PREMIER

Fourth-Quarter and Fiscal Year 2016 Financial Results and Update

August 22, 2016

Forward-looking statements and Non-GAAP financial measures

Forward-looking statements — Certain statements included in this presentation, including, but not limited to, those related to our financial and business outlook, strategy and growth drivers, member retention and renewal rates and revenue visibility, cross and upsell opportunities, acquisition activities and pipeline (including completion of the proposed acquisition of Acro Pharmaceutical Services, LLC and its expected financial contribution), revenue available under contract, 2017 financial guidance and related assumptions, and target growth rate are “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results of Premier to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. Accordingly, readers should not place undue reliance on any forward looking statements. Readers are urged to consider statements in the conditional or future tenses or that include terms such as “believes,” “belief,” “expects,” “estimates,” “intends,” “anticipates” or “plans” to be uncertain and forward-looking. Forward-looking statements may include comments as to Premier’s beliefs and expectations as to future events and trends affecting its business and are necessarily subject to uncertainties, many of which are outside Premier’s control. You should carefully read Premier’s current and future filings with the SEC for more information on potential risks and other factors that could affect Premier’s financial results. Forward-looking statements speak only as of the date they are made. Premier undertakes no obligation to publicly update or revise any forward-looking statements.

Non-GAAP financial measures — This presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934. Schedules are attached that reconcile the non-GAAP financial measures included in this presentation to the most directly comparable financial measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States. You should carefully read Premier’s current and future filings with the SEC for definitions and further explanation and disclosure regarding our use of non-GAAP financial measures and such filings should be read in conjunction with this presentation.

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Overview and Business Update

Susan DeVore
President & CEO

Fiscal 2016 financial highlights

Strong performance with 15% growth in total net revenue to $1.16 billion

Supply chain services revenue increased 12% to $829.4 million

Performance services revenue increased 24% to $333.2 million

Non-GAAP adjusted EBITDA* increased 12% to $441.0 million

Non-GAAP adjusted fully distributed earnings per share* increased 12% to $1.61

Non-GAAP free cash flow* of $191 million represented 43% of non-GAAP adjusted EBITDA

*See non-GAAP Adjusted EBITDA, non-GAAP Adjusted Fully Distributed Earnings Per Share and non-GAAP Free Cash Flow reconciliations to GAAP equivalents in Appendix.

Fiscal 2016 operating highlights

- Expanded our member base, finishing the year serving ~3,750 hospitals and more than 130,000 other provider organizations
- Achieved 97% GPO retention rate and 92% SaaS institutional renewal rate
- Supply chain spend through GPO increased 9% to more than $48 billion
- Developing and launching new integrated offerings spanning acute and ambulatory continuum
- Continued to pursue integrated pharmacy strategy through agreement to acquire Acro*
- Successful integration of CECity, Healthcare Insights and InflowHealth acquisitions

*No assurance can be made regarding the actual timing of, or financial contributions from, this pending acquisition.

Continuing our momentum into fiscal 2017

- **Targeting year-over-year double-digit revenue, non-GAAP adjusted EBITDA and non-GAAP adjusted fully distributed earnings per share increases**
  - » Provider-centric model focused on serving our members
  - » Developing solutions in close collaboration with members
  - » Positioned to deliver long-term value to stockholders

Provider-centric and co-innovative alignment drives demand for and accelerated roll-out of our solutions

What does the future of healthcare look like?

PREMIER

Operations Update

Michael Alkire
Chief Operating Officer

FY 2016 fourth-quarter new and expanded relationships

- **Bon Secours** partnership with Premier delivers $58 million in savings over 3-year period, also reducing mortality and generating additional advisory services opportunity.

- **Banner Health** expands partnership to include an extension of the group purchasing agreement to 2020, population health advisory services, and the addition of our new PremierConnect Supply Chain analytics and PremierConnect Quality offerings.

- **Jefferson Health Enterprise** chooses Premier to provide primary group purchasing services after a merger of three health systems and a comprehensive review of service providers.

- **Partnership** with a major pharmaceutical company to work alongside providers to develop and assess allergic-reaction solutions that promote appropriate, high quality care to improve outcomes for specific populations of at-risk patients across the continuum.

What trends are shaping the future of healthcare?

