Reimagining Local Healthcare and Wellbeing for All

Third Quarter Fiscal 2023 Results

June 27, 2023

Walgreens Boots Alliance

Safe Harbor and Non-GAAP

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These presentation materials and the appendix hereto are integrally related and are intended to be presented, considered and understood together.

Four strategic priorities underpin our transformation

Transforming core retail pharmacy business while managing through consumer headwinds

Scaling and driving profitability of our **healthcare assets** across the care continuum

Focusing and **simplifying our portfolio**, and optimizing capital allocation

Investing in **strategic talent and capabilities**

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Good progress across our four strategic priorities year-to-date

Transform and align the core	• Advancing tech-enabled pharmacy operating model through digital, telepharmacy capabilities • Microfulfillment centers now supporting over 40% of store footprint • Flat U.S. retail comp sales YTD lapping +8.8% last year, with gross margin up over +100 bps • Boots UK retail comp sales +12.7% YTD with continued share gains • Transformational Cost Management Program raised from $3.5 billion to $4.1 billion by FY24
Build our next growth engine with consumer-centric healthcare solutions	• VillageMD acquisition of Summit Health, creating a leading independent care delivery platform • Accelerated full acquisition of Shields Health Solutions and CareCentrix • Signed Horizon as fourth payor partner for Walgreens Health • Committed to clinical trials business with first eight contracts signed • $8 billion sales run-rate for U.S. Healthcare achieved in 3Q
Focus the portfolio; optimize capital allocation	• Monetized shares of AmerisourceBergen with total proceeds of $4.1 billion YTD • Exited Option Care Health position with total proceeds of $800 million YTD • Announced sale of Farmacias Ahumada in Chile; sold Guangzhou Pharmaceuticals stake
Build a high-performance culture and a winning team	• Aligned enterprise B2B sales and contracting teams with healthcare expertise, to sell integrated services that improve outcomes and lower cost of care for payors/health systems • Appointed Rich Rubino as CFO of VillageMD; formerly held CFO roles at Medco Health Solutions, Aerie Pharmaceuticals, and Cedar Gate Technologies • Appointed Beth Leonard as SVP, Chief Communications Officer; formerly held corporate affairs roles at EmblemHealth and America’s Health Insurance Plans

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Returned to growth with 3Q adj. EPS +3.6%

- **Sales +8.9%** on a constant currency basis, **exceeding expectations,** driven by solid core business and rapidly scaling healthcare growth engine

- Adj. EPS growth of +3.6% on a constant currency basis was held back by:
  - **Lower COVID-related demand**
  - Softening macroeconomic environment and **shifting consumer behaviors**
  - **Weaker respiratory season** impacting script volume, front of store sales, CityMD traffic

- **Strong quality of earnings** considering 4.7% adverse net impact from COVID-19, ABC, sale and leaseback, incentive accruals, and tax

- Despite weaker results, good line of sight to **accelerating AOI growth in 4Q**

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Updating FY23 guidance and providing preliminary FY24 commentary

- Updating FY23 adj. EPS guidance to $4.00-$4.05 to reflect consumer and category trends, lower COVID-19 related contribution, and a more cautious macroeconomic forward view; expecting **FY23 core adj. EPS flat to +1%** ex. COVID-19 and Fx

- Visibility to high quality drivers of **sustainable AOI growth**
  - Expecting **LSD-MSD AOI growth in FY24** with U.S. Retail Pharmacy and U.S. Healthcare more than offsetting headwinds from COVID, net sale and leaseback, and ABC
  - AOI growth to outpace adj. EPS due to offsets from tax and NCI
  - Continued confidence in building to **sustainable, long-term low-teens adj. EPS growth** over time

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Taking immediate actions to drive shareholder value

- Raising **Transformational Cost Management Program** goal, with $800 million of cost savings expected in FY24
- Implemented **capital and project spend reductions; working capital optimization** program launched, benefitting FY24
- Advancing **portfolio simplification** to pay down debt and fund strategic initiatives
- Announcing swift actions to improve the **U.S. Healthcare path to profitability**
  - VillageMD: Leveraging WBA marketing expertise to accelerate patient panel build, and appointing new CFO with deep healthcare experience
  - Summit Health: Right-sizing CityMD clinic operations, and aggressively integrating prior acquisitions
  - Raising and accelerating long-term synergy target for VillageMD/Summit Health to $200 million by calendar year 2026, from $150 million by calendar year 2027
- Accelerating **synergies** between U.S. Healthcare and Walgreens operations

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We are integrating our care delivery assets to drive growth

CORE RETAIL PHARMACY SERVES AS CORNERSTONE OF CARE DELIVERY

Aggregate addressable value per customer increases significantly

Faster Core Growth

Tech-enabled experience

Trusted brand with close connection to consumers

Healthcare and Pharmacy mutually reinforce each other

Patient acquisition and retention

Combining pharmacy and medical care

Easier, extended access via a combination of physical and digital points of care

DEEPENING WALGREENS BRAND LOYALTY

SCALING OUR NEXT-GEN CARE CONTINUUM

Greater market access and partner interest

More patient visits and lower cost, improved outcomes

Differentiated Value-Based Care

Refer to safe harbor and non-GAAP on slide 2 and endnotes on slide 39

Enterprise-wide approach to healthcare delivery drives sales growth

VillageMD

Best-in-class value-based primary care

- Team-based approach to healthcare delivery
- Ambulatory care pharmacist programs
- Script uplift at Walgreens co-located sites

carecentrix

Outcomes-driven post-acute care

- STARS/HEDIS gap closures with Walgreens and Walgreens Health
- Walgreens as DME provider
- Member programs for Walgreens OTC, food supplies

SHIELDS HEALTH SOLUTIONS

Next generation of specialty pharmacy

- Conversion of Walgreens locations to Shields partner sites
- Contract pharmacy collaborations
- Medical billing solutions with AllianceRx

Walgreens Health

Enabling population health

- Expanding existing services and new service lines
- Walgreens infrastructure allows for low incremental overhead to support sales growth
- Clinical trials recruitment, trial execution leveraging pharmacy capabilities

Cornerstone of Healthcare Portfolio

Walgreens Core retail pharmacy

Refer to safe harbor and non-GAAP on slide 2 and endnotes on slide 39

3Q 2023 financial highlights

- **Constant currency sales growth +8.9%**
  - U.S. comparable sales +7.0%, led by Pharmacy +9.8%, with Retail ex. tobacco +0.2%
  - International constant currency sales +6.9%, led by Boots UK comparable retail sales +13.4%
  - U.S. Healthcare pro forma segment sales growth of +22% to $2.0 billion
- **3Q 2023 adj. EPS of $1.00 vs. prior year adj. EPS of $0.96, +3.6% on a constant currency basis**
  - Strong quality of earnings considering 4.7% adverse net impact from COVID-19 (19% headwind to adj. EPS), ABC (8% headwind), sale and leaseback, incentive accruals, and tax
- **Lowering full-year adjusted EPS to guidance $4.00-$4.05 to reflect consumer and category trends, lower COVID-19 related contribution, and a more cautious macroeconomic forward view**

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WBA 3Q23 Financial Highlights

$ in millions (except EPS)

		3Q23	Reported Fx B/(W) vs. 3Q22	Constant Fx B/(W) vs. 3Q22
Sales		$35,415	+ 8.6%	+ 8.9%
Operating Income	GAAP	($477)	($157)	
	Adjusted	$959	+ 0.4%	+ 0.6%
Net Earnings	GAAP	$118	($171)	
	Adjusted	$860	+ 3.1%	+ 3.4%
EPS	GAAP	$0.14	($0.20)	
	Adjusted	$1.00	+ 3.3%	+ 3.6%

- 3Q23 GAAP includes after-tax charges of $323 million impairment related to pharmacy license intangible assets in Boots UK
- 3Q22 GAAP includes $532 million after-tax charge for opioid-related claims and lawsuits offset by $420 million after-tax gain on sale of ABC shares

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

WBA Year-to-Date Financial Highlights

$ in millions (except EPS)

		YTD23	Reported Fx B/(W) vs. YTD22	Constant Fx B/(W) vs. YTD22
Sales		$103,659	+ 3.4%	+ 4.8%
Operating Income	GAAP	($6,431)	($8,640)	
	Adjusted	$3,188	(27.4)%	(26.6)%
Net Earnings	GAAP	($2,900)	($7,652)	
	Adjusted	$2,864	(21.9)%	(20.9)%
EPS	GAAP	($3.36)	($8.85)	
	Adjusted	$3.32	(21.7)%	(20.7)%

- YTD23 GAAP includes $5.5 billion after-tax charge for opioid-related claims and lawsuits and $1.5 billion after-tax gain on sale of ABC and Option Care Health shares
- YTD22 GAAP includes $2.5 billion after-tax gain on investments in VillageMD and Shields, $420 million after-tax gain on sale of ABC shares offset by $532 million after-tax charge for opioid-related claims and lawsuits

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U.S. Retail Pharmacy Financials

