

# Walgreens Boots Alliance Investor Roadshow materials November 2015



Walgreens Boots Alliance

# Safe Harbor and Non-GAAP

- Certain statements and projections of future results made in this presentation constitute forward-looking statements that are based on our current market, competitive and regulatory expectations and are subject to risks and uncertainties that could cause actual results to vary materially. Except to the extent required by the law, we undertake no obligation to update publicly any forward-looking statement after this presentation, whether as a result of new information, future events, changes in assumptions or otherwise.
- Please see our fiscal 2015 Form 10-K and subsequent filings, for a discussion of risk factors as they relate to forward-looking statements.
- This presentation includes certain non-GAAP financial measures, and we refer you to the Appendix to the presentation materials available on our investor relations website for reconciliations to the most directly comparable GAAP financial measures and related information.

# Walgreens Boots Alliance

## Agreement to acquire Rite Aid



Walgreens Boots Alliance

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# Agreement to acquire Rite Aid<sup>†</sup>

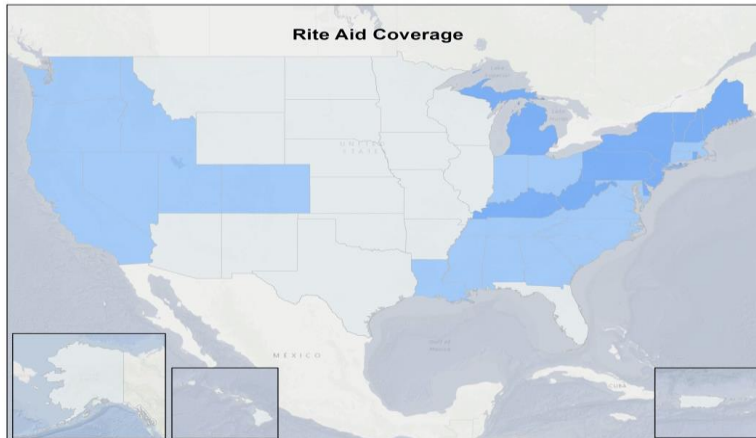
## Transaction rationale

- **Complements Walgreens footprint, filling gaps in the Northeast and Southern California so WBA will cover the entire US**
- **Economies of scale create efficiencies and cost savings**
- **Provides opportunity to develop the Rite Aid retail product offering**
  - Shift to improve category mix
  - Expand distribution of exclusive global beauty brands including No.7, Soap & Glory, Botanics and Liz Earle
  - Drive own brand penetration
- **Positions WBA to better serve customers as U.S. healthcare market continues to evolve**
- **Attractive financial return<sup>†</sup>**



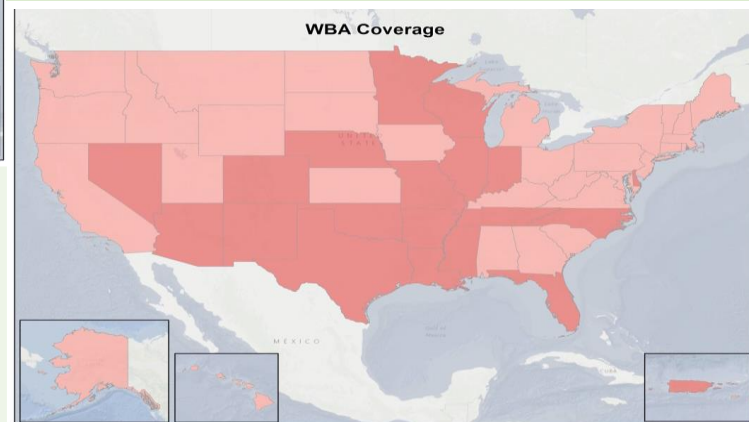
# Agreement to acquire Rite Aid<sup>†</sup>

## Transaction rationale



- **Expands store footprint and fills coverage gaps**
  - Expanding distribution of exclusive global beauty brands including No7, Soap & Glory, Botanics and Liz Earle

- **Improves WBA retail network for all stakeholders**
  - Notably in California and the Northeast



# Agreement to acquire Rite Aid<sup>†</sup>



## Transaction overview

- **\$9.00 per share in cash, total enterprise value of \$17.2 billion**
- **Subject to approval by Rite Aid shareholders, regulatory clearances and other customary closing conditions**
  - Contract provides for divestments up to 1,000 stores if required by regulators
  - WBA believes the most likely outcome is divestments of less than half this number
- **Expected timing of close: second half of calendar 2016**
- **Expected to be accretive during first full year post deal closing (excluding integration and merger related items and costs)**
- **Synergies: in excess of \$1 billion based on due diligence to date**
  - Primarily from procurement, cost savings and operational synergies
  - Expected to be fully realized within 3-4 years of closing
- **Suspension of activity (other than anti-dilutive activity) under \$3.0 billion share buyback program**



# Walgreens Boots Alliance

## Full Year 2015 / 4<sup>th</sup> Quarter 2015 Earnings



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*REMAINDER OF PRESENTATION OMITTED*