MACRA

- Will fundamentally change way physicians are reimbursed
- Based on quality improvement metrics set to begin in 2017

Medicare bundled payments

- Programs for joint replacement, oncology and cardiac-care
- 30% of Medicare payments now tied to alternative payment models
- Focus remains on achieving 50% of Medicare payments based on value by 2018

Consumer-driven healthcare

- New 5-star hospital rating system launched last month by CMS

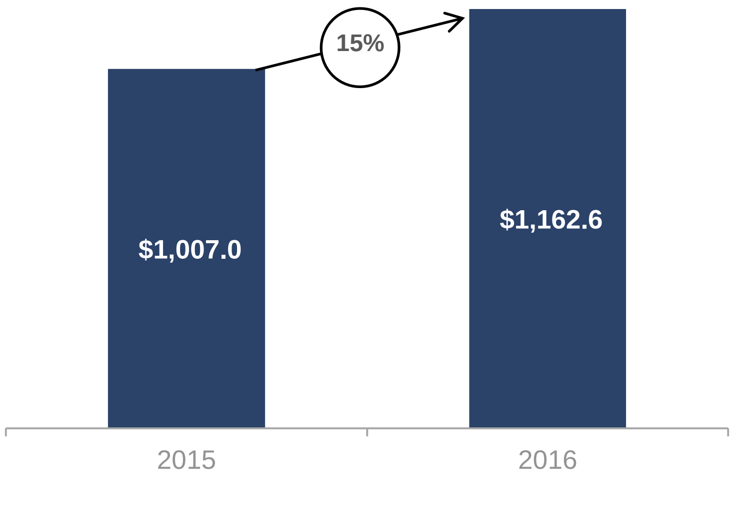
Financial Review

Craig McKasson
Chief Financial Officer

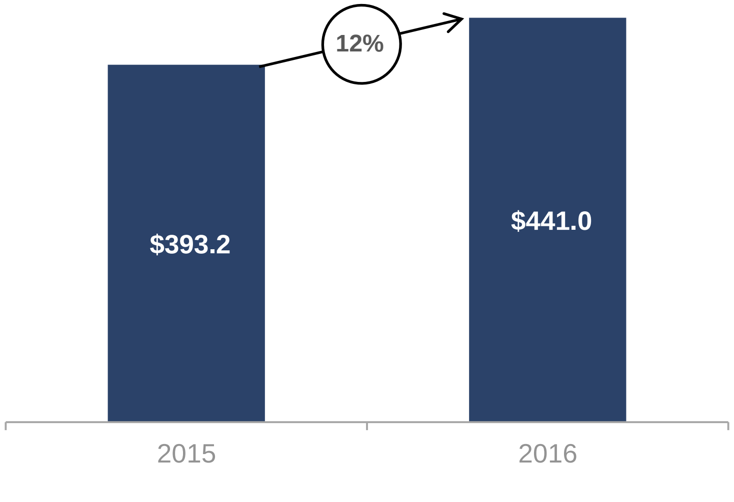
Fiscal 2016 consolidated highlights

Non-GAAP*

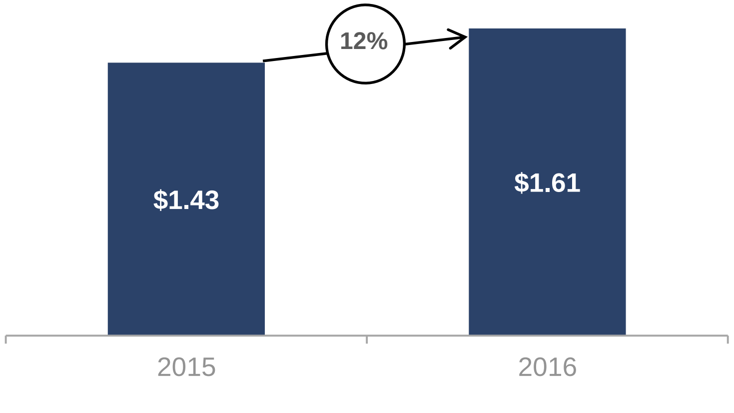
Net revenue
(in millions)



Adjusted EBITDA
(in millions)



Adjusted Fully Distributed EPS
(in millions)



*See non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA reconciliations to GAAP equivalents in Appendix.

