



13 Year NNN Walgreens

- Affluent Area: HH Incomes of \$100K Within 1 Mile
- 24% of Residents Within 1 Mile Are Age 65+
- Situated on Busy Elm Street With 18,000 Cars Per Day
- Rent Guaranteed by Walgreens Corporate

Walgreens

📍 SAINT CHARLES, MO

\$4,900,000

6.50% CAP

📞 (888) 258-7605

✉ Listings@deerfieldteam.com

John Giordani
Art Griffith



DeerfieldPartners

The Drugstore Experts

INVESTMENT SUMMARY

offering memorandum

3800 ELM ST. | SAINT CHARLES, MO 63301

WALGREENS # 11627

\$4,900,000

PRICE

6.50%

CAP

\$318,000

ANNUAL RENT

13

YRS. GUARANTEED

This is a great opportunity for an investor to own a long term triple net Walgreens in the affluent river community of St. Charles, MO where 24 percent of residents are age 65+ and average household incomes are \$100,000 in a one mile radius. Located 27 miles from St. Louis and 14 miles from St. Louis Lambert International Airport, this prototypical freestanding store is situated on the busy, signalized corner of Elm and Milstone, just off Route 370. Other nearby businesses include: Dollar Tree, Curves, Jimmy John's, New Frontier Bank, Subway, Sonic, A&W.

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	3,832	47,576	96,683
Avg. HH Inc.	\$100,768	\$83,629	\$86,859



