

J.P. Morgan 39th Annual Healthcare Conference

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Chief Executive Officer

January 12, 2021

Forward-looking Statements and Non-GAAP Financial Measures

Forward-looking statements – Statements made in this presentation and the accompanying webcast that are not statements of historical or current facts, such as those related to expected growth opportunities in each of Premier’s business segments and the ability to realize such opportunities, strategic priorities to advance Premier’s business, expected financial performance of our direct sourcing business in fiscal 2021, the expected financial and operational impacts of the COVID-19 pandemic, targeted multi-year revenue growth rate in Premier’s Performance Services segment, the expected annual growth rate for consolidated net revenue, adjusted EBITDA and adjusted EPS beginning in fiscal 2022, the payment of future dividends, and the matters discussed on the “Our Value Proposition” slide are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements 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. In addition to statements that explicitly describe such risks and uncertainties, 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. More information on potential factors that could affect Premier’s financial results is included from time to time in the “Cautionary Note Regarding Forward-Looking Statements,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Premier’s periodic and current filings with the SEC, including those discussed under the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” sections of Premier’s Form 10-K for the fiscal year ended June 30, 2020 and Form 10-Q for the quarter ended September 30, 2020, each filed with the SEC and available on Premier’s website at investors.premierinc.com. Forward-looking statements speak only as of the date they are made, and Premier undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events that occur after that date, or otherwise.

Non-GAAP financial measures – This presentation and accompanying webcast includes certain “adjusted” or “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934. You should carefully read Premier’s periodic and current filings with the SEC for definitions and further explanation and disclosure regarding our use of non-GAAP financial measures and such filings should be read in conjunction with this presentation.

Uniquely Positioned to Deliver Value

Our mission is to improve the health of communities. Through technology enablement, partnership and collaboration, we are innovating to improve and accelerate the delivery of high-quality, cost-effective healthcare.

Provide **comprehensive innovative solutions** using technology, services and market-leading analytics to drive clinical and financial improvement

Collaborate through **unique member alignment** to innovate and drive meaningful change

Anticipate change and **well-positioned** to respond to market trends

Maintain a **strong balance sheet** with financial flexibility to support capital deployment priorities

Well-positioned to capitalize on growth opportunities and maintain **market-leading position** through further penetration of supply chain and enterprise analytics markets

Well-Positioned Through Meaningful Scale

- Geographically diversified with **4,100+** hospitals and **200,000+** other providers and organizations
- Access to clinical data on **45%+** of U.S. hospital discharges
- Capture **\$67+ billion** in supply chain spend
- Manage **~2,800** GPO contracts with **1,370+** suppliers



Note: All data as of fiscal year ended June 30, 2020, except supply chain spend which is for the year ended December 31, 2019

