



16 Year NNN Walgreens

- True NNN Lease with 16 Years Guaranteed Rent
- Excellent Store Sales
- One of the Best Corners in All of Alaska
- Avg HH Income is \$90,000+ Within 5 Miles
- Alaska Has No State Income Tax
- Walgreens Corporate Credit Guarantees the Rent

Walgreens

📍 ANCHORAGE, AK

\$13,500,206

5.35% CAP

📞 (888) 258-7605

✉️ Listings@deerfieldteam.com

John Giordani
Art Griffith



DeerfieldPartners
The Drugstore Experts

INVESTMENT SUMMARY

offering memorandum

725 E NORTHERN LIGHTS BLVD | ANCHORAGE, AK 99503 WALGREENS #13656

\$13,500,206

PRICE

5.35%

CAP

\$722,261

ANNUAL RENT

16

YRS. GUARANTEED

This prototypical freestanding Walgreens has been open and operating for nearly 10 years, and boasts extremely strong reported sales volumes ... not surprising considering that Walgreens has the entire Anchorage market to themselves, as no national drugstores such as CVS/pharmacy or Rite Aid have operations in Alaska. This Walgreens store sits on a prime, high traffic intersection and is arguably one of the best corners in all of Alaska. This site also offers the rarely found combination of population density coupled with affluent demographics. Average household incomes here are in excess of \$91,000. Alaska has no state income tax, an additional benefit to investors.

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	13,242	97,974	201,433
Avg. HH Inc.	\$82,484	\$85,564	\$91,970



