

# INVESTOR DAY 2021

NOVEMBER 17, 2021

**Forward-looking statements** – Statements made in this presentation and the accompanying webcast that are not statements of historical or current facts, such as, but not limited to, those related to leveraging technology and positioning for sustainable, long-term growth, strategies to drive growth, future financial position and capital deployment, expected multi-year compounded annual growth rate targets, market opportunities and growth targets, member spend opportunities, expected segment growth, adjacent market revenue growth, expected capex, and fiscal 2022 guidance, 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” section of Premier’s Form 10-K for the year ended June 30, 2021, and subsequent filings made with the SEC, and also available on Premier’s website at [investors.premierinc.com](https://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. Schedules are attached that reconcile the non-GAAP financial measures included in this presentation and webcast 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 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.

## TODAY'S AGENDA

Times listed are EST

- |            |  |
|------------|--|
| 9 A.M.     | <b>Welcome</b><br>ANGIE MCCABE   Vice President, Investor Relations  |
| 9:05 A.M.  | <b>Leveraging Technology to Drive Sustainable, Long-Term Growth</b><br>MICHAEL J. ALKIRE   President and Chief Executive Officer       |
| 9:15 A.M.  | <b>Performance Services Growth Strategy</b><br>LEIGH ANDERSON   President of Performance Services                                      |
| 9:30 A.M.  | <b>Supply Chain Services Growth Strategy</b><br>DAVID HARGRAVES   Senior Vice President of Supply Chain                                |
| 9:45 A.M.  | <b>Driving Innovation and Performance Through a Highly Engaged Culture</b><br>JOSEPH MACHICOTE   Chief Diversity and Inclusion Officer |
| 9:55 A.M.  | <b>Tying It All Together: Financial Overview</b><br>CRAIG MCKASSON   Chief Financial Officer and Chief Administrative Officer          |
| 10:15 A.M. | <b>Break</b>   |
| 10:20 A.M. | <b>Q&amp;A with Executives</b>   |

# LEVERAGING TECHNOLOGY TO DRIVE SUSTAINABLE, LONG-TERM GROWTH

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**Michael J. Alkire**

President and CEO

## OUR PURPOSE

By working with member health systems and other stakeholders and leveraging technology-based solutions and supply chain capabilities, Premier helps improve the delivery of healthcare while effectively bending the cost curve.

We believe the COVID-19 pandemic highlighted the need for technology-enablement, accelerated member interest in our solutions and validated our strategy.

## A HIGHLY DIFFERENTIATED BUSINESS MODEL

<b><i>Strategic and collaborative member relationships built on trust</i></b>	<b><i>Comprehensive and scalable technology and services platform powered by one of broadest and deepest data sets in healthcare industry</i></b>	<b><i>Delivering meaningful insights and solutions</i></b>
<p><b>Large member base</b></p> <p>4,400+ hospitals and health systems 225,000 other providers and organizations</p> <p>Capture \$69 billion+ in supply chain spend</p> <p>98% GPO renewal rate</p> <p>&gt; 90% health systems view Premier as strategic partner</p> <p>Net Promoter Score &gt;70%</p>	<p><b>Access to 45%+ of U.S. hospital discharges</b></p> <p><b>1 billion+ data points utilizing artificial intelligence and other innovative technologies</b></p>	<p><b>Serving a diverse customer base</b></p> <p>Health systems / hospitals</p> <p>Non-acute providers</p> <p>Physicians</p> <p>Employers</p> <p>Payers</p> <p>Life science companies</p> <p>Suppliers</p> <p>Other non-healthcare customers (e.g., education)</p>

*Note: Data as of and for the fiscal year ended June 30, 2021, except for supply chain spend which is for the year ending December 31, 2020.*

## ORGANIZED TO DELIVER INNOVATIVE SOLUTIONS

### SUPPLY CHAIN SERVICES

#### Supply Chain Services

##### Group Purchasing Organization

Collective purchasing power designed to lower non-labor costs without sacrificing outcomes across acute, non-acute and non-healthcare segments



Premier's direct sourcing company, driving meaningful cost savings in key shortage areas and improving supply chain efficiencies and transparency

### PERFORMANCE SERVICES

#### Performance Services



Proprietary suite of AI-enabled clinical, margin and value-based care technology solutions

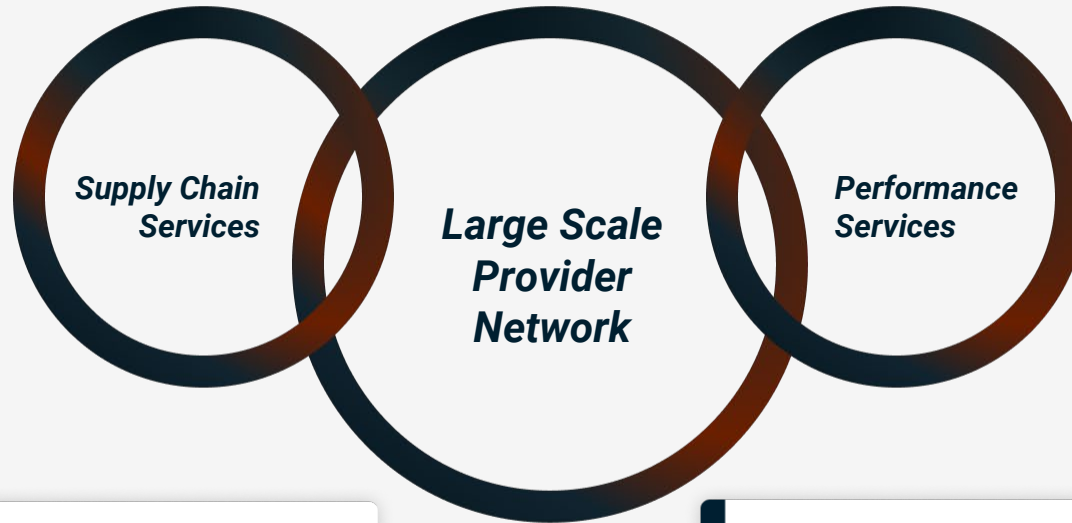


Direct-to-employer contracting platform connecting self-insured employers and providers



Supply chain-focused digital invoicing and payments platform

## A UNIQUE BUSINESS MODEL



- Retrospective, real-time and predictive insight into savings opportunities
- Predictive modeling for disruption and shortages
- Non-acute care and commercial purchasing program

- Clinical intelligence, margin improvement and value-based care solutions
- High-value provider networks
- SaaS-based digital payments and financial solutions platform serving healthcare supply chain



## DRIVING INNOVATION AND PERFORMANCE THROUGH HIGHLY ENGAGED CULTURE



### *Shared Commitment to Stakeholders*

Members  
Customers  
Employees

Stockholders  
Suppliers  
Communities

### *Evolving Our Culture* *"One Team, Growth Mindset"*

Conscious commitment to and focus on performance excellence resulting in value creation for all stakeholders.

