

Reimagining Local Healthcare and Wellbeing for All

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Walgreens Boots Alliance

Safe Harbor and Non-GAAP

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These presentation materials and the appendix hereto are integrally related and are intended to be presented, considered and understood together.

Accelerating our transformation to healthcare

- Solid first quarter performance, **broadly in line with expectations**
- VillageMD / Summit Health transaction closed January 3rd, accelerating **U.S. Healthcare** segment to **scale and profit**
- **Portfolio simplification** unlocking value and funding the journey
- Organic business gaining traction with efforts underway to accelerate **global risk aspirations**, and **two clinical trial contracts signed**
- **Raised full-year 2023 sales guidance** with 1Q results, reflecting Summit Health acquisition, refreshed currency rates, and YTD execution
- **Maintained full-year 2023 adj. EPS guidance** of \$4.45-\$4.65, lapping COVID-19 execution and driving strong core growth of 8-10%

Continued rapid progress across our four strategic priorities

Transform and align the core	Retail Pharmacy	<ul style="list-style-type: none">• Deliver best-in-class pharmacy experience more efficiently• Reimagine retail experience with focus on health & wellness• Integrate wellbeing solution with customer-centric assets and digital capabilities
Build our next growth engine with consumer-centric healthcare solutions	U.S. Healthcare	<ul style="list-style-type: none">• Advance holistic care delivery to improve patient experience / outcomes and lower costs, leveraging assets across the care continuum• Accelerate adoption of technology and services to enable providers to successfully transition to value-based payment models
Focus the portfolio; optimize capital allocation	WBA	<ul style="list-style-type: none">• Optimize investment portfolio to prioritize core assets and growth in U.S. healthcare delivery• Fund the journey through cost efficiencies and free cash flow
Build a high-performance culture and a winning team		<ul style="list-style-type: none">• Create a great place to work that attracts, inspires, develops, rewards, and retains talent• Support and prioritize health equity, DEI, and ESG across our communities

Maintained FY23 adj. EPS guidance with accelerating growth

	1H	2H	FY
Adj. EPS 2022	\$3.27	\$1.77	\$5.04
Adj. EPS 2023	~\$2.27	~\$2.27	\$4.45-\$4.65
% year on year change	(32)-(30)%	+28-30%	(12)-(8)%
COVID-19 EPS impact	(21)%	(9)%	(18)-(16)%
Fx EPS impact	(1)%	(1)%	(1)%
Core growth (ex. COVID-19 and Fx)	(10)-(8)%	+38-40%	+8-10%

2H inflection has good visibility into key drivers

Key 2H growth drivers	Delta in 2H vs. 1H growth	Visibility
Lower COVID-19 headwind	~11-12%	Medium-High: On track to 16M vaccinations
U.S. Healthcare	~17-19%	High: Summit/segment adj. EBITDA positive
International	~4-6%	High: Strong Christmas/absence of 1Q headwinds
U.S. ex. COVID-19		
Less reimbursement pressure	~12-14%	High: 95% of contracts signed
Cost of goods sold	~13-15%	High: Lapping prior year items plus 1Q phasing
Script volume recovery	~12-14%	Medium: Good progress on pharmacist hiring; implementing marketing initiatives
Other	~(14)-(15)%	Includes interest, tax, and reduced stake in ABC
Growth acceleration 2H vs. 1H	~60%	

Continued rapid progress across our four strategic priorities

Transform and align the core

Build our next growth engine with consumer-centric healthcare solutions

Focus the portfolio; optimize capital allocation

Build a high-performance culture and a winning team

Leading healthcare assets delivering value across the care continuum



Wellness & prevention



Pre-acute



Primary & multi-specialty care



Specialty care



Post-acute



Synergies across the healthcare portfolio

- Global risk management
- Integrated care models
- Pharmacy value expansion
- Operational efficiencies

Executing on our healthcare vision

- ✓ VillageMD acquisition of Summit Health closed January 3rd
- ✓ Full acquisition of Shields closed December 28th
- ✓ Full acquisition of CareCentrix expected to close in 3Q23
- ✓ Achieved CY22 target for 200 VillageMD co-located clinics
- ✓ Exceeded CY22 target for Walgreens Health Corners: 112 vs. goal of 100
- ✓ Efforts underway to accelerate expansion to global risk
- ✓ Clinical trials business established: first 2 contracts signed



Summit acquisition creates a leading independent care delivery platform



- Complementary assets extend reach and advance holistic care delivery
- Value-based care expertise to accelerate Summit Health transition to risk
- Summit Health multi-specialty care capabilities expansion to VillageMD
- Multi-payor platform delivers high-quality affordable care for patients and plans
- Meaningful synergy opportunities over time