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PROPERTY OVERVIEW



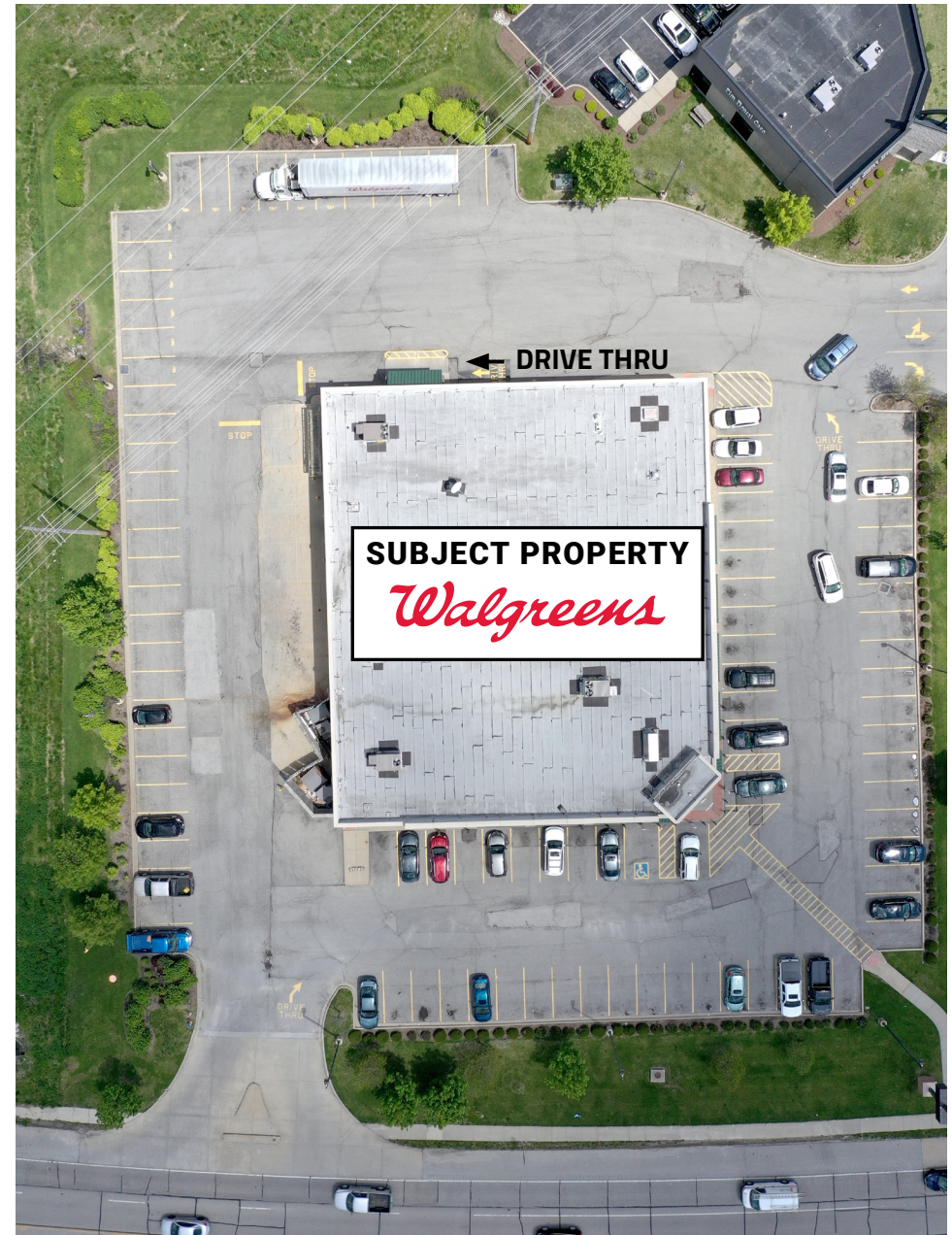
PROPERTY DETAILS

Address: 3800 Elm St.
Year Built: 2009
Building Size: –
Lot Size: 2.11 Acres
Tenant: Walgreens



LEASE SUMMARY

Lease Type: NNN
Lease Start Date: 4/1/2008
Lease End Date: 5/31/2033
Termination Options: 12 months notice to terminate, before the option date. 50 x 1 yr rights of cancellation, after initial firm term of 25 years.



