PREMIER

Reducing Costs, Improving Quality, Reinventing Healthcare

Investor Information

February 2019

Forward-looking statements and non-GAAP financial measures

Forward-looking statements – Statements made in this presentation that are not statements of historical or current facts, such as those related to expected financial performance, non-GAAP free cash flow generation, the impact of the new revenue recognition standards, share repurchases under our fiscal 2019 stock repurchase program, and the statements related to fiscal 2019 outlook and guidance and the assumptions underlying such guidance, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements 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. In addition to statements that explicitly describe such risks and uncertainties, 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. More information on potential factors that could affect Premier’s financial results is included from time to time in the “Cautionary Note Regarding Forward-Looking Statements,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Premier’s periodic and current filings with the SEC, including those discussed under the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” section of Premier’s Form 10-K for the year ended June 30, 2018 as well as the Form 10-Q for the quarter ended December 31, 2018, expected to be filed with the SEC shortly after the date of this presentation, and also made available on Premier’s website at investors.premierinc.com. Forward-looking statements speak only as of the date they are made, and Premier undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events that occur after that date, or otherwise.

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 periodic and current 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.

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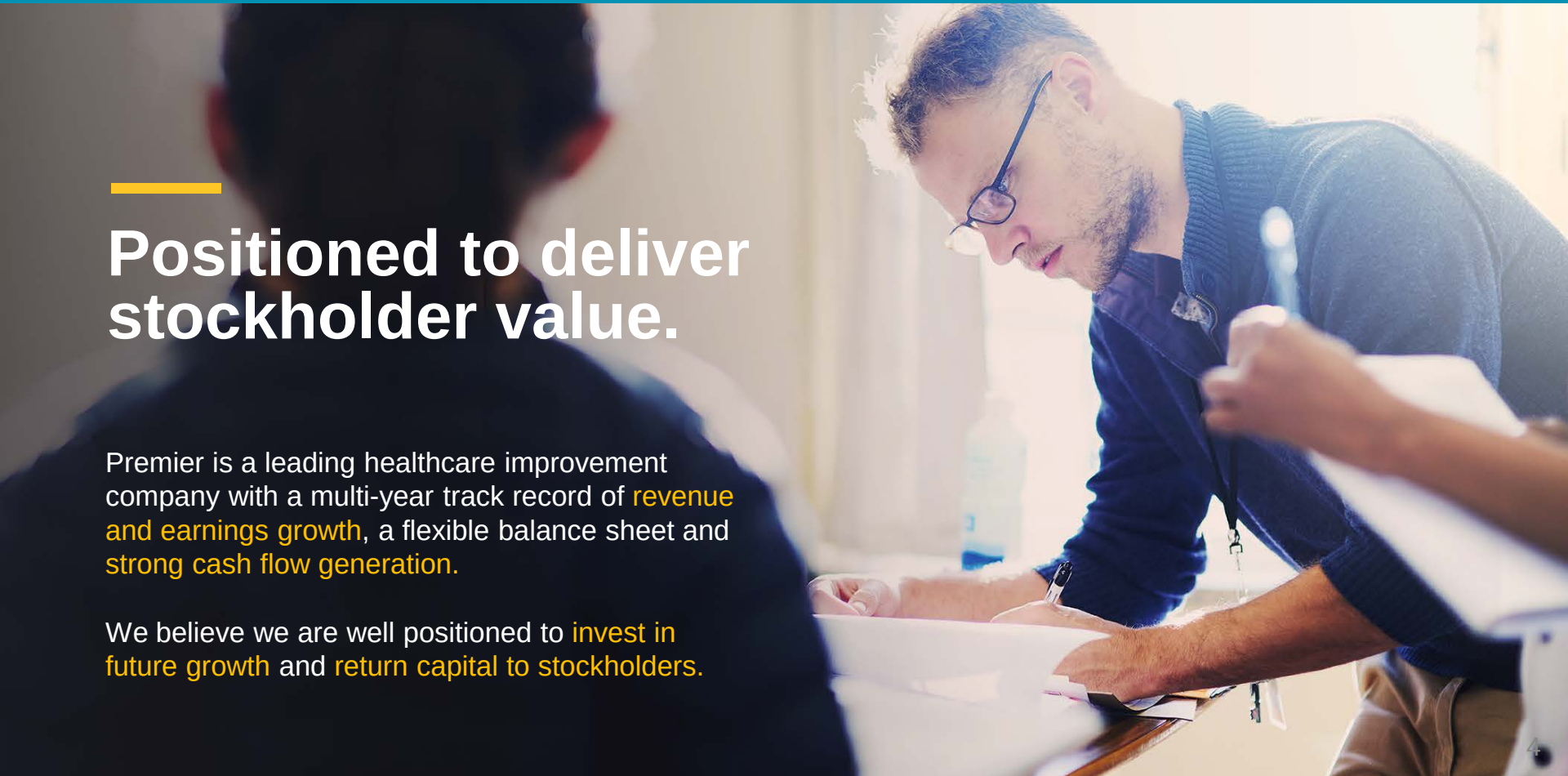
Company Overview



Positioned to deliver stockholder value.

Premier is a leading healthcare improvement company with a multi-year track record of revenue and earnings growth, a flexible balance sheet and strong cash flow generation.

We believe we are well positioned to invest in future growth and return capital to stockholders.

Well positioned for emerging healthcare trends

1

Acceleration in the shift to value-based care and risk is creating financial pressure

2

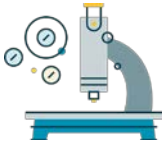
Increasing physician participation and alignment with alternative payment programs

3

Employers contracting with providers; active consumer engagement

4

Significant proposed reform of the pharmaceutical market

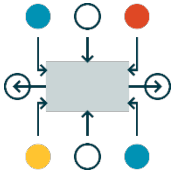


5

Turning data into actionable insights at the point of care

6

Vertical and horizontal consolidation



Premier's role in the future of healthcare

Providers face increasing financial pressure, market consolidation, data integration challenges, disruption and increasing competition.

Providers must **reduce costs**, **improve quality** and **safety outcomes** and **assume risk**.

By integrating Premier's core **supply chain** and **clinical solutions** with **technology** and wrap-around **consulting services**, we believe **Premier is uniquely positioned** to help healthcare providers achieve these critical objectives.

It's all about the data insights

100B [1]
DATA POINTS

Market leading enterprise analytics enable Premier to deliver highly differentiated and significant value for its members.

Powers Our Capabilities	Benefits Our Customers
Supply Chain	Providers and their Health Plans
Cost Management	Employers
Quality & Regulatory	Pharma
Safety	Device Manufacturers
Pharmacy	
Value-Based Care	

[1] As of December 31, 2018, based on Premier's proprietary database known as the Premier Healthcare Database and other data points available to Premier members and subscribers.

Premier's significant footprint and scale

4K+
U.S. hospitals and health systems
ARE PREMIER MEMBERS

Data on more than
45%
U.S. hospital discharges

approximately
165K
alternate sites/other provider organizations

~2,400 CONTRACTS

~1,300 SUPPLIERS

$60B group purchasing volume

Note: Data as of fiscal year ended June 30, 2018.

Premier's unique member alignment

ALIGNMENT

Significant health system member ownership

Strategic board alignment

Premier field force embedded in member health systems

LONG-TERM EXPERIENCE

Member owner tenure averages **~19 years**

CO-INNOVATION

Co-develop solutions with members

Committees composed of **~400** individuals, representing **~140** member hospitals

~1,450 hospitals in performance improvement collaboratives

Note: Data as of fiscal year ended June 30, 2018, except member ownership as of October 31, 2018.

Integrated platform provides comprehensive solutions

Supply Chain Services

~78% of FY18 Consolidated Net Revenue

~81% of FY18 Non-GAAP Pre-Corporate Segment Adjusted EBITDA

Group Purchasing

Integrated Pharmacy

Direct Sourcing

Performance Services

~22% of FY18 Consolidated Net Revenue

~19% of FY18 Non-GAAP Pre-Corporate Segment Adjusted EBITDA

Healthcare Informatics and Data Analytics

Consulting Services

Performance Improvement Collaboratives

Embedded Field Force

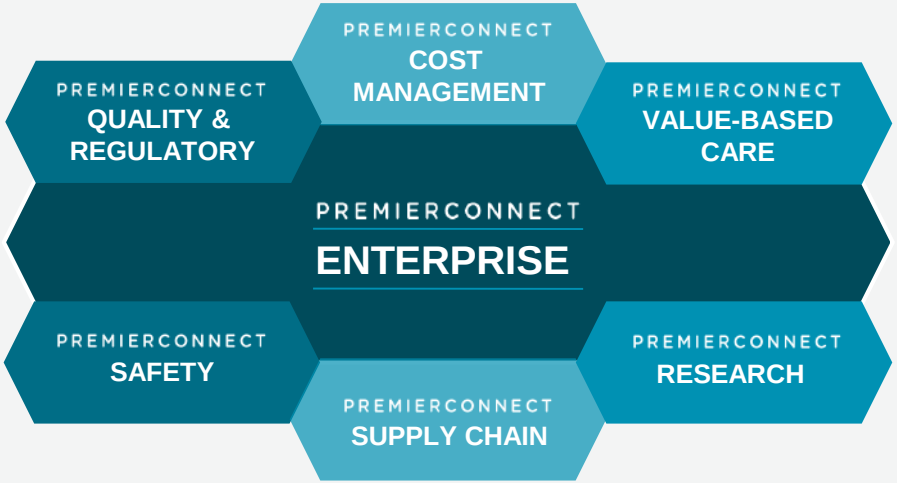
eCommerce, Technology and Enterprise Analytics

