Forward-looking statements—Certain statements made in this presentation, including those related to Premier’s financial and business outlook, growth strategies and targets, cross-sell opportunities and financial guidance and related assumptions, are “forward-looking statements.” 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 regarding 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 risks and other factors that could affect Premier’s financial results is included, and updated, from time to time, in Premier’s periodic and current filings with the SEC, as well as those discussed in Premier’s IPO Prospectus filed with the SEC and available on Premier’s website. 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 the following presentation to the most directly comparable financial measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States. Premier’s earnings release for the quarter ended March 31, 2014, dated May 12, 2014, as well as its Form 10-Q for the quarter ended March 31, 2014, filed with the SEC on May 13, 2014, provide further explanation and disclosure regarding Premier’s use of non-GAAP financial measures and should be read in conjunction with this presentation.
Mission, vision, values and objectives

**MISSION**
→ To improve the health of communities

**VISION**
→ Through the collaborative power of the Premier alliance, we will lead the transformation to high-quality, cost-effective healthcare

**VALUES**
→ Integrity, innovation, passion for performance, focus on people

- Make healthcare supply chain efficient and effective
- Deliver continuous improvement in cost and quality today and enable success in new healthcare delivery/payment models
- Integrate data and knowledge to create meaningful business intelligence that drives improvement
Uniquely positioned to address industry needs

Member and industry needs

- Total cost reduction
- Quality improvement across the continuum
- Evolving delivery and payment models
- Actionable data and information

Premier strategic differentiation

- Scale
- Co-innovation
- Intelligence to transform from the inside
- Leadership in population health
- Shared infrastructure

Helping health systems manage challenges, optimize the transition, and build for the future…

...all at the same time
Key differentiators

- Unique customer alignment
- Data-driven, technology enabled
- Diversified growth engine
- Compelling financial profile
Unique partnership model drives innovation and growth

SCALE

- Represent 59% of U.S. community hospitals
- Approximately $41 billion in supply chain spend
- Manage ~1,900 contracts from ~1,100 suppliers
- Integrated clinical, financial and operational data
- Data repository which encompasses 1 in 3 U.S. hospital discharges

ALIGNMENT

- Members own ~78% of equity
- 10 health system board members
- Embedded field force

COMMITMENT

- Member average tenure ~14 years with over 70% at more than 10 years
- 86% surveyed over the last three years view Premier as strategic partner or organizational extension

CO-INNOVATION

- Co-develop solutions with members
- Committees composed of ~180 member hospitals
- ~920 hospitals in collaboratives
- Data Alliance Collaborative

Note: Data as of March 31, 2014.
## Integrated Solutions to complex challenges

### Supply Chain Services

- Group purchasing
- Specialty pharmacy
- Direct sourcing
- Capital planning

### Performance Services

- SaaS analytic products in cost, quality, safety and population health
- Enterprise data analytics platform—clinical and operational
- Collaboratives
- Advisory services

### Attributes

- Leading healthcare supply chain company
  - ~2,100 acute care hospitals use product or service
  - Significant alternate site growth
  - Vertical integration
  - Uniquely advantaged by data access and collaboratives

- Leading healthcare informatics company
  - ~1,900 hospitals use product or service
  - 44% of purchases by non-GPO customers

---

**Note:** Data as of March 31, 2014.
DATA-driven, TECHNOLOGY-enabled
Enabling the information driven enterprise

Number of facilities installed and under contract as of 4/30/2014.
Approximately 920 U.S. hospital members participate in at least one of our performance improvement collaboratives.