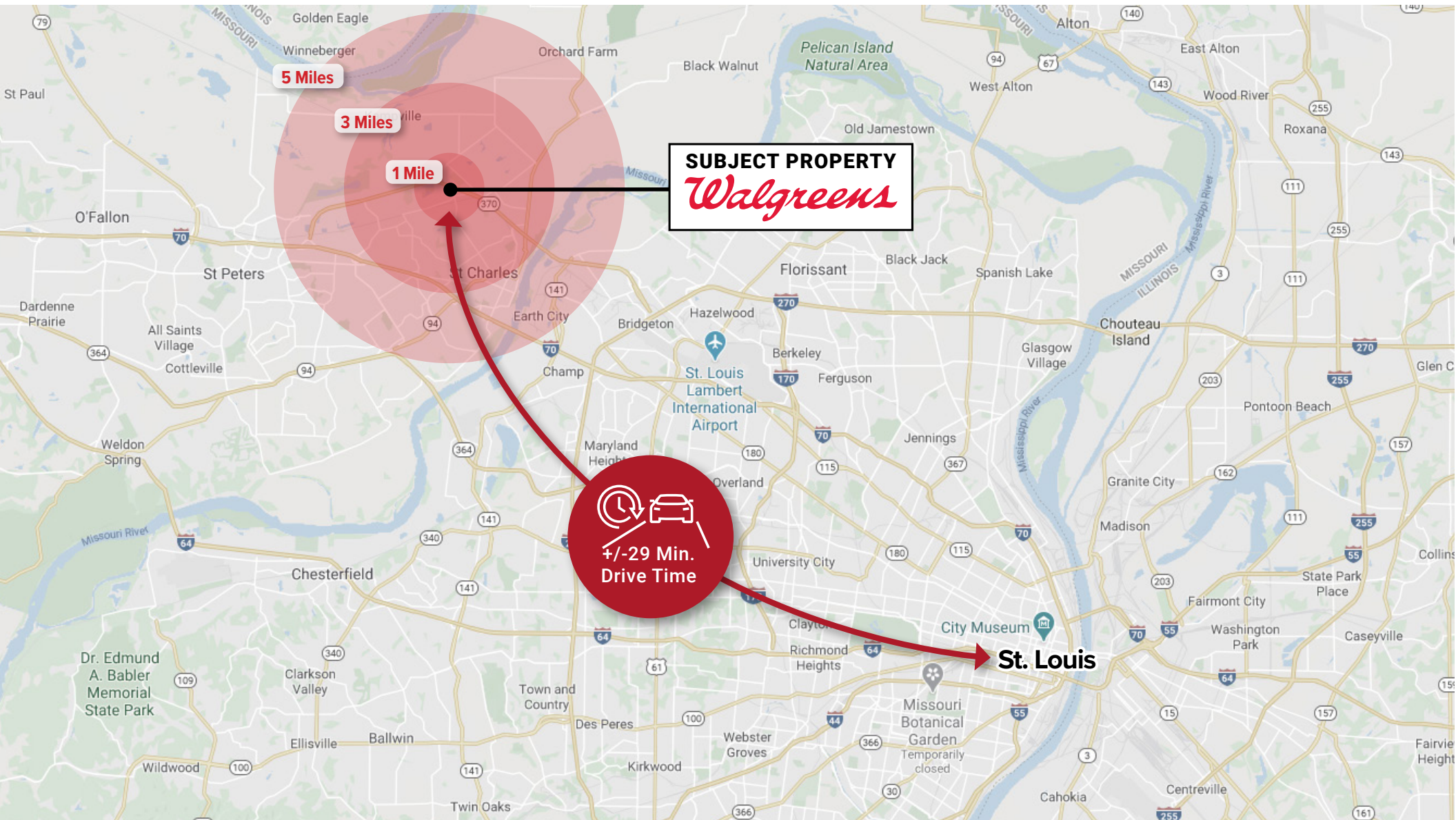


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REGIONAL OVERVIEW



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ABOUT WALGREENS BOOTS ALLIANCE



Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25* countries and employ more than 415,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 18,500* stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390* distribution centers delivering to more than 230,000** pharmacies, doctors, health centers and hospitals each year in more than 20* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

*As of 31 August 2018, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.



WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2015	2016	2017	2018	2019
Sales/Revenue	103.44B	117.35B	118.21B	131.54B	136.87B
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
Cost of Goods Sold (COGS) Incl, D&A	78.26B	89.2B	90.71B	102.52B	108.83B
COGS excluding D&A	76.52B	87.48B	89.05B	100.75B	106.79B
Depreciation & Amortization Expense	1.74B	1.72B	1.65B	1.77B	2.04B
Depreciation	1.26B	1.32B	1.27B	1.28B	1.49B
Amortization of Intangibles	480M	396M	385M	493M	552M
Gross Income	25.18B	28.16B	27.51B	29.02B	28.04B
	2015	2016	2017	2018	2019
SG&A Expense	20.26B	21.79B	21.25B	22.88B	22.91B
Research & Development	-	-	-	-	-
Other SG&A	20.26B	21.79B	21.25B	22.88B	22.91B
Other Operating Expense	-	-	-	-	-
Unusual Expense	(663M)	963M	886M	188M	311M
EBIT after Unusual Expense	5.58B	5.41B	5.37B	(188M)	4.82B
Non Operating Income/Expense	20M	297M	37M	450M	251M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	315M	37M	135M	191M	164M
Interest Expense	608M	596M	693M	616M	704M
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
Pretax Income	5.31B	5.14B	4.85B	5.98B	4.53B
Income Tax	1.06B	997M	760M	998M	588M
Income Tax - Current Domestic	967M	1.06B	804M	969M	247M
Income Tax - Current Foreign	128M	371M	390M	353M	241M
Income Tax - Deferred Domestic	(39M)	(177M)	(330M)	(266M)	155M
Income Tax - Deferred Foreign	-	(252M)	(104M)	(58M)	(55M)
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	24M	44M	8M	54M	23M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.28B	4.19B	4.1B	5.03B	3.96B
Minority Interest Expense	59M	18M	23M	7M	(20M)



WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100* drugstores in 50* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

We utilize our extensive retail network as a channel to provide affordable

quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

We have more than 78,000* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care.

We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

WALGREENS DRUGSTORES NATIONWIDE BY STATE

TOTAL DRUGSTORES – 9,277

THROUGH AUGUST 31, 2019

Alabama	154	Maryland	159	Pennsylvania	126
Alaska	12	Massachusetts	258	Rhode Island	49
Arkansas	239	Michigan	237	South Carolina	155
California	622	Minnesota	153	South Dakota	14
Colorado	171	Mississippi	84	Tennessee	276
Connecticut	120	Missouri	210	Texas	704
Delaware	64	Montana	13	Utah	57
Florida	820	Nebraska	57	Vermont	33
Georgia	280	Nevada	82	Virginia	211
Hawaii	19	New Hampshire	36	Washington	135
Idaho	38	New Jersey	289	West Virginia	99
Illinois	583	New Mexico	70	Wisconsin	225
Indiana	195	New York	632	Wyoming	10
Iowa	72	North Carolina	362	Puerto Rico	108
Kansas	71	North Dakota	1	Washington D.C.	15
Kentucky	173	Ohio	253	U.S. Virgin Islands	1
Louisiana	176	Oklahoma	116	TOTAL	9,277
Maine	82	Oregon	76		