The Premier model at a glance

Business	Supply Chain Services	Performance Services	Consolidated
Multiple Revenue Drivers	Supplier paid administrative fees Drug reimbursement Contract manufactured product sales	SaaS-based subscriptions / license fees Fee-for-service Service subscriptions	**Significant revenue visibility*** • 89% - 94% of FY2019 revenue guidance range available under contract **High 5-year average retention/renewal rates**** • **98%** GPO retention • **94%** SaaS institutional renewal rate

*As provided on August 21, 2018.
** Five-year average as of fiscal year-end June 30, 2018

The PremierConnect® platform enables innovative data analytics



Combining people, process, and technology to

- **Reduce** costs
- **Improve** outcomes
- **Optimize** Value-based care

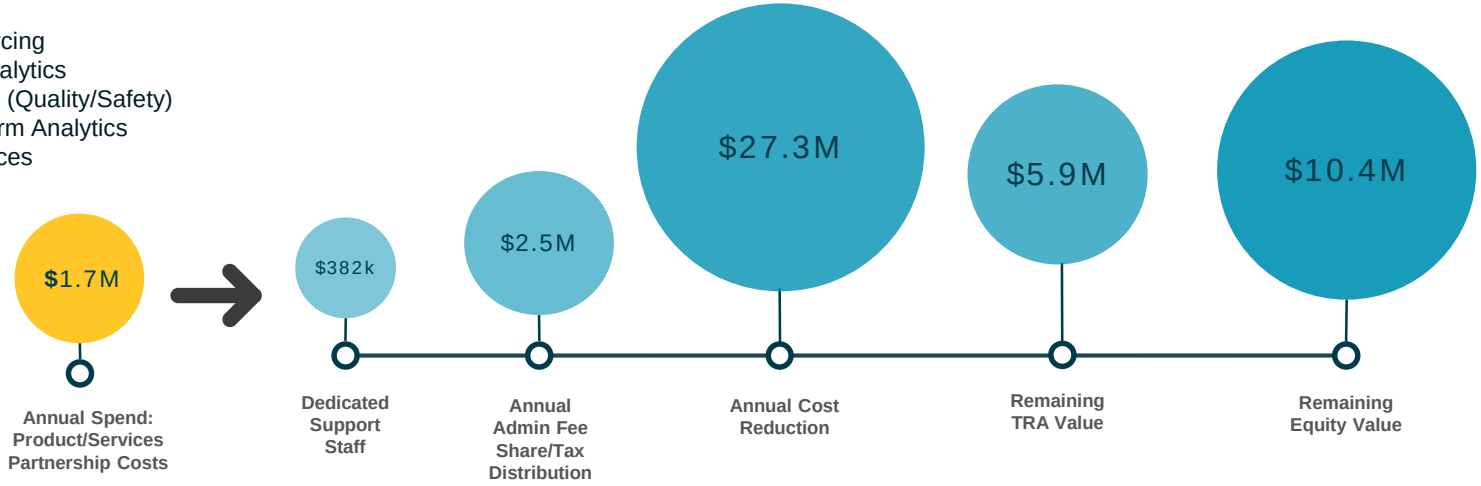
Vendor agnostic, payer neutral data analytics from multiple sources

Delivering annual ROI for our member health systems*

2018 ROI exclusive of TRA and equity value = 17:1

An all-in enterprise relationship spanning 28 years of products/services partnership:

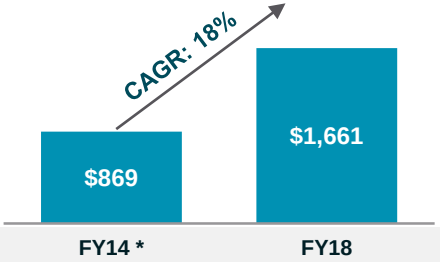
- GPO/Direct Sourcing
- Supply Chain Analytics
- Clinical Analytics (Quality/Safety)
- Integrated Platform Analytics
- Consulting Services



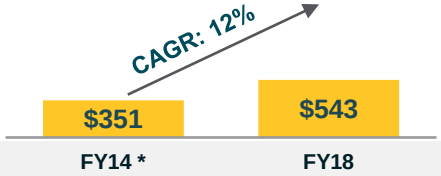
* Solely for illustrative purposes based on one member's actual experience in fiscal 2018 and the Remaining TRA Value and Remaining Equity Value are current through the October 31, 2018 member owner Class B unit quarterly exchange. Each member's total value varies by scope of relationship with Premier, investment size, and utilization of Premier products and services.

Premier's diversified model has delivered consistent growth

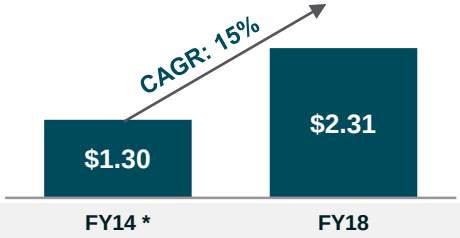
Multiple growth drivers	Core "chassis" built
Recurring and visible revenue	Strong balance sheet
High customer retention rates	Free cash flow generation



Consolidated Net Revenue*
(in millions)



Non-GAAP Adjusted EBITDA*
(in millions)

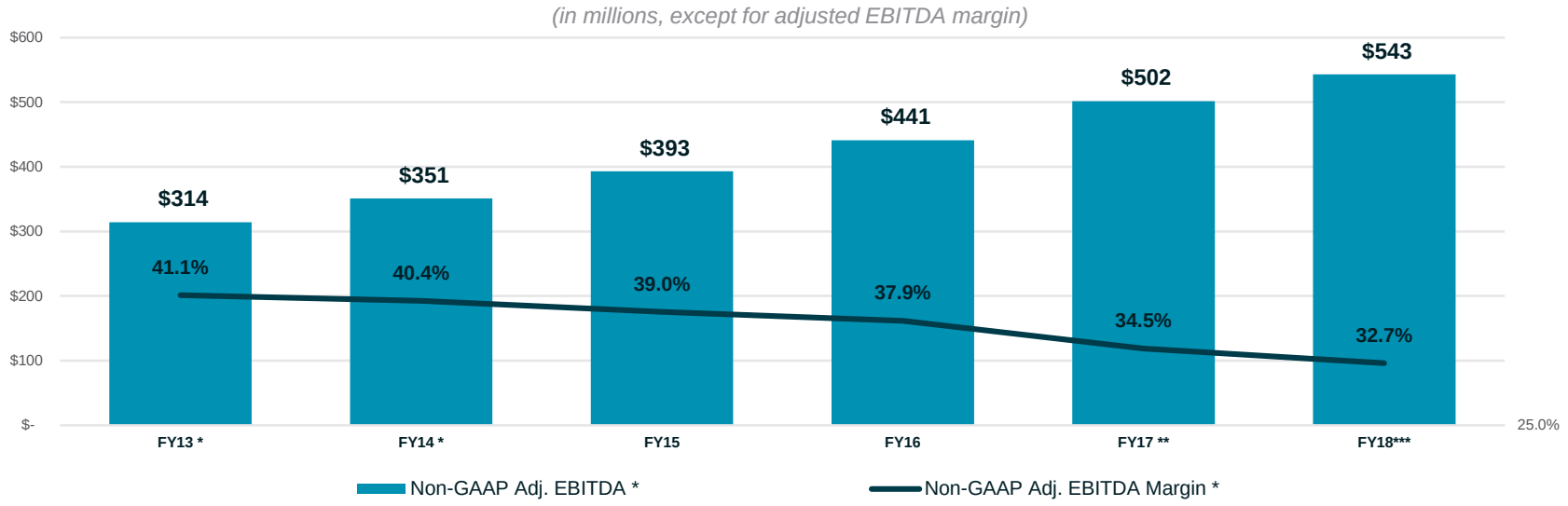


Non-GAAP Adjusted Fully Distributed EPS*

** 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.*

Strategic business diversification impact on non-GAAP adjusted EBITDA margin

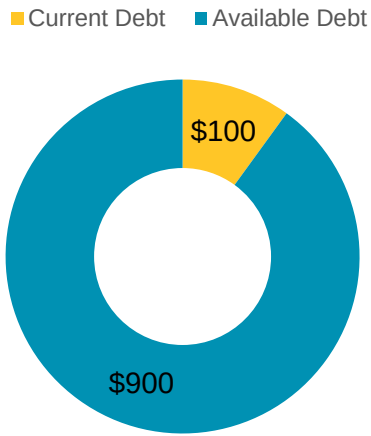
Although consolidated non-GAAP adjusted EBITDA margin has compressed with strategic diversification, non-GAAP adjusted EBITDA in dollars has shown consistent growth, supported by stable to expanding margin trends in the underlying businesses.