## EXPECT TO MAINTAIN STRONG FINANCIAL POSITION WITH BALANCED APPROACH TO CAPITAL DEPLOYMENT

- Generate strong, stable cash flow.
- Strong and flexible balance sheet.
- Balanced capital deployment approach.
- Reinvestment in organic growth.
- Disciplined acquisitions and investments to support strategic goals.
- Return capital to stockholders.
  - Currently through cash dividends and fiscal 2022 share repurchase authorization.

## OUR GROWTH STRATEGY

**Grow and  
deepen  
relationships**

**Strengthen  
and build  
capabilities**

**Create and  
deliver innovative  
solutions**

**Expand into  
adjacent and  
non-healthcare  
markets**

Strong, Stable Cash Flow Enables Investments in Growth

Comprehensive Technology and Services Platform

Strength of Member Network Drives Innovation

Highly Engaged Culture

Targeting  
multi-year CAGRs  
in mid-to-high  
single-digits for  
total net revenue,  
adjusted EBITDA  
and adjusted EPS\*

## WELL-POSITIONED FOR SUSTAINABLE, LONG-TERM GROWTH

- Established industry leader operating in resilient and growing markets.
- Long-standing strategic and collaborative member relationships.
- Leveraging comprehensive and scalable technology and services platform.
- Providing differentiated healthcare solutions.
- Executing a focused growth strategy.
- Driving innovation and performance through highly engaged culture.
- Maintaining strong financial position with balanced approach to capital deployment.

***Making a Premier Impact***

# PERFORMANCE SERVICES GROWTH STRATEGY

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**Leigh Anderson**

President of Performance Services

## PERFORMANCE SERVICES OVERVIEW

### BUSINESS SUMMARY

- Innovative healthcare technology solutions platform providing wide range of clinical, financial and administrative solutions to providers, life sciences companies, payers and employers
- Supported by **1 billion+** cost, quality and operational **data points**:
  - ~**45%** of all U.S. hospital discharges
  - **Cleansed** and **normalized** for broad use to improve healthcare
  - **300,000 physicians** on platform
- Delivers **real-time, actionable** clinical and operational insights at point of use
- **FY2021 net revenue: \$378M**

### BRAND

## Performance Services



Proprietary suite of AI-enabled clinical, margin and value-based care technology solutions



Direct-to-employer contracting platform connecting self-insured employers and providers



Supply chain-focused digital invoicing and payments platform

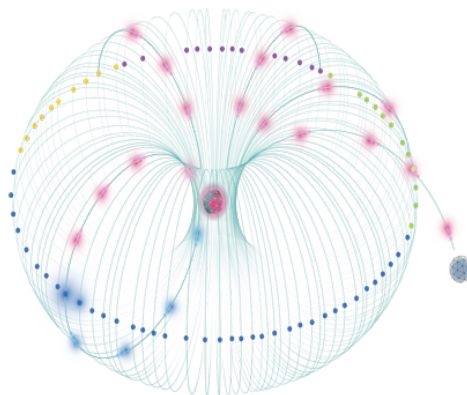
## Continuous Data Capture

Billions of Data Points

- Provider Clinical (EMR) Data
  - Provider Billing Data
  - Provider Operational Data
  - Provider Financial Data
  - Payer Claim Data
  - Employer Data
  - Genomics Data
  - Oncology Data
- 
- Current Sources
  - Under Development

## Proprietary Technology Engine

Data Capture > Cleanse > Normalize > Intelligence Engine: Data Driven Insights



**Cleansed data** continually processed through a proprietary suite of **AI-based and other advanced capabilities**

## Multiple Use Cases Across End Markets

BUSINESS SUMMARY



### Providers

Decision support, real-time analytics and resource management to reduce waste, improve margins and prevent clinician burnout

### Life Sciences Companies

Real-world evidence, rapid clinical trial site selection and efficient patient recruitment

### Payers

Automated real-time prior authorization, including emergent procedures



### Self-Insured Employers

Data-based physician selection guidance for health plan members



### Suppliers & Providers

Automation of invoicing and payables process

## MULTI-LEVER STRATEGY TO DRIVE LONG-TERM GROWTH



Grow existing  
relationships



Nurture recently  
launched brands



Increase  
market share



Further expand  
geographic footprint



Expand into  
adjacent markets



Investments  
in growth





Advanced technology and services platform  
designed to accelerate innovation in healthcare.

## AN INDUSTRY RIPE FOR DISRUPTION

### PINC AI™ Differentiation

*Healthcare big-data silos reduce cost efficiency, impact quality of care and lead to duplication.<sup>1</sup>*

*Manual, time-consuming processes lack automation and stand in the way of timely patient care.<sup>2</sup>*

*Real-world evidence is essential to accelerate clinical trial recruitment and connect patients to treatments faster.<sup>3</sup>*



#### DEEP EXPERIENCE

**30 years of "on-the-ground" healthcare experience**  
with 4,400+ U.S. hospitals



#### BROAD REACH

**45% of U.S. hospital discharges**  
providing cost, quality and operational data points



#### CLEANSED DATA

**1 billion+ points of data,**  
cleansed and normalized  
for expanded use



#### AI-ENABLED

**Real-time delivery**  
of actionable clinical  
and operational insights  
at the point of use

<sup>1</sup><https://www.beckershospitalreview.com/patient-flow/3-ways-disrupting-healthcare-silos-helps-achieve-triple-aim-goals.html>

<sup>2</sup><https://www.healthcarefinancenews.com/news/electronic-prior-authorizations-reduce-burden-time-spent-finds-ahip-and-rti>

<sup>3</sup><https://www.ispor.org/publications/journals/value-outcomes-spotlight/vos-archives/issue/view/unlocking-the-promise-of-real-world-evidence/what-the-rise-of-real-world-evidence-means-for-the-pharmaceutical-industry-a-closer-look>

## PERFORMANCE SERVICES GROWTH STRATEGY



### ***Expand Relationships***

Migrate more customers to comprehensive, multi-year engagements



### ***Innovative Capabilities***

Scaling platform to offer new, AI-enabled use cases to adjacent markets



### ***Investments***

Build and enhance capabilities to deliver value and growth



***Serves: Providers, Payers, and Life Sciences Companies***

Improve patient care, reduce costs and boost clinician efficiency all in real-time



***Serves: Providers***

Optimize financial performance and increase efficiencies and revenue



***Serves: Providers***

Strategy, insights and partnership on journey to value-based care

***PINC AI™ Platform*** Data and Analytics - Transformational Services – Workflow Integration



SaaS-based digital payments and financial solutions  
platform to transform U.S. healthcare supply chain.