FY 2016 fourth-quarter consolidated and segment highlights

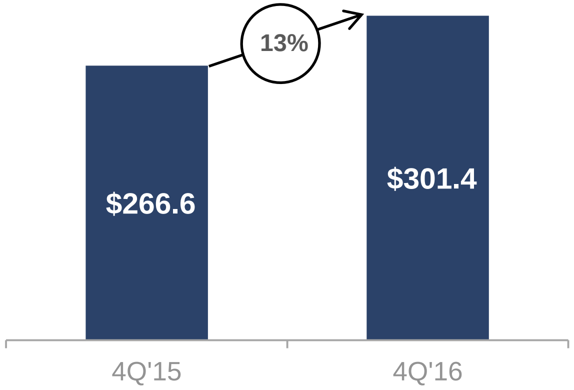
Consolidated

Supply Chain Services

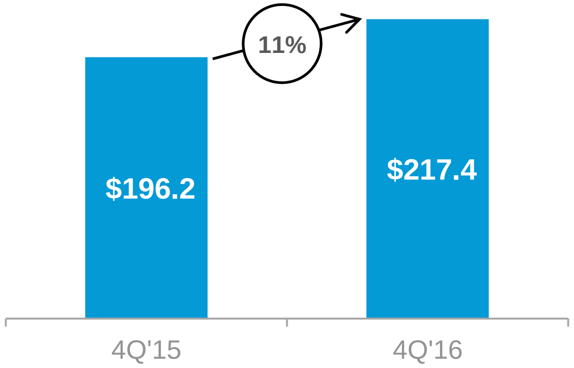
Performance Services

GAAP

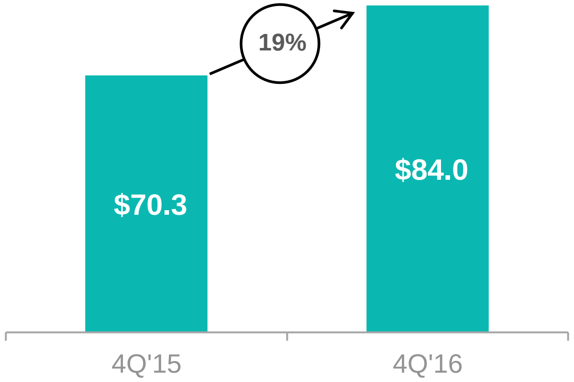
Net revenue ***(in millions)***



Net revenue ***(in millions)***

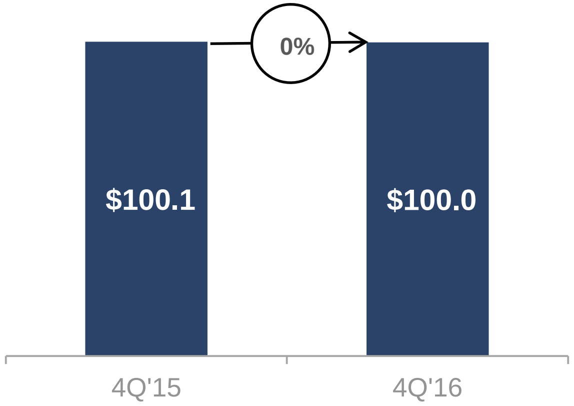


Net revenue ***(in millions)***

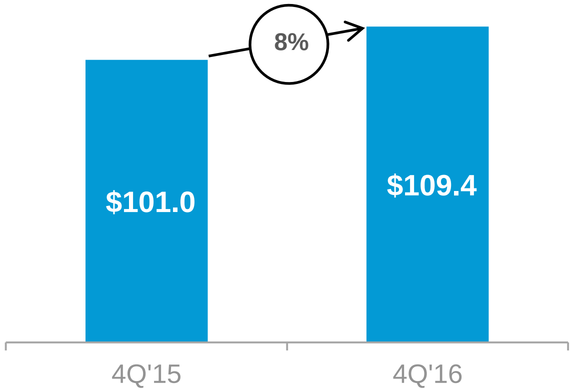


NON-GAAP*

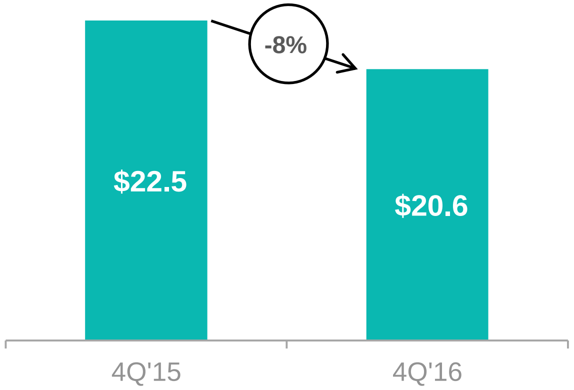
Adjusted EBITDA ***(in millions)***



Adjusted EBITDA ***(in millions)***

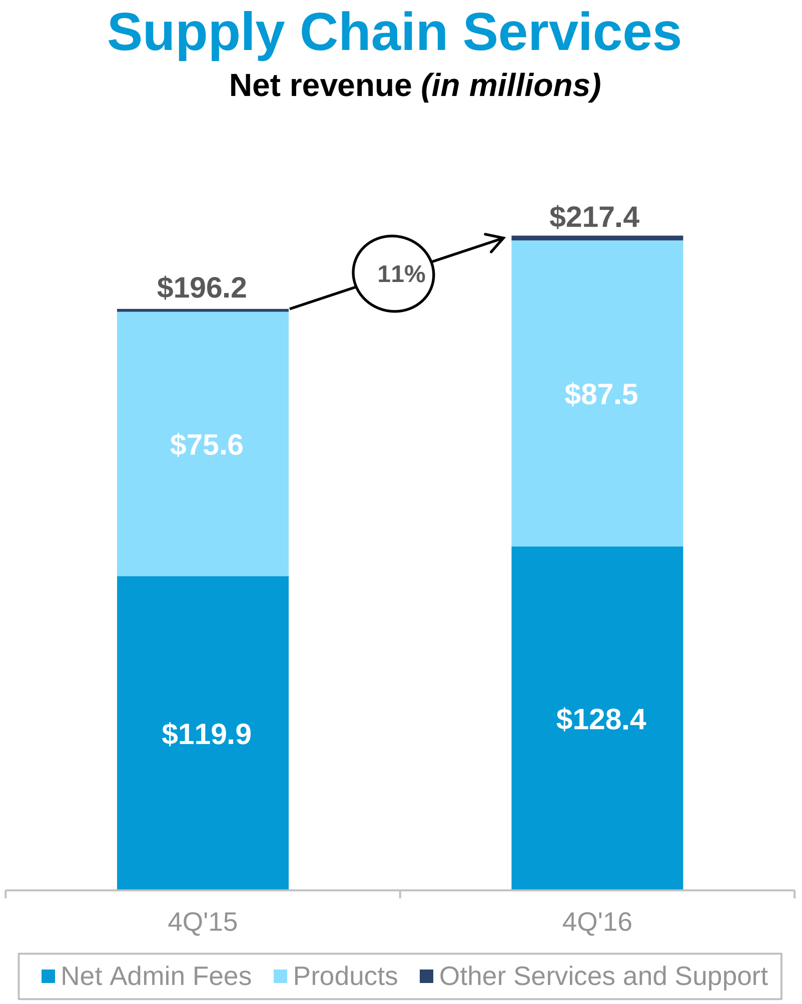