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PROPERTY OVERVIEW



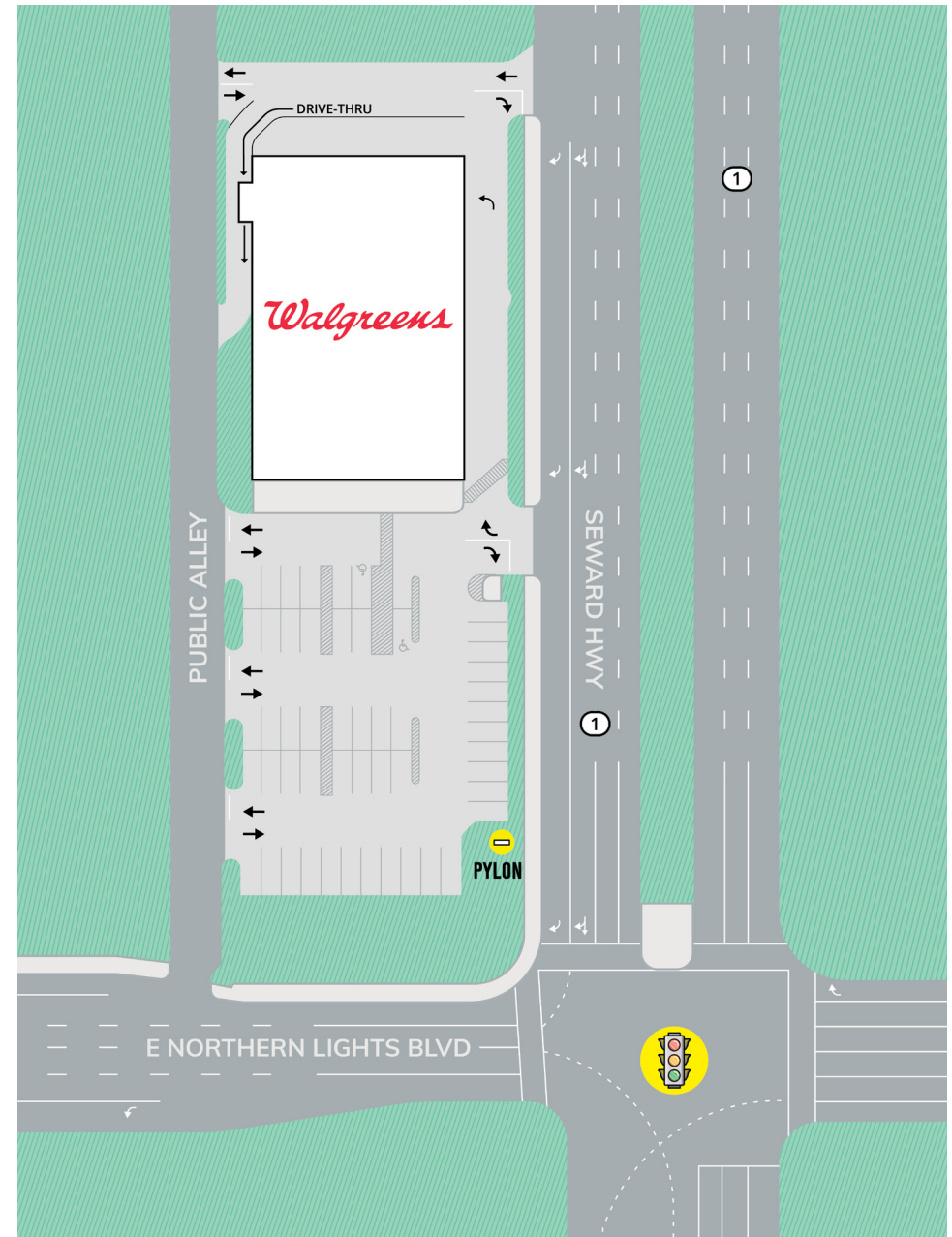
PROPERTY DETAILS

