



Powering healthcare provider success

Now and in the future

*Investor Information
November 2018*



Forward-looking statements and non-GAAP financial measures

Forward-looking Statements – Certain statements included in this presentation that are not historical or current facts including, but not limited to, those related to expected financial performance, growth trends and market uncertainty in our Supply Chain and Performance Services business segments and their respective business units, our ability to implement our evolving strategy and plans for future growth, the impact of regulatory developments and uncertainty and our ability to manage through these issues, the statements related to fiscal 2019 outlook and guidance and the assumptions underlying such guidance, timing and ability to close our acquisition of Stanson Health, Inc. and Premier’s repurchase activity under its stock repurchase program, including the timing and number of shares repurchased or the possible suspension of or discontinuance of the repurchase program at any time 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 periodic and current 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 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.



Positioned to deliver stockholder value



Investment Profile

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**.



Premier's role in the future of healthcare



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

By integrating our 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.



Premier partners with healthcare providers to:

reduce **costs**

improve **quality**

optimize
value-based care



>\$18 billion saved ^[1]



> 210k deaths avoided ^[1]



Best in KLAS 2017 ^[2]

[1] Cumulative ten-year data from Premier's QUEST performance improvement collaborative as of fiscal year ended June 30, 2018.

[2] Premier was ranked the top performer across five categories, including Value-Based Care Consulting, Enterprise Resource Planning, and Best Overall Healthcare Management Consulting in the 2017 Best in KLAS: Software & Services report.



Significant footprint and scale

4,000+ HOSPITALS AND
HEALTH SYSTEMS

165K
OTHER PROVIDERS & ORGANIZATIONS

ANALYZE
DATA ON

~45%

HOSPITAL DISCHARGES NATIONWIDE

\$60 BILLION
IN GROUP PURCHASING
CONTRACT VOLUME

~2,400 CONTRACTS
~1,300 SUPPLIERS

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



Unique healthcare system member alignment

ALIGNMENT

- Members own ~52% of equity
- 10 health system board members
- Premier field force embedded in member hospitals

COMMITMENT

- Member owner average tenure at ~19 years (86% at 10+ years)
- Members typically view Premier as an extension of their organization or an important strategic partner

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

performance services

~78% of FY18 Consolidated Net Revenue
~81% of FY18 Non-GAAP Pre-Corporate Segment Adjusted EBITDA