## The Need

## The Need

- Across healthcare, manual, paper-based processes may add as much as **\$18 billion to \$22 billion in unnecessary annual expenses**<sup>1</sup>
- Up to **85% of invoices** paid by **check**, costing up to **\$20** per check<sup>1</sup>
- **50% to 70%** of healthcare invoices are **paper-based**<sup>1</sup>



## Remitra™

Digitized e-invoicing and e-payables technology that streamlines provider's entire accounts payable process, from sourcing all the way to payment



Contracting



Order Entry



Receipt of Product



Invoice



Payment

Standard Data Continuity

Remitra Continuity

## Value Delivered

## Value Delivered

- Converts paper and PDF invoices to an electronic format via optical character recognition to automate, streamline and simplify accounts payable processes
- Supports greater efficiencies in procurement process through automated purchasing and payment solutions
- Streamlines financial processes and reduces errors and fraud to unlock cost and labor efficiencies
- A leading electronic invoicing and payables platform for healthcare, agnostic of enterprise resource planning (ERP), GPO or treasury partner

<sup>1</sup><https://www.premierinc.com/newsroom/press-releases/premier-inc-acquires-invoice-delivery-services-lp-ids-to-tech-enable-critical-supply-chain-purchasing-processes>

## REMITRA™: MARKET OPPORTUNITIES AND LONG-TERM GROWTH STRATEGY

### E-invoicing (Current capability)

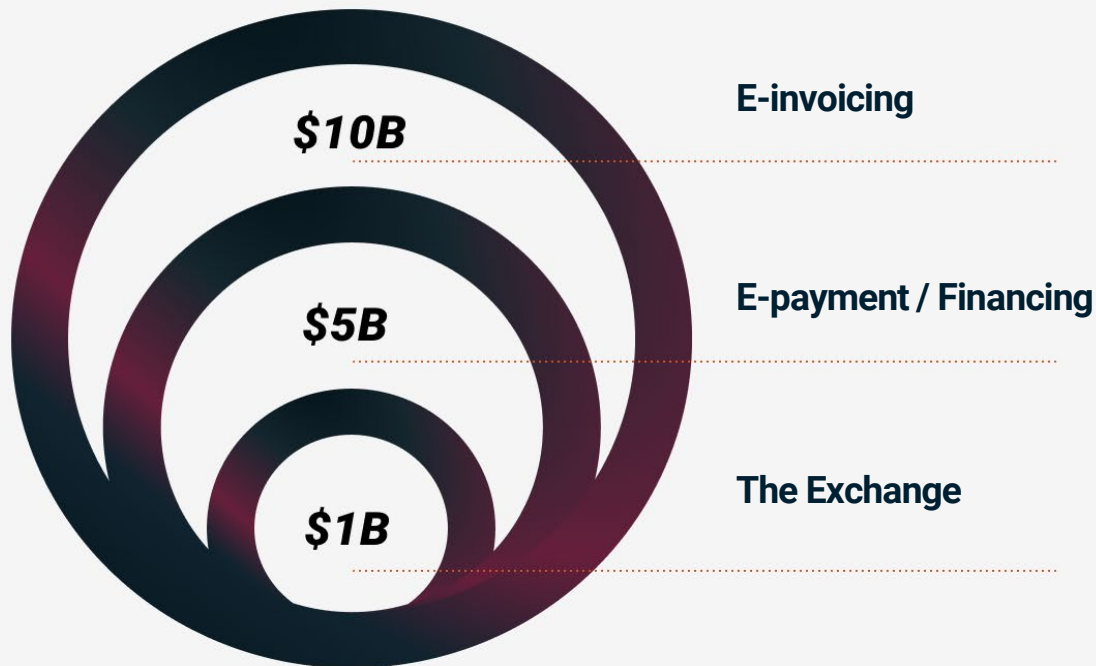
- Automation of invoicing process from supplier to provider
- Provides visibility to 100% spend

### E-payment / Financing (Developing)

- Automation of payment
- Introduces supplier interchange fees and rebates back to provider

### The Exchange (Developing)

- Vast technology-enabled financial network of providers and suppliers
- Access to real-time purchasing and invoice data
- Introduces subscription and/or transaction fees



Market size metrics above are estimated serviceable markets based on Premier data.



Elevating conventional care by connecting  
employers and healthcare systems to each other.

## The Need

## The Need

- Overly complex and misaligned U.S. healthcare system
- Creates significant and wasteful cost burden
  - **~30% of total spend** is wasteful<sup>1</sup>
- Driving employers to seek a better way
  - **~30% of employers** interested in entering into direct relationship or risk-sharing agreement with providers within next three to five years<sup>2</sup>

contigohealth. 

contigohealth.   
/// Clinical Advantage

Quality Management at the Point-of-Care

contigohealth   
/// ECEN Passport™

Helping Employees Receive the Best Care

contigohealth   
/// Sync Health Plan Administration™

Helping Employers Manage Cost Trends

## Value Delivered

## Value Delivered

- Increase access to high-quality care
- Improve employee productivity
- Increase employee engagement
- Control costs

Powered by PINC AI™

<sup>1</sup><https://jamanetwork.com/journals/jama/article-abstract/2752664>

<sup>2</sup> 24th Annual Willis Towers Watson Best Practices in Health Care Employer Survey (2019)



## CONTIGO HEALTH: LONG-TERM GROWTH STRATEGY

CY 2024

<b>Target Market</b>	<ul style="list-style-type: none"> <li>Pilot benefits administration</li> <li>Targeted employers for Centers of Excellence (COE)</li> <li>Expanded employer base for non-benefits</li> <li>Adding employers for benefits administration</li> </ul>
<b>Capabilities</b>	<ul style="list-style-type: none"> <li>Patient engagement</li> <li>Clinical and claims data integration</li> <li>Acquisitions to build and enhance capabilities</li> <li>Integration of acquisitions and investment in benefits administration platform</li> </ul>
<b>Growth Targets</b>	<p>Grow covered lives (medical membership) by 100,000+</p> <p>Add 30 to 45 providers to provider network</p>

## A CLEAR PATH TO DRIVE LONG-TERM GROWTH

- Leveraging unique combination of member network, innovative technology platform and vast data to provide actionable insights and meaningful solutions to healthcare market.
- Further development of AI-enabling capabilities to increase quality, lower costs and improve efficiencies in healthcare.
- Implementing strategy to drive growth in markets ripe for disruption.

# SUPPLY CHAIN SERVICES GROWTH STRATEGY

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**David Hargraves**

Senior Vice President of Supply Chain

## SUPPLY CHAIN SERVICES OVERVIEW

### BUSINESS SUMMARY

- Comprised of group purchasing organization (GPO) and direct sourcing businesses
- Provides wide range of technology-enabled capabilities to help acute and non-acute care providers lower cost of care without negatively impacting patient outcomes
- End-market focus includes acute-care hospitals and health systems, non-acute healthcare settings, suppliers and other non-healthcare businesses
- Delivers accessibility and price savings through e-commerce solutions for non-acute members
- Direct sourcing business designed to address product shortages with vertical integration and geographic diversity
- Powered by one of most comprehensive supply chain technology platforms in industry, offering actionable insights, workflow integration and AI-enabled process automation
- FY2021 Net Revenue: \$1.3 billion

### BRAND LINES



### Group Purchasing Organization

Collective purchasing power designed to lower non-labor costs without sacrificing outcomes across acute, non-acute, and non-healthcare segments



Premier's direct sourcing company driving meaningful cost savings in key shortage areas and improving supply chain efficiencies and transparency

