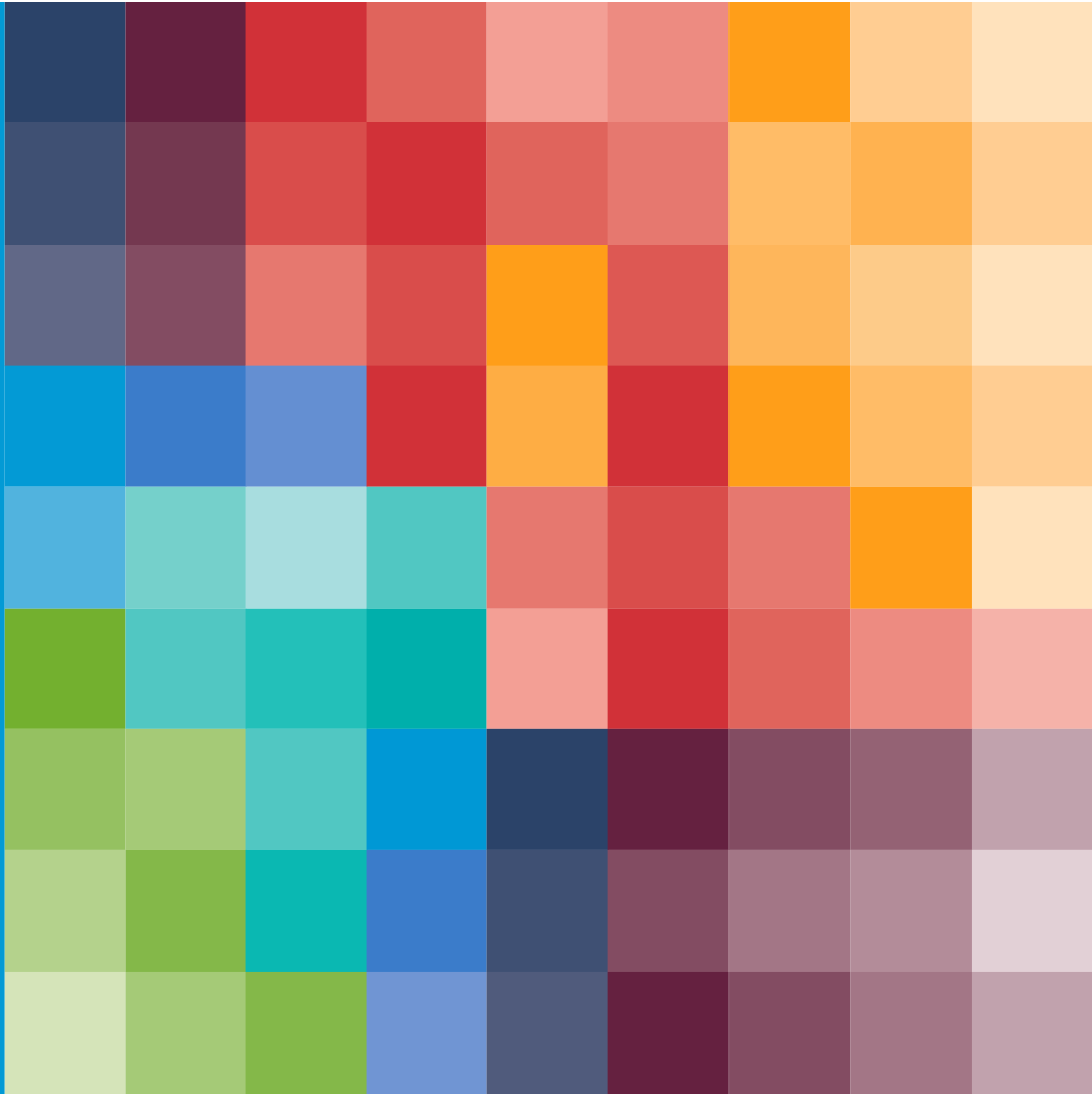




**Baird 2016 Global
Healthcare
Conference**

Craig McKasson, CFO

September 7, 2016





Forward-looking statements and Non-GAAP financial measures

Forward-looking statements — Certain statements included in this presentation, including, but not limited to, those related to our financial and business outlook, strategy and growth drivers, member retention and renewal rates and revenue visibility, cross and upsell opportunities, acquisition activities and pipeline, including the expected financial contribution of Acro Pharmaceutical Services, LLC, revenue available under contract, 2017 financial guidance and related assumptions, and target growth rate are “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results of Premier to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. Accordingly, readers should not place undue reliance on any forward looking statements. Readers are urged to consider statements in the conditional or future tenses or that include terms such as “believes,” “belief,” “expects,” “estimates,” “intends,” “anticipates” or “plans” to be uncertain and forward-looking. Forward-looking statements may include comments as to Premier’s beliefs and expectations as to future events and trends affecting its business and are necessarily subject to uncertainties, many of which are outside Premier’s control. You should carefully read Premier’s current and future filings with the SEC for more information on potential risks and other factors that could affect Premier’s financial results. Forward-looking statements speak only as of the date they are made. Premier undertakes no obligation to publicly update or revise any forward-looking statements.

Non-GAAP financial measures — This presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934. Schedules are attached that reconcile the non-GAAP financial measures included in this presentation to the most directly comparable financial measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States. You should carefully read Premier’s current and future filings with the SEC for definitions and further explanation and disclosure regarding our use of non-GAAP financial measures and such filings should be read in conjunction with this presentation.



