Introduction

Jim Storey
Vice President, Investor Relations
Premier, Inc.

Introduction
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.
Welcome and Opening Remarks

Lee H. Perlman
President
Greater New York Hospital Association Ventures, Inc.

Welcome and Opening Remarks
Susan D. DeVore
President and Chief Executive Officer
Premier, Inc.

*Introduction and Overview of the Day*
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
Transforming healthcare from the inside

Our business at a glance

- **78%** owned by health systems
- Uniting approximately **3,000** hospitals – 59% of U.S. community hospitals – and **110,000** alternate sites of care
- **~$41 billion** in group purchasing volume
- Insights into **1 out of every 3** U.S. health system discharges
- **Integrated clinical, financial and operational data**

Note: Data as of March 31, 2014.
Key differentiators

- Unique customer alignment
- Data-driven, technology enabled
- Diversified growth engine
- Compelling financial profile
2014 Investor Day agenda

- 8:45  *Economic Outlook* presentation
- 9:00  *Economic Outlook* panel discussion
- 10:15 Break
- 10:30 Strategic overview & financial update
- 11:20 Operations discussion
- 12:20 Closing remarks
- 12:25 PremierConnect demonstration (Optional)
- 1:20 Lunch with management (Optional)
Economic Outlook
Panel Discussion
Healthcare trends

Which healthcare trends do you expect will have the greatest impact on your organization over the next year?

Source: Premier, Inc.’s spring 2014 Economic Outlook
Drivers of healthcare costs

What are the biggest drivers of costs in your health system?

- Labor costs
- Healthcare legislation/mandates
- HIT
- Unjustified variation in care
- Lack of clinical care coordination

Source: Premier, Inc.’s spring 2014 Economic Outlook
Areas of largest capital investments

In what area will your health system make its largest capital investment over the next year?

- HIT and telecommunications
- Infrastructure/construction
- Acquisition of clinical equipment (surgical, imaging, lab)
- Other

Source: Premier, Inc.'s spring 2014 Economic Outlook
Durral R. Gilbert
President, Supply Chain Services

Supply chain trends to watch
Factors with greatest impact on supply chain

Which of the following will have the greatest impact on your health system’s supply chain in the next year?

- Cost savings goals of the health system
- Reductions in overutilization/variation in care (waste) reduction
- Integrating the supply chain across the continuum of care

Source: Premier, Inc.’s spring 2014 Economic Outlook
Tactics to improve supply chain

Which two tactics are being used by your health system to most effectively improve your supply chain over the next 12 months?

- Increased physician-health system engagement across clinical and supply chain operations
- Supply chain integration to align with clinical care, revenue capture and IT across facility/health system
- Focus on waste management (e.g., resource utilization, as a means to reduce supply cost)

Source: Premier, Inc.’s spring 2014 Economic Outlook
What are the top two areas of resource dedication for supply chain improvement at your health system?

- Product standardization
- IT investments – EHR-specific
- Building relationships with physicians and clinicians
- Reducing costs for physician preference products
- Reducing costs for commodities products

Source: Premier, Inc.’s spring 2014 Economic Outlook
Healthcare executive panel

Moderated by:
Susan D. DeVore, President and Chief Executive Officer
Michael J. Alkire, Chief Operating Officer

Panelists:

Jeremy Boal, MD
EVP and Chief Medical Officer
The Mount Sinai Health System

Stephen L. Moore, MD
SVP and Chief Medical Officer
Catholic Health Initiatives

Terry D. Shaw
EVP, Chief Financial Officer
and Chief Operations Officer
Adventist Health System

Rebecca Sykes
SVP, Resource Management
and Chief Information Officer
Catholic Health Partners
Break until 10:30 am
Susan D. DeVore
President and Chief Executive Officer

Strategic Overview
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
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.
Enhanced value through integrated business solutions

## 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

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

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

### Single Platform
Unified sales/field

Note: Data as of March 31, 2014.
Enabling the information driven enterprise

Number of facilities installed and under contract as of 4/30/2014.
Reducing costs and improving quality of care

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
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.
KLAS recognizes **Premier among the highest performers in breadth of portfolio** with providers validating our functionality across four key areas of population management.
Attractive opportunities for capital deployment

