Note: Financial information in this presentation is from the company’s FY14 third-quarter earnings release and conference call (5/12/14).
Forward-looking statements and Non-GAAP financial measures

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.
Transforming Healthcare FROM THE INSIDE
Member and industry needs
- Total cost reduction
- Quality improvement across the continuum
- Evolving delivery and payment models
- Actionable data and information

Premier strategic differentiation
- Member co-innovation
- Intelligent and predictive analytics drive continuous improvement from the inside
- Visibility to cost and quality opportunities
- Vertical integration of supply chain
- Early leader in population health management
- Scale through shared infrastructure

Implications for healthcare systems, PREMIER STRATEGY
Unique customer alignment

Data-driven, technology enabled

Diversified growth engine

Compelling financial profile
Member 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
- 2.5 million real-time clinical transactions daily
- Data repository which encompasses 1 in 4 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
INTEGRATED SOLUTIONS to complex challenges

<table>
<thead>
<tr>
<th>Supply Chain Services</th>
<th>Performance Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solutions</td>
<td></td>
</tr>
<tr>
<td>• Group purchasing</td>
<td>• SaaS analytic products in cost, quality, safety and population health</td>
</tr>
<tr>
<td>• Specialty pharmacy</td>
<td>• Enterprise data analytics platform—clinical and operational</td>
</tr>
<tr>
<td>• Direct sourcing</td>
<td>• Collaboratives</td>
</tr>
<tr>
<td>• Capital planning</td>
<td>• Advisory services</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributes</td>
<td></td>
</tr>
<tr>
<td>• Leading healthcare supply chain company</td>
<td>• Leading healthcare informatics company</td>
</tr>
<tr>
<td>• ~2,100 acute care hospitals use product or service</td>
<td>• ~1,900 hospitals use product or service</td>
</tr>
<tr>
<td>• Significant alternate site growth</td>
<td>• 44% of purchases by non-GPO customers</td>
</tr>
<tr>
<td>• Vertical integration</td>
<td></td>
</tr>
<tr>
<td>• Uniquely advantaged by data access and collaboratives</td>
<td></td>
</tr>
</tbody>
</table>

Note: Data as of March 31, 2014.
DATA-driven, TECHNOLOGY-enabled
Changing the game in supply chain

**GPO enhancement**

**ASCEND / QUEST**
- Improved supply expense performance
- Clinical & physician preference solution
- Expanded cost reduction
  - Purchased services
  - Information technology
  - Facilities management

**ASCEND / PACT**
- Non-acute expansion
  - PREMIER SPEND CONTROL™
- Formulary development
  - S2S GLOBAL
- Integrated pharmacy
  - COMMERCIAL SPECIALTY PHARMACY
  - PREMIER PBM

**Transformation of supply chain**
- Technology enablement
- Supply chain outsourcing/ shared services
  - Interim management, staff management, full outsourcing
Performance Services: Strategic initiatives & offerings

Becoming the backbone of cost, quality & safety and population health

Healthcare System Cost & Quality

- **QUEST / PfP / ASCEND**
  - Total cost management
    - Medicare Breakeven advisory services
    - MEMdata
    - SYMMEDRx
    - QUALITY ADVISOR
    - OPERATIONS ADVISOR
  - Total quality management
    - Harm & mortality advisory services
    - Patient experience
    - SAFETY ADVISOR
    - PHYSICIAN FOCUS
    - QUALITY ADVISOR

Addressing evolving payment and delivery models

- **PACT / Bundled Payment**
  - Bundled payment
    - Analytics support
    - Episode development
  - Clinical integration
    - Clinically integrated network development
    - Practice optimization
    - PHYSICIAN FOCUS
  - Ambulatory data expansion
    - Meddius
    - OPERATIONS ADVISOR AMBULATORY

Support population health management

- **PACT / DAC**
  - Data management
  - PREMIERCONNECT™ ENTERPRISE
  - Care coordination
    - Automated care management
    - High risk population management advisory services
    - CAREFOCUS™
    - Powered by PHYTEL
  - Patient engagement
    - Patient outreach
    - CAREFOCUS™
    - Powered by PHYTEL
  - Risk stratification
    - Claims analytics
    - Claims data management
    - POPULATION FOCUS™
    - Powered by VERISK HEALTH
Expanding depth of data-based analytics

Current Users:
- ~1,135 hospitals
- ~1,100 hospitals
- ~1,190 hospitals & facilities
- ~353 hospitals
- ~112 members (400 hospitals)

Users at 6/30/2013:
- ~1,100 hospitals
- ~870 hospitals
- ~780 hospitals
- ~320 hospitals
- ~80 members

6 charter systems

Introduced post IPO**

*Installed and under contract as of 4/30/2014; ** IPO completed on 10/1/2013.

