Save to Invest to Grow: the Next Phase

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Safe Harbor and non-GAAP

- Cautionary Note Regarding Forward-Looking Statements: All statements in these materials and the related presentation that are not historical including, without limitation, estimates of and goals for future financial, tax and operating performance and results and our fiscal year 2021 guidance and related assumptions and drivers, as well as forward-looking statements concerning the expected execution and effect of our business strategies, the potential impacts on our business of the spread and impacts of the COVID-19 pandemic, our cost-savings and growth initiatives, pilot programs, strategic partnerships, investments and initiatives, including statements related to the value thereof, the closing of the sale of certain pharmaceutical wholesale operations to AmerisourceBergen and restructuring activities and the amounts and timing of their expected impact are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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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, including, but not limited to, those relating to the spread and impacts of COVID-19, the impact of private and public third-party payers’ efforts to reduce prescription drug reimbursements, the risks associated with the withdrawal of the United Kingdom from the European Union, fluctuations in foreign currency exchange rates, the timing and magnitude of the impact of branded to generic drug conversions and changes in generic drug prices, our ability to realize synergies and achieve financial, tax and operating results in the amounts and at the times anticipated, the inherent risks, challenges and uncertainties associated with forecasting financial results of large, complex organizations in rapidly evolving industries, particularly over longer time periods and during periods with increased volatility and uncertainties, the arrangements and transactions contemplated by our agreements with AmerisourceBergen and their possible effects, circumstances that could give rise to the termination, cross-termination or modification of any of our contractual obligations, the amount of costs, fees, expenses and charges incurred in connection with strategic transactions, whether the costs and charges associated with restructuring initiatives will exceed estimates, our ability to realize expected savings and benefits from cost-savings initiatives, restructuring activities and acquisitions and joint ventures in the amounts and at the times anticipated, the timing and amount of any impairment or other charges, the timing and severity of cough, cold and flu season, risks relating to looting and vandalism in regions in which we operate and the scope and magnitude of any property damage, inventory loss or other adverse impacts, risks related to pilot programs and new business initiatives and ventures generally, including the risks that anticipated benefits may not be realized, changes in management’s plans and assumptions, the risks associated with governance and control matters, the ability to retain key personnel, changes in economic and business conditions generally or in particular markets in which we participate, changes in financial markets, credit ratings and interest rates, the risks relating to the terms, timing, and magnitude of any share repurchase activity, the risks associated with international business operations, including international trade policies, tariffs, including tariff negotiations between the United States and China, and relations, risks associated with cybersecurity or privacy breaches related to customer information, changes in vendor, customer and payer relationships and terms, including changes in network participation and reimbursement terms and the associated impacts on volume and operating results, changes in pharmaceutical manufacturers' pricing or distribution policies or practices, risks related to competition, including changes in market dynamics, participants, product and service offerings, retail formats and competitive positioning, risks associated with new business areas and activities, risks associated with acquisitions, divestitures, joint ventures and strategic investments, including those relating to the asset acquisition from Rite Aid and the sale of certain pharmaceutical wholesale operations to AmerisourceBergen, the risks associated with the integration of complex businesses, regulatory restrictions and outcomes of legal and regulatory matters, and risks associated with changes in laws, including those related to tax law changes, regulations or interpretations thereof. These and other risks, assumptions and uncertainties are described in Item 1A (Risk Factors) of our Annual Report on Form 10-K for the fiscal year ended August 31, 2020 and in other documents that we file or furnish with the Securities and Exchange Commission. All forward-looking statements we make or that are made on our behalf are qualified by these cautionary statements. You should not place undue reliance on 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 presentation.

- Non-GAAP Financial Measures: Today's presentation includes certain non-GAAP financial measures, including all measures whose label includes the words “adjusted” or variations of such word and similar expressions, and we refer you to the reconciliation at the end of the presentation and the materials available on our investor relations website at www.walgreensbootsalliance.com for reconciliations to the most directly comparable U.S. GAAP financial measures and related information.

- These presentation materials and the related management presentation are integrally related and are intended to be presented, considered and understood together.
1. 1Q21 results exceeded expectations, making strong progress against strategic priorities

Reiterated FY21 guidance with profile skewed toward opportunity

2. Strategic transaction unlocks value creation

3. Attractive portfolio of minority investments, with significant value upside

4. Ambition to create eco-system of digital and physical assets
Great Deal for WBA Shareholders

- Unlocks significant value for WBA
  - $6.275bn gross cash + 2.0 million shares in ABC
  - ~$6.0bn after tax cash proceeds
  - expected after-tax gain of ~$1.0bn

- Multi-faceted transaction with AmerisourceBergen
  - sale of majority of existing wholesale business
  - Walgreens distribution agreement +3 yrs. until 2029
  - explore joint operational synergies in the U.S.
  - Boots UK long term distribution agreement 2031