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

1-Mile DEMOGRAPHICS

Summary	Census 2010	2019	2024
Population	3,655	3,832	3,980
Households	1,487	1,569	1,632
Families	1,081	1,124	1,162
Average Household Size	2.46	2.44	2.44
Owner Occupied Housing Units	1,329	1,427	1,493
Renter Occupied Housing Units	158	142	139
Median Age	46.9	49.8	49.3
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	0.76%	0.46%	0.77%
Households	0.79%	0.45%	0.75%
Families	0.67%	0.36%	0.68%
Owner HHs	0.91%	0.64%	0.92%
Median Household Income	2.04%	2.42%	2.70%

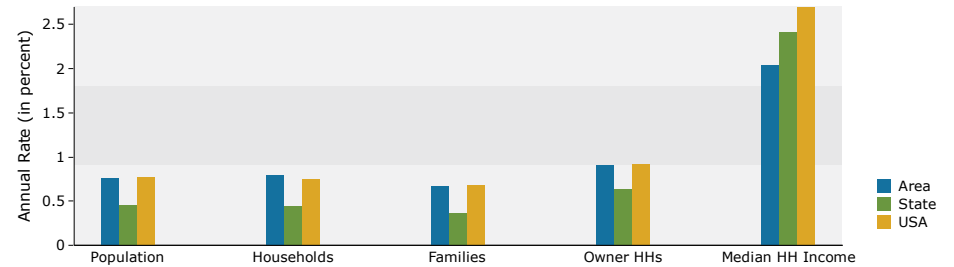
	2019		2024	
Households by Income	Number	Percent	Number	Percent
<\$15,000	61	3.9%	48	2.9%
\$15,000 - \$24,999	125	8.0%	113	6.9%
\$25,000 - \$34,999	140	8.9%	121	7.4%
\$35,000 - \$49,999	142	9.1%	137	8.4%
\$50,000 - \$74,999	284	18.1%	294	18.0%
\$75,000 - \$99,999	180	11.5%	189	11.6%
\$100,000 - \$149,999	324	20.7%	362	22.2%
\$150,000 - \$199,999	197	12.6%	243	14.9%
\$200,000+	117	7.5%	125	7.7%

Median Household Income	\$78,662	\$87,009
Average Household Income	\$100,768	\$110,386
Per Capita Income	\$41,405	\$45,416

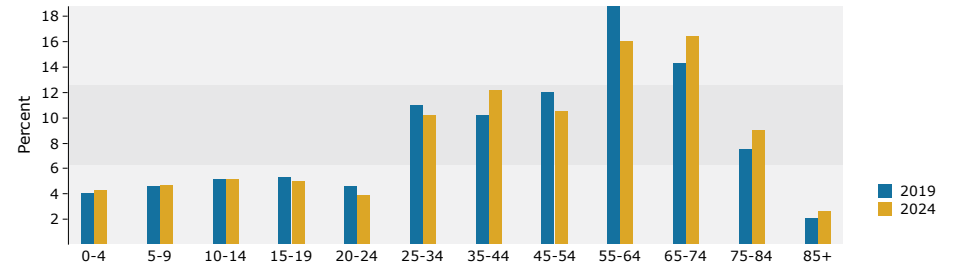
	Census 2010		2019		2024	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	165	4.5%	159	4.1%	170	4.3%
5 - 9	172	4.7%	177	4.6%	187	4.7%
10 - 14	248	6.8%	201	5.2%	207	5.2%
15 - 19	241	6.6%	205	5.3%	200	5.0%
20 - 24	192	5.3%	176	4.6%	154	3.9%
25 - 34	332	9.1%	422	11.0%	407	10.2%
35 - 44	358	9.8%	391	10.2%	486	12.2%
45 - 54	689	18.8%	461	12.0%	417	10.5%
55 - 64	613	16.8%	722	18.8%	637	16.0%
65 - 74	402	11.0%	547	14.3%	651	16.4%
75 - 84	194	5.3%	289	7.5%	360	9.0%
85+	51	1.4%	82	2.1%	104	2.6%