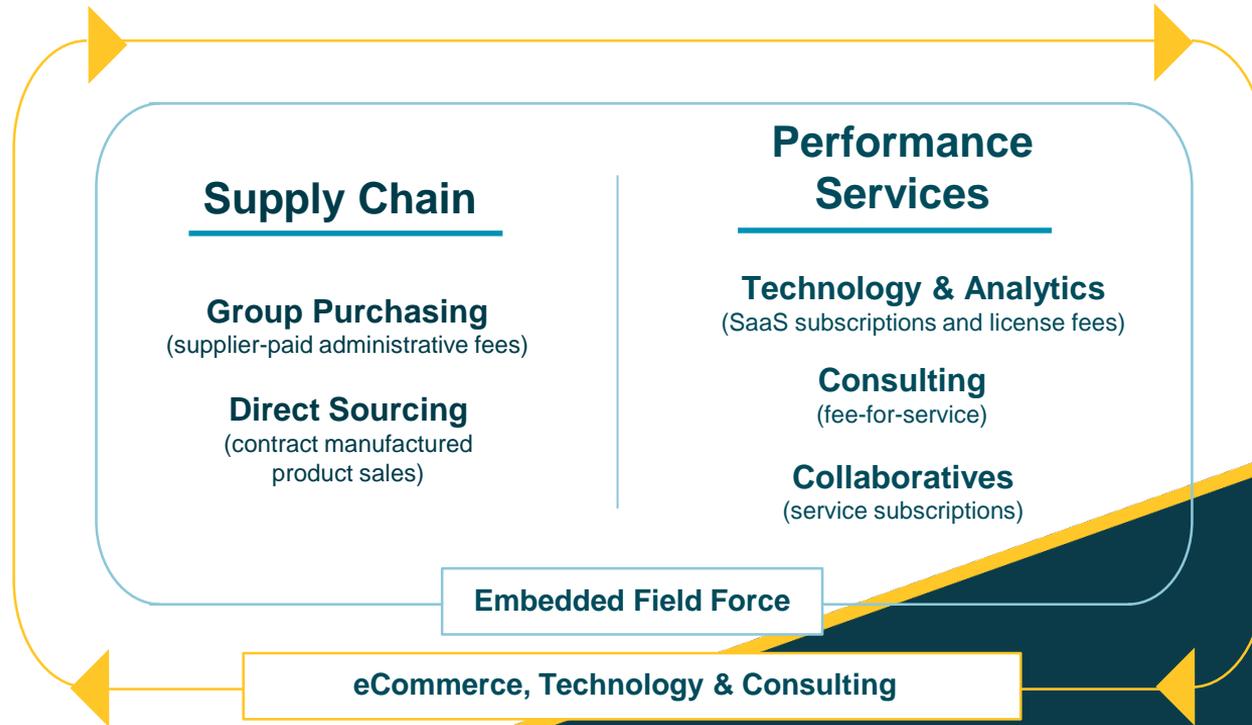
Unique Member Alignment Drives Collaboration

- Viewed by ~**90%** of members as a strategic partner or extension of their organization
- Three-year average GPO retention rate of **98%** and SaaS institutional renewal rate of **96%**
- Achieved Net Promoter Score of **70+**
- Co-develop and co-invest alongside members creating solutions to transform healthcare delivery
- Advisory committees with ~**140** participating hospital and health system members



