Premier, Inc.
Form 424B2
November 14, 2014
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered[(1)]	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee[(2)]
Class A Common Stock, par value $0.01 per share	$370,939[(3)]	$32.35	$11,999,877	$1,395

(1) Assumes exercise in full of the underwriters option to purchase up to an additional 370,939 shares of Class A common stock.

(2) Calculated in accordance with Rules 456(b) and 457(r) of the Securities Act of 1933, as amended. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrant s registration statement on Form S-3 filed with the Securities and Exchange Commission (SEC) on November 12, 2014 (File No. 333-200136).

(3) Registration fees for the 3,709,394 shares of Class A common stock referred to on the cover page of the accompanying prospectus supplement have been previously paid in connection with the filing of the registrant s registration statement on Form S-3, which was initially filed with the SEC on October 3, 2014 (File No. 333-199158), and are set forth therein in the Calculation of Registration Fee table.

Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration Nos. 333-199158 and 333-200136

Prospectus Supplement

(To Prospectus dated November 12, 2014 and

Prospectus dated November 12, 2014)

3,709,394 Shares

Premier, Inc.

Class A common stock

The shares of Class A common stock in the offering are being sold by the selling stockholders identified in this prospectus supplement. See Selling Stockholders. We will not receive any proceeds from the sale of shares offered by the selling stockholders.

Our Class A common stock is traded on the NASDAQ Global Select Market, or NASDAQ, under the symbol PINC. The last reported sale price of our Class A common stock on November 13, 2014 was $32.35 per share.

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012, and therefore are subject to reduced reporting requirements. Investing in our Class A common stock involves risks. You should carefully read and consider the Risk Factors section included in our most recent Annual Report on Form 10-K, which is incorporated by reference herein, as may be updated by our periodic and current reports, and the Risk Factors section on page S-24 of this prospectus supplement before investing in our Class A common stock.

	Per Share	Total
Public offering price	$ 32.35	$ 119,998,896
Underwriting discounts and commissions[1]	$ 1.86	$ 6,899,473
Proceeds to selling stockholders, before expenses	$ 30.49	$ 113,099,423

(1) See Underwriting for a description of compensation payable in connection with this offering.

We have granted the underwriters a 30-day option to purchase up to an additional 370,939 shares of our Class A common stock from us at the public offering price, less underwriting discounts and commissions. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $7,589,419, and we will receive proceeds of $11,309,930, before expenses.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectuses are truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about November 19, 2014.

J.P. Morgan **BofA Merrill Lynch** **Wells Fargo Securities**

Citigroup **Raymond James** **SunTrust Robinson Humphrey** **William Blair**

The date of this prospectus supplement is November 13, 2014.

Table of Contents

TABLE OF CONTENTS

Prospectus supplement

Prospectus dated November 12, 2014

Prospectus dated November 12, 2014

We and the selling stockholders have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectuses or in any free writing prospectus prepared by or on behalf of us or the selling stockholders or to which we have referred you. We and the selling stockholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectuses are an offer to sell only the Class A common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement is current only as of its date.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

General

This document consists of three parts. The first part is the prospectus supplement, which describes the specific terms of the offering. The second and third parts are the accompanying prospectuses, which describe more general information, some of which may not apply to the offering. You should read both this prospectus supplement and the accompanying prospectuses, together with additional information described under the headings Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectuses or the information contained in any document incorporated by reference herein or therein, you should rely on the information in this prospectus supplement.

All references in this prospectus supplement to Premier, our company, we, us, and our refer to Premier, Inc., a Delaware corporation, and its consolidated subsidiaries, including Premier Healthcare Alliance, L.P., a California limited partnership, which we refer to in this prospectus supplement as Premier LP. When we refer to the Class A common stock we refer to shares of our Class A common stock, par value $0.01 per share. Unless otherwise indicated, information presented in this prospectus supplement assumes that the underwriters option to purchase up to an additional 370,939 shares of Class A common stock from us is not exercised. Information presented as non-GAAP pro forma reflects changes to our business model and organizational structure in connection with our October 2013 reorganization, or the Reorganization, and initial public offering, or the IPO, as discussed herein under Prospectus Supplement Summary Summary Consolidated Financial Information Non-GAAP Pro Forma Financial Data and Use of Other Non-GAAP Measures, in Note 2 Initial Public Offering and Reorganization of our Annual Report on Form 10-K for the year ended June 30, 2014 and in Note 2 Initial Public Offering and Reorganization of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, each incorporated herein by reference.

This prospectus supplement and (i) the accompanying prospectus dated November 12, 2014 are part of the Registration Statement (Registration No. 333-199158) that we filed with the Securities and Exchange Commission, or SEC, on October 3, 2014, as amended on November 12, 2014, which we refer to as the Secondary Prospectus, and (ii) the accompanying prospectus dated November 12, 2014 are part of the Registration Statement (Registration No. 333-200136) that we filed with the SEC on November 12, 2014, which we refer to as the Primary Prospectus, each using a shelf registration process. This prospectus supplement relates to the offering of shares of our Class A common stock by the selling stockholders and, if the underwriters exercise their option to purchase additional shares of our Class A common stock, by us.

Fiscal Year

Unless otherwise indicated, references to fiscal year refer to the fiscal year of Premier, which ends on June 30.

Market Data and Industry Forecasts and Projections

We use market data and industry forecasts and projections throughout this prospectus supplement, the accompanying prospectuses and the documents incorporated by reference herein and therein. We have obtained the market data from certain publicly available sources of information, including publicly available industry publications. Forecasts are based on industry surveys and the preparer s expertise in the industry and there is no assurance that any of the forecasted amounts will be achieved. We believe the data others have compiled are reliable, but we have not independently verified the accuracy of this information. Any forecasts are based on data (including third-party data), models and experience of various professionals and are based on various assumptions, all of which are subject to change without notice. While we are not aware of any misstatements regarding the industry data presented herein, forecasts and projections involve risks and uncertainties and are

Table of Contents

subject to change based on various factors, including those discussed under the heading Risk Factors included in our most recent Annual Report on Form 10-K, which is incorporated by reference herein, as may be updated by our periodic and current reports, and included in this prospectus supplement on page S-24. You should not place undue reliance on any such market data or industry forecasts and projections, which speak only as of the date they were made. We undertake no obligation to publicly update or revise any such market data or industry forecasts and projections, whether as a result of new information, future events or otherwise.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about our company and this offering. It does not contain all of the information that may be important to you and to your investment decision and is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained in, or incorporated by reference in, this prospectus supplement and the accompanying prospectuses, including our consolidated financial statements and the related notes before deciding whether to invest in the securities offered hereby. You should also carefully consider, among other things, the matters discussed in this prospectus supplement in the section entitled Risk Factors before deciding to purchase our Class A common stock.

Our Company

We are a leading healthcare improvement company, uniting an alliance of approximately 3,400 U.S. hospitals and 110,000 other providers, as of September 30, 2014, to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and advisory and other services, we enable better care and outcomes at a lower cost. We believe that we play a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients. We deliver value through a comprehensive technology-enabled platform that offers critical supply chain services, clinical, financial, operational and population health software-as-a-service, or SaaS, informatics products, advisory services and performance improvement collaborative programs.

As of September 30, 2014, we were controlled by 177 U.S. hospitals, health systems and other healthcare organizations that represent approximately 1,300 owned, leased and managed acute care facilities and other non-acute care organizations. Our current membership base includes many of the country s most progressive and forward-thinking healthcare organizations and we continually seek to add new members that are at the forefront of innovation in the healthcare industry. Our Class A common stock is generally held by the public and our Class B common stock is held by the limited partners of Premier LP, referred to as our member owners.

As a member-controlled healthcare alliance, our mission, products and services, and long-term strategy have been developed in partnership with our member hospitals, health systems and other healthcare organizations. We believe that this partnership-driven business model creates a relationship between our members and us that is characterized by aligned incentives and mutually beneficial collaboration. This relationship affords us access to critical proprietary data and encourages member participation in the development and introduction of new Premier products and services. Our interaction with our members provides us with a window into the latest challenges confronting the industry we serve and innovative best practices that we can share broadly within the healthcare industry, including throughout our membership. This model has enabled us to develop size and scale, data and analytics assets, expertise and customer engagement required to accelerate innovation, provide differentiated solutions and facilitate growth.