Unique member model drives innovation and growth

SCALE

- ▶ Alliance of ~**3,750** hospitals – **76%** of U.S. community hospitals – and more than **130,000** other provider organizations
- ▶ Integrated clinical, financial, operational data – insights into ~**40%** of U.S. health system discharges
- ▶ More than **\$48 billion** in supply chain spend
- ▶ Manage ~**2,200** contracts from ~**1,200** suppliers

ALIGNMENT

- ▶ Members own ~**67%** of equity
- ▶ **10** health system board members
- ▶ Premier field force embedded in member hospitals

COMMITMENT

- ▶ Member owner average tenure **16 years (82% at 10+)**
- ▶ Members view Premier as strategic partner

CO-INNOVATION

- ▶ Co-develop solutions with members
- ▶ Committees composed of ~**165** member hospitals
- ▶ ~**1,300** hospitals in performance improvement collaboratives

Note: Data as of fiscal year-end June 30, 2016, except member ownership, which is as of August 1, 2016.





Premier delivers a comprehensive solution

Supply Chain Services

71% of FY16 Consolidated Net Revenue

Group Purchasing

Direct Sourcing

Specialty Pharmacy

Performance Services

29% of FY16 Consolidated Net Revenue

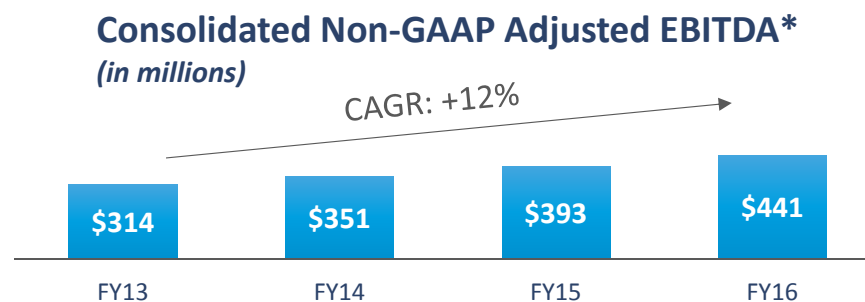
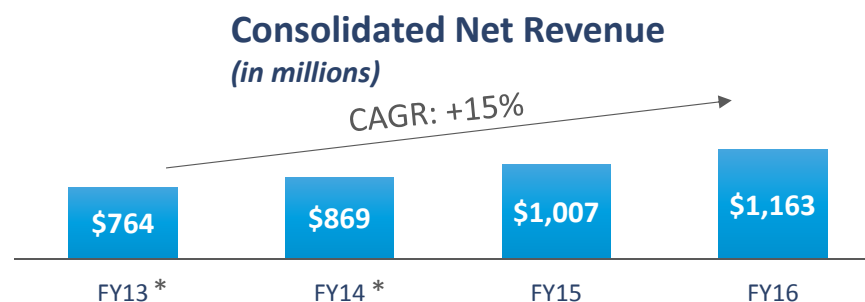
SaaS-based Information Products

Advisory Services

Performance Improvement Collaboratives



Our financial model has delivered strong and consistent historical financial results



*For periods prior to October 1, 2013, comparisons are with non-GAAP pro forma information that reflects the impact of the company's 2013 reorganization and initial public offering. See non-GAAP reconciliations to GAAP equivalents in Appendix.



Why we win: Key Differentiators

SCALE and **ALIGNMENT**

Strategic **PARTNER** changing healthcare from the inside

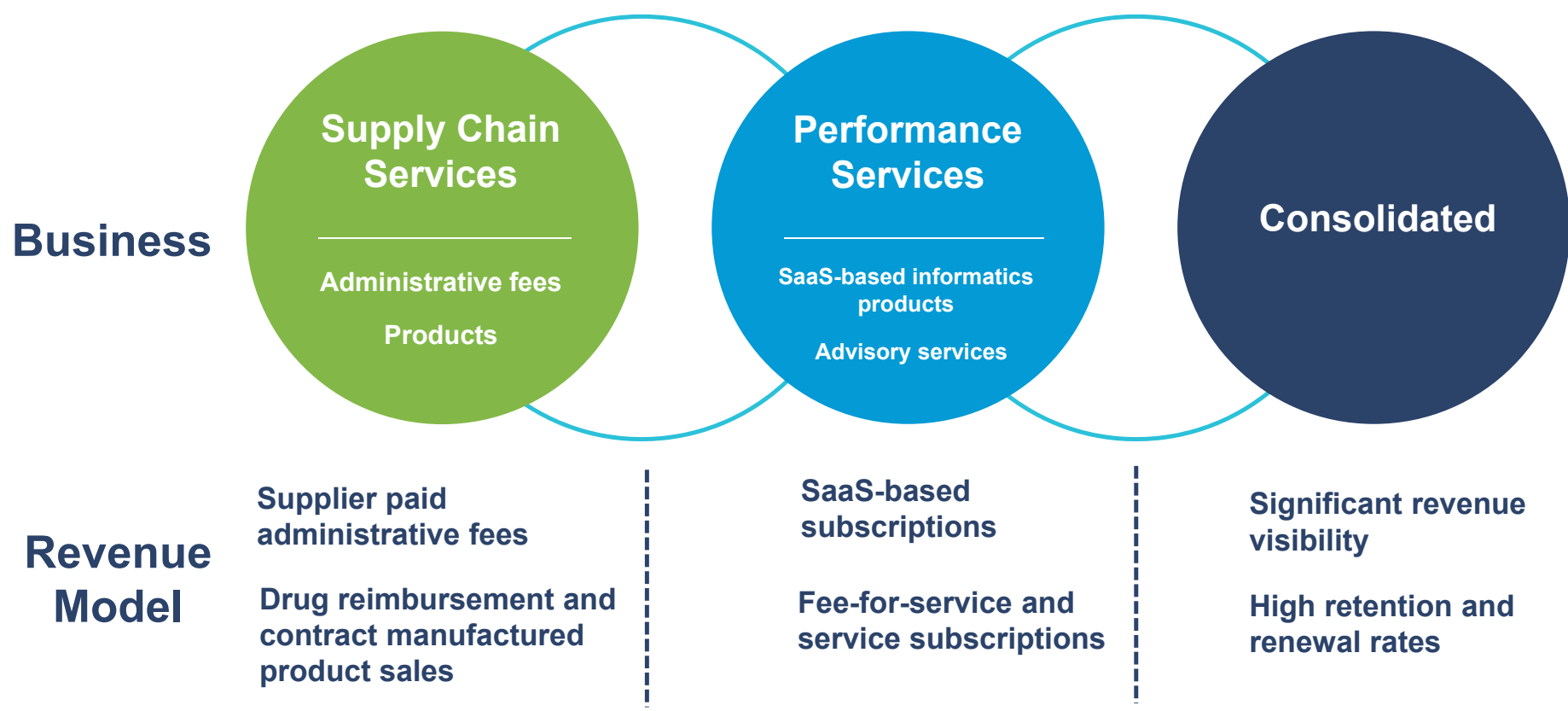
DATA-enabled insights across the continuum of care