Note: Data updated annually and as of fiscal year ended June 30, 2020

Integrated Platform // Providing Comprehensive Solutions

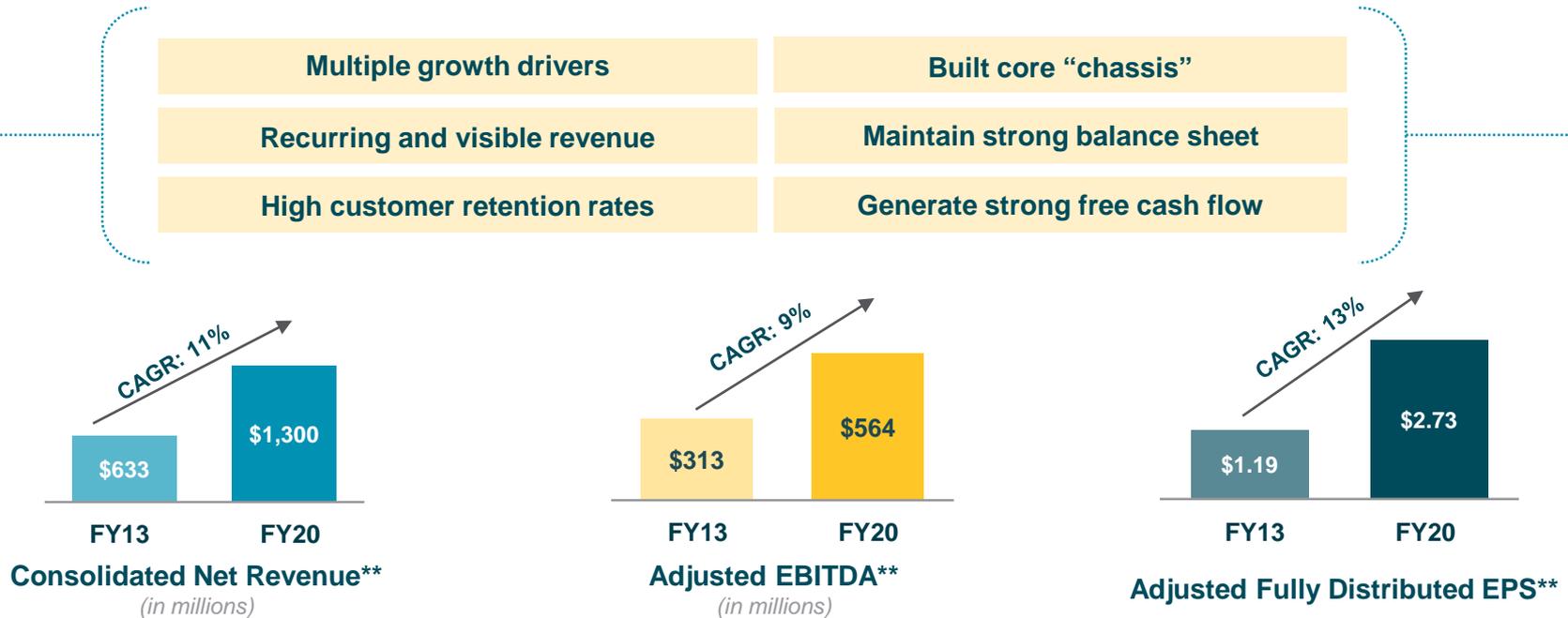


Delivering Value Through Comprehensive Solutions



Strong Foundation Positions Premier for Long-Term Growth

*Beginning in fiscal 2022 and adjusted for anticipated impact of COVID-19 pandemic on business, expect to target multi-year compound annual growth rate in mid-to-high single-digits for consolidated net revenue, adjusted EBITDA and adjusted EPS**



*Premier’s targeted multi-year compound annual growth rate does not include the impact of potential future material capital deployment.

**Reflects continuing operations excluding specialty pharmacy business that was divested in June 2019. Refer to Appendix for a reconciliation of non-GAAP to GAAP equivalents.

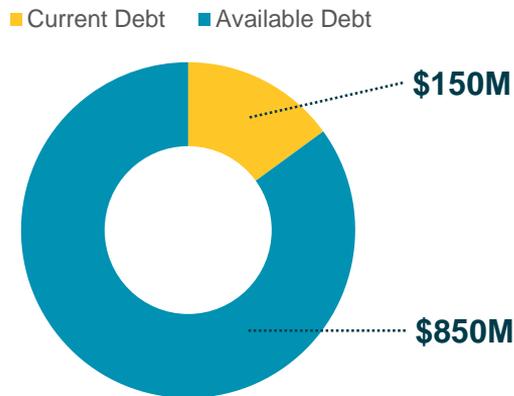
Ample Capacity to Support Capital Deployment Priorities

Capital Deployment Priorities

- Reinvestment in organic growth
- Disciplined acquisitions and investments to support strategic goals
- Returning capital to stockholders through quarterly cash dividend payment

Current and Available Debt*

(in millions)



**Expect to generate
free cash flow of
~35% to 45% of
adjusted EBITDA
going forward**

* As of September 30, 2020, \$1.0B credit facility had an outstanding balance of \$150 million; company subsequently repaid \$50 million of balance in October 2020.

**Non-GAAP adjusted EBITDA and free cash flow figures are for fiscal years ended June 30. Refer to Appendix for reconciliations of non-GAAP to GAAP metrics.

Well-Positioned for Emerging Healthcare Trends

1

Continued focus on overall healthcare cost management

2

Expanding to create a more geographically diverse and transparent healthcare supply chain

3

Substantially improving provider IT infrastructure and performance with predictive analytics, actionable data and enhanced workflow solutions