Adjusted EBITDA ***(in millions)***



*See non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA reconciliations to GAAP equivalents in Appendix.

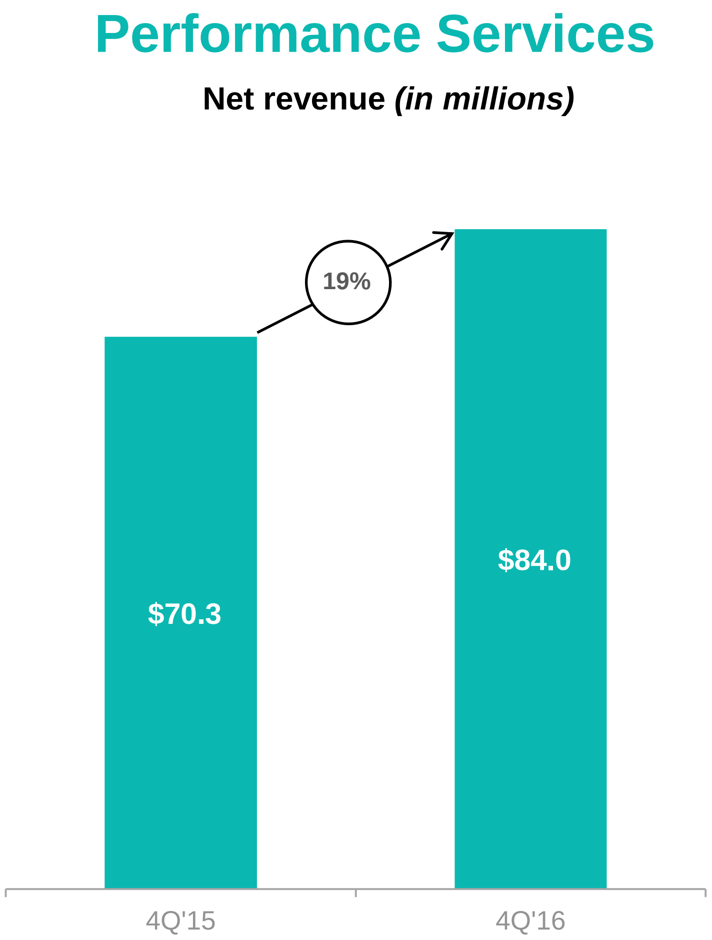
FY 2016 fourth-quarter Supply Chain Services Revenue



Supply Chain Services revenue increased 11%

- **GPO net admin fees revenue increased 7%**
  - Ongoing penetration in both acute and alternate site members
  - Conversion of newer members to our contracts
  - Supported by backdrop of stable patient utilization trends
- **Products revenue increased 16%**
  - Continued to benefit from ongoing expansion of member support