$ in millions

	3Q23	B/(W) vs. 3Q22	YTD23	B/(W) vs. YTD22
Sales	$27,866	+ 4.4%	$82,648	+ 0.3%
Adj. gross profit	$5,383	(3.2)%	$17,143	(6.9)%
Adj. SG&A % of sales	16.3%	1.6%p	17.4%	0.4%p
Adj. operating income	$962	(0.4)%	$3,134	(26.1)%
Adj. operating margin[1]	3.0%	+ 0.1%p	3.4%	(1.2)%p

- Comp sales growth +7.0% in 3Q compared to prior year +1.8%
- Adj. operating income growth of +8.4% excluding ABC in 3Q

1. *AOI margin excludes equity income from AmerisourceBergen*

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

U.S. Pharmacy

3Q23 vs. 3Q22 | YTD23 vs. YTD22	3Q23 Total	3Q23 Comparable	YTD23 Total	YTD23 Comparable
Pharmacy sales	+ 6.3%	+ 9.8%	+ 0.7%	+ 6.5%
Prescriptions	+ 0.3%	+ 1.6%	(0.4)%	(0.6)%
Prescriptions ex. Immunizations	+ 1.5%	+ 2.8%	+ 1.8%	+ 2.8%

- Comp sales +9.8% with growth primarily due to brand inflation and script growth
- Comp scripts +1.6%; comp scripts excluding immunizations +2.8% in a slowing market
  - 0.8 million COVID-19 vaccinations in 3Q23 vs. 4.7 million in 3Q22
  - Returned ~300 stores to normal pharmacy operating hours in 3Q; optimizing operating hours in another ~500 stores
- 0.2 million COVID-19 PCR tests[1] in 3Q23 vs. 3.9 million in 3Q22
- Gross margin negatively impacted in 3Q by fewer COVID-19 vaccinations and PCR tests, reimbursement pressure net of procurement savings, and brand mix impacts
- Gross profit increased year over year excluding COVID-19

1. *COVID-19 PCR tests are excluded from 30-day equivalent prescription calculation*

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U.S. Retail

3Q23 vs. 3Q22 | YTD23 vs. YTD22	3Q23	YTD23
Total retail sales	(1.0)%	(0.7)%
Comparable retail sales	(0.2)%	+ 0.0%

- Comp ex. tobacco +0.2% including 90 bps impact from holiday seasonal weakness and 80 bps drag from lower sales of OTC test kits
  - Comp led by strength in grocery & household +4.7% and beauty +3.7%
  - Flat cough cold flu comp sales in 3Q, but significant slowdown in May and into 4Q against last year's strong trends
- Digital retail sales +19% on top of +25% last year, driven by 3.7 million same-day pick-up orders in 3Q
- Modest gross margin pressure in 3Q with accelerating growth in promotional units; YTD retail gross margin remains up over +100 bps year over year

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

International Financials

$ in millions

	3Q23	Constant Fx B/(W) vs. 3Q22	YTD23	Constant Fx B/(W) vs. YTD22
Sales	$5,573	+ 6.9%	$16,414	+ 6.8%
Adj. gross profit	$1,173	+ 10.3%	$3,421	+ 6.5%
Adj. SG&A % of sales	17.3%	(0.2)%p	16.7%	+ 0.7%p
Adj. operating income	$208	+ 20.9%	$676	+ 26.9%
Adj. operating margin	3.7%	+ 0.4%p	4.1%	+ 0.6%p

- 3Q sales growth of +6.9% driven by Boots UK +10.2% and Germany wholesale +3.8%
- Double-digit gross profit growth reflects solid growth across all International markets
- Germany integration continues ahead of expectations
- AOI growth of +21% despite ~$40 million year-over-year headwind from sale and leaseback transactions

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Boots UK Financials

3Q23 vs. 3Q22 | YTD23 vs. YTD22 (constant Fx)	3Q23	YTD23
Pharmacy comp. sales	+ 5.7%	+ 2.1%
Retail comp. sales	+ 13.4%	+ 12.7%

- Pharmacy comp sales +5.7%, the best performance in 6 quarters
- Strong retail comp sales +13.4% in 3Q
  - Store footfall improved +7% vs. prior year
  - Continued growth in store basket size, ~+20% vs. pre-COVID levels
- 9th consecutive quarter of retail market share expansion for Boots
  - Gains across all categories, led by Beauty
  - Successful launch of owned brand No7 Future Renew skincare range, with over 500,000 transactions in first four weeks
- Boots.com sales +25.2% vs. prior year, representing over 14% of Boots retail sales

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

U.S. Healthcare Financials

$ in millions	3Q23	B/(W) vs. 3Q22	YTD23	B/(W) vs. YTD22
Sales	$1,975	+ $1,379	$4,597	+ $3,424
Adj. gross profit	$114	+ $135	$267	+ $253
Adj. SG&A	($286)	($179)	($750)	($517)
Adj. operating loss	($172)	($44)	($483)	($265)
Adj. EBITDA	($113)	($7)	($346)	($168)

- U.S. Healthcare pro forma sales growth +22% to $2 billion in 3Q
  - VillageMD +22% growth: organic growth and footprint expansion
  - Shields +35% growth: contract wins and expansion of existing partnerships
  - CareCentrix +15% growth: new service offerings with existing partnerships
- Adjusted EBITDA loss reflects new clinic expansions at VillageMD (45% of co-located clinics have been open less than one year), and fewer CityMD visits from fewer respiratory incidences, partly offset by positive contribution from Shields

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U.S. Healthcare Key Metrics

	Current Status[1]
Organic Contracted Lives[2]	**2.9M**
Organic Partners (Payor/Provider)[2]	**4**
VillageMD/Summit Health Value-Based Lives[3]	**850K**
Sites of Care:	
Health Corners	116
VillageMD Co-Located Clinics	217
Total VillageMD/Summit/CityMD Locations	870

$ millions	3Q23	Pro Forma YOY Growth
Sales by Business:		
VillageMD	$1,498	+ 22%
Shields	$115	+ 35%
CareCentrix	$359	+ 15%
Organic	$2	NM
Total U.S. Healthcare	**$1,975**	**+ 22%**

1. Metrics as of May 31, 2023 2. Organic business only; excludes VillageMD, CareCentrix, and Shields 3. Includes all risk-based lives; full risk-lives of 179K

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Cash Flow

$ in millions	YTD23	B/(W) vs. YTD22
Operating cash flow	$1,219	($2,595)
Cash capital expenditures	($1,633)	($392)
Acquisition-related payments	$530	$530
Free cash flow	$116	($2,457)

- YTD cash generation of $1.2 billion in operating cash flow and $116 million of free cash flow
- Year-over-year free cash flow adversely impacted by lower earnings primarily due to lapping COVID-19 vaccine and testing volumes, lower working capital contributions, and increased capex including growth initiatives
- Implemented capital and project spend reductions; working capital optimization program launched, benefitting FY24

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WBA FY23 Outlook

Expecting core adj. EPS flat to +1%

FY23 guidance Adj. EPS growth	October 2022	June 2023
Adjusted EPS	**$4.45-$4.65**	**$4.00-$4.05**
% growth YOY	(8)-(12)%	(20)-(21)%
Fx impact	~(2)%	~(1)%
% growth YOY CFx	(6)-(10)%	(19)-(20)%
COVID-19 headwind	(15)-(17)%	~(20)%
Core business growth	+ 8-10%	+ 0-1%

- Lower COVID-19 contribution vs. original expectations ($0.23)
- Deteriorating consumer conditions and recent cough cold flu slowdown ($0.20-$0.25)
- Reduced ABC ownership net of interest savings ($0.05)

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FY23 segment assumptions

Segment	Metric	FY23 (Oct-22)	FY23 (Jun-23)	Comments
WBA	Sales	$130.5 - $134.0B	$137.3 - $139.3B	• Sales raised with Summit Health deal, U.S. Retail Pharmacy upside, Fx
	AOI	$4.7 - $4.9B	$3.9 - $4.1B	• AOI reflects consumer & COVID-19 headwinds, U.S. Healthcare below expectations
U.S. Retail Pharmacy	Sales	$105.5 - $107.5B	$109.0 - $110.0B	• YTD sales above expectations with branded drug inflation and 1H retail strength
	AOI	$4.5 - $4.6B	$3.8 - $3.9B	• AOI reflects lower COVID-19 demand, reduced ABC stake, shifting consumer behaviors
International	Sales	$20.4 - $20.9B	$22.0 - $22.5B	• Strong execution across all international markets led by Boots UK
	AOI	$830 - $870M	$900 - $920M	• Favorable Fx outlook vs. Oct. guidance
U.S. Healthcare	Sales	$4.9 - $5.3B	$6.3 - $6.8B	• Adj. EBITDA reflects recent VMD clinic expansion, fewer CityMD visits due to weaker respiratory season, and continued integration of Summit's multi-specialty businesses
	AOI	$(350) - $(330)M	$(600) - $(550)M	
	Adj. EBITDA	$(240) - $(220)M	$(380) - $(340)M	
	Adj. EPS Impact[1]	$(0.25) - $(0.23)	$(0.25) - $(0.23)	• Accelerated integration initiatives underway to drive strong sequential adj. EBITDA improvement in 4Q