4

Advancing the shift to value-based care and risk assumption by providers

5

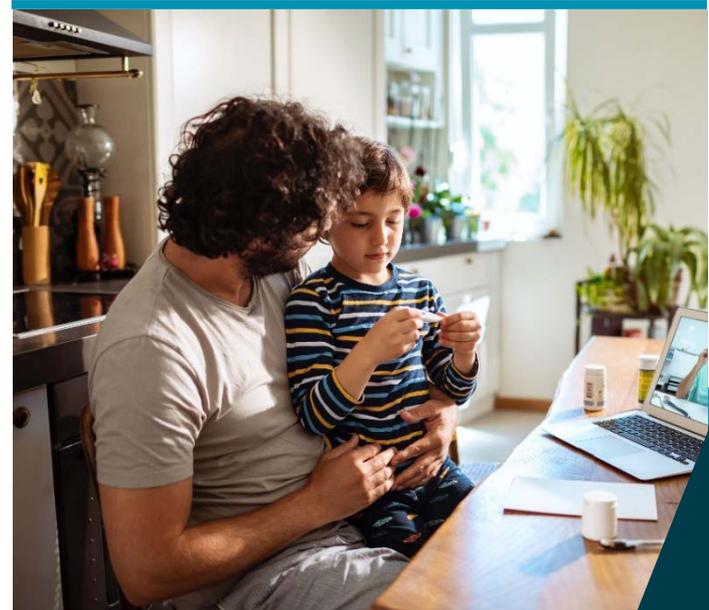
Increasing employer, payer and life sciences interaction with providers for cost and quality outcomes improvement

COVID-19 // Leading through Pandemic to Deliver Long-Term Value

Uniquely positioned as trusted partner in connecting healthcare community

Providers, suppliers, manufacturers, distributors, life sciences companies and government agencies

- **Leveraging relationships** at every level of supply chain to enable access to supplies, intelligence and technology
- **Supporting members** through:
 - Supply chain and pharmacy
 - Technology and data
 - Care delivery and operations
- **Securing critically needed PPE** and other high-demand supplies for members
 - Currently expect quarterly sequential increase of ~\$60M in direct sourcing products revenue in fiscal 2Q21, and further incremental increase in fiscal 3Q21 with anticipated step down in fiscal 4Q21



Demonstrates value of capabilities, promotes deeper and more integrated partnerships, and advances long-term positioning

Strategic Priorities to Advance Our Business

Extend End-to-End Supply Chain Capabilities

Grow GPO portfolio and expand high-compliance purchasing programs

Technology-enable all aspects of healthcare supply chain

Co-own and co-manage member supply chain outcomes to drive further efficiencies and savings

