



# Walgreens Boots Alliance Fiscal 2022 Q1 Earnings

Delivering strong results with progress on strategic priorities

“First quarter results exceeded our expectations, with a very encouraging performance across all our business segments. I am particularly excited about the progress we’re making in building out Walgreens Health. Our majority investments in VillageMD and Shields closed during the quarter, and we’re rolling out VillageMD primary care co-locations and Walgreens Health Corners at pace. The strong start to the fiscal year reinforces our confidence in the future, and as a result, we are raising our guidance for the full year and increasing investments in our people. Looking ahead, we are well positioned for sustainable, long-term value creation.”

Chief Executive Officer Roz Brewer

## Selected Financial Results

For complete Q1 fiscal 2022 results, announced on January 6, 2022, please [click here](#). The following selected results are for WBA continuing operations.

### Sales

**\$33.9B**

in Q1, up 7.6% year-on-year on a constant currency basis

### Adjusted EPS

**\$1.68**

in Q1, up 53.1% year-on-year on a constant currency basis

### Free cash flow

**\$645M**

in Q1, a \$118 million decrease compared with the year-ago quarter

### Reported EPS

**\$4.13**

in Q1, compared with a loss per share of \$0.45 in Q1 fiscal 2021

## Outlook

Increasing full year adjusted EPS guidance to low-single digit growth, from flat previously, to reflect first quarter performance and continued positive momentum; now includes 2 percentage point impact from incremental investments in team members. Outlook continues to include 4 percentage point negative impact from previously planned healthcare investments.

## 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

## Continuing to Play a Leading Role in Fighting the Pandemic

WBA continued to achieve strong results across its business, including the following accomplishments around the COVID-19 pandemic

**56M+**

COVID-19 vaccinations

To date Walgreens has administered more than 56 million COVID-19 vaccinations, including 15.6 million vaccinations in Q1

**22.9M**

COVID-19 tests

Walgreens has administered 22.9 million COVID-19 tests to date, including 6.5 million COVID-19 tests in Q1

## Transformational Cost Management Program

**\$3.3B**

Annual cost savings

Transformational Cost Management Program is on track to deliver \$3.3 billion in annual cost savings by fiscal 2024

## Business Updates

### myWalgreens™

MyWalgreens membership at **92.4M** members in Q1, up **7.2M** since Q4

### Walgreens

Strong growth in U.S. omnichannel business with digital sales up **88%** in Q1, driven by **3.6M** same day pick-up orders

## Walgreens Health

WBA's new customer-centric healthcare platform introduced in October 2021

Walgreens Health consumer app launched with Blue Shield of California and Clover Health

**47** Walgreens Health Corners in operation, on track toward **100+** by the end of calendar year 2022



CareCentrix majority investment expected to close by Q3 of this fiscal year

VillageMD and Shields majority investments closed

Rollout of VillageMD continues with **81** co-located centers open, and **160+** targeted for CY22 year-end



Boots online sales nearly doubled versus pre-COVID levels, with further development of Boots healthcare services, both in store and online, including mental health support



Boots continued expansion of beauty in the UK and opened 27 new Beauty halls in regional locations during Q1

This message contains selected results from WBA's fiscal quarter ended Nov. 30, 2021 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.

Free cash flow is a non-GAAP financial measure. WBA net cash provided by operating activities was \$1.1 billion in the first quarter of fiscal 2022, down \$95 million from the first quarter of fiscal 2021.