**4,100+ providers,
including 2,150 PCPs**

**680+ locations
across 26 markets**

**~7M patients, including
>125K full risk MA lives**

**CY23 sales \$6.6-\$7B with
LSD adj. EBITDA margin**

Transaction catapults U.S. Healthcare segment to scale and profit

Summit Health generates attractive financial returns for WBA

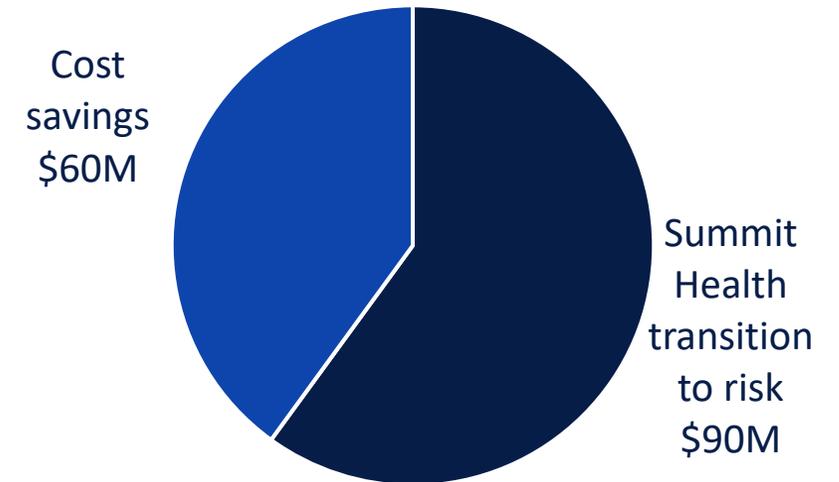
- **Slightly accretive** to WBA adj. EPS in fiscal year 2023, and accretive by \$0.07-\$0.11 in fiscal year 2024 and increasing thereafter
- **Accelerated path to profitability** for U.S. Healthcare: exiting fiscal 2023 with positive adj. EBITDA
- **Raised FY25 sales and adj. EBITDA goals** for U.S. Healthcare with enhanced visibility
- **Run-rate synergies of \$150 million** expected by calendar 2027
- **Capital efficient investment** retains WBA majority control



Meaningful synergy opportunities with Summit Health transaction

Run-rate synergies of \$150 million expected by calendar year 2027

- VillageMD value-based care expertise to accelerate Summit Health transition to risk
- Cost savings from vendor spend, optimizing teams, process improvements, and automation



Upside opportunities

- Summit Health multi-specialty capabilities expansion to VillageMD
- Leveraging Walgreens retail footprint in Summit Health markets



Accelerating WBA's expansion into value-based care with global risk

Strategy: Build a global risk business to manage care across populations

- Expand partnerships with local payors and providers
- Leverage assets across the care continuum, including VillageMD, Summit Health, and CareCentrix
- Leverage full suite of WBA clinical capabilities
- Actuarial/underwriting capabilities

Value-based care market opportunity projected to nearly double by 2027¹



U.S. Healthcare management team brings significant experience building risk-based businesses

Illustrative example of a future consumer journey

Integrating our portfolio to improve outcomes, reduce costs, and improve consumer experience and engagement



Flora is a 71-year-old Medicare Advantage enrollee

1

Receives phone call from her local Health Advisor



Coordinates & schedules in-home wellness visit

2

Receives in-home visit and personalized plan



Conducts visit to generate a personalized prevention plan and recommended next steps

3

Engages with her Health Advisor post-visit



Health Advisor reviews after-visit summary and assesses motivators, barriers, and support system. Coordinates screening appointments



7

Visits Walgreens for medication pick-up and is referred to Health Corner for a consult



Health Advisor reviews chart and consults on in-network provider alternatives to seek care

6

Hospitalized and discharged to home



CareCentrix nurse completes post-discharge visit and ongoing post-acute care support

5

ACUTE EVENT:
Flora is hospitalized for a severe case of COVID and bacterial pneumonia

4

Visits radiology for mammogram and bone density screening

Submits claims to close quality HEDIS process measures

Building out our clinical trials business

3 patient-centric service lines to increase access, retention, and diversity

Insights-Driven Patient Recruitment

Enables better precision and speed in identification and recruitment of trial-eligible patients

Addressable market: \$5.5B by 2030¹

- Extensive foundation of pharmacy and patient-authorized clinical data
- Culturally competent outreach to engage and empower diverse communities

Hybrid Trials Administration

Enables convenient, accessible participation via flexible formats to reduce patient drop-off rates

Addressable market: \$14.2B by 2026²

- Owned and partner digital and physical assets enable engagement and last mile delivery of care
- Convenient, accessible participation via virtual, in-store, or at-home formats

Real World Evidence & Informatics

Enables better long-term therapeutic performance through integrated evidence strategy

Addressable market: \$66.4B by 2028³

- Clinical study design and protocol development
- Data management and operational efficiency optimization
- Full-service prospective observational and RWE studies

Signed two pharma partners, with a growing commercial pipeline

We are building a differentiated healthcare services business, with best-in-class assets across the care continuum

- Leveraging our **trusted brand** and **nationally-scaled, hyper-local store footprint** combined with a **digital platform** to access patients
- Becoming one of the largest players in primary care, with Summit Health transaction accelerating **U.S. Healthcare** segment to **scale and profit**
- **Integrating healthcare and pharmacy services** to lower the cost of care, deliver better health outcomes, and drive consumer engagement
- Walgreens will be viewed as a **partner of choice** based on ability to engage patients, requiring deep partnerships with local payors, providers, and health systems

Q&A