Enable Clinical Improvement Through Data Analytics and Wrap-Around Services

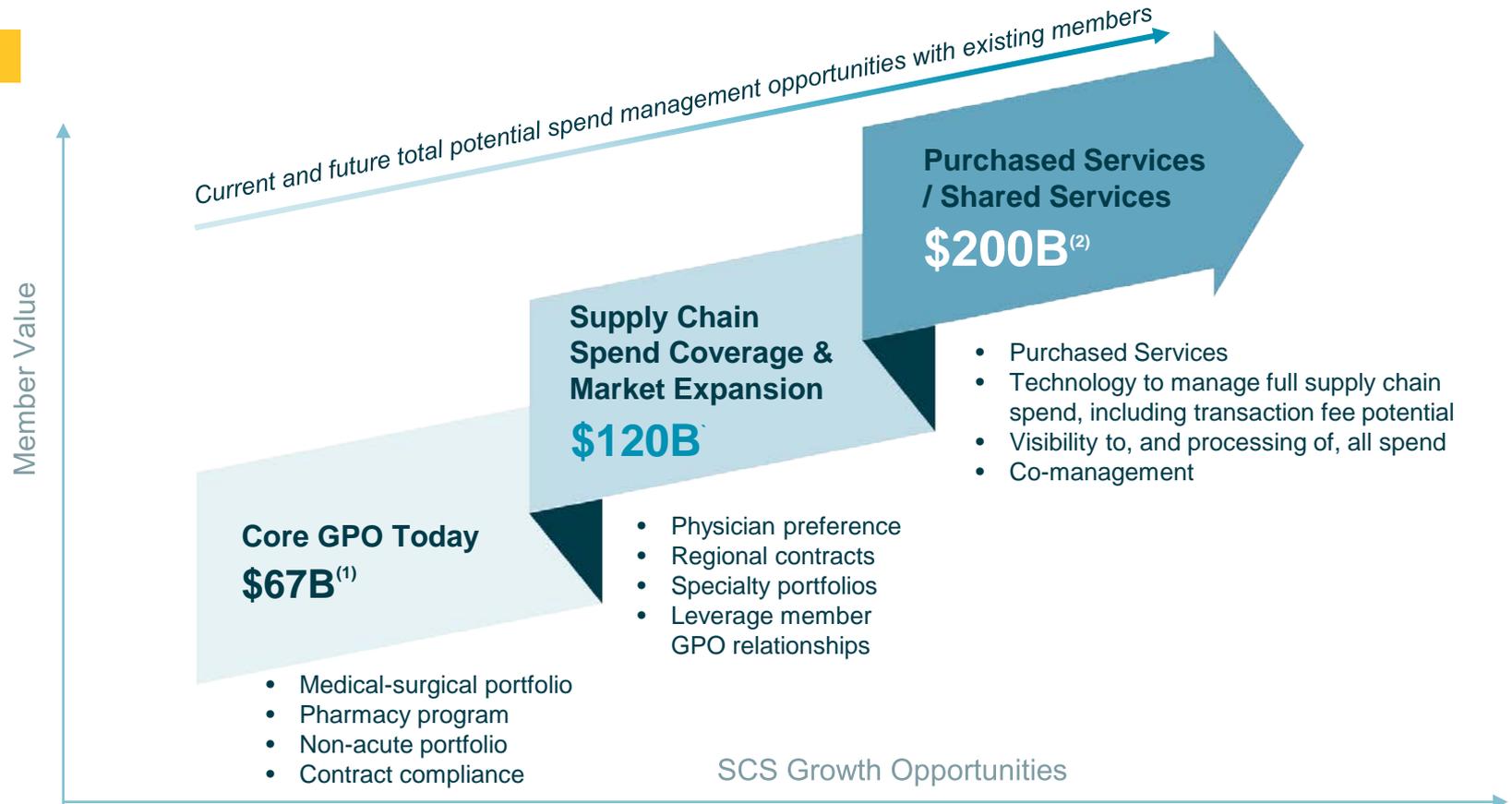
Continue to provide integrated analytics, workflow technology and advisory services

Expand data and technology platform alongside machine-learning capabilities

Further expansion into new markets through Contigo Health and applied sciences businesses

