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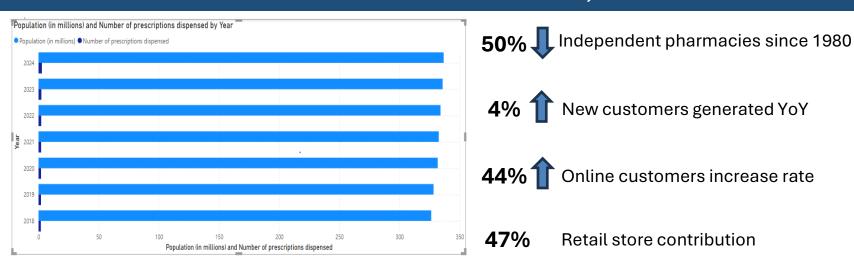
MEET OUR TEAM

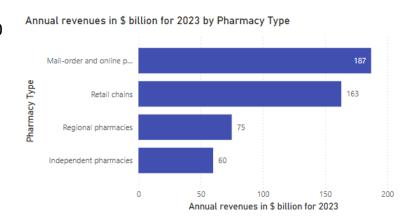




HEALTHCARE INDUSTRY ANALYSIS

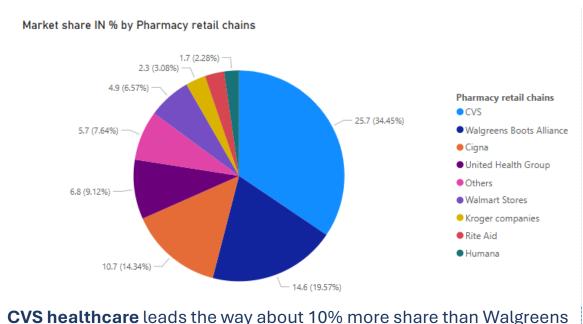
TOTAL ADDRESSABLE MARKET, TRACTION AND GROWTH POTENTIAL

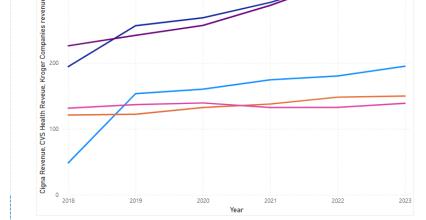




Consumer in the US chooses more convenience than making the trip

Retail store business remains the major contributor to the healthcare industry





Cigna Revenue
 CVS Health Reveue
 Kroger Companies revenue
 United Health Group revenue
 Walgreens revenue

Analysis

- Overall market has increased YoY since 2018
- 2. Competitors have shown rapid growth in their revenues since 2018
- Walgreens has shown weaker performance than its competitors
- 4. US population modest growth should reflect increase in healthcare services

WALGREENS ANALYSIS

STRENGTHS

- Strong brand recognition and extensive retain footprint
- •Established presence in the pharmacy and healthcare sectors
- Potential for growth in US healthcare segment, particularly in clinical trials

WEAKNESSES

- High debt levels and significant lease obligations
- •Declining margins in retail pharmacy business
- Operating many retail stores and maintaining supply chains involves significant expenses, which can reduce profitability

SWOT ANALYSIS

OPPORTUNITIES

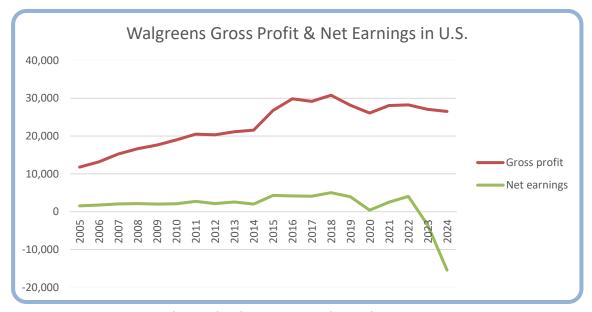
- Strategic partnerships in healthcare sector
 An aging population in the U.S. and globally increases the demand for prescription medicines and healthcare services
- •Potential for growth in international markets

THREATS

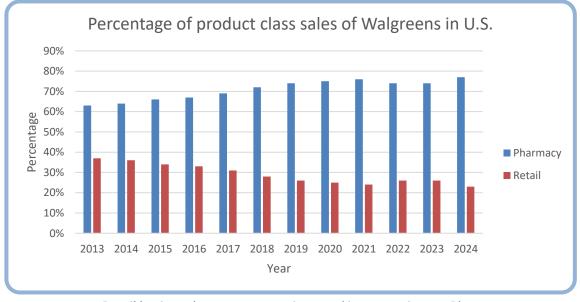
- Regulatory changes impacting healthcare and pharmaceutical industries
- Intense competition in retail and healthcare sectors
- Persistent macroeconomic factors affecting consumer spending

