



## Memphis Metro 10-Year Net Lease

- 10 Years of Guaranteed Net Rent
- Situated on Busy Highway 64 With 48,000 Cars Per Day
- Avg Household Income is \$100,000 Within 3 Miles
- 24 Miles to Downtown Memphis
- Walgreens Corporate Credit Guarantees the Rent

**Walgreens**

📍 ARLINGTON, TN

**\$4,350,000**

**6.75% CAP**

📞 (888) 258-7605

✉️ Listings@deerfieldteam.com

John Giordani  
Art Griffith



**DeerfieldPartners**

The Drugstore Experts

# INVESTMENT SUMMARY

offering memorandum

9085 HIGHWAY 64 | ARLINGTON, TN WALGREENS # 5066

**\$4,350,000**

**PRICE**

**6.75%**

**CAP**

**\$292,500**

**ANNUAL RENT**

**10.1**

**YRS. GUARANTEED**

This prototypical freestanding Walgreens store sits on the prime, high traffic Highway 64 (48,000 cars per day) with neighbors including Sprouts Farmers Market, LA Fitness, Starbucks, Wells Fargo as well as the Colonial Country Club – a premier private golf club. This site also offers affluent demographics. Average household incomes here are \$100,000 within a three mile radius. Arlington is a quick 30 minute drive to Memphis and is applauded for its highly rated schools.

## DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	8,186	52,008	123,413
Avg. HH Inc.	\$94,257	\$100,306	\$96,138



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# PROPERTY OVERVIEW



## PROPERTY DETAILS

Address:	9085 Highway 64
Year Built:	1999
Building Size:	15,120 square feet
Lot Size:	1.46 Acres
Tenant:	Walgreens



## LEASE SUMMARY

Lease Type:	NN
Lease Start Date:	1/1/2000
Lease End Date:	3/31/2030
Termination Options:	Tenant has seven five-year options to renew their lease.