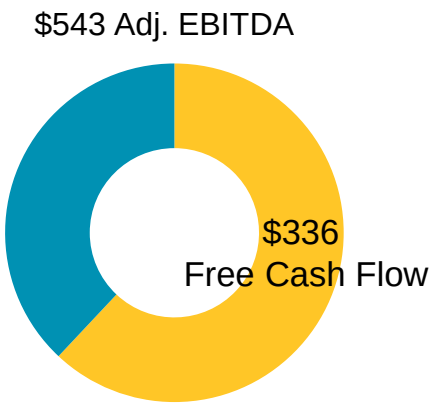
** For periods prior to October 1, 2013, comparisons are with non-GAAP pro forma information that reflects the impact of the company's 2013 reorganization and initial public offering. Non-GAAP adjusted EBITDA margin is defined as consolidated non-GAAP adjusted EBITDA divided by consolidated net revenue. See non-GAAP reconciliations to GAAP equivalents in Appendix.*
*** Y-O-Y Decline predominantly due to acquisition of Acro Pharmaceutical Services in August 2016.*
****Y-O-Y decline partially due to acquisition of Acro Pharmaceutical Services in August 2016.*

Flexible balance sheet and strong non-GAAP free cash flow generation

Current and Available Debt*
(in millions)



Non-GAAP Free Cash Flow Generation**
(in millions)



Non-GAAP free cash flow expected to exceed 50% of non-GAAP adjusted EBITDA for fiscal 2019

** As of December 31, 2018.*
***Non-GAAP adjusted EBITDA and free cash flow figures are for fiscal year ended June 30, 2018.*

Capital allocation priorities

continue growth and expansion

maintain flexible balance sheet

return of capital to stockholders

Strategic acquisition, investment and partnership opportunities

Supply Chain Services

- Supply chain analytics
- Workflow
- eCommerce
- Logistics / fulfillment

Co-manage total supply chain outcomes with members

Performance Services

- Value-based care delivery and payment
- Ambulatory clinical integration
- Research / applied sciences
- Predictive analytics / precision medicine

Co-manage total clinical and cost outcomes with members

- Comprehensive data acquisition and management
- Emerging technology enablement
- Consumer engagement & activation
- Vertically integrated services and standardized care

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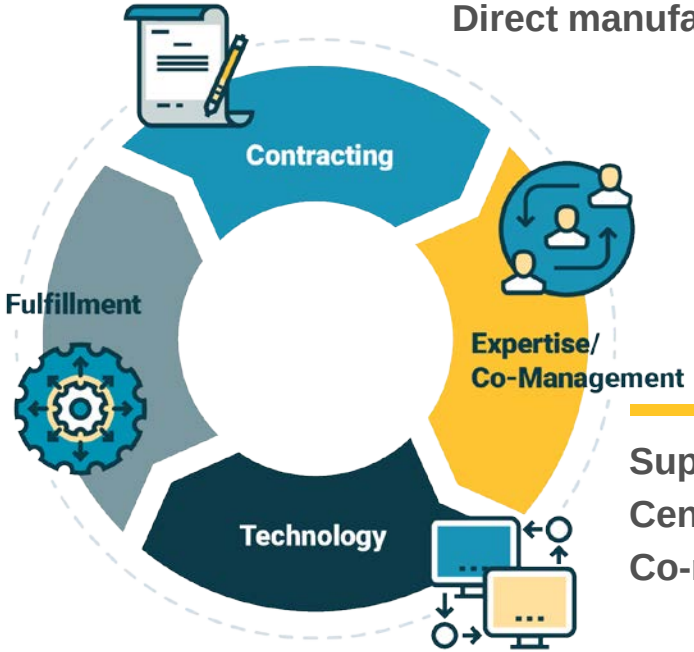
Strategic Growth Opportunities

Enterprise supply chain strategic priorities

Best in class contract portfolio
Direct manufacturing portfolio

Logistics / fulfillment partner(s)



Supply chain leadership experts
Centralized expert analysts
Co-management

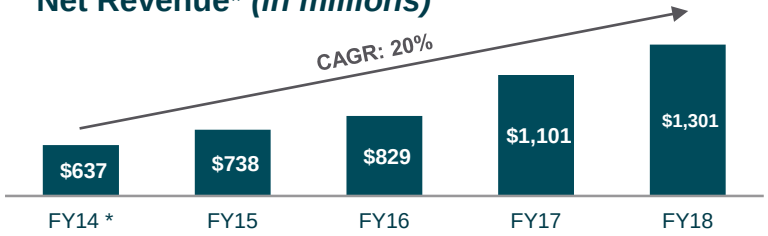
ERP-agnostic supply chain overlay
Customizable eCommerce platform
Centralized value analysis

Supply Chain Services strategic priorities and historical growth

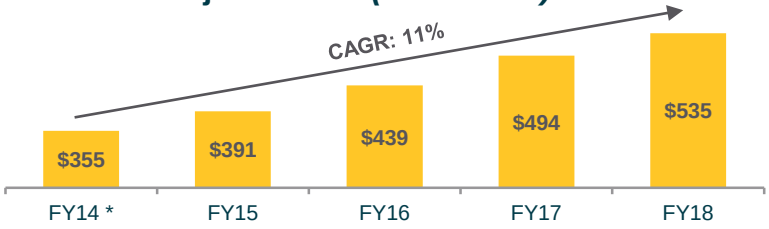
Create end-to-end supply chain capabilities

- Expand member base
- Drive further penetration of existing members
- Leverage analytics and eCommerce capabilities
- Continue to organically expand products business
- Co-manage total supply chain metrics with a subset of members

Supply Chain Services Segment Net Revenue* *(in millions)*

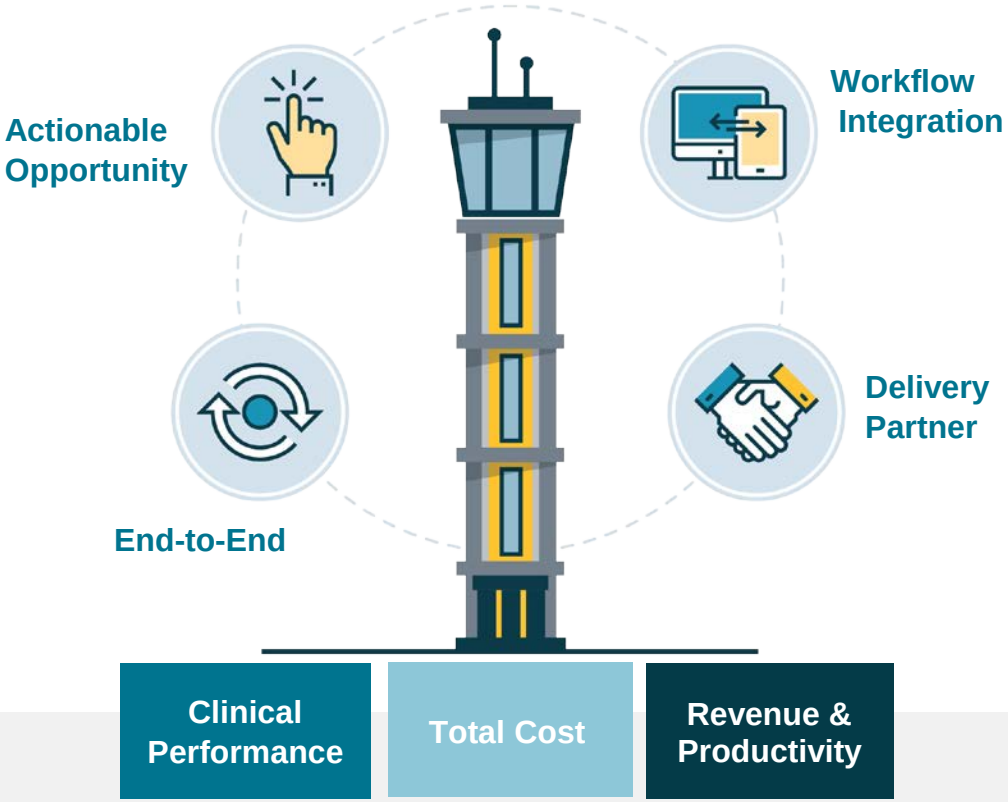


Supply Chain Services Segment Non-GAAP Adj. EBITDA* *(in millions)*



** 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.*

Enterprise analytics and performance improvement strategic priorities



Health Systems

Drive clinical, financial and operational transformation through integrated technology platform, consulting services and best practice sharing through the collaboratives.

Life Sciences

Improve quality by leveraging our integrated data to test new therapeutic interventions.

Large Employers

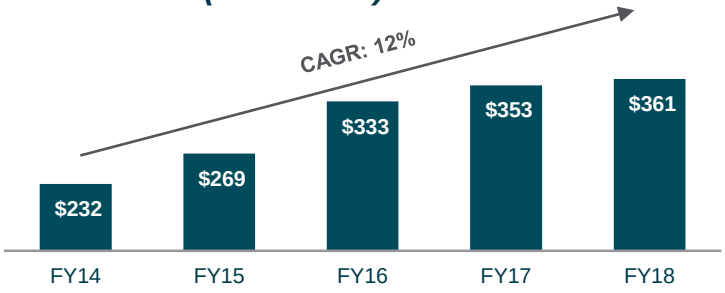
Access new markets to improve quality and reduce cost by building high-value network models in partnership with members.

