

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

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

Free cash flow

currency basis

with the year-ago quarter

a \$118 million decrease compared

Adjusted EPS

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

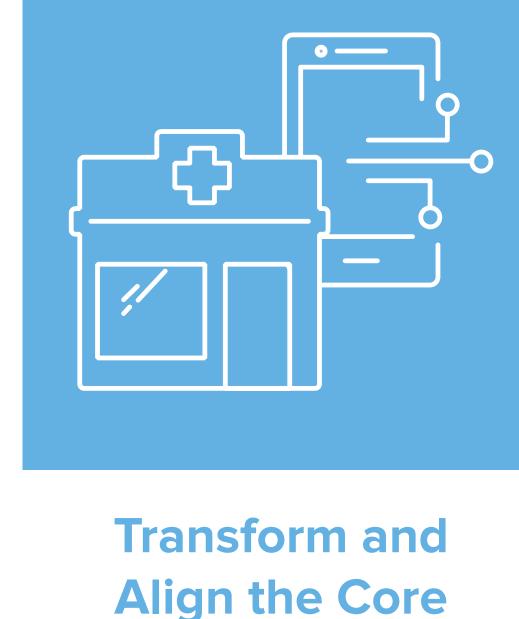
Reported EPS

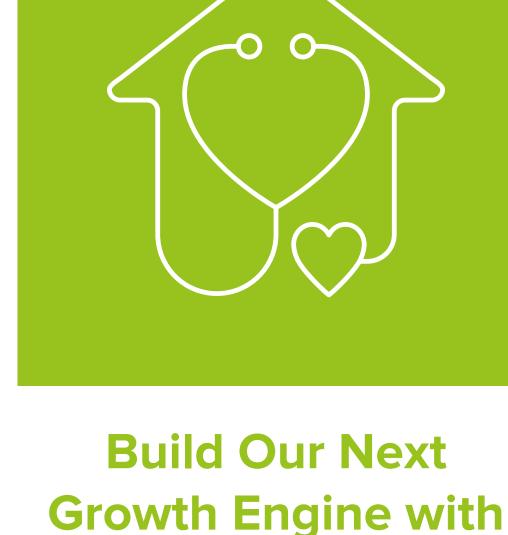
compared with a loss per share of \$0.45 in Q1 fiscal 2021

Outlook

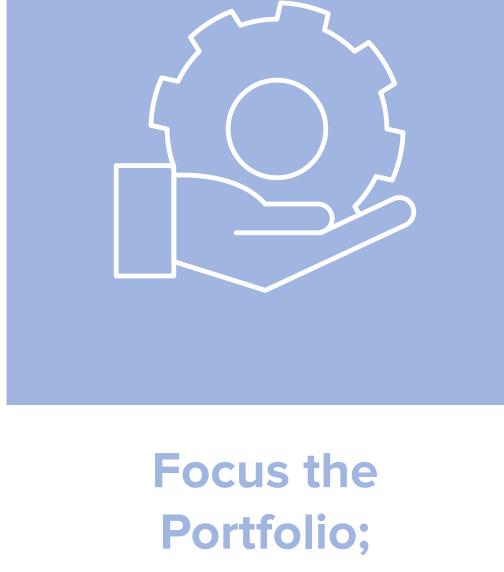
Increasing full year adjusted EPS guidance to low-single digit growth, from flat previously, to reflect first quarter performance and continued positive momentum; now includes 2 percentage point impact from incremental investments in team members. Outlook continues to include 4 percentage point negative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