FY 2016 fourth-quarter Performance Services revenue

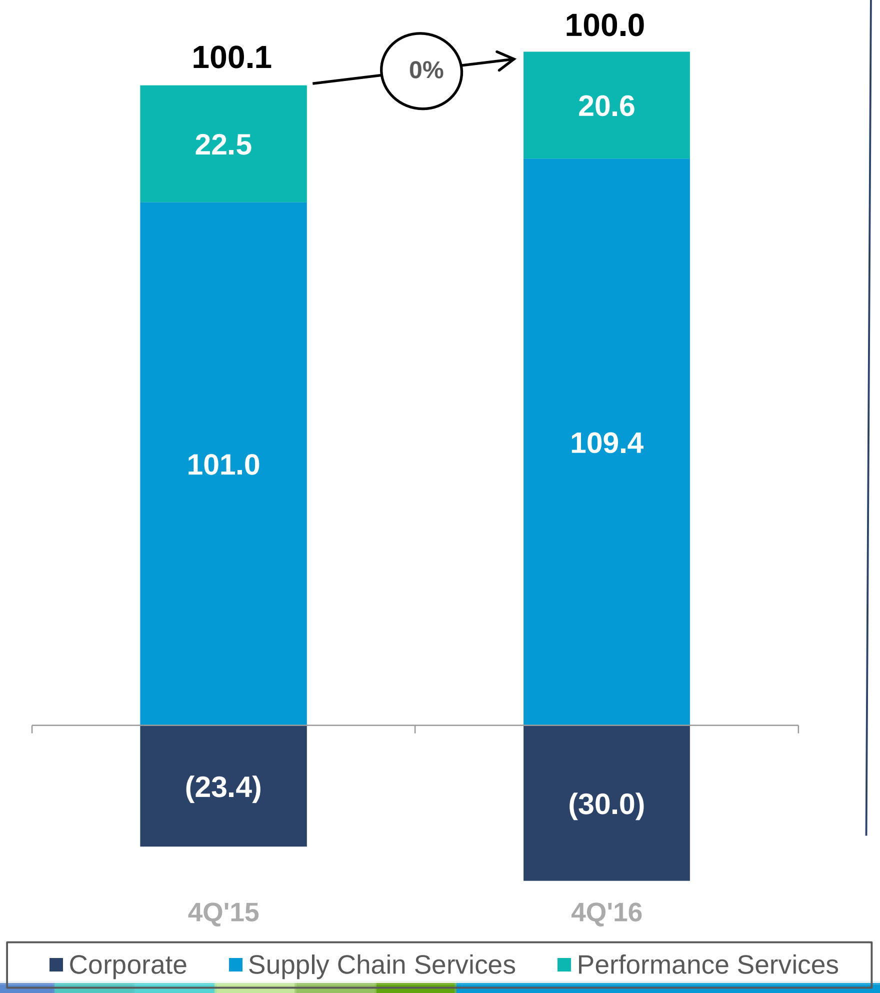


Performance Services revenue increased 19%

» Driven by revenue contributions from our acquisitions, as well as from our SaaS-based subscription and license revenue, and advisory services revenues

FY 2016 fourth-quarter non-GAAP adjusted EBITDA*

Adjusted EBITDA *($millions)*



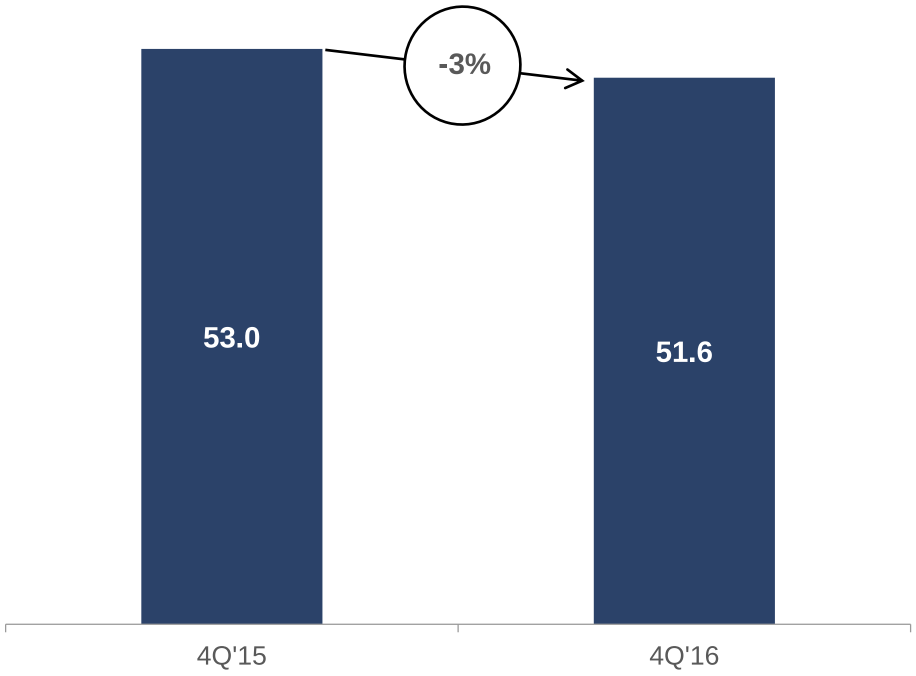
Consolidated adjusted EBITDA remained relatively flat