Proven **RESULTS**

Our **PEOPLE**



Our model at a glance





Why Invest

1

Unique customer alignment

2

Well-positioned to capitalize on industry trends

3

Differentiated approach using an integrated platform to deliver solutions

4

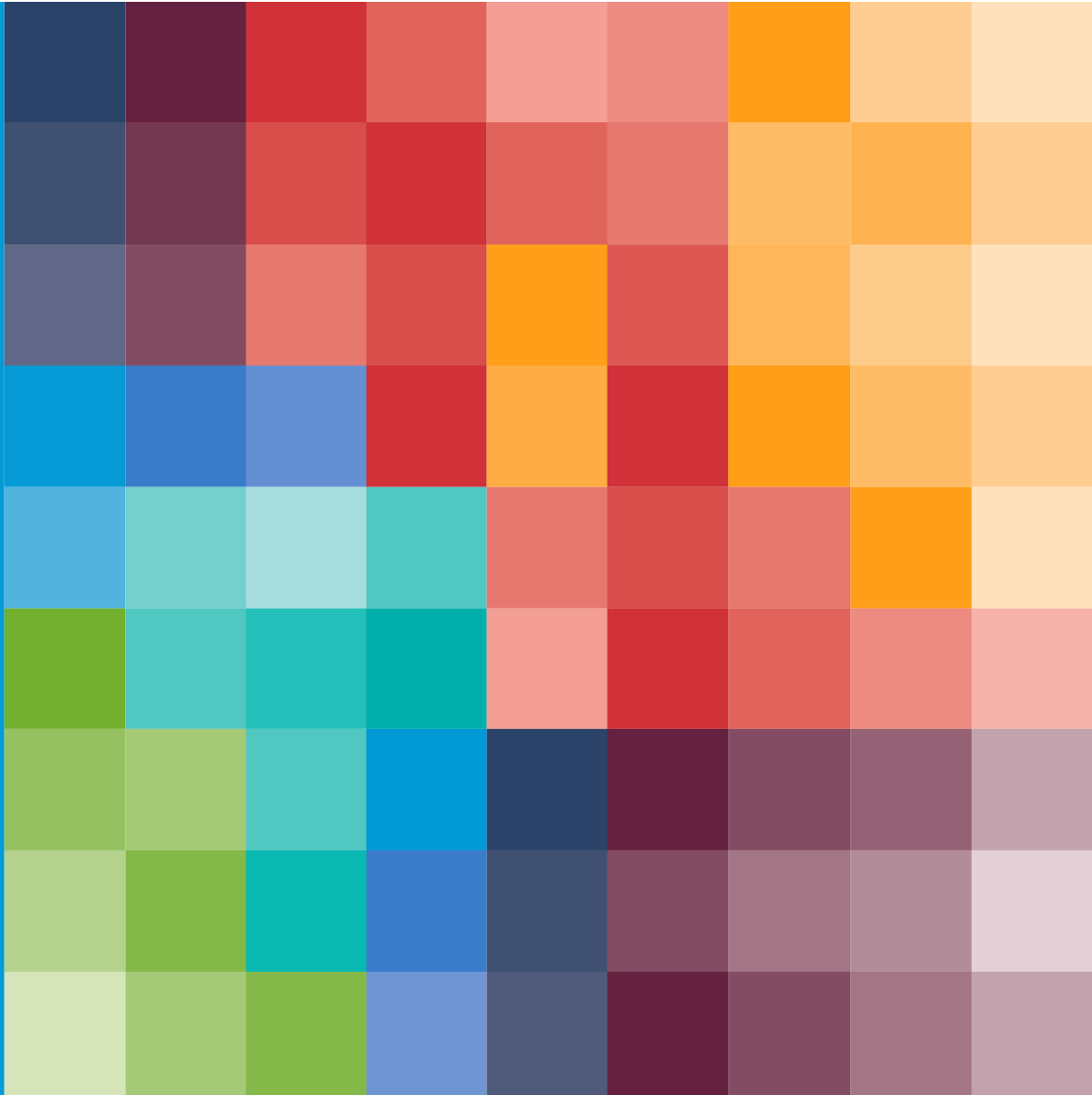
Compelling financial model

5

Experienced and tenured management team



Thank You



Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

**Supplemental Financial Information - Reporting of Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)**

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
<i>Reconciliation of Net Income to Adjusted EBITDA and Reconciliation of Segment Adjusted EBITDA to Income Before Income Taxes:</i>				
Net income	\$ 50,356	\$ 32,061	\$ 235,161	\$ 234,785
Interest and investment income (loss), net	40	(349)	1,021	(866)
Income tax expense	8,464	24,235	49,721	36,342
Depreciation and amortization	13,928	12,079	51,102	45,186
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
EBITDA	81,784	70,564	370,059	324,583
Stock-based compensation ^(a)	11,988	7,369	49,081	28,498
Acquisition related expenses	4,105	2,629	15,804	9,037
Strategic and financial restructuring expenses	—	92	268	1,373
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
ERP implementation expenses	1,630	—	4,870	—
Acquisition related adjustment - deferred revenue	408	4,147	5,624	13,371
Loss on disposal of long-lived assets	—	15,243	—	15,243
Other expense, net	79	60	87	70
Adjusted EBITDA	\$ 99,994	\$ 100,104	\$ 440,975	\$ 393,175

