



# Walgreens Boots Alliance Fiscal 2022 Q2 Earnings

Strong Execution with Continued Progress on Strategic Priorities

“Second quarter results demonstrated broad-based execution, driving strong comparable sales and robust earnings growth. We continue to make important strides along our strategic priorities, building a consumer-centric, technology-enabled healthcare enterprise at the center of local communities. VillageMD and Shields are delivering tremendous pro forma sales growth compared to their year-ago standalone results, and our Walgreens Health segment is on track toward long-term targets. The strategic review of our Boots business is progressing, and our transformational actions are accelerating sustainable value creation.”

Chief Executive Officer Roz Brewer

## Selected Financial Results

For complete Q2 fiscal 2022 results, announced on March 31, 2022, please [click here](#). The following selected results are for WBA continuing operations.

### Sales

**\$33.8B**

in Q2, up 3.8% year-on-year on a constant currency basis

### Adjusted EPS

**\$1.59**

in Q2, up 26.5% year-on-year on a constant currency basis

### Free cash flow

**\$669M**

in Q2, a \$431 million decrease compared with the year-ago quarter

### Reported EPS

**\$1.02**

in Q2, a decrease compared with an EPS of \$1.06 in Q2 fiscal 2021

## Outlook

Maintaining full year adjusted EPS guidance of low-single digit growth.

## Strategic Priorities



Growing the core



Developing Walgreens Health



Refocusing the portfolio



Building a high-performance culture and a winning team

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

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

**62.8M+**  
COVID-19 vaccinations

To date Walgreens has administered more than 62.8 million COVID-19 vaccinations, including 11.8 million COVID-19 vaccinations in Q2

**27M+**  
COVID-19 tests

Walgreens has administered more than 27 million COVID-19 tests to date, including 6.6 million COVID-19 tests in Q2

**12M+**  
boosters

More than 12 million\* boosters administered to date

\*The 12M boosters are included in the Walgreens 62.8M+ total for COVID-19 vaccinations to date

## Transformational Cost Management Program

**\$3.3B**  
Annual cost savings

The expanded 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 **96.1M** members in Q2, up **10.9M** members since Q4

### Walgreens

Robust growth in U.S. omnichannel business with digital sales up **38%** in Q2, on top of 78% in the year-ago period, driven by **3.9M** same day pick-up orders

### Walgreens Health

**47** Walgreens Health Corners launched to date, on track toward **100+** by the end of calendar year 2022

CareCentrix closing expected by the end of Q3, subject to regulatory approval

The Walgreens Health segment had second quarter sales of **\$527M** resulting from the acquisitions of VillageMD and Shields.



Rollout of VillageMD continues with **102** co-located clinics now open, on track toward 200+ by CY22 year-end; expansion into new markets including Boston, Mass.; Denver, Colo.; Jacksonville, Fla.; San Antonio, Texas; and Tucson, Ariz. in Q2

Three automated microfulfillment centers opened, on pace to 22 centers by the end of FY24



Reintroduction of iconic **Boots 17** beauty brand in February



Strategic review of the Boots business is progressing

Nationwide launch of **Boots Price Advantage program** for Advantage cardholders



Launched FY21 **Environmental, Social, and Governance (ESG) Report**

Acquired remaining interest in Germany wholesale business on January 31, 2022

Completed the consolidation of holding in AllianceRx Walgreens from 55 percent to 100 percent, on December 31, 2021

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

Free cash flow is a non-GAAP financial measure. WBA net cash provided by operating activities was \$1.1 billion in the second quarter of fiscal 2022, down \$277 million from the second quarter of fiscal 2021.