



Donato Tramuto

EDITORS' NOTE Donato Tramuto has more than 35 years of healthcare experience with a deep commitment to global healthcare access, a steadfast focus on patient outcomes and a keen understanding of digital solutions. In 2008, Tramuto founded Physicians Interactive Holdings (now known as Aptus Health), a global provider of insight-driven digital engagement solutions for healthcare professionals and consumers where he served as CEO and Chairman. In 2011, Tramuto founded Health eVillages, a non-profit organization which provides state-of-the-art mobile health technology in the most challenging clinical environments. He is also the Chairman and Founder of the Tramuto Foundation, which helps individuals and organizations achieve their educational and healthcare goals. Tramuto has been widely recognized for his more than three-decade commitment to social change and healthcare innovation.

COMPANY BRIEF Tivity Health®, Inc. (tivityhealth.com) is a leading provider of health improvement, nutrition, fitness and social engagement solutions at scale to improve clinical outcomes, reduce healthcare costs and create opportunities to feel better, work better and live better. With decades of clinical and operational expertise, the company touches millions of consumers through its integrated portfolio of brands and works directly with hundreds of healthcare practitioners and many of the nation's largest payers and employers. Tens of millions of Americans are currently eligible for Tivity Health's SilverSneakers®, Prime® Fitness, WholeHealth Living™ and flip50™ programs and millions of people have lost weight with Nutrisystem®, South Beach Diet® and DNA BodyBlueprint™. As part of its commitment to tackling social isolation and loneliness, in 2017, Tivity Health launched a rural aging initiative at addressing challenges unique to older adults in rural communities.

Advancing Overall Vitality

An Interview with Donato Tramuto,
Chief Executive Officer, Tivity Health, Inc.

Will you highlight the history and heritage of Tivity Health and how you describe the Tivity Health difference?

Tivity Health has a rich history of supporting better health and lowering healthcare costs by addressing the factors that lead to poor health and chronic illness. The company started more than 30 years ago as a disease management company and evolved to become a total population health services provider. When I became CEO in 2015, it was clear that we needed to shift our focus to our more profitable SilverSneakers division. We divested our total population health business in 2016 to focus on healthier aging. In doing so, we were able to turn around the company's performance, adding nearly \$1 billion in valuation, and transform the corporate culture to one of empowerment and accountability.

What makes Tivity Health different is our passion for our members, customers and partners and our dedication to delivering a consumer experience that goes beyond supporting physical health to advancing overall vitality.

How do you define the mission and purpose of Tivity Health?

I am a firm believer that it doesn't matter what you do unless you understand why you do it. In my nearly four decades of healthcare experience, I have been guided by my personal and professional "why." After I was scheduled to be on one of the planes that hit the World Trade Center on September 11, I found my personal why. I established The Tramuto Foundation to provide scholarships and to support organizations that are working to make the world a better place. My professional why became apparent when I realized that more than 1 billion people will die in our lifetimes having never visited a healthcare provider. I established Health eVillages in 2011 to increase healthcare resources and access in underserved areas.

This intense focus on mission and purpose extends to Tivity Health. As a trusted provider of solutions to support a healthier lifestyle, our why is to empower adults to live their best lives now – with vitality, dignity and purpose. All our offerings – from helping seniors care for their physical and social health, to removing barriers to physical activity, to addressing social isolation and loneliness – are guided by our why.

Will you discuss Tivity Health's flagship products?

Tivity Health offers an integrated portfolio of fitness, weight management and social engagement solutions to support overall health and wellness. Our lifestyle brands include SilverSneakers, the nation's leading community fitness program for older adults. SilverSneakers provides nearly 15 million eligible members with regular exercise and social opportunities at more than 16,000 fitness locations across the country. We work with healthcare providers to offer SilverSneakers at no cost to our members through their Medicare Advantage programs.

For adults 18-64, Prime Fitness provides reciprocal membership at more than 10,000 participating facilities nationwide, from gyms and sports facilities to specialty fitness studios and more. This variety of locations, class offerings, equipment and amenities help participants easily find the ideal location to meet their needs.

WholeHealth Living is a managed network of chiropractic, rehabilitative therapy, complementary and alternative medicine, and other specialty health providers.

Our newest offering is flip50, a comprehensive program that provides fitness, nutrition, and rest and recovery options supported by a companion mobile app that includes guided activities, meditation, recipes, healthy eating tips and daily workouts.

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Finally, with the acquisition of Nutrisystem, we've added leading weight management brands to our healthy lifestyle portfolio. Nutrisystem® is America's #1 home-delivery weight loss service, offering delicious, nutritionally balanced meal plans for men and women. South Beach Diet® is a weight-loss meal-delivery program focusing on a low-carb, high-protein approach that is heart healthy. And, DNA Body Blueprint™ is a simple and secure DNA test kit that provides a personalized roadmap for healthy eating, weight loss and maintenance based on the body's unique traits.

Where do you see the greatest opportunities for growth and will the growth be organic or through acquisitions?