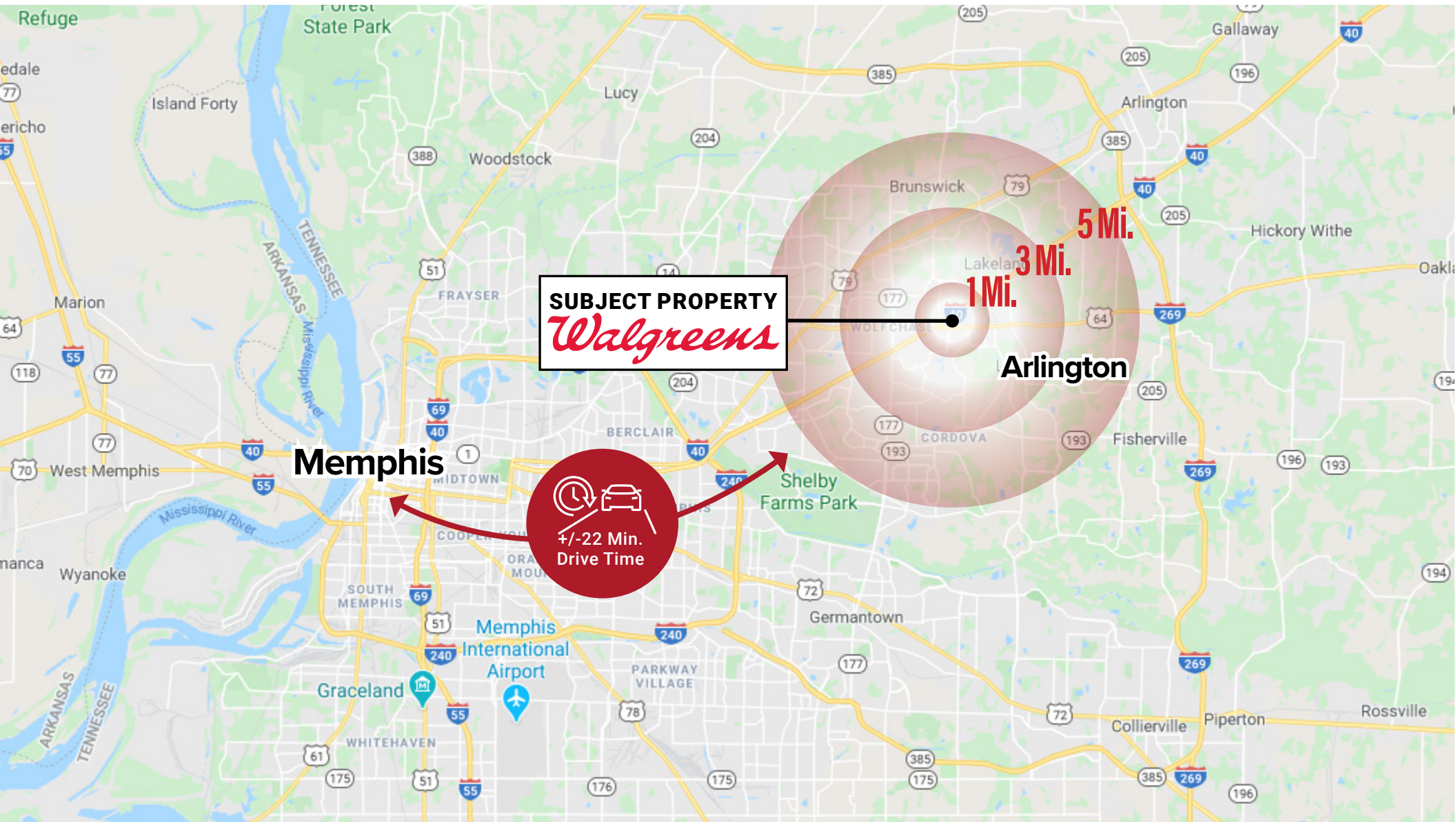


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## REGIONAL OVERVIEW



## 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
<b>Sales/Revenue</b>	<b>103.44B</b>	<b>117.35B</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>78.26B</b>	<b>89.2B</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>
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
<b>Gross Income</b>	<b>25.18B</b>	<b>28.16B</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>SG&amp;A Expense</b>	<b>20.26B</b>	<b>21.79B</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>
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
<b>Interest Expense</b>	<b>608M</b>	<b>596M</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
<b>Pretax Income</b>	<b>5.31B</b>	<b>5.14B</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>
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	<b>TOTAL</b>	<b>9,277</b>
Maine	82	Oregon	76		

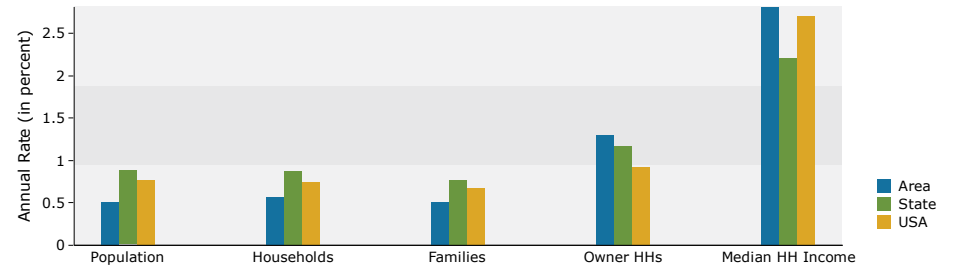
Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