Performance Services strategic priorities and historical growth

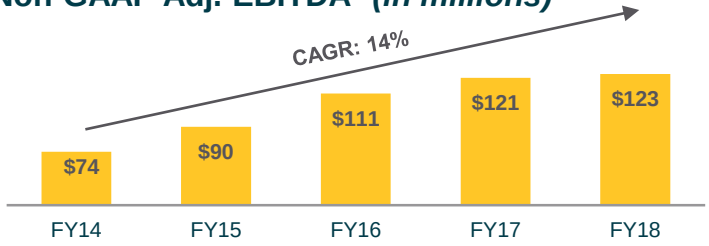
Enable clinical improvement through data analytics and wrap-around services

- Develop enterprise analytics and performance improvement capability to facilitate a consolidated, real-time view into performance
- Explore new channels of revenue by leveraging unique data assets and differentiated capabilities in new ways
- Co-innovation by leveraging cognitive computing "backbone"
- Navigate the journey to value-based payment models
- Enable care delivery transformation
- Co-manage total outcomes metrics with a subset of members

Performance Services Segment Net Revenue *(in millions)*



Performance Services Segment Non-GAAP Adj. EBITDA* *(in millions)*



** See non-GAAP reconciliations to GAAP equivalents in Appendix.*

Stanson Health: reducing unjustified variation at the point of care

The American Journal of Managed Care > August 2018 – Published on: August 15, 2018 *

Choosing Wisely Clinical Decision Support Adherence and Associated Inpatient Outcomes

Andrew M. Heekin, PhD; John Kontor, MD; Harry C. Sax, MD; Michelle S. Keller, MPH; Anne Wellington, BA; and Scott Weingarten, MD

This analysis examines the associations between adherence to Choosing Wisely recommendations embedded into clinical decision support alerts and 4 measures of resource use and quality.

Patients whose physicians DID NOT follow the Stanson Choosing Wisely recommendations compared to those who DID

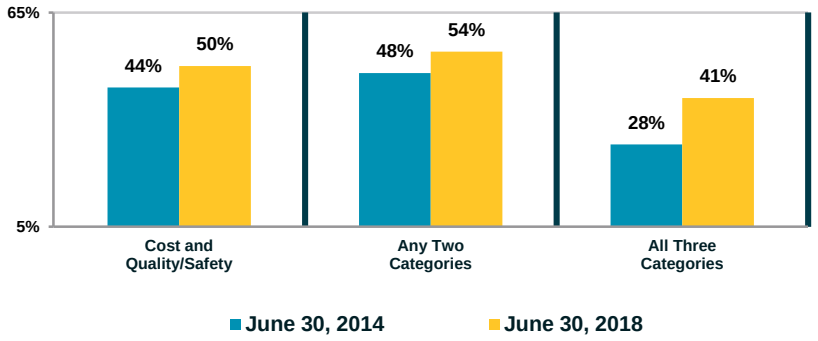
Odds of Complications	Length of Stay	Cost per patient episode*	30-day readmissions
29% ↑	**6.2%** ↑ (0.06 days)	**7.3%** ↑ ($**944** per patient) *(after adjusting for patient illness severity & case complexity)*	**14%** ↑

* Median cost of encounter $12,940; *Am J Manag Care*. 2018;24(8):294-299

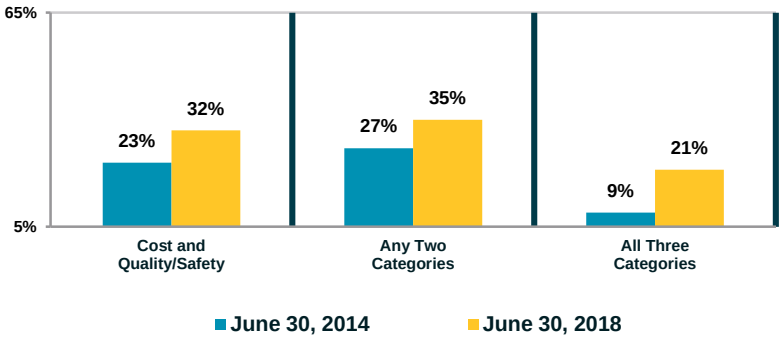
Continue cross-selling into well-established and expanding member base

Reduce Costs | Improve Quality and Safety | Optimize Value-Based Care

Premier Product Offering Penetration within Highly Committed Member Base**



Premier Product Offering Penetration within Existing Member Base*



** Hospitals in Existing Member Base are counted in a category (improve quality & safety, reduce cost, optimize value-based care) if they participate in at least one offering in that category (numerator). The hospital cohort is based on those hospitals that were Premier members at June 30, 2014 and June 30, 2018 (denominator).*

*** Hospitals in Highly Committed Member Base are counted in a category (improve quality & safety, reduce cost, optimize value-based care) if they participate in at least one offering in that category (numerator). Cohort of hospitals in Highly Committed Member Base is comprised of 558 hospitals, whose executives serve on Premier's board of directors and other executive advisory committees including Premier's Member Value Improvement Committee, Member Quality Improvement Committee and Member Technology Improvement Committee (denominator).*

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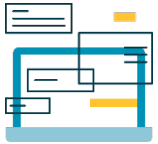
Final Thoughts

Premier's key differentiators

Compelling financial model reflecting multi-year revenue and earnings growth, flexible balance sheet and strong free cash flow



Integrated technology platform and differentiated data assets

Disciplined growth strategy

Unique member alignment and long-term relationships

Well-positioned to capitalize on industry trends

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Appendix

Premier leadership

Susan **DeVore**

President and CEO
15 years Premier, 29 years healthcare
Cap Gemini Ernst & Young

David **Hargraves**

SVP, Supply Chain Services
3 years Premier, 16 years supply chain
University of Pittsburgh Medical Center (UPMC)

Mike **Alkire**

Chief Operating Officer
14 years Premier, 14 years healthcare
Cap Gemini Ernst & Young

Leigh **Anderson**

President, Performance Services
5 years Premier, 22 years healthcare informatics
Hospital Corporation of America, HealthTrust, GHX

Craig **McKasson**

Chief Financial Officer
21 years Premier, 25 years healthcare
Ernst & Young

Note: Experience as of February 1, 2019.

Fiscal 2019 guidance reiterated [1]

Fiscal 2019 Financial Guidance (in millions, except per share data)	ASC 606
Net Revenue:	
Supply Chain Services segment	$1,305.0 - $1,357.0
Performance Services segment	$350.0 - $364.0
Total Net Revenue	$1,655.0 - $1,721.0
Non-GAAP adjusted EBITDA	$550.0 - $572.0
Non-GAAP adjusted fully distributed EPS	$2.55 - $2.67

*(1) For the year ending June 30, 2019. **As of February 5, 2019**. See accompanying page for fiscal 2019 notes and assumptions to guidance.*

Fiscal 2019 annual guidance footnotes and key assumptions
*(for year ending June 30, 2019)**

Guidance Footnotes:

* The company does not meaningfully reconcile guidance for non-GAAP adjusted EBITDA and non-GAAP adjusted fully distributed earnings per share to net income attributable to stockholders or earnings per share attributable to stockholders because the company cannot provide guidance for more significant reconciling items between net income attributable to stockholders and adjusted EBITDA and between earnings per share attributable to stockholders and non-GAAP adjusted fully distributed earnings per share without unreasonable effort. This is due to two primary reasons:

• Reasonable guidance cannot be provided for reconciling the adjustment of redeemable limited partners' capital to redemption amount – historically the largest adjustment in the reconciliation from non-GAAP to GAAP amounts – due to the fact that the increase or decrease in this item is based on the change in the number of Class B common units outstanding and change in stock price between quarters, which the company cannot predict, control or reasonably estimate.

• Reasonable guidance cannot be provided for earnings per share attributable to stockholders because the ongoing quarterly member-owner exchange of Class B common units and corresponding Class B common stock into shares of Class A common stock impacts the number of shares of Class A common stock outstanding each quarter, which the company cannot predict, control or reasonably estimate. Member owners have the right, but not the obligation, to exchange shares on a quarterly basis, and the company has the discretion to settle any exchanged shares for Class A common stock, cash, or a combination thereof, neither of which can be predicted, controlled or reasonably estimated at this time.