[1] Impact includes AOI, tax, NCI

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FY23 corporate assumptions

$ millions	FY23 (Oct-22)	FY23 (Jun-23)	Comments
Adj. Tax Rate	~16%	~12%	• Better than expected performance through 3Q to reverse with 4Q adjusted tax rate of ~23%
Interest Expense	$(500) - $(490)	$(600) - $(580)	• Higher debt levels related to Summit Health transaction and higher average interest rates
Share Repurchases	$-	$-	• Anti-dilutive share purchases only
EMI / NCI	$175 - $190	$335 - $355	• Reflects Summit Health transaction, and accelerated Shields and CareCentrix full ownership
M&A Activity	-	-	• FY23 guidance assumes current company structure
Corporate Costs / Other	$(240) - $(230)	$(210) - $(200)	• Transformational Cost Management Program savings and incentive accruals

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WBA FY24 Preliminary Commentary

Long-term tailwinds outweigh near-term headwinds

Tailwinds

- U.S. Healthcare scaling and synergies, with significant step-up in profitability
  - Targeted actions to improve profitability
  - Maturing VillageMD clinic profile
  - Full year of Summit Health contribution
- Continued Rx volume growth, supported by differentiated pharmacy model
- Front of store initiatives gaining traction
- Transformational Cost Management Program cost savings of $800M in FY24

Headwinds

- Consumer sentiment and spending
- Ongoing reimbursement pressure
- Wages and inflation
- Lower COVID-related demand
- Step-down in sale and leaseback activity
- Higher effective tax rate

Neutral

- Currency

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Expecting LSD-MSD AOI growth; AOI growth outpaces adj. EPS due to higher tax rate/non-controlling interest

U.S. Healthcare

- Expecting significant AOI growth from first full year of Summit Health, VillageMD clinic maturation, and Shields/CareCentrix
- Taking immediate actions to optimize path to profitability
- Raising and accelerating Summit Health synergy target

U.S. Retail Pharmacy

- Expecting AOI flat to down, absorbing lower COVID-19, step down in sale and leaseback gains, and reduced ABC ownership stake
- Gross profit growing (ex. COVID-19), boosted by script growth and retail initiatives (owned brands, CPI); TCMP savings help offset labor costs and investments

International

- Expecting AOI decline due to prior year asset mobilization gains and Chile sale
- Continued strong execution and TCMP savings offsetting high labor and cost inflation

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U.S. Pharmacy Profit Growth Drivers

Expecting U.S. pharmacy gross profit growth ex. COVID-19

- **Differentiated tech-enabled operating model** underpins growth; becoming the pharmacy practice setting of choice
- Expecting solid comp script growth ex. immunizations from **improved operating hours, increased access,** and **growth in specialty**
- Investments in microfulfillment centers, centralization, and AI/IVR free up capacity to **expand pharmacy services**
- **Integrating clinical assets,** driving strong quality measures and payor engagement across pharmacy business and U.S. Healthcare segment
- **Aligned enterprise B2B sales and contracting teams** under recently appointed, experienced healthcare leadership, to sell **integrated services** that improve outcomes and lower cost of care for payors/health systems

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U.S. Retail Profit Growth Drivers

Projecting retail gross profit growth led by LSD comp growth and continued margin improvement

- Category performance improvement program enables **assortment decisions** delivering at least $200 million run-rate savings by FY24
- Accelerating margin-accretive **owned brands**
- Driving convenience through scaling **digital and omnichannel** platform, with digitally-enabled retail sales to grow HSD
- **Evolving our format and product offering** to create more value for the healthcare consumer
- **Improving the in-store experience** by reducing executional complexities

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

U.S. Healthcare Right to Win

Quickly scaling our U.S. Healthcare business with sharper focus on profitability

- **Unique capabilities:** Leveraging our trusted brand and high-quality assets to create significant synergies with Walgreens and be the independent partner of choice
- **Scaling business:** Exiting FY23 with run-rate sales ~$8 billion, pro forma growth ~+25%
- Addressing underperformance at VillageMD and Summit Health, with immediate actions in place to **accelerate path to profitability**
  - Focused marketing to grow CityMD patient base and optimizing cost structure through integration initiatives
  - Leveraging WBA marketing expertise to accelerate VillageMD patient panel growth
  - Strengthening management: new VillageMD CFO in place
  - Raising VillageMD/Summit Health synergy target

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Summit Health Profit Drivers

Summit Health expected to drive meaningful U.S. Healthcare AOI growth

- **First full year** of profit contribution in FY24
- Rebound in top-line growth at CityMD, driven by **targeted marketing**
- Improving profit from **optimizing CityMD clinic operations** and **integrating prior Summit acquisitions**
- Multi-specialty sales growth from **increasing provider counts** and **referrals** across Summit's network, in addition to improved productivity per provider
- Raising and accelerating **synergy** capture goal to $200M in calendar year 2026 from $150M in calendar year 2027

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VillageMD Profit Drivers

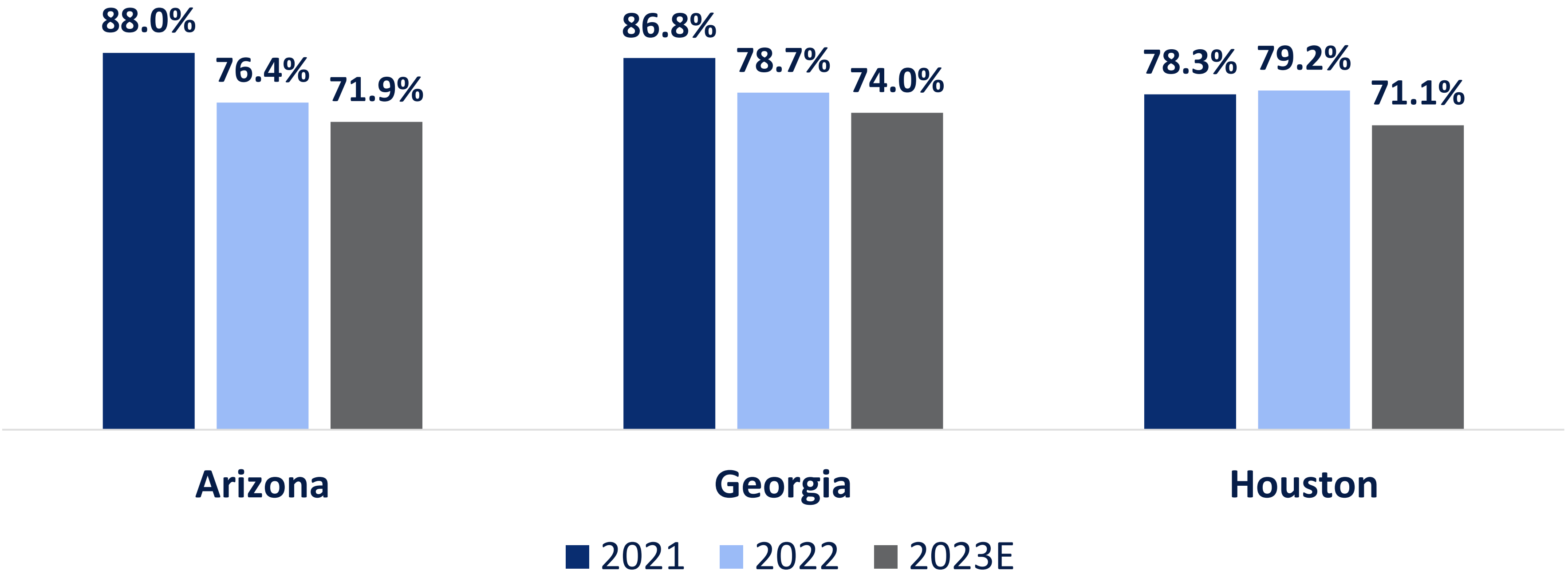
VillageMD leveraging existing scale to pivot to profitable growth

- Optimizing for **regional density** in existing markets
- Exploring new **asset-light and virtual models** to improve access and return on investment
- Focusing **marketing efforts** to drive overall patient panel growth in existing clinics
- **New leadership** tasked to accelerate cost control to meet profitability goals
- Strong risk performance driven by **maturing clinic profile, accelerating fee for service conversion to risk,** and **continued MLR improvement**

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Scaling VillageMD's Model

Demonstrated ability to lower Medicare Advantage medical loss ratio (MLR) over time

