



Walgreens Boots Alliance

# Walgreens Boots Alliance Accelerates Full Acquisition of CareCentrix

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WBA achieves another key milestone in executing on its consumer-centric healthcare growth strategy

CareCentrix CEO John Driscoll to join WBA to lead U.S. Healthcare, including Walgreens Health

DEERFIELD, Ill.--(BUSINESS WIRE)-- Walgreens Boots Alliance, Inc. (Nasdaq: WBA) today announced the acceleration of its plans to acquire full ownership of CareCentrix (CCX Next, LLC), expanding its reach into the growing homecare sector and advancing its healthcare long-term growth strategy.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20221011005386/en/>

John Driscoll, named executive vice president and president, U.S. Healthcare at WBA (Photo: Business Wire)

WBA has entered into a definitive agreement to acquire the remaining 45% stake for

approximately \$392 million, which is based on the exit multiple agreed to at the time of WBA's initial majority investment announcement in CareCentrix.

CareCentrix is an industry leader in the \$75 billion post-acute and home care industry, providing care coordination and outsourced benefit management services. WBA's full acquisition of CareCentrix follows WBA's 55% majority investment in the company, which closed on August 31, 2022. The full acquisition is subject to limited customary closing conditions and is expected to close by March 2023.

"We continue to see strong results and potential for growth from our partnership with CareCentrix. Our full acquisition further accelerates our transformation to become a consumer-centric healthcare company, leveraging innovative platforms that extend our capabilities into fast-growing segments of healthcare," said Roz Brewer, CEO,

WBA. "CareCentrix is key to offering services to our patients at every stage of the care continuum, and to driving long-term, sustainable growth as part of our U.S. Healthcare strategy."

CareCentrix currently manages care for more than 19 million members through over 7,400 provider locations, offering a suite of services on an integrated basis to support home care models – including home nursing, durable medical equipment, home infusion and in-home palliative care. By helping to accelerate the transition of care to patients' homes, CareCentrix provides one of the core elements to support value-based care on behalf of health plans and providers.

In WBA's fiscal year 2021, CareCentrix delivered pro forma sales of \$1.5 billion. The company will continue as a distinct business and brand within Walgreens following the full acquisition.

"We are thrilled to be part of WBA's vision to transform local healthcare and develop new valued-based models," said John Driscoll, CEO, CareCentrix. "A major component of the future of healthcare is in the home, and CareCentrix is critical to enabling WBA to serve patients wherever and however works best for them."

## **New Leader of WBA's U.S. Healthcare**

Additionally, Driscoll will assume a new role as executive vice president and president, U.S. Healthcare at WBA, including Walgreens Health, later this month. He will report directly to Brewer and serve on WBA's executive committee. CareCentrix Chief Financial Officer, Steve Horowitz, will assume the role of CareCentrix CEO.

"John brings a wealth of experience and leadership across many different aspects of healthcare, all of which will play an important role in delivering on our vision to reimagine local healthcare for all," Brewer said. "He has demonstrated high levels of success by building winning teams, and rapidly scaling technology-enabled solutions and analytics that make healthcare more personal and effective."

Driscoll will oversee U.S. Healthcare for WBA as the company expands into larger, faster-growing profit pools that drive synergies across the care continuum, including provider enablement and managed service organizations, primary care, population health, home health, post-acute care, specialty pharmacy and retail pharmacy. U.S. Healthcare encompasses integrations with WBA's market-leading healthcare partners, including VillageMD, Shields Health Solutions and CareCentrix, as well as the organic Walgreens Health business, which focuses on population health through initiatives such as Walgreens Health Corners.

"It is an honor to take this leadership position with a company committed to integrating the key pieces to deliver better healthcare at lower costs to so many," Driscoll said. "I look forward to working closely with Roz and WBA's U.S. Healthcare leadership team to create a truly differentiated experience for consumers across their healthcare

journey, while bringing greater value to payors, providers and other partners.”

Driscoll is a proven and trusted leader with more than 25 years of deep healthcare expertise. Prior to CareCentrix, he served as president at Castlight Health, a digital healthcare company, and before that, as group president for new markets at Medco (a \$70 billion PBM, or pharmacy benefit manager). He led product development and was part of the executive team that spun Medco out of Merck, building an enterprise that was named the most admired company in healthcare services by Fortune for several consecutive years.

Driscoll was also responsible for Medco’s entry into Medicare, growing the business from start-up to \$20 billion in annual revenue. He led Medco’s acquisitions and investments, investing over \$10 billion in capital in high-growth companies, including specialty pharmacy Accredo Health. During Driscoll’s tenure, he led retail network contracting, Medco’s data products, Medco International and Medco’s specialty pharmacy business.

Driscoll founded and chaired the Surescripts ePrescribing Network, building the first cross-industry collaborative with competing retail, PBM and health plans cooperating to revolutionize e-prescribing. Surescripts has grown from servicing under 50 million prescriptions in 2005, to more than 1 billion prescriptions today.

Driscoll was selected by the White House for its Entrepreneurs in Residence program in 2011 to advise the FDA on new paths for innovation. He holds a B.A. and M.B.A. from Harvard University and an MPhil from Cambridge University in England.

## About Walgreens Boots Alliance

Walgreens Boots Alliance (Nasdaq: WBA) is an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities.

A trusted, global innovator in retail pharmacy with approximately 13,000 locations across the U.S., Europe and Latin America, WBA plays a critical role in the healthcare ecosystem. The company is reimagining local healthcare and well-being for all as part of its purpose – to create more joyful lives through better health. Through dispensing medicines, improving access to a wide range of health services, providing high quality health and beauty products and offering anytime, anywhere convenience across its digital platforms, WBA is shaping the future of healthcare.

WBA has more than 315,000 team members and a presence in nine countries through its portfolio of consumer brands: Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides in Mexico and Ahumada in Chile. Additionally, WBA has a portfolio of healthcare-focused investments located in several countries, including China and the U.S.

The company is proud of its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace. WBA has been recognized for its commitment to operating sustainably: it is an index component of the Dow Jones Sustainability Indices (DJSI) and was named to the 100 Best Corporate Citizens 2021.

More company information is available at [www.walgreensbootsalliance.com](http://www.walgreensbootsalliance.com).

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## Cautionary note regarding forward-looking statements

All statements in this release that are not historical including, without limitation, those regarding the closing and anticipated effects of the CareCentrix transaction, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “pilot,” “project,” “intend,” “plan,” “goal,” “target,” “aim,” “continue,” “believe,” “seek,” “anticipate,” “upcoming,” “may,” “possible,” and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, that could cause actual results to vary materially from those indicated or anticipated. These risks, assumptions and uncertainties include those described in Item 1A (Risk Factors) of our Annual Report on Form 10-K for the fiscal year ended Aug. 31, 2021 and in other documents that we file or furnish with the Securities and Exchange Commission. If one or more of these risks or uncertainties materializes, or if underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. All forward-looking statements we make or that are made on our behalf are qualified by these cautionary statements. Accordingly, you should not place undue reliance on these forward-looking statements, which speak only as of the date they are made.

We do not undertake, and expressly disclaim, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

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