Our Solutions

We seek to address challenges facing healthcare delivery organizations through our comprehensive suite of solutions that:

- improve the efficiency and effectiveness of the healthcare supply chain;

deliver improvement in cost and quality;

innovate and enable success in emerging healthcare delivery and payment models to manage the health of populations; and

utilize data and analytics to drive increased connectivity, and clinical, financial and operational improvement.

Table of Contents

Our business model and solutions are designed to provide our members access to scale efficiencies, spread the cost of their development, derive intelligence from our data warehouse, mitigate the risk of innovation and disseminate best practices that will help our member organizations succeed in their transformation to higher quality and more cost-effective healthcare. We deliver our integrated platform of solutions that address the areas of total cost management, quality and safety improvement and population health management through two business segments: supply chain services and performance services. The supply chain services segment includes our group purchasing organization, or GPO, a specialty pharmacy and direct sourcing activities. The performance services segment includes our informatics, collaborative, advisory services and insurance services businesses.

Supply chain services: We are one of the largest healthcare supply chain management services businesses in the United States serving a broad range of healthcare providers. Our supply chain services segment assists our members in managing their non-labor expense categories through a combination of products, services and technologies, including one of the largest national healthcare GPOs in the United States serving acute and alternate sites, a specialty pharmacy and direct sourcing activities. Membership in our GPO also provides access to certain SaaS informatics products related to the supply chain and the opportunity to participate in our ASCEND® collaborative. Our alternate site program includes our 50% ownership interest in Innovatix, LLC, or Innovatix, one of the largest alternate site GPOs. Our GPO programs, which are enabled with proprietary technology and include field support services, administered approximately $41 billion worth of member facilities purchasing volume through our supplier contracts for calendar year 2013.

We generate revenue in our supply chain services segment from fees received from suppliers based on the total dollar volume of supplies purchased by our members and through product sales in connection with our specialty pharmacy and direct sourcing activities. Supply chain services net revenue declined from $187.5 million for the three months ended September 30, 2013, to $170.3 million for the three months ended September 30, 2014, representing a decrease in net revenue of 9%, and accounted for 74% of our overall net revenue for the current period. However, supply chain services segment net revenue of $170.3 million for the three months ended September 30, 2014 represents a $24.1 million, or 16%, increase from non-GAAP pro forma net revenue of $146.2 million for the comparable period of 2013. Supply chain services net revenue grew from $664.1 million for fiscal year 2013 to $678.1 million for fiscal year 2014, representing net revenue growth of 2%, and accounted for 74% of our overall net revenue in fiscal year 2014. Non-GAAP pro forma supply chain services segment net revenue grew from $559.1 million for fiscal year 2013 to $636.9 million for fiscal year 2014, representing net revenue growth of 14%, and accounted for 73% of our overall net revenue in fiscal year 2014. Supply chain services segment net revenue grew from $591.0 million in fiscal year 2012 to $664.1 million in fiscal year 2013, representing net revenue growth of 12%, and in fiscal year 2013 accounted for 76% of our overall net revenue in fiscal year 2013. See Summary Consolidated Financial Information Non-GAAP Pro Forma Financial Data and Use of Other Non-GAAP Measures below for additional information about our use of non-GAAP pro forma financial information.

Performance services: Our offerings in the performance services sector of the healthcare industry are primarily information technology analytics and workflow automation and advisory services. We believe we are one of the largest informatics and advisory services businesses in the United States focused on healthcare providers. Our SaaS informatics products utilize our comprehensive data set to provide actionable intelligence to our members, enabling them to benchmark, analyze and identify areas of improvement across three main categories: cost management, quality and safety, and population health management. Premier has created a world-class integrated technology platform called PremierConnect® that effectively integrates the full continuum of data in order to facilitate comprehensive performance improvement. The platform effectively brings data together in a meaningful way, applying collective best practice knowledge and benchmarks to identify opportunities, route those opportunities to the appropriate stakeholders and then provide useful knowledge and a means for collaboration with other members to facilitate implementation. The end result is actionable information tied to

knowledge. Solutions on the platform include these domains: PremierConnect Quality, PremierConnect Safety, PremierConnect Supply Chain, PremierConnect Labor, PremierConnect Population Health, and PremierConnect® Enterprise Analytics.

This segment also includes our technology-enabled performance improvement collaboratives, through which we convene members, design programs and facilitate, foster and advance the exchange of clinical, financial and operational data among our members to measure patient outcomes and determine best practices that drive clinical, financial and operational improvements. Through our Quality, Efficiency and Safety through Transparency, or QUEST®, collaborative, we work with our members to identify improvement opportunities and best practices and engage them to participate in performance improvement exercises using identified best practices, to collaborate to define performance goals and to use healthy competition to drive performance improvement. As of September 30, 2014, QUEST® had approximately 365 participating U.S. hospitals working together and utilizing our SaaS informatics products to develop highly standardized quality, safety and cost metrics. Today, we offer performance improvement collaboratives in several areas, including bundled payment, accountable care and readmission management, among others. The implementation of these programs has enhanced the growth of our performance services segment.

In addition to our information technology and collaborative offerings, our advisory services, provided through Premier Performance Partners, seek to drive change and improvement in cost reduction, quality of care and patient safety. Premier Performance Partners offers expertise and capabilities in the following areas: clinical, financial and operational performance, facilities and capital asset management, organizational transformation, physician preference items, reform readiness assessment, service line improvement, strategic and business planning and supply chain transformation.

Our performance services segment has grown rapidly through product innovation, organic growth and selected acquisitions. Performance services segment net revenue grew from $53.1 million for the three months ended September 30, 2013, to $59.0 million for the three months ended September 30, 2014, representing net revenue growth of 11%, and accounted for 26% of our overall net revenue for the current period. Performance services segment net revenue grew from $205.2 million in fiscal year 2013 to $232.4 million in fiscal year 2014, representing net revenue growth of 13%, and accounted for 26% of our overall net revenue in fiscal year 2014. Performance services segment net revenue grew from $177.3 million in fiscal year 2012 to $205.2 million in fiscal year 2013, representing net revenue growth of 16% and accounted for 24% of our overall net revenue in fiscal year 2013.

The value we provide to our members through our integrated platform of solutions is evidenced by (i) high retention rates for members participating in our GPO in the supply chain services segment and renewal rates for our SaaS informatics products subscriptions in the performance services segment, as illustrated in the table below, (ii) annual net revenue growth from fiscal year 2011 through fiscal year 2014 and (iii) the fact that our members have partnered through Premier to create some of the largest performance improvement collaboratives in emerging areas of healthcare such as accountable care, bundled payment and readmission management.

The following table sets forth certain information with respect to retention rates for members participating in our GPO in the supply chain services segment and renewal rates for our SaaS informatics products subscriptions in the performance services segment for the fiscal years shown:

	Fiscal Year Ended June 30,			
	2014	**2013**	**2012**	**3 Year Average**

GPO retention rate[(1)]	99%	93%	99%	97%
SaaS institutional renewal rate[(2)]	94%	96%	92%	94%

Table of Contents

(1) The retention rate is calculated based upon the aggregate purchasing volume among all members participating in our GPO for such fiscal year less the annualized GPO purchasing volume for departed members for such fiscal year, divided by the aggregate purchasing volume among all members participating in our GPO for such fiscal year.
(2) The renewal rate is calculated based upon the total number of members that have SaaS revenue in a given period that also have revenue in the corresponding prior year period divided by the total number of members that have SaaS revenue in the same period of the prior year.

The Premier Opportunity

We believe the future for healthcare providers in the United States will require transformational change due to intense cost pressures, a shifting competitive landscape, a changing regulatory environment, the evolving use of data and analytics and the transition to a fundamentally different payment model. Premier s service offerings and business opportunities are well-aligned with the key characteristics of the changing healthcare environment:

Healthcare providers must place a renewed focus on cost and quality. We believe an alliance membership model such as ours that provides significant economies of scale, access to data and analytics and best practices on a shared-cost basis appeals to many healthcare providers in the increasingly cost-sensitive healthcare provider environment.