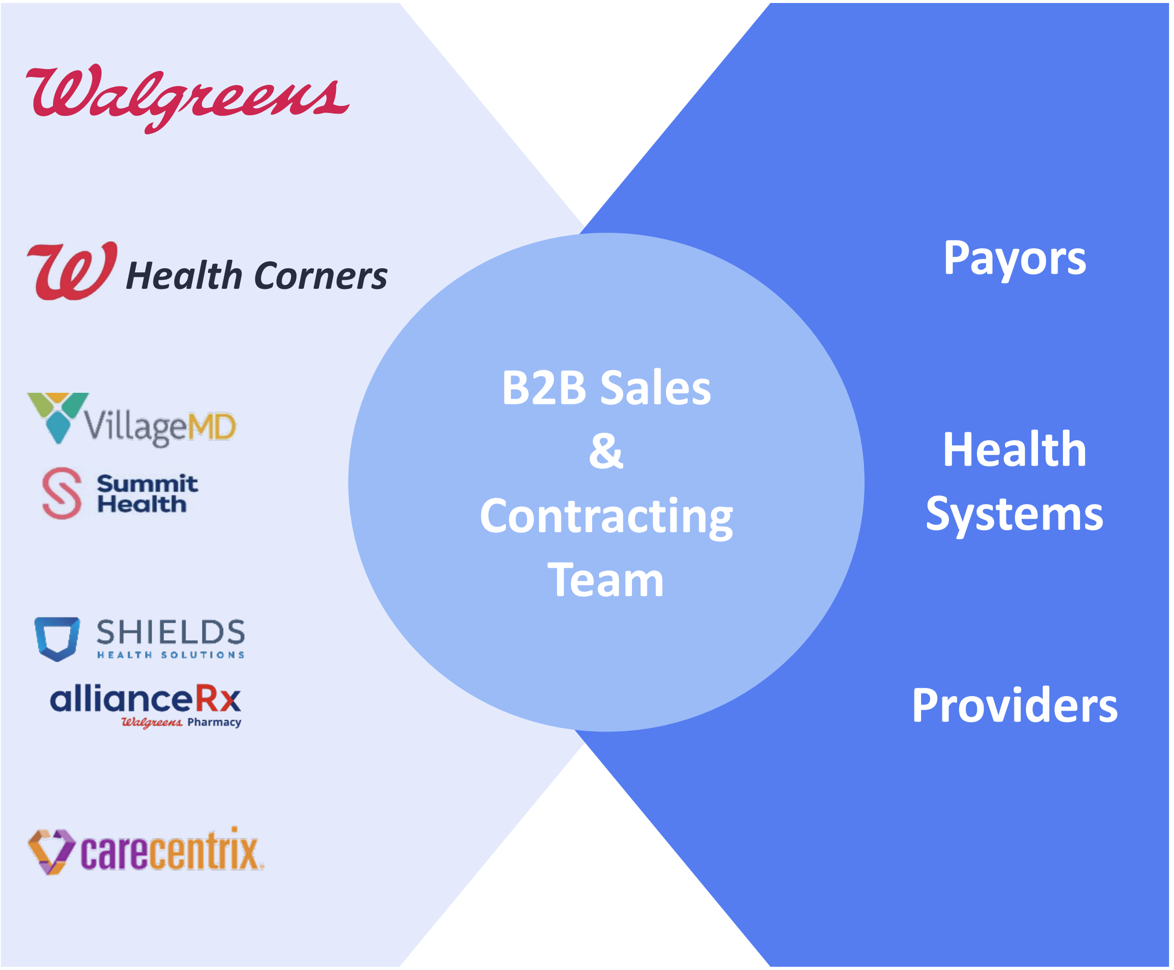


- MLR performance has been strong across strategic markets

Note: 2023E performance based on same store population; reflects clinics in more mature markets

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Aligning enterprise B2B sales and contracting teams under recently-appointed, experienced healthcare leadership



Driving results:

- Horizon Blue Cross Blue Shield signed as fourth payor partner for Walgreens Health
- Shields and CareCentrix signed new deals with leading national health solution and care delivery organization
- Shields signed 6 new contracts YTD

Capital Allocation Priorities

Focus is on core investments, debt paydown, and dividend

1 Investment in the Core Business

- Disciplined, returns-based investment with reprioritized project spend

2 Portfolio Simplification and Strategic M&A

- Portfolio simplification to unlock value
- Value-accretive M&A (bolt-on) aligned to strategy

3 Strong Balance Sheet and Solid Credit Rating

- Maintain strong balance sheet
- Solid investment grade credit rating

4 Capital Return to Shareholders

- Growing dividend over time
- Excess liquidity for share repurchase

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Raising Transformational Cost Management Program target to $4.1 billion with $800 million of savings in FY24

Savings in $B	Incremental In-Year Savings	Cumulative Savings
FY19	+ $0.3	$0.3
FY20	+ $1.0	$1.3
FY21	+ $0.8	$2.1
FY22	+ $0.6	$2.7
FY23	+ $0.6	$3.3
FY24	+ $0.8	$4.1
Total Program Targeted Savings		**$4.1**
	Prior FY24 Target	*$3.5*

- Increased goal driven by execution to date and expansion of program
- **Sixth target increase** since program inception
- Savings help offset headwinds and fuel growth investments
- **Robust pipeline of additional opportunities**

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Increased Transformational Cost Management Program savings target supported by new initiatives

Organization restructuring

Transforming headquarters to better align to strategic priorities

Pharmacy of the future operating model

Optimizing labor model elevating pharmacist and patient engagement, AI/tech-enabled centralization of in-store activities, telepharmacy solutions drive efficiencies and script uplift

AllianceRx integration

Full integration and alignment to Walgreens Specialty Pharmacy strategy, cost synergies for back-office integration completed with further opportunities to pursue

Location optimization and store operating hours

Focusing on marketplace strategy, closing additional stores, select format investments, rightsizing store operating hours

Refer to safe harbor and non-GAAP on slide 2 and endnotes on slide 39

Accelerating portfolio simplification

Reached agreement for the **sale of the Farmacias Ahumada chain in Chile**, with transaction expected to be completed by the end of calendar 2023

Completed exit from Option Care Health with sale of remaining 10.8 million shares for proceeds of approximately $330 million in June; total proceeds of approximately $800 million YTD

Successfully completed **monetization of partial holdings in ABC shares via Variable Prepaid Forward structure**, with no dilutive impact to WBA's adj. EPS until 4Q FY25; ABC proceeds of $4.1 billion YTD with remaining stake valued at ~$5 billion

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Building momentum and accelerating our healthcare transformation

- **Returned to adj. EPS growth in 3Q** with strong sales growth

- Taking **immediate actions** to drive **sustainable core growth** and deliver **shareholder value**

- Pivoting our healthcare focus to **accelerating profitability**

- Fueling our transformation through **portfolio simplification** while remaining **committed to capital allocation priorities**

Refer to safe harbor and non-GAAP on slide 2, endnotes on slide 39, and reconciliations on slides 41-55

Q&A

Endnotes

- Please see appendix for reconciliations of non-GAAP financial measures and related disclosures.
- The Company presents certain information related to current period operating results in “constant currency,” which is a non-GAAP financial measure. These amounts are calculated by translating current period results at the foreign currency exchange rates used in the comparable period in the prior year. The Company presents such constant currency financial information because it has significant operations outside of the United States transacting in currencies other than the U.S. dollar and this presentation provides a framework to assess how its business performed excluding the impact of foreign currency exchange rate fluctuations.
  - U.S. Retail Pharmacy segment GAAP results, dollars in millions – 3Q23: gross profit $5,327; selling, general and administrative expenses $4,990; SG&A as a percent of sales 17.9%; operating income $395; and operating margin excluding equity earnings in AmerisourceBergen 1.2%. YTD23: gross profit $17,038; selling, general and administrative expenses $22,215; SG&A as a percent of sales 26.9%; operating loss $4,990; and operating margin excluding equity earnings in AmerisourceBergen (6.3)%.
  - International segment GAAP results on a reported currency basis, dollars in millions – 3Q23: gross profit $1,173; selling, general and administrative expenses $1,475; SG&A as a percent of sales 26.5%; operating loss $302; and operating margin (5.4)%. In 3Q23 compared to year-ago quarter, on a reported currency basis, the segment's sales increased 5.0%; and operating margin decreased 7.3 percentage points. YTD23: gross profit $3,421; selling, general and administrative expenses $3,264; SG&A as a percent of sales 19.9%; operating income $156; and operating margin 1.0%. In YTD23 compared to year-ago period, on a reported currency basis, the segment's sales decreased 1.6%; and operating margin decreased 1.0 percentage point.
  - U.S. Healthcare segment GAAP results, dollars in millions — 3Q23: gross profit $89; selling, general and administrative expenses $611; SG&A as a percent of sales 30.9%; and operating loss $522. YTD23: gross profit $138; selling, general and administrative expenses $1,569; SG&A as a percent of sales 34.1%; and operating loss $1,431.
  - Adjusted gross margin is a non-GAAP financial measure defined as adjusted gross profit by segment divided by segment sales. Adjusted gross profit is a non-GAAP financial measure defined as gross profit by segment, excluding the impact of costs associated with LIFO provision, acquisition-related amortization and acquisition-related costs. The Company is providing comparative data relating to these non-GAAP financial measures to provide investors with additional perspective and insights when analyzing the core operating performance of the segments from period to period.
  - Adjusted EBITDA margin for the U.S. Healthcare segment is a non-GAAP financial measure defined as Adjusted EBITDA divided by segment sales.
  - For the Company's U.S. Healthcare segment, Adjusted EBITDA is defined as segment operating income/(loss) before depreciation, amortization, and stock-based compensation; in addition to these items, the Company excludes certain other non-GAAP adjustments, when they occur, as further defined.
- All references to net earnings or net loss are to net earnings or net loss attributable to WBA, and all references to EPS are to diluted EPS attributable to WBA.
- For the Company's U.S. Retail Pharmacy and International segments, comparable sales are defined as sales from stores that have been open for at least twelve consecutive months without closure for seven or more consecutive days, including due to store damage, and without a major remodel or being subject to a natural disaster in the past twelve months as well as e-commerce sales. E-commerce sales include digitally initiated sales online or through mobile applications. Relocated stores are not included as comparable sales for the first twelve months after the relocation. Acquired stores are not included as comparable sales for the first twelve months after acquisition or conversion, when applicable, whichever is later. Comparable sales, comparable pharmacy sales, comparable retail sales, comparable number of prescriptions and comparable number of 30-day equivalent prescriptions refer to total sales, pharmacy sales, retail sales, number of prescriptions and number of 30-day equivalent prescriptions, respectively. The method of calculating comparable sales varies across the retail industry. As a result, our method of calculating comparable sales may not be the same as other retailers’ methods. With respect to the International segment, comparable sales, comparable pharmacy sales and comparable retail sales, are presented on a constant currency basis, which is a non-GAAP financial measure. Refer to the discussion above for further details on constant currency calculations.
- U.S. Retail Pharmacy prescriptions (including vaccination) are reported on a 30-day equivalent basis.
- Prescription market share information is an estimate derived from the use of information under license from IQVIA Prescription Services as of May 31, 2023. IQVIA expressly reserves all rights, including rights of copying, distribution and republication.
- U.S. Retail Pharmacy refill scripts initiated via digital channel is inclusive of prescriptions filled at Walgreens and Duane Reade.
- Boots UK retail market share insights, where quoted, as of May 13, 2023.
- For the U.S. Healthcare segment, the Company considers certain metrics, such as number of payor/ provider partnerships at period end, number of locations of Walgreens Health Corners at period end, number of VillageMD co-located clinics at period end and number of total VillageMD/Summit/CityMD locations at period end, to be key performance indicators because the Company’s management has evaluated its results of operations using these metrics and believes that these key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of the Company from period to period and trends in its historical operating results. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.
- With respect to the total number of VillageMD locations, locations are defined as the primary care locations where the Company or the Company’s affiliates lease or license space and the providers are employed by either the Company or one of the Company’s affiliates. These locations are primarily branded as Village Medical where the Company employs the providers but, in some instances, may operate under their own brands.
- Working capital includes changes in the following operating assets and liabilities: accounts receivable net; inventories; other current assets; trade accounts payable; and accrued expenses and other liabilities.
- Digitally initiated sales include online orders and mobile application purchases of retail products, photo and digital scripts, including Save a Trip refills.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Appendix