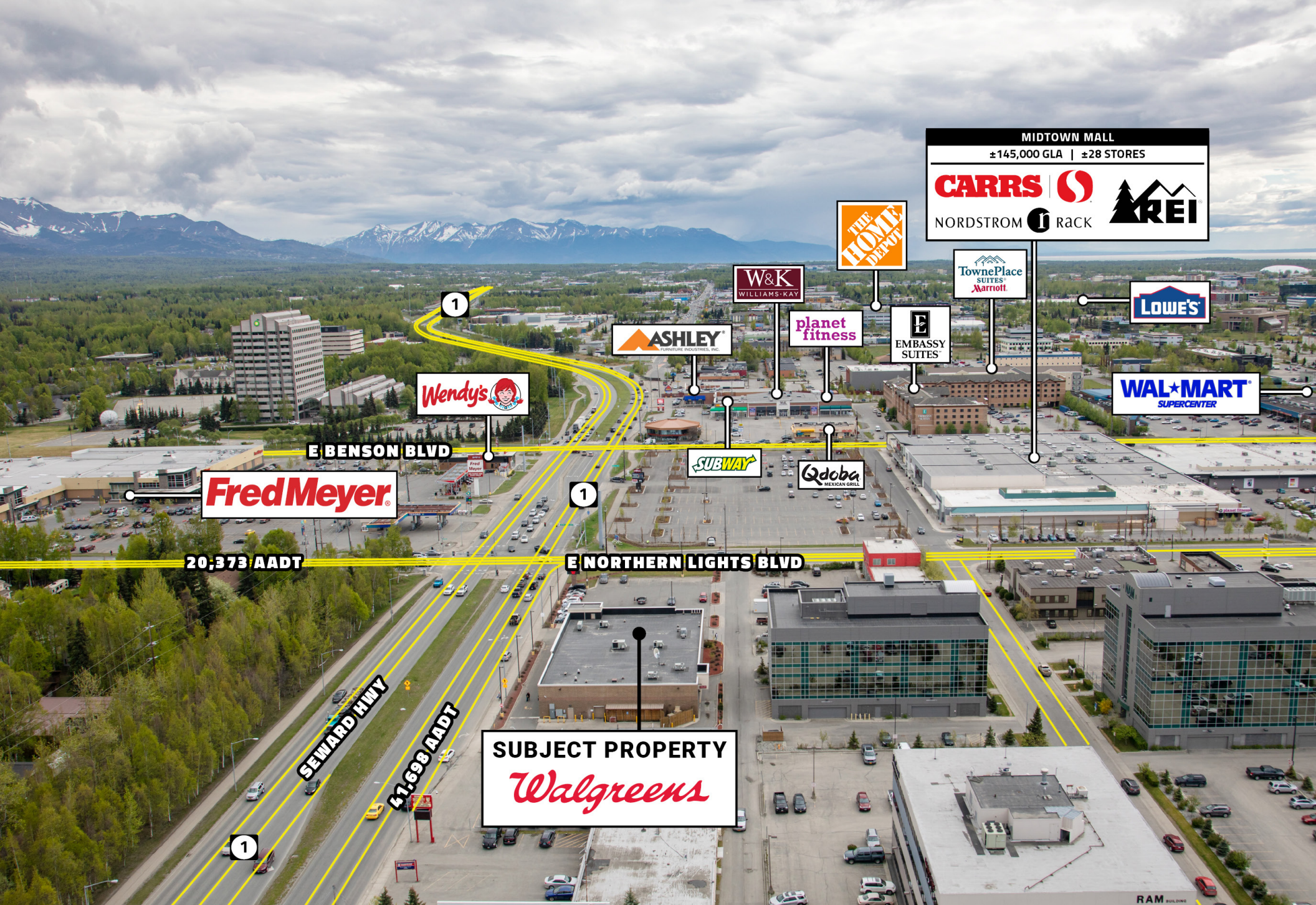
Address: 725 E Northern Lights Blvd
Year Built: 2010
Building Size: 14,550 SF
Lot Size: 1.39 Acres
Tenant: Walgreens