Greater administrative and clinical scale will be a requirement for success. Many of our members and potential new members deliver healthcare services primarily on a local or regional basis and will likely face intense competition from larger multi-market competitors over time. We provide access to economies of scale, lower cost of innovation and proprietary data solutions that enable large and small healthcare providers to achieve a level of operating effectiveness which allows them to remain competitive in a consolidating and lower revenue environment. Our scale is derived from approximately 3,400 U.S. hospitals, representing approximately 68% of all U.S. community hospitals as of September 30, 2014, that participate in our acute care GPO program in our supply chain services segment or use one or more of our performance services segment s products or services.

Healthcare providers will need to extend their reach over time. The need to diversify revenue and to manage in an outcomes-based payment model is forcing health systems to expand their ability to deliver care into alternate site markets. Our alternate site program, consisting of our Continuum of Care GPO program, which includes Innovatix, LLC, Premier REACH® and ProviderSelect MD®, is one of the largest in the United States, providing services to approximately 110,000 members as of September 30, 2014.

The healthcare provider business model of the future will incentivize different capabilities. Initiatives such as accountable care organizations, or ACOs, bundled payment and readmission management are rapidly realigning incentives around outcomes, quality and patient satisfaction. Our performance improvement collaboratives and clinical, financial and operational SaaS informatics products give healthcare providers the knowledge and capabilities to operationalize these initiatives.

Healthcare has entered the era of big data. The healthcare industry has spent the past decade digitizing medical records. Additionally, the U.S. federal government has accelerated the move toward data transparency by making decades of stored data usable, searchable and actionable. Healthcare providers are now seeking actionable data and information to properly measure and analyze meaningful business drivers such as clinical quality, operating efficiency and population risk profiles within their communities. We believe that our data set of clinical, financial and operational data is one of the largest and most diverse in the healthcare provider sector.

Table of Contents

Our Competitive Strengths

We believe we are well positioned to benefit from the transformations occurring in the healthcare provider market described above. A new environment that rewards efficiency, better use of information and payment for patient outcomes aligns very well with our portfolio of solutions, recent investments and other competitive strengths:

Scale and depth of member relationships. Our membership includes approximately 68% of all U.S. community hospitals. Our mission, products and services, and long-term strategy have been developed in partnership with our member health systems. Based on our 2011-2013 CEO Satisfaction Surveys, on average, approximately 86% of the responding member owners surveyed over a three-year period consider us to be either a strategic partner or an extension of their own organization. Approximately 76% of our member owners have been part of our alliance for more than 10 years, with an average tenure of approximately 15 years as of September 30, 2014.

Ownership structure. As of September 30, 2014, approximately 78% of our outstanding common stock was owned by members. Pursuant to the limited partnership agreement of Premier LP, each of our member owners (i) entered into a GPO participation agreement, (ii) agreed to limits on such owner s ability to exchange its Class B common units of Premier LP during the first seven years following our IPO and (iii) consented to allow Premier LP to retain a significantly greater portion of its annual earnings. We believe these member owner relationships have strengthened the alignment of interests between us and our member owners and drive recurring revenues, attractive returns on incremental investment and significant free cash flow that can be invested in our long-term growth.

Member-driven innovation. Approximately 380 individuals, representing approximately 165 of our U.S. hospital members, sit on 25 of our strategic and sourcing committees and as part of these committees use their industry expertise to advise on ways to improve the development, quality and value of our products and services.

Market leading data assets and data management capabilities. Our data and analytics platform is differentiated by what we believe is one of the largest integrated data sets in the healthcare provider sector and our dedicated data management team. We have access to approximately one in three U.S. hospital discharges and our data set is a comprehensive repository of clinical, financial and operational data. Our SaaS informatics products utilize our comprehensive data set to provide actionable intelligence to our members, enabling them to benchmark, analyze and identify areas of improvement across three main categories: cost management, quality and safety, and population health management.

Embedded in our members critical operational processes. Our suite of solutions is a critical component of our members cost management and quality improvement initiatives, as evidenced by retention rates for members participating in our GPO in the supply chain services segment (determined based on aggregate contract purchasing volume) with an average of 97% for the last three fiscal years and renewal rates for our SaaS informatics products subscriptions in the performance services segment (determined based on total number of members that have SaaS revenue) with an average of 94% for the last three fiscal years.

Proven management and dynamic culture. Our senior management team of 13 individuals has an average of approximately 22 years of experience in the healthcare industry, an average of approximately nine years of service with us and a proven track record of delivering measurable clinical, financial and operational improvement for healthcare providers.

Table of Contents

Our Growth Strategy

From fiscal year 2011 through fiscal year 2014, we had annual net revenue growth through strong organic revenue growth, new product development and selected acquisitions. We have made and continue to make investments in people, data, analytic solutions, technology and complementary businesses to accelerate growth. The key components of our strategy include:

- Expanding our relationships with our existing members;
- Continuing to develop innovative products and services;
- Attracting new members;
- Expanding further into the alternate site market;
- Pursuing strategic acquisitions that complement our leadership position; and
- Developing new strategic partnerships.

Recent Developments

Exchange of Premier LP Class B Common Units for Shares of Our Class A Common Stock. Pursuant to the Exchange Agreement, entered into as of September 25, 2013 and effective as of October 1, 2013, by and among us, Premier LP and its limited partners, or the Exchange Agreement, commencing on October 31, 2014, and during each year thereafter, each limited partner will generally have the cumulative right to exchange, on a quarterly basis, a portion of its Premier LP Class B common units for shares of our Class A common stock, cash or a combination of both, the form of consideration to be at the discretion of the audit and compliance committee of our board of directors, or the Audit Committee. In connection with the October 31, 2014 quarterly exchange date, the Audit Committee determined to settle all exchanged Class B common units for shares of our Class A common stock. For each Class B common unit that is exchanged pursuant to the Exchange Agreement, the limited partner will also surrender one corresponding share of our Class B common stock, which will automatically be retired. On October 31, 2014, the first quarterly exchange date under the Exchange Agreement, 4,685,267 Class B common units were exchanged for a like number of newly issued shares of our Class A common stock. In addition, 4,685,267 shares of our Class B common stock were retired and are no longer outstanding. Of these newly issued shares of Class A common stock, 3,709,394 are being offered for sale as part of this offering. Pursuant to the Registration Rights Agreement entered into as of September 25, 2013 and effective as of October 1, 2013, by and among us and the limited partners of Premier LP, or the Registration Rights Agreement, the newly issued shares that are not participating in this offering are subject to a lock-up and may not be sold for a period of 60 days after the completion of this offering. For additional information regarding the Exchange Agreement and the Registration Rights Agreement, see Certain Contractual Arrangements with Selling Stockholders Exchange Agreement and Registration Rights Agreement in the Secondary Prospectus and Contractual Arrangements with Certain Selling Stockholders Exchange Agreement and Registration Rights Agreement in the Primary Prospectus.

2015 Annual Meeting. Our 2015 Annual Meeting of Stockholders, or Annual Meeting, will be held on December 5, 2014. The record date entitling holders of Class A common stock to vote at the Annual Meeting was October 6, 2014. Accordingly, purchasers of Class A common stock in this offering will not be entitled to vote such shares at the Annual Meeting.

Table of Contents

Our Structure

The following diagram depicts our organizational structure as of November 6, 2014, after giving effect to this offering, but does not give effect to the potential exercise of the underwriters option to purchase additional shares of our Class A common stock from us.

(1) Our Class B common stock gives voting rights, but no economic interests, to member owners. The holders of our Class B common stock have entered into a voting trust agreement by which a trustee acts on behalf of such holders for purposes of voting their shares. See Certain Contractual Arrangements with Selling Stockholders Voting Trust Agreement in the Secondary Prospectus and Contractual Arrangements with Certain Selling Stockholders Voting Trust Agreement in the Primary Prospectus for additional information regarding this agreement.