The information on the following pages provides reconciliations of the supplemental non-GAAP financial measures, as defined under SEC rules, presented in this presentation and discussed on the related conference call to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). The Company has provided the non-GAAP financial measures in the presentation, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. Please refer to the notes to the "Net Earnings (Loss) to Adjusted Net Earnings and Diluted Net Earnings (Loss) Per Share to Adjusted Diluted Net Earnings Per Share" reconciliation table on slide 46 for definitions of non-GAAP financial measures and related adjustments presented in this presentation. These supplemental non-GAAP financial measures are presented because management has evaluated the Company's financial results both including and excluding the adjusted items or the effects of foreign currency translation, as applicable, and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the Company's business from period to period and trends in the Company's historical operating results. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the presentation. The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis (including the information related to fiscal year 2023 guidance) where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted, and that would impact diluted net earnings per share, the most directly comparable forward-looking GAAP financial measure. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

The Company considers certain metrics, such as comparable sales, comparable pharmacy sales, comparable retail sales, comparable number of prescriptions, and comparable 30-day equivalent prescriptions, number of payor/ provider partnerships, number of locations of Walgreens Health Corners, number of co-located VillageMD clinics and number of total VillageMD/ Summit/CityMD locations, at period end, to be key performance indicators because the Company's management has evaluated its results of operations using these metrics and believes that these key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of the Company from period to period and trends in its historical operating results. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.

Amounts may not add due to rounding. All percentages and ratios have been calculated using unrounded amounts.

Certain assumptions and supplemental information

Unless otherwise indicated or the context otherwise requires:

- *This presentation assumes constant currency exchange rates after the date hereof based on current rates; and*
- *All financial estimates and goals assume constant currency exchange rates after the date hereof based on current rates and no major mergers, acquisitions, divestitures or strategic transactions.*

References in this presentation to the "company," "we," "us" or "our" refer to Walgreens Boots Alliance, Inc. and its subsidiaries, and do not include unconsolidated partially-owned entities, except as otherwise indicated or the context otherwise requires. Our fiscal year ends on August 31, and references herein to "fiscal 2023" refer to our fiscal year ending August 31, 2023.

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions, except net debt ratio and lease adjusted net debt ratio)

The Company defines net debt ratio as net debt divided by adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA) and lease adjusted net debt ratio as lease adjusted net debt divided by Adjusted EBITDA before fixed operating lease costs (Adjusted EBITDAR). Further definitions and reconciliations to the closest GAAP measures are included below. Management uses lease adjusted net debt, net debt ratio and lease adjusted net debt ratio as supplemental measures to GAAP measures to review the liquidity of operations. We believe that these measures are useful indicators to assess the strength of the Company's balance sheet and its ability to meet its financial obligations. Net Debt is not a measure of our liquidity under GAAP and should not be considered as an alternative to Cash Flows from Operating Activities or Cash Flows from Financing Activities.

LEASE ADJUSTED NET DEBT	As of May 31, 2023	
Total debt (GAAP)[1]	**$**	**11,902**
Less: Cash and cash equivalents (GAAP)[2]		(970)
Net debt		10,932
Operating lease obligations (GAAP)[3]		24,537
Finance lease obligations (GAAP)[3]		982
Less: Non-contractual lease payments[4]		(2,661)
Less: Contractual sublease income[5]		(482)
Lease adjusted net debt (Non-GAAP measure)	**$**	**33,308**

NET DEBT RATIO	As of May 31, 2023	
Net debt	$	10,932
Adjusted EBITDA (Non-GAAP measure)[6]		5,494
Net debt ratio		**2.0X**

LEASE ADJUSTED NET DEBT RATIO	As of May 31, 2023	
Lease adjusted net debt (Non-GAAP measure)	$	33,308
Adjusted EBITDAR (Non-GAAP measure)[7]		8,849
Lease adjusted net debt ratio		**3.8X**

1 Represents short-term debt and total long-term debt, including the current portion of long-term debt reported on the Company’s consolidated condensed balance sheet as of May 31, 2023.

2 Represents Cash and cash equivalents and Marketable securities reported on the Company’s consolidated condensed balance sheets as of May 31, 2023.

3 Represents the current and long-term portion of operating and finance lease obligations reported on the Company’s consolidated condensed balance sheet as of May 31, 2023.

4 Non-contractual lease payments represent the present value of the Company's operating lease obligations related to optional renewal periods that have not been contractually exercised but are reasonably certain of being exercised, discounted using the Company’s weighted average incremental borrowing rate over the weighted average remaining lease term.

5 Contractual sublease income represents future sublease rental income due to the Company under non-cancelable sublease terms, discounted using the Company’s weighted average incremental borrowing rate over the weighted average remaining lease term.

6 The Company defines Adjusted EBITDA as operating income/(loss) before depreciation, amortization, and stock-based compensation; in addition to these items, the Company excludes certain other non-GAAP adjustments, when they occur, as further defined. Adjusted EBITDA is calculated for the trailing twelve month period ended May 31, 2023.

7 The Company defines Adjusted EBITDAR as Adjusted EBITDA before fixed operating lease cost. Adjusted EBITDAR is calculated for the trailing twelve month period ended May 31, 2023.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

NET LOSS TO ADJUSTED OPERATING INCOME, ADJUSTED EBITDA and ADJUSTED EBITDAR	**As Reported Twelve months ended May 31, 2023**
Net loss (GAAP)	**$ (3,821)**
Post-tax earnings from other equity method investments	(39)
Income tax benefit	(1,942)
Interest expense, net	530
Other income, net	(1,981)
Operating loss (GAAP)	**(7,253)**
Certain legal and regulatory accruals and settlements [1]	7,283
Acquisition-related amortization [2]	1,090
Transformational cost management [3]	1,002
Acquisition-related costs [4]	326
Adjustments to equity earnings in AmerisourceBergen [5]	241
LIFO provision [6]	160
Impairment of intangible assets [7]	1,082
Adjusted operating income (Non-GAAP measure)	**3,932**
Depreciation expense	1,420
Stock-based compensation expense [8]	142
Adjusted EBITDA (Non-GAAP measure)	**5,494**
Operating lease cost [9]	3,355
Adjusted EBITDAR (Non-GAAP measure)	**$ 8,849**

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

1 Certain legal and regulatory accruals and settlements relate to significant charges associated with certain legal proceedings, including legal defense costs. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded within Selling, general and administrative expenses. During the trailing twelve months ended May 31, 2023, the Company recorded charges related to the previously announced opioid litigation settlement frameworks and certain other legal matters.