## BRINGING TRANSPARENCY AND RESILIENCY TO THE SUPPLY CHAIN



### COVID-19 pandemic accelerating need to modernize healthcare supply chain

**Urgent need for transparency**  
into order process, inventory,  
delivery and potential  
supply chain disruptions

**Too much dependency**  
on few geographies for raw  
materials and PPE could lead to  
greater likelihood of shortages

**Aging workforce,  
skilled talent shortage**  
compounded by burnout  
contributing big shock to system

**WHERE and HOW**  
healthcare is provided is  
evolving now more than ever

### The Premier Advantage



#### See and Predict

Comprehensive view into member spend  
with AI-enabled predictive modeling for  
potential disruptions and shortages



#### Stabilize

Nimble and scalable direct sourcing  
portfolio including near-shore and  
domestic manufacturing for resiliency

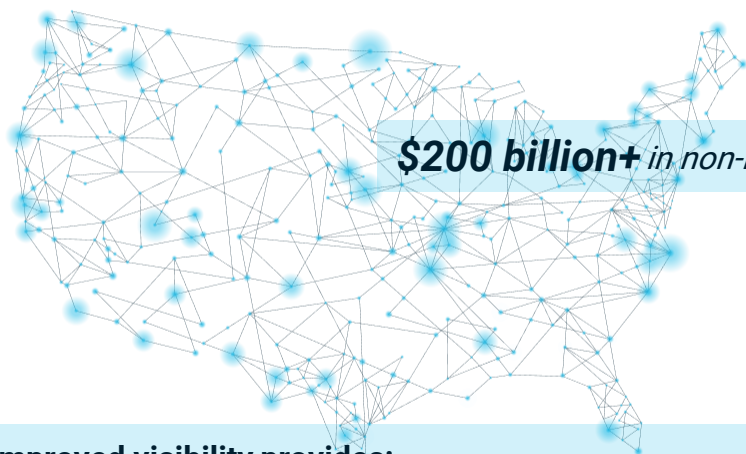


#### Automate

Predictable purchasing, invoicing and  
payment — all hardwired and automated

**Modern technology-enabled infrastructure for supply chain excellence**

## TECHNOLOGY-ENABLING THE SUPPLY CHAIN TO ADDRESS MEMBER SPEND

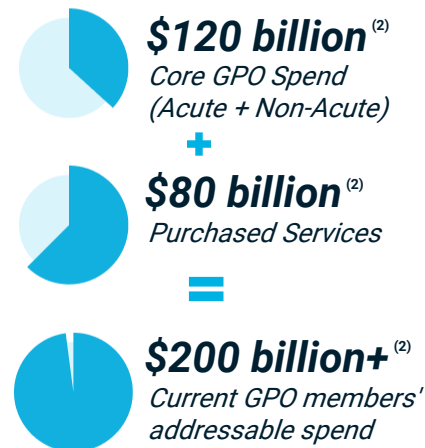


### Improved visibility provides:

- Cost savings for hospitals and health system overspending
- Stronger contract negotiating power
- Easier identification of savings opportunity
- Connectivity to patient outcomes
- Ability to predict and prevent potential disruptions

Currently capture **\$69B<sup>(1)</sup>** in GPO spend

### Premier GPO Member Spend Market Opportunity



(1) Total approximate purchasing volume by all members participating in GPO for calendar year 2020

(2) Premier's estimate of GPO member spend that could be managed if company expands capabilities into certain areas. Refer to forward-looking statements included in this presentation.

## COMPREHENSIVE SPEND MANAGEMENT TECHNOLOGY PLATFORM

Provides visibility and streamlines entire process from contract to payment.



**SUPPLY CHAIN  
ANALYTICS**



**CONTRACTING**



**ORDER ENTRY**



**RECEIPT OF  
PRODUCT**



**INVOICE**



**PAYMENT**

### **DATA CONTINUITY CAPABILITY**

*Clean and accurate data for retrospective, real-time and predictive insight into savings opportunities and potential disruption.*

## STRATEGY TO DELIVER LONG-TERM GROWTH

### SUPPLY CHAIN SERVICES

**FY21 Net Revenue: \$1.3 billion**  
Comprehensive, technology-enabled, end-to-end supply chain solutions

#### ACUTE CARE

Technology-enabled supply chain solutions for hospitals and health systems

*Expect continued stable, consistent growth*

#### NON-ACUTE

Technology-enabled purchasing program for non-acute healthcare and commercial facilities

*Expect fast-growing market*

#### DIRECT SOURCING

Constantly expanding portfolio of high-quality products sourced directly from the manufacturer

*Expanding into higher margin categories*



## TECHNOLOGY-ENABLED COST MANAGEMENT SOLUTIONS FOR ACUTE-CARE HOSPITALS AND HEALTH SYSTEMS

### BUSINESS OVERVIEW

- Aggregate supply chain purchasing power of **2,800+ hospitals and health systems**
- Exclusive membership access to **3,000+ contracts** with **>1,350 suppliers** and **growing**
- Performance programs driving **strong compliance** with on-contract spend
- **Cleansed, analysis-ready data** and **AI-powered algorithms** to more easily surface opportunity to improve costs without sacrificing quality (e.g., resource utilization and comparative effectiveness)
- Co-management services offering "**boots on the ground**" **experts** to efficiently manage the supply chain

### GROWTH CATALYSTS

#### *Stable Growth Opportunity*

- **Expand** contract penetration for existing base
- **Broaden** contract portfolio: more contracts, more categories, new suppliers
- **Increase** participation in performance groups
- **Accelerate** adoption of purchased services solution (Conductiv®)
- **Extend** technology platform
- **Address** worker shortage with co-management solutions

## TECHNOLOGY-ENABLED COST MANAGEMENT SOLUTIONS FOR NON-ACUTE HEALTHCARE AND OTHER COMMERCIAL MARKETS

### BUSINESS OVERVIEW

- **30+ years of purchasing program experience** for non-acute care and commercial facilities
- **Expanded capabilities** to address growing non-acute and non-healthcare markets

### GROWTH CATALYSTS

#### *Expect Fast-Growing Market*

- **Focus** on key markets (e.g., surgical centers; pharmaceutical, including infusion and specialty; senior care)
- **Expand** into adjacent markets
- **Reduce** customer acquisition time
- **Visibility** to increase contract penetration and grow customer base through technology-enabled services
- **Expansion** of e-commerce capability



Providing supply chain solutions and strategic purchasing support to non-acute healthcare, education and business communities



Group purchasing solution for non-acute healthcare providers and other commercial markets



Online marketplace powered by Premier providing simple, reliable access to healthcare essentials at reasonable prices

## CONSTANTLY EXPANDING PORTFOLIO OF HIGH-QUALITY PRODUCTS SOURCED DIRECTLY FROM THE MANUFACTURER

### BUSINESS OVERVIEW

- Directly sourcing in **>1,000 items** in **20+ product categories**
- **95%+ members leverage** for access to products and cost savings opportunities
- **De-risks potential supply chain disruption** through co-investment opportunities and other arrangements in domestic manufacturing
- **Provides strategic lever for sourcing** products when needed to protect members from shortages

### GROWTH CATALYSTS

#### *Expand Into Higher-Margin Categories*



- **Data-driven identification** of several unhealthy markets
- **De-risk** members through use of direct-sourcing lever
- **Expansion** from commodity products (from PPE to clinical products)
- **Penetration** by common agreement to specification
- **Opportunity** for additional member co-innovation and investment

## A CLEAR PATH TO DELIVER CONTINUED GROWTH

- Leveraging unique combination of member network, innovative technology platform and vast data to provide actionable insights and meaningful solutions to healthcare market.
- Further technology-enabling supply chain from end-to-end to increase quality, lower costs and improve efficiencies in healthcare.
- Executing strategy to drive continued growth.
- Helping to create healthier, more resilient supply chain.