Source: Premier QUEST participant performance data as of 2/13/2014

Note: Deaths avoided and dollars saved over the first 5.5 years of the program; instances of harm measured over the past 3.5 years; readmissions prevented measured over the past 2.5 years.
Integrated framework for delivering solutions

**Services**

**COST MANAGEMENT**
- Group purchasing
- Non-labor
- Labor
- Total cost
- Clinical variation
- Resource utilization
- Integrated pharmacy

**QUALITY/SAFETY IMPROVEMENT**
- Quality and safety
- Physician improvement
- Regulatory compliance
- Harm and readmissions

**POPULATION HEALTH**
- Physician network management
- Analytics and risk management
- Population management
- Care coordination
- Patient centered medical home

---

**Collaboratives**

ASCEND

QUEST

PACT

**Information Technology (SaaS Solutions)**

SpendAdvisor®

OperationsAdvisor®

QualityAdvisor™

SafetyAdvisor®

PhysicianFocus™

PopulationFocus™

CareFocus™

PremierConnect®

Platform

---

10
DIVERSIFIED growth engine
Multiple levers drive long-term sustainable growth targets

Supply Chain Services
- Steady GPO growth
- Alternate site expansion
- Expanding supply chain solutions

Top Priority Strategic Initiatives
- Supply expense improvement
- Non-acute expansion
- Supply chain analytics and e-Marketplace

Performance Services
- Member penetration performance services
- New product development

Top Priority Strategic Initiatives
- Cost/quality improvement technology and services
- Enterprise data warehousing
- Population health expansion

“Other” Upside
- Pursue selected M&A and partnership opportunities
- Strong distribution channel
- Desired partner/capability
Significant cross-sell opportunities

If all members use all Premier solutions – supply chain, applications, collaboratives, advisory services…

**Significant revenue opportunity**

2,951 acute members

---

Note: Numbers are as of March 31, 2014.
Member-driven co-development engine

**Organic**
- QUALITY ADVISOR™
- OPERATIONS ADVISOR®
- PREMIER CONNECT™
- PACT™
- QUEST®
- ASCEND®

**Acquisitions**
- CareScience (2007)
- COMMERCIAL SPECIALTY PHARMACY (2010)
- S2S GLOBAL (2011)
- SYMMEDRx HEALTHCARE SOLUTIONS (2013)
- Meddius INTEGRATION DELIVERED (2013)
- MEMdata Equipping Hospitals (2014)

**Partnerships**
- POPULATION FOCUS™ POWERED BY VERISK HEALTH
- CARE FOCUS™ POWERED BY PHYTEL

Premier platform enables rapid deployment of new solutions
Attractive opportunities for capital deployment

Supply Chain Services
- Physician preference item (PPI) management
- Integrated pharmacy
- Supply chain analytics, workflow

Performance Services
- Alternate site expansion
- Population health management
- QUEST / standardized care
- Patient engagement and social interaction
- Data acquisition and management
- Ambulatory clinical integration

Diverse and growing end markets to accelerate Premier’s growth
Growing from within our committed member channel

CASE STUDY

~$222M value to member

~$14M FY14 projected revenue to Premier
Premier financial performance highlights

Attractive growth
- Consolidated double-digit net revenue and adjusted EBITDA\(^1\) growth
- Diversified growth levers in Supply Chain Services and Performance Services
- Multiple emerging growth drivers

High visibility
- High retention rates in Supply Chain Services and Performance Services
- 5-7 year contracts in Supply Chain Services and 3-year SaaS subscription contracts in Performance Services

Attractive economic model
- Significant cross and upsell opportunities in existing member base
- High margins and low marginal cost to support new GPO members and further penetration of existing GPO members
- SaaS products generate high returns on new wins

Evolving business mix
- Investments in growth initiatives will impact adjusted EBITDA\(^1\) margins, but enhance adjusted EBITDA\(^1\) growth
- Capital investments increase D&A, impacting near-term net income margins

Disciplined capital deployment track record
- Strong returns on acquired assets
- Strategic, financial and execution framework in place for capital deployment

\(^{1}\) See Adjusted EBITDA reconciliation to GAAP equivalent in Appendix
Year-to-date nine-month financial highlights