**Any data**

Purchasing
Billing
Financial
Clinical
Claims
Measurable and scalable IMPACT through COLLABORATIVES

- Approximately 920 U.S. hospital members participate in at least one of our performance improvement collaboratives
- ~350 U.S. hospital members
- ~136,000 deaths avoided
- ~$11.6 billion saved
- ~41,000 readmissions prevented
- ~18,000 instances of harm prevented

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
Industry leader in driving POPULATION HEALTH solutions

MARKET

Fee for service | Bundled payments | Full risk

NEEDS

Clinical integration | Network management | Segment population | Identify care gaps | Stratify risks | Engage patients | Manage care | Measure outcomes

SOLUTIONS

Technology Collaboratives Consulting

POPULATION FOCUS™ POWERED BY VERISK HEALTH

QUALITY ADVISOR™

PHYSICIAN FOCUS™

CARE FOCUS™ POWERED BY PHYTEL

PACT™

BUNDLED PAYMENT COLLABORATIVE
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

Members using supply chain services

1,057

Members using both supply chain and at least one performance services product or service

1,053

Members using performance services products and services

841

2,110 total

1,894 total

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

Acquisitions

Partnerships

CareScience (2007)

Commcare Specialty Pharmacy (2010)

S2S Global (2011)

SymmedRx Healthcare Solutions (2013)

Meddius Integration Delivered (2013)

MEMdata

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
- Patient engagement and social interaction
- Data acquisition and management
- QUEST / standardized care
- Population health management
- Ambulatory clinical integration

Diverse and growing end markets to accelerate Premier’s growth
LONG-TERM, COMMITTED member value

CASE STUDY

~$393M
value to member

~$23M
FY13 revenue to Premier

FULLY ENGAGED

GPO only

Single offering

Multiple offerings
Integrated approach attracts ALL-IN ENGAGEMENTS

- Doctor’s 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
COMPELLING financial profile
Third-quarter 2014 highlights

Outstanding quarter results

Double-digit revenue and adjusted EBITDA growth

Multiple business channels drive growth

Strong cash flow continues

Actively pursuing capital deployment opportunities

Well-positioned for FY2015

(1) Comparisons are pro forma. See Adjusted EBITDA, Segment Adjusted EBITDA and Adjusted Fully Distributed Net Income reconciliations to GAAP equivalents in Appendix; pro forma reflects the impact of the company’s reorganization and initial public offering.
Third-quarter consolidated and segment highlights\(^1\)

### Consolidated
- **Net revenue (millions)**
  - Q3'13: $194.1
  - Q3'14: $225.6
  - Increase: 16%

### Supply Chain Services
- **Net revenue (millions)**
  - Q3'13: $142.3
  - Q3'14: $167.0
  - Increase: 17%

### Performance Services
- **Net revenue (millions)**
  - Q3'13: $51.8
  - Q3'14: $58.6
  - Increase: 13%

### Adjusted EBITDA (millions)
- **Consolidated**
  - Q3'13: $81.2
  - Q3'14: $91.3
  - Increase: 13%

- **Supply Chain Services**
  - Q3'13: $82.8
  - Q3'14: $91.5
  - Increase: 10%

- **Performance Services**
  - Q3'13: $16.3
  - Q3'14: $20.3
  - Increase: 24%

---

\(^1\) 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.
Nine-month cash position and cash flow at 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
- No debt
Updated fiscal 2014 guidance

Premier, Inc. updates full-year fiscal 2014 financial guidance:

