

Walgreens Boots Alliance Fiscal 2023 Q2 Earnings

Results In Line with Expectations; On Track to Full-Year Guidance

"WBA exited a solid second quarter with acceleration in February, adding to our confidence in driving strong growth in the second half of the year. With the closing of VillageMD's acquisition of Summit Health, WBA is now one of the largest players in primary care, with best-in-class assets across the care continuum. Both Walgreens and Boots are performing well by delivering compelling value to consumers, playing a critical role as community health destinations, and successfully navigating a challenging environment. We will continue to take bold actions to create sustainable long-term shareholder value."

Chief Executive Officer Roz Brewer

Select Financial Results

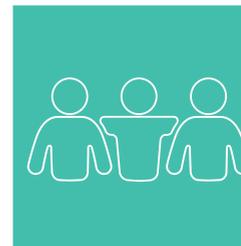
For complete Q2 fiscal 2023 results, announced on March 28, 2023, please [click here](#).

<p>Sales</p> <p>\$34.9B</p> <p>in Q2</p> <p>up 4.5% on a constant currency basis</p>	<p>Adjusted EPS</p> <p>\$1.16</p> <p>in Q2</p>	<p>Reported EPS</p> <p>\$0.81</p> <p>in Q2</p>
<p>U.S. Retail Pharmacy Comparable Sales</p> <p>+3.1%</p> <p>in Q2, compared to the year-ago quarter</p>	<p>U.S. Healthcare Pro Forma Sales</p> <p>+30%</p> <p>in Q2, compared to the year-ago quarter</p>	

Outlook

Maintaining full-year adjusted EPS guidance of \$4.45 to \$4.65 as strong core business growth is more than offset by lapping peak COVID-19 demand; pivoting to mid-twenties percent adjusted EPS growth in the second half of fiscal 2023 at the midpoint

Strategic Priorities

 <p>Transform and align the core</p>	 <p>Build our next growth engine with consumer-centric healthcare solutions</p>	 <p>Focus the portfolio; optimize capital allocation</p>	 <p>Build a high-performance culture and a winning team</p>
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Building momentum and accelerating our healthcare transformation

U.S. Healthcare Segment

The U.S. Healthcare segment had Q2 sales of

\$1.6B

an increase of **\$1.1B** compared to the year-ago quarter



Shields **grew 41%**, driven by recent contract wins, further expansion of existing partnerships and strong executional focus

Signed Horizon Blue Cross Blue Shield of New Jersey as **fourth payor partner for Walgreens Health**



Grew 25% as a result of additional service offerings with existing partners; full acquisition of CareCentrix closed March 31, 2023

Signed the company's first **five clinical trials contracts**

Sites of Care



Invested \$3.5B to support VillageMD's acquisition of Summit Health, closed January 3, 2023

Operating 210 co-located VillageMD clinics, part of approximately 730 total locations inclusive of Summit Health and CityMD



Operating 117 Walgreens Health Corners

U.S. Retail Pharmacy Segment



U.S. pharmacy comparable script volume growth of **3.5%** excluding immunizations, ahead of expectations and sequentially improving versus Q1 FY23



Continuing to play a leading role in COVID-19 vaccinations and testing, administering **2.4M vaccinations** in the quarter



Operating **9** automated micro-fulfillment centers at quarter-end, supporting **~3,600 stores**

International Segment

Boots UK comparable retail sales **increased 16%** compared to the year-ago quarter, growing market share for the eighth consecutive quarter



Boots.com continued strong performance, accounting for more than **15% of retail sales** in the quarter compared to approximately 9% pre-pandemic

Business Updates

Approximately \$3.5B in after-tax cash proceeds year-to-date from sale of AmerisourceBergen shares in November and December, and Option Care Health shares in March



Appointed Tracey Brown as **executive vice president, retail and chief customer officer, Walgreens**



Launched FY22 **Environmental, Social and Governance (ESG) Report**



Appointed Rick Gates as **senior vice president and chief pharmacy officer, Walgreens**

This message contains selected results from WBA's fiscal quarter ended February 28, 2023 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.