Key Assumptions*:

Supply Chain Services assumptions:

» Net administrative fees revenue growth of low to mid-single digits
» Products revenue, which was estimated to grow 7% to 11% under the previous revenue recognition standard, is now expected to reflect 0% to 4% percent year-over-year growth. This entirely results from the impact of the new standard, which caused an estimated $50 million gross-to-net revenue reduction.
» Continued high GPO retention rates

Performance Services assumptions:

» Continued demand for integrated offerings of cloud-based subscription and licensed products, consulting and collaboratives
» Continued high SaaS institutional renewal rates

Other assumptions:

» Non-GAAP free cash flow expected to exceed 50% of non-GAAP adjusted EBITDA
» Capital expenditures of approximately $90 million to $95 million, representing 5% to 6% of consolidated net revenue
» Consolidated non-GAAP adjusted EBITDA margin in the range of 32 to 35%
» Stock-based compensation approximating $29 million to $31 million
» Adjusted fully distributed net income and earnings per share calculations to reflect an effective tax rate of 26%
» Amortization of purchased intangible assets of approximately $54 million
» Guidance does not contemplate any material acquisitions

**As of February 5, 2019.*

Member owner exchange process has increased liquidity since IPO

Premier, Inc. formed in 2013 with two classes of stock:

- Class A shares held by public investors
- Class B shares held by member owners

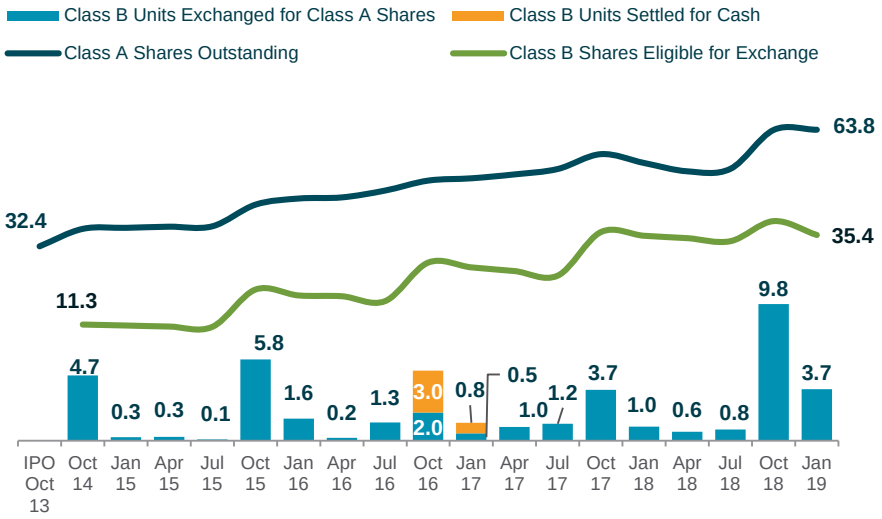
Class B units eligible to exchange 1/7th per year on quarterly basis, over 7-year period.

Member owners currently own ~51% of equity and have exchanged or settled for cash ~55% of shares eligible for exchange. [1]

Member owners exchanging their Class B units have generally done so to comply with internal policies related to investment diversification, or to help fund their operations and/or certain capital expenditures.

Historically, the member owners' exchange decisions have not materially impacted their ongoing business relationship with Premier.

Quarterly Share Exchange Results
(in millions)



At October 2013	At February 1, 2019
Class B shares: 112.6 *(78%)*	65.6 *(51%)*
Total shares: 145.0 *(100%)*	129.4 *(100%)*

[1] As of February 1, 2019.

Structural implications of Premier Inc.

Structure

- Structured as "Up-C" with Premier, Inc. (parent C-Corp) above operating partnership and subsidiaries
- Premier, Inc. formed with two classes of stock
  - Class A shares held by public investors
  - Class B shares allocated to member owners

Impact of IPO and Exchange Process

- ~22% of Limited Partner equity sold to public, ~78% retained by member owners as Class B units
- Class B units eligible to exchange 1/7th per year, over seven-year period
- Exchange of Class B units for Class A shares (on a 1-for-1 basis), cash or a combination thereof as B units become eligible for exchange subject to ROFR by members owners and Premier, Inc.
- Quarterly exchanges, beginning October 31, 2014, have been the primary driver for injecting liquidity into the public market.

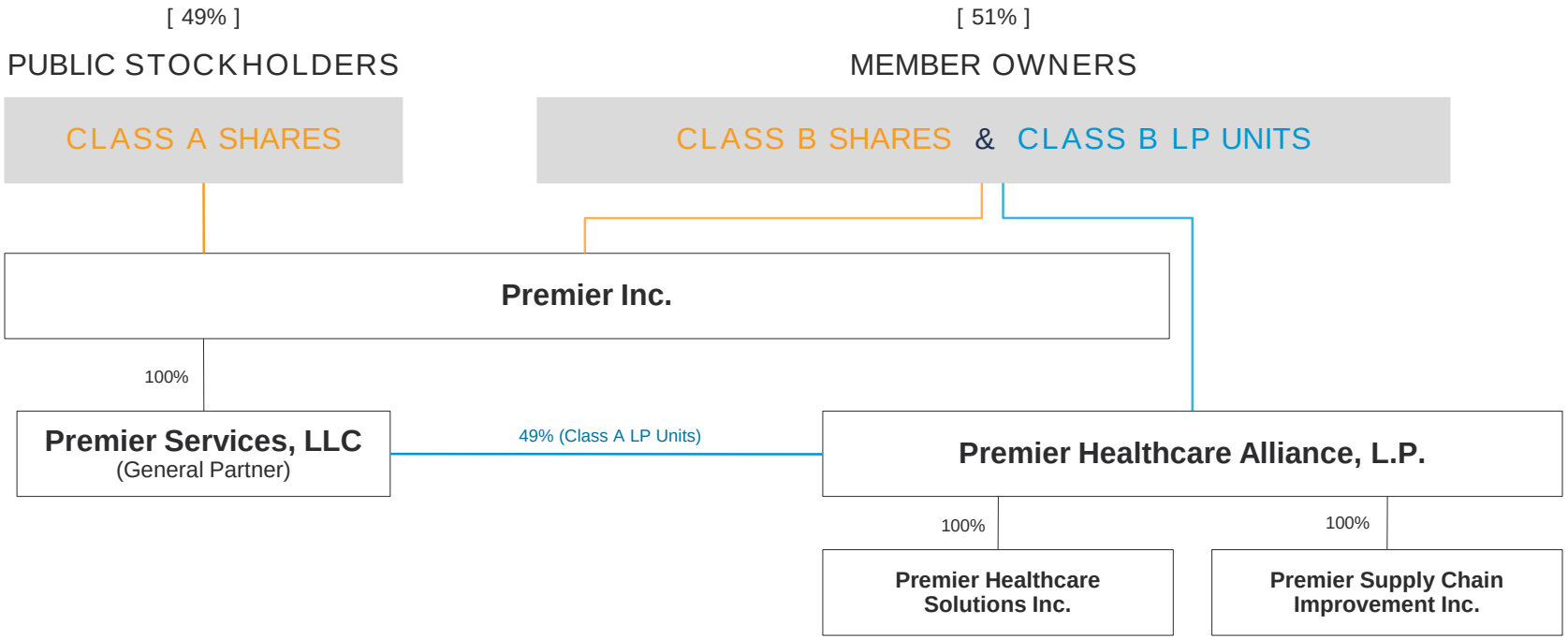
Adjusted fully distributed net income

- Given Up-C structure and differences between taxes paid by our Class A unit holder (Premier GP) vs. distributions to our Class B unit holders (members owners), we calculate Adjusted Fully Distributed Net Income for comparability purposes
- Reflects taxes and net income as if the Company was a C-Corp for all periods presented

Share count

- Class A and Class B shares will be used to calculate fully diluted EPS to eliminate variability due to member exchanges over time

Unique member alignment – ownership structure



Note: % Ownership as of February 1, 2019.

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Premier's GPO Economics / Value Equation

Efficient GPO model reduces costs for providers and manufacturers*

Net admin fee retained by GPO approximates 1% of product price

** Illustrative for average member owner in fiscal 2018, including 30% fee share and tax distribution.*

Collaborating to ensure consistent, low-cost & efficient supply chain

Member requires

- Best industry pricing with predictive aggregated demand and supply
- Efficient supply chain outcomes
- Confidence in product value
- Clinician confidence
- Value analysis
- E-commerce
- Long-term contracting
- Standardization/compliance
- Priority access
- Analytics
- Most innovative products
- Dedicated supply chain

PREMIER PROVIDES

- **High quality, safety, efficacy at low price**
- **Predictive aggregated supply**
- **Detailed price, comparative effectiveness & resource utilization analytics**
- **Management of shortages safety alerts & recalls**
- **Clinician and SME support**
- **Supplier contract flexibility for technology/pricing innovations**
- **Uniform sourcing process**
- **Disaster response, continuity management**

Supplier requires

- Reduced selling costs
- Aggregated demand
- One-time negotiation
- E-commerce
- Price-activation technology
- Field and SME support
- Dedicated supplier engagement team
- Regulator & recall interaction
- Analytics
- Standardization/compliance

Comparative online pricing survey

Premier compared pricing on the 100 products most frequently purchased* by members against other online retailers, including Amazon Business, NexTag and Google Shopping

the findings

Among all online retailers surveyed:

Competition pricing averaged **72% to 143%** **above** Premier**

**During the period from November 2017 through October 2018, based on pricing tiers.*
***Pricing averaged during the period from December 17-28, 2018.*

PREMIER

Non-GAAP Reconciliation Tables

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

The following table provides the reconciliation of net income to non-GAAP Adjusted EBITDA, the reconciliation of income before income taxes to non-GAAP Adjusted EBITDA, and non-GAAP Segment Adjusted EBITA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA. **(Slide 1 of 3)**