Supply Chain Services

- Physician preference item (PPI) management
- Alternate site expansion
- Integrated pharmacy
- Supply chain analytics, workflow

Performance Services

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

Diverse and growing end markets to accelerate Premier’s growth
Michael J. Alkire
Chief Operating Officer

Diversified Growth Engine
Multiple levers drive long-term sustainable growth

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

Performance Services
- Member penetration performance services
- New product development

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

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
Member-driven co-development engine

Organic

- Quality Advisor™
- Operations Advisor®
- Premier Connect™
- PACT™
- QUEST®
- ASCEND®

Acquisitions

- CareScience (2007)
- Commcare Specialty Pharmacy (2010)
- S2S Global (2011)
- SymmedRx Healthcare Solutions (2013)
- Meddios (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
Significant cross-sell opportunities

Note: Numbers are as of March 31, 2014.
Growing from within our committed member channel

CASE STUDY

Single offering

GPO only

Multiple offerings

~$222M value to member

~$14M FY14 projected revenue to Premier
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
Craig McKasson
Chief Financial Officer

Compelling Financial Profile
Premier financial performance highlights

- **Attractive growth**
  - Consolidated double-digit net revenue and adjusted EBITDA 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 margins, but enhance adjusted EBITDA 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

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1 See Adjusted EBITDA reconciliation to GAAP equivalent in Appendix
Third-quarter financial highlights

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>Supply Chain Services</th>
<th>Performance Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue (millions)</strong></td>
<td><strong>Net revenue (millions)</strong></td>
<td><strong>Net revenue (millions)</strong></td>
</tr>
<tr>
<td>Q3'13</td>
<td>$194.1</td>
<td>$142.3</td>
</tr>
<tr>
<td>Q3'14</td>
<td>$225.6</td>
<td>$167.0</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (millions)</strong></td>
<td><strong>Adjusted EBITDA (millions)</strong></td>
<td><strong>Adjusted EBITDA (millions)</strong></td>
</tr>
<tr>
<td>Q3'13</td>
<td>$81.2</td>
<td>$82.8</td>
</tr>
<tr>
<td>Q3'14</td>
<td>$91.3</td>
<td>$91.5</td>
</tr>
</tbody>
</table>

(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.
Year-to-date nine-month financial highlights¹

### Consolidated

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

**Adjusted EBITDA (millions)**
- Q3'13: $235.9
- Q3'14: $257.8

### Supply Chain Services

**Net revenue (millions)**
- Q3'13: $412.9
- Q3'14: $464.1

**Adjusted EBITDA (millions)**
- Q3'13: $244.4
- Q3'14: $260.8

### Performance Services

**Net revenue (millions)**
- Q3'13: $51.8
- Q3'14: $169.8

**Adjusted EBITDA (millions)**
- Q3'13: $42.1
- Q3'14: $54.4

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(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.
### Fiscal 2014 annual guidance

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro forma net revenue:</strong></td>
<td></td>
<td></td>
</tr>
<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><strong>Total pro forma net revenue</strong></td>
<td><strong>$859 - $869</strong></td>
<td><strong>12% - 14%</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP pro forma adjusted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$342 - $350</td>
<td>9 - 11%</td>
</tr>
<tr>
<td><strong>Non-GAAP pro forma adjusted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fully distributed EPS</td>
<td>$1.23 - $1.27</td>
<td>NA*</td>
</tr>
</tbody>
</table>

* Not applicable

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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.
## Our multiple business and growth drivers\(^1\)