Table of Contents

Additional Information

We were incorporated on May 14, 2013 under the laws of the State of Delaware. We own substantially all of our assets and conduct substantially all of our business through Premier LP, our operating partnership. As of September 30, 2014, through our wholly-owned subsidiary, Premier Services, LLC, or Premier GP, we held an approximately 22% controlling general partner interest in Premier LP and our member owners held an approximately 78% limited partner interest in Premier LP.

Our principal executive offices are located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277, and our telephone number is (704) 357-0222. Our website is www.premierinc.com. Information on our website is not incorporated into this prospectus supplement, however, and should not be relied upon in determining whether to make an investment in the Class A common stock.

Table of Contents

The Offering

The following summary of the offering contains basic information about the offering and the Class A common stock and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the Class A common stock, please refer to the section of the accompanying prospectuses entitled Description of Capital Stock. Unless otherwise indicated, all share information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase additional shares of our Class A common stock.

Class A common stock offered hereby	3,709,394 shares (4,080,333 shares if the underwriters exercise in full their option to purchase additional shares).
Class A common stock outstanding immediately after this offering(1)	37,076,235 shares (37,447,174 shares if the underwriters exercise in full their option to purchase additional shares).
Class B common stock outstanding after this offering	107,181,272 shares of Class B common stock, par value $0.000001 per share. The number of shares of Class B common stock equals the number of Class B common units of Premier LP held by the limited partners of Premier LP. See Certain Contractual Arrangements with Selling Stockholders in the Secondary Prospectus and Contractual Arrangements with Certain Selling Stockholders in the Primary Prospectus.
Underwriters option to purchase additional shares of Class A common stock	We have granted the underwriters an option to purchase up to an additional 370,939 shares of Class A common stock from us within 30 days of the date of this prospectus supplement.
Use of proceeds	We will not receive any proceeds from the sale of Class A common stock by the selling stockholders named in this prospectus supplement. If the underwriters exercise any or all of their option to purchase additional shares of our Class A common stock, we expect to contribute the net proceeds from such sale to Premier LP. We expect Premier LP to subsequently use such net proceeds for general corporate purposes.
Voting rights	Holders of shares of our Class A common stock and holders of shares of our Class B common stock are each entitled to one vote per share. Holders of shares of our Class A common stock and holders of shares of our Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise set forth in our certificate of incorporation or as required by applicable law. See Description of Capital Stock in the accompanying prospectuses.

As of November 6, 2014, the holders of shares of our Class A common stock collectively owned 100% of the economic interests and approximately 26% of the voting power of Premier, Inc. The holders of shares of our Class B common stock hold the remaining approximately 74% of the voting power of Premier, Inc.

Table of Contents

Dividend policy	We expect to retain future earnings for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. See Matters Regarding Our Class A Common Stock Dividend Policy.
Risk factors	An investment in our Class A common stock is subject to risks. Please refer to Risk Factors and other information included or incorporated by reference in this prospectus supplement or the accompanying prospectuses for a discussion of factors you should carefully consider before investing in shares of our Class A common stock.
NASDAQ Global Select Market symbol	PINC

(1) The number of shares of Class A common stock that will be outstanding after this offering is based on the number of shares outstanding at November 6, 2014, and excludes: (i) 107,181,272 shares of Class A common stock that may be issued upon future exchanges of Class B common units of Premier LP by limited partners of Premier LP, (ii) 1,973,442 shares of Class A common stock subject to outstanding options, (iii) 816,800 shares of Class A common stock subject to outstanding restricted stock units, (iv) 1,085,451 shares of Class A common stock subject to outstanding performance shares and (v) an aggregate of 6,667,581 shares of Class A common stock that are available for future awards under our equity incentive plan.

Table of Contents

Summary Consolidated Financial Information

General

The following tables set forth summary consolidated financial data for the periods and as of the dates indicated. We have derived the summary consolidated financial data presented as of June 30, 2014 and 2013 and for the fiscal years ended June 30, 2014, 2013 and 2012 from our audited consolidated financial statements, which are incorporated by reference in this prospectus supplement and the accompanying prospectuses. We have derived the summary consolidated financial data presented as of June 30, 2012 and 2011 and for the fiscal year ended June 30, 2011 from our audited consolidated financial statements, which are not incorporated by reference in this prospectus supplement and the accompanying prospectuses. The summary consolidated financial data presented as of and for the three months ended September 30, 2014 and 2013 has been derived from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectuses, which in the opinion of management, included all adjustments, consisting primarily of normal recurring adjustments, that we consider necessary for a fair presentation of our financial position and results of operations as of such date and for such unaudited periods. The historical results are not necessarily indicative of results to be expected for future periods, and results for the three months ended September 30, 2014 are not necessarily indicative of results that may be expected for the fiscal year ending June 30, 2015. The information presented below should be read in conjunction with the sections of our Annual Report on Form 10-K for the year ended June 30, 2014, filed with the SEC on September 4, 2014, and our Quarterly Report on Form 10-Q for the three months ended September 30, 2014, filed with the SEC on November 12, 2014, entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and with our consolidated financial statements and the related notes thereto, all of which are incorporated by reference in this prospectus supplement and the accompanying prospectuses. See Incorporation of Certain Documents by Reference.

Table of Contents

Historical Financial Data

(In Thousands, Except Per Share Amounts)	**Fiscal Year Ended June 30,**				**Three Months Ended September 30,**	
Consolidated Statements of Income Data:	**2014**	**2013**	**2012[1]**	**2011[2]**	**2014**	**2013**
Net revenue:						
Net administrative fees [3]	$ 464,837	$ 519,219	$ 473,249	$ 457,951	$ 106,523	$ 143,576
Other services and support	233,186	205,685	178,552	158,179	59,221	53,252
Services	698,023	724,904	651,801	616,130	165,744	196,828
Products	212,526	144,386	116,484	64,628	63,564	43,748
Net revenue	910,549	869,290	768,285	680,758	229,308	240,576
Cost of revenue	307,625	237,413	189,719	119,875	90,021	67,526
Gross profit	602,924	631,877	578,566	560,883	139,287	173,050
Operating expenses:						
Selling, general and administrative	294,421	248,301	240,748	242,863	71,166	62,643
Research and development	3,389	9,370	12,583	8,685	1,073	852
Amortization of purchased intangible assets	3,062	1,539	3,146	3,463	903	601
Total operating expenses	300,872	259,210	256,477	255,011	73,142	64,096
Operating income	302,052	372,667	322,089	305,872	66,145	108,954
Other income, net [4]	58,274	12,145	12,808	11,092	4,553	4,338
Income before income taxes	360,326	384,812	334,897	316,964	70,698	113,292
Income tax expense	27,709	9,726	8,229	4,704	5,811	764
Net income	332,617	375,086	326,668	312,260	64,887	112,528
Net (income) loss attributable to noncontrolling interest in S2S Global [5]	(949)	1,479	608		(798)	210
Net income attributable to noncontrolling interest in Premier LP [6]	(303,336)	(369,189)	(323,339)	(309,840)	(54,816)	(113,214)
Net income attributable to noncontrolling interest	(304,285)	(367,710)	(322,731)	(309,840)	(55,614)	(113,004)
Net income (loss) attributable to shareholders	$ 28,332	$ 7,376	$ 3,937	$ 2,420	$ 9,273	$ (476)
Adjustment of redeemable limited partners capital to redemption amount	(2,741,588)				(382,657)	
Net (loss) income attributable to shareholders after adjustment of redeemable limited partners capital to redemption amount	$ (2,713,256)	$ 7,376	$ 3,937	$ 2,420	$ (373,384)	$ (476)
	$ (105.85)	$ 1.26	$ 0.64	$ 0.39	$ (11.53)	$ (0.08)

(Loss) income per share attributable to shareholders after adjustment of redeemable limited partners capital to redemption amount basic and diluted						
Weighted average shares outstanding basic and diluted	25,633	5,858	6,183	6,273	32,376	5,627

Table of Contents

(In Thousands)	June 30,				September 30,	
Consolidated Balance Sheets Data:	2014	2013	2012	2011	2014	2013
Cash, cash equivalents and marketable securities, current	291,606	255,619	241,669	251,609	268,638	132,851
Working capital (7)	198,174	220,893	200,799	193,162	215,438	93,727
Property and equipment, net	134,551	115,587	101,630	86,140	139,277	119,538
Marketable securities, non-current	248,799				129,579	
Total assets	1,246,656	598,916	554,939	532,361	1,282,945	521,840
Deferred revenue (8)	15,694	18,880	19,820	17,911	23,932	17,492
Total liabilities	472,293	213,513	196,990	199,464	459,963	237,858
Redeemable limited partners capital (9)	3,244,674	307,635	279,513	257,459	3,659,514	207,066
Class A common stock	324	57	61	62	324	56
Additional paid-in capital		28,866	35,427	36,090		28,503
(Accumulated deficit) retained earnings	(2,469,873)	50,599	43,223	39,286	(2,836,874)	50,321
Total stockholders (deficit) equity	(2,470,311)	77,768	78,436	75,438	(2,836,532)	76,916

(1) Amounts include the results of operations of SVS, LLC d/b/a S2S Global, or S2S Global, in our supply chain services segment from December 6, 2011, the date of acquisition of 60% of the outstanding shares of common stock of S2S Global for $500,000.