Group Purchasing
Integrated Pharmacy
Direct Sourcing

Field and Consulting

Healthcare Informatics Solutions

Consulting Services

Performance Improvement Collaboratives

~22% of FY18 Consolidated Net Revenue

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

eCommerce, Technology and Enterprise Analytics

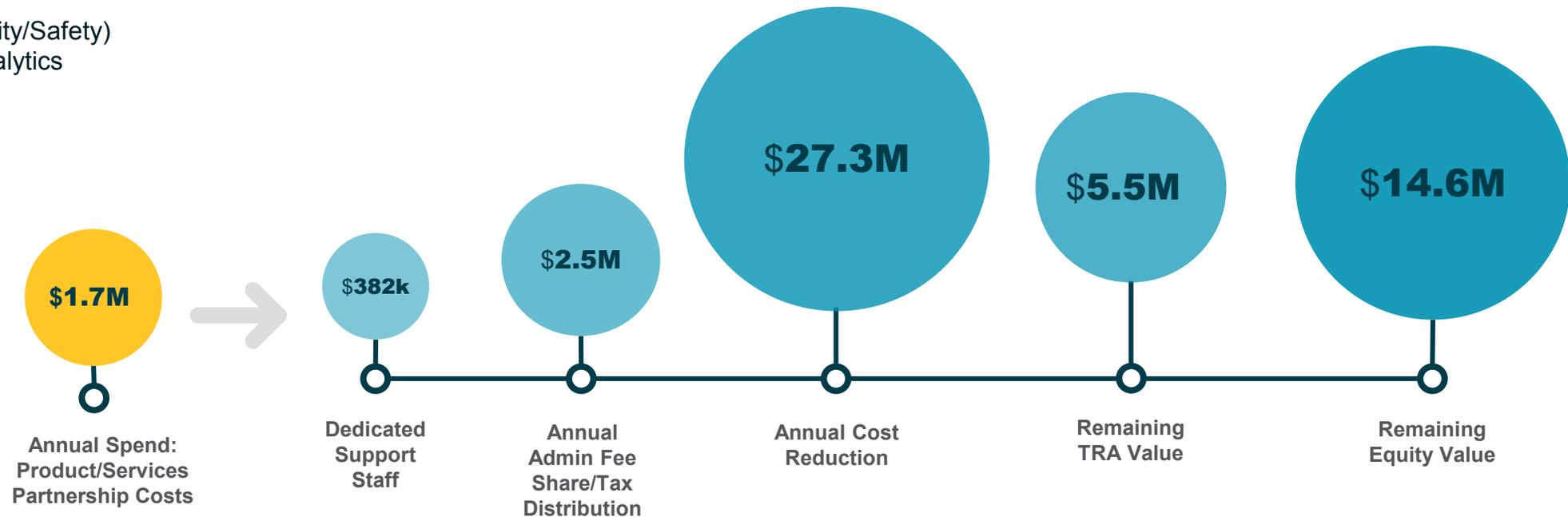


Delivering ROI for our member health systems*

2018 ROI exclusive of equity = **17:1**

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

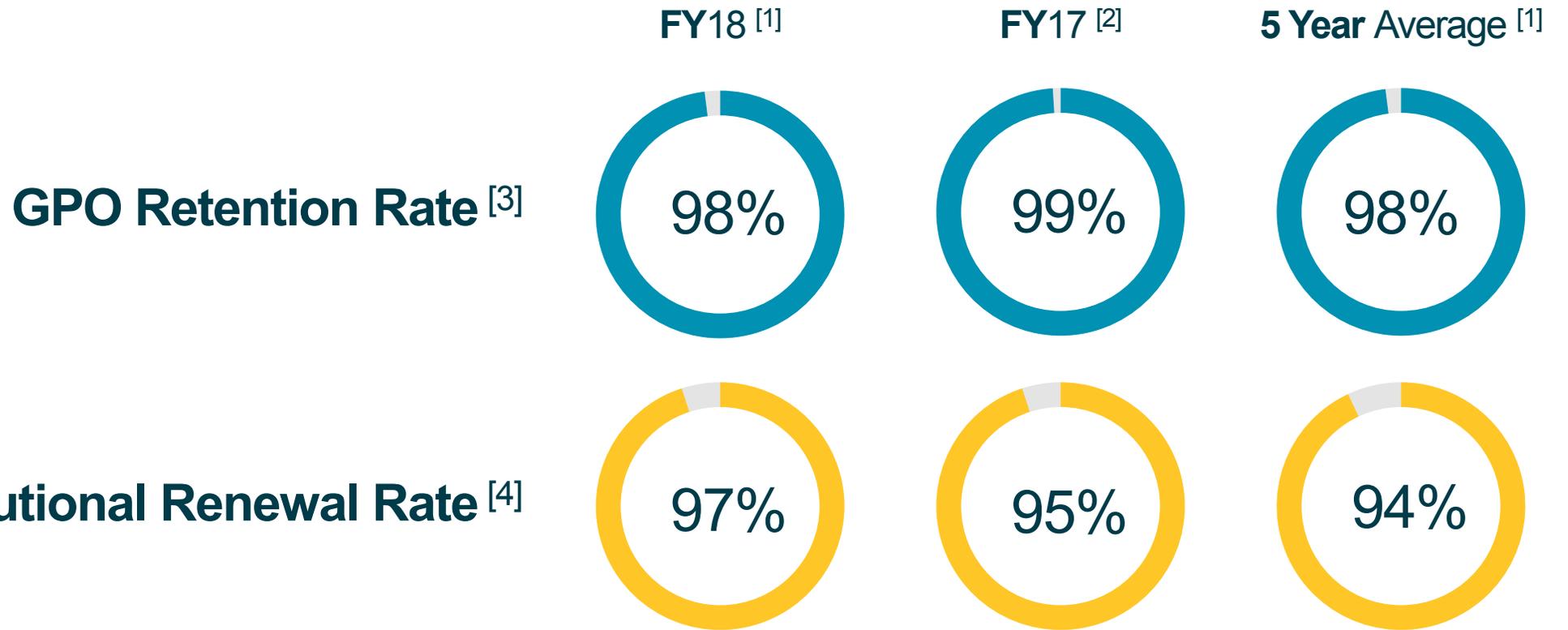
- GPO/Direct Sourcing
- Supply Chain Analytics
- Clinical Analytics (Quality/Safety)
- Integrated Platform Analytics
- Consulting Services



* Solely for illustrative purposes based on one member's actual experience in fiscal 2018. Each member's total value varies by scope of relationship with Premier, investment size, and utilization of Premier products and services.



High member retention rates reflect the value Premier delivers



^[1] As of fiscal year-end June 30, 2018.

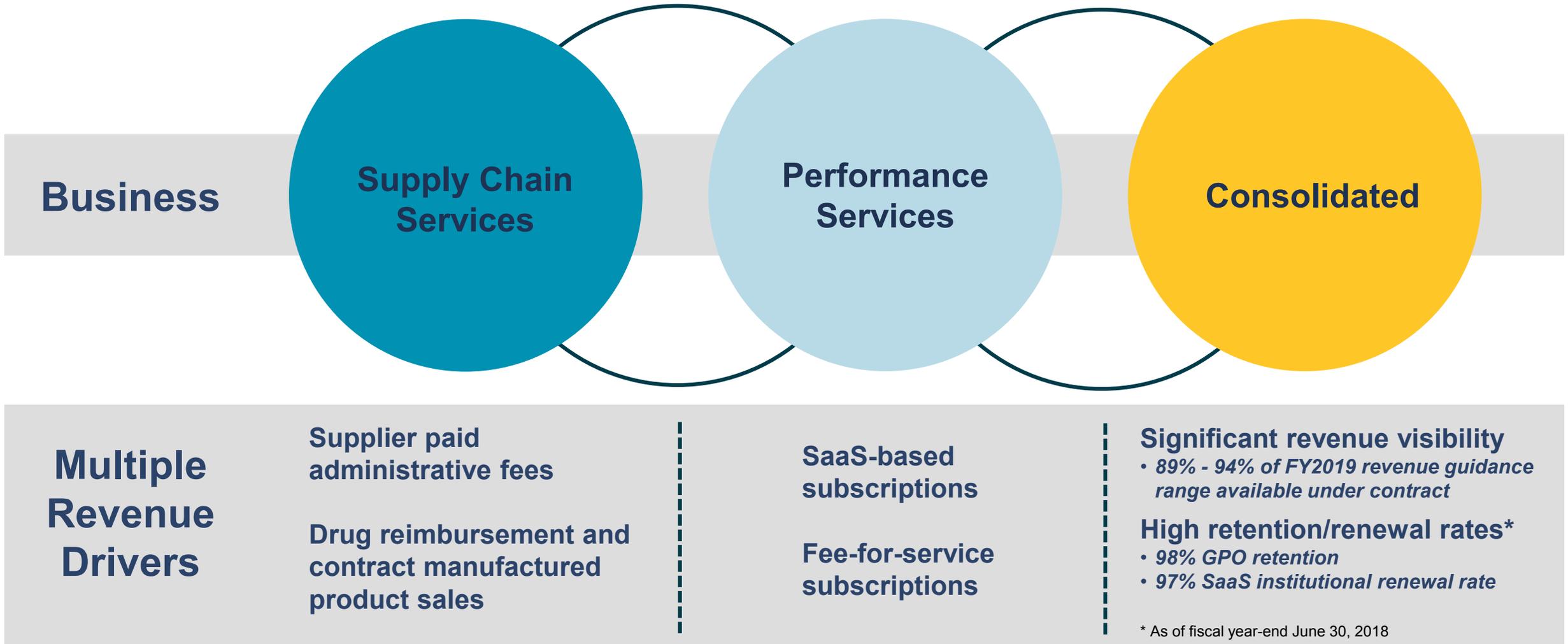
^[2] As of fiscal year-end June 30, 2017.

^[3] The retention rate is calculated based upon the aggregate purchasing volume among all members participating in our GPO for such fiscal year less the annualized GPO purchasing volume for departed members for such fiscal year, divided by the aggregate purchasing volume among all members participating in our GPO for such fiscal year.

^[4] The renewal rate is calculated based upon the total number of members that have SaaS revenue in a given period that also have revenue in the corresponding prior year period divided by the total number of members that have SaaS revenue in the same period of the prior year.