	Census 2010		2019		2024	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	3,474	95.0%	3,591	93.7%	3,689	92.7%
Black Alone	54	1.5%	71	1.9%	84	2.1%
American Indian Alone	12	0.3%	12	0.3%	12	0.3%
Asian Alone	19	0.5%	24	0.6%	28	0.7%
Pacific Islander Alone	2	0.1%	3	0.1%	3	0.1%
Some Other Race Alone	37	1.0%	50	1.3%	62	1.6%
Two or More Races	57	1.6%	81	2.1%	102	2.6%
Hispanic Origin (Any Race)	109	3.0%	148	3.9%	184	4.6%

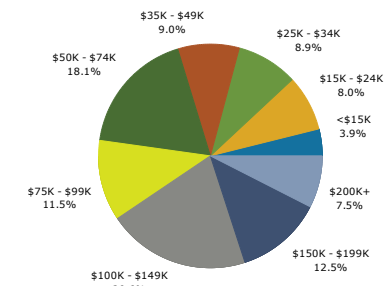
Trends 2019-2024



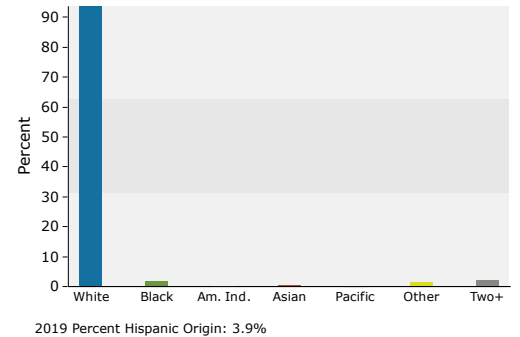
Population by Age



2019 Household Income



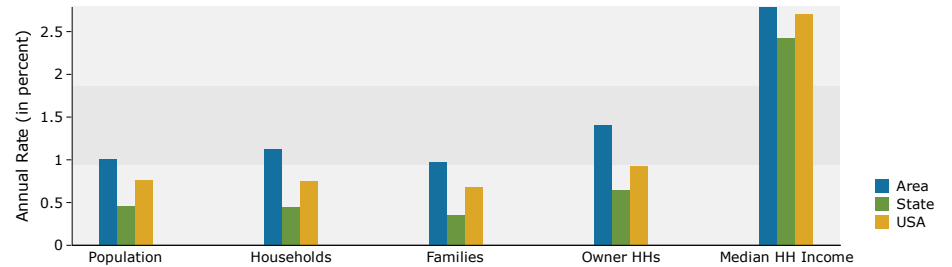
2019 Population by Race



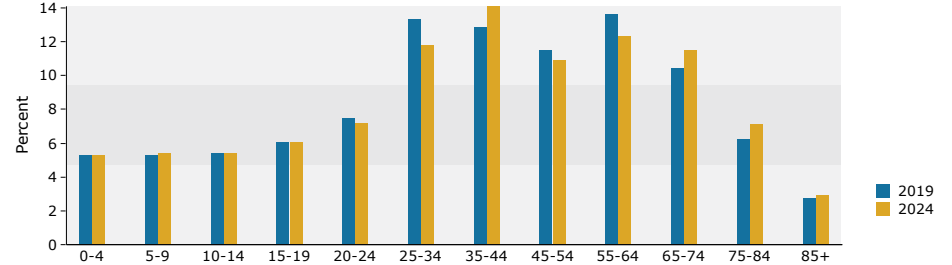
3-Mile DEMOGRAPHICS

Summary		Census 2010		2019		2024	
Population		43,882		47,576		50,029	
Households		17,607		19,290		20,401	
Families		11,021		11,841		12,426	
Average Household Size		2.36		2.34		2.33	
Owner Occupied Housing Units		12,158		13,942		14,945	
Renter Occupied Housing Units		5,449		5,348		5,455	
Median Age		38.5		40.1		41.2	
Trends: 2019 - 2024 Annual Rate		Area		State		National	
Population		1.01%		0.46%		0.77%	
Households		1.13%		0.45%		0.75%	
Families		0.97%		0.36%		0.68%	
Owner HHs		1.40%		0.64%		0.92%	
Median Household Income		2.79%		2.42%		2.70%	
		2019				2024	
Households by Income				Number	Percent	Number	Percent
<\$15,000				1,107	5.7%	819	4.0%
\$15,000 - \$24,999				1,417	7.3%	1,226	6.0%
\$25,000 - \$34,999				1,955	10.1%	1,694	8.3%
\$35,000 - \$49,999				2,537	13.2%	2,456	12.0%
\$50,000 - \$74,999				3,967	20.6%	4,157	20.4%
\$75,000 - \$99,999				2,860	14.8%	3,195	15.7%
\$100,000 - \$149,999				3,129	16.2%	3,866	19.0%
\$150,000 - \$199,999				1,447	7.5%	1,948	9.5%
\$200,000+				871	4.5%	1,040	5.1%
Median Household Income				\$64,224		\$73,697	