	Year Ended June 30,		
	2018	**2017**	**2016**
Net income	$ 257,570	$ 449,477	$ 235,161
Interest and investment loss, net	5,300	4,512	1,021
Income tax expense	259,234	81,814	49,721
Depreciation and amortization	71,312	58,884	51,102
Amortization of purchased intangible assets	55,447	48,327	33,054
EBITDA	648,863	643,014	370,059
Stock-based compensation	29,799	26,860	49,081
Acquisition related expenses	8,335	15,790	15,804
Strategic and financial restructuring expenses	2,512	31	268
Remeasurement of tax receivable agreement liabilities	(177,174)	(5,447)	(4,818)
ERP implementation expenses	1,000	2,028	4,870
Acquisition related adjustment - revenue	300	18,049	5,624
Remeasurement gain attributable to acquisition of Innovatix, LLC	—	(205,146)	—
Loss on disposal of long-lived assets	2,376	2,422	—
Loss on FFF put and call rights	22,036	3,935	—
Impairment on investments	5,002	—	—
Other expense	—	55	87
Adjusted EBITDA	**$ 543,049**	**$ 501,591**	**$ 440,975**

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

The following table provides the reconciliation of net income to non-GAAP Adjusted EBITDA, the reconciliation of income before income taxes to non-GAAP Adjusted EBITDA, and non-GAAP Segment Adjusted EBITA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA. **(Slide 2 of 3)**

	Year Ended June 30,		
	2018	2017	2016
Income before income taxes	$ 516,804	$ 531,291	$ 284,882
Remeasurement gain attributable to acquisition of Innovatix, LLC	—	(205,146)	—
Equity in net income of unconsolidated affiliates	(1,174)	(14,745)	(21,647)
Interest and investment loss, net	5,300	4,512	1,021
Loss on disposal of long-lived assets	2,376	2,422	—
Other expense (income)	16,324	(614)	1,692
Operating income	**539,630**	**317,720**	**265,948**
Depreciation and amortization	71,312	58,884	51,102
Amortization of purchased intangible assets	55,447	48,327	33,054
Stock-based compensation	29,799	26,860	49,081
Acquisition related expenses	8,335	15,790	15,804
Strategic and financial restructuring expenses	2,512	31	268
Remeasurement of tax receivable agreement liabilities	(177,174)	(5,447)	(4,818)
ERP implementation expenses	1,000	2,028	4,870
Acquisition related adjustment - revenue	300	18,049	5,624
Equity in net income of unconsolidated affiliates	1,174	14,745	21,647
Impairment on investments	5,002	—	—
Deferred compensation plan income (expense)	3,960	4,020	(1,605)
Other income	1,752	584	—
Adjusted EBITDA	**$ 543,049**	**$ 501,591**	**$ 440,975**

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

The following table provides the reconciliation of net income to non-GAAP Adjusted EBITDA, the reconciliation of income before income taxes to non-GAAP Adjusted EBITDA, and non-GAAP Segment Adjusted EBITA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA. **(Slide 3 of 3)**

	Year Ended June 30,		
	2018	**2017**	**2016**
Segment Adjusted EBITDA:			
Supply Chain Services	$ 535,380	$ 493,763	$ 439,013
Performance Services	123,429	121,090	110,787
Corporate	(115,760)	(113,262)	(108,825)
Adjusted EBITDA	**$ 543,049**	**$ 501,591**	**$ 440,975**

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

The following table provides the reconciliation of net income attributable to stockholders to Non-GAAP Adjusted Fully Distributed Net Income and the reconciliation of the numerator and denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Non-GAAP Adjusted Fully Distributed Net Income and Non-GAAP Adjusted Fully Distributed Earnings per Share. **(Slide 1 of 1)**

	Year Ended June 30,		
	2018	2017	2016
Net income attributable to stockholders	$ 190,882	$ 76,249	$ 818,364
Adjustment of redeemable limited partners' capital to redemption amount	(157,581)	37,176	(776,750)
Net income attributable to non-controlling interest in Premier LP	224,269	336,052	193,547
Income tax expense	259,234	81,814	49,721
Amortization of purchased intangible assets	55,447	48,327	33,054
Stock-based compensation	29,799	26,860	49,081
Acquisition related expenses	8,335	15,790	15,804
Strategic and financial restructuring expenses	2,512	31	268
Remeasurement of tax receivable agreement liabilities	(177,174)	(5,447)	(4,818)
ERP implementation expenses	1,000	2,028	4,870
Acquisition related adjustment - revenue	300	18,049	5,624
Remeasurement gain attributable to acquisition of Innovatix, LLC	—	(205,146)	—
Loss on disposal of long-lived assets	2,376	2,422	—
Loss on FFF put and call rights	22,036	3,935	—
Impairment on investments	5,002	—	—
Other expense	1	55	—
Non-GAAP adjusted fully distributed income before income taxes	466,438	438,195	388,765
Income tax expense on fully distributed income before income taxes [a]	149,340	170,896	155,506
Non-GAAP Adjusted Fully Distributed Net Income	**$ 317,098**	**$ 267,299**	**$ 233,259**

Reconciliation of denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share			
Weighted average:			
Common shares used for basic earnings per share and diluted earnings (loss) per share	53,518	49,654	42,368
Potentially dilutive shares	822	720	2,366
Conversion of Class B common units	83,000	90,816	100,574
Weighted average fully distributed shares outstanding - diluted	**137,340**	**141,190**	**145,308**

(a) Reflects income tax expense at an estimated effective income tax rate of 32% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2018 , 39% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2017 and 40% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2016 .

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

The following table provides the reconciliation of earnings per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented. Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Non-GAAP Adjusted Fully Distributed Earnings per Share. **(Slide 1 of 1)**

	Year Ended June 30,		
	2018	2017	2016
Earnings per share attributable to stockholders	$ 3.57	$ 1.54	$ 19.32
Adjustment of redeemable limited partners' capital to redemption amount	(2.94)	0.75	(18.33)
Net income attributable to non-controlling interest in Premier LP	4.19	6.77	4.57
Income tax expense	4.84	1.65	1.17
Amortization of purchased intangible assets	1.04	0.97	0.78
Stock-based compensation	0.56	0.54	1.16
Acquisition related expenses	0.16	0.32	0.37
Strategic and financial restructuring expenses	0.05	—	0.01
Remeasurement of tax receivable agreement liabilities	(3.31)	(0.11)	(0.11)
ERP implementation expenses	0.02	0.04	0.11
Acquisition related adjustment - revenue	0.01	0.36	0.13
Remeasurement gain attributable to acquisition of Innovatix, LLC	—	(4.13)	—
Loss on disposal of long-lived assets	0.04	0.05	—
Loss on FFF put and call rights	0.41	0.08	—
Impairment on investments	0.09	—	—
Impact of corporation taxes [(a)]	(2.80)	(3.45)	(3.67)
Impact of dilutive shares [(b)]	(3.62)	(3.49)	(3.90)
Non-GAAP Adjusted Fully Distributed Earnings Per Share	**$ 2.31**	**$ 1.89**	**$ 1.61**

(a) Reflects income tax expense at an estimated effective income tax rate of 32% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2018 , 39% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2017 and 40% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2016 .

(b) Reflects impact of dilutive shares, primarily attributable to the assumed conversion of all Class B common units for Class A common stock.

Fiscal 2018, fiscal 2017 and fiscal 2016 non-GAAP reconciliations

We define Non-GAAP Free Cash Flow as net cash provided by operating activities less distributions and TRA payments to limited partners and purchases of property and equipment. Free cash flow does not represent discretionary cash available for spending as it excludes certain contractual obligations such as debt repayments. A summary of Non-GAAP Free Cash Flow and reconciliation to net cash provided by operating activities for the periods presented follows (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding non-GAAP Free Cash Flow. **(Slide 1 of 1)**

	Year Ended June 30,	
	2018	**2017**
Net cash provided by operating activities	$ 507,706	$ 392,247
Purchases of property and equipment	(92,680)	(71,372)
Distributions to limited partners of Premier LP	(79,255)	(90,434)
Payments to limited partners of Premier LP related to tax receivable agreements [(a)]	—	(13,959)
Non-GAAP Free Cash Flow	**$ 335,771**	**$ 216,482**

(a) The timing of TRA payments has shifted to July due to the change in our federal tax filing deadline, which has been extended one month to April. Although we did not make a TRA payment in fiscal 2018, we did make a $17.9 million TRA payment to limited partners in July of fiscal 2019.

