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2017 First Quarter Financial Supplement

As of March 31, 2017

Cotiviti Holdings, Inc.

2017 Revenue by Segment

(\$ in thousands)	Three Months Ended March 31,		
	2017	2016	Change
	(unaudited)		
Healthcare			
Retrospective claims accuracy	\$ 77,516	\$ 65,270	18.8 %
Prospective claims accuracy	59,717	55,410	7.8 %
Transaction services	2,570	3,450	(25.5) %
Total Healthcare	139,803	124,130	12.6 %
Global Retail and Other			
Retrospective claims accuracy	19,674	17,990	9.4 %
Other	656	598	9.7 %
Total Global Retail and Other	20,330	18,588	9.4 %
Consolidated Net Revenue	\$ 160,133	\$ 142,718	12.2 %

Cotiviti Holdings, Inc.

2017 Consolidated Statement of Operations

(\$ in thousands)	Three Months Ended March 31,		
	2017	2016	Change
	<i>(unaudited)</i>		
Net revenue	\$ 160,133	\$ 142,718	12 %
Cost of revenue	62,974	58,859	7 %
Selling, general and administrative expenses	41,572	34,339	21 %
Depreciation and amortization of property and equipment	5,575	4,835	15 %
Amortization of intangible assets	15,199	15,207	- %
Transaction-related expenses	731	240	205 %
Total Operating Expenses	126,051	113,480	11 %
Operating income	34,082	29,238	17 %
Other expense (income)	7,968	15,761	(49) %
Income tax (benefit) expense	(861)	5,393	(116) %
Net Income	\$ 26,975	\$ 8,084	234 %
Earnings per share:			
Basic	\$ 0.30	\$ 0.10	
Diluted	0.28	0.10	
Effective Tax Rate	(3.3) %	40.0 %	
<u>Stock-based Compensation (included within the lines shown above)</u>			
Cost of revenue	\$ 466	\$ 289	61 %
Selling, general and administrative expenses	1,617	785	106 %
Total Stock-Based Compensation	\$ 2,083	\$ 1,074	94 %

Cotiviti Holdings, Inc.

2017 Adjusted EBITDA (Non-GAAP)

<i>(unaudited, \$ in thousands)</i>	Three Months Ended March 31,		
	2017	2016	Change
Net Income	\$ 26,975	\$ 8,084	234 %
Adjustments to net income:			%
Depreciation and amortization	20,774	20,042	4 %
Interest expense	8,421	16,060	(48) %
Other non-operating (income) expense ^(a)	(453)	(299)	51 %
Income tax (benefit) expense	(861)	5,393	(116) %
Transaction-related expenses and other ^(b)	731	240	205 %
Stock-based compensation ^(c)	2,083	1,074	94 %
Adjusted EBITDA	\$ 57,670	\$ 50,594	14 %
<i>% of revenue</i>	<i>36.0%</i>	<i>35.5%</i>	

a) Represents other non-operating (income) expense that consists primarily of gains and losses on transactions settled in foreign currencies. Income received for certain sub-leases is included herein.

b) Represents transaction-related expenses that consist primarily of certain expenses associated with our secondary offering in 2017 and our Initial Public Offering and other offering costs in 2016 as well as certain corporate development activity.

c) Represents expense related to equity incentive awards granted to certain employees, officers and non-employee directors as long-term incentive compensation. We recognize the related expense for these awards ratably over the vesting period.

Cotiviti Holdings, Inc.

2017 Adjusted Net Income (Non-GAAP)

<i>(unaudited, \$ in thousands)</i>	Three Months Ended March 31,		
	2017	2016	Change
Net Income	\$ 26,975	\$ 8,084	234 %
Adjustments to net income:			
Amortization of Acquired Intangible Assets - Non Tax Deductible	10,402	10,402	NM %
Amortization of Acquired Intangible Assets - Tax Deductible	4,797	4,805	NM %
Transaction-related expenses and other ^(a)	731	240	205 %
Stock-based compensation ^(b)	2,083	1,074	94 %
Tax effect of above adjustments ^(c)	(2,615)	(2,352)	11 %
Tax benefit related to stock option exercises	(10,422)	-	NM %
Adjusted Net Income	\$ 31,951	\$ 22,253	44 %
Weighted average shares of common stock - Diluted (000s)	94,905	77,757	22 %
Adjusted Net Income per Diluted Share	\$ 0.34	\$ 0.29	17 %

- a) Represents transaction-related expenses that consist primarily of certain expenses associated with our secondary offering in 2017 and our Initial Public Offering and other offering costs in 2016 as well as certain corporate development activity.
- b) Represents expense related to equity incentive awards granted to certain employees, officers and non-employee directors as long-term incentive compensation. We recognize the related expense for these awards ratably over the vesting period.
- c) This line represents the tax impact of the amortization of acquired intangible assets - tax deductible, a portion of transaction-related expenses and other and stock-based compensation. The tax rate assumed is 38% and 40% for the three months ended March 31, 2017 and 2016, respectively.

Cotiviti Holdings, Inc.

2017 Adjusted EBITDA Guidance (Non-GAAP)

<i>(unaudited, in millions)</i>	Low	High
Net income	\$ 89	\$ 95
Adjustments to net income ^(a)	177	177
Adjusted EBITDA	\$ 266	\$ 272

a) Adjustments to net income include depreciation and amortization, interest expense, other non-operating (income) expense, income tax expense, transaction-related expenses and other and stock-based compensation. A 38% tax rate is assumed to approximate the Company's effective tax rate.

Cotiviti Holdings, Inc.

Cash Flow Data

<i>(unaudited, \$ in thousands)</i>	Three Months Ended March 31,	
	2017	2016
Operating Cash Flow	\$ 24,572	\$ 36,353
Capex	9,660	9,467
Free Cash Flow	\$ 14,912	\$ 26,886

Cotiviti Holdings, Inc.

Consolidated Balance Sheet Data

<i>(\$ in thousands)</i>	March 31, 2017	December 31, 2016
	<i>(unaudited)</i>	
Cash and cash equivalents	\$ 128,458	\$ 110,635
Total assets	2,002,893	2,002,263
Total long-term debt ^(a)	776,348	780,202
Total liabilities	1,026,985	1,062,927
Total stockholders' equity	975,908	939,336
Net debt leverage	2.7x	2.9x
Working capital	72,496	31,037

^{a)} Includes the current portion of our long-term debt and is net of debt issuance costs.

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