



Walgreens Boots Alliance Fiscal 2021 Q2 Earnings

Results exceed expectations;
Company raises guidance for full year fiscal 2021

“Overall, we have achieved a good financial quarter with results well ahead of expectations, despite significant impacts from COVID-19, and we have raised our full-year EPS guidance. I am optimistic about our ability to drive sustainable, long-term value for our shareholders, while acknowledging that there is still work to be done to stabilize the base business,”

Chief Executive Officer Roz Brewer

Selected Financial Results

For complete Q2 fiscal 2021 results, announced on March 31, 2021, please [click here](#).

The following selected results are for WBA total operations, including continuing operations and those that will be discontinued following the \$6.5 billion sale of Alliance Healthcare, which is on schedule to close before the end of fiscal 2021.

Adjusted EPS

\$1.40

in Q2, down 8.2% year-on-year on a constant currency basis

Reported EPS

\$1.19

in Q2, up 10.9% year-on-year

Free cash flow

\$1.9B

in first half, up 4.8% year-on-year

The following selected results are for WBA continuing operations and do not include assets being divested.

Adjusted EPS

\$1.26

in Q2, down 10.8% year-on-year on a constant currency basis

Reported EPS

\$1.06

in Q2, up 8.7% year-on-year

Sales

\$32.8B

in Q2, up 4.6% year-on-year

Outlook

The company raised fiscal 2021 guidance to mid-to-high single digit growth in constant currency adjusted EPS from both total and continuing operations. This reflects first-half performance above expectations and anticipated strong growth in the second half. The situation remains fluid due to COVID-19.

Fighting the Pandemic

8M+

vaccinations

Walgreens has administered more than 8M COVID-19 vaccinations, including more than 4M in March.

5M+

U.S. COVID-19 tests

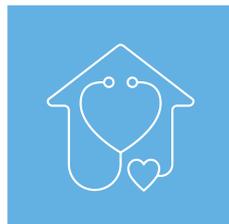
Walgreens has provided more than 5M COVID-19 tests.

2.6M+

UK COVID-19 tests

Boots UK has supported more than 2.6M COVID-19 tests and has worked closely with the National Health Service (NHS) to launch 25 vaccination sites at Boots stores.

Strategic Priorities



Creating Neighborhood Health Destinations Around a More Modern Pharmacy



Transforming and Restructuring Our Retail Offering



Accelerating Digitalization



Driving the Transformational Cost Program

Business Updates

Walgreens

Boots
Since 1849

Walgreens digitally initiated retail sales rose **78%** in Q2 vs a year earlier; Boots online sales **doubled** in the same period



As part of its continued focus on creating alternative profit streams, Walgreens expanded its financial services business strategy



Walgreens Boots Alliance

WBA made a majority investment in pharmacy automation solutions company iA

Walgreens launched rollout of same-day delivery with Instacart

Walgreens

More than **4M** orders have been completed since the launch of Walgreens same-day pick-up



Walgreens Find Care platform use increased to nearly **70M** visits in Q2

WBA on track to deliver in excess of **\$2B** in annual cost savings by fiscal 2022

myWalgreens

Membership grew to **more than 56M**

This message contains selected results from WBA's fiscal quarter ended March 31, 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 \$1.4 billion in the second quarter of fiscal 2021, down \$62 million from the second quarter of fiscal 2020.



Walgreens Boots Alliance

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