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table provides the reconciliation of net income to Adjusted EBITDA, the reconciliation of income before income taxes to Adjusted EBITDA, and non-GAAP Segment Adjusted EBITDA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Adjusted EBITDA and Segment Adjusted EBITDA. **(Slide 1 of 3)**

	Year Ended June 30,		
	2017	2016	2015
Net income	$ 449,477	$ 235,161	$ 234,785
Interest and investment loss (income), net	4,512	1,021	(866)
Income tax expense	81,814	49,721	36,342
Depreciation and amortization	58,884	51,102	45,186
Amortization of purchased intangible assets	48,327	33,054	9,136
EBITDA	643,014	370,059	324,583
Stock-based compensation	26,860	49,081	28,498
Acquisition related expenses	15,790	15,804	9,037
Strategic and financial restructuring expenses	31	268	1,373
Adjustment to tax receivable agreement liabilities	(5,447)	(4,818)	—
ERP implementation expenses	2,028	4,870	—
Acquisition related adjustment - revenue	18,049	5,624	13,371
Remeasurement gain attributable to acquisition of Innovatix	(205,146)	—	—
Loss on disposal of long-lived assets	2,422	—	15,243
Loss on FFF Enterprises, Inc. put and call rights	3,935	—	—
Other expense, net	55	87	1,070
Adjusted EBITDA	**$ 501,591**	**$ 440,975**	**$ 393,175**

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table provides the reconciliation of net income to Adjusted EBITDA, the reconciliation of income before income taxes to Adjusted EBITDA, and non-GAAP Segment Adjusted EBITDA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Adjusted EBITDA and Segment Adjusted EBITDA. **(Slide 2 of 3)**

	Year Ended June 30,		
	2017	2016	2015
Income before income taxes	$ 531,291	$ 284,882	$ 271,127
Remeasurement gain attributable to acquisition of Innovatix	(205,146)	—	—
Equity in net income of unconsolidated affiliates	(14,745)	(21,647)	(21,285)
Interest and investment loss (income), net	4,512	1,021	(866)
Loss on disposal of long-lived assets	2,422	—	15,243
Other expense (income), net	(614)	1,692	1,823
Operating income	**317,720**	**265,948**	**266,042**
Depreciation and amortization	58,884	51,102	45,186
Amortization of purchased intangible assets	48,327	33,054	9,136
Stock-based compensation	26,860	49,081	28,498
Acquisition related expenses	15,790	15,804	9,037
Strategic and financial restructuring expenses	31	268	1,373
Adjustment to tax receivable agreement liabilities	(5,447)	(4,818)	—
ERP implementation expenses	2,028	4,870	—
Acquisition related adjustment - revenue	18,049	5,624	13,371
Equity in net income of unconsolidated affiliates	14,745	21,647	21,285
Deferred compensation plan income (expense)	4,020	(1,605)	(753)
Other income	584	—	—
Adjusted EBITDA	**$ 501,591**	**$ 440,975**	**$ 393,175**

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table provides the reconciliation of net income to Adjusted EBITDA, the reconciliation of income before income taxes to Adjusted EBITDA, and non-GAAP Segment Adjusted EBITDA to non-GAAP Adjusted EBITDA (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Adjusted EBITDA and Segment Adjusted EBITDA. **(Slide 3 of 3)**

	Year Ended June 30,		
	2017	**2016**	**2015**
Segment Adjusted EBITDA:			
Supply Chain Services	$ 493,763	$ 439,013	$ 391,180
Performance Services	121,090	110,787	90,235
Corporate	(113,262)	(108,825)	(88,240)
Adjusted EBITDA	**$ 501,591**	**$ 440,975**	**$ 393,175**

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table shows the reconciliation of net income (loss) attributable to stockholders to Non-GAAP Adjusted Fully Distributed Net Income and the reconciliation of the numerator and denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Non-GAAP Adjusted Fully Distributed Net Income and Non-GAAP Adjusted Fully Distributed Earnings per Share. **(Slide 1 of 3)**

	Year Ended June 30,		
	2017	**2016**	**2015**
Net income (loss) attributable to stockholders	$ 76,249	$ 818,364	$ (865,292)
Adjustment of redeemable limited partners' capital to redemption amount	37,176	(776,750)	904,035
Net income attributable to non-controlling interest in Premier LP	336,052	193,547	194,206
Income tax expense	81,814	49,721	36,342
Amortization of purchased intangible assets	48,327	33,054	9,136
Stock-based compensation	26,860	49,081	28,498
Acquisition related expenses	15,790	15,804	9,037
Strategic and financial restructuring expenses	31	268	1,373
Adjustment to tax receivable agreement liabilities	(5,447)	(4,818)	—
ERP implementation expenses	2,028	4,870	—
Acquisition related adjustment - revenue	18,049	5,624	13,371
Remeasurement gain attributable to acquisition of Innovatix	(205,146)	—	—
Loss on disposal of long-lived assets	2,422	—	15,243
Loss on FFF Enterprises, Inc. put and call rights	3,935	—	—
Other expense, net	55	—	1,000
Non-GAAP adjusted fully distributed income before income taxes	438,195	388,765	346,949
Income tax expense on fully distributed income before income taxes [(a)]	170,896	155,506	138,780
Non-GAAP Adjusted Fully Distributed Net Income	**$ 267,299**	**$ 233,259**	**$ 208,169**

(a) Reflects income tax expense at an estimated effective income tax rate of 39% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2017 and 40% of Non-GAAP adjusted fully distributed income before income taxes for the years ended June 30, 2016 and 2015 . The decrease in the estimated effective income tax rate during the year ended June 30, 2017 is primarily attributed to a 1% decrease in the North Carolina state income tax rate that occurred during the three months ended September 30, 2016.

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table shows the reconciliation of net income (loss) attributable to stockholders to Non-GAAP Adjusted Fully Distributed Net Income and the reconciliation of the numerator and denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Non-GAAP Adjusted Fully Distributed Net Income and Non-GAAP Adjusted Fully Distributed Earnings per Share. **(Slide 2 of 3)**

	Year Ended June 30,		
	2017	**2016**	**2015**
Reconciliation of denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share			
Weighted average:			
Common shares used for basic and diluted earnings (loss) per share	49,654	42,368	35,681
Potentially dilutive shares	720	2,366	1,048
Conversion of Class B common units	90,816	100,574	108,518
Weighted average fully distributed shares outstanding - diluted	**141,190**	**145,308**	**145,247**

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

The following table shows the reconciliation of net income (loss) attributable to stockholders to Non-GAAP Adjusted Fully Distributed Net Income and the reconciliation of the numerator and denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented (in thousands). Refer to "Our Use of Non-GAAP Financial Measures" in our most recently filed Form 10-K for further information regarding items excluded in our calculation of Non-GAAP Adjusted Fully Distributed Net Income and Non-GAAP Adjusted Fully Distributed Earnings per Share. **(Slide 3 of 3)**

	Year Ended June 30,		
	2017	2016	2015
Earnings (loss) per share attributable to stockholders	$ 1.54	$ 19.32	$ (24.25)
Adjustment of redeemable limited partners' capital to redemption amount	0.75	(18.33)	25.34
Net income attributable to non-controlling interest in Premier LP	6.77	4.57	5.44
Income tax expense	1.65	1.17	1.02
Amortization of purchased intangible assets	0.97	0.78	0.26
Stock-based compensation	0.54	1.16	0.80
Acquisition related expenses	0.32	0.37	0.25
Strategic and financial restructuring expenses	—	0.01	0.04
Adjustment to tax receivable agreement liabilities	(0.11)	(0.11)	—
ERP implementation expenses	0.04	0.11	—
Acquisition related adjustment - revenue	0.36	0.13	0.37
Remeasurement gain attributable to acquisition of Innovatix	(4.13)	—	—
Loss on disposal of long-lived assets	0.05	—	0.43
Loss on FFF Enterprises, Inc. put and call rights	0.08	—	—
Impact of corporation taxes [a]	(3.45)	(3.67)	(3.90)
Impact of dilutive shares [b]	(3.49)	(3.90)	(4.40)
Non-GAAP Adjusted Fully Distributed Earnings Per Share	**$ 1.89**	**$ 1.61**	**$ 1.43**

(a) Reflects income tax expense at an estimated effective income tax rate of 39% of Non-GAAP adjusted fully distributed income before income taxes for the year ended June 30, 2017 and 40% of Non-GAAP adjusted fully distributed income before income taxes for the years ended June 30, 2016 and 2015 . The decrease in the estimated effective income tax rate during the year ended June 30, 2017 is primarily attributed to a decrease in the North Carolina state income tax rate that occurred during the year ended June 30, 2017.

(b) Reflects impact of dilutive shares, which are primarily attributable to the assumed conversion of all Class B common units into shares of Class A common stock.

Fiscal 2017, fiscal 2016 and fiscal 2015 non-GAAP reconciliations

We define Non-GAAP Free Cash Flow as net cash provided by operating activities less distributions and TRA payments to limited partners and purchases of property and equipment. Free cash flow does not represent discretionary cash available for spending as it excludes certain contractual obligations such as debt repayments. A summary of Non-GAAP Free Cash Flow and reconciliation to net cash provided by operating activities for the periods presented follows (in thousands): **(Slide 1 of 1)**

	Year Ended June 30,	
	2017	2016
Net cash provided by operating activities	$ 392,247	$ 371,470
Purchases of property and equipment	(71,372)	(76,990)
Distributions to limited partners of Premier LP	(90,434)	(92,707)
Payments to limited partners of Premier LP related to tax receivable agreements	(13,959)	(10,805)
Non-GAAP Free Cash Flow	**$ 216,482**	**$ 190,968**

	Year Ended June 30,	
	2016	2015
Net cash provided by operating activities	$ 371,470	$ 364,058
Purchases of property and equipment	(76,990)	(70,734)
Distributions to limited partners of Premier LP	(92,707)	(92,212)
Payments to limited partners of Premier LP related to tax receivable agreements	(10,805)	(11,499)
Non-GAAP Free Cash Flow	**$ 190,968**	**$ 189,613**