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

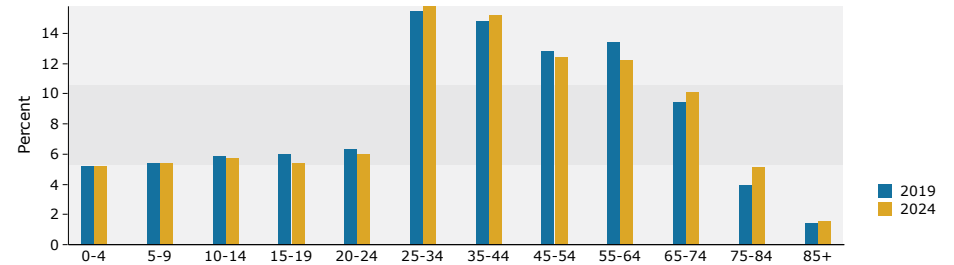
# 1-Mile DEMOGRAPHICS

Summary		Census 2010		2019		2024			
Population		8,081		8,186		8,395			
Households		3,351		3,447		3,546			
Families		2,203		2,231		2,289			
Average Household Size		2.38		2.35		2.34			
Owner Occupied Housing Units		1,921		1,942		2,072			
Renter Occupied Housing Units		1,430		1,505		1,474			
Median Age		36.0		38.6		39.2			
Trends: 2019 - 2024 Annual Rate		Area		State		National			
Population		0.51%		0.88%		0.77%			
Households		0.57%		0.87%		0.75%			
Families		0.51%		0.77%		0.68%			
Owner HHS		1.30%		1.17%		0.92%			
Median Household Income		2.81%		2.21%		2.70%			
		2019		2024					
Households by Income		Number		Percent		Number		Percent	
<\$15,000		174		5.0%		133		3.8%	
\$15,000 - \$24,999		230		6.7%		174		4.9%	
\$25,000 - \$34,999		228		6.6%		183		5.2%	
\$35,000 - \$49,999		337		9.8%		292		8.2%	
\$50,000 - \$74,999		733		21.3%		678		19.1%	
\$75,000 - \$99,999		548		15.9%		566		16.0%	
\$100,000 - \$149,999		699		20.3%		847		23.9%	
\$150,000 - \$199,999		273		7.9%		374		10.5%	
\$200,000+		225		6.5%		300		8.5%	
Median Household Income		\$75,713				\$86,965			
Average Household Income		\$94,257				\$110,370			
Per Capita Income		\$39,639				\$46,596			
		Census 2010		2019		2024			
Population by Age		Number		Percent		Number		Percent	
0 - 4		459		5.7%		424		5.2%	
5 - 9		519		6.4%		446		5.4%	
10 - 14		590		7.3%		487		5.7%	
15 - 19		556		6.9%		491		6.0%	
20 - 24		517		6.4%		512		6.3%	
25 - 34		1,286		15.9%		1,273		15.5%	
35 - 44		1,154		14.3%		1,212		14.8%	
45 - 54		1,196		14.8%		1,047		12.8%	
55 - 64		980		12.1%		1,096		13.4%	
65 - 74		487		6.0%		771		9.4%	
75 - 84		250		3.1%		317		3.9%	
85+		86		1.1%		111		1.4%	
		Census 2010		2019		2024			
Race and Ethnicity		Number		Percent		Number		Percent	
White Alone		5,254		65.0%		4,790		58.5%	
Black Alone		2,227		27.6%		2,655		32.4%	
American Indian Alone		37		0.5%		37		0.5%	
Asian Alone		267		3.3%		305		3.7%	
Pacific Islander Alone		1		0.0%		1		0.0%	
Some Other Race Alone		135		1.7%		174		2.1%	
Two or More Races		159		2.0%		223		2.7%	
Hispanic Origin (Any Race)		328		4.1%		421		5.1%	