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Updated FY 2014</th>
<th>YoY Change</th>
<th>Previous FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Forma Net Revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain Services segment</td>
<td>$628 - $635</td>
<td>12% - 14%</td>
<td>$614 - $631</td>
</tr>
<tr>
<td>Performance Services segment</td>
<td>$231 - $234</td>
<td>13% - 14%</td>
<td>$231 - $238</td>
</tr>
<tr>
<td>Total Pro Forma Net Revenue</td>
<td>$859 - $869</td>
<td>12% - 14%</td>
<td>$845 - $869</td>
</tr>
<tr>
<td>Non-GAAP pro forma adjusted EBITDA</td>
<td>$342 - $350</td>
<td>9 - 11%</td>
<td>$335 - $355</td>
</tr>
<tr>
<td>Non-GAAP pro forma adjusted fully distributed EPS</td>
<td>$1.23 - $1.27</td>
<td>NA*</td>
<td>$1.20 - 1.29</td>
</tr>
</tbody>
</table>

* Not applicable

As 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.
Fiscal 2014 guidance assumptions

- Steady growth in Supply Chain Services driven by:
  - growth of direct sourcing / specialty pharmacy
  - growth in net administrative fees revenue
    - new member conversion
    - increase in existing acute and alternate site member GPO penetration

- Continued growth in Performance Services driven by demand for:
  - SaaS-based products
  - advisory services
  - collaboratives
Our business at a glance

### Business

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Revenue Drivers</th>
<th>FY 11-13 CAGR</th>
<th>Fiscal 2014 Pro Forma Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Administrative fees paid by suppliers</td>
<td>Net Revenue 13%</td>
<td>Net Revenue 12% - 14%</td>
</tr>
<tr>
<td></td>
<td>• Drug reimbursement</td>
<td>Segment Adjusted EBITDA 8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Product sales of contract manufactured items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Services</td>
<td>• SaaS subscriptions</td>
<td>Net Revenue 14%</td>
<td>Net Revenue 13% - 14%</td>
</tr>
<tr>
<td></td>
<td>• Fee-for-service</td>
<td>Segment Adjusted EBITDA 22%</td>
<td></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>• Significant stickiness</td>
<td>Net Revenue 13%</td>
<td>Net Revenue 12% - 14%</td>
</tr>
<tr>
<td></td>
<td>• Strong visibility across diverse revenue streams</td>
<td>Adjusted EBITDA 10%</td>
<td>Adjusted EBITDA 9% - 11%</td>
</tr>
</tbody>
</table>

1 See Adjusted EBITDA reconciliation to GAAP equivalent in this Appendix.

2 As of fiscal 2014 third-quarter conference call, 5/12/14. Pro forma guidance measures are “forward-looking statements.” For information regarding the use and limitations of such statements, see “Forward-looking statements and Non-GAAP financial measures” above.
## Our leadership team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years at Premier</th>
<th>Years in Healthcare</th>
<th>Previous Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan DeVore</td>
<td>President and CEO</td>
<td>10</td>
<td>25</td>
<td>Cap Gemini Ernst &amp; Young</td>
</tr>
<tr>
<td>Mike Alkire</td>
<td>COO</td>
<td>10</td>
<td>12</td>
<td>Healthcare, 16 years IT &amp; Supply Chain Cap Gemini Ernst &amp; Young</td>
</tr>
<tr>
<td>Craig McKasson</td>
<td>CFO</td>
<td>16</td>
<td>20</td>
<td>Premier; 20 years Healthcare</td>
</tr>
<tr>
<td>Durral Gilbert</td>
<td>President, Supply Chain Services</td>
<td>7</td>
<td>7</td>
<td>Healthcare; BDS Management, Wachovia Securities</td>
</tr>
<tr>
<td>Jeff Lemkin</td>
<td>General Counsel</td>
<td>3</td>
<td>40+</td>
<td>Premier; 40+ years Healthcare</td>
</tr>
<tr>
<td>Wes Champion</td>
<td>SVP, Performance Partners</td>
<td>6</td>
<td>22</td>
<td>Premier; 22 years Healthcare</td>
</tr>
<tr>
<td>Terry Linn</td>
<td>SVP Strategy</td>
<td>3</td>
<td>30+</td>
<td>Premier; 30+ years Healthcare</td>
</tr>
<tr>
<td>Keith Figlioli</td>
<td>SVP, Informatics</td>
<td>4</td>
<td>10</td>
<td>Premier; 10 years HIT; 20 years Technology; Eclipsys (acquired by Allscripts)</td>
</tr>
<tr>
<td>Kelli Price</td>
<td>SVP People</td>
<td>13</td>
<td>15</td>
<td>Premier; 15 years Healthcare</td>
</tr>
<tr>
<td>Andy Brailo</td>
<td>SVP, Member Field Services</td>
<td>12</td>
<td>20</td>
<td>Premier; 20 years Healthcare</td>
</tr>
<tr>
<td>Blair Childs</td>
<td>SVP Advocacy</td>
<td>6</td>
<td>25</td>
<td>Premier; 25 years Healthcare</td>
</tr>
<tr>
<td>Gary Long</td>
<td>SVP, Chief of Sales</td>
<td>&lt;1</td>
<td>20</td>
<td>Premier; 20 years Healthcare</td>
</tr>
<tr>
<td>Richard Bankowitz</td>
<td>CMO/Chief Scientist</td>
<td>6</td>
<td>25</td>
<td>Premier; 25 years Healthcare</td>
</tr>
<tr>
<td>Chip Cater</td>
<td>SVP, Chief Marketing Officer</td>
<td>&lt;1</td>
<td>26</td>
<td>Premier; 26 years Sales &amp; Marketing</td>
</tr>
</tbody>
</table>
Supply Chain Services at a glance