Fiscal 2014 non-GAAP reconciliations

The table that follows shows the reconciliation of the numerator and denominator for (loss) earnings per share attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount to non-GAAP pro forma Adjusted Fully Distributed Earnings Per Share for the periods presented (in thousands): **(Slide 1 of 2)**

	Year Ended June 30,	
	2014	2013
Reconciliation of numerator for (loss) earnings per share to non-GAAP Adjusted Fully Distributed Earnings Per Share:		
Net (loss) income attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount	$ (2,713,256)	$ 7,376
Adjustment of redeemable limited partners' capital to redemption amount	2,741,588	—
Net income attributable to stockholders	28,332	7,376
Non-GAAP pro forma adjustment for revenue share post-IPO	(41,263)	(105,012)
Income tax expense	27,709	9,726
Stock-based compensation expense	19,476	—
Acquisition related expenses [(a)]	2,014	—
Strategic and financial restructuring expenses [(b)]	3,760	5,170
Gain on investment [(c)]	(38,372)	—
Adjustment to tax receivable agreement liability [(d)]	6,215	—
Amortization of purchased intangible assets	3,062	1,539
Net income attributable to noncontrolling interest in Premier LP [(e)]	303,336	369,189
Non-GAAP pro forma fully distributed income before income taxes	314,269	287,988
Income tax expense on fully distributed income before income taxes [(f)]	125,708	115,195
Non-GAAP pro forma Adjusted Fully Distributed Net Income	**$ 188,561**	**$ 172,793**

(a) Represents legal, accounting and other expenses related to acquisition activities.
(b) Represents legal, accounting and other expenses directly related to the Reorganization and IPO.
(c) Represents the gain on sale of investment in GHX.
(d) Represents adjustment to tax receivable agreement liability for the Premier LP change in tax accounting method approved by the Internal Revenue Service subsequent to the original recording of the tax receivable agreement liability.
(e) Reflects the elimination of the noncontrolling interest in Premier LP as if all member owners of Premier LP had fully exchanged their Class B common units for shares of Class A common stock.
(f) Reflects income tax expense at an estimated effective income tax rate of 40% of income before income taxes assuming the conversion of all Class B common units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses.

Fiscal 2014 non-GAAP reconciliations

The table that follows shows the reconciliation of actual and pro forma net income to Adjusted EBITDA and the reconciliation of actual and pro forma Segment Adjusted EBITDA to operating income for the periods presented (in thousands). **(Slide 2 of 2)**

	Year Ended June 30,			
	Actual		Pro Forma	
	2014	2013	2014	2013
Segment Adjusted EBITDA:				
Supply Chain Services	$ 396,470	$ 431,628	$ 355,207	$ 326,616
Performance Services	73,898	56,456	73,898	56,456
Corporate [g]	(78,080)	(69,059)	(78,080)	(69,059)
Adjusted EBITDA	392,288	419,025	351,025	314,013
Depreciation and amortization	(36,761)	(27,681)	(36,761)	(27,681)
Amortization of purchased intangible assets	(3,062)	(1,539)	(3,062)	(1,539)
Stock-based compensation expense	(19,476)	—	(19,476)	—
Acquisition related expenses [b]	(2,014)	—	(2,014)	—
Strategic and financial restructuring expenses [c]	(3,760)	(5,170)	(3,760)	(5,170)
Adjustment to tax receivable liability [e]	(6,215)	—	(6,215)	—
Equity in net income of unconsolidated affiliates	(16,976)	(11,968)	(16,976)	(11,968)
Deferred compensation plan expense	(1,972)	—	(1,972)	—
Operating income	**302,052**	**372,667**	**260,789**	**267,655**

(b) Represents legal, accounting and other expenses related to acquisition activities.
(c) Represents legal, accounting and other expenses directly related to strategic and financial restructuring expenses.
(e) Represents adjustment to tax receivable agreement liability for the Premier LP change in tax accounting method approved by the Internal Revenue Service subsequent to the original recording of the TRA liability.
(g) Corporate consists of general and administrative corporate expenses that are not specific to either of our segments.

Fiscal 2014 non-GAAP reconciliations

The table that follows shows the reconciliation of the numerator and denominator for (loss) earnings per share attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount to non-GAAP pro forma Adjusted Fully Distributed Earnings Per Share for the periods presented (in thousands): **(Slide 1 of 2)**

	Year Ended June 30,	
	2014	2013
Reconciliation of numerator for (loss) earnings per share to non-GAAP Adjusted Fully Distributed Earnings Per Share:		
Net (loss) income attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount	$ (2,713,256)	$ 7,376
Adjustment of redeemable limited partners' capital to redemption amount	2,741,588	—
Net income attributable to stockholders	28,332	7,376
Non-GAAP pro forma adjustment for revenue share post-IPO	(41,263)	(105,012)
Income tax expense	27,709	9,726
Stock-based compensation expense	19,476	—
Acquisition related expenses [a]	2,014	—
Strategic and financial restructuring expenses [b]	3,760	5,170
Gain on investment [c]	(38,372)	—
Adjustment to tax receivable agreement liability [d]	6,215	—
Amortization of purchased intangible assets	3,062	1,539
Net income attributable to noncontrolling interest in Premier LP [e]	303,336	369,189
Non-GAAP pro forma fully distributed income before income taxes	314,269	287,988
Income tax expense on fully distributed income before income taxes [f]	125,708	115,195
Non-GAAP pro forma Adjusted Fully Distributed Net Income	**$ 188,561**	**$ 172,793**

(a) Represents legal, accounting and other expenses related to acquisition activities.
(b) Represents legal, accounting and other expenses directly related to the Reorganization and IPO.
(c) Represents the gain on sale of investment in GHX.
(d) Represents adjustment to tax receivable agreement liability for the Premier LP change in tax accounting method approved by the Internal Revenue Service subsequent to the original recording of the tax receivable agreement liability.
(e) Reflects the elimination of the noncontrolling interest in Premier LP as if all member owners of Premier LP had fully exchanged their Class B common units for shares of Class A common stock.
(f) Reflects income tax expense at an estimated effective income tax rate of 40% of income before income taxes assuming the conversion of all Class B common units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses.

Fiscal 2014 non-GAAP reconciliations

The table that follows shows the reconciliation of the numerator and denominator for (loss) earnings per share attributable to stockholders after adjustment of redeemable limited partners' capital to redemption amount to non-GAAP pro forma Adjusted Fully Distributed Earnings Per Share for the periods presented (in thousands). **(Slide 2 of 2)**

	Year Ended June 30,	
	2014	**2013**
Reconciliation of denominator for (loss) earnings per share to non-GAAP Adjusted Fully Distributed Earnings Per Share:		
Weighted Average:		
Common shares used for basic and diluted (loss) earnings per share	25,633	5,858
Potentially dilutive shares	124	—
Class A common stock outstanding	6,742	26,517
Conversion of Class B common units	112,584	112,608
Weighted average fully distributed shares outstanding - diluted	**145,083**	**144,983**

Fiscal 2014 non-GAAP reconciliations

The table that follows shows the reconciliation of (loss) earnings per share attributable to stockholders to non-GAAP pro forma Adjusted Fully Distributed Earnings Per Share for the periods presented:

	Year Ended June 30,	
	2014	2013
(Loss) earnings per share attributable to stockholders after adjustment to redeemable limited partners' capital to redemption amount	$ (105.85)	$ 1.26
Adjustment to redeemable limited partners' capital to redemption amount	106.96	—
Non-GAAP pro forma adjustment for revenue share post-IPO	(1.61)	(17.93)
Impact of additions:		
Income tax expense	1.08	1.66
Stock-based compensation expense	0.76	—
Acquisition related expenses [a]	0.08	—
Strategic and financial restructuring expenses [b]	0.15	0.88
Gain on investment [c]	(1.50)	—
Adjustment to tax receivable agreement liability [d]	0.24	—
Amortization of purchased intangible assets	0.12	0.26
Net income attributable to noncontrolling interest in Premier LP [e]	11.83	63.02
Impact of corporation income tax [f]	(4.90)	(19.66)
Impact of increased share count [g]	(6.06)	(28.31)
Non-GAAP pro forma Adjusted Fully Distributed Earnings Per Share	**$ 1.30**	**$ 1.18**

(a) Represents legal, accounting and other expenses related to acquisition activities.
(b) Represents legal, accounting and other expenses directly related to the Reorganization and IPO. During the fiscal year ended June 30, 2015, strategic and financial restructuring expenses were incurred in connection with the company directed offering conducted pursuant to the Registration Rights Agreement. During the fiscal year ended June 30, 2014, strategic and financial restructuring expenses were incurred in connection with the Reorganization and IPO.
(c) Represents the gain on sale of investment in GHX.
(d) Represents adjustment to tax receivable agreement liability for the Premier LP change in tax accounting method approved by the Internal Revenue Service subsequent to the original recording of the tax receivable agreement liability.
(e) Reflects the elimination of the noncontrolling interest in Premier LP as if all member owners of Premier LP had fully exchanged their Class B common units for shares of Class A common stock.
(f) Reflects income tax expense at an estimated effective income tax rate of 40% of income before income taxes assuming the conversion of all Class B common units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses.
(g) Reflects impact of increased share count assuming the conversion of all Class B common units into shares of Class A common stock.