Accelerate and support transition to value-based payment models

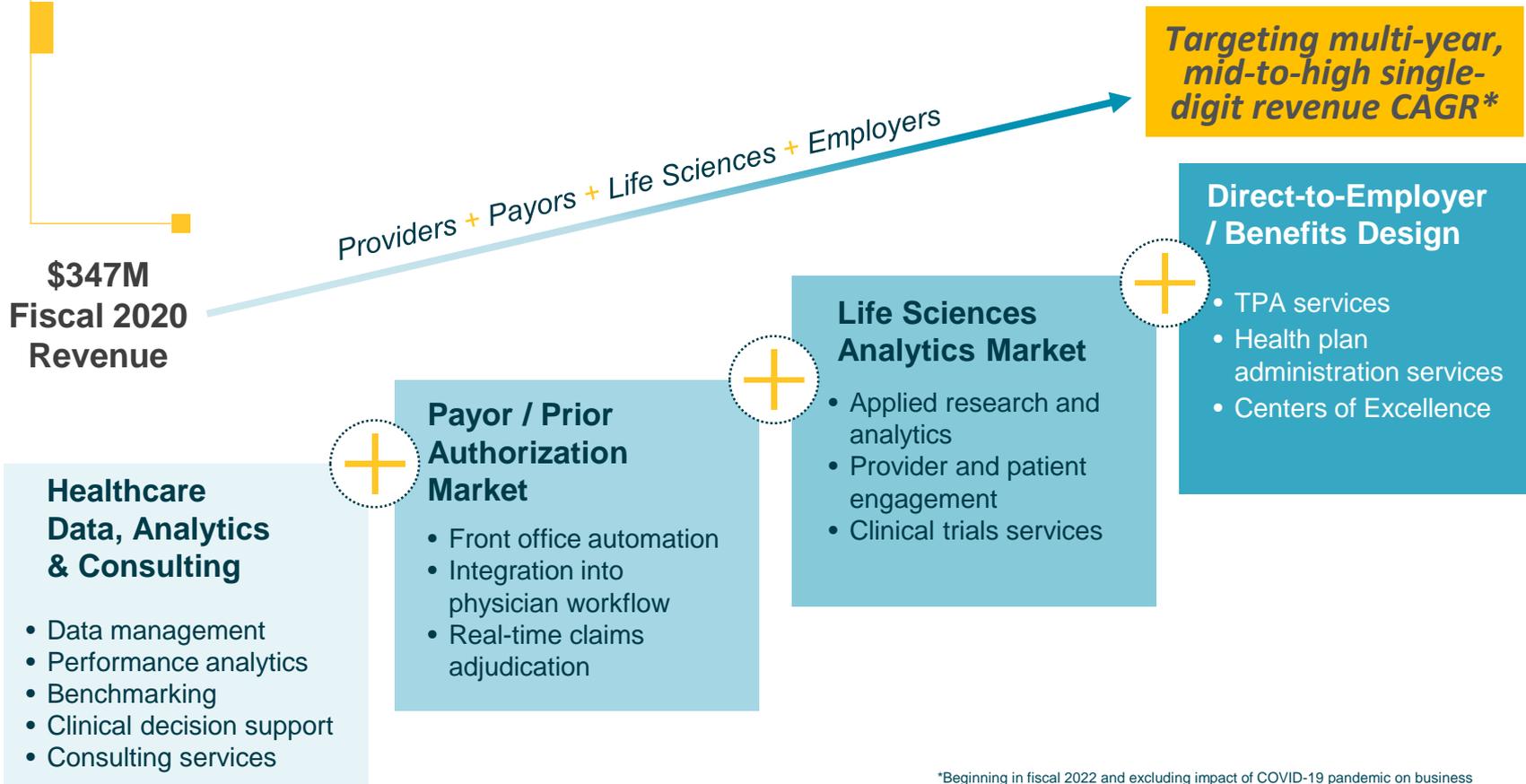
Supply Chain Services // Expanding Capabilities for Visibility to Total Spend



(1) Total GPO (Group Purchasing Organization) purchasing volume by all members participating in GPO for calendar year 2019.

(2) Premier estimate of member GPO spend that could potentially be managed if Premier expanded capabilities in certain areas. Refer to "Forward-Looking Statements" on slide 2 of this presentation.

Performance Services // Roadmap for Long-Term Growth



*Beginning in fiscal 2022 and excluding impact of COVID-19 pandemic on business

Sustainable Business Practices to Drive Success

Furthering our mission to improve the health of our communities

- Promote sound governance
- Enhanced Diversity, Inclusion and Belonging program for all Premier employees
- Long-standing, robust Supplier Diversity program
- Maintain income equality and enhance diversity in recruiting and promoting exceptional talent
- Collaborate with members to incorporate environmentally preferred purchasing and energy efficiency initiatives into products selection process
- Named one of World's Most Ethical Companies* for 13 consecutive years



Our Value Proposition

1

Executing on strategy to **provide differentiated value** to healthcare providers through technology-enabled, end-to-end supply chain and enterprise analytics and performance improvement solutions to help drive improved health outcomes and reduce costs

2

Generate **strong free cash flow** and maintain **flexible balance sheet** to support balanced approach to capital deployment priorities

3

Well-positioned for long-term growth through further penetration of supply chain and enterprise analytics markets and acquisitions to enhance capabilities and maintain market leadership position



Appendix

Supplemental Financial Information
Consolidated Revenue
(Unaudited)
(In thousands)

	Year Ended June 30,	
	2020 (a)	2013 (a) (b)
Net Revenue:		
Supply Chain Services:		
Net administrative fees	\$ 670,593	\$ 414,207
Other services and support	12,225	471
Services	682,818	414,678
Products	269,945	13,028
Total Supply Chain Services	952,763	427,706
Performance Services	346,829	205,214
Total	\$ 1,299,592	\$ 632,920

(a) Revenue for the periods presented have been retrospectively adjusted to reflect continuing operations.