**Consolidated**
- **Net revenue (millions)**
  - Q3'13: $563.3
  - Q3'14: $633.8
  - Increase: 13%

**Supply Chain Services**
- **Net revenue (millions)**
  - Q3'13: $412.9
  - Q3'14: $464.1
  - Increase: 12%

**Performance Services**
- **Net revenue (millions)**
  - Q3'13: $51.8
  - Q3'14: $169.8
  - Increase: 13%

**Adjusted EBITDA (millions)**
- **Consolidated**
  - Q3'13: $235.9
  - Q3'14: $257.8
  - Increase: 9%

- **Supply Chain Services**
  - Q3'13: $244.4
  - Q3'14: $260.8
  - Increase: 7%

- **Performance Services**
  - Q3'13: $42.1
  - Q3'14: $54.4
  - Increase: 29%

---

(1) See adjusted EBITDA and segment adjusted EBITDA reconciliations to GAAP equivalents in Appendix; comparisons between year to date pro forma financial results ended March 31, 2014, and year-ago pro forma results have been adjusted to reflect the impact of the company’s reorganization and initial public offering.
Premier, Inc. full-year fiscal 2014 financial guidance:

<table>
<thead>
<tr>
<th>Pro forma net revenue:</th>
<th>FY 2014</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain Services segment</td>
<td>$628 - $635</td>
<td>12% - 14%</td>
</tr>
<tr>
<td>Performance Services segment</td>
<td>$231 - $234</td>
<td>13% - 14%</td>
</tr>
<tr>
<td>Total pro forma net revenue</td>
<td>$859 - $869</td>
<td>12% - 14%</td>
</tr>
</tbody>
</table>

Non-GAAP pro forma adjusted EBITDA | $342 - $350 | 9 - 11% |

Non-GAAP pro forma adjusted fully distributed EPS | $1.23 - $1.27 | NA* |

* Not applicable

¹As of fiscal 2014 third-quarter conference call, 05/12/2014. For non-GAAP measures, see reconciliations to GAAP equivalents in Appendix. Pro forma guidance measures are “forward-looking statements.” For information regarding the use and limitations of non-GAAP financial measures and forward-looking statements, see “Forward-looking statements and Non-GAAP financial measures” at the front of this presentation.
Strong cash position and cash flow as of March 31, 2014

- Cash, cash equivalents and marketable securities of $507.3M
- Cash flow from operations of $285.9M increased 9% from last year
- Capital expenditures of $39.8M for 9 months, up 43% YOY primarily due to increase in projects under development
- Minimal debt
Key differentiators

- Unique customer alignment
- Data-driven, technology enabled
- Diversified growth engine
- Compelling financial profile

Thank You
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Years at Premier</th>
<th>Years in Healthcare</th>
<th>Current Company/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan DeVore</td>
<td>President and CEO</td>
<td>11</td>
<td>25</td>
<td>Premier</td>
</tr>
<tr>
<td>Mike Alkire</td>
<td>COO</td>
<td>10</td>
<td>12</td>
<td>Cap Gemini Ernst &amp; Young</td>
</tr>
<tr>
<td>Craig McKasson</td>
<td>CFO</td>
<td>17</td>
<td>20</td>
<td>Cap Gemini Ernst &amp; Young</td>
</tr>
<tr>
<td>Jeff Lemkin</td>
<td>General Counsel</td>
<td>5</td>
<td>40+</td>
<td>McDermott Will &amp; Emery</td>
</tr>
<tr>
<td>Terry Linn</td>
<td>SVP Strategy</td>
<td>4</td>
<td>30+</td>
<td>Ernst &amp; Young, American Medical International, Charter Medical</td>
</tr>
<tr>
<td>Kelli Price</td>
<td>SVP People</td>
<td>13</td>
<td>15</td>
<td>Malcolm Baldrige National Quality Award</td>
</tr>
<tr>
<td>Blair Childs</td>
<td>SVP Advocacy</td>
<td>8</td>
<td>25</td>
<td>AdvaMed</td>
</tr>
<tr>
<td>Richard Bankowitz</td>
<td>CMO/Chief Scientist</td>
<td>7</td>
<td>25</td>
<td>CareScience, University HealthSystem Consortium</td>
</tr>
<tr>
<td>Durral Gilbert</td>
<td>President, Supply Chain Services</td>
<td>8</td>
<td>7</td>
<td>BDS Management, Wachovia Securities</td>
</tr>
<tr>
<td>Wes Champion</td>
<td>SVP, Performance Partners</td>
<td>7</td>
<td>22</td>
<td>Cap Gemini Ernst &amp; Young, Accenture</td>
</tr>
<tr>
<td>Keith Figlioli</td>
<td>SVP, Informatics</td>
<td>5</td>
<td>10</td>
<td>Eclipsys (acquired by Allscripts)</td>
</tr>
<tr>
<td>Andy Brailo</td>
<td>SVP, Member Field Services</td>
<td>12</td>
<td>20</td>
<td>Medibuy, Bard</td>
</tr>
<tr>
<td>Gary Long</td>
<td>SVP, Chief of Sales</td>
<td>2</td>
<td>20</td>
<td>McKesson</td>
</tr>
</tbody>
</table>
Our multiple business and growth drivers