Leadership position
- ~$41B of purchasing volume – one of the leading acute care GPOs and supply chain platforms
- GPO utilization by approximately 2,100 hospitals, representing 42% of U.S. community hospitals

Integrated solutions differentiate supply chain
- Supply chain is part of total cost management solution
- Leverage data and collaboratives to identify and implement supply chain savings

New wins driving growth in “core”
- Solid net new purchasing volume growth

Solid and growing alternate site presence
- Attractive year-over-year purchasing volume growth
- Own 50% of Innovatix, a leading alternate site GPO
- Hospital members diversifying into alternate care settings

Strong historical growth with multiple growth drivers
- FY2011-2013 Segment Adjusted EBITDA CAGR of 8%¹
- Direct sourcing and specialty pharmacy drive revenue opportunities
- Multiple opportunities to achieve contract penetration
- Attractive returns on new wins; scalable platform

¹ See Adjusted EBITDA reconciliation to GAAP equivalent in this Appendix
Performance Services at a glance

Leadership
- ~1,900 hospitals use Performance Services
- ~920 hospitals participate in our performance collaboratives

Integrated into member workflow
- Premier quality applications are used by ~1,100 U.S. hospitals
- OperationsAdvisor® is used by ~1,190 U.S. hospitals & facilities
- SafetyAdvisor® is used by ~350 U.S. hospitals

Driving measurable outcomes
- QUEST® helped members save ~$11.6 billion and helped members avoid ~136,000 deaths since its inception in 2008

Expanding presence in population health and data management
- PCE Data Alliance Collaborative driving data aggregation and management
- Multiple products in population health, experiencing strong adoption

Strong historical growth with multiple growth drivers
- FY2011-2013 Segment Adjusted EBITDA CAGR of 22%¹
  - Enterprise platform facilitates rapid introduction of new products
  - Multiple acquisition opportunities

¹ See Adjusted EBITDA reconciliation to GAAP equivalent in this Appendix
Problem:

• A QualityAdvisor clinical opportunity assessment noted that the 308 bed urban hospital was not performing as well as expected in the care of sepsis patients.

Solution:

• Assemble a multi-disciplinary Sepsis task force led by a Premier Clinical Performance Partner (CPP)
• Develop a sepsis protocol for ED, a sepsis RRT program, a severe sepsis order set, a nursing screening tool for triaging patients (that later was developed into an auto screening tool pulling data from the EMR),

Success:

• Significant improvement in clinical outcomes.
• Sepsis mortality O/E dropped from 1.20 to 0.70 (a 42% decrease).
• Readmissions O/E dropped from 1.0 to 0.80 (a 20% decrease)
• Severe complications decreased by 40%.
• Additionally, 40% decrease in hospital acquired sepsis and overall increase in Sepsis Bundle compliance
Performance Services case study: Decreasing ICU cost of care & improving quality

Problem:

- Staff at a Level 1 Trauma Center with 4,000 ICU admissions annually were using several disparate systems to monitor and maintain ICU quality measures.