# DRIVING INNOVATION AND PERFORMANCE THROUGH A HIGHLY ENGAGED CULTURE

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**Joseph Machicote**

Chief Diversity and Inclusion Officer

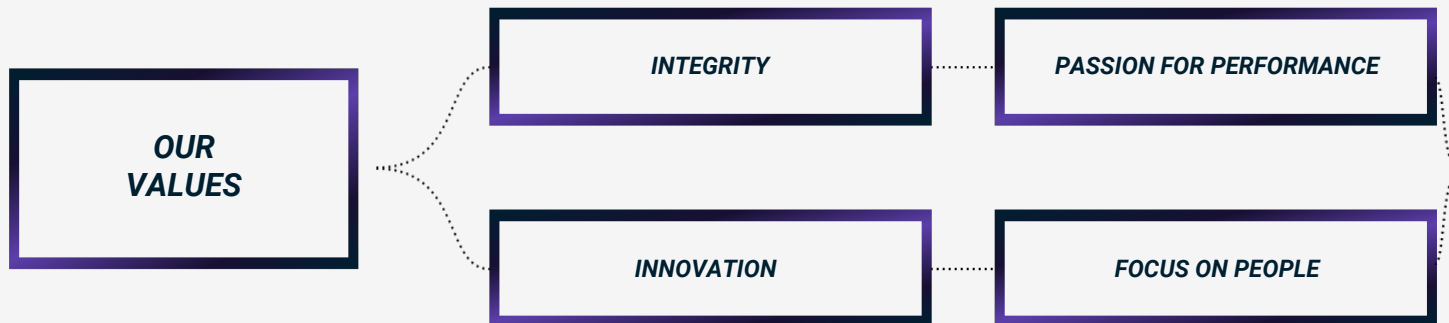
## DRIVING INNOVATION AND PERFORMANCE THROUGH A HIGHLY ENGAGED CULTURE

*Our most important asset is our employees.*

*We have a **highly engaged culture** focused on carrying out our mission and a **shared commitment** to our stakeholders.*



*Our values guide our behaviors and business decisions.*



Forbes **2021**  
**THE BEST  
EMPLOYERS  
FOR DIVERSITY**

POWERED BY STATISTA



FASTCOMPANY  
**WORLD  
CHANGING  
IDEAS 2021**

2021  
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DISABILITY INCLUSION** 2021  
100% DISABILITY EQUALITY INDEX



**T H E L I S T**

## STRATEGIC PILLARS OF DIVERSITY, EQUITY, INCLUSION AND BELONGING

Core, centralized strategic initiatives to support our mission and drive operational and financial execution.



Each pillar has subset of individual objectives and tactics.



## OUR ONE-TEAM, GROWTH MINDSET: DEFINING THE CULTURE BY WHICH WE LEAD THE BUSINESS

**A SYSTEM** of agreements, competencies, skillsets, thinking, language, behaviors and actions that clearly state expectations of every team member.

**THE BELIEF** that skills and intelligence can be improved with intentional effort and persistence.

**PEOPLE** with a growth mindset embrace challenges, are resilient, value feedback, learn from constructive criticism and seek out inspiration in others' success.



**CONSCIOUS COMMITMENT TO AND FOCUS ON PERFORMANCE EXCELLENCE,  
RESULTING IN VALUE CREATION FOR ALL STAKEHOLDERS.**

## SOUND ESG PRACTICES IN OUR DNA



*"We have long understood the importance and value of environmental, social and governance (ESG) practices and incorporated them into how we conduct ourselves and our business to achieve our longer-term goals and deliver on our mission to improve the health of communities."*

## CULTURAL IMPACT FRAMEWORK

	Individual Impact	Organizational Impact	Impact on External Stakeholders
Talent Management and Development	Learning, development, mentoring and coaching	Succession planning, internal growth and retention of high-potential employees	Powerful employment brand
Culture	Engaged, authentic commitment to our mission	Culture of diversity, equity, inclusion and belonging	Strong ESG presence in the community
Organization Vitality	<p>"One Team, Growth Mindset"</p> <p>Culture of continuous self-improvement</p>	<p>"One Team, Growth Mindset"</p> <p>Culture of innovation, intelligence and performance excellence</p>	<p><b>Yields strong financial performance and operational excellence</b></p> <p><b>Improves health of communities</b></p>

**MAKING A *PREMIER* IMPACT**

# TYING IT ALL TOGETHER: ***FINANCIAL OVERVIEW***

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**Craig McKasson**

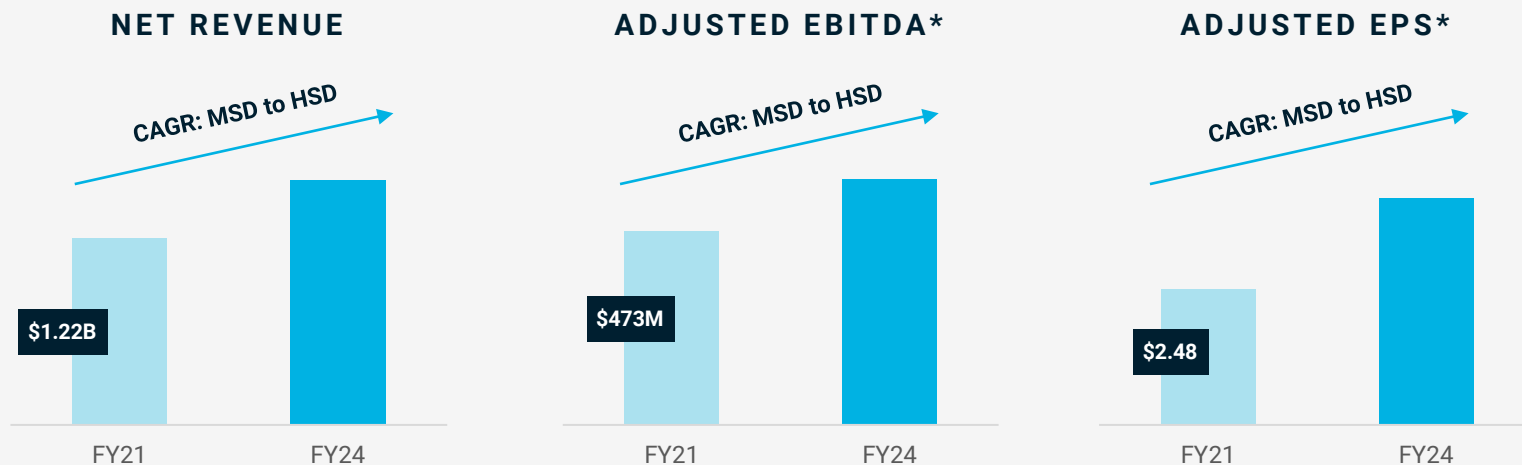
Chief Financial Officer and Chief Administrative Officer

## WELL-POSITIONED FOR SUSTAINABLE, LONG-TERM GROWTH

- Established industry leader operating in resilient and growing markets.
  - Long-standing strategic and collaborative member relationships.
  - Leveraging comprehensive and scalable technology and services platform.
  - Providing differentiated healthcare solutions.
- Executing disciplined growth strategy.
  - Maintaining strong financial position with balanced capital deployment approach.