<table>
<thead>
<tr>
<th>Business</th>
<th>Revenue Drivers</th>
<th>FY 11-13 CAGR</th>
<th>Long-term growth targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain</td>
<td>• Administrative fees paid by suppliers</td>
<td>Net Revenue 13%</td>
<td>Net Revenue</td>
</tr>
<tr>
<td>Services</td>
<td>• Drug reimbursement</td>
<td>Segment Adjusted EBITDA 8%</td>
<td>Double digit</td>
</tr>
<tr>
<td></td>
<td>• Product sales of contract manufactured items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>• SaaS subscriptions</td>
<td>Net Revenue 14%</td>
<td>Net Revenue</td>
</tr>
<tr>
<td>Services</td>
<td>• Fee-for-service</td>
<td>Segment Adjusted EBITDA 22%</td>
<td>Double digit</td>
</tr>
<tr>
<td></td>
<td>• Fee-for-service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SaaS subscriptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>• Significant stickiness</td>
<td>Net Revenue 13%</td>
<td>Adjusted EBITDA</td>
</tr>
<tr>
<td></td>
<td>• Strong visibility across diverse revenue streams</td>
<td>Adjusted EBITDA 10%</td>
<td>Double digit</td>
</tr>
</tbody>
</table>

1 See Adjusted EBITDA reconciliation to GAAP equivalent in this Appendix. See “Forward-looking statements and Non-GAAP financial measures” page for factors that may impact our ability to achieve long-term growth targets.
Impact of strategic diversification and expansion on EBITDA

Strategic intent to diversify and expand business expected to drive EBITDA growth while intentional mix shift impacts EBITDA margin – relative to high-margin GPO business – over time.¹

¹ See Adjusted EBITDA reconciliation to GAAP equivalent in this Appendix. See “Forward-looking statements and Non-GAAP financial measures” page for factors that may impact our expected EBITDA growth.
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 interests sold to Premier, Inc., 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 Common Units for A-shares (on a 1-for-1 basis) as B-units vest subject to ROFR by members owners and Premier, Inc.

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

1 See adjusted fully distributed net income reconciliation to GAAP equivalent in Appendix
## Illustrative impact of ownership structure

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>22% Class A / 78% Class B</td>
<td>100% Class A</td>
</tr>
</tbody>
</table>

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>160,000</td>
<td>160,000</td>
</tr>
</tbody>
</table>

- Pre-Tax Income Attributable to Premier Inc.: 35,200
- Income Tax Expense: 14,080
- Net Income Attributable to Premier, Inc.: 21,120
- Net Income Attributable to NCI in Premier LP: (124,800)
- Tax Distribution to Premier LP Limited Partners: (49,920)

### Income Retained in Business

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income Attributable to Premier, Inc.</td>
<td>21,120</td>
<td>96,000</td>
</tr>
<tr>
<td>Net Income Attributable to NCI in Premier LP</td>
<td>124,800</td>
<td>-</td>
</tr>
</tbody>
</table>