Average Household Income				\$83,629		\$94,805	
Per Capita Income				\$34,551		\$39,335	
		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		2,547	5.8%	2,528	5.3%	2,661	5.3%
5 - 9		2,253	5.1%	2,541	5.3%	2,687	5.4%
10 - 14		2,356	5.4%	2,546	5.4%	2,719	5.4%
15 - 19		2,955	6.7%	2,893	6.1%	3,036	6.1%
20 - 24		3,993	9.1%	3,573	7.5%	3,603	7.2%
25 - 34		6,209	14.1%	6,310	13.3%	5,917	11.8%
35 - 44		4,924	11.2%	6,125	12.9%	7,032	14.1%
45 - 54		6,425	14.6%	5,456	11.5%	5,439	10.9%
55 - 64		5,343	12.2%	6,454	13.6%	6,168	12.3%
65 - 74		3,706	8.4%	4,928	10.4%	5,742	11.5%
75 - 84		2,305	5.3%	2,956	6.2%	3,563	7.1%
85+		866	2.0%	1,267	2.7%	1,460	2.9%
		Census 2010		2019		2024	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		39,527	90.1%	41,754	87.8%	43,043	86.0%
Black Alone		2,257	5.1%	3,003	6.3%	3,599	7.2%
American Indian Alone		123	0.3%	132	0.3%	136	0.3%
Asian Alone		510	1.2%	675	1.4%	783	1.6%
Pacific Islander Alone		36	0.1%	43	0.1%	46	0.1%
Some Other Race Alone		618	1.4%	792	1.7%	954	1.9%
Two or More Races		811	1.8%	1,177	2.5%	1,468	2.9%
Hispanic Origin (Any Race)		1,603	3.7%	2,157	4.5%	2,621	5.2%

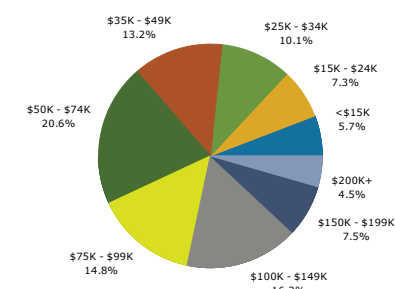
Trends 2019-2024



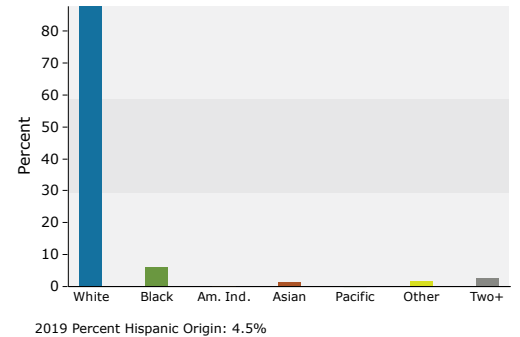
Population by Age



2019 Household Income



2019 Population by Race



5-Mile DEMOGRAPHICS

Summary	Census 2010	2019	2024
Population	87,710	96,683	102,386
Households	35,657	39,564	42,053
Families	22,144	24,061	25,379
Average Household Size	2.33	2.33	2.33
Owner Occupied Housing Units	23,992	27,461	29,606
Renter Occupied Housing Units	11,665	12,102	12,448
Median Age	37.3	39.2	40.4
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	1.15%	0.46%	0.77%
Households	1.23%	0.45%	0.75%
Families	1.07%	0.36%	0.68%
Owner HHs	1.52%	0.64%	0.92%
Median Household Income	2.68%	2.42%	2.70%