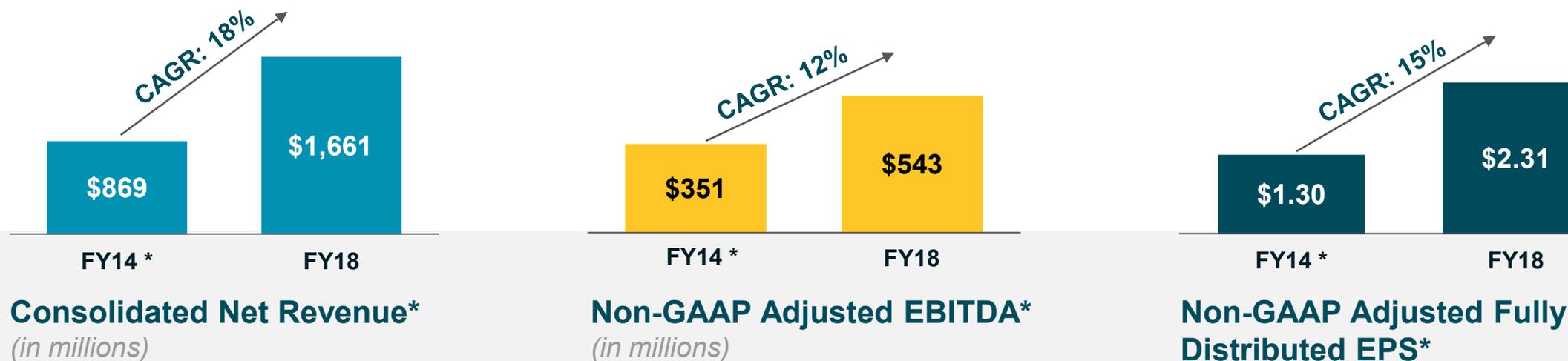
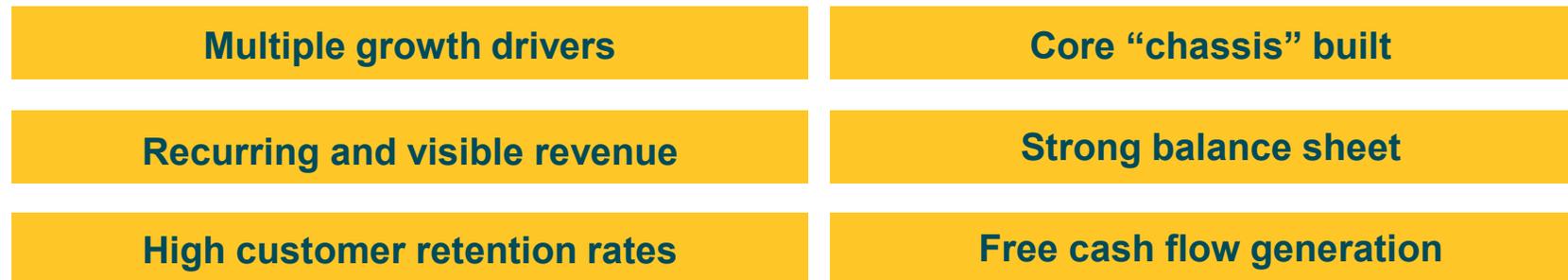


Our model at a glance





Diversified model has delivered consistent growth



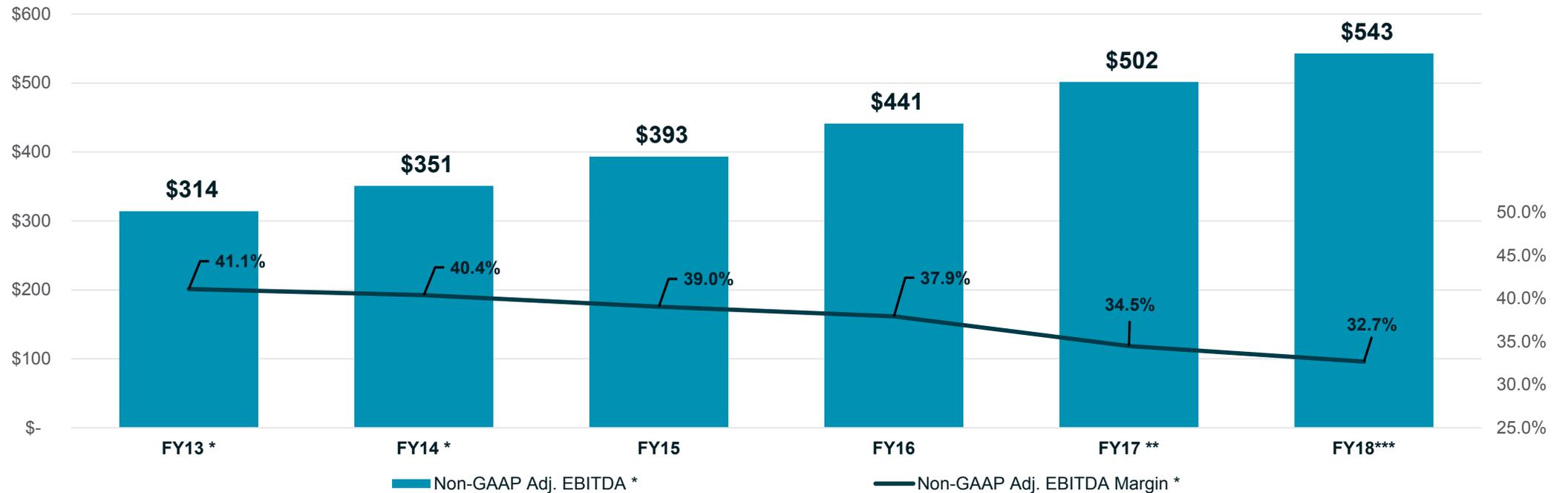
* For periods prior to October 1, 2013, comparisons are with non-GAAP pro forma information that reflects the impact of the company's 2013 reorganization and initial public offering. See non-GAAP reconciliations to GAAP equivalents in Appendix.



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 strong growth, supported by stable to expanding margin trends in the underlying businesses.

(in millions, except for adjusted EBITDA margin)



* 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.