LEASE SUMMARY

Lease Type: NNN
Rent Start Date: 10/3/2011
Firm Term End Date: 10/2/2036
Termination Options: Options: 3 x 5 year rights of cancellation, with 1-year rights following.





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ANCHORAGE OVERVIEW



Anchorage is Alaska's biggest city and a major travel hub.



Subject location is 5 miles from Anchorage International Airport



Affluent city with avg. HH incomes of \$90,000

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ANCHORAGE, AK

A GATEWAY TO THE GREAT OUTDOORS

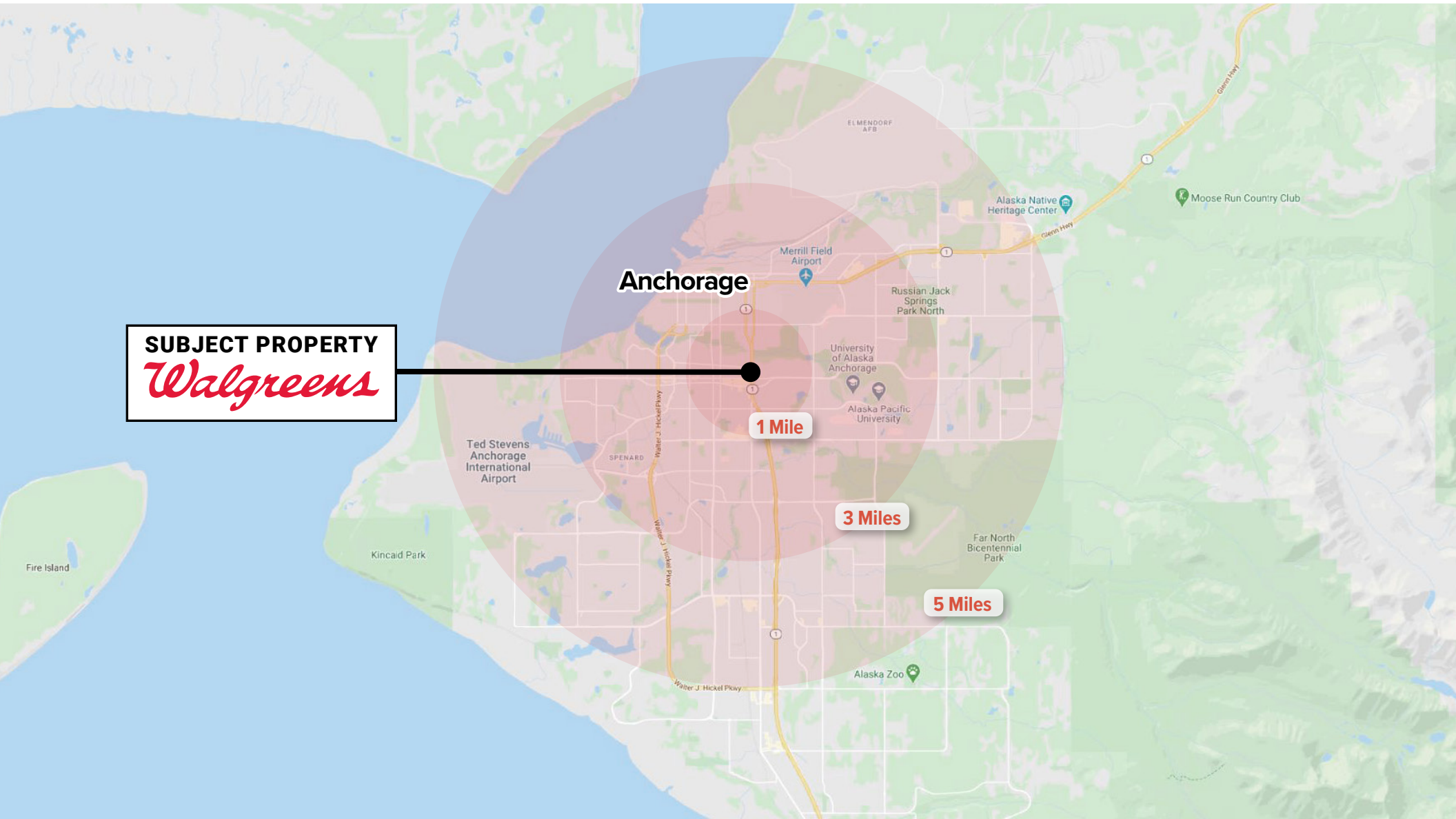


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REGIONAL OVERVIEW



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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		13,137	13,242	13,150
Households		5,891	5,922	5,867
Families		2,852	2,802	2,754
Average Household Size		2.18	2.19	2.20
Owner Occupied Housing Units		2,078	1,934	1,960
Renter Occupied Housing Units		3,813	3,988	3,907
Median Age		35.3	36.9	37.4
Trends: 2019 - 2024 Annual Rate		Area	State	National
Population		-0.14%	0.34%	0.77%
Households		-0.19%	0.33%	0.75%
Families		-0.34%	0.26%	0.68%
Owner HHs		0.27%	0.62%	0.92%
Median Household Income		1.82%	1.43%	2.70%

		2019		2024	
Households by Income		Number	Percent	Number	Percent
<\$15,000		613	10.4%	520	8.9%
\$15,000 - \$24,999		613	10.4%	477	8.1%
\$25,000 - \$34,999		506	8.5%	473	8.1%
\$35,000 - \$49,999		810	13.7%	776	13.2%
\$50,000 - \$74,999		1,051	17.7%	1,107	18.9%
\$75,000 - \$99,999		768	13.0%	783	13.3%
\$100,000 - \$149,999		790	13.3%	908	15.5%
\$150,000 - \$199,999		430	7.3%	467	8.0%
\$200,000+		340	5.7%	357	6.1%

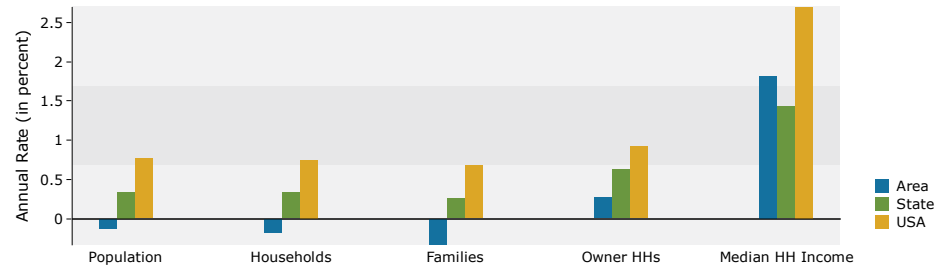
Median Household Income		\$57,738		\$63,193	
Average Household Income		\$82,484		\$90,692	
Per Capita Income		\$36,795		\$40,351	