***Making a Premier Impact***

## DRIVING ANTICIPATED GROWTH THROUGH EXECUTION



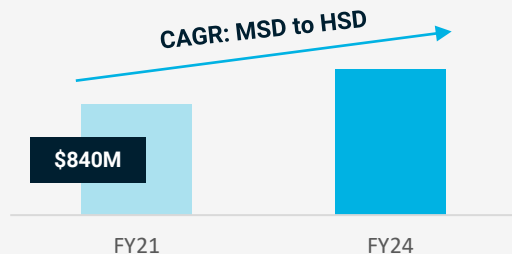
### Notes:

- "MSD" refers to mid-single digits; "HSD" refers to high-single digits
- Premier's fiscal 2021 net revenue and expected multi-year compounded annual growth rate targets exclude the impact of the COVID-19 pandemic.

\* For fiscal 2021, refer to Appendix for adjusted EBITDA, adjusted net income, and adjusted earnings per share reconciliations to GAAP equivalents. For subsequent periods, Premier does not provide a reconciliation of non-GAAP forward-looking guidance as certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Refer to "Use of Forward-Looking Non-GAAP Measures" for additional explanation.

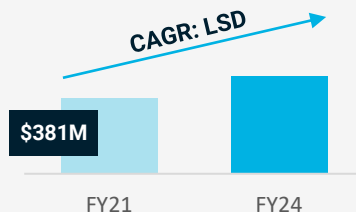
## SUPPLY CHAIN SERVICES: EXPECT STABLE GROWTH ENGINE TO CONTINUE

### SEGMENT NET REVENUE

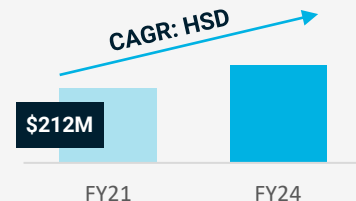


Segment adjusted EBITDA margin  
~49% to 51%

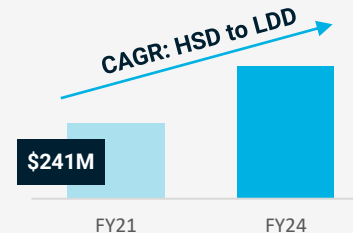
### ACUTE GPO NET ADMINISTRATIVE FEES REVENUE



### NON-ACUTE GPO NET ADMINISTRATIVE FEES REVENUE



### DIRECT SOURCING PRODUCTS REVENUE



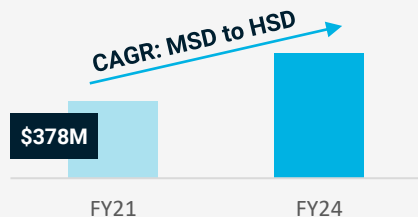
#### Notes:

- "LSD" refers to low-single digits; "MSD" refers to mid-single digits; "HSD" refers to high-single digits; "LDD" refers to low double-digit.
- Supply Chain Services segment net revenue, direct sourcing products revenue and expected multi-year compounded annual growth rate targets exclude the impact of the COVID-19 pandemic.



## PERFORMANCE SERVICES: GROWTH OPPORTUNITIES THROUGH ANTICIPATED EXPANSION INTO ADJACENT MARKETS

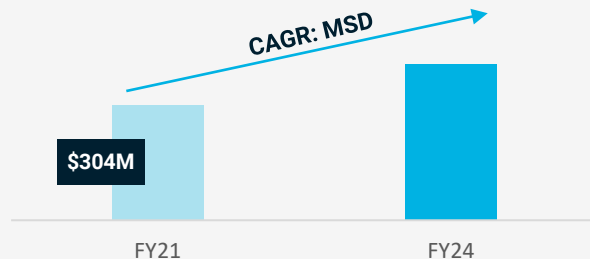
### SEGMENT NET REVENUE



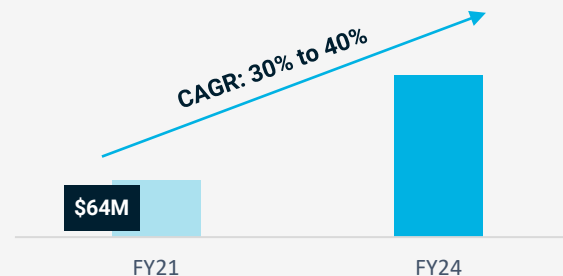
Segment adjusted  
EBITDA margin  
**34% to 36%**

Based on current business mix

### HEALTHCARE PROVIDER REVENUE



### ADJACENT MARKETS REVENUE

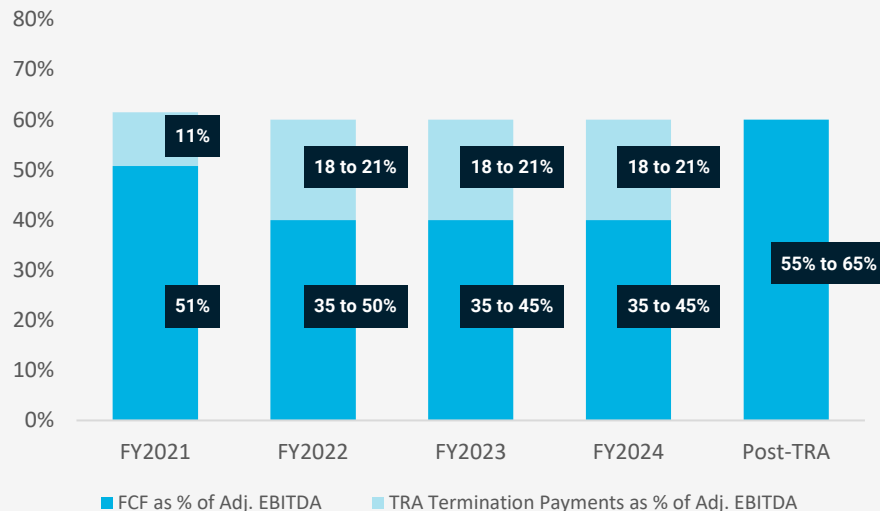


#### Notes:

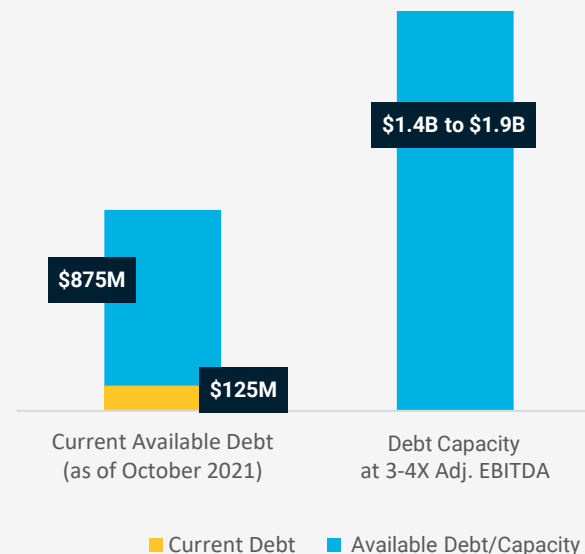
- "MSD" refers to mid-single digits; "HSD" refers to high-single digits
- Adjacent markets revenue includes Contigo Health, Remitra, life sciences and clinical decision support businesses.