Financial flexibility

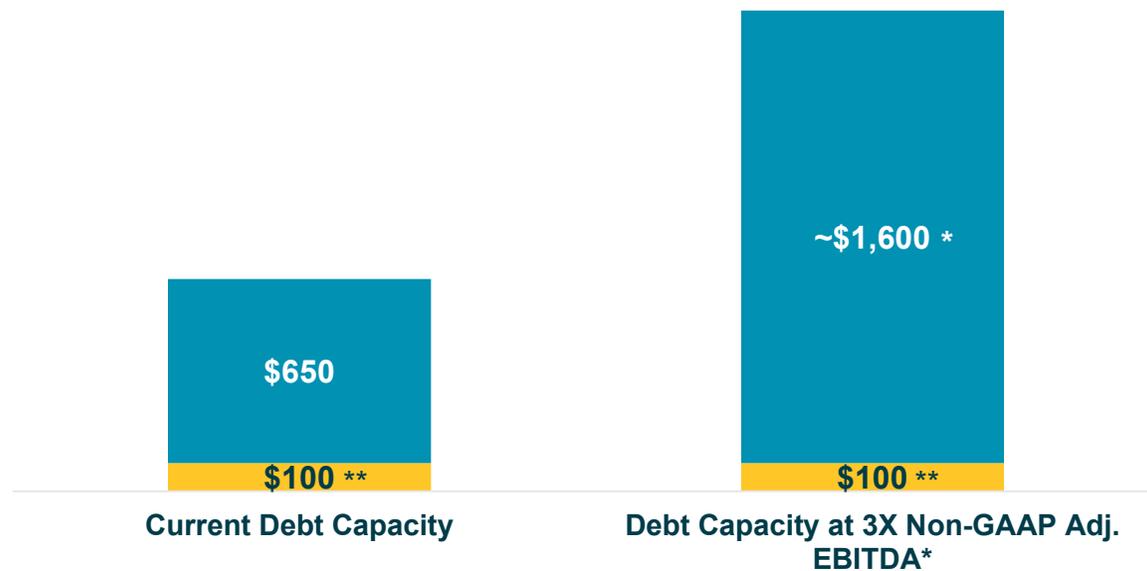
strong balance sheet

ample debt capacity

Total debt capacity *(in millions)*

■ Current Debt

■ Available Debt



* Based on mid-point of fiscal 2019 guidance.

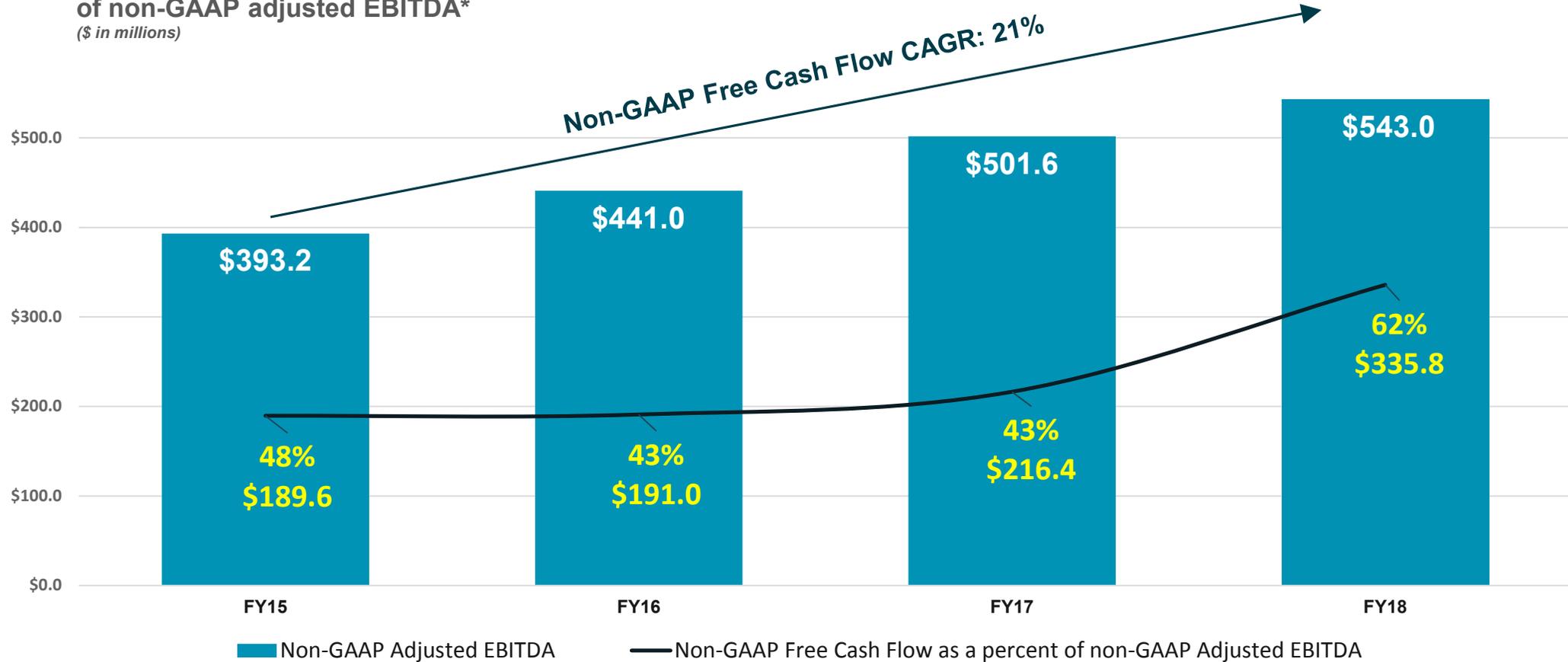
** As of September 30, 2018.



Strong and stable non-GAAP free cash flow generation

Non-GAAP Free Cash Flow expected to exceed 50% of non-GAAP adjusted EBITDA for fiscal 2019

Non-GAAP Free Cash Flow* as a percent of non-GAAP adjusted EBITDA*
(\$ in millions)



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



Adoption of new revenue recognition standard

The company adopted new revenue recognition standard ASC 606 on July 1, 2018 using the modified retrospective approach and did not restate prior periods. Accordingly, the year-over-year comparisons in this presentation compare fiscal 2019 first-quarter results under ASC 606 to fiscal 2018 first-quarter results under the previous revenue recognition standard ASC 605.



Fiscal 2019 guidance⁽¹⁾

Premier has adjusted fiscal year 2019 guidance to reflect the new revenue recognition standard, which it adopted July 1, 2019 using the modified retrospective approach. As illustrated below, the adjustments are *solely* due to the impact of the adoption of the new standard.