Insights

- 1. From SWOT analysis, it is evident that the key to bring Walgreens back to success depends heavily upon the ability to bring operational efficiency and cost cuts without compromising services
- 2. In the long run, diversifying the service portfolio, expanding margins and turning towards digital services will support strong services



Net earnings has realized negative trend over the past 3 years



Retail business has seen a negative trend in comparison to Pharmacy

OPERATIONAL STRATEGY

ELEVATING IN-STORE EXPERIENCE FOR CUSTOMER AND BRINGING OPERATIONAL EFFICIENCY



Phase 1

ENHANCING EXPERIENCE



Phase 2

EASING PRODUCT ACCESS



Phase 3

HYPER PERSONALIZATION

Developing QR code system for product scanning to add to cart and checkout

Smart Store Map Out system for easing access to the products rather than just Aisle Number

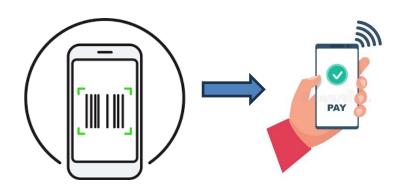
Locates the product well, saves time

Connecting stakeholders with the new offers in realtime on app with inventory handling

Provides invaluable personal service

Reducing the wait time at POS





- Aim is to integrate the bar code scanning functionality to the mobile devices
- POS system workload gets reduced and ensures faster checkouts
- Add-ons Product shelf scanning technology for multi-product pick up POS





Differentiating from Competitors









- Instant offers applied creates additional value
- **Cross selling improves product movement**
- Shared service selling increases average order value

Consumer Research

Average decrease in 0-1 hrs.

Increase in app users 20% approx.

Est. decrease in costs 20%

Est. rise in business **3X**



COST AND SERVICE OPTIMISATION

Current Walgreens **Statistics**



- Pharmacies account for 63% sales
- Retail lost \$ 1.5 billion in retail sales
- US accounts for 80% of the sale
- Online retail clocked flatlined \$ 2 billion sales







- Major consumer of Walgreens has min. \$80000 income
- Customers segmented on how, when, where



Our Idea

The DARK STORE MODEL

- The Dark store model is a Quick commerce strategy used to fulfill online orders in a costeffective way
- Overall service is optimized for consumer ensuring quicker delivery
- Quick commerce on average sells 90-minute delivery assurance



6.9% CAGR 2025 to 2029



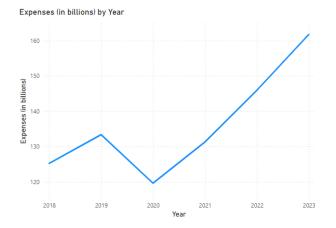






Major Cost Drivers

- · COGS is a major source of cost, accounting more than 70% of revenue
- Operational expenses stand roughly at 24%
- Spillage and replacement costs
- Offers and discounts
- Marketing costs



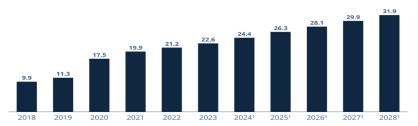
Digital expansion is the key to unlocking value



Quick commerce is a digital commerce segment where convenience has the strongest pull, has the potential to crack the increasing cost problem

Benefits of Q-commerce:

- Speed
- **Instant Gratification**
- **Increased Profit**
- **Lower Logistics Cost**
- Customer convenience



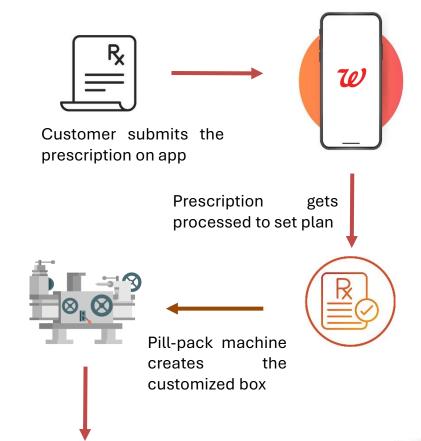
ECOMMERCE REVENUE DEVELOPMENT IN THE HEALTHCARE MARKET IN THE UNITED STATES, 2018-2028

Digital commerce is expected to growth at a considerable rate

NEW BUSINESS EXPANSION

REVOLUTIONIZING MAIL-ORDER AND DIGITAL DELIVERY BUSINESS WITH PILLPACK TECHNOLOGY





Pill-pack

delivered to you

Workflow

Pill-pack technology is used to automate the process of medicine filling and delivering to the consumer in the form which makes it easier to consume

POTENTIAL

Customers will get an additional layer of check on medicine intake, increases the trust on the service with better form factor

BENEFITS

Form factor convenience

Rise in user loyalty and retention

 Satisfies social needs of customer

Working towards increasing the value and providing an accessible form factor to consuming medicines makes the process easier and faster thus giving them a new experience