## GENERATE STRONG CASH FLOW AND MAINTAIN FLEXIBLE BALANCE SHEET

### FREE CASH FLOW AS PERCENT OF ADJUSTED EBITDA\*



### AVAILABLE DEBT / CAPACITY



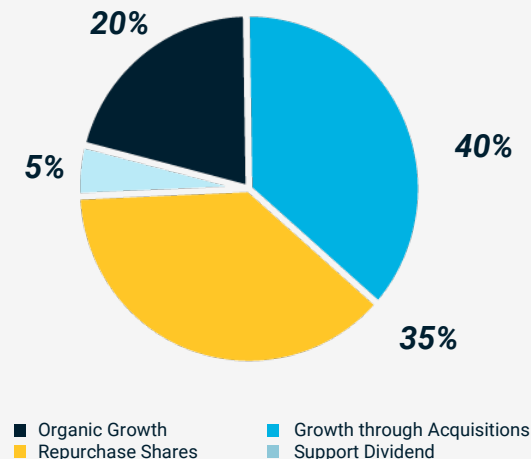
\* For fiscal 2021, refer to Appendix for adjusted EBITDA, adjusted net income, and adjusted earnings per share reconciliations to GAAP equivalents. For subsequent periods, Premier does not provide a reconciliation of non-GAAP forward-looking guidance as certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Refer to "Use of Forward-Looking Non-GAAP Measures" for additional explanation.

## BALANCED CAPITAL DEPLOYMENT STRATEGY

### **Priorities:**

- Reinvestment in organic growth
- Disciplined acquisitions and investments to support strategic goals
- Returning capital to stockholders through quarterly cash dividend payment and fiscal 2022 share repurchase program

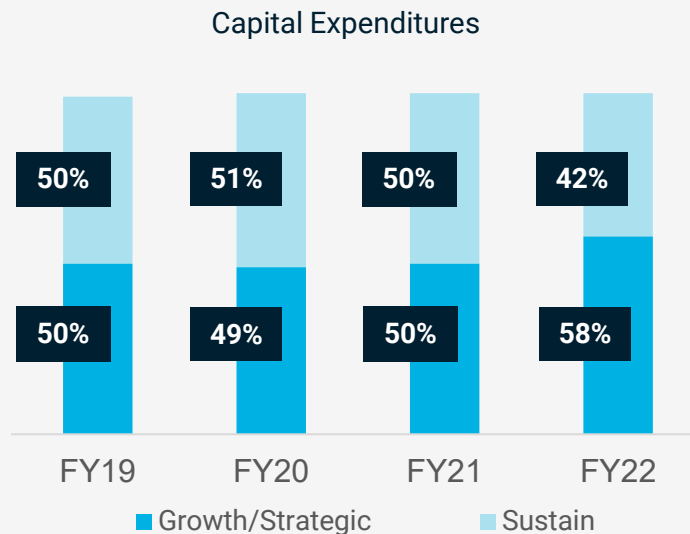
### LAST 5 YEARS\*



\*Fiscal years 2017 through 2021

\*\*Use of capital will be subject to deployment priorities, market conditions, and the discretion by the Board of Directors and management team. There can be no assurance of continued share repurchases or dividend payments.

## DRIVING ORGANIC GROWTH AND SUPPORTING EXISTING CAPABILITIES



Expect total capital expenditures of **\$100 million to \$110 million** in fiscal 2022

## DISCIPLINED ACQUISITION AND INTEGRATION PROCESSES FOCUSED ON VALUE CREATION

### Disciplined and Rigorous Acquisition Process

- Advance strategies to achieve longer-term goals
- Enhance capabilities
- Align with critical member needs
- Attractive growth profile
- Strong cultural fit

### Focused Integration Process

- Adhere to proven processes
- Drive revenue synergies
- Realize cost synergies
- Apply technology-based efficiencies

### Value Creation

- Achieve synergies
- Leverage member network to drive innovation

### Financial goals for acquisitions and other investments:

- Target accretion in Year 1
- Achieve run-rate ROIC > WACC

Guidance Metric	Fiscal 2022 Guidance Range (as of November 2, 2021)	Fiscal 2022 Guidance Range (as of August 17, 2021)
<b>Segment Net Revenue:</b>		
Supply Chain Services	\$925 million to \$1.01 billion	\$925 million to \$1.01 billion
Performance Services	\$395 million to \$420 million	\$395 million to \$420 million
<b>Total Net Revenue</b>	<b>\$1.32 billion to \$1.43 billion</b>	<b>\$1.32 billion to \$1.43 billion</b>
<b>Adjusted EBITDA*</b>	<b>\$483 million to \$500 million</b>	<b>\$483 million to \$500 million</b>
<b>Adjusted EPS*</b>	<b>\$2.56 to \$2.66</b>	<b>\$2.50 to \$2.60</b>
<p>Fiscal 2022 guidance assumes realization of the following assumptions and except for effective tax rate, which is updated as of November 2, 2021, all other assumptions remain unchanged from August 17, 2021.</p> <ul style="list-style-type: none"> <li>• Net administrative fees revenue of \$570 million to \$590 million</li> <li>• Direct sourcing products revenue of \$350 million to \$390 million</li> <li>• Net revenue available under contract that represents approximately 86% to 93% of the fiscal 2022 guidance range</li> <li>• Capital expenditures of \$100 million to \$110 million</li> <li>• Effective tax rate of 21% (previously: 23%)</li> <li>• Free cash flow approximating 35% to 50% of adjusted EBITDA</li> <li>• Per-share guidance does not include the impact of share repurchases under the previously authorized \$250 million stock repurchase plan made after September 30, 2021</li> <li>• Does not include the effect of any potential future significant acquisitions</li> </ul>		

*\*Premier does not provide a reconciliation of non-GAAP forward-looking guidance as certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. Refer to "Use of Forward-Looking Non-GAAP Measures" on slide 59 for additional explanation.*

## WELL-POSITIONED FOR SUSTAINABLE, LONG-TERM GROWTH

1

**Continue to make significant progress on executing strategy.**

2

**Generate strong cash flow and maintain flexible balance sheet.**

3

**Execute balanced capital allocation strategy.**

4

**Strategic path to achieve long-term growth targets.**

# APPENDIX

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## USE OF FORWARD-LOOKING NON-GAAP FINANCIAL MEASURES

The company does not believe it can meaningfully reconcile guidance for non-GAAP adjusted EBITDA and non-GAAP adjusted earnings per share to net income attributable to stockholders or earnings per share attributable to stockholders because the company cannot provide guidance for the 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 earnings per share without unreasonable effort. This is due to the fact that future period non-GAAP guidance includes adjustments for items not indicative of our core operations, which may include, without limitation, items included in the supplemental financial information for reconciliation of reported GAAP results to non-GAAP results. Such items may, from time to time, include strategic and acquisition related expenses for professional fees; mark to market adjustments for put options and contingent liabilities; gains and losses on stock-based performance shares; adjustments to its income tax provision (such as valuation allowance adjustments and settlements of income tax claims); items related to corporate and facility restructurings; and certain other items the company believes to be non-indicative of its ongoing operations. Such adjustments may be affected by changes in ongoing assumptions, judgements, as well as nonrecurring, unusual or unanticipated charges, expenses or gains/losses or other items that may not directly correlate to the underlying performance of our business operations. The exact amount of these adjustments are not currently determinable but may be significant.