Fiscal 2019 Financial Guidance (in millions, except per share data)	ASC 606	Impact of ASC 606	ASC 605
Net Revenue:			
Supply Chain Services segment	\$1,305.0 - \$1,357.0	(\$50.0)	\$1,355.0 - \$1,407.0
<i>Products revenue</i>		(\$50.0)	
Performance Services segment	\$350.0 - \$364.0	(\$16.0)	\$366.0 - \$380.0
<i>Licensed safety technology revenue</i>		(\$11.0)	
<i>Reseller or subcontractor revenue</i>		(\$5.0)	
Total Net Revenue	\$1,655.0 - \$1,721.0	(\$66.0)	\$1,721.0 - \$1,787.0
Non-GAAP adjusted EBITDA	\$550.0 - \$572.0	(\$9.0)	\$559.0 - \$581.0
<i>Licensed safety technology</i>		(\$9.0)	
Non-GAAP adjusted fully distributed EPS⁽²⁾	\$2.55 - \$2.67	(\$0.05)	\$2.60 - \$2.72
<i>Licensed safety technology</i>		(\$0.05)	

(1) For the year ending June 30, 2019. As of November 6, 2018. See accompanying page for fiscal 2019 notes and assumptions to guidance.

(2) Does not reflect the impact of previously announced \$250 million stock repurchase plan for periods after September 30, 2018.



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 shares of Class B stock 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 stock and corresponding Class B units 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 were estimated to grow 7% to 11% under the previous revenue recognition standard, will now 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 \$36 million to \$38 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 November 6, 2018



Capital allocation priorities



**continue growth
and expansion**



**maintain flexible
balance sheet**



**return of capital
to stockholders**



Strategic acquisition, investment and partnership opportunities to expand capabilities to meet market and provider needs

supply chain services

Supply chain analytics

Workflow

E-commerce

Logistics fulfillment

Co-manage Total Supply Chain Metrics with Members

Comprehensive data acquisition and management

Emerging technology enablement

Consumer engagement & activation

Vertically integrated services and standardized care

performance services

Value-based care delivery and payment

Ambulatory clinical integration

Research / Applied sciences

Predictive analytics / Precision medicine

Co-manage Total Outcomes Metrics with Members



Future state: the transformation of healthcare delivery is being shaped by several major evolving forces

Decentralization of Care	Volume to Value	Digitalization	Consumerism / Wellness	Vertical / Horizontal Integration
<p>Decentralization of care delivery in in systems</p> <ul style="list-style-type: none">• Virtual care• Remote patient monitoring• Enhanced clinical data sharing• Alternative care settings such as retail	<p>Value dominates, even with regulatory shifts</p> <ul style="list-style-type: none">• Insurers and therapeutic companies pushing more shared value-based contracts• Real world efficacy of every single solution• Double-sided risk assumption	<p>Digital transformation is occurring at every node of healthcare</p> <ul style="list-style-type: none">• Optimization of EMRs• Growth of predictive analytics and machine learning• Precision medicine• Blockchain• Workflow and consumer experience	<p>The consumer is demanding more from their healthcare</p> <ul style="list-style-type: none">• Price transparency• Always connected wellness• Access and management of their health information	<p>Stakeholders are consolidating to deliver better offerings</p> <ul style="list-style-type: none">• Payer/provider• Retail/provider• Distributor/manufacturer• Technology connectivity



Premier continues to evolve its strategy to address changing industry dynamics and provider needs

supply chain services

performance services

Analytics / Comparative Effectiveness / Resource Utilization
Comprehensive E-enablement
Strategic Sourcing / Predictive Aggregation
Fulfillment / Logistics Partner

Connectivity
Master Data Management
Change Management

Clinical and Cost Analytics
Performance Improvement Services
Population Health Management
Precision Medicine