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Adjusted EBITDA and Non-GAAP Adjusted Fully Distributed Net Income Reconciliation of Selected Non-GAAP Measures to GAAP Measures (Unaudited) (in thousands)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	2015	2016	2015
Segment Adjusted EBITDA:				
Supply Chain Services	\$ 109,371	\$ 100,970	\$ 439,013	\$ 391,180
Performance Services	20,629	22,518	110,787	90,235
Corporate	(30,006)	(23,384)	(108,825)	(88,240)
Adjusted EBITDA	\$ 99,994	\$ 100,104	\$ 440,975	\$ 393,175
Depreciation and amortization	(13,928)	(12,079)	(51,102)	(45,186)
Amortization of purchased intangible assets	(8,996)	(2,538)	(33,054)	(9,136)
Stock-based compensation ^(a)	(11,988)	(7,369)	(49,081)	(28,498)
Acquisition related expenses	(4,105)	(2,629)	(15,804)	(9,037)
Strategic and financial restructuring expenses	—	(92)	(268)	(1,373)
Adjustment to tax receivable agreement liability	—	—	4,818	—
ERP implementation expenses	(1,630)	—	(4,870)	—
Acquisition related adjustment - deferred revenue	(408)	(4,147)	(5,624)	(13,371)
Equity in net income of unconsolidated affiliates	(5,645)	(6,473)	(21,647)	(21,285)
Deferred compensation plan income (expense)	(468)	544	1,605	753
Operating income	\$ 52,826	\$ 65,321	\$ 265,948	\$ 266,042
Equity in net income of unconsolidated affiliates	5,645	6,473	21,647	21,285
Interest and investment income (loss), net	(40)	349	(1,021)	866
Loss on investment	—	—	—	(1,000)
Loss on disposal of long-lived assets	—	(15,243)	—	(15,243)
Other income (expense), net	389	(604)	(1,692)	(823)
Income before income taxes	\$ 58,820	\$ 56,296	\$ 284,882	\$ 271,127

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Adjusted EBITDA and Non-GAAP Adjusted Fully Distributed Net Income Reconciliation of Selected Non-GAAP Measures to GAAP Measures

(Unaudited)
(in thousands)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	2015	2016	2015
<i>Reconciliation of Net Income (Loss) Attributable to Stockholders to Non-GAAP Adjusted Fully Distributed Net Income:</i>				
Net income (loss) attributable to stockholders	\$ 101,645	\$ (84,076)	\$ 818,364	\$ (865,292)
Adjustment of redeemable partners' capital to redemption amount	(91,101)	92,066	(776,750)	904,035
Income tax expense	8,464	24,235	49,721	36,342
Stock-based compensation ^(a)	11,988	7,369	49,081	28,498
Acquisition related expenses	4,105	2,629	15,804	9,037
Strategic and financial restructuring expenses	—	92	268	1,373
ERP implementation expenses	1,630	—	4,870	—
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
Acquisition related adjustment - deferred revenue	408	4,147	5,624	13,371
Loss on disposal of long-lived assets	—	15,243	—	15,243
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
Net income attributable to non-controlling interest in Premier LP	39,812	24,071	193,547	194,206
Non-GAAP adjusted fully distributed income before income taxes	85,947	88,314	388,765	346,949
Income tax expense on fully distributed income before income taxes	34,379	35,326	155,506	138,780
Non-GAAP Adjusted Fully Distributed Net Income	\$ 51,568	\$ 52,988	\$ 233,259	\$ 208,169

(a) Represents non-cash employee stock-based compensation expense, and \$0.1 million and \$0.4 million stock purchase plan expense in the three and twelve months ended June 30, 2016, respectively.

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Non-GAAP Free Cash Flow
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
<i>Reconciliation of Net Cash Provided by Operating Activities to Non-GAAP Free Cash Flow:</i>				
Net cash provided by operating activities	\$ 100,533	\$ 108,483	\$ 371,470	\$ 364,058
Purchases of property and equipment	(22,306)	(19,670)	(76,990)	(70,734)
Distributions to limited partners of Premier LP	(24,742)	(23,412)	(92,707)	(92,212)
Payments to limited partners under tax receivable agreements	(10,805)	(11,499)	(10,805)	(11,499)
Non-GAAP Free Cash Flow	\$ 42,680	\$ 53,902	\$ 190,968	\$ 189,613

