

# Walgreens Boots Alliance Fiscal 2023 Q1 Earnings

## Results On Track to Achieve Full-Year Adjusted EPS Guidance; Company Raises Sales Guidance

“WBA delivered a solid start to the fiscal year, as we continue to accelerate our transformation to a consumer-centric healthcare company. We're making significant progress in driving our U.S. Healthcare segment to scale and profit, including the recent VillageMD acquisition of Summit Health. Our core retail pharmacy businesses in both the United States and United Kingdom remain resilient in challenging operating environments. Execution across segments reinforces our confidence in achieving full-year guidance, and our strategic actions are creating long-term shareholder value.”

Chief Executive Officer Roz Brewer

### Select Financial Results

For complete Q1 fiscal 2023 results, announced on January 5, 2023, please [click here](#).

#### Sales

**\$33.4B**  
in Q1

#### Adjusted EPS

**\$1.16**  
in Q1

#### Reported EPS

**-\$4.31**  
in Q1

#### U.S. Retail Pharmacy Comparable Sales

**+3.8%**

in Q1,  
compared to the  
year-ago quarter

#### U.S. Healthcare Pro Forma Sales

**+38%**

in Q1,  
compared to the  
year-ago quarter

### Outlook

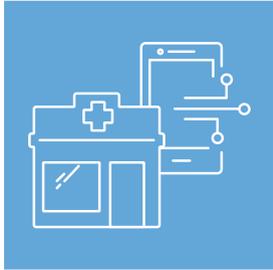
**Maintaining full-year adjusted EPS guidance of \$4.45 to \$4.65 as strong core business growth is more than offset by lapping fiscal year 2022 COVID-19 execution, and currency headwinds**

**Raising full-year sales guidance to \$133.5 billion to \$137.5 billion reflecting Summit Health acquisition, refreshed currency rates, and first quarter sales ahead of expectations**

**U.S. Healthcare targets raised with Summit Health announcement on November 7, 2022, including fiscal year 2025 sales goal to \$14.5 billion to \$16.0 billion, up from \$11.0 billion to \$12.0 billion previously, and positive adjusted EBITDA expected for the segment by the end of fiscal year 2023**

**Increased clarity into the Company's long-term growth algorithm, building to low-teens adjusted EPS growth in fiscal year 2025 and beyond**

### Strategic Priorities



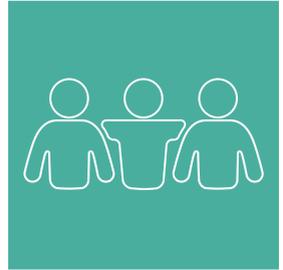
Transform and align the core



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

### U.S. Healthcare Segment

The U.S. Healthcare segment had Q1 sales of

**\$989M**



Closed full acquisition of Shields on December 28, 2022. Grew **44.1%**, driven by recent contract wins, further expansion of existing partnerships, and strong executional focus.



Exceeded CY22 target for Walgreens Health Corners: **112** vs. goal of 100



Achieved CY22 target of **200** co-located VillageMD clinics, as part of **393 total clinics** now open



Invested \$3.5 billion in debt and equity to support VillageMD's acquisition of **Summit Health**, which closed January 3, 2023, accelerating U.S. Healthcare segment sales and path to profitability



Full acquisition of CareCentrix expected to close in Q3 of FY23. Grew **22.3%** as a result of additional service offerings with existing partners.

### Business Updates



Operating **nine** automated micro-fulfillment centers at quarter-end, supporting **~3,000 stores**

Continuing to play a leading role in COVID-19 vaccinations and testing, administering **8.4M vaccinations** in Q1



Appointed **Bryan Hanson** to the Board of Directors, bolstering leadership experience in healthcare and technology



Boots UK comparable **retail sales** increased **8.7%** compared to the year-ago quarter, growing market share for the 7th consecutive quarter



In November, Boots.com percent of sales reached almost **23%**, including the biggest ever single day of digital sales for the business, on Black Friday



Walgreens launched **24-hour same day delivery**, offering the widest range of retail items for around the clock delivery across the country

Walgreens sharpened focus on patient care and experience, **eliminating task-based metrics** for pharmacy staff performance reviews chainwide

This message contains selected results from WBA's fiscal quarter ended November 30, 2022 and is not intended to be a substitute for a comprehensive review of the company's earnings release, linked above and available in the Investor Relations section of walgreensbootsalliance.com, and the company's filings with the U.S. Securities and Exchange Commission, which can be found at www.SEC.gov.

Cautionary Note Regarding Forward-Looking Statements: All statements in this message that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 and speak only as of the date they are made. The company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this message.

WBA reports earnings according to generally accepted accounting principles (GAAP). The company's adjusted results are non-GAAP financial measures that exclude the impact of certain items affecting comparability and that supplement GAAP results. Please refer to the "Supplemental Information (Unaudited) Regarding Non-GAAP Financial Measures" in the press release for more information including reconciliations to the most directly comparable GAAP financial measures.



Walgreens Boots Alliance

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