		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		865	6.6%	803	6.1%	810	6.2%
5 - 9		773	5.9%	721	5.4%	706	5.4%
10 - 14		694	5.3%	692	5.2%	637	4.8%
15 - 19		797	6.1%	685	5.2%	638	4.9%
20 - 24		1,244	9.5%	1,053	8.0%	1,026	7.8%
25 - 34		2,141	16.3%	2,320	17.5%	2,315	17.6%
35 - 44		1,538	11.7%	1,588	12.0%	1,670	12.7%
45 - 54		1,948	14.8%	1,536	11.6%	1,383	10.5%
55 - 64		1,668	12.7%	1,830	13.8%	1,653	12.6%
65 - 74		846	6.4%	1,252	9.5%	1,392	10.6%
75 - 84		466	3.5%	564	4.3%	705	5.4%
85+		155	1.2%	199	1.5%	214	1.6%

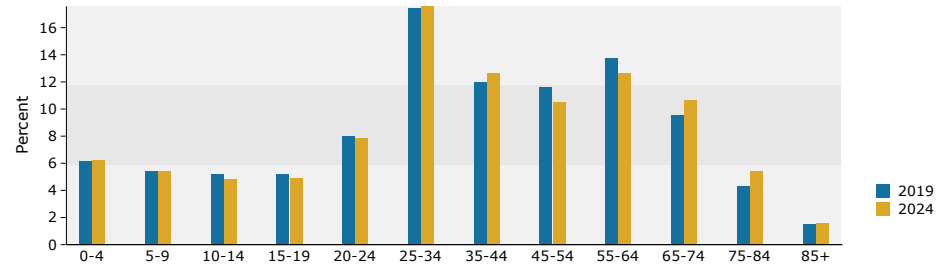
		Census 2010		2019		2024	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		7,298	55.5%	6,711	50.7%	6,282	47.8%
Black Alone		1,133	8.6%	1,137	8.6%	1,107	8.4%
American Indian Alone		1,275	9.7%	1,395	10.5%	1,425	10.8%
Asian Alone		1,311	10.0%	1,559	11.8%	1,703	13.0%
Pacific Islander Alone		563	4.3%	714	5.4%	831	6.3%
Some Other Race Alone		434	3.3%	502	3.8%	526	4.0%
Two or More Races		1,124	8.6%	1,224	9.2%	1,276	9.7%

Hispanic Origin (Any Race)		1,117	8.5%	1,327	10.0%	1,427	10.9%
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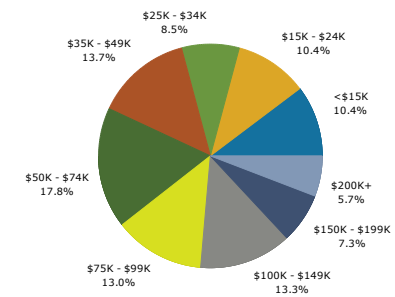
Trends 2019-2024



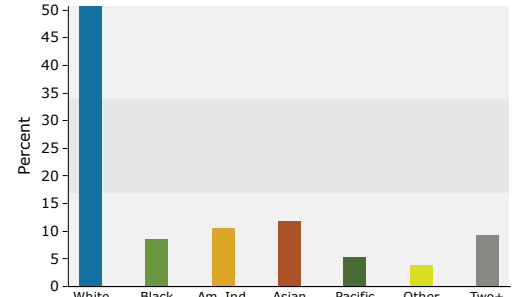
Population by Age



2019 Household Income



2019 Population by Race



2019 Percent Hispanic Origin: 10.0%

3-Mile DEMOGRAPHICS

Summary		Census 2010	2019	2024
Population		96,580	97,974	97,415
Households		39,029	39,329	38,981
Families		20,710	20,440	20,116
Average Household Size		2.37	2.39	2.40
Owner Occupied Housing Units		17,001	15,902	16,050
Renter Occupied Housing Units		22,028	23,427	22,931
Median Age		32.9	34.1	34.3
Trends: 2019 - 2024 Annual Rate		Area	State	National
Population		-0.11%	0.34%	0.77%
Households		-0.18%	0.33%	0.75%
Families		-0.32%	0.26%	0.68%
Owner HHs		0.19%	0.62%	0.92%
Median Household Income		1.91%	1.43%	2.70%

