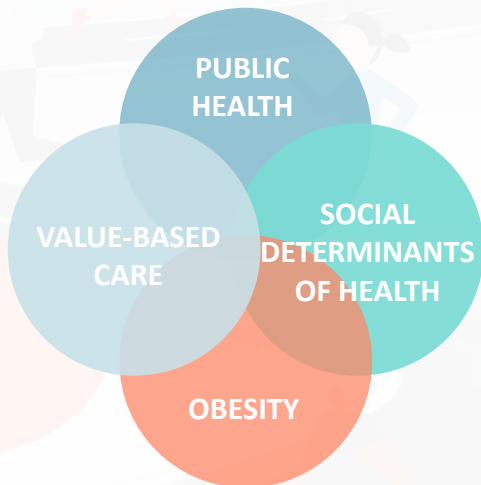
INSURANCE MODEL SHIFTING TOWARDS VALUE-BASED CARE

- Ties payments for care delivery to the quality of care provided and rewards providers for both efficiency and effectiveness
- The Chronic Care Act of 2017 allows Medicare Advantage to tailor programs for specific beneficiary groups and to expand benefits, including nutrition
- Improved fitness and nutrition are low-cost, high-value solutions to address the \$190 billion in estimated annual healthcare costs of obesity-related illnesses and the \$6.7 billion in estimated annual cost of lack of social contacts among older adults

GLOBAL OBESITY AND OVERWEIGHT EPIDEMIC

- Worldwide obesity has nearly tripled since 1975. Approximately 39% of adults are considered overweight and ~13% are considered obese
- The US is the largest addressable market with nearly 70% of adults classified as overweight or obese

At the Forefront of a Fundamental Shift from Sick Care to Health Care



OBESITY AND OTHER CHRONIC CONDITIONS HAVE A LARGE SOCIAL IMPACT ON PUBLIC HEALTH

- Obesity leads to potentially other adverse health conditions such as hypertension, heart disease, diabetes, sleep apnea, stroke and even cancer
- Obesity is a contributing factor to 3 of the 10 leading global causes of death
- 90 percent of population has one chronic condition
- 67 percent has 3 chronic conditions
- 12 percent has 4 or more chronic conditions

ADDRESSING SOCIAL DETERMINANTS OF HEALTH (SDOH)

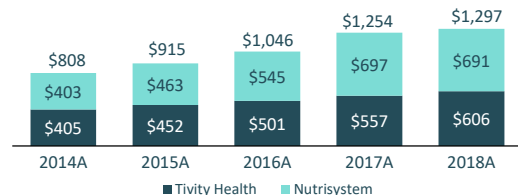
- Health plans (Humana and BCBS) believe that social determinants of health play an underemphasized role in health challenges
- The Centers for Medicare & Medicaid Services (CMS) recently finalized updates to enable Medicare Advantage plans to cover additional health-related services, including food, to better address the social determinants of health.

Financial Highlights

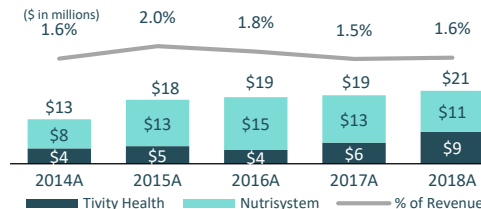
Combined Historical Annual Financial Performance

Revenue

(\$ in millions)

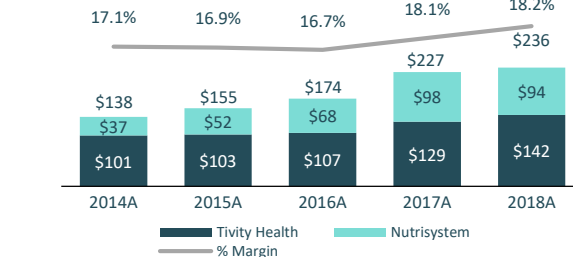


Capital Expenditures



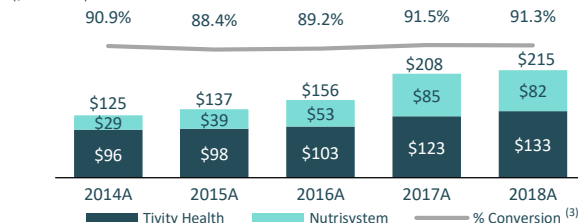
Adj. EBITDA⁽¹⁾

(\$ in millions)



Unlevered Free Cash Flow⁽²⁾

(\$ in millions)



Key Metrics – Q1 2019

(\$ in millions)

	Q1 2019	Q1 2018	Fav (Unfav)	
			\$	%
Revenue				
Tivity Health	156.5	149.9	6.6	4%
Nutrisystem	57.6	-	57.6	100%
Total	214.1	149.9	64.2	43%
Adjusted EBITDA				
Tivity Health	26.1	33.1	(7.0)	-21%
Nutrisystem	13.3	-	13.3	100%
Total⁽⁴⁾	39.5	33.1	6.4	19%
Capital Expenditures	3.9	1.9	2.0	105%
Unlevered Free Cash Flow	35.6	31.2	4.4	14%