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
<i>Reconciliation of numerator for GAAP EPS to Non-GAAP EPS on Adjusted Fully Distributed Net Income</i>				
Net income (loss) attributable to stockholders	\$ 101,645	\$ (84,076)	\$ 818,364	\$ (865,292)
Adjustment of redeemable limited partners' capital to redemption amount	(91,101)	92,066	(776,750)	904,035
Income tax expense	8,464	24,235	49,721	36,342
Stock-based compensation ^(a)	11,988	7,369	49,081	28,498
Acquisition related expenses	4,105	2,629	15,804	9,037
Strategic and financial restructuring expenses	—	92	268	1,373
ERP implementation expenses	1,630	—	4,870	—
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
Acquisition related adjustment - deferred revenue	408	4,147	5,624	13,371
Loss on disposal of long-lived assets	—	15,243	—	15,243
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
Net income attributable to non-controlling interest in Premier LP	39,812	24,071	193,547	194,206
Non-GAAP fully distributed income before income taxes	85,947	88,314	388,765	346,949
Income tax expense on fully distributed income before income taxes	34,379	35,326	155,506	138,780
Non-GAAP Adjusted Fully Distributed Net Income	\$ 51,568	\$ 52,988	\$ 233,259	\$ 208,169

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	2015	2016	2015
<i>Reconciliation of denominator for GAAP EPS to Non-GAAP Adjusted Fully Distributed Earnings per Share</i>				
Weighted Average:				
Common shares used for basic and diluted earnings (loss) per share	45,506	37,576	42,368	35,681
Potentially dilutive shares	2,911	1,592	2,366	1,048
Conversion of Class B common units	96,204	106,471	100,574	108,518
Weighted average fully distributed shares outstanding - diluted	144,621	145,639	145,308	145,247
<i>Reconciliation of GAAP EPS to Non-GAAP Adjusted Fully Distributed EPS</i>				
GAAP earnings (loss) per share	\$ 2.23	\$ (2.24)	\$ 19.32	\$ (24.25)
Adjustment of redeemable limited partners' capital to redemption amount	\$ (2.00)	\$ 2.45	\$ (18.33)	\$ 25.34
Impact of additions:				
Income tax expense	\$ 0.19	\$ 0.64	\$ 1.17	\$ 1.02
Stock-based compensation ^(a)	\$ 0.26	\$ 0.20	\$ 1.16	\$ 0.80
Acquisition related expenses	\$ 0.09	\$ 0.07	\$ 0.37	\$ 0.25
Strategic and financial restructuring expenses	\$ -	\$ -	\$ 0.01	\$ 0.04
ERP implementation expenses	\$ 0.04	\$ -	\$ 0.11	\$ -
Adjustment to tax receivable agreement liability	\$ -	\$ -	\$ (0.11)	\$ -
Loss on investment	\$ -	\$ -	\$ -	\$ 0.03
Acquisition related adjustment - deferred revenue	\$ 0.01	\$ 0.11	\$ 0.13	\$ 0.37
Loss on disposal of long-lived assets	\$ -	\$ 0.41	\$ -	\$ 0.43
Amortization of purchased intangible assets	\$ 0.20	\$ 0.07	\$ 0.78	\$ 0.26
Net income attributable to non-controlling interest in Premier LP	\$ 0.87	\$ 0.64	\$ 4.57	\$ 5.44
Impact of corporation taxes	\$ (0.76)	\$ (0.94)	\$ (3.67)	\$ (3.90)
Impact of increased share count	\$ (0.77)	\$ (1.05)	\$ (3.90)	\$ (4.40)
Non-GAAP Adjusted Fully Distributed Earnings Per Share	\$ 0.36	\$ 0.36	\$ 1.61	\$ 1.43

(a) Represents non-cash employee stock-based compensation expense, and \$0.1 million and \$0.4 million stock purchase plan expense in the three and twelve months ended June 30, 2016, respectively.



Fiscal 2015 and fiscal 2014 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Pro Forma Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands)

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2015*	2014*	2015*	2014
Reconciliation of Pro Forma Net Revenue to Net Revenue:				
Pro Forma Net Revenue	\$ 266,553	\$ 235,466	\$ 1,007,029	\$ 869,286
Pro forma adjustment for revenue share post-IPO	—	—	—	41,263
Net Revenue	\$ 266,553	\$ 235,466	\$ 1,007,029	\$ 910,549
Reconciliation of Net Income to Adjusted EBITDA and Reconciliation of Segment Adjusted EBITDA to Income Before Income Taxes:				
Net income	\$ 32,061	\$ 66,632	\$ 234,785	\$ 332,617
Pro forma adjustment for revenue share post-IPO	—	—	—	(41,263)
Interest and investment income, net	(349)	(378)	(866)	(1,019)
Income tax expense	24,235	3,248	36,342	27,709
Depreciation and amortization	12,079	9,809	45,186	36,761
Amortization of purchased intangible assets	2,538	904	9,136	3,062
EBITDA	70,564	80,215	324,583	357,867
Stock-based compensation	7,369	6,358	28,498	19,476
Acquisition related expenses	2,629	711	9,037	2,014
Strategic and financial restructuring expenses	92	146	1,373	3,760
(Gain) loss on investment	—	(522)	1,000	(38,372)
Adjustment to tax receivable agreement liability	4,147	6,215	—	6,215
Acquisition related adjustment - deferred revenue	4,147	—	13,371	—
Loss on disposal of long-lived assets	15,243	—	15,243	—
Other expense (income), net	60	121	70	65
Adjusted EBITDA	\$ 100,104	\$ 93,244	\$ 393,175	\$ 351,025
Segment Adjusted EBITDA:				
Supply Chain Services	\$ 100,970	\$ 94,394	\$ 391,180	\$ 396,470
Pro forma adjustment for revenue share post-IPO	—	—	—	(41,263)
Supply Chain Services (including pro forma adjustment)	\$ 100,970	\$ 94,394	\$ 391,180	\$ 355,207
Performance Services	22,518	19,531	90,235	73,898
Corporate	(23,384)	(20,681)	(88,240)	(78,080)
Adjusted EBITDA	\$ 100,104	\$ 93,244	\$ 393,175	\$ 351,025
Depreciation and amortization	(12,079)	(9,809)	(45,186)	(36,761)
Amortization of purchased intangible assets	(2,538)	(904)	(9,136)	(3,062)
Stock-based compensation	(7,369)	(6,358)	(28,498)	(19,476)
Acquisition related expenses	(2,629)	(711)	(9,037)	(2,014)
Strategic and financial restructuring expenses	(92)	(146)	(1,373)	(3,760)
Adjustment to tax receivable agreement liability	—	(6,215)	—	(6,215)
Acquisition related adjustment - deferred revenue	(4,147)	—	(13,371)	—
Equity in net income of unconsolidated affiliates	(6,473)	(4,805)	(21,285)	(16,976)
Deferred compensation plan expense (income)	544	(1,972)	753	(1,972)
Pro forma adjustment for revenue share post-IPO	65,321	62,324	266,042	260,789
Operating income	\$ 65,321	\$ 62,324	\$ 266,042	\$ 302,052
Equity in net income of unconsolidated affiliates	6,473	4,805	21,285	16,976
Interest and investment income, net	349	378	866	1,019
(Loss) gain on investment	—	522	(1,000)	38,372
Loss on disposal of long-lived assets	(15,243)	—	(15,243)	—
Other expense (income), net	(604)	1,851	(823)	1,907
Income before income taxes	\$ 56,296	\$ 69,880	\$ 271,127	\$ 360,326