- **Supply Chain Services adjusted EBITDA increased 8%**
  - Strong net admin fee revenue growth
- **Performance Services adjusted EBITDA decreased 8%**
  - One-time severance costs associated with certain personnel changes which occurred late in the fourth quarter
- **Corporate**
  - Data center co-location and security investments
  - Corporate infrastructure (finance, legal, etc.) due to acquisitions and growth

*See non-GAAP Adjusted EBITDA and non-GAAP Segment Adjusted EBITDA reconciliations to GAAP equivalents in Appendix.

FY 2016 fourth-quarter non-GAAP adjusted fully distributed net income*

(in millions, except per share data)



Non-GAAP earnings per share on adjusted fully distributed net income – diluted	
$0.36	$0.36

- **Calculates income taxes at 40% on pre-tax income, assuming taxable C corporate structure**
- **Calculates adjusted fully distributed earnings per share, assuming total Class A and B common shares held by public**

* See non-GAAP adjusted fully distributed net income and non-GAAP earnings per share on fully distributed net income reconciliations to GAAP equivalents in Appendix

Cash flow and capital flexibility at June 30, 2016

PREMIER

- Fiscal 2016 cash flow from operations of $371.5 million
- Fiscal 2016 non-GAAP free cash flow* of $191.0 million representing 43% of non-GAAP adjusted EBITDA
- Cash, cash equivalents & marketable securities of $296.7 million
- No outstanding borrowings on $750 million five-year unsecured revolving credit facility

CONSIDERABLE CASH AND DEBT CAPACITY AVAILABLE

AMPLE CAPITAL FLEXIBILITY FOR FUTURE ACQUISITIONS AND BUSINESS GROWTH

*Company defines free cash flow as cash provided by operating activities less distributions to limited partners, tax receivable agreement payments to limited partners and purchases of property and equipment. See non-GAAP free cash flow reconciliation to GAAP equivalent in Appendix.

Fiscal 2017 annual guidance *(for year ending June 30, 2017)*

(in millions, except per share data)	FY 2017	% YoY Increase
Net Revenue:		
Supply Chain Services segment	$1,096.0 - $1,140.0	32% - 37%
Performance Services segment	$355.0 - $375.0	7% - 13%
Total Net Revenue	$1,451.0 - $1,515.0	25% - 30%
Non-GAAP adjusted EBITDA	$475.0 - $500.0	8% - 13%
Non-GAAP adjusted fully distributed EPS	$1.71 - $1.82	6% - 13%

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

- Reasonable guidance cannot be provided for reconciling the adjustment of redeemable limited partners' capital to redemption amount – historically the largest adjustment in the reconciliation from non-GAAP to GAAP amounts – due to the fact that the increase or decrease in this item is based on the change in the company's stock price between quarters, which the company cannot predict, control or reasonably estimate.
- Reasonable guidance cannot be provided for earnings per share attributable to stockholders because the ongoing quarterly member-owner exchange of Class B common stock and corresponding Class B units into shares of Class A common stock impacts the number of shares of Class A common stock outstanding each quarter, which the company cannot predict, control or reasonably estimate. Member owners have the right, but not the obligation, to exchange shares on a quarterly basis.

Fiscal 2017 annual guidance *(for year ending June 30, 2017)*

Key Assumptions

Supply Chain Services assumptions:

» Mid-single-digit net administrative fee revenue growth
» Continued high GPO retention rates
» Includes $200-220 million revenue impact from the pending acquisition of Acro within the next month*
» 15-20% products revenue growth; excluding Acro

Performance Services assumptions:

» Continued demand for integrated offerings of SaaS-based subscription and licensed products, advisory services and collaboratives
» Continuation of high SaaS institutional renewal rates
» Contributions from integrated acquisitions made in fiscal 2016

*No assurance can be made regarding the actual timing of, or financial contributions from, this pending acquisition.