### Adjusted Fully Distributed Net Income

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Income Tax Expense</td>
<td>14,080</td>
<td>64,000</td>
</tr>
<tr>
<td>Add: Fully Distributed Income Before Income Taxes</td>
<td>124,800</td>
<td>-</td>
</tr>
<tr>
<td>Fully Distributed Income Before Income Taxes</td>
<td>160,000</td>
<td>160,000</td>
</tr>
<tr>
<td>Adjusted for income tax expense on fully distributed net income before income taxes</td>
<td>64,000</td>
<td>64,000</td>
</tr>
<tr>
<td>Adjusted Fully Distributed Net Income</td>
<td>96,000</td>
<td>96,000</td>
</tr>
</tbody>
</table>

### Income Taxes/Tax Distributions

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax Expense</td>
<td>14,080</td>
<td>64,000</td>
</tr>
<tr>
<td>Tax Distribution to Class B Limited Partners</td>
<td>49,920</td>
<td>-</td>
</tr>
<tr>
<td>Total Tax, including tax distribution to limited partners</td>
<td>64,000</td>
<td>64,000</td>
</tr>
</tbody>
</table>

- Member owners allocated income in operating partnership based on percentage ownership
- Income tax expense equals 40% of income attributable to Premier, Inc.
- Member owners receive tax distribution to cover any tax liability on allocated income have converted to Class A
- Amount of retained profitability in business equal regardless of ownership structure
- Reflects 41% tax rate on 100% of pretax income (assumes full C-Corp tax treatment)
- Amount paid for taxes equal regardless of structure

See Adjusted EBITDA and Adjusted Fully Distributed Net Income reconciliations to GAAP equivalents in Appendix
Third-quarter financial highlights

Consolidated
Net revenue (millions)

Supply Chain Services
Net revenue (millions)

Performance Services
Net revenue (millions)

Consolidated
Adjusted EBITDA (millions)

Supply Chain Services
Adjusted EBITDA (millions)

Performance Services
Adjusted EBITDA (millions)

$194.1
$225.6

$142.3
$167.0

$51.8
$58.6

16% 13%

17%

13% 13%

10%

24%

Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14

$81.2
$91.3

$82.8
$91.5

$16.3
$20.3

Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14
Q3'13 Q3'14

(1) See adjusted EBITDA and segment adjusted EBITDA reconciliations to GAAP equivalents in Appendix; comparisons between third-quarter financial results ended March 31, 2014, and year-ago pro forma results have been adjusted to reflect the impact of the company’s reorganization and initial public offering.
Integrated approach attracting more ‘all-in’ engagements

- Doctors Hospital at Renaissance – Edinburg, TX
  Goes ‘all-in’ with 16 technology, consulting, collaborative solutions

- Carolinas HealthCare System – Charlotte, NC
  Goes ‘all-in’ with expansion of SafetyAdvisor and OperationsAdvisor Ambulatory

- Riverside – Newport News, VA
  Goes ‘all-in’ with technology, consulting, collaborative solutions

- Princeton HealthCare System – Princeton, NJ
  New member goes ‘all-in’ with Performance Services solutions and Supply Chain Services, including outsourced supply chain leadership
## How we grow our Performance Services business

<table>
<thead>
<tr>
<th>OperationsAdvisor annual subscription</th>
<th>Small ($50K to $250K AAV)</th>
<th>Medium ($250K to $1M AAV)</th>
<th>Large ($1M+ AAV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QualityAdvisor annual subscription</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SafetyAdvisor annual subscription</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Improvement Collaboratives</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation fees QUEST – PACT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PremierConnect Enterprise annual subscription</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Medicare Breakeven (consulting and product)</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
## Performance Services pricing