2 Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

3 Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded within Selling, general and administrative expenses. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

4 Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities. These costs include charges incurred related to certain mergers, acquisition and divestitures related activities recorded in operating income, for example, costs related to integration efforts for merger, acquisition and divestitures activities. Examples of such costs include deal costs, severance, stock compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

5 Adjustments to equity earnings in AmerisourceBergen consist of the Company's proportionate share of non-GAAP adjustments reported by AmerisourceBergen consistent with the Company's non-GAAP measures.

6 The Company's U.S. Retail Pharmacy segment inventory is accounted for using the last-in-first-out ("LIFO") method. This adjustment represents the impact on cost of sales as if the U.S. Retail Pharmacy segment inventory is accounted for using first-in first-out ("FIFO") method. The LIFO provision is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. Therefore, the Company cannot control the amounts recognized or timing of these items.

7 Impairment of intangible assets do not relate to the ordinary course of the Company's business. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded within Selling, general and administrative expenses. During the three months ended May 31, 2023, the Company recognized a $431 million impairment of pharmacy license intangible assets in Boots UK of which $132 million was attributed to additional store closures recognized as part of the Transformational Cost Management Program.

8 Includes GAAP stock-based compensation expense excluding expenses related to acquisition-related amortization and acquisition-related costs.

9 Represents fixed operating lease cost for the trailing twelve months ended May 31, 2023.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions, except per share amounts)

NET EARNINGS (LOSS) TO ADJUSTED NET EARNINGS AND DILUTED NET EARNINGS (LOSS) PER SHARE TO ADJUSTED DILUTED NET EARNINGS PER SHARE	**Three months ended May 31,**		**Change vs. 3Q22**		**Nine months ended May 31,**		**Change vs. FY22**	
	2023	**2022**	**Amount**	**Percent**	**2023**	**2022**	**Amount**	**Percent**
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc. (GAAP)	**$ 118**	**$ 289**	**$ (171)**	**(59.1)%**	**$ (2,900)**	**$ 4,752**	**$ (7,652)**	**NM**
Adjustments to operating (loss) income:								
Certain legal and regulatory accruals and settlements [1]	268	734			7,249	734		
Acquisition-related amortization [2]	274	201			851	616		
Transformational cost management [3]	414	185			697	458		
Impairment of intangible assets [4]	299	—			299	—		
Acquisition-related costs [5]	70	40			257	155		
Adjustments to equity earnings in AmerisourceBergen [6]	61	60			178	155		
LIFO provision [7]	51	55			89	64		
Total adjustments to operating (loss) income	1,436	1,275			9,620	2,181		
Adjustments to other income, net:								
Gain on sale of equity method investments [8]	(179)	(421)			(1,692)	(421)		
Gains on investments, net [9]	(76)	—			(76)	(2,576)		
Impairment of equity method investment and investments in debt and equity securities [10]	—	—			—	190		
Adjustment to gain on disposal of discontinued operations [11]	—	—			—	38		
Loss on certain non-hedging derivatives [12]	26	—			26	1		
Total adjustments to other income, net	(229)	(421)			(1,742)	(2,768)		
Adjustments to interest expense, net:								
Early debt extinguishment [13]	—	4			0	4		
Total adjustments to interest expense, net	—	4			0	4		
Adjustments to income tax (benefit) provision:								
Equity method non-cash tax [14]	10	25			33	55		
Tax impact of adjustments [14]	(408)	(331)			(1,968)	(466)		
Total adjustments to income tax (benefit) provision	(397)	(306)			(1,935)	(411)		
Adjustments to post-tax earnings from other equity method investments:								
Adjustments to earnings from other equity method investments [15]	9	24			31	49		
Total adjustments to post-tax earnings from other equity method investments	9	24			31	49		

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions, except per share amounts)

NET EARNINGS (LOSS) TO ADJUSTED NET EARNINGS AND DILUTED NET EARNINGS (LOSS) PER SHARE TO ADJUSTED DILUTED NET EARNINGS PER SHARE	Three months ended May 31,		Change vs. 3Q22		Nine months ended May 31,		Change vs. FY22	
	2023	2022	Amount	Percent	2023	2022	Amount	Percent
Adjustments to net loss attributable to non-controlling interests:								
Transformational cost management [3]	—	—			—	(1)		
Early debt extinguishment [13]	—	(1)			—	(1)		
Acquisition-related costs [5]	(16)	2			(71)	(18)		
Acquisition-related amortization [2]	(61)	(31)			(139)	(119)		
Total adjustments to net loss attributable to non-controlling interests	(77)	(31)			(210)	(140)		
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure)	**$ 860**	**$ 834**	**$ 26**	**3.1 %**	**$ 2,864**	**$ 3,667**	**$ (803)**	**(21.9)%**
DILUTED NET EARNINGS (LOSS) PER SHARE								
Diluted net earnings (loss) per common share (GAAP) [16]	**$ 0.14**	**$ 0.33**	**$ (0.20)**	**(59.0)%**	**$ (3.36)**	**$ 5.49**	**$ (8.85)**	**NM**
Adjustments to operating (loss) income	1.66	1.47			11.14	2.52		
Adjustments to other income, net	(0.27)	(0.49)			(2.02)	(3.20)		
Adjustments to interest expense, net	—	0.01			—	0.01		
Adjustments to income tax (benefit) provision	(0.46)	(0.35)			(2.24)	(0.47)		
Adjustments to post-tax earnings from other equity method investments	0.01	0.03			0.04	0.06		
Adjustments to net loss attributable to non-controlling interests	(0.09)	(0.04)			(0.24)	(0.16)		
Adjusted diluted net earnings per common share (Non-GAAP measure) [17]	**$ 1.00**	**$ 0.96**	**$ 0.03**	**3.3 %**	**$ 3.32**	**$ 4.23**	**$ (0.92)**	**(21.7)%**
Weighted average common shares outstanding, diluted (in millions) [17]	863.8	865.3			863.8	866.0		

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

1 Certain legal and regulatory accruals and settlements relate to significant charges associated with certain legal proceedings, including legal defense costs. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded within Selling, general and administrative expenses. During the three and nine months ended May 31, 2023, the Company recorded charges related to the previously announced opioid litigation settlement frameworks and certain other legal matters.

2 Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

3 Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded within Selling, general and administrative expenses. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

4 Impairment of intangible assets do not relate to the ordinary course of the Company's business. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded within Selling, general and administrative expenses. During the three months ended May 31, 2023, the Company recognized a $431 million impairment of pharmacy license intangible assets in Boots UK of which $132 million was attributed to additional store closures recognized as part of the Transformational Cost Management Program.

5 Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities. These costs include charges incurred related to certain mergers, acquisition and divestitures related activities recorded in operating income, for example, costs related to integration efforts for merger, acquisition and divestitures activities. Examples of such costs include deal costs, severance, stock compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

6 Adjustments to equity earnings in AmerisourceBergen consist of the Company's proportionate share of non-GAAP adjustments reported by AmerisourceBergen consistent with the Company's non-GAAP measures.

7 The Company's U.S. Retail Pharmacy segment inventory is accounted for using the last-in-first-out ("LIFO") method. This adjustment represents the impact on cost of sales as if the U.S. Retail Pharmacy segment inventory is accounted for using first-in first-out ("FIFO") method. The LIFO provision is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. Therefore, the Company cannot control the amounts recognized or timing of these items.

8 Includes significant gains on the sale of equity method investments. During the three and nine months ended May 31, 2023, the Company recorded a gain of $179 million and $1.6 billion, respectively, in Other income, net, due to a partial sale of its equity method investment in AmerisourceBergen and Option Care Health. During the three months ended May 31, 2022, the Company recorded a gain of $424 million in Other income, net due to a partial sale of its equity method investment in AmerisourceBergen.

9 Includes significant gains resulting from the change in classification of investments as well as the fair value adjustments recorded to Other income, net. During the three months ended May 31, 2023, the Company recorded pre-tax gains of $76 million related to the change in classification of its previously held equity method investment in Option Care Health to an investment in equity security held at fair value. During the three months ended November 30, 2021, the Company recorded pre-tax gains of $2.2 billion and $402 million for VillageMD and Shields, respectively, related to the change in classification of previously held minority equity interests and debt securities to fair value on business combinations. These gains were recorded in Other income, net.

10 Impairment of equity method investment and investments in debt and equity securities includes impairment of certain investments. The Company excludes these charges when evaluating operating performance because these do not relate to the ordinary course of the Company's business and it does not incur such charges on a predictable basis. Exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded within Other income, net.

11 During the three months ended February 28, 2022, the Company finalized the working capital adjustments with AmerisourceBergen related to the sale of the Alliance Healthcare business, resulting in a $38 million charge recorded to Other income, net in the Consolidated Condensed Statement of Earnings.

12 Includes fair value gains or losses on the variable prepaid forward derivatives and certain derivative instruments used as economic hedges of the Company's net investments in foreign subsidiaries. These charges are recorded within Other income, net. The Company does not believe the volatility related to the mark-to-market adjustments on the underlying derivative instruments reflects the Company's operational performance.

13 During the three months ended May 31, 2022, the Company incurred a $4 million loss in connection with the early extinguishment of debt related to the integration of Shields. The Company excludes these charges as related activities do not reflect the Company's ongoing financial performance.