Additional fiscal 2017 guidance assumptions

- **Capital expenditures of ~$70 million for the year**
- **2017 adjusted EBITDA margin from existing business of 37-38% will become approximately 32-33% of net revenue, including Acro Pharmaceutical Services***
- **Effective tax rate of 40%**

*No assurance can be made regarding the actual timing of, or financial contributions from, this pending acquisition.

Exchange update

- **On July 31, 2016, approximately 1.3 million Class B units were exchanged for Class A common shares on 1-for-1 basis; equal number of Class B common shares retired**

- **The upcoming October 31, 2016 exchange process is underway**
  - » Maximum of 5.1 million shares indicated for exchange
  - » Indicated shares remain subject to retraction and purchase by other member owners under right-of-first-refusal process

Questions

Appendix

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Reconciliation of Net Income to Adjusted EBITDA and Reconciliation of Segment Adjusted EBITDA to Income Before Income Taxes:				
Net income	$ 50,356	$ 32,061	$ 235,161	$ 234,785
Interest and investment income (loss), net	40	(349)	1,021	(866)
Income tax expense	8,464	24,235	49,721	36,342
Depreciation and amortization	13,928	12,079	51,102	45,186
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
EBITDA	81,784	70,564	370,059	324,583
Stock-based compensation [(a)]	11,988	7,369	49,081	28,498
Acquisition related expenses	4,105	2,629	15,804	9,037
Strategic and financial restructuring expenses	—	92	268	1,373
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
ERP implementation expenses	1,630	—	4,870	—
Acquisition related adjustment - deferred revenue	408	4,147	5,624	13,371
Loss on disposal of long-lived assets	—	15,243	—	15,243
Other expense, net	79	60	87	70
Adjusted EBITDA	$ 99,994	$ 100,104	$ 440,975	$ 393,175

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Segment Adjusted EBITDA:				
Supply Chain Services	$ 109,371	$ 100,970	$ 439,013	$ 391,180
Performance Services	20,629	22,518	110,787	90,235
Corporate	(30,006)	(23,384)	(108,825)	(88,240)
Adjusted EBITDA	$ 99,994	$ 100,104	$ 440,975	$ 393,175
Depreciation and amortization	(13,928)	(12,079)	(51,102)	(45,186)
Amortization of purchased intangible assets	(8,996)	(2,538)	(33,054)	(9,136)
Stock-based compensation [(a)]	(11,988)	(7,369)	(49,081)	(28,498)
Acquisition related expenses	(4,105)	(2,629)	(15,804)	(9,037)
Strategic and financial restructuring expenses	—	(92)	(268)	(1,373)
Adjustment to tax receivable agreement liability	—	—	4,818	—
ERP implementation expenses	(1,630)	—	(4,870)	—
Acquisition related adjustment - deferred revenue	(408)	(4,147)	(5,624)	(13,371)
Equity in net income of unconsolidated affiliates	(5,645)	(6,473)	(21,647)	(21,285)
Deferred compensation plan income (expense)	(468)	544	1,605	753
Operating income	**$ 52,826**	**$ 65,321**	**$ 265,948**	**$ 266,042**
Equity in net income of unconsolidated affiliates	5,645	6,473	21,647	21,285
Interest and investment income (loss), net	(40)	349	(1,021)	866
Loss on investment	—	—	—	(1,000)
Loss on disposal of long-lived assets	—	(15,243)	—	(15,243)
Other income (expense), net	389	(604)	(1,692)	(823)
Income before income taxes	**$ 58,820**	**$ 56,296**	**$ 284,882**	**$ 271,127**

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Adjusted EBITDA
and Non-GAAP Adjusted Fully Distributed Net Income
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Twelve Months Ended June 30, 2016	Twelve Months Ended June 30, 2015
Reconciliation of Net Income (Loss) Attributable to Stockholders to Non-GAAP Adjusted Fully Distributed Net Income:				
Net income (loss) attributable to stockholders	$ 101,645	$ (84,076)	$ 818,364	$ (865,292)
Adjustment of redeemable partners' capital to redemption amount	(91,101)	92,066	(776,750)	904,035
Income tax expense	8,464	24,235	49,721	36,342
Stock-based compensation [a]	11,988	7,369	49,081	28,498
Acquisition related expenses	4,105	2,629	15,804	9,037
Strategic and financial restructuring expenses	—	92	268	1,373
ERP implementation expenses	1,630	—	4,870	—
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
Acquisition related adjustment - deferred revenue	408	4,147	5,624	13,371
Loss on disposal of long-lived assets	—	15,243	—	15,243
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
Net income attributable to non-controlling interest in Premier LP	39,812	24,071	193,547	194,206
Non-GAAP adjusted fully distributed income before income taxes	85,947	88,314	388,765	346,949
Income tax expense on fully distributed income before income taxes	34,379	35,326	155,506	138,780
Non-GAAP Adjusted Fully Distributed Net Income	**$ 51,568**	**$ 52,988**	**$ 233,259**	**$ 208,169**

(a) Represents non-cash employee stock-based compensation expense, and $0.1 million and $0.4 million stock purchase plan expense in the three and twelve months ended June 30, 2016, respectively.