<table>
<thead>
<tr>
<th>Service</th>
<th>Small ($50K to $250K AAV)</th>
<th>Medium ($250K to $1M AAV)</th>
<th>Large ($1M+ AAV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OperationsAdvisor annual subscription</td>
<td># of hospitals &amp; ambulatory locations, discharge &amp; patient visit volume</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QualityAdvisor annual subscription</td>
<td># of hospitals &amp; discharge volume, inclusion (or not) of regulatory reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SafetyAdvisor annual subscription</td>
<td># of hospitals &amp; discharge volume</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Improvement Collaboratives participation fees – QUEST / PACT</td>
<td>Fee per hospital depending on data sources &amp; availability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory Services</td>
<td>Time &amp; Materials, flat fee, performance based</td>
<td>Time &amp; Materials, flat fee, performance based</td>
<td>Time &amp; Materials, flat fee, performance based</td>
</tr>
<tr>
<td>PremierConnect Enterprise annual subscription</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare Breakeven (consulting and product)</td>
<td></td>
<td></td>
<td>Data availability, # of hospitals/locations, area’s to evaluate (supply chain, clinical, operational)</td>
</tr>
</tbody>
</table>
Problem identified:
- SpendAdvisor identifies health system with antimicrobial agent spending 35% above peers.
- QualityAdvisor finds clinical outcomes comparable to peers, despite increased spending.
- SpendAdvisor analysis pinpoints cause for increased spending on two high-cost pharmaceuticals – generic equivalent with same efficacy is available at greatly reduced cost.

Solution found:
- Premier consultants work with health system to define and optimize use of identified drugs, developing protocol to identify cases where generic would provide effective treatment.
- SafetyAdvisor incorporates real-time alerts to notify physicians when generic should be used, allowing for rapid substitution.
- Premier consultants monitor program, ensuring it doesn’t lead to longer length of stay, higher mortality, excessive readmissions.

Success achieved:
- Health system saving $800,000 a year and consistent clinical outcomes
KLAS recognizes Premier among the highest performers in breadth of portfolio with providers validating our functionality across four key areas of population management.
### Fiscal 2013 non-GAAP reconciliations

**Pro Forma Adjusted EBITDA Reconciliation**

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2013A</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Net Income</td>
<td>$250.2</td>
</tr>
<tr>
<td>Add: Interest &amp; Investment Income, net (a)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Add: Income Tax Expense</td>
<td>29.6</td>
</tr>
<tr>
<td>Add: Depreciation &amp; Amortization</td>
<td>27.7</td>
</tr>
<tr>
<td>Add: Amortization of Purchased Intangible Assets</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$308.1</td>
</tr>
<tr>
<td>Add: Strategic and Financial Restructuring Expenses (b)</td>
<td>5.2</td>
</tr>
<tr>
<td>Add: Loss on Disposal of Assets (c)</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Pro Forma Adjusted EBITDA</strong></td>
<td>$314.0</td>
</tr>
</tbody>
</table>

**Adjusted Fully Distributed Net Income Reconciliation**

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2013A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Forma Net Income Attributable to PHSI</td>
<td>$33.2</td>
</tr>
<tr>
<td>Add: Income Tax Expense</td>
<td>29.6</td>
</tr>
<tr>
<td>Add: Strategic and Financial Restructuring Expenses (b)</td>
<td>5.2</td>
</tr>
<tr>
<td>Add: Pro Forma Net Income Attributable to Premier LP (e)</td>
<td>218.5</td>
</tr>
<tr>
<td><strong>Pro Forma Fully Distributed Income Before Income Taxes</strong></td>
<td>$286.4</td>
</tr>
<tr>
<td>Adjusted for: Income tax expense on pro forma fully distributed income before income taxes (f)</td>
<td>(116.8)</td>
</tr>
<tr>
<td><strong>Pro Forma Adjusted Fully Distributed Net Income</strong></td>
<td>$169.6</td>
</tr>
</tbody>
</table>

### Adjusted for: Income tax expense on pro forma fully distributed income before income taxes (f)

- **Pro Forma Adjusted Fully Distributed Net Income**: $169.6

### Notes:

(a) Represents interest income, net and realized gains and losses on our marketable securities
(b) Represents legal, accounting and other expenses directly related to the Reorganization and this offering
(c) Represents loss on disposal of property and equipment
(d) Corporate consists of general and administrative corporate expenses that are not specific to either of our segments
(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 41% of income before income taxes assuming the conversion of all Class B units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses
### Fiscal 2014 third-quarter non-GAAP reconciliations