(2) Amounts include the results of operations of Commcare, LLC, or Commcare, in our supply chain services segment from November 1, 2010, the date of acquisition of all the outstanding shares of common stock of Commcare for $35.9 million.

(3) Following the completion of the Reorganization and IPO, we are contractually required 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 our GPO supplier contracts. Prior to the Reorganization and IPO, we did not generally have a contractual requirement to pay revenue share to member owners participating in our GPO programs, but paid semi-annual distributions of partnership income. In addition, certain non-owner members have historically operated under, and, following the Reorganization and IPO, continue to operate under contractual relationships that provide for a specific revenue share that differs from the 30% revenue share that we provide to our member owners under the GPO participation agreements following the Reorganization and IPO. As a result, our revenue share expense as a percentage of gross administrative fees increased for the fiscal year ended June 30, 2014 which resulted in a decrease in net administrative fees for the fiscal year ended June 30, 2014 when compared to the actual net administrative fees for the prior fiscal years.

(4) Other income, net, consists primarily of equity in net income of unconsolidated affiliates related to our 50% ownership interest in Innovatix, interest income, net, and realized gains and losses on our marketable securities (which represent our interest and investment income, net) and gain or loss on disposal of assets.

(5) Premier Supply Chain Improvement, Inc., or PSCI, currently owns a 60% voting and economic interest in S2S Global. Net (income) loss attributable to noncontrolling interest in S2S Global represents the portion of net (income) loss attributable to the noncontrolling equity holders of S2S Global (40%).

(6) Premier Healthcare Solutions, Inc., or PHSI, through Premier Plans, LLC, owned a 1% controlling general partnership interest in Premier LP prior to the Reorganization. Net income attributable to noncontrolling interest in Premier LP represents the portion of net income attributable to the limited partners of Premier LP, which was 78% following the Reorganization and 99% prior to the Reorganization.

(7) Working capital represents the excess of total current assets over total current liabilities.

(8) Deferred revenue is primarily related to deferred subscription fees and deferred advisory fees in our performance services segment and consists of unrecognized revenue related to advanced member invoicing or member

payments received prior to fulfillment of our revenue recognition criteria.

Table of Contents

(9) Redeemable limited partners capital consists of the limited partners approximately 78% ownership of Premier LP after the Reorganization and IPO and 99% ownership of Premier LP prior to the Reorganization and IPO. Pursuant to the terms of the limited partnership agreement of Premier LP, Premier LP has the option to repurchase the ownership interest of any limited partner upon the withdrawal of such limited partner and therefore the interest in Premier LP is classified as temporary equity in the mezzanine section of the consolidated balance sheet. Premier records redeemable limited partners capital at the greater of the book value or redemption amount. Premier calculates the redemption amount as the fair value of all Class B common units of Premier LP, as if immediately exchangeable into shares of our Class A common stock at the reporting date, with the corresponding offset to additional paid-in capital and retained earnings (accumulated deficit).

Non-GAAP Pro Forma Financial Data and Use of Other Non-GAAP Measures

Our consolidated operating results prior to October 1, 2013 do not reflect (i) the Reorganization, (ii) the IPO and the use of the proceeds from the IPO or (iii) additional expenses we incur as a public company. As a result, our consolidated operating results prior to the Reorganization and IPO are not indicative of what our results of operations are for periods after the Reorganization and IPO. In addition to presenting the historical actual results, we have presented non-GAAP pro forma results reflecting the following for the periods indicated, to provide a more indicative comparison between current and prior periods. The unaudited non-GAAP pro forma consolidated financial information is included for informational purposes only and does not purport to reflect our results of operations or financial position that would have occurred had we operated as a public company during the periods indicated. The unaudited non-GAAP pro forma consolidated financial information should not be relied upon as being indicative of our financial condition or results of operations had the Reorganization and IPO occurred on the dates assumed. The unaudited non-GAAP pro forma consolidated financial information also does not project our results of operations or financial position for any future period or date. You should carefully review our historical actual results presented herein and in the documents incorporated herein by reference. The non-GAAP pro forma results reflect the following for the periods indicated:

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%.

In our Results of Operations presented, we refer to Adjusted EBITDA, Segment Adjusted EBITDA and Adjusted Fully Distributed Net Income, which are non-GAAP financial measures.

We define EBITDA as net income before interest and investment income, net, income tax expense, depreciation and amortization and amortization of purchased intangible assets. We define Adjusted EBITDA as EBITDA before merger and acquisition related expenses and non-recurring, non-cash or non-operating items, and including equity in net income of unconsolidated affiliates. For all non-GAAP financial measures, we consider non-recurring items to be expenses that have not been incurred within the prior two years and are not expected to recur within the next two years. Such expenses include certain strategic and financial restructuring expenses. Non-operating items include gain or loss on disposal of assets.

Table of Contents

We define Segment Adjusted EBITDA as the segment s net revenue less operating expenses directly attributable to the segment excluding depreciation and amortization, amortization of purchased intangible assets, merger and acquisition related expenses and non-recurring or non-cash items, and including equity in net income of unconsolidated affiliates. Operating expenses directly attributable to the segment include expenses associated with sales and marketing, general and administrative and product development activities specific to the operation of each segment. General and administrative corporate expenses that are not specific to a particular segment are not included in the calculation of Segment Adjusted EBITDA.

We define Adjusted Fully Distributed Net Income as net income attributable to Premier (i) excluding income tax expense, (ii) excluding the effect of non-recurring and non-cash items, (iii) assuming the exchange of all the Class B common units into shares of Class A common stock, which results in the elimination of noncontrolling interest in Premier LP and (iv) reflecting an adjustment for income tax expense on non-GAAP pro forma fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a non-GAAP financial measure because it represents net income attributable to Premier before merger and acquisition related expenses and non-recurring or non-cash items and the effects of noncontrolling interests in Premier LP.

Adjusted EBITDA is a supplemental financial measure used by us and by external users of our financial statements. We consider Adjusted EBITDA an indicator of the operational strength and performance of our business. Adjusted EBITDA allows us to assess our performance without regard to financing methods and capital structure and without the impact of other matters that we do not consider indicative of the operating performance of our business. Segment Adjusted EBITDA is the primary earnings measure we use to evaluate the performance of our business segments.

We use EBITDA to determine compliance with certain financial covenants in our revolving credit facility. We use Adjusted EBITDA, Segment Adjusted EBITDA and Adjusted Fully Distributed Net Income to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with U.S. generally accepted accounting principles, or GAAP, provides a more complete understanding of factors and trends affecting our business than GAAP measures alone. We believe Adjusted EBITDA and Segment Adjusted EBITDA assist our board of directors, management and investors in comparing our operating performance on a consistent basis from period to period because they remove the impact of our asset base (primarily depreciation and amortization) and items outside the control of our management team (taxes), as well as other non-cash (impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (strategic and financial restructuring expenses), from our operations. We believe Adjusted Fully Distributed Net Income assists our board of directors, management and investors in comparing our net income on a consistent basis from period to period because it removes non-cash (impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (strategic and financial restructuring expenses), and eliminates the variability of noncontrolling interest as a result of member owner exchanges of Class B common units into shares of Class A common stock (which exchanges are a member owner s cumulative right, but not obligation, beginning on October 31, 2014, and each year thereafter, and are limited to one-seventh of the member owner s initial allocation of Class B common units).