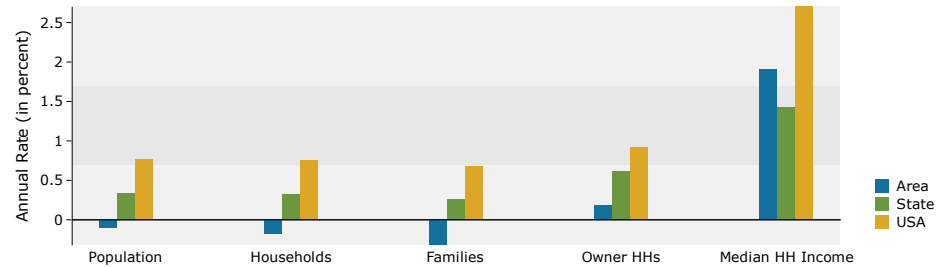
		2019		2024	
Households by Income		Number	Percent	Number	Percent
<\$15,000		2,880	7.3%	2,407	6.2%
\$15,000 - \$24,999		3,110	7.9%	2,315	5.9%
\$25,000 - \$34,999		3,064	7.8%	2,786	7.1%
\$35,000 - \$49,999		5,390	13.7%	4,965	12.7%
\$50,000 - \$74,999		8,188	20.8%	8,261	21.2%
\$75,000 - \$99,999		5,401	13.7%	5,362	13.8%
\$100,000 - \$149,999		6,509	16.6%	7,458	19.1%
\$150,000 - \$199,999		2,535	6.4%	2,943	7.5%
\$200,000+		2,252	5.7%	2,484	6.4%

Median Household Income		\$63,514		\$69,819	
Average Household Income		\$85,564		\$95,196	
Per Capita Income		\$34,504		\$38,238	

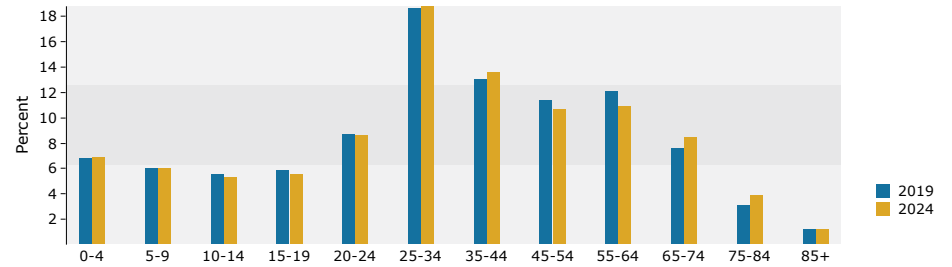
		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		6,973	7.2%	6,641	6.8%	6,760	6.9%
5 - 9		6,013	6.2%	5,889	6.0%	5,799	6.0%
10 - 14		5,645	5.8%	5,467	5.6%	5,196	5.3%
15 - 19		6,443	6.7%	5,771	5.9%	5,432	5.6%
20 - 24		9,324	9.7%	8,537	8.7%	8,386	8.6%
25 - 34		16,874	17.5%	18,226	18.6%	18,361	18.8%
35 - 44		12,242	12.7%	12,759	13.0%	13,212	13.6%
45 - 54		14,007	14.5%	11,141	11.4%	10,430	10.7%
55 - 64		10,905	11.3%	11,895	12.1%	10,636	10.9%
65 - 74		4,771	4.9%	7,466	7.6%	8,212	8.4%
75 - 84		2,446	2.5%	3,051	3.1%	3,822	3.9%
85+		936	1.0%	1,132	1.2%	1,170	1.2%