Co-manage Total Supply Chain Cost With Members

Co-manage Total Cost and Clinical Performance with Members



Supply Chain Services strategic priorities and historical growth

Co-manage total supply chain metrics with members

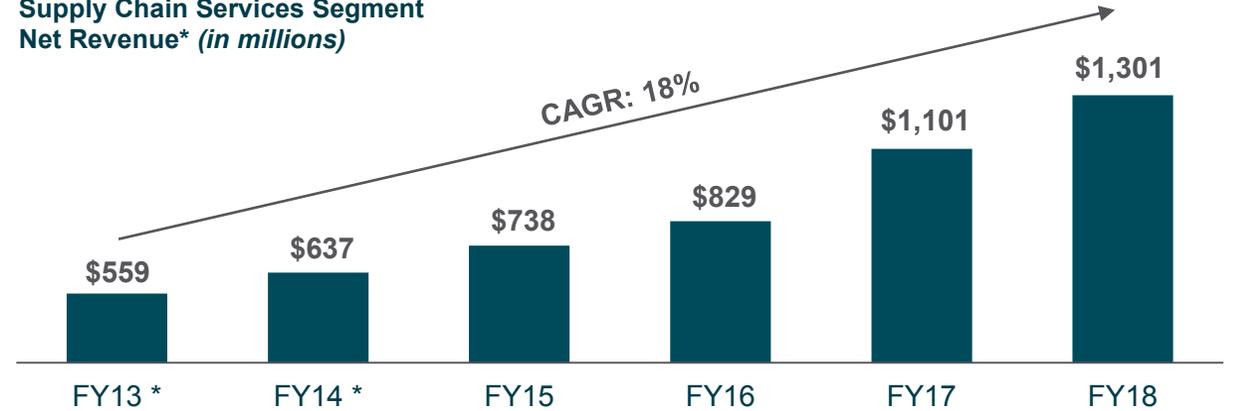
Expand member base

Drive further penetration of existing members

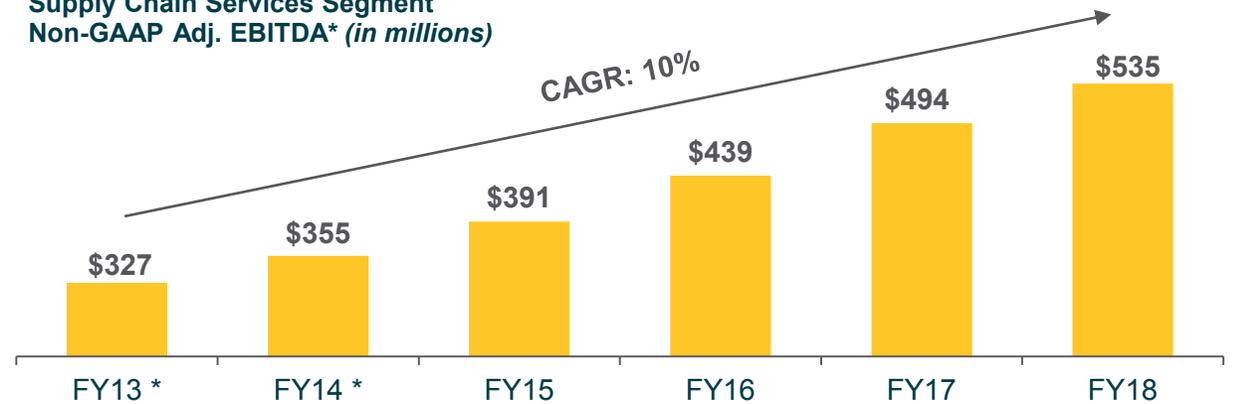
Leverage analytics and e-commerce capabilities

Continue to organically expand products business

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.



Performance Services strategic priorities and historical growth

Co-manage total outcomes metrics with members

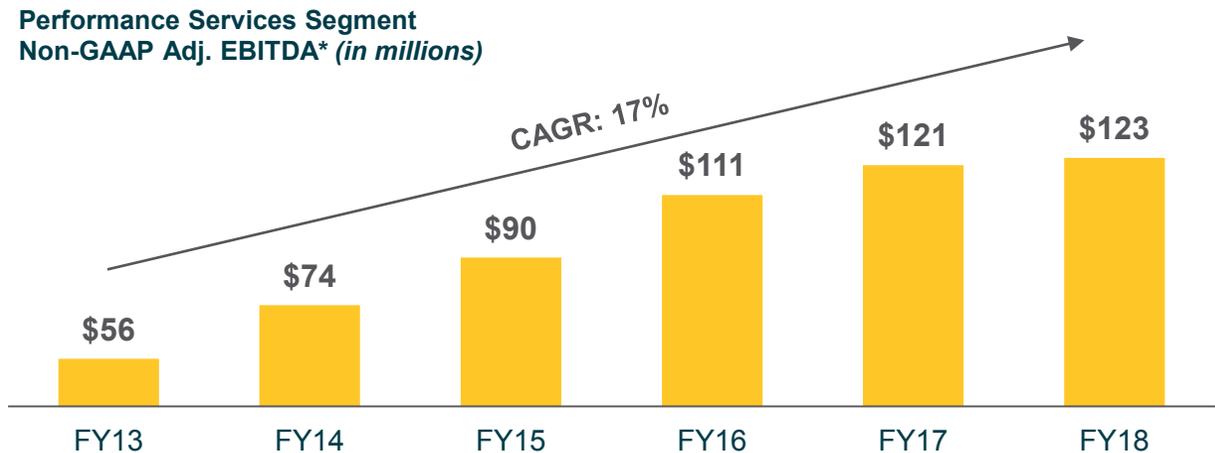
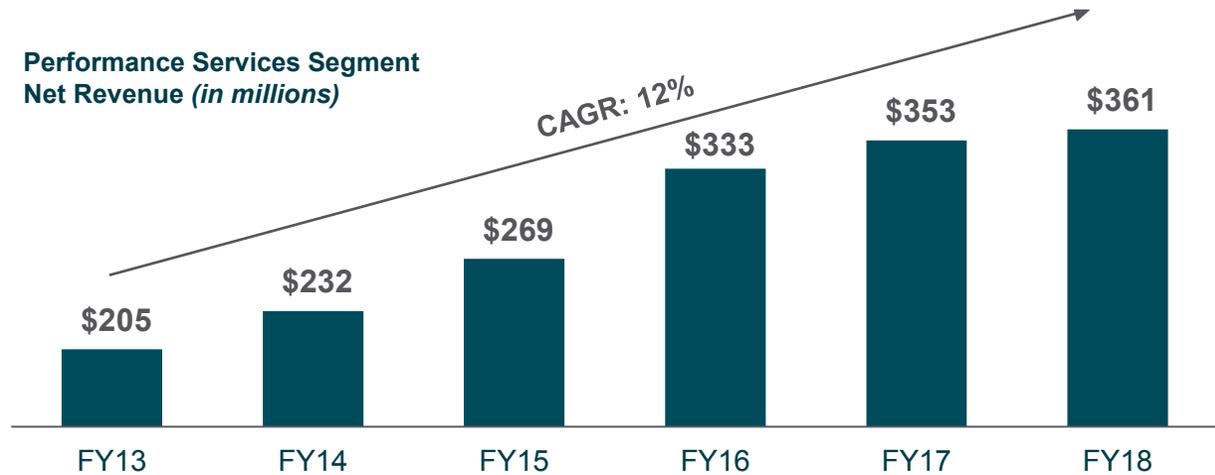
Develop a “control tower” capability to facilitate a consolidated, real-time view into performance