Despite the importance of these non-GAAP financial measures in analyzing our business, determining compliance with certain financial covenants in our revolving credit facility, measuring and determining incentive compensation and evaluating our operating performance relative to our competitors, Adjusted EBITDA and Adjusted Fully Distributed Net Income are not a measurement of financial performance under GAAP, may have limitations as an analytical tool and should not be considered in isolation from, or as an alternative to, net income or any other measure of our performance derived in accordance with GAAP. Some of the limitations of Adjusted EBITDA and Segment Adjusted EBITDA include that they do not reflect: our capital expenditures or our future requirements for capital expenditures or contractual commitments; changes in, or cash requirements for, our

Table of Contents

working capital needs; the interest expense or the cash requirements to service interest or principal payments under our revolving credit facility; income tax payments we are required to make; and any cash requirements for replacements of assets being depreciated or amortized. In addition, Adjusted EBITDA and Segment Adjusted EBITDA are not measures of liquidity under GAAP, or otherwise, and are not alternatives to cash flows from continuing operating activities.

Some of the limitations of Adjusted Fully Distributed Net Income are that it does not reflect income tax expense or income tax payments we are required to make. In addition, Adjusted Fully Distributed Net Income is not a measure of profitability under GAAP.

We also urge you to review the reconciliations of these non-GAAP measures included elsewhere in this prospectus supplement and the documents incorporated herein by reference. To properly and prudently evaluate our business, we encourage you to review the unaudited consolidated financial statements and related notes included in the documents incorporated herein by reference and the audited consolidated financial statements and related notes incorporated herein by reference, and to not rely on any single financial measure to evaluate our business. In addition, because Adjusted EBITDA, Segment Adjusted EBITDA and Adjusted Fully Distributed Net Income are susceptible to varying calculations, the Adjusted EBITDA, Segment Adjusted EBITDA and Adjusted Fully Distributed Net Income measures, as presented in this prospectus supplement and the documents incorporated herein by reference, may differ from, and may therefore not be comparable to, similarly titled measures used by other companies.

As discussed above, we also use a non-GAAP pro forma presentation for consolidated operating results prior to October 1, 2013, the effective date of the Reorganization and IPO. We believe this presentation is useful because our consolidated operating results prior to the Reorganization and IPO are not indicative of our results for periods after the Reorganization and IPO. This non-GAAP pro forma presentation is for informational purposes only and does not purport to reflect our historical results of operations or financial position. This non-GAAP pro forma presentation should not be relied upon as being indicative of our financial condition or results of operations had the Reorganization and IPO occurred on the dates assumed. Further, this presentation does not project our results of operations or financial position for any future period or date. You should carefully review our historical actual results presented herein and in the documents incorporated herein by reference.

Table of Contents

Results of Operations

Fiscal Years Ended June 30, 2014 and 2013. The following table summarizes our actual and non-GAAP pro forma consolidated results of operations for the fiscal years ended June 30, 2014 and 2013 (in thousands):

	Fiscal Year Ended June 30,									
	2014					2013				
	Actual		Adjustments	Non-GAAP Pro Forma		Actual		Adjustments	Non-GAAP Pro Forma	
	Amount	% of Net Revenue	Amount	Amount	% of Net Revenue	Amount	% of Net Revenue	Amount	Amount	% of Ne Revenu
et revenue:										
t ministrative es	$ 464,837	51%	$ (41,263)(1)	$ 423,574	49%	$ 519,219	60%	$ (105,012)(1)	$ 414,207	54%
her services d support	233,186	26%		233,186	27%	205,685	24%		205,685	27%
rvices	698,023	77%	(41,263)	656,760	76%	724,904	84%	(105,012)	619,892	81%
oducts	212,526	23%		212,526	24%	144,386	16%		144,386	19%
et revenue	910,549	100%	(41,263)	869,286	100%	869,290	100%	(105,012)	764,278	100%
st of venue:										
rvices	115,740	13%		115,740	13%	103,795	12%		103,795	14%
oducts	191,885	21%		191,885	22%	133,618	15%		133,618	17%
st of venue	307,625	34%		307,625	35%	237,413	27%		237,413	31%
oss profit	602,924	66%	(41,263)	561,661	65%	631,877	73%	(105,012)	526,865	69%
erating penses:										
lling, neral and ministrative	294,421	33%		294,421	35%	248,301	29%		248,301	33%
search and velopment	3,389	%		3,389	%	9,370	1%		9,370	1%
nortization purchased angible sets	3,062	%		3,062	%	1,539	%		1,539	
tal erating penses	300,872	33%		300,872	35%	259,210	30%		259,210	34%

perating income	302,052	33%	(41,263)	260,789	30%	372,667	43%	(105,012)	267,655	35%
her income, t	58,274	6%		58,274	7%	12,145	1%		12,145	2%
come before come taxes	360,326	40%	(41,263)	319,063	37%	384,812	44%	(105,012)	279,800	37%
come tax pense	27,709	3%	(3,239)[2]	24,470	3%	9,726	1%	22,813[2]	32,539	4%
t income	**332,617**	**37%**	**(38,024)**	**294,593**	**34%**	**375,086**	**43%**	**(127,825)**	**247,261**	**33%**
t (income) ss ributable to ncontrolling erest in S2S obal	(949)	%		(949)	%	1,479	%		1,479	
t income ributable to ncontrolling erest in emier LP	(303,336)	(33)%	57,690[3]	(245,646)	(28)%	(369,189)	(42)%	150,726[3]	(218,463)	(29)%
t income ributable to ncontrolling erest	(304,285)	(33)%	57,690	(246,595)	(28)%	(367,710)	(42)%	150,726	(216,984)	(29)%
t income tributable to areholders	**$ 28,332**	**4%**	**$ 19,666**	**$ 47,998**	**6%**	**$ 7,376**	**1%**	**$ 22,901**	**$ 30,277**	**4%**
ljustment of deemable nited rtners capital redemption nount	$ (2,741,588)	nm	$	$ (2,741,588)	nm	$	nm	$	$	nm
t (loss) come tributable to areholders ter justment of deemable nited rtners pital to demption	**$ (2,713,256)**	**nm**	**$ 19,666**	**$ (2,693,590)**	**nm**	**$ 7,376**	**nm**	**$ 22,901**	**$ 30,277**	**nm**

nount									
ljusted BITDA [4]	$ 392,288	43%	$ (41,263)[1]	$ 351,025	40%	$ 419,025	48%	$ (105,012)[1]	$ 314,013	41%
ljusted Fully stributed Net come [5]	na	na	na	$ 188,561	22%	na	na	na	$ 172,793	23%

nm = Not meaningful

na = Not applicable

(1) Represents the impact related to the change in revenue share described above.
(2) Represents the income tax impact of the Reorganization.
(3) Represents the decrease in noncontrolling interest in Premier LP from 99% to approximately 78%.