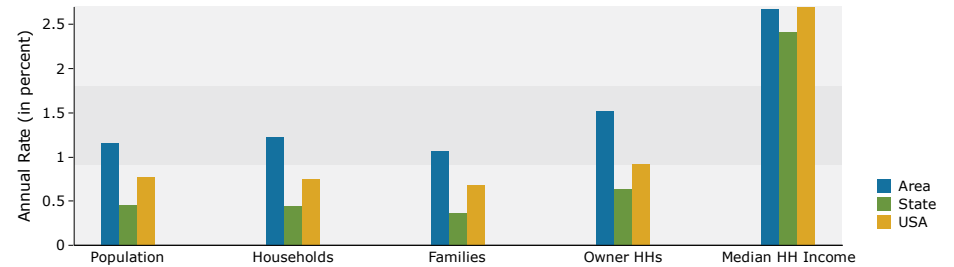
	2019		2024	
Households by Income	Number	Percent	Number	Percent
<\$15,000	2,064	5.2%	1,516	3.6%
\$15,000 - \$24,999	2,957	7.5%	2,538	6.0%
\$25,000 - \$34,999	3,629	9.2%	3,110	7.4%
\$35,000 - \$49,999	5,104	12.9%	4,913	11.7%
\$50,000 - \$74,999	7,796	19.7%	8,157	19.4%
\$75,000 - \$99,999	6,393	16.2%	7,163	17.0%
\$100,000 - \$149,999	6,359	16.1%	7,889	18.8%
\$150,000 - \$199,999	3,235	8.2%	4,410	10.5%
\$200,000+	2,028	5.1%	2,359	5.6%

Median Household Income	\$67,488	\$77,036
Average Household Income	\$86,859	\$98,173
Per Capita Income	\$35,766	\$40,537

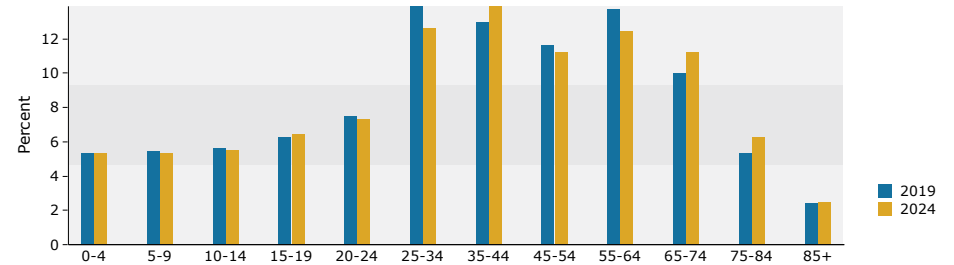
	Census 2010		2019		2024	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	5,197	5.9%	5,148	5.3%	5,459	5.3%
5 - 9	4,671	5.3%	5,219	5.4%	5,450	5.3%
10 - 14	4,837	5.5%	5,368	5.6%	5,646	5.5%
15 - 19	6,164	7.0%	6,104	6.3%	6,543	6.4%
20 - 24	7,996	9.1%	7,231	7.5%	7,524	7.3%
25 - 34	12,799	14.6%	13,457	13.9%	12,892	12.6%
35 - 44	10,000	11.4%	12,603	13.0%	14,205	13.9%
45 - 54	13,240	15.1%	11,249	11.6%	11,484	11.2%
55 - 64	10,617	12.1%	13,255	13.7%	12,677	12.4%
65 - 74	6,348	7.2%	9,622	10.0%	11,482	11.2%
75 - 84	4,076	4.6%	5,103	5.3%	6,469	6.3%
85+	1,767	2.0%	2,323	2.4%	2,557	2.5%

	Census 2010		2019		2024	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	77,626	88.5%	82,973	85.8%	85,871	83.9%
Black Alone	4,798	5.5%	6,487	6.7%	7,803	7.6%
American Indian Alone	237	0.3%	255	0.3%	266	0.3%
Asian Alone	1,858	2.1%	2,540	2.6%	2,982	2.9%
Pacific Islander Alone	61	0.1%	70	0.1%	75	0.1%
Some Other Race Alone	1,393	1.6%	1,811	1.9%	2,200	2.1%
Two or More Races	1,737	2.0%	2,547	2.6%	3,190	3.1%
Hispanic Origin (Any Race)	3,391	3.9%	4,607	4.8%	5,633	5.5%

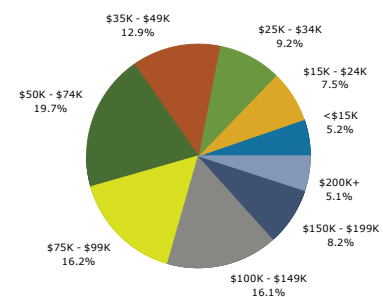
Trends 2019-2024



Population by Age



2019 Household Income



2019 Population by Race