		Census 2010		2019		2024	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		55,059	57.0%	50,946	52.0%	47,751	49.0%
Black Alone		6,251	6.5%	6,366	6.5%	6,239	6.4%
American Indian Alone		10,274	10.6%	11,240	11.5%	11,510	11.8%
Asian Alone		10,108	10.5%	12,197	12.4%	13,357	13.7%
Pacific Islander Alone		3,102	3.2%	3,991	4.1%	4,678	4.8%
Some Other Race Alone		3,188	3.3%	3,789	3.9%	3,996	4.1%
Two or More Races		8,598	8.9%	9,446	9.6%	9,884	10.1%
Hispanic Origin (Any Race)		8,622	8.9%	10,431	10.6%	11,316	11.6%

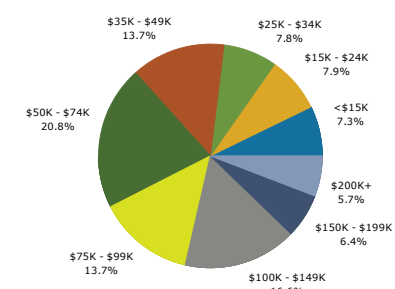
Trends 2019-2024



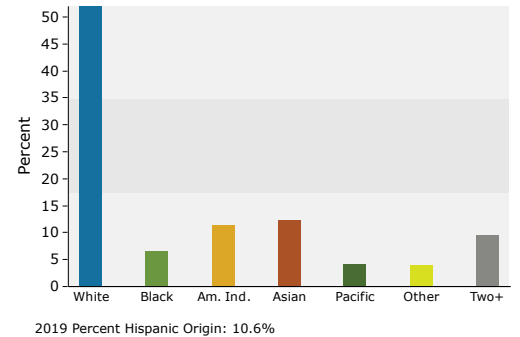
Population by Age



2019 Household Income



2019 Population by Race



5-Mile DEMOGRAPHICS

Summary		Census 2010	2019	2024
Population		198,111	201,433	200,336
Households		75,202	75,995	75,376
Families		45,442	45,166	44,534
Average Household Size		2.56	2.58	2.59
Owner Occupied Housing Units		39,800	37,789	38,116
Renter Occupied Housing Units		35,402	38,206	37,260
Median Age		32.1	33.6	34.1
Trends: 2019 - 2024 Annual Rate		Area	State	National
Population		-0.11%	0.34%	0.77%
Households		-0.16%	0.33%	0.75%
Families		-0.28%	0.26%	0.68%
Owner HHs		0.17%	0.62%	0.92%
Median Household Income		1.76%	1.43%	2.70%

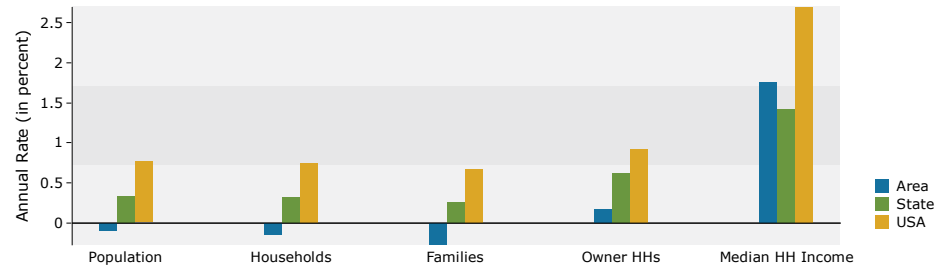
		2019		2024	
Households by Income		Number	Percent	Number	Percent
<\$15,000		4,352	5.7%	3,656	4.9%
\$15,000 - \$24,999		4,846	6.4%	3,592	4.8%
\$25,000 - \$34,999		5,100	6.7%	4,609	6.1%
\$35,000 - \$49,999		9,282	12.2%	8,427	11.2%
\$50,000 - \$74,999		15,995	21.0%	15,750	20.9%
\$75,000 - \$99,999		10,756	14.2%	10,400	13.8%
\$100,000 - \$149,999		14,675	19.3%	16,454	21.8%
\$150,000 - \$199,999		6,378	8.4%	7,360	9.8%
\$200,000+		4,611	6.1%	5,127	6.8%