# NON-GAAP RECONCILIATION TABLES

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 Adjusted Net Income			
(Unaudited)			
(In thousands)			
	Three Months Ended September 30,		
	2021	2020	
<b>Net income</b>	\$ 121,306	\$ 157,528	
Interest expense, net	2,788	2,119	
Income tax expense (benefit)	19,033	(94,981)	
Depreciation and amortization	20,596	17,474	
Amortization of purchased intangible assets	10,889	13,204	
<b>EBITDA</b>	174,612	95,344	
Stock-based compensation	7,751	7,375	
Acquisition & disposition related expenses	3,421	2,845	
(Gain) loss on FFF put and call rights	(64,110)	1,919	
Other expense, net	29	3,260	
<b>Adjusted EBITDA</b>	\$ 121,703	\$ 110,743	

## NON-GAAP RECONCILIATION TABLES

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 Adjusted Net Income			
(Unaudited)			
(In thousands)			
	Three Months Ended September 30,		
	2021	2020	
<b>Income before income taxes</b>	\$ 140,339	\$ 62,547	
Equity in net income of unconsolidated affiliates	(7,058)	(5,927)	
Interest expense, net	2,788	2,119	
(Gain) loss on FFF put and call rights	(64,110)	1,919	
Other expense (income), net	320	(3,683)	
<b>Operating income</b>	72,279	56,975	
Depreciation and amortization	20,596	17,474	
Amortization of purchased intangible assets	10,889	13,204	
Stock-based compensation	7,751	7,375	
Acquisition & disposition related expenses	3,421	2,845	
Equity in net income of unconsolidated affiliates	7,058	5,927	
Deferred compensation plan (expense) income	(318)	2,907	
Other expense, net	27	4,036	
<b>Adjusted EBITDA</b>	\$ 121,703	\$ 110,743	
<b>SEGMENT ADJUSTED EBITDA</b>			
Supply Chain Services	\$ 129,269	\$ 102,649	
Performance Services	23,715	37,116	
Corporate	(31,281)	(29,022)	
<b>Adjusted EBITDA</b>	\$ 121,703	\$ 110,743	

# NON-GAAP RECONCILIATION TABLES

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 Adjusted Net Income		
(Unaudited)		
(In thousands)		
	Three Months Ended September 30,	
	2021	2020
<b>Net income attributable to stockholders</b>	\$ 122,004	\$ 118,998
Adjustment of redeemable limited partners' capital to redemption amount	-	26,685
Net (loss) income attributable to non-controlling interest	(698)	11,845
Income tax expense (benefit)	19,033	(94,981)
Amortization of purchased intangible assets	10,889	13,204
Stock-based compensation	7,751	7,375
Acquisition & disposition related expenses	3,421	2,845
(Gain) loss on FFF put and call rights	(64,110)	1,919
Other expense, net	1,888	4,424
Adjusted income before income taxes	100,178	92,314
Income tax expense on adjusted income before income taxes	21,037	22,155
<b>Adjusted Net Income</b>	<b>\$ 79,141</b>	<b>\$ 70,159</b>

## NON-GAAP RECONCILIATION TABLES

**Supplemental Financial Information**  
**Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow**  
**(Unaudited)**  
**(In thousands)**

	<b>Three Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
Net cash provided by operating activities	\$ 55,187	\$ 30,782
Purchases of property and equipment	(21,050)	(24,982)
Distributions to limited partners of Premier LP	-	(9,949)
Payments to limited partners of Premier LP related to tax receivable agreements	-	(24,218)
Early termination payments to certain former limited partners that elected to execute a Unit Exchange Agreement	(23,813)	-
<b>Free Cash Flow</b>	<b>\$ 10,324</b>	<b>\$ (28,367)</b>

## NON-GAAP RECONCILIATION TABLES

Supplemental Financial Information			
Reconciliation of GAAP EPS to Adjusted EPS			
(Unaudited)			
(In thousands, except per share data)			
	Three Months Ended September 30,		
	2021	2020	
<b>Net income attributable to stockholders</b>	<b>\$ 122,004</b>	<b>\$ 118,998</b>	
Adjustment of redeemable limited partners' capital to redemption amount	-	26,685	
Net (loss) income attributable to non-controlling interest	(698)	11,845	
Income tax expense (benefit)	19,033	(94,981)	
Amortization of purchased intangible assets	10,889	13,204	
Stock-based compensation	7,751	7,375	
Acquisition & disposition related expenses	3,421	2,845	
(Gain) loss on FFF put and call rights	(64,110)	1,919	
Other expense, net	1,888	4,424	
Adjusted income before income taxes	100,178	92,314	
Income tax expense on adjusted income before income taxes	21,037	22,155	
<b>Adjusted Net Income</b>	<b>\$ 79,141</b>	<b>\$ 70,159</b>	

## NON-GAAP RECONCILIATION TABLES

Supplemental Financial Information			
Reconciliation of GAAP EPS to Adjusted EPS			
(Unaudited)			
(In thousands, except per share data)			
	Three Months Ended September 30,		
	2021		2020
Weighted average:			
Common shares used for basic and diluted earnings per share		122,945	99,575
Potentially dilutive shares		1,628	555
<b>GAAP weighted average shares outstanding - diluted</b>		<b>124,573</b>	<b>100,130</b>
Conversion of Class B common units		-	22,369
<b>Weighted average shares outstanding - diluted</b>		<b>124,573</b>	<b>122,499</b>
<b>GAAP earnings per share</b>	<b>\$</b>	<b>0.99</b>	<b>\$ 1.20</b>
Adjustment of redeemable limited partners' capital to redemption amount		-	0.27
Net (loss) income attributable to non-controlling interest		(0.01)	0.12
Income tax expense (benefit)		0.15	(0.96)
Amortization of purchased intangible assets		0.09	0.13
Stock-based compensation		0.06	0.07
Acquisition & disposition related expenses		0.03	0.03
(Gain) loss on FFF put and call rights		(0.52)	0.02
Other expense, net		0.02	0.04
Impact of corporation taxes		(0.17)	(0.22)
Impact of dilutive shares		-	(0.13)
<b>Adjusted EPS</b>	<b>\$</b>	<b>0.64</b>	<b>\$ 0.57</b>

# MAKING A PREMIER IMPACT

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