



## 12+ Year NNN Walgreens in Tax-Free State

- Tax-Free State
- Affluent Area: Avg. HH Incomes approaching \$100k
- Strategic Location for Walgreens - CVS Right Across the Street
- Long Term NNN Lease
- Rent Guaranteed by Walgreens Corporate

*Walgreens*

📍 JOHNSON CITY, TN

**\$6,218,181**

**5.50% CAP**

📞 (888) 258-7605  
✉️ Listings@deerfieldteam.com

John Giordani  
Art Griffith

 **DeerfieldPartners**  
The Drugstore Experts



# INVESTMENT SUMMARY

offering memorandum

4210 N ROAN ST | JOHNSON CITY TN 37601

WALGREENS #10918

**\$6,218,181**

PRICE

**5.50%**

CAP

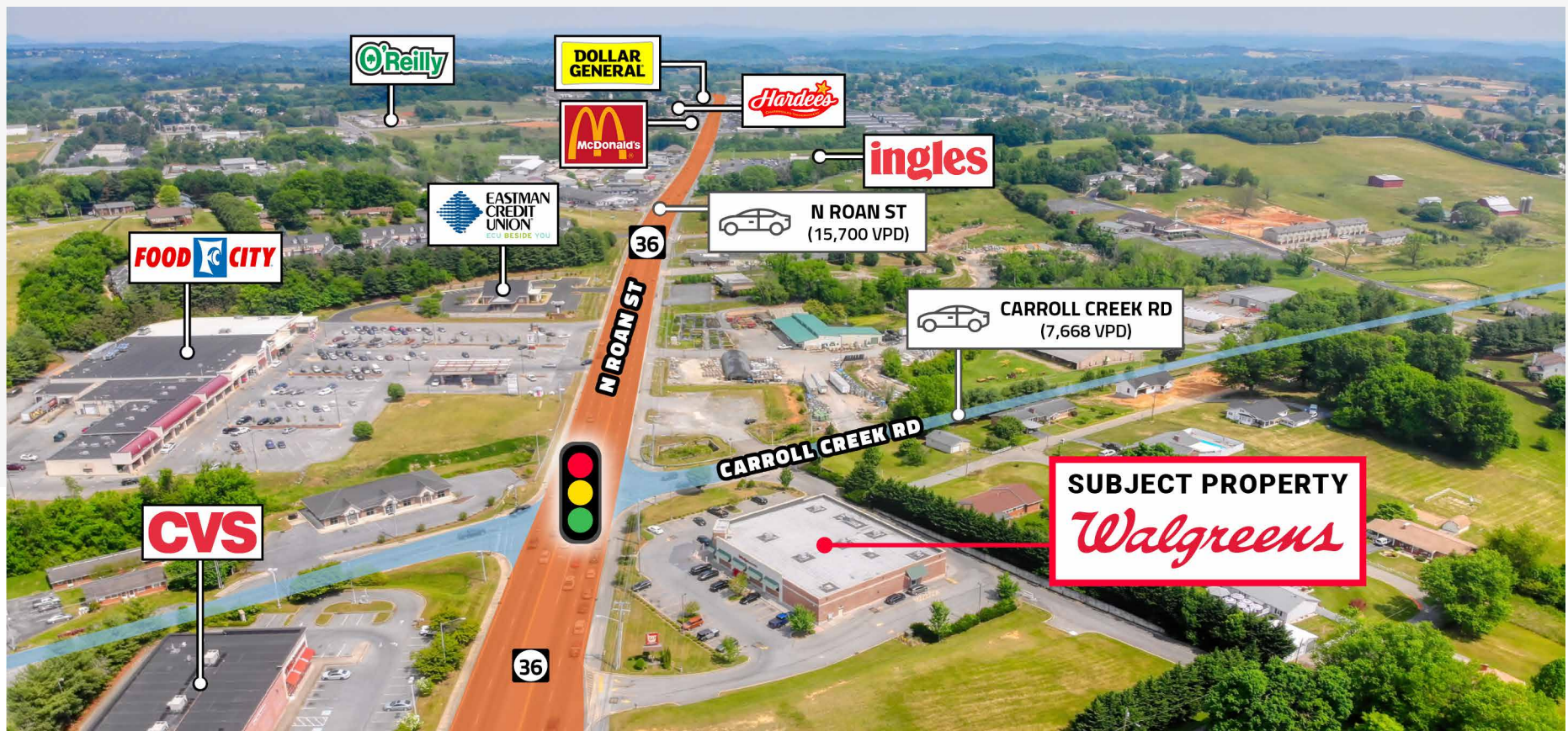
**\$342,000**

ANNUAL RENT

**12.2**

YRS. GUARANTEED

Rare opportunity to purchase a long term, NNN leased drugstore in a tax-free state. Walgreens is well positioned on the hard corner of the two main arterials for this trade area, N. Roan St & Carroll Creek Road. This is an important strategic location for Walgreens, with a CVS directly across the street. Food City, Dollar General, Hardees, O'Reilly & McDonalds round out the tenant mix for the area. With full rents guaranteed by Walgreens Corporate, this store makes an ideal 1031 exchange.



John Giordani  
Art Griffith

(888) 258-7605  
Listings@deerfieldteam.com

 **DeerfieldPartners**  
The Drugstore Experts

## PROPERTY DETAILS



<b>Address:</b>	4210 N Roan St
<b>Year Built:</b>	2008
<b>Building Size:</b>	14,744 sq. ft.
<b>Lot Size:</b>	~2.04 acres
<b>Tenant:</b>	Walgreens



<b>Lease Type:</b>	NNN
<b>Landlord Responsibilities:</b>	None
<b>Rent Start Date:</b>	8/1/2008
<b>Firm Term End Date:</b>	8/1/2033
<b>Termination Options:</b>	50 x 1 year





# DEMOGRAPHICS



## POPULATION

1 Mile	3 Mile	5 Mile
4,073	22,028	58,098



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$96,744	\$94,687	\$80,410



John Giordani  
Art Griffith

(888) 258-7605  
Listings@deerfieldteam.com

 **DeerfieldPartners**  
The Drugstore Experts