Table of Contents

(4) The table that follows shows the reconciliation of net income to Adjusted EBITDA and the reconciliation of Segment Adjusted EBITDA to income before income taxes for the periods presented (in thousands):

	Fiscal Year Ended June 30, 2014			Fiscal Year Ended June 30, 2013		
	Actual	Adjustments [a]	Non-GAAP Pro Forma	Actual	Adjustments [a]	Non-GAAP Pro Forma
Net income	$ 332,617	$ (38,024)	$ 294,593	$ 375,086	$ (127,825)	$ 247,261
Interest and investment income, net [b]	(1,019)		(1,019)	(965)		(965)
Income tax expense	27,709	(3,239)	24,470	9,726	22,813	32,539
Depreciation and amortization	36,761		36,761	27,681		27,681
Amortization of purchased intangible assets	3,062		3,062	1,539		1,539
EBITDA	399,130	(41,263)	357,867	413,067	(105,012)	308,055
Stock-based compensation expense	19,476		19,476			
Acquisition related expenses [c]	2,014		2,014			
Strategic and financial restructuring expenses [d]	3,760		3,760	5,170		5,170
Gain on sale of investment [e]	(38,372)		(38,372)			
Adjustment to tax receivable agreement liability [f]	6,215		6,215			
Other (income) expense, net [g]	65		65	788		788
Adjusted EBITDA	$ 392,288	$ (41,263)	$ 351,025	$ 419,025	$ (105,012)	$ 314,013
Segment Adjusted EBITDA:						
Supply Chain Services	$ 396,470	$ (41,263)	$ 355,207	$ 431,628	$ (105,012)	$ 326,616
Performance Services	73,898		73,898	56,456		56,456
Corporate [h]	(78,080)		(78,080)	(69,059)		(69,059)
Adjusted EBITDA	392,288	(41,263)	351,025	419,025	(105,012)	314,013
Depreciation and amortization	(36,761)		(36,761)	(27,681)		(27,681)
Amortization of purchased intangible assets	(3,062)		(3,062)	(1,539)		(1,539)
Stock-based compensation expense	(19,476)		(19,476)			
Acquisition related expenses [c]	(2,014)		(2,014)			
Strategic and financial restructuring expenses [d]	(3,760)		(3,760)	(5,170)		(5,170)
Adjustment to tax receivable agreement liability [f]	(6,215)		(6,215)			
Equity in net income of unconsolidated affiliates	(16,976)		(16,976)	(11,968)		(11,968)

Deferred compensation plan expense	(1,972)		(1,972)			
Operating income	302,052	(41,263)	260,789	372,667	(105,012)	267,655
Equity in net income of unconsolidated affiliates	16,976		16,976	11,968		11,968
Interest and investment income, net	1,019		1,019	965		965
Gain on sale of investment [e]	38,372		38,372			
Other income (expense), net	1,907		1,907	(788)		(788)
Income before income taxes	**$ 360,326**	**$ (41,263)**	**$ 319,063**	**$ 384,812**	**$ (105,012)**	**$ 279,800**

Table of Contents

(a) Represents the adjustments related to the Reorganization and IPO described above.
(b) Represents interest income, net, and realized gains and losses on our marketable securities.
(c) Represents legal, accounting and other expenses related to acquisition activities.
(d) Represents legal, accounting and other expenses directly related to strategic and financial restructuring expenses.
(e) Represents the gain on sale of Global Healthcare Exchange, LLC, or GHX.
(f) Represents adjustment to tax receivable agreement, or TRA, liability for the Premier LP change in tax accounting method approved by the Internal Revenue Service subsequent to the original recording of the TRA liability.
(g) Represents gains and losses on investments and other assets.
(h) Corporate consists of general and administrative corporate expenses that are not specific to either of our segments.

(5) The table that follows shows the reconciliation of net income attributable to shareholders to non-GAAP pro forma Adjusted Fully Distributed Net Income for the periods presented (in thousands):

	Fiscal Year Ended June 30,	
	2014	**2013**
Net income attributable to shareholders	$ 28,332	$ 7,376
Pro forma adjustment for revenue share post-IPO	(41,263)	(105,012)
Income tax expense	27,709	9,726
Stock-based compensation expense	19,476	
Acquisition related expenses [a]	2,014	
Strategic and financial restructuring expenses [b]	3,760	5,170
Gain on sale of investment [c]	(38,372)	
Adjustment to tax receivable agreement liability	6,215	
Amortization of purchased intangible assets	3,062	1,539
Net income attributable to noncontrolling interest in Premier LP [d]	303,336	369,189
Non-GAAP Pro forma fully distributed income before income taxes	314,269	287,988
Income tax expense on fully distributed income before income taxes [e]	125,708	115,195
Non-GAAP Pro Forma Adjusted Fully Distributed Net Income	**$ 188,561**	**$ 172,793**

(a) Represents legal, accounting and other expenses related to acquisition activities.
(b) Represents legal, accounting and other expenses directly related to strategic and financial restructuring expenses.
(c) Represents the gain on sale of GHX.
(d) 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.
(e) Reflects income tax expense at an estimated effective income tax rate of 40% of income before income taxes assuming the conversion of all Class B common units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses.

Table of Contents

Three Months Ended September 30, 2014 and 2013. The following table summarizes our actual and non-GAAP pro forma consolidated results of operations for the three months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,						
	2014		2013				
	Actual		Actual		Adjustments	Non-GAAP Pro Forma	
	Amount	% of Net Revenue	Amount	% of Net Revenue	Amount	Amount	% of Net Revenue
Net revenue:							
Net administrative fees	$ 106,523	46%	$ 143,576	60%	$ (41,263)(1)	$ 102,313	51%
Other services and support	59,221	26%	53,252	22%		53,252	27%
Services	165,744	72%	196,828	82%	(41,263)	155,565	78%
Products	63,564	28%	43,748	18%		43,748	22%
Net revenue	229,308	100%	240,576	100%	(41,263)	199,313	100%
Cost of revenue:							
Services	32,764	14%	27,488	11%		27,488	14%
Products	57,257	25%	40,038	17%		40,038	20%
Cost of revenue	90,021	39%	67,526	28%		67,526	34%
Gross profit	139,287	61%	173,050	72%	(41,263)	131,787	66%
Operating expenses:							
Selling, general and administrative	71,166	31%	62,643	26%		62,643	31%
Research and development	1,073	1%	852	%		852	%
Amortization of purchased intangible assets	903	%	601	%		601	%
Total operating expenses	73,142	32%	64,096	27%		64,096	32%
Operating income	66,145	29%	108,954	45%	(41,263)	67,691	34%
Other income, net	4,553	2%	4,338	2%		4,338	2%
Income before income taxes	70,698	31%	113,292	47%	(41,263)	72,029	36%
Income tax expense	5,811	2%	764	%	5,997(2)	6,761	3%
Net income	**64,887**	**28%**	**112,528**	**47%**	**(47,260)**	**65,268**	**33%**
Net (income) loss attributable to	(798)	%	210	%		210	%

noncontrolling interest in S2S Global											
Net income attributable to noncontrolling interest in Premier LP		(54,816)	(24)%		(113,214)	(47)%		57,691[3]		(55,523)	(28)%
Net income attributable to noncontrolling interest		(55,614)	(24)%		(113,004)	(47)%		57,691		(55,313)	(28)%
Net income (loss) attributable to shareholders	**$**	**9,273**	**4%**	**$**	**(476)**	**%**	**$**	**10,431**	**$**	**9,955**	**5%**
Adjustment of redeemable limited partners capital to redemption amount	$	(382,657)	nm	$		nm	$		$		nm

S-20

Table of Contents

	Three Months Ended September 30,						
	2014		2013				
	Actual		Actual		Adjustments	Non-GAAP Pro Forma	
	Amount	% of Net Revenue	Amount	% of Net Revenue	Amount	Amount	% of Net Revenue
Net (loss) income attributable to shareholders after adjustment of redeemable limited partners capital to redemption amount	**$ (373,384)**	**nm**	**$ (476)**	**nm**	**nm**	**$ 9,955**	**nm**
Adjusted EBITDA (4)	$ 90,518	39%	$ 124,334	52%	na	$ 83,071	42%
Adjusted Fully Distributed Net Income (5)	$ 47,765	21%	na	na	na	$ 45,089	23%

nm = Not meaningful

na = Not applicable

(1) Represents the impact related to the change in revenue share described above.
(2) Represents the income tax impact of the Reorganization.
(3) Represents the decrease in noncontrolling interest in Premier LP from 99% to approximately 78%.
(4) The table that follows shows the reconciliation of net income to Adjusted EBITDA and the reconciliation of Segment Adjusted EBITDA to income before income taxes for the periods presented (in thousands):

	Three Months Ended September 30,			
	2014	2013		
	Actual	Actual	Adjustments(a)	Non-GAAP Pro Forma
Net income	$ 64,887	$ 112,528	$ (47,260)	$ 65,268
Interest and investment income, net (b)	(191)	(220)		(220)
Income tax expense	5,811	764	5,997	6,761
Depreciation and amortization	10,308	8,356		8,356
Amortization of purchased intangible assets	903	601		601
EBITDA	81,718	122,029	(41,263)	80,766
Stock-based compensation	6,439	325		325
Acquisition related expenses (c)	1,278	142		142
Strategic and financial restructuring expenses (d)	96	1,842		1,842
Adjustment to tax receivable agreement liability (e)	(1,073)			
Other (income) expense, net (f)	(5)	(4)		(4)
Acquisition related adjustment deferred revenue(g)	2,065			