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Non-GAAP Free Cash Flow
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Reconciliation of Net Cash Provided by Operating Activities to Non-GAAP Free Cash Flow:				
Net cash provided by operating activities	$ 100,533	$ 108,483	$ 371,470	$ 364,058
Purchases of property and equipment	(22,306)	(19,670)	(76,990)	(70,734)
Distributions to limited partners of Premier LP	(24,742)	(23,412)	(92,707)	(92,212)
Payments to limited partners under tax receivable agreements	(10,805)	(11,499)	(10,805)	(11,499)
Non-GAAP Free Cash Flow	$ 42,680	$ 53,902	$ 190,968	$ 189,613

Fiscal 2016 and fiscal 2015 non-GAAP reconciliations

Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Reconciliation of numerator for GAAP EPS to Non-GAAP EPS on Adjusted Fully Distributed Net Income				
Net income (loss) attributable to stockholders	$ 101,645	$ (84,076)	$ 818,364	$ (865,292)
Adjustment of redeemable limited partners' capital to redemption amount	(91,101)	92,066	(776,750)	904,035
Income tax expense	8,464	24,235	49,721	36,342
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Acquisition related expenses	4,105	2,629	15,804	9,037
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ERP implementation expenses	1,630	—	4,870	—
Adjustment to tax receivable agreement liability	—	—	(4,818)	—
Loss on investment	—	—	—	1,000
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Loss on disposal of long-lived assets	—	15,243	—	15,243
Amortization of purchased intangible assets	8,996	2,538	33,054	9,136
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Supplemental Financial Information - Reporting of Net Income and Earnings Per Share
Reconciliation of Selected Non-GAAP Measures to GAAP Measures
(Unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Reconciliation of denominator for GAAP EPS to Non-GAAP Adjusted Fully Distributed Earnings per Share				
Weighted Average:				
Common shares used for basic and diluted earnings (loss) per share	45,506	37,576	42,368	35,681
Potentially dilutive shares	2,911	1,592	2,366	1,048
Conversion of Class B common units	96,204	106,471	100,574	108,518
Weighted average fully distributed shares outstanding - diluted	**144,621**	**145,639**	**145,308**	**145,247**
Reconciliation of GAAP EPS to Non-GAAP Adjusted Fully Distributed EPS				
GAAP earnings (loss) per share	$ 2.23	$ (2.24)	$ 19.32	$ (24.25)
Adjustment of redeemable limited partners' capital to redemption amount	$ (2.00)	$ 2.45	$ (18.33)	$ 25.34
Impact of additions:				
Income tax expense	$ 0.19	$ 0.64	$ 1.17	$ 1.02
Stock-based compensation [(a)]	$ 0.26	$ 0.20	$ 1.16	$ 0.80
Acquisition related expenses	$ 0.09	$ 0.07	$ 0.37	$ 0.25
Strategic and financial restructuring expenses	$ -	$ -	$ 0.01	$ 0.04
ERP implementation expenses	$ 0.04	$ -	$ 0.11	$ -
Adjustment to tax receivable agreement liability	$ -	$ -	$ (0.11)	$ -
Loss on investment	$ -	$ -	$ -	$ 0.03
Acquisition related adjustment - deferred revenue	$ 0.01	$ 0.11	$ 0.13	$ 0.37
Loss on disposal of long-lived assets	$ -	$ 0.41	$ -	$ 0.43
Amortization of purchased intangible assets	$ 0.20	$ 0.07	$ 0.78	$ 0.26
Net income attributable to non-controlling interest in Premier LP	$ 0.87	$ 0.64	$ 4.57	$ 5.44
Impact of corporation taxes	$ (0.76)	$ (0.94)	$ (3.67)	$ (3.90)
Impact of increased share count	$ (0.77)	$ (1.05)	$ (3.90)	$ (4.40)
Non-GAAP Adjusted Fully Distributed Earnings Per Share	**$ 0.36**	**$ 0.36**	**$ 1.61**	**$ 1.43**

(a) Represents non-cash employee stock-based compensation expense, and $0.1 million and $0.4 million stock purchase plan expense in the three and twelve months ended June 30, 2016, respectively.