* Note that no pro forma adjustments were made for the three months and year ended June 30, 2015 and the three months ended June 30, 2014; as such, actual results are presented for each of these periods.

Fiscal 2015 and fiscal 2014 non-GAAP reconciliations

**Supplemental Financial Information - Reporting of Pro Forma Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands)**

	Three Months Ended June 30,		Year Ended June 30,	
	2015*	2014*	2015*	2014
<i>Reconciliation of Non-GAAP Pro Forma Adjusted Fully Distributed Net Income:</i>				
Net income attributable to shareholders	\$ 7,990	\$ 8,879	\$ 38,743	\$ 28,332
Pro forma adjustment for revenue share post-IPO	—	—	—	(41,263)
Income tax expense	24,235	3,248	36,342	27,709
Stock-based compensation	7,369	6,358	28,498	19,476
Acquisition related expenses	2,629	711	9,037	2,014
Strategic and financial restructuring expenses	92	146	1,373	3,760
(Gain) loss on investment	—	(522)	1,000	(38,372)
Adjustment to tax receivable agreement liability	—	6,215	—	6,215
Acquisition related adjustment - deferred revenue	4,147	—	13,371	—
Loss on disposal of long-lived assets	15,243	—	15,243	—
Amortization of purchased intangible assets	2,538	904	9,136	3,062
Net income attributable to noncontrolling interest in Premier LP	24,071	57,281	194,206	303,336
Non-GAAP pro forma adjusted fully distributed income before income taxes	88,314	83,220	346,949	314,269
Income tax expense on fully distributed income before income taxes	35,326	33,288	138,780	125,708
Non-GAAP Pro Forma Adjusted Fully Distributed Net Income	\$ 52,988	\$ 49,932	\$ 208,169	\$ 188,561

* Note that no pro forma adjustments were made for the three months and year ended June 30, 2015 and the three months ended June 30, 2014; as such, actual results are presented for each of these periods.



Fiscal 2015 and fiscal 2014 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Non-GAAP Free Cash Flow
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands)

	Three Months Ended	
	June 30,	
	2015	2014
<i>Reconciliation of Non-GAAP Free Cash Flow to Net Cash Provided by Operating Activities:</i>		
Net cash provided by operating activities	\$ 108,483	\$ 79,431
Purchases of property and equipment	(19,670)	(15,898)
Distributions to limited partners	(23,412)	(21,299)
Payments to limited partners under tax receivable agreements	(11,499)	—
Non-GAAP free cash flow	\$ 53,902	\$ 42,234



Fiscal 2015 and fiscal 2014 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands, except per share data)

	Three Months Ended		Year Ended	
	June 30,	June 30,	June 30,	June 30,
	2015*	2014*	2015*	2014
Reconciliation of numerator for GAAP EPS to Non-GAAP EPS on Net Income Attributable to Stockholders				
Net (loss) income attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount	\$ (84,076)	\$ 491,389	\$ (865,292)	\$ (2,713,256)
Adjustment of redeemable limited partners' capital to redemption amount	92,066	(482,510)	904,035	2,741,588
Net income attributable to stockholders	7,990	8,879	38,743	28,332
Reconciliation of denominator for GAAP EPS to Non-GAAP EPS on Net Income Attributable to Stockholders				
Weighted Average:				
Common shares used for basic and diluted earnings per share	37,576	32,375	35,681	25,633
Potentially dilutive shares	1,592	194	1,048	124
Weighted average fully distributed shares outstanding - diluted	39,168	32,569	36,729	25,757
Reconciliation of GAAP EPS to Non-GAAP EPS on Net Income Attributable to Stockholders				
GAAP earnings (loss) per share	\$ (2.24)	\$ 15.18	\$ (24.25)	\$ (105.85)
Impact of adjustment of redeemable limited partners' capital to redemption amount	\$ 2.45	\$ (14.90)	\$ 25.34	\$ 106.96
Impact of potentially dilutive shares	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.01)
Non-GAAP earnings per share on net income attributable to stockholders - diluted	\$ 0.20	\$ 0.27	\$ 1.05	\$ 1.10
Reconciliation of numerator for GAAP EPS to Non-GAAP EPS on Adjusted Fully Distributed Net Income				
Net (loss) income attributable to shareholders after adjustment of redeemable limited partners' capital to redemption amount	\$ (84,076)	\$ 491,389	\$ (865,292)	\$ (2,713,256)
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Loss on disposal of long-lived assets	15,243	—	15,243	—
Amortization of purchased intangible assets	2,538	904	9,136	3,062
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Non-GAAP pro forma adjusted fully distributed income before income taxes	88,314	83,220	346,949	314,269
Income tax expense on fully distributed income before income taxes	35,326	33,288	138,780	125,708
Non-GAAP pro forma adjusted fully distributed net income	\$ 52,988	\$ 49,932	\$ 208,169	\$ 188,561

* Note that no pro forma adjustments were made for the three months and year ended June 30, 2015 and the three months ended June 30, 2014; as such, actual results are presented for each of these periods.