In December of 2018, we announced plans to offer a Calories In + Calories Out solution by entering into a definitive agreement to acquire Nutrisystem. The transaction closed on March 8, creating a premier portfolio of healthy lifestyle brands that will provide significant opportunities for growth. We expect that this transaction – and the opportunity to create a premier portfolio of healthy lifestyle brands – will provide significant opportunities for growth.

The transaction will result in a diversification of Tivity Health's portfolio and increased scale that will benefit all company stakeholders, including health plans, fitness partners, members and consumers as these offerings support healthier lifestyles and can lower medical costs. Through this expanded portfolio, we will be better positioned to address weight management, a major factor contributing to many chronic diseases. Additionally, our combined consumer data insights will be enormously helpful in enabling us to drive greater integration of our programs as well as offering new products and services. Our popular high-quality brands and shared focus on marketing across a variety of channels will allow for deeper digital engagement and increased economies of scale, particularly for media buys connected to our marketing programs.

How critical is innovation to Tivity Health and where is innovation taking place within the company?

Innovation is critical to moving our business forward and finding new and better ways to serve our clients and members. For our 65+ population, we must innovate to meet the evolving needs of this demographic. Older adults want tools and resources to support active, vital lifestyles and help them stay healthy, and they want us to meet them where they are. One example is our recently introduced

SilverSneakers GO™ app. Our members are using digital resources to communicate, to schedule their activities and to manage their health. SilverSneakers GO gives members access to mobile workout programs, the ability to schedule classes from their phones, and track their weekly and monthly progress. We are especially interested in solutions to help seniors be more socially connected. Social isolation is now being recognized as a chronic health condition, and innovative ideas and partnerships will be necessary to address this issue.

How challenging is it to make long-term investments for the business with the short-term, quarter to quarter pressures?

It's always a challenge, but at Tivity Health, we are focused on long-term sustainable growth and providing high-quality programs to our members, customers and partners. If we get that right, the rest will follow. When I became CEO of Tivity Health (then Healthways) in 2015, I made three commitments to the organization: to unlock the value within the organization, which we did by divesting our total population health business in 2016; to create an empowered and accountable culture with a compelling growth strategy focused on enrolling and engaging members in SilverSneakers; and to transform the organization for long-term sustainable growth. Over a three-year period, we cleaned up the balance sheet by paying down our debt, significantly increased the value of the company and positioned ourselves for the next phase of growth focused on diversification. With the Nutrisystem acquisition, we are focused on long-term transformation.

Will you discuss Tivity Health's commitment to building a diverse and inclusive workforce?

Workplace dignity and inclusion is one of our core values, and one we strive to further every single day. I recently launched a program through the Tramuto Foundation with Robert F. Kennedy Human Rights to address workplace bullying and other issues that lead to hostile and unproductive workplace environments. The program will work with businesses to establish a respectful and fair work environment by exposing toxic cultures, advocating on behalf of those in abusive work relationships, empowering those that are marginalized or held back and training employees at every level on behaviors that support a healthy and respectful workplace culture.

The Tramuto Foundation donated \$1 million in December 2018 to launch this program because we believe so strongly that it is time for

corporations to step up and commit to a supportive, healthy and respectful culture.

What do you see as leading companies' responsibility to their communities and how does Tivity Health focus its corporate responsibility efforts?

In January, Larry Fink, CEO of Blackrock – the largest asset manager in the world – once again implored companies to be responsible to the communities they serve, stating that purpose and profit are inextricably linked. This has been my mantra for most of my career. I believe social responsibility is also a key element of corporate culture. Companies absolutely must find ways to utilize their expertise and areas of focus to help address unmet needs within a community. At Tivity Health, our work with the aging population has helped to guide one area of focus.

In 2017, we created a movement to transform rural aging when we launched our first Connectivity Summit on Rural Aging. Ten thousand Americans turn 65 every single day, and one in four of them live in a small town or rural community. As many rural areas lack access to several health and quality of life services, older adults who live there have a higher prevalence of chronic disease, higher disability rates, lower prevalence of healthy behaviors and a lower life expectancy. Our summit brought together thought leaders and experts from a diverse set of fields, including healthcare, government, academia and community organizations. We are now planning our third summit this August and we've refined our focus further to address social isolation and loneliness among rural seniors.

What are your key priorities for Tivity Health as you look to the future?

Certainly, successfully integrating Nutrisystem into our portfolio of lifestyle brands and adding nutrition to our fitness and social engagement solutions is a top priority. In addition, we are focused on increasing enrollment and engagement among our SilverSneakers members.

We have nearly 15 million eligible SilverSneakers members, but only about one-third of them are actively using the benefit, which is offered at no cost through many Medicare Advantage plans. In January, we launched our first ever national SilverSneakers television campaign to increase awareness of SilverSneakers and encourage members to enroll. "Find Your Place" is part of a multi-channel integrated TV, digital and social media campaign that underscores our commitment to SilverSneakers member engagement in 2019 and beyond. ●