

TIVITY HEALTH, INC.
RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES
(Unaudited)

**Reconciliation of Adjusted EBITDA from Continuing Operations, Non-GAAP Basis
to Net Income from Continuing Operations, GAAP Basis**
(In thousands)

	Three Months Ended September 30,	
	2016	% of Revenue
Adjusted EBITDA from continuing operations, non-GAAP basis ⁽¹⁾	\$ 26,204	21.0%
Business separation costs ⁽²⁾	(714)	
Restructuring charges ⁽³⁾	(1,129)	
EBITDA from continuing operations, non-GAAP basis ⁽⁴⁾	24,361	
Depreciation and amortization	(1,603)	
Interest expense	(4,833)	
Income tax (expense) benefit	(13,126)	
Net income from continuing operations, GAAP basis	<u>\$ 4,799</u>	

(1) Adjusted EBITDA from continuing operations is a non-GAAP financial measure. The Company excludes business separation costs 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 and guidance on the same basis as that used by management. You should not consider Adjusted EBITDA from continuing operations in isolation or as a substitute for net income from continuing operations determined in accordance with accounting principles generally accepted in the United States.

(2) Business separation costs consists of pre-tax charges of \$714,000 for the three months ended September 30, 2016 related to the separation of the Network Solutions business from the TPHS business.

(3) Restructuring charges consists of pre-tax charges of \$1,129,000 for the three months ended September 30, 2016 associated with the 2016 restructuring of corporate support infrastructure.

(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 net income from continuing operations determined in accordance with accounting principles generally accepted in the United States.