Fiscal 2015 and fiscal 2014 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Year Ended June 30,	
	2015*	2014*	2015*	2014
Reconciliation of denominator for GAAP EPS to Non-GAAP Adjusted Fully Distributed Net Income				
Weighted Average:				
Common shares used for basic and diluted earnings per share	37,576	32,375	35,681	25,633
Potentially dilutive shares	1,592	194	1,048	124
Class A common shares outstanding	-	-	-	6,742
Conversion of Class B common units	106,471	112,511	108,518	112,584
Weighted average fully distributed shares outstanding - diluted	145,639	145,080	145,247	145,083
Reconciliation of GAAP EPS to Adjusted Fully Distributed EPS				
GAAP earnings (loss) per share	\$ (2.24)	\$ 15.18	\$ (24.25)	\$ (105.85)
Impact of adjustment of redeemable limited partners' capital to redemption amount	\$ 2.45	\$ (14.90)	\$ 25.34	\$ 106.96
Impact of additions:				
Pro forma adjustment for revenue share post-IPO	\$ -	\$ -	\$ -	\$ (1.61)
Income tax expense	\$ 0.64	\$ 0.10	\$ 1.02	\$ 1.08
Stock-based compensation	\$ 0.20	\$ 0.20	\$ 0.80	\$ 0.76
Acquisition related expenses	\$ 0.07	\$ 0.02	\$ 0.25	\$ 0.08
Strategic and financial restructuring expenses	\$ 0.00	\$ 0.00	\$ 0.04	\$ 0.15
(Gain) loss on investment	\$ -	\$ (0.02)	\$ 0.03	\$ (1.50)
Adjustment to tax receivable agreement liability	\$ -	\$ 0.19	\$ -	\$ 0.24
Acquisition related adjustment - deferred revenue	\$ 0.11	\$ -	\$ 0.37	\$ -
Loss on disposal of long-lived assets	\$ 0.41	\$ -	\$ 0.43	\$ -
Amortization of purchased intangible assets	\$ 0.07	\$ 0.03	\$ 0.26	\$ 0.12
Net income attributable to noncontrolling interest in Premier LP	\$ 0.64	\$ 1.77	\$ 5.44	\$ 11.83
Impact of corporation taxes	\$ (0.94)	\$ (1.03)	\$ (3.90)	\$ (4.90)
Impact of increased share count	\$ (1.05)	\$ (1.20)	\$ (4.40)	\$ (6.06)
Non-GAAP earnings per share on adjusted fully distributed net income - diluted	\$ 0.36	\$ 0.34	\$ 1.43	\$ 1.30

* Note that no pro forma adjustments were made for the three months and year ended June 30, 2015 and the three months ended June 30, 2014, as such, actual results are presented for each of these periods.

Fiscal 2014 and fiscal 2013 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Pro Forma Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands)

	Three Months Ended June 30,		Year Ended June 30,	
	2014*	2013	2014	2013
Reconciliation of Pro Forma Net Revenue to Net Revenue:				
Pro Forma Net Revenue	\$ 235,466	\$ 200,938	\$ 869,286	\$ 764,278
Pro forma adjustment for revenue share post-IPO	—	39,663	41,263	105,012
Net Revenue	\$ 235,466	\$ 240,601	\$ 910,549	\$ 869,290
Reconciliation of Pro Forma Adjusted EBITDA and Segment Adjusted EBITDA to Net Income and Operating Income:				
Net income	\$ 66,632	\$ 103,496	\$ 332,617	\$ 375,086
Pro forma adjustment for revenue share post-IPO	—	(39,663)	(41,263)	(105,012)
Interest and investment income, net	(378)	(366)	(1,019)	(965)
Income tax expense	3,248	3,788	27,709	9,726
Depreciation and amortization	9,809	7,883	36,761	27,681
Amortization of purchased intangible assets	904	385	3,062	1,539
Pro Forma EBITDA	80,215	75,523	357,867	308,055
Stock-based compensation	6,358	—	19,476	—
Acquisition related expenses	711	—	2,014	—
Strategic and financial restructuring expenses	146	1,823	3,760	5,170
Adjustment to taxreceivable agreement liability	6,215	—	6,215	—
Gain on sale of investment	(522)	—	(38,372)	—
Other (income) expense, net	121	783	65	788
Pro Forma Adjusted EBITDA	\$ 93,244	\$ 78,129	\$ 351,025	\$ 314,013
Pro Forma Adjusted EBITDA	\$ 93,244	\$ 78,129	\$ 351,025	\$ 314,013
Depreciation and amortization	(9,809)	(7,883)	(36,761)	(27,681)
Amortization of purchased intangible assets	(904)	(385)	(3,062)	(1,539)
Stock-based compensation	(6,358)	—	(19,476)	—
Acquisition related expenses	(711)	—	(2,014)	—
Strategic and financial restructuring expenses	(146)	(1,823)	(3,760)	(5,170)
Adjustment to taxreceivable agreement liability	(6,215)	—	(6,215)	—
Equity in net income of unconsolidated affiliates	(4,805)	(3,636)	(16,976)	(11,968)
Deferred compensation plan expense	(1,972)	—	(1,972)	—
Pro forma adjustment for revenue share post-IPO	62,324	64,402	260,789	267,655
Operating income	\$ 62,324	\$ 104,065	\$ 302,052	\$ 372,667

* Note that no pro forma adjustments were made for the three months ended June 30, 2014; as such, actual results are presented for the three months ended June 30, 2014.