Solution:

- Collaboration between a Premier Clinical Partner and hospital to develop a system of metrics in QualityAdvisor to report on ICU parameters for the medical director to use to manage patient outcomes.

Success:

- ICU LOS decreased by 0.5 days
- Average hours on ventilator decreased by 20 hours per patient
- Complication O/E decreased by 20%
- Average cost of ICU care per patient decreased by over $700
<table>
<thead>
<tr>
<th>Service/Program</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>Operations Advisor annual subscription</td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quest Collaborative participation fee</td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Advisor annual subscription</td>
<td></td>
<td>✅</td>
<td></td>
</tr>
<tr>
<td>Labor program (consulting and product)</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>
<tr>
<td>Performance Services Pricing Drivers</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>-------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Small</strong> ($50K to $250K AAV)</td>
<td><strong>Medium</strong> ($250K to $1M AAV)</td>
<td><strong>Large</strong> ($1M+ AAV)</td>
<td></td>
</tr>
<tr>
<td>Operations Advisor annual subscription</td>
<td># of hospitals &amp; ambulatory locations, discharge &amp; patient visit volume</td>
<td>Fee per hospital depending on data sources &amp; availability</td>
<td></td>
</tr>
<tr>
<td>Quest Collaborative participation fee</td>
<td></td>
<td># of hospitals &amp; discharge volume, inclusion (or not) of regulatory reporting</td>
<td></td>
</tr>
<tr>
<td>Quality Advisory annual subscription</td>
<td></td>
<td># of hospitals &amp; ambulatory locations, discharge &amp; patient visit volume. # of departments/locations evaluating</td>
<td></td>
</tr>
<tr>
<td>Labor program (consulting and product)</td>
<td></td>
<td># of data sources, variation in use cases, data size (storage), number of users</td>
<td></td>
</tr>
<tr>
<td>PremierConnect Enterprise annual subscription</td>
<td></td>
<td>Data availability, # of hospitals/locations, area’s to evaluate (supply chain, clinical, operational)</td>
<td></td>
</tr>
<tr>
<td>Medicare Breakeven (consulting and product)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fiscal 2013 Non-GAAP reconciliations

### Pro Forma Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th>($ millions, FYE 6/30)</th>
<th>FY2013A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Net Income</strong></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>

### Segment Adjusted EBITDA

| ($ millions, FYE 6/30) | | |
|------------------------| | |
| **Supply Chain Services** | $326.6 |
| **Performance Services** | 56.5 |
| **Corporate (d)** | (69.1) |
| **Pro Forma Adjusted EBITDA** | $314.0 |
| Less: Depreciation & Amortization | (27.7) |
| Less: Amortization of Purchased Intangible Assets | (1.5) |
| Less: Strategic and Financial Restructuring Expenses (b) | (5.2) |
| Less: Equity in Net Income of Unconsolidated Affiliates | (12.0) |
| **Pro Forma Operating Income** | $267.7 |

### Adjusted Fully Distributed Net Income Reconciliation

<table>
<thead>
<tr>
<th>($ millions, FYE 6/30)</th>
<th>FY2013A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro Forma Net Income Attributable to PHSI</strong></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>

(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**

(Unaudited, in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reconciliation of Pro Forma Net Revenue to Net Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro Forma Net Revenue</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>
<tr>
<td><strong>Reconciliation of Pro Forma Adjusted EBITDA and Segment Adjusted EBITDA to Net Income and Operating Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</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><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>Depreciation and amortization</td>
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<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>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>Equity in net income of unconsolidated affiliates</td>
<td>(3,566)</td>
<td>(2,155)</td>
<td>(12,171)</td>
<td>(8,332)</td>
</tr>
<tr>
<td><strong>Pro forma adjustment for revenue share post-IPO</strong></td>
<td>69,525</td>
<td>70,393</td>
<td>198,465</td>
<td>203,253</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>$ 69,525</td>
<td>$ 99,966</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>Three Months Ended March 31,</th>
<th>Nine Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014*</td>
<td>2013</td>
</tr>
<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>—</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><strong>$47,807</strong></td>
<td><strong>$44,014</strong></td>
</tr>
</tbody>
</table>

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