(b) Results for fiscal year 2013 are presented on a pro forma basis for purposes of comparability. See slide 24 in this presentation for a description of the pro forma adjustments.

Supplemental Financial Information
Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA
Reconciliation of Operating Income to Segment Adjusted EBITDA
Reconciliation of Net Income Attributable to Stockholders to Non-GAAP Adjusted Net Income
(Unaudited)
(In thousands)

	Year Ended June 30,	
	2020 (a)	2013 (a) (c)
Net income from continuing operations	\$ 291,126	\$ 247,785
Interest and investment loss (income), net	11,313	(965)
Income tax expense	92,561	32,539
Depreciation and amortization	97,297	26,474
Amortization of purchased intangible assets	55,530	1,539
EBITDA	547,827	307,372
Stock-based compensation	21,132	-
Acquisition and disposition related expenses	19,319	-
Remeasurement of tax receivable agreement liabilities	(24,584)	-
Gain on FFF put and call rights	(4,690)	-
Other expense	5,036	5,958
Adjusted EBITDA	\$ 564,040	\$ 313,330

(a) Amounts for the periods presented have been retrospectively adjusted to reflect continuing operations.

(b) Reflects income tax expense at our estimated income tax rate of 26% of adjusted income before income taxes for the year ended June 30, 2020 and 40% of adjusted income before income taxes for the year ended June 30, 2013.

(c) Results for fiscal year 2013 are presented on a pro forma basis for purposes of comparability. See slide 24 in this presentation for a description of the pro forma adjustments.

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Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA
Reconciliation of Operating Income to Segment Adjusted EBITDA
Reconciliation of Net Income Attributable to Stockholders to Non-GAAP Adjusted Net Income
(Unaudited)
(In thousands)

	Year Ended June 30,	
	2020 (a)	2013 (a) (c)
Income before income taxes	\$ 383,687	\$ 280,324
Equity in net income of unconsolidated affiliates	(12,537)	(11,968)
Interest and investment loss (income), net	11,313	(965)
Gain on FFF put and call rights	(4,690)	-
Other (income) expense	(4,153)	788
Operating income	373,620	268,179
Depreciation and amortization	97,297	26,474
Amortization of purchased intangible assets	55,530	1,539
Stock-based compensation	21,132	-
Acquisition and disposition related expenses	19,319	-
Remeasurement of tax receivable agreement liabilities	(24,584)	-
Equity in net income of unconsolidated affiliates	12,537	11,968
Deferred compensation plan expense	3,904	-
Other expense, net	5,285	5,170
Adjusted EBITDA	\$ 564,040	\$ 313,330
SEGMENT ADJUSTED EBITDA		
Supply Chain Services	\$ 570,298	\$ 325,933
Performance Services	111,282	56,456
Corporate	(117,540)	(69,059)
Adjusted EBITDA	\$ 564,040	\$ 313,330

(a) Amounts for the periods presented have been retrospectively adjusted to reflect continuing operations.

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(Unaudited)
(In thousands)

	Year Ended June 30,	
	2020 (a)	2013 (a) (c)
Net income attributable to stockholders	\$ 598,675	\$ 30,277
Adjustment of redeemable limited partners' capital to redemption amount	(468,311)	-
Net income attributable to non-controlling interest in Premier LP	161,816	218,463
(Income) loss from discontinued operations, net of tax	(1,054)	524
Income tax expense	92,561	32,539
Amortization of purchased intangible assets	55,530	1,539
Stock-based compensation	21,132	-
Acquisition and disposition related expenses	19,319	-
Remeasurement of tax receivable agreement liabilities	(24,584)	-
Gain on FFF put and call rights	(4,690)	-
Other expense	5,036	5,170
Adjusted income before income taxes	455,430	288,512
Income tax expense on adjusted income before income taxes ^(b)	118,412	115,405
Adjusted Net Income	\$ 337,018	\$ 173,107

(a) Amounts for the periods presented have been retrospectively adjusted to reflect continuing operations.