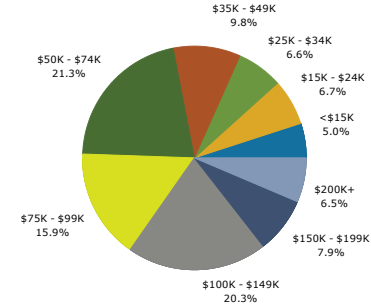
Trends 2019-2024



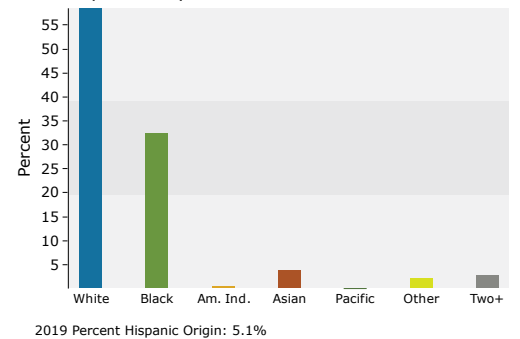
Population by Age



2019 Household Income



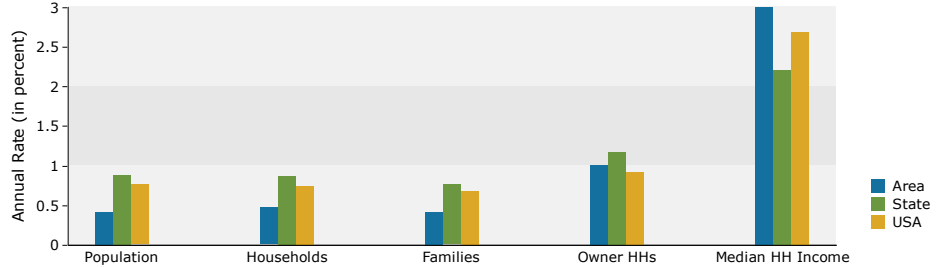
2019 Population by Race



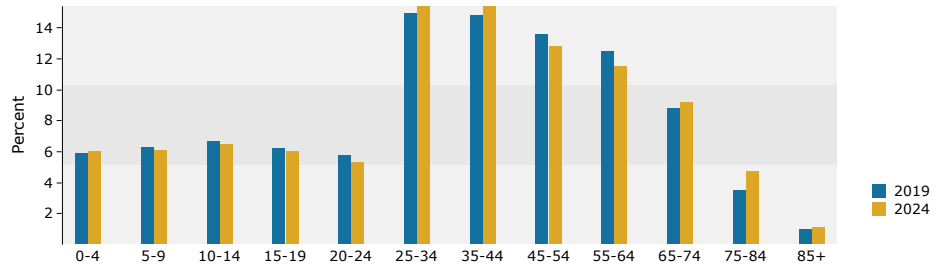
# 3-Mile DEMOGRAPHICS

Summary		Census 2010		2019		2024			
Population		49,317		52,008		53,144			
Households		19,066		20,316		20,812			
Families		13,548		14,241		14,535			
Average Household Size		2.57		2.54		2.54			
Owner Occupied Housing Units		13,700		14,198		14,935			
Renter Occupied Housing Units		5,366		6,118		5,878			
Median Age		35.6		37.7		38.0			
Trends: 2019 - 2024 Annual Rate		Area		State		National			
Population		0.43%		0.88%		0.77%			
Households		0.48%		0.87%		0.75%			
Families		0.41%		0.77%		0.68%			
Owner HHs		1.02%		1.17%		0.92%			
Median Household Income		3.01%		2.21%		2.70%			
		2019				2024			
Households by Income		Number		Percent		Number		Percent	
<\$15,000		794		3.9%		615		3.0%	
\$15,000 - \$24,999		1,118		5.5%		826		4.0%	
\$25,000 - \$34,999		1,217		6.0%		967		4.6%	
\$35,000 - \$49,999		2,033		10.0%		1,752		8.4%	
\$50,000 - \$74,999		4,314		21.2%		3,870		18.6%	
\$75,000 - \$99,999		3,305		16.3%		3,278		15.8%	
\$100,000 - \$149,999		4,086		20.1%		4,818		23.2%	
\$150,000 - \$199,999		1,856		9.1%		2,578		12.4%	
\$200,000+		1,593		7.8%		2,108		10.1%	
Median Household Income		\$78,956				\$91,574			
Average Household Income		\$100,306				\$117,522			
Per Capita Income		\$38,690				\$45,408			
		Census 2010		2019		2024			
Population by Age		Number		Percent		Number		Percent	
0 - 4		3,242		6.6%		3,062		5.9%	
5 - 9		3,482		7.1%		3,258		6.3%	
10 - 14		3,785		7.7%		3,492		6.7%	
15 - 19		3,468		7.0%		3,214		6.2%	
20 - 24		2,895		5.9%		3,020		5.8%	
25 - 34		7,318		14.8%		7,783		15.0%	
35 - 44		7,569		15.3%		7,694		14.8%	
45 - 54		7,466		15.1%		7,069		13.6%	
55 - 64		5,709		11.6%		6,523		12.5%	
65 - 74		2,737		5.5%		4,551		8.8%	
75 - 84		1,266		2.6%		1,813		3.5%	
85+		380		0.8%		528		1.0%	
		Census 2010		2019		2024			
Race and Ethnicity		Number		Percent		Number		Percent	
White Alone		32,012		64.9%		30,208		58.1%	
Black Alone		13,079		26.5%		16,444		31.6%	
American Indian Alone		136		0.3%		147		0.3%	
Asian Alone		1,976		4.0%		2,322		4.5%	
Pacific Islander Alone		22		0.0%		23		0.0%	
Some Other Race Alone		1,129		2.3%		1,484		2.9%	
Two or More Races		964		2.0%		1,380		2.7%	
Hispanic Origin (Any Race)		2,442		5.0%		3,223		6.2%	