<table>
<thead>
<tr>
<th>Business</th>
<th>Revenue Drivers</th>
<th>FY 11-13 CAGR</th>
<th>Long-term growth targets(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain</td>
<td>• Administrative fees paid by suppliers</td>
<td><strong>Net Revenue</strong> 13%</td>
<td>Net Revenue Double digit</td>
</tr>
<tr>
<td></td>
<td>• Drug reimbursement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Product sales of contract manufactured items</td>
<td><strong>Segment Adjusted EBITDA</strong> 8%</td>
<td></td>
</tr>
<tr>
<td>Performance Services</td>
<td>• SaaS subscriptions</td>
<td><strong>Net Revenue</strong> 14%</td>
<td>Net Revenue Double digit</td>
</tr>
<tr>
<td></td>
<td>• Fee-for-service</td>
<td><strong>Segment Adjusted EBITDA</strong> 22%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee-for-service</td>
<td>• SaaS subscriptions</td>
<td></td>
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<tr>
<td></td>
<td>• SaaS subscriptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SaaS subscriptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>• Significant stickiness</td>
<td><strong>Net Revenue</strong> 13%</td>
<td>Net Revenue Double digit</td>
</tr>
<tr>
<td></td>
<td>• Strong visibility across diverse revenue streams</td>
<td><strong>Adjusted EBITDA</strong> 10%</td>
<td></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\(^1\) 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

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\(^1\) 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>
<tr>
<td>Net Revenue</td>
<td>500,000</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td>200,000</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>300,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>140,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>160,000</td>
</tr>
<tr>
<td>Net Income Attributable to NCI in Premier LP</td>
<td>(124,800) A</td>
</tr>
<tr>
<td>Pre-Tax Income Attributable to Premier Inc.</td>
<td>35,200 B</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>14,080 B</td>
</tr>
<tr>
<td>Net Income Attributable to Premier, Inc.</td>
<td>21,120 B</td>
</tr>
</tbody>
</table>

#### Income Retained in Business

| Net Income Attributable to Premier, Inc. | 21,120 |
| Net Income Attributable to NCI in Premier LP | 124,800 C |
| Tax Distribution to Premier LP Limited Partners | (49,920) C |
| Net Income Retained in Business | 96,000 D |

#### Adjusted Fully Distributed Net Income

| Net Income Attributable to Premier, Inc. | 21,120 |
| Income Tax Expense | 14,080 |
| Net Income Attributable to NCI in Premier LP | 124,800 |
| Fully Distributed Income Before Income Taxes | 160,000 |
| Adjusted for income tax expense on fully distributed net income before income taxes | 64,000 E |
| Adjusted Fully Distributed Net Income | 96,000 D |

#### Income Taxes/Tax Distributions

| Income Tax Expense | 14,080 |
| Tax Distribution to Class B Limited Partners | 49,920 |
| Total Tax, including tax distribution to limited partners | 64,000 F |

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A. Member owners allocated income in operating partnership based on percentage ownership

B. Income tax expense equals 40% of income attributable to Premier, Inc.

C. Member owners receive tax distribution to cover any tax liability on allocated income have converted to Class A

D. Amount of retained profitability in business equal regardless of ownership structure

E. Reflects 41% tax rate on 100% of pretax income (assumes full C-Corp tax treatment)

F. Amount paid for taxes equal regardless of structure

---

See Adjusted EBITDA and Adjusted Fully Distributed Net Income reconciliations to GAAP equivalents in Appendix
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
Future financing plans

- Anticipate replacing and upsizing current credit facility (expires 12/2014) with syndicated credit facility

- Preferable terms:
  - 5-year term
  - Favorable pricing
  - Similar or improved covenant package to match our business strategy

- Prudent use of leverage in our liquidity mix

- Expected to provide additional financial flexibility for future acquisitions

For information regarding the use and limitations of forward-looking statements, see “Forward-looking statements and Non-GAAP financial measures” at the front of this presentation and similar discussions in our SEC filings. There can be no assurances as the actual terms, timing or uses of any new or amended credit facility.
An integrated operating model for delivering solutions

- **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

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Collaboratives
- ASCEND®
- QUEST®
- PACT™

Information Technology (SaaS Solutions)
- SPENDADVISOR®
- OPERATIONSADVISOR®
- QUALITYADVISOR™
- SAFETYADVISOR®
- QUALITYADVISOR™
- PHYSICIANFOCUS™
- POPULATIONFOCUS™
- CAREFOCUS™

Premier Connect Platform
Operations discussion

Moderated by:
Michael J. Alkire, Chief Operating Officer

Michael J. Alkire
Chief Operating Officer
Premier, Inc.

Durral R. Gilbert
President, Supply Chain Services
Premier, Inc.

Keith J. Figlioli
SVP, Healthcare Informatics
Premier, Inc.