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



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

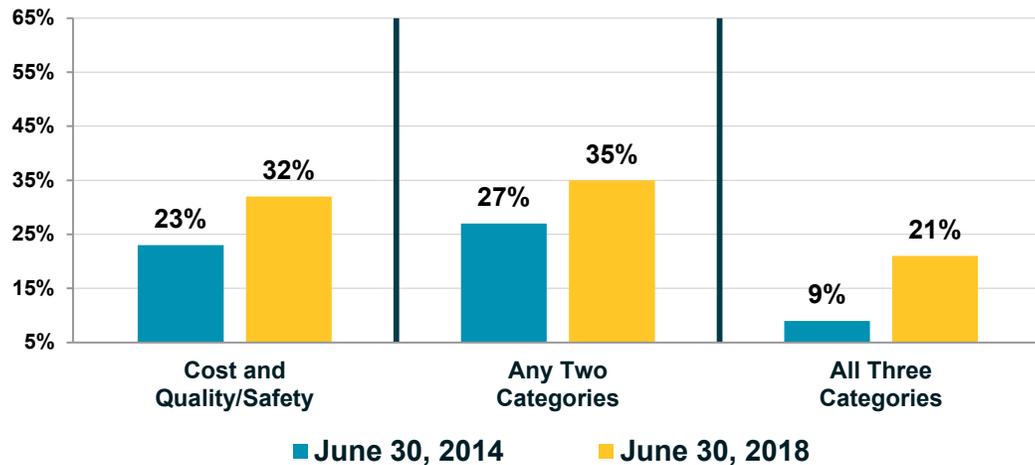


Cross-sell into a well-established and expanding member base

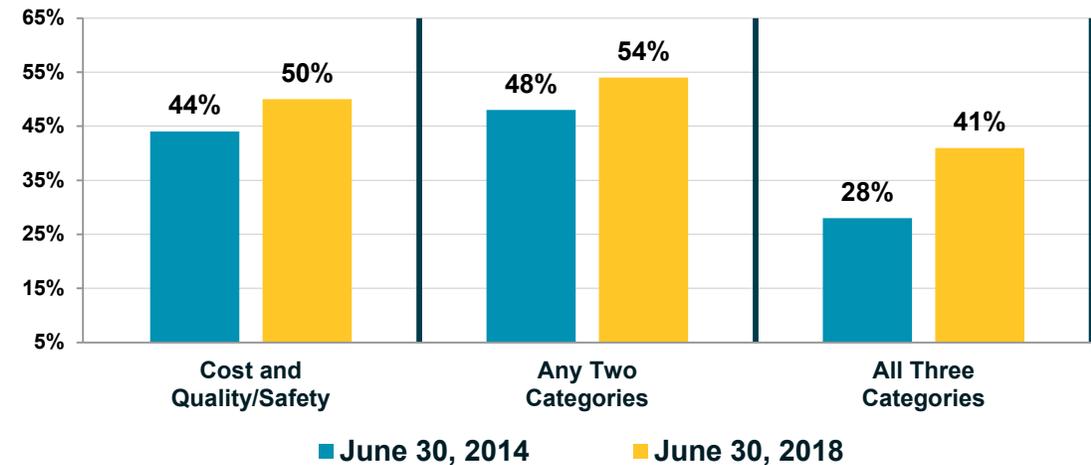


Improve Quality and Safety | Reduce Costs | Optimize Value-Based Care

Premier Product Offering Penetration within Existing Member Base*



Premier Product Offering Penetration within Highly Committed 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).



Final thoughts:
Why invest in Premier?



Why invest in Premier?

- 1 **Compelling financial model reflecting multi-year revenue and earnings growth, flexible balance sheet and strong free cash flow.**
- 2 **Unique member alignment & long-term relationships**
- 3 **Integrated platform to deliver solutions that span the entire continuum of care**
- 4 **Well-positioned to capitalize on industry trends**
- 5 **Disciplined growth strategy**

A hand holding a smartphone is shown in a close-up, slightly blurred view. The background is a warm, golden-yellow color with soft, out-of-focus light spots (bokeh). The word "appendix" is centered on the screen of the phone in a bold, dark blue font.

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

13 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 November 1, 2018.



The PremierConnect® Platform





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.

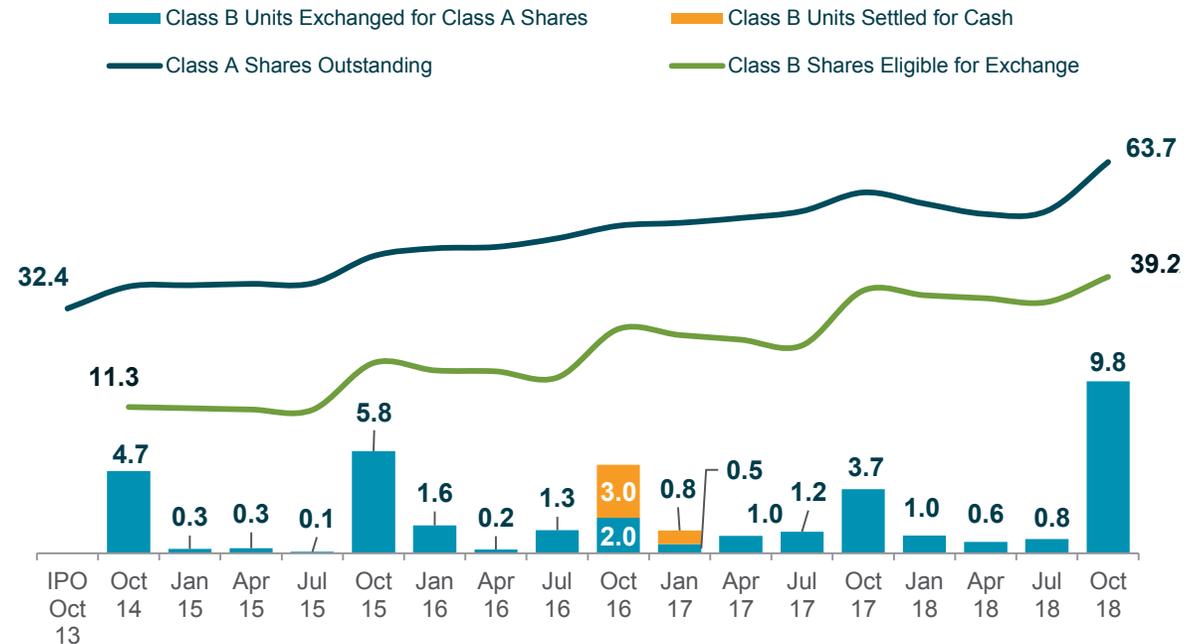
Member owners currently own ~52% of equity and have exchanged or settled for cash ~50% of shares eligible for exchange. ^[1]

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.

[1] As of October 31, 2018.