Fiscal 2014 and fiscal 2013 non-GAAP reconciliations

**Supplemental Financial Information - Reporting of Pro Forma Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands)**

	Three Months Ended June 30,		Year Ended June 30,	
	2014*	2013	2014	2013
<i>Reconciliation of Non-GAAP Adjusted Fully Distributed Net Income:</i>				
Non-GAAP Adjusted Fully Distributed Net Income (pro forma):				
Net income (loss) attributable to shareholders	\$ 8,879	\$ (797)	\$ 28,332	\$ 7,376
Pro forma adjustment for revenue share post-IPO	—	(39,663)	(41,263)	(105,012)
Income tax expense	3,248	3,788	27,709	9,726
Stock-based compensation	6,358	—	19,476	—
Gain on sale of investment	(522)	—	(38,372)	—
Acquisition related expenses	711	—	2,014	—
Strategic and financial restructuring expenses	146	1,823	3,760	5,170
Adjustment to tax receivable agreement liability	6,215	—	6,215	—
Amortization of purchased intangible assets	904	385	3,062	1,539
Net income attributable to noncontrolling interest in Premier LP	57,281	104,726	303,336	369,189
Non-GAAP adjusted fully distributed income before income taxes	83,220	70,262	314,269	287,988
Income tax expense on fully distributed income before income taxes	33,288	28,105	125,708	115,195
Non-GAAP adjusted fully distributed net income (pro forma)	\$ 49,932	\$ 42,157	\$ 188,561	\$ 172,793

* Note that no pro forma adjustments were made for the three months ended June 30, 2014; as such, actual results are presented for the three months ended June 30, 2014.



Fiscal 2014 and fiscal 2013 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Year Ended June 30,	
	2014*	2013	2014	2013
Reconciliation of numerator for GAAP EPS to Adjusted Fully Distributed EPS				
Net income (loss) attributable to shareholders after adjustment of redeemable limited partners' capital to redemption amount	\$ 491,389	\$ (797)	\$ (2,713,256)	\$ 7,376
Adjustment of redeemable limited partners' capital to redemption amount	(482,510)	-	2,741,588	-
Net income (loss) attributable to shareholders	8,879	(797)	28,332	7,376
Pro forma adjustment for revenue share post-IPO	-	(39,665)	(41,263)	(105,012)
Income tax expense	3,248	3,788	27,709	9,726
Stock-based compensation	6,358	-	19,476	-
Gain on sale of investment	(522)	-	(38,372)	-
Acquisition related expenses	711	-	2,014	-
Strategic and financial restructuring expenses	146	1,823	3,760	5,170
Adjustment to tax receivable agreement liability	6,215	-	6,215	-
Amortization of purchased intangible assets	904	385	3,062	1,539
Net income attributable to noncontrolling interest in Premier LP	57,281	104,726	303,336	369,189
Non-GAAP adjusted fully distributed income before income taxes	83,220	70,262	314,269	287,988
Income tax expense on fully distributed income before income taxes	33,288	28,105	125,708	115,195
Non-GAAP adjusted fully distributed net income (pro forma)	\$ 49,932	\$ 42,157	\$ 188,561	\$ 172,793
Reconciliation of denominator for GAAP EPS to Adjusted Fully Distributed EPS				
Weighted Average:				
Common shares used for basic and diluted earnings per share	32,375	5,733	25,633	5,858
Potentially dilutive shares	194	-	124	-
Class A common shares outstanding	-	26,642	6,742	26,517
Conversion of Class B common units	112,511	112,608	112,584	112,608
Weighted average fully distributed shares outstanding - diluted	145,080	144,983	145,083	144,983
Reconciliation of GAAP EPS to Adjusted Fully Distributed EPS				
GAAP income (loss) per share	\$ 15.18	\$ (0.14)	\$ (105.85)	\$ 1.26
Impact of adjustment of redeemable limited partners' capital to redemption amount	\$ (14.90)	\$ -	\$ 106.96	\$ -
Impact of additions:				
Pro forma adjustment for revenue share post-IPO	\$ -	\$ (6.92)	\$ (1.61)	\$ (17.93)
Income tax expense	\$ 0.10	\$ 0.66	\$ 1.08	\$ 1.66
Stock-based compensation	\$ 0.20	\$ -	\$ 0.76	\$ -
Gain on sale of investment	\$ (0.02)	\$ -	\$ (1.50)	\$ -
Acquisition related expenses	\$ 0.02	\$ -	\$ 0.08	\$ -
Strategic and financial restructuring expenses	\$ 0.00	\$ 0.32	\$ 0.15	\$ 0.88
Adjustment to tax receivable agreement liability	\$ 0.19	\$ -	\$ 0.24	\$ -
Amortization of purchased intangible assets	\$ 0.03	\$ 0.07	\$ 0.12	\$ 0.26
Net income attributable to noncontrolling interest in Premier LP	\$ 1.77	\$ 18.27	\$ 11.83	\$ 63.02
Impact of corporation taxes	\$ (1.03)	\$ (4.90)	\$ (4.90)	\$ (19.66)
Impact of increased share count	\$ (1.20)	\$ (7.06)	\$ (6.06)	\$ (28.31)
Non-GAAP earnings per share on adjusted fully distributed net income - diluted	\$ 0.34	\$ 0.29	\$ 1.30	\$ 1.19

* Note that actual results are presented for the three months ended June 30, 2014.