Adjusted EBITDA	$ 90,518	$ 124,334	$ (41,263)	$ 83,071
Segment Adjusted EBITDA:				
Supply Chain Services	$ 91,268	$ 125,480	$ (41,263)	$ 84,217
Performance Services	18,362	16,329		16,329
Corporate [h]	(19,112)	(17,475)		(17,475)
Adjusted EBITDA	$ 90,518	$ 124,334	$ (41,263)	$ 83,071

Table of Contents

	Three Months Ended September 30, 2014	2013		
	Actual	Actual	Adjustments (a)	Non-GAAP Pro Forma
Adjusted EBITDA	$ 90,518	$ 124,334	$ (41,263)	$ 83,071
Depreciation and amortization	(10,308)	(8,356)		(8,356)
Amortization of purchased intangible assets	(903)	(601)		(601)
Stock-based compensation	(6,439)	(325)		(325)
Acquisition related expenses (c)	(1,278)	(142)		(142)
Strategic and financial restructuring expenses (d)	(96)	(1,842)		(1,842)
Adjustment to tax receivable agreement liability (e)	1,073			
Acquisition related adjustment deferred revenue (g)	(2,065)			
Equity in net income of unconsolidated affiliates	(4,866)	(4,114)		(4,114)
Deferred compensation plan expense	509			
Operating income	**66,145**	**108,954**	**(41,263)**	**67,691**
Equity in net income of unconsolidated affiliates	4,866	4,114		4,114
Interest and investment income, net (b)	191	220		220
Other (expense) income, net (f)	(504)	4		4
Income before income taxes	**$ 70,698**	**$ 113,292**	**$ (41,263)**	**$ 72,029**

(a) Represents the adjustments related to the Reorganization and IPO described above.
(b) Represents interest income, net, and realized gains and losses on our marketable securities.
(c) Represents legal, accounting and other expenses related to acquisition activities.
(d) Represents legal, accounting and other expenses directly related to strategic and financial restructuring expenses.
(e) Represents adjustment to tax receivable agreement liability due to impact of departing member owners during the three months ended September 30, 2014.
(f) Represents gains and losses on investments and other assets.
(g) Represents non-cash adjustment to deferred revenue of acquired entities. Business combination accounting rules require us to account for the fair values of software license updates and product support contracts and hardware systems support contracts assumed in connection with our acquisitions. Because these support contracts are typically one year in duration, our GAAP revenues for the one year period subsequent to our acquisition of a business do not reflect the full amount of support revenues on these assumed support contracts that would have otherwise been recorded by the acquired entity. The non-GAAP adjustment to our software license updates and product support revenues is intended to include, and thus reflect, the full amount of such revenues.
(h) Corporate consists of general and administrative corporate expenses that are not specific to either of our segments.

Table of Contents

(5) The table that follows shows the reconciliation of net income (loss) attributable to shareholders to non-GAAP pro forma Adjusted Fully Distributed Net Income for the periods presented (in thousands):

	Three Months Ended September 30,	
	2014	**2013**
Net income (loss) attributable to shareholders	$ 9,273	$ (476)
Pro forma adjustment for revenue share post-IPO		(41,263)
Income tax expense	5,811	764
Stock-based compensation	6,439	325
Acquisition related expenses [(a)]	1,278	142
Strategic and financial restructuring expenses [(b)]	96	1,842
Adjustment to tax receivable agreement liability	(1,073)	
Acquisition related adjustment deferred revenue	2,065	
Amortization of purchased intangible assets	903	601
Net income attributable to noncontrolling interest in Premier LP [(c)]	54,816	113,214
Non-GAAP pro forma fully distributed income before income taxes	79,608	75,149
Income tax expense on fully distributed income before income taxes [(d)]	31,843	30,060
Non-GAAP Pro Forma Adjusted Fully Distributed Net Income	**$ 47,765**	**$ 45,089**

(a) Represents legal, accounting and other expenses related to acquisition activities.
(b) Represents legal, accounting and other expenses directly related to strategic and financial restructuring expenses.
(c) 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.
(d) Reflects income tax expense at an estimated effective income tax rate of 40% of income before income taxes assuming the conversion of all Class B common units into shares of Class A common stock and the tax impact of excluding strategic and financial restructuring expenses.

Table of Contents

RISK FACTORS

Investing in our securities involves risks. Before investing in our Class A common stock offered pursuant to this prospectus supplement and the accompanying prospectuses, you should consider carefully the risk factors incorporated by reference in this prospectus supplement from our Annual Report on Form 10-K for the year ended June 30, 2014, as well as the risks, uncertainties and additional information set forth from time to time in our SEC reports on Forms 10-K, 10-Q and 8-K and in the other documents that we file with the SEC after the date of this prospectus supplement and which are deemed incorporated by reference in this prospectus supplement. The risks and uncertainties we discuss in this prospectus supplement, the accompanying prospectuses and in the documents incorporated by reference in this prospectus supplement are those that we currently believe may materially affect our company and your investment in our Class A common stock. The occurrence of any of these risks might cause you to lose all or part of your investment in the offered securities. Additional risks not presently known, or currently deemed immaterial, also could materially and adversely affect our financial condition, results of operations, business and prospects and could result in a loss of all or part of your investment in the offered securities. Please also refer to the section below entitled Cautionary Note Regarding Forward-Looking Statements.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made in this prospectus supplement and the accompanying prospectuses that are not statements of historical or current facts 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 our actual results, performance or achievements to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements in conditional or future tenses or that include terms such as believes, belief, expects, estimates, intends, anticipate plans to be uncertain and forward-looking. Forward-looking statements may include comments as to our beliefs and expectations regarding future events and trends affecting our business and are necessarily subject to uncertainties, many of which are outside our control. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

- competition which could limit our ability to maintain or expand market share within our industry;
- consolidation in the healthcare industry;
- potential delays in generating or an inability to generate revenues if the sales cycle takes longer than expected;
- the terminability of member participation in our GPO programs with limited or no notice;
- the impact of our business strategy that involves reducing the prices for products and services in our supply chain services segment;
- the rate at which the markets for our non-GPO services and products develop;
- the dependency of our members on payments from third-party payers;
- our reliance on administrative fees which we receive from GPO suppliers;
- our ability to maintain third-party provider and strategic alliances or enter into new alliances;
- our ability to offer new and innovative products and services;

the portion of revenues we receive from our largest members;

risks and expenses related to future acquisition opportunities and integration of acquisitions;

potential litigation;

our reliance on Internet infrastructure, bandwidth providers, data center providers, other third parties and our own systems for providing services to our users;

data loss or corruption due to failures or errors in our systems and service disruptions at our data centers, breaches or failures of our security measures;

the consequences of cyber-attacks or other data security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us or our members or other third parties;

our ability to use, disclose, de-identify or license data and to integrate third-party technologies;

our reliance on partners and other third parties;

our use of open source software;

changes in industry pricing benchmarks;

any increase in the safety risk profiles of prescription drugs or the withdrawal of prescription drugs from the market;

Table of Contents

our ability to maintain and expand our existing base of drugs in our specialty pharmacy;

our dependency on contract manufacturing facilities located in various parts of the world;

our ability to attract, hire, integrate and retain key personnel;

adequate protection of our intellectual property;

any alleged infringement, misappropriation or violation of third-party proprietary rights;

potential sales and use tax liability in certain jurisdictions;

our future indebtedness and our ability to obtain additional financing;

fluctuation of our cash flows, quarterly revenues and results of operations;

changes in the political, economic or regulatory healthcare environment;

our compliance with federal and state laws governing financial relationships among healthcare providers and the submission of false or fraudulent healthcare claims;

interpretation and enforcement of current or future antitrust laws and regulations;

potential healthcare reform and new regulatory requirements placed on our software, services and content;

compliance with federal and state privacy, security and breach notification laws, product safety concerns and regulation;

our holding company structure;

different interests among our member owners or betwee