Wes Champion
SVP, Premier Performance Partners
Premier, Inc.
Meeting our members where they are

and preparing them for the future

Foundation: Leading Practice Models
- Labor Management Program
- Pricing and Benchmarking
- System Infrastructure / Reporting
- Service Line Profitability

Strategic
- Delivery Model
- Service Alignment
- Shared Services/Outsourcing
- Population Health

Evolution: Improvement
- Redefining Care Management
- Removing Waste and Unjustified Variability
- Improved Efficiencies and Effectiveness
- Succeeding Under Value Based Purchasing

8-12%  

13-20%  

21-35%
Drilling into unjustified variation and waste

Variation from optimal deployment can cause significant waste

Over or improper use

- Duration of care (LOS)
- Level of care (LOC)
- Procedural intervention
- Diagnostic intervention
- Rx intervention
- Supply utilization

Under or improper use

Major Areas for Review
- Optimizing the Supply Chain:
  - Resource Utilization
  - Pharmacy
  - Physician Preference Items
  - Purchase Services
- Throughput (LOS/LOC)
- Labor Management

Services to Analyze
- Inpatient services
- Ancillary/Outpatient services
- Procedural areas

Data Required
- Clinical
- Operational
- Financial
Supply Chain Services: delivering market differentiation

Changing the game in supply chain

GPO enhancement

ASCEND / QUEST
Improved supply expense performance
Clinical & physician preference solution
Expanded cost reduction

ASCEND / PACT
Non-acute expansion
Formulary development
Integrated pharmacy

Transformation of supply chain
Technology enablement
Supply chain outsourcing/shared services
Interim management, staff management, full outsourcing

ASCEND
PREMIER SPEND CONTROL™
S2S GLOBAL
COMMERCIAL SPECIALTY PHARMACY
PREMIER PBM

54
Enabling the information driven enterprise

Number of facilities installed and under contract as of 4/30/2014.
Key differentiators

- Unique customer alignment
- Data-driven, technology enabled
- Diversified growth engine
- Compelling financial profile
Thank You
Appendix
## Our leadership team