Strategic Priorities



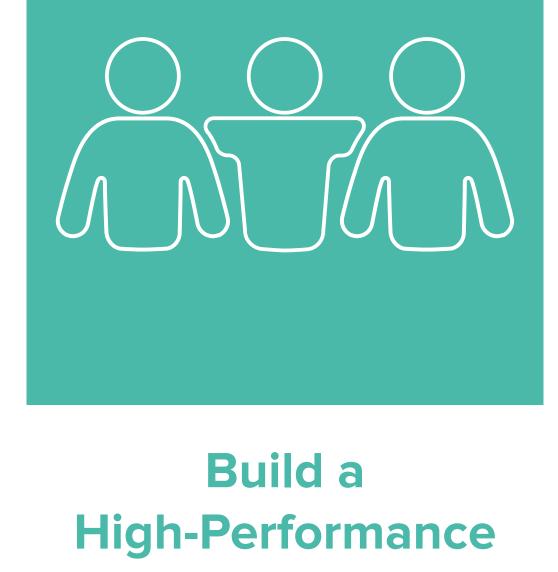






Allocation

Optimize Capital



Culture and a

Winning Team

WBA continued to achieve strong results across its business, including

Continuing to Play a Leading Role in Fighting the Pandemic

the following accomplishments around the COVID-19 pandemic

To date Walgreens has administered

vaccinations in Q1

COVID-19 vaccinations

Transformational Cost Management Program

vaccinations, including 15.6 million

more than 56 million COVID-19

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

COVID-19 tests

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

Business Updates

MyWalgreens membership at 92.4M members in Q1,

up 7.2M since Q4

Telagreens.
Health

app launched with Blue Shield of California and Clover Health 47 Walgreens Health Corners in operation, on track toward

Walgreens Health consumer

100+ by the end of calendar year 2022 CareCentrix majority

close by Q3 of this fiscal year

investment expected to

Walgreens

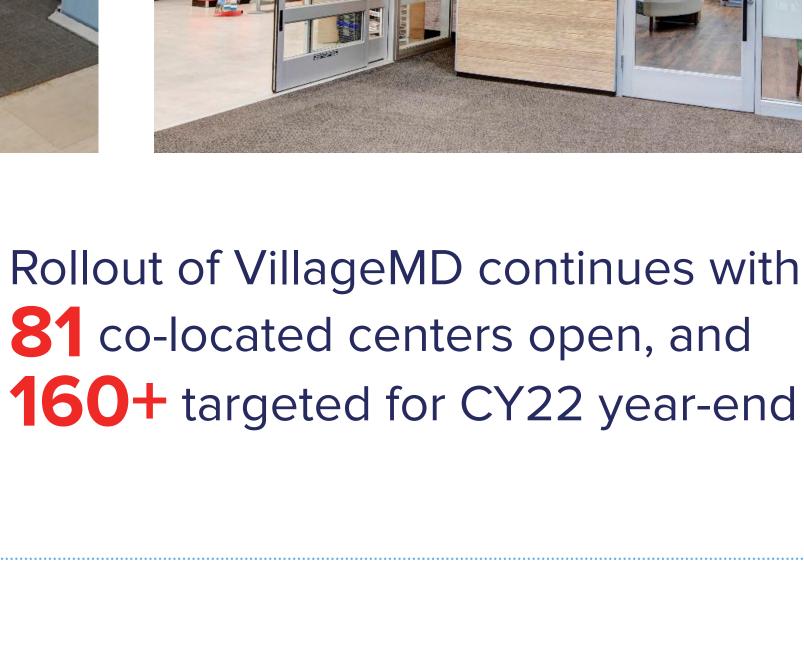
same day pick-up orders

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

Strong growth in U.S. omnichannel business with

digital sales up 88% in Q1, driven by 3.6M



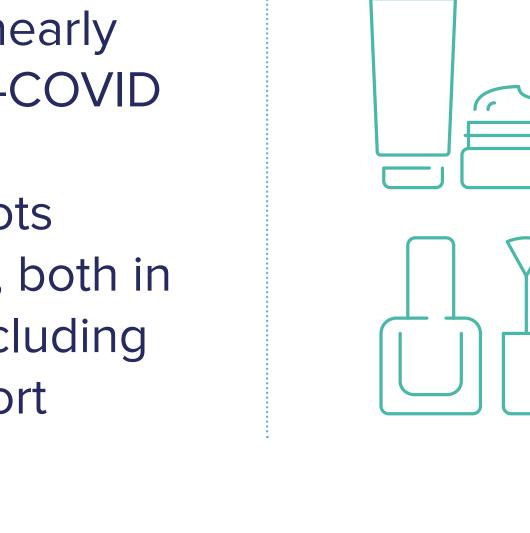




GAAP financial measures.

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

filings with the U.S. Securities and Exchange Commission, which can be found at www.SEC.gov.



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

mental health support 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

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

Cautionary Note Regarding Forward-Looking Statements: All statements in this message that are not historical are forward-looking statements made

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.

(Unaudited) Regarding Non-GAAP Financial Measures" in the press release for more information including reconciliations to the most directly comparable