- The Company completed the acquisition of Nutrisystem, Inc., on March 8, 2019.
- These first quarter 2019 results include the impact of 24 days of Nutrisystem ownership by the Company
- These first quarter 2018 results exclude any historic Nutrisystem results

(1) Includes stock-based compensation expense

(2) Non-GAAP metric calculated as Adjusted EBITDA less Capex

(3) FCF conversion is a non-GAAP metric calculated as Adjusted EBITDA less Capex, divided by Adjusted EBITDA

Figures may not add due to rounding

Full Year 2019 Financial Guidance

*\$ in millions except
per share*

Metric	2019 Guidance
Revenue	\$1,146.0 - \$1,177.0
Adjusted EBITDA	\$240.0 - \$258.0
Adjusted Earnings per Diluted Share	\$2.24 - \$2.52

- Combined Company guidance assumptions include:
 - Includes estimated full year results for TVTY and estimated results for the Nutrition segment from the date of acquisition on March 8, 2019 through December 31, 2019
 - Impact of cost synergies for 2019 which are expected to be in the range of \$9.0 - \$12.0
 - Non-cash share based compensation expense is included in Adjusted EBITDA
- Adjusted EBITDA and Adjusted Earnings per Diluted Share guidance are forward-looking non-GAAP financial measures. A reconciliation of Adjusted Earnings per Diluted Share guidance for the year ending December 31, 2019 to the comparable GAAP financial measure is included as an exhibit to Tivity Health's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 8, 2019. The Company does not provide a reconciliation of Adjusted EBITDA guidance to the most directly comparable GAAP financial measure because it is unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the financial impact of certain items.

Appendix

Combined Assets = Cost Synergies

Description	<i>We anticipate \$30 – 35 million in cost synergies</i>	Anticipated Timing
✓ Labor costs: reduce redundant positions, contractors		Year 1: 30% achievable
✓ Public company board-related expenses: eliminate Nutrisystem, Inc. board		
✓ Information technology: rationalize applications, tools and infrastructure; consolidate data centers; consolidate support functions		
✓ Facilities and call centers: consolidate from five locations to three; reduce total occupied footprint in remaining locations		Year 2: 70% achievable
✓ Third-party spend: reduce duplicative or unnecessary spend		
✓ Opportunity to optimize media buys; rationalize marketing and sales automation tools; leverage Nutrisystem capabilities to support Tivity Health digital and DRTV expansion		
Total Estimated Cost Synergies:	\$30.0 – 35.0mm	Year 3: 100% achievable
\$9-12m cost synergies included in 2019 Adjusted EBITDA Guidance		

Reconciliation of Adjusted EBITDA, Non-GAAP Basis to Net Income, GAAP Basis (in millions)

	Three months ended March 31, 2019			Three months ended March 31, 2018	Twelve months ended December 31, 2018	
	Tivity Health	Nutrisystem	Consolidated	Tivity Health	Tivity Health	Nutrisystem
Adjusted EBITDA, non GAAP basis ⁽¹⁾	26	13	39	33	142	94
Acquisition and integration costs ⁽²⁾			17	-	4	4
Restructuring charges ⁽³⁾			2	-	-	-
EBITDA ⁽⁴⁾			20	33	138	90
Depreciation and amortization			4	1	5	16
Interest expense (income)			8	4	9	(1)
Income tax expense			5	7	27	16
Net Income, GAAP basis ⁽⁵⁾			4	21	98	59

- The Company completed the acquisition of Nutrisystem, Inc., on March 8, 2019.
- These first quarter 2019 results include the impact of 24 days of Nutrisystem ownership by the Company
- These first quarter 2018 results exclude any historic Nutrisystem results

(1) Adjusted EBITDA is a non-GAAP financial measure. The Company excludes acquisition, integration, and restructuring charges from this measure because of its comparability to the Company's historical operating results. The Company believes it is useful to investors to provide disclosures of its operating results on the same basis as that used by management. You should not consider Adjusted EBITDA in isolation or as a substitute for income from continuing operations determined in accordance with U.S. GAAP. Additionally, because Adjusted EBITDA may be defined differently by other companies in the Company's industry, the non-GAAP financial measure presented here may not be comparable to similarly titled measures of other companies.

(2) Acquisition and integration costs consists of pre-tax charges incurred in connection with the acquisition and integration of Nutrisystem.

(3) Restructuring charges consists of pre-tax charges primarily related to integrating the Healthcare and Nutrition segments and streamlining our corporate and operations support.

(4) EBITDA from continuing operations is a non-GAAP financial measure. The Company believes it is useful to investors to provide disclosures of its operating results and guidance on the same basis as that used by management. You should not consider EBITDA from continuing operations in isolation or as a substitute for income from continuing operations determined in accordance with U.S. GAAP.

(5) Figures may not add due to rounding.