MARKETING STRATEGY

ELEVATING IN-STORE EXPERIENCE FOR CUSTOMER AND BRINGING OPERATIONAL EFFICIENCY





Mass Media

- Nationwide launch covering all channels & geographies till where Walgreens exists
- Going grassroot to increase the relevance and resonance



Strategic Ads in Social Media Channels

Out of home marketing (OOH)

hoardings catching locations having traffic jams

Theme - Billboards in US bear a cost but increases brand visibility

Targeted marketing through special marketing campaigns grassroot and ads with a focus to increase relevance and trust among customers

Social media campaigns via micro influencers collaborations

Theme - Health focused micro-Influences are a cost-effective solution



Gamification

Motivating consumer by creating engaging activates to cross sell products











Marketing Channels to be utilized

Rationale - Helps in increasing the reach, relevance, resonance

Micro influencers - From Tier 1,2 & 3 cities having a follower base between 30k - 80k

Engaging the new consumer through the reward system by inducing physical gifts which gives materialistic property

Through **influencer network**, it is possible to tap into the younger audience for pulling them towards the brand loyalty scheme

Gamification process

Integrating gamification in the app

Consumer push towards activites

Incentivizing consumer initially **Creating incentive** tiers

Building community to cross-sell

OPERATIONAL EFFICIENCY IMPACT

ENHANCING OPERATIONAL EFFICIENCY TO DRIVE PERFORMANCE & REVENUE GROWTH

	Tran	saction Summar	у		
	Sc	ources of Funds			
	% of Total		Multiple of EBITDA		
	Amount	Sources	2024	Cumulative	Pricing
Revolver	-	- %	- X	- X	S + 350 bps
Term Loan A	7,700.0	17.2%	0.3x	0.3x	S + 400 bps
Term Loan B	11,946.2	26.6%	0.5x	0.8x	S + 450 bps
2nd Lien	4,000.0	8.9%	0.2x	1.0x	S + 500 bps
Senior Notes	8,000.0	17.8%	0.3x	1.4x	10.000%
Senior Subordinated Notes	6,000.0	13.4%	0.3x	1.6x	12.000%
Equity Contribution	6,000.0	13.4%	0.3x	1.9x	
Cash on Hand	1,200.0	2.7%	0.1x	1.9x	
Total Sources	\$44,846.2	100.0%	1.9x	1.9x	

Uses of Fullus				
	Amount	% of Total Uses		
Purchase Target Equity	\$10,145.2	22.6%		
Repay Existing Term Loan	\$25,448.0	56.7%		
Repay Existing Senior Notes	\$9,063.0	20.2%		
Tender / Call Premiums	\$20.0	0.0%		
Financing Fees	\$140.0	0.3%		
Other Fees and Expenses	\$30.0	0.1%		

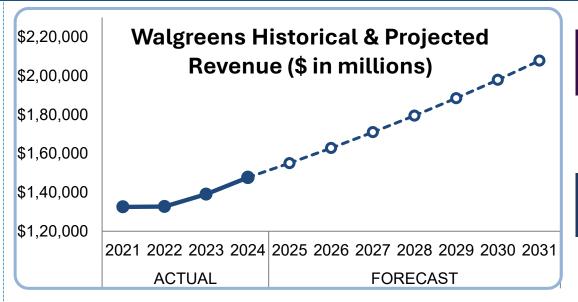
leas of Funds

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Exit Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	2025	2026	2027	2028	2029	2030
	(\$6,000.0)	(\$6,000.0)	(\$6,000.0)	(\$6,000.0)	(\$6,000.0)	(\$6,000.0)
1	\$2,327.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2		(\$886.98)	\$0.00	\$0.00	\$0.00	\$0.00
3			\$3,644.96	\$0.00	\$0.00	\$0.00
4				\$9,912.30	\$0.00	\$0.00
5					\$20,942.46	\$0.00
6						\$32,868.22
IRR	-61%	NA	-15%	13%	28%	33%

\$44 846 2

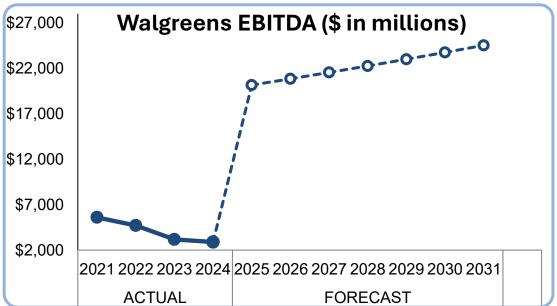
100 0%

Total Uses



IRR at Exit 23%

Exit EBITDA 2.5X



Leverage 85%

Cash on Cash Multiple 3.5X

Sources

Walgreens annual report 2024 – S&P CapIQ Debt trades, SOFR - Bloomberg Terminal Walgreen's Analysis – Walgreen's annual report & Yahoo Finance Dark Store Ideology – **Journal Research in Transportation economics** Market Analysis - S&P Global Report LBO Structure analysis – Corporate Finance Institute