Median Household Income		\$71,541		\$78,079
Average Household Income		\$91,970		\$101,913
Per Capita Income		\$34,846		\$38,493

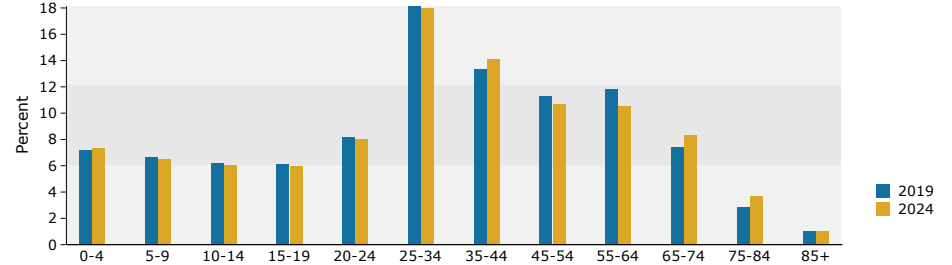
		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		15,299	7.7%	14,425	7.2%	14,594	7.3%
5 - 9		13,742	6.9%	13,306	6.6%	12,998	6.5%
10 - 14		13,146	6.6%	12,533	6.2%	12,017	6.0%
15 - 19		14,009	7.1%	12,304	6.1%	11,762	5.9%
20 - 24		17,957	9.1%	16,469	8.2%	16,045	8.0%
25 - 34		33,448	16.9%	36,474	18.1%	36,002	18.0%
35 - 44		25,832	13.0%	26,834	13.3%	28,276	14.1%
45 - 54		28,549	14.4%	22,805	11.3%	21,440	10.7%
55 - 64		21,156	10.7%	23,762	11.8%	21,134	10.5%
65 - 74		9,082	4.6%	14,880	7.4%	16,538	8.3%
75 - 84		4,369	2.2%	5,713	2.8%	7,451	3.7%
85+		1,520	0.8%	1,927	1.0%	2,077	1.0%

		Census 2010		2019		2024	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		116,480	58.8%	108,198	53.7%	101,518	50.7%
Black Alone		13,342	6.7%	13,792	6.8%	13,595	6.8%
American Indian Alone		19,069	9.6%	21,073	10.5%	21,667	10.8%
Asian Alone		19,773	10.0%	24,104	12.0%	26,548	13.3%
Pacific Islander Alone		5,522	2.8%	7,207	3.6%	8,503	4.2%
Some Other Race Alone		5,720	2.9%	6,828	3.4%	7,235	3.6%
Two or More Races		18,206	9.2%	20,231	10.0%	21,271	10.6%
Hispanic Origin (Any Race)		16,956	8.6%	20,675	10.3%	22,547	11.3%

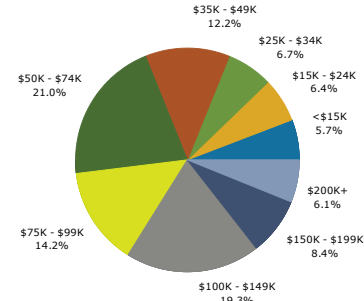
Trends 2019-2024



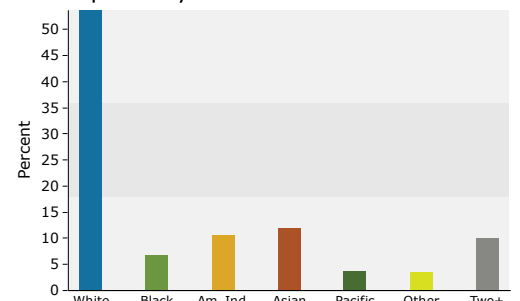
Population by Age



2019 Household Income



2019 Population by Race



2019 Percent Hispanic Origin: 10.3%