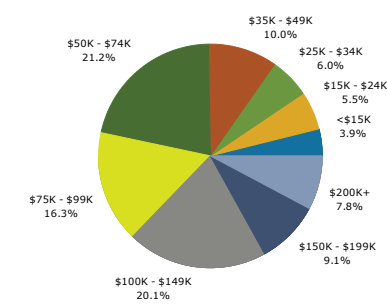
Trends 2019-2024



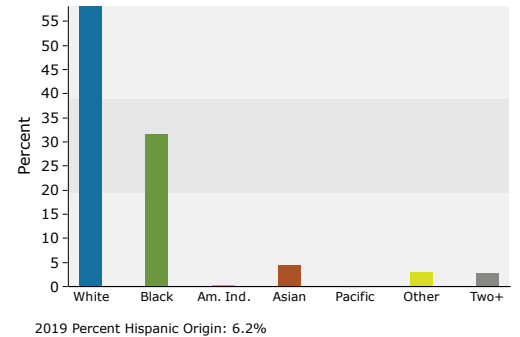
Population by Age



2019 Household Income



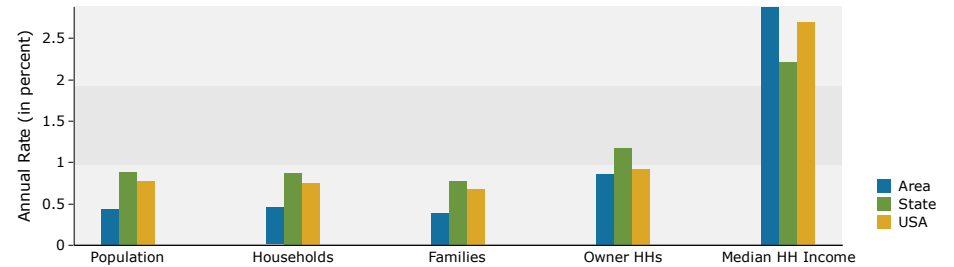
2019 Population by Race



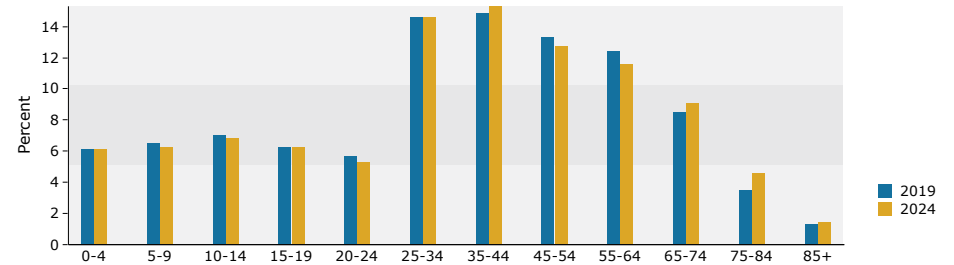
# 5-Mile DEMOGRAPHICS

Summary	Census 2010		2019		2024	
Population	117,671		123,413		126,175	
Households	44,677		47,095		48,183	
Families	31,651		32,964		33,606	
Average Household Size	2.61		2.60		2.60	
Owner Occupied Housing Units	32,605		33,114		34,562	
Renter Occupied Housing Units	12,072		13,981		13,621	
Median Age	35.5		37.5		38.1	
Trends: 2019 - 2024 Annual Rate	Area		State		National	
Population	0.44%		0.88%		0.77%	
Households	0.46%		0.87%		0.75%	
Families	0.39%		0.77%		0.68%	
Owner HHs	0.86%		1.17%		0.92%	
Median Household Income	2.88%		2.21%		2.70%	
			2019		2024	
Households by Income			Number	Percent	Number	Percent
<\$15,000			1,935	4.1%	1,508	3.1%
\$15,000 - \$24,999			2,609	5.5%	1,975	4.1%
\$25,000 - \$34,999			3,100	6.6%	2,506	5.2%
\$35,000 - \$49,999			5,256	11.2%	4,574	9.5%
\$50,000 - \$74,999			10,769	22.9%	9,927	20.6%
\$75,000 - \$99,999			7,005	14.9%	7,049	14.6%
\$100,000 - \$149,999			9,129	19.4%	10,718	22.2%
\$150,000 - \$199,999			3,972	8.4%	5,522	11.5%
\$200,000+			3,319	7.0%	4,401	9.1%