(b) Reflects income tax expense at our estimated income tax rate of 26% of adjusted income before income taxes for the year ended June 30, 2020 and 40% of adjusted income before income taxes for the year ended June 30, 2013.

(c) Results for fiscal year 2013 are presented on a pro forma basis for purposes of comparability. See slide 24 in this presentation for a description of the pro forma adjustments.

Supplemental Financial Information
Reconciliation of GAAP EPS to Adjusted EPS
(Unaudited)
(In thousands, except per share data)

	Year Ended June 30,	
	2020 (a)	2013 (a) (b)
Net income attributable to stockholders	\$ 598,675	\$ 30,277
Adjustment of redeemable limited partners' capital to redemption amount	(468,311)	-
Net income attributable to non-controlling interest in Premier LP	161,816	218,463
(Income) loss from discontinued operations, net of tax	(1,054)	524
Income tax expense	92,561	32,539
Amortization of purchased intangible assets	55,530	1,539
Stock-based compensation	21,132	-
Acquisition and disposition related expenses	19,319	-
Remeasurement of tax receivable agreement liabilities	(24,584)	-
Gain on FFF put and call rights	(4,690)	-
Other expense, net	5,036	5,170
Adjusted income before income taxes	455,430	288,512
Income tax expense on adjusted income before income taxes	118,412	115,405
Adjusted Net Income	\$ 337,018	\$ 173,107

(a) Amounts for the periods presented have been retrospectively adjusted to reflect continuing operations.

(b) Results for fiscal year 2013 are presented on a pro forma basis for purposes of comparability. See slide 24 in this presentation for a description of the pro forma adjustments.

Table continues on slide 23.

Supplemental Financial Information
Reconciliation of GAAP EPS to Adjusted EPS
(Unaudited)
(In thousands, except per share data)

	Year Ended June 30,	
	2020 (a)	2013 (a) (b)
Weighted average:		
Common shares used for basic and diluted earnings per share	67,035	5,858
Potentially dilutive shares	645	-
Conversion of Class B common units	55,935	139,125
Weighted average shares outstanding - diluted	123,614	144,983
Earnings per share attributable to stockholders	\$ 8.93	\$ 5.17
Adjustment of redeemable limited partners' capital to redemption amount	(6.99)	-
Net income attributable to non-controlling interest in Premier LP	2.41	37.29
(Income) loss from discontinued operations, net of tax	(0.02)	0.09
Income tax expense	1.38	5.55
Amortization of purchased intangible assets	0.83	0.26
Stock-based compensation	0.32	-
Acquisition and disposition related expenses	0.29	-
Remeasurement of tax receivable agreement liabilities	(0.37)	-
Gain on FFF put and call rights	(0.07)	-
Other expense, net	0.08	0.88
Impact of corporation taxes	(1.77)	(19.70)
Impact of dilutive shares	(2.29)	(28.36)
Adjusted EPS	\$ 2.73	\$ 1.19

(a) Amounts for the periods presented have been retrospectively adjusted to reflect continuing operations.

(b) Results for fiscal year 2013 are presented on a pro forma basis for purposes of comparability. See slide 24 in this presentation for a description of the pro forma adjustments.

Fiscal Year 2013 Pro Forma Adjustments

Fiscal year 2013 results are presented on a pro forma basis to reflect the following to provide a more indicative comparison between current and prior periods:

- The contractual requirement under the GPO participation agreements to pay each member owner revenue share from Premier LP equal to 30% of all gross administrative fees collected by Premier LP based upon purchasing by such member owner's member facilities through Premier LP's GPO supplier contracts. Historically, Premier LP did not generally have a contractual requirement to pay revenue share to member owners participating in its GPO programs, but paid semi-annual distributions of partnership income.
- Additional U.S. federal, state and local income taxes with respect to its additional allocable share of any taxable income of Premier LP.
- A decrease in noncontrolling interest in Premier LP from 99% to approximately 78%.