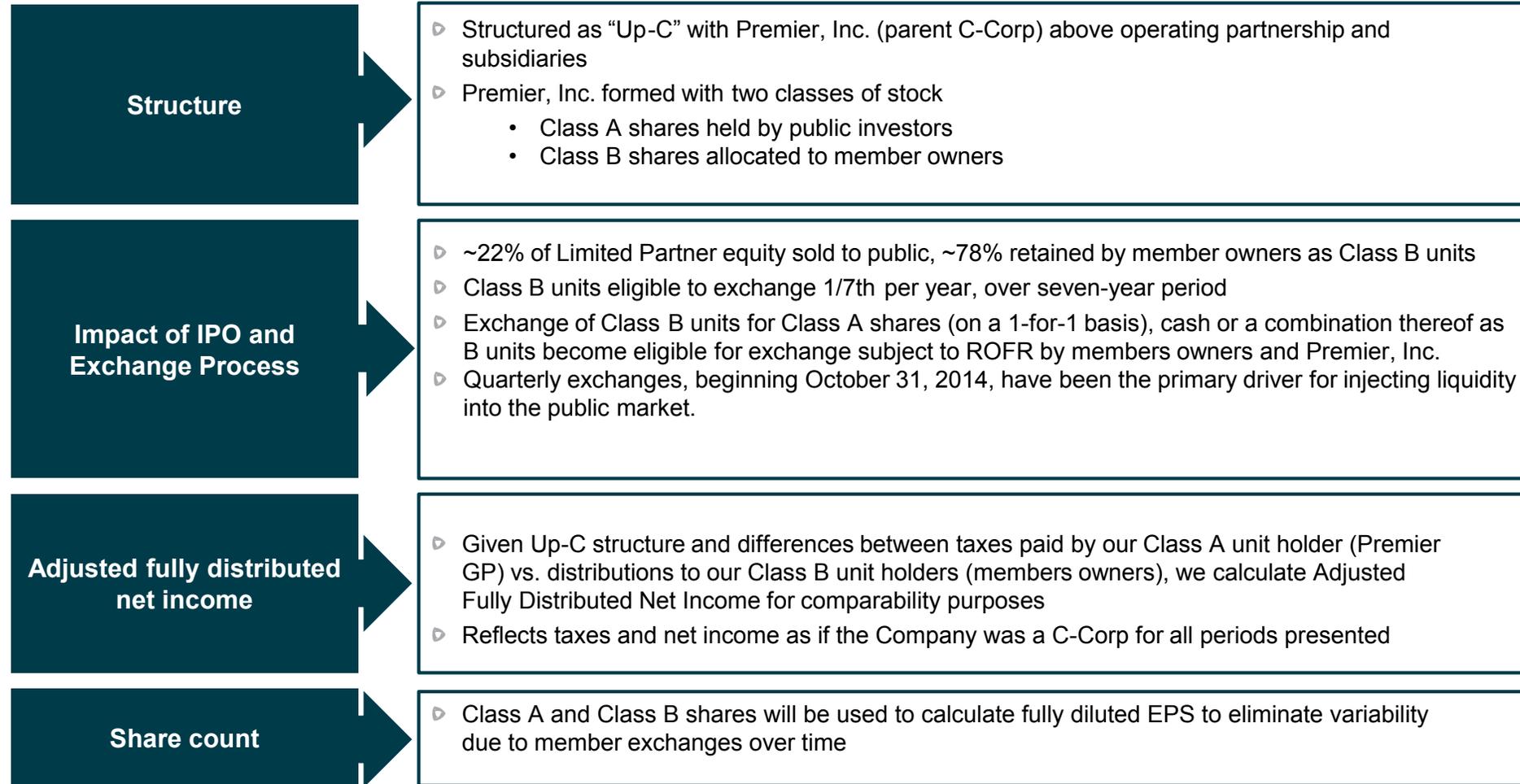
Quarterly Share Exchange Results (in millions)



At October 2013	At October 31, 2018
Class B shares: 112.6 (78%)	69.6 (52%)
Total shares: 145.0 (100%)	132.8 (100%)

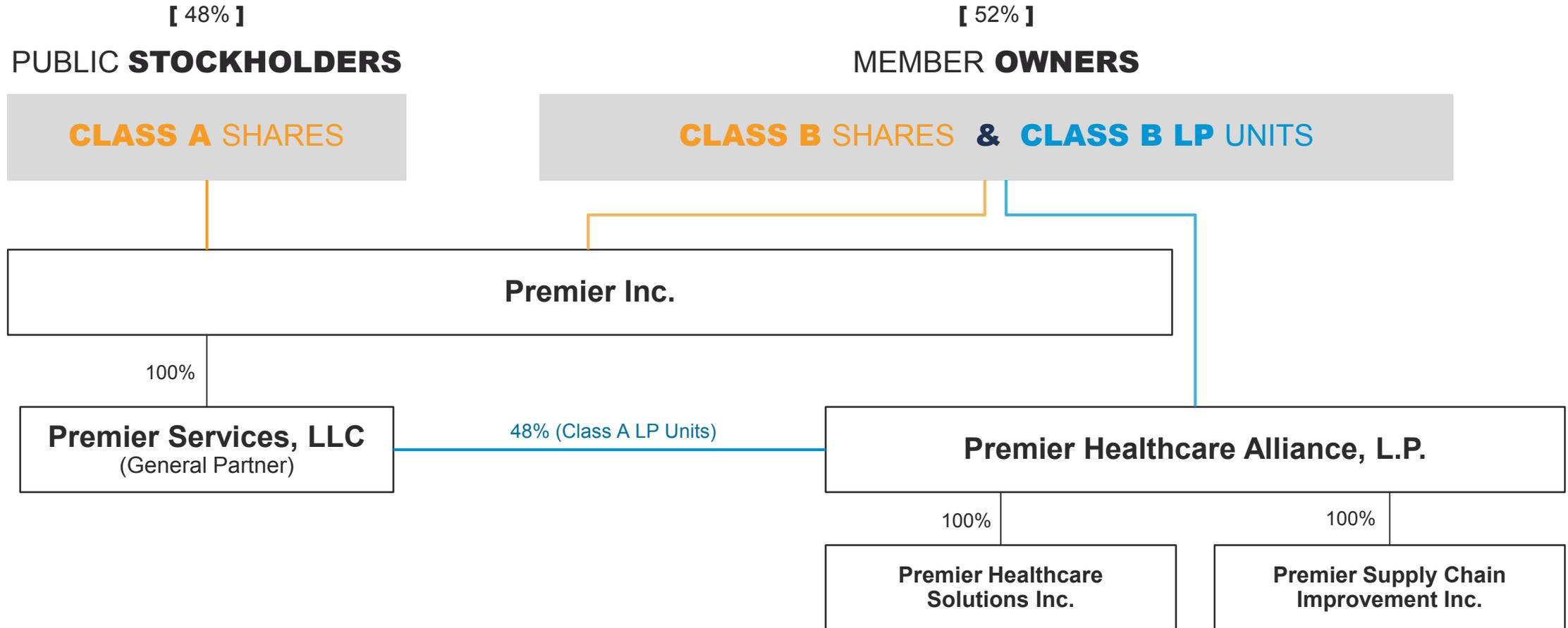


Structural implications of Premier Inc.





Unique member alignment – ownership structure



Note: % Ownership as of October 31, 2018.

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.