Median Household Income			\$74,584		\$85,959	
Average Household Income			\$96,138		\$112,381	
Per Capita Income			\$36,716		\$42,948	
			2019		2024	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	7,978	6.8%	7,493	6.1%	7,673	6.1%
5 - 9	8,419	7.2%	7,975	6.5%	7,865	6.2%
10 - 14	8,975	7.6%	8,602	7.0%	8,571	6.8%
15 - 19	8,115	6.9%	7,724	6.3%	7,824	6.2%
20 - 24	6,809	5.8%	7,093	5.7%	6,750	5.3%
25 - 34	17,662	15.0%	17,992	14.6%	18,442	14.6%
35 - 44	17,841	15.2%	18,344	14.9%	19,275	15.3%
45 - 54	17,547	14.9%	16,461	13.3%	16,022	12.7%
55 - 64	13,338	11.3%	15,311	12.4%	14,683	11.6%
65 - 74	6,357	5.4%	10,476	8.5%	11,447	9.1%
75 - 84	3,391	2.9%	4,312	3.5%	5,844	4.6%
85+	1,239	1.1%	1,628	1.3%	1,777	1.4%
			2019		2024	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	78,542	66.7%	74,195	60.1%	71,083	56.3%
Black Alone	28,367	24.1%	35,607	28.9%	39,570	31.4%
American Indian Alone	356	0.3%	377	0.3%	394	0.3%
Asian Alone	4,689	4.0%	5,522	4.5%	6,106	4.8%
Pacific Islander Alone	57	0.0%	58	0.0%	60	0.0%
Some Other Race Alone	3,423	2.9%	4,452	3.6%	5,109	4.0%
Two or More Races	2,237	1.9%	3,201	2.6%	3,852	3.1%
Hispanic Origin (Any Race)	6,725	5.7%	8,774	7.1%	10,241	8.1%

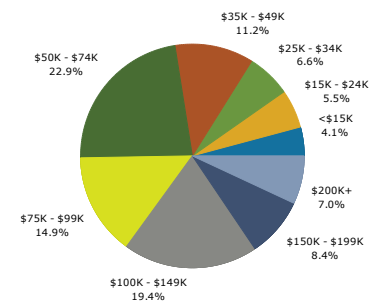
Trends 2019-2024



Population by Age



2019 Household Income



2019 Population by Race