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Years Premier</th>
<th>Years Healthcare</th>
<th>Previous Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan DeVore, President and <strong>CEO</strong></td>
<td>10 years Premier; 25 years Healthcare</td>
<td>Cap Gemini Ernst &amp; Young</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Craig McKasson, <strong>CFO</strong></td>
<td>16 years Premier; 20 years Healthcare</td>
<td>Ernst &amp; Young</td>
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</tr>
<tr>
<td>Jeff Lemkin, <strong>General Counsel</strong></td>
<td>3 years Premier; 40+ years Healthcare</td>
<td>McDermott Will &amp; Emery</td>
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</tr>
<tr>
<td>Terry Linn, <strong>SVP Strategy</strong></td>
<td>3 years Premier; 30+ years Healthcare</td>
<td>Ernst &amp; Young, American Medical International, Charter Medical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kelli Price, <strong>SVP People</strong></td>
<td>13 years Premier; 15 years Healthcare</td>
<td>Malcolm Baldrige National Quality Award</td>
<td></td>
<td></td>
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<tr>
<td>Blair Childs, <strong>SVP Advocacy</strong></td>
<td>6 years Premier; 25 years Healthcare</td>
<td>AdvaMed</td>
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<tr>
<td>Richard Bankowitz, <strong>CMO/Chief Scientist</strong></td>
<td>6 years Premier; 25 years Healthcare</td>
<td>CareScience, University HealthSystem Consortium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Alkire, <strong>COO</strong></td>
<td>10 years Premier; 12 years Healthcare, 16 years IT &amp; Supply Chain</td>
<td>Cap Gemini Ernst &amp; Young</td>
<td></td>
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</tr>
<tr>
<td>Durrall Gilbert, <strong>President, Supply Chain Services</strong></td>
<td>7 years Premier; 7 years Healthcare</td>
<td>BDS Management, Wachovia Securities</td>
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<tr>
<td>Wes Champion, <strong>SVP, Performance Partners</strong></td>
<td>6 years Premier; 22 years Healthcare</td>
<td>Cap Gemini Ernst &amp; Young, Accenture</td>
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</tr>
<tr>
<td>Keith Figlioli, <strong>SVP, Informatics</strong></td>
<td>4 years Premier; 10 years HIT, 20 years Technology Eclipsys (acquired by Allscripts)</td>
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<tr>
<td>Andy Brailo, <strong>SVP, Member Field Services</strong></td>
<td>12 years Premier; 20 years Healthcare</td>
<td>Medibuy, Bard</td>
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<tr>
<td>Gary Long, <strong>SVP, Chief of Sales</strong></td>
<td>&lt;1 year Premier; 20 years Healthcare</td>
<td>McKesson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chip Cater, <strong>SVP, Chief Marketing Officer</strong></td>
<td>&lt;1 year Premier; 26 years Sales &amp; Marketing</td>
<td>Thomson Reuters</td>
<td></td>
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</tr>
<tr>
<td>Service Description</td>
<td>Small ($50K to $250K AAV)</td>
<td>Medium ($250K to $1M AAV)</td>
<td>Large ($1M+ AAV)</td>
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</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>Operations Advisor annual subscription</td>
<td>![Checkmark]</td>
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<tr>
<td>Quest Collaborative participation fee</td>
<td>![Checkmark]</td>
<td>![Checkmark]</td>
<td></td>
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<tr>
<td>Quality Advisor annual subscription</td>
<td>![Checkmark]</td>
<td>![Checkmark]</td>
<td></td>
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</tr>
<tr>
<td>Labor program (consulting and product)</td>
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<td>PremierConnect Enterprise annual subscription</td>
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<td></td>
</tr>
<tr>
<td>Medicare Breakeven (consulting and product)</td>
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<td>![Checkmark]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Services pricing drivers</td>
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<td></td>
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<td></td>
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<tr>
<td>--------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OperationsAdvisor annual subscription</strong></td>
<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># of hospitals &amp; ambulatory locations, discharge &amp; patient visit volume</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quest Collaborative participation fee</strong></td>
<td>Fee per hospital depending on data sources &amp; availability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>QualityAdvisor annual subscription</strong></td>
<td># of hospitals &amp; discharge volume, inclusion (or not) of regulatory reporting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labor program (consulting and product)</strong></td>
<td># of hospitals &amp; ambulatory locations, discharge &amp; patient visit volume. # of departments/locations evaluating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PremierConnect Enterprise annual subscription</strong></td>
<td></td>
<td># of data sources, variation in use cases, data size (storage), number of users</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Medicare Breakeven (consulting and product)</strong></td>
<td></td>
<td>Data availability, # of hospitals/locations, areas to evaluate (supply chain, clinical, operational)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fiscal 2013 non-GAAP reconciliations

### Pro Forma Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2013A ($ millions)</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><strong>$308.1</strong></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><strong>$314.0</strong></td>
</tr>
</tbody>
</table>

### Pro Forma Adjusted Fully Distributed Net Income Reconciliation

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2013A ($ millions)</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><strong>$286.4</strong></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><strong>$169.6</strong></td>
</tr>
</tbody>
</table>

### Segment Adjusted EBITDA

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2013A ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain Services</td>
<td>$326.6</td>
</tr>
<tr>
<td>Performance Services</td>
<td>56.5</td>
</tr>
<tr>
<td>Corporate (d)</td>
<td>(69.1)</td>
</tr>
<tr>
<td><strong>Pro Forma Adjusted EBITDA</strong></td>
<td><strong>$314.0</strong></td>
</tr>
</tbody>
</table>

### Pro Forma Operating Income

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2013A ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Depreciation &amp; Amortization</td>
<td>(27.7)</td>
</tr>
<tr>
<td>Less: Amortization of Purchased Intangible Assets</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Less: Strategic and Financial Restructuring Expenses (b)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Less: Equity in Net Income of Unconsolidated Affiliates</td>
<td>(12.0)</td>
</tr>
<tr>
<td><strong>Pro Forma Operating Income</strong></td>
<td><strong>$267.7</strong></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**

<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>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>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>—</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*
## Fiscal 2014 third-quarter non-GAAP reconciliations

### (Unaudited, in thousands)

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

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