#### Reconciliation of Pro Forma Net Revenue to Net Revenue:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro Forma Net Revenue</strong></td>
<td>$225,598</td>
<td>$194,125</td>
<td>$633,820</td>
<td>$563,340</td>
</tr>
<tr>
<td>Pro forma adjustment for revenue share post-IPO</td>
<td>—</td>
<td>29,573</td>
<td>41,263</td>
<td>65,349</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$225,598</td>
<td>$223,698</td>
<td>$675,083</td>
<td>$628,689</td>
</tr>
</tbody>
</table>

#### Reconciliation of Pro Forma Adjusted EBITDA and Segment Adjusted EBITDA to Net Income and Operating Income:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>$101,980</td>
<td>$101,142</td>
<td>$265,985</td>
<td>$271,590</td>
</tr>
<tr>
<td>Pro forma adjustment for revenue share post-IPO</td>
<td>—</td>
<td>(29,573)</td>
<td>(41,263)</td>
<td>(65,349)</td>
</tr>
<tr>
<td>Interest and investment income, net</td>
<td>(400)</td>
<td>(281)</td>
<td>(641)</td>
<td>(599)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>9,413</td>
<td>1,255</td>
<td>24,461</td>
<td>5,938</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>9,396</td>
<td>6,789</td>
<td>26,952</td>
<td>19,798</td>
</tr>
<tr>
<td>Amortization of purchased intangible assets</td>
<td>802</td>
<td>385</td>
<td>2,158</td>
<td>1,154</td>
</tr>
<tr>
<td><strong>Pro Forma EBITDA</strong></td>
<td>121,191</td>
<td>79,717</td>
<td>277,652</td>
<td>232,532</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>6,299</td>
<td>—</td>
<td>13,118</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition related expenses</td>
<td>984</td>
<td>—</td>
<td>1,303</td>
<td>—</td>
</tr>
<tr>
<td>Strategic and financial restructuring expenses</td>
<td>733</td>
<td>1,429</td>
<td>3,614</td>
<td>3,347</td>
</tr>
<tr>
<td>Gain on sale of investment</td>
<td>(37,850)</td>
<td>—</td>
<td>(37,850)</td>
<td>—</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(52)</td>
<td>5</td>
<td>(56)</td>
<td>5</td>
</tr>
<tr>
<td><strong>Pro Forma Adjusted EBITDA</strong></td>
<td>$91,305</td>
<td>$81,151</td>
<td>$257,781</td>
<td>$235,884</td>
</tr>
<tr>
<td>Pro forma adjustment for revenue share post-IPO</td>
<td>—</td>
<td>29,573</td>
<td>41,263</td>
<td>65,349</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>$69,525</td>
<td>$99,666</td>
<td>$239,728</td>
<td>$268,602</td>
</tr>
</tbody>
</table>

* Note that actual results are presented for the three months ended March 31, 2014
Reconciliation of Non-GAAP Adjusted Fully Distributed Net Income:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to shareholders</td>
<td>$13,525</td>
<td>$4,229</td>
</tr>
<tr>
<td>Pro forma adjustment for revenue share post-IPO</td>
<td>—</td>
<td>(29,573)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>9,413</td>
<td>1,255</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>6,299</td>
<td>—</td>
</tr>
<tr>
<td>Gain on sale of investment</td>
<td>(37,850)</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition related expenses</td>
<td>984</td>
<td>1,429</td>
</tr>
<tr>
<td>Strategic and financial restructuring expenses</td>
<td>733</td>
<td>1,429</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interest in Premier LP</td>
<td>87,925</td>
<td>97,260</td>
</tr>
<tr>
<td>Non-GAAP adjusted fully distributed income before income taxes</td>
<td>81,029</td>
<td>74,600</td>
</tr>
<tr>
<td>Income tax expense on fully distributed income before income taxes</td>
<td>33,222</td>
<td>30,586</td>
</tr>
<tr>
<td>Non-GAAP adjusted fully distributed net income (pro forma)</td>
<td>$47,807</td>
<td>$44,014</td>
</tr>
</tbody>
</table>

* Note that actual results are presented for the three months ended March 31, 2014