- Attractive multiple secured ~12x adj. EBITDA*

- Expect long-term EPS accretion, with slight adj. EPS dilution in FY21 (~$0.02)

- Proceeds to be deployed to boost healthcare investments and pay down debt

*Refer to appendix for reconciliation
Capital Deployment Priorities

• Boost Healthcare Investments
• Pay Down Debt

• Pay down debt:
  - targeting investment grade rating
  - approximately $2.5bn

• Rapidly changing patient healthcare needs leading to new opportunities

• Accelerating core retail pharmacy & digital strategies:
  - omni-channel & personalization capabilities
  - new business models to fuel future growth: consumer financial services
  Walgreens Advertising Group

• Key priority: boost healthcare investments & create new sources of long-term growth
  - targeted M&A
  - significant organic opportunities
Capital Deployment Priorities

- M&A focused on pharmacy & healthcare
- Technology enabled healthcare startup

M&A focused on pharmacy and healthcare
- VillageMD investment accelerated
  - VillageMD + Walgreens new care delivery model (physical + virtual)
- iA investment announced yesterday
  - majority investment, close completed
  - paves way for innovative future pharmacy operating model
- Benefytt / Seek

Tech enabled healthcare startup
- Integrated digital & physical customer centric healthcare delivery model
- Improved health outcomes and costs
Tech Enabled Healthcare Startup

An integrated digital and physical, consumer-centric, technology-enabled, healthcare delivery model, personalized for local communities.

Vision
Create a unique consumer-centric, technology-enabled healthcare eco-system.

Mission
Simplify the healthcare experience by delivering personalized healthcare solutions through an integrated omni-channel platform to improve health outcomes, enhance consumer experience, and lower healthcare costs.

Built on incredible assets
Brand Equity & Trust
Consumer Access
Scale, Proximity & Last Mile
Clinical Resources & Data Assets
Neutrality
Enterprise Access

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Consumer Centric, Technology Enabled, Healthcare Platform

**Customer Engagement Platform**
A single, omni-channel healthcare interface integrating and delivering solutions across all channels (mobile, store, home, etc.)

**Personalization Engine**
Personal Health Data, Insights Engine, Engagement Engine

**Care Integration Platform**
- Find Care (Care navigation, Benefits Management)
- Get Care (Virtual and Physical Care Delivery)
- Manage Care (Care management and coordination)

**Health Marketplace**
Integration, Curation, Quantification Platform
Attractive Portfolio of Minority Investments: Value Range $11 - $13 billion

U.S. Healthcare Investments: $10 - $11bn

Other Investments: $1.3 - $2bn
Creating Eco-system of Digital & Physical Assets:

Consumer has changed – basis of competition is materially shifting

Omni-channel

Personalization

Speed & flexibility

Enablers

• Digital
• Eco-systems / Partnerships
We Start from a Strong Position to Compete and Grow

Over 9,000 locations
Over 8m daily omni-channel customers
75k pharmacist and healthcare advisors
Over 100m loyalty card holders
Broad and growing healthcare services
New modern cloud based systems
Walgreens strong healthcare brand
Partnership part of our culture

We have scale and relevance
Rapid Scaling of Personalized Omni-Channel Offer and Experiences

Customer Engagement Platform … Doubled contacts

myWalgreens … 40m members in 6 weeks

Pickup and Drive Thru … Fastest nation wide pickup

Ongoing investment in Key Enablers and Digital/Data Technology
Deploying New Business Models

Walgreens is launching a set of Retail and Healthcare financial services with Synchrony and Mastercard

Walgreens Advertising Group launched in December

Building Alternative Profit Streams...
Speed and Flexibility: New iA Partnership and Investment

- Moving non-customer focused work out of the pharmacies
- Freeing the pharmacists up for more consultative services
- Improving the efficiency of dispensing process
- Together, WBA and iA will allow pharmacy operators across the country to realize the benefits of pharmacy automation
New Pharmacy Operating Model Will Free Up Pharmacists to Deliver More Services and Support Care Coordination

COVID Testing
COVID Vaccines
Improving Health Outcomes
Pay for Performance Contracts

Increasing the Scope of Pharmacy Practice
Acceleration of VillageMD Partnership

Full service primary care

Digital & physical model

Coordination of care

Integration of Pharmacist
In Summary …

Save to Invest to Grow

• Growing momentum in core business transformation

• Landmark deal unlocks resources

• Time is Now... customer preference and competitive landscape changing

• Investing in new and innovative healthcare models for sustainable growth
Appendix
## Divestiture of Alliance Healthcare – Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Twelve months ended August 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (GAAP)</td>
<td>$319</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$141</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$460</td>
</tr>
<tr>
<td>Transformational cost management</td>
<td>$62</td>
</tr>
<tr>
<td>Other</td>
<td>$18</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP measure)</strong></td>
<td><strong>$540</strong></td>
</tr>
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1 Adjusted EBITDA excludes depreciation and amortization and other items primarily relating to ongoing transformational cost management program.