14 Adjustments to income tax (benefit) provision include adjustments to the GAAP basis tax (benefit) provision commensurate with non-GAAP adjustments and certain discrete tax items including U.S. and UK tax law changes and equity method non-cash tax. These charges are recorded within income tax (benefit) provision.

15 Adjustments to post-tax earnings from other equity method investments consist of the proportionate share of certain equity method investees' non-cash items or unusual or infrequent items consistent with the Company's non-GAAP adjustments. These charges are recorded within post-tax earnings from other equity method investments. Although the Company may have shareholder rights and board representation commensurate with its ownership interests in these equity method investees, adjustments relating to equity method investments are not intended to imply that the Company has direct control over their operations and resulting revenue and expenses. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all revenue and expenses of these equity method investees.

16 Due to the anti-dilutive effect resulting from the reported net loss, the impact of potentially dilutive securities on the per share amounts has been omitted from the calculation of weighted-average common shares outstanding for diluted EPS for the nine months ended May 31, 2023.

17 Includes impact of potentially dilutive securities in the calculation of weighted-average common shares, diluted for adjusted diluted net earnings per common share calculation purposes.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Three months ended May 31, 2023				
	U.S. Retail Pharmacy[1]	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Sales	$ 27,866	$ 5,573	$ 1,975	$ —	$ 35,415
Gross profit (GAAP)	**$ 5,327**	**$ 1,173**	**$ 89**	**$ —**	**$ 6,588**
Acquisition-related amortization	5	—	25	—	31
LIFO provision	51	—	—	—	51
Adjusted gross profit (Non-GAAP measure)	**$ 5,383**	**$ 1,173**	**$ 114**	**$ —**	**$ 6,670**
Selling, general and administrative expenses (GAAP)	**$ 4,990**	**$ 1,475**	**$ 611**	**$ 48**	**$ 7,123**
Certain legal and regulatory accruals and settlements	(268)	—	—	—	(268)
Acquisition-related amortization	(76)	(15)	(152)	—	(243)
Transformational cost management	(103)	(194)	(113)	(3)	(414)
Impairment of intangible assets	—	(299)	—	—	(299)
Acquisition-related costs	(3)	(2)	(59)	(6)	(70)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 4,540**	**$ 965**	**$ 286**	**$ 39**	**$ 5,830**
Operating income (loss) (GAAP)	**$ 395**	**$ (302)**	**$ (522)**	**$ (48)**	**$ (477)**
Certain legal and regulatory accruals and settlements	268	—	—	—	268
Acquisition-related amortization	81	15	178	—	274
Transformational cost management	103	194	113	3	414
Impairment of intangible assets	—	299	—	—	299
Acquisition-related costs	3	2	59	6	70
Adjustments to equity earnings in AmerisourceBergen	61	—	—	—	61
LIFO provision	51	—	—	—	51
Adjusted operating income (loss) (Non-GAAP measure)	**$ 962**	**$ 208**	**$ (172)**	**$ (39)**	**$ 959**
Gross margin (GAAP)	19.1 %	21.0 %	4.5 %		18.6 %
Adjusted gross margin (Non-GAAP measure)	19.3 %	21.0 %	5.8 %		18.8 %
Selling, general and administrative expenses percent to sales (GAAP)	17.9 %	26.5 %	30.9 %		20.1 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	16.3 %	17.3 %	14.5 %		16.5 %
Operating margin[2]	1.2 %	(5.4)%	(26.4)%		(1.5)%
Adjusted operating margin (Non-GAAP measure)[2]	3.0 %	3.7 %	(8.7)%		2.4 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Three months ended May 31, 2022				
	U.S. Retail Pharmacy[1]	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Sales	$ 26,695	$ 5,305	$ 596	$ 1	$ 32,597
Gross profit (GAAP)	**$ 5,499**	**$ 1,095**	**$ (21)**	**$ —**	**$ 6,572**
LIFO provision	55	—	—	—	55
Acquisition-related amortization	5	—	—	—	5
Adjusted gross profit (Non-GAAP measure)	**$ 5,559**	**$ 1,095**	**$ (21)**	**$ —**	**$ 6,633**
Selling, general and administrative expenses (GAAP)	**$ 5,716**	**$ 995**	**$ 213**	**$ 95**	**$ 7,019**
Acquisition-related costs	(1)	(11)	—	(28)	(40)
Transformational cost management	(127)	(47)	—	(11)	(185)
Acquisition-related amortization	(74)	(16)	(106)	—	(196)
Certain legal and regulatory accruals and settlements	(734)	—	—	—	(734)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 4,781**	**$ 921**	**$ 108**	**$ 56**	**$ 5,865**
Operating (loss) income (GAAP)	**$ (90)**	**$ 100**	**$ (234)**	**$ (95)**	**$ (320)**
Certain legal and regulatory accruals and settlements	734	—	—	—	734
Acquisition-related amortization	79	16	106	—	201
Transformational cost management	127	47	—	11	185
Adjustments to equity earnings in AmerisourceBergen	60	—	—	—	60
Acquisition-related costs	1	11	—	28	40
LIFO provision	55	—	—	—	55
Adjusted operating income (loss) (Non-GAAP measure)	**$ 966**	**$ 174**	**$ (129)**	**$ (56)**	**$ 955**
Gross margin (GAAP)	20.6 %	20.6 %	(3.5)%		20.2 %
Adjusted gross margin (Non-GAAP measure)	20.8 %	20.6 %	(3.5)%		20.3 %
Selling, general and administrative expenses percent to sales (GAAP)	21.4 %	18.8 %	35.7 %		21.5 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	17.9 %	17.4 %	18.0 %		18.0 %
Operating margin[2]	(0.8)%	1.9 %	(39.3)%		(1.4)%
Adjusted operating margin (Non-GAAP measure)[2]	2.9 %	3.3 %	(21.6)%		2.4 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Nine months ended May 31, 2023				
	U.S. Retail Pharmacy[1]	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Sales	$ 82,648	$ 16,414	$ 4,597	$ —	$ 103,659
Gross profit (GAAP)	**$ 17,038**	**$ 3,421**	**$ 138**	**$ —**	**$ 20,596**
Acquisition-related amortization	16	—	69	—	85
Acquisition-related costs	—	—	60	—	60
LIFO provision	89	—	—	—	89
Adjusted gross profit (Non-GAAP measure)	**$ 17,143**	**$ 3,421**	**$ 267**	**$ —**	**$ 20,831**
Selling, general and administrative expenses (GAAP)	**$ 22,215**	**$ 3,264**	**$ 1,569**	**$ 167**	**$ 27,215**
Certain legal and regulatory accruals and settlements	(7,249)	—	—	—	(7,249)
Acquisition-related amortization	(221)	(45)	(501)	—	(766)
Transformational cost management	(368)	(206)	(113)	(10)	(697)
Impairment of intangible assets	—	(299)	—	—	(299)
Acquisition-related costs	(4)	29	(205)	(18)	(197)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 14,373**	**$ 2,745**	**$ 750**	**$ 139**	**$ 18,007**
Operating (loss) income (GAAP)	**$ (4,990)**	**$ 156**	**$ (1,431)**	**$ (167)**	**$ (6,431)**
Certain legal and regulatory accruals and settlements	7,249	—	—	—	7,249
Acquisition-related amortization	236	45	570	—	851
Transformational cost management	368	206	113	10	697
Impairment of intangible assets	—	299	—	—	299
Acquisition-related costs	4	(29)	265	18	257
Adjustments to equity earnings in AmerisourceBergen	178	—	—	—	178
LIFO provision	89	—	—	—	89
Adjusted operating income (loss) (Non-GAAP measure)	**$ 3,134**	**$ 676**	**$ (483)**	**$ (139)**	**$ 3,188**
Gross margin (GAAP)	20.6 %	20.8 %	3.0 %		19.9 %
Adjusted gross margin (Non-GAAP measure)	20.7 %	20.8 %	5.8 %		20.1 %
Selling, general and administrative expenses percent to sales (GAAP)	26.9 %	19.9 %	34.1 %		26.3 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	17.4 %	16.7 %	16.3 %		17.4 %
Operating margin[2]	(6.3)%	1.0 %	(31.1)%		(6.4)%
Adjusted operating margin (Non-GAAP measure)[2]	3.4 %	4.1 %	(10.5)%		2.7 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Nine months ended May 31, 2022				
	U.S. Retail Pharmacy[1]	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Sales	$ 82,394	$ 16,686	$ 1,173	$ —	$ 100,254
Gross profit (GAAP)	**$ 18,332**	**$ 3,508**	**$ 15**	**$ —**	**$ 21,855**
LIFO provision	64	—	—	—	64
Acquisition-related amortization	18	—	—	—	18
Adjusted gross profit (Non-GAAP measure)	**$ 18,414**	**$ 3,508**	**$ 15**	**$ —**	**$ 21,936**
Selling, general and administrative expenses (GAAP)	**$ 16,006**	**$ 3,182**	**$ 505**	**$ 283**	**$ 19,975**
Acquisition-related costs	2	(73)	(24)	(60)	(155)
Transformational cost management	(319)	(114)	—	(25)	(458)
Acquisition-related amortization	(300)	(50)	(249)	—	(598)
Certain legal and regulatory accruals and settlements	(734)	—	—	—	(734)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 14,655**	**$ 2,945**	**$ 233**	**$ 198**	**$ 18,031**
Operating income (loss) (GAAP)	**$ 2,656**	**$ 326**	**$ (491)**	**$ (283)**	**$ 2,209**
Certain legal and regulatory accruals and settlements	734	—	—	—	734
Acquisition-related amortization	317	50	249	—	616
Transformational cost management	319	114	—	25	458
Adjustments to equity earnings in AmerisourceBergen	155	—	—	—	155
Acquisition-related costs	(2)	73	24	60	155
LIFO provision	64	—	—	—	64
Adjusted operating income (loss) (Non-GAAP measure)	**$ 4,243**	**$ 563**	**$ (218)**	**$ (198)**	**$ 4,389**
Gross margin (GAAP)	22.2 %	21.0 %	1.2 %		21.8 %
Adjusted gross margin (Non-GAAP measure)	22.3 %	21.0 %	1.2 %		21.9 %
Selling, general and administrative expenses percent to sales (GAAP)	19.4 %	19.1 %	43.1 %		19.9 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	17.8 %	17.6 %	19.9 %		18.0 %
Operating margin[2]	2.8 %	2.0 %	(41.8)%		1.9 %
Adjusted operating margin (Non-GAAP measure)[2]	4.6 %	3.4 %	(18.6)%		3.9 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

[1] Operating income (loss) for U.S. Retail Pharmacy includes equity earnings in AmerisourceBergen. As a result of the two-month reporting lag, operating income (loss) for the three and nine month period ended May 31, 2023 includes AmerisourceBergen equity earnings for the period of January 1, 2023 through March 31, 2023 and the period of July 1, 2022 through March 31, 2023, respectively. Operating (loss) income for the three and nine month period ended May 31, 2022 includes AmerisourceBergen equity earnings for the period of January 1, 2022 through March 31, 2022 and the period of July 1, 2021 through March 31, 2022, respectively.

[2] Operating margins and adjusted operating margins have been calculated excluding equity earnings in AmerisourceBergen and adjusted equity earnings in AmerisourceBergen, respectively.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

OPERATING LOSS TO ADJUSTED EBITDA FOR THE U.S. HEALTHCARE SEGMENT	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	2023	2022
Operating loss (GAAP) [1]	$ (522)	$ (234)	$ (1,431)	$ (491)
Acquisition-related amortization [2]	178	106	570	249
Acquisition-related costs [3]	59	—	265	24
Transformational cost management [4]	113	—	113	—
Adjusted operating loss (Non-GAAP measure)	(172)	(129)	(483)	(218)
Depreciation expense	43	9	92	23
Stock-based compensation expense [5]	16	13	45	17
Adjusted EBITDA (Non-GAAP measure)	$ (113)	$ (106)	$ (346)	$ (178)

1 The Company reconciles Adjusted EBITDA for the U.S. Healthcare segment to Operating loss as the closest GAAP measure for the segment profitability. The Company does not measure Net earnings attributable to Walgreens Boots Alliance, Inc. for its segments.

2 Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

3 Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities. These costs include charges incurred related to certain mergers, acquisition and divestitures related activities recorded in operating income, for example, costs related to integration efforts for merger, acquisition and divestitures activities. Examples of such costs include deal costs, severance, stock compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

4 Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded within Selling, general and administrative expenses. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

5 Includes GAAP stock-based compensation expense excluding expenses related to acquisition-related amortization and acquisition-related costs.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

EQUITY EARNINGS IN AMERISOURCEBERGEN	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	2023	2022
Equity earnings in AmerisourceBergen (GAAP)	**$ 58**	**$ 127**	**$ 187**	**$ 330**
Gain from antitrust litigation settlements	—	—	(8)	3
Turkey hyperinflation impact	1	—	6	—
LIFO expense / (credit)	7	(3)	31	(13)
Acquisition-related intangibles amortization	32	39	98	114
Litigation and opioid-related expenses	2	—	4	—
Acquisition integration and restructuring expenses	10	—	15	—
Tax reform	—	3	4	7
Employee severance, litigation, and other	—	18	21	45
Restructuring and other expenses	10	—	10	—
Impairment of non-customer note receivable	—	—	—	4
Impairment of assets	—	—	—	5
Goodwill impairment	—	—	—	2
Certain discrete tax expense	—	4	(2)	7
Gain on remeasurement of equity investment	—	—	(1)	(18)
Adjusted equity earnings in AmerisourceBergen (Non-GAAP measure)	**$ 119**	**$ 188**	**$ 365**	**$ 484**

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

ADJUSTED EFFECTIVE TAX RATE

	Three months ended May 31, 2023			Three months ended May 31, 2022		
	(Loss) earnings before income tax provision	Income tax (benefit) provision	Effective tax rate	(Loss) earnings before income tax provision	Income tax (benefit) provision	Effective tax rate
Effective tax rate (GAAP)	**$ (382)**	**$ (330)**	**86.3%**	**$ (18)**	**$ (242)**	**NM**
Impact of non-GAAP adjustments	1,207	417		858	339	
Adjusted tax rate true-up	—	(10)		—	(8)	
Equity method non-cash tax	—	(10)		—	(25)	
Subtotal	$ 825	$ 68		$ 841	$ 65	
Exclude adjusted equity earnings in AmerisourceBergen	(119)	—		(188)	—	
Adjusted effective tax rate excluding adjusted equity earnings in AmerisourceBergen (Non-GAAP measure)	**$ 706**	**$ 68**	**9.6%**	**$ 653**	**$ 65**	**9.9%**

	Nine months ended May 31, 2023			Nine months ended May 31, 2022		
	(Loss) earnings before income tax provision	Income tax (benefit) provision	Effective tax rate	Earnings before income tax provision	Income tax provision	Effective tax rate
Effective tax rate (GAAP)	**$ (5,044)**	**$ (1,707)**	**33.8%**	**$ 4,743**	**$ 205**	**4.3%**
Impact of non-GAAP adjustments	7,878	1,787		(583)	398	
Adjusted tax rate true-up	—	181		—	68	
Equity method non-cash tax	—	(33)		—	(55)	
Subtotal	$ 2,833	$ 228		$ 4,160	$ 617	
Exclude adjusted equity earnings in AmerisourceBergen	(365)	—		(484)	—	
Adjusted effective tax rate excluding adjusted equity earnings in AmerisourceBergen (Non-GAAP measure)	**$ 2,468**	**$ 228**	**9.2%**	**$ 3,676**	**$ 617**	**16.8%**

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

FREE CASH FLOW

	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	2023	2022
Net cash (used for) provided by operating activities (GAAP)	**$ (20)**	**$ 1,629**	**$ 1,219**	**$ 3,813**
Less: Additions to property, plant and equipment	(525)	(371)	(1,633)	(1,241)
Plus: Acquisition related payments [2]	101	—	530	—
Free cash flow (Non-GAAP measure) [1]	**$ (444)**	**$ 1,258**	**$ 116**	**$ 2,572**

1 Free cash flow is defined as net cash provided by operating activities in a period less additions to property, plant and equipment (capital expenditures), plus acquisition related payments made in that period. This measure does not represent residual cash flows available for discretionary expenditures as the measure does not deduct the payments required for debt service and other contractual obligations or payments for future business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our entire statements of cash flows.

2 During the three months ended February 28, 2023, the Company paid $335 million to settle liability classified share-based payment awards related to acquiring the remaining 30% equity interest in Shields. The Company also paid one-time compensation costs related to VillageMD's acquisition of Summit. During the three months ended May 31, 2023, the Company paid $101 million to settle liability classified share-based payment awards related to acquiring the remaining 45% equity interest in CareCentrix. These payments are not indicative of normal operating performance.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39

Supplemental Financial Information

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

Supplemental sale-leaseback financial information	Three months ended May 31, 2023	Change vs. 3Q22	Nine months ended May 31, 2023	Change vs. FY22
U.S. Retail Pharmacy				
Gain on sale-leaseback[1]	$ 263	$ 149	$ 647	$ 298
Incremental sale-leaseback increases to rent[3]	(61)	(27)	(163)	(69)
Gain on sale-leaseback, net of rent increases	**$ 202**	**$ 123**	**$ 483**	**$ 228**
International				
Gain on sale-leaseback[2]	$ 24	$ (36)	$ 132	$ 72
Incremental sale-leaseback increases to rent[3]	(4)	(4)	(4)	(4)
Gain on sale-leaseback, net of rent increases	**$ 20**	**$ (41)**	**$ 128**	**$ 67**

1 As reported for the period presented. Recorded in Selling, general & administrative expenses within the Consolidated Condensed Statement of Earnings.

2 Excludes $6 million and $47 million of gains related to the optimization of warehouse locations as part of acquisition integration activities in Germany for the three and nine months ended May 31, 2023, respectively.

3 Represents incremental GAAP fixed rent costs reported in the period presented as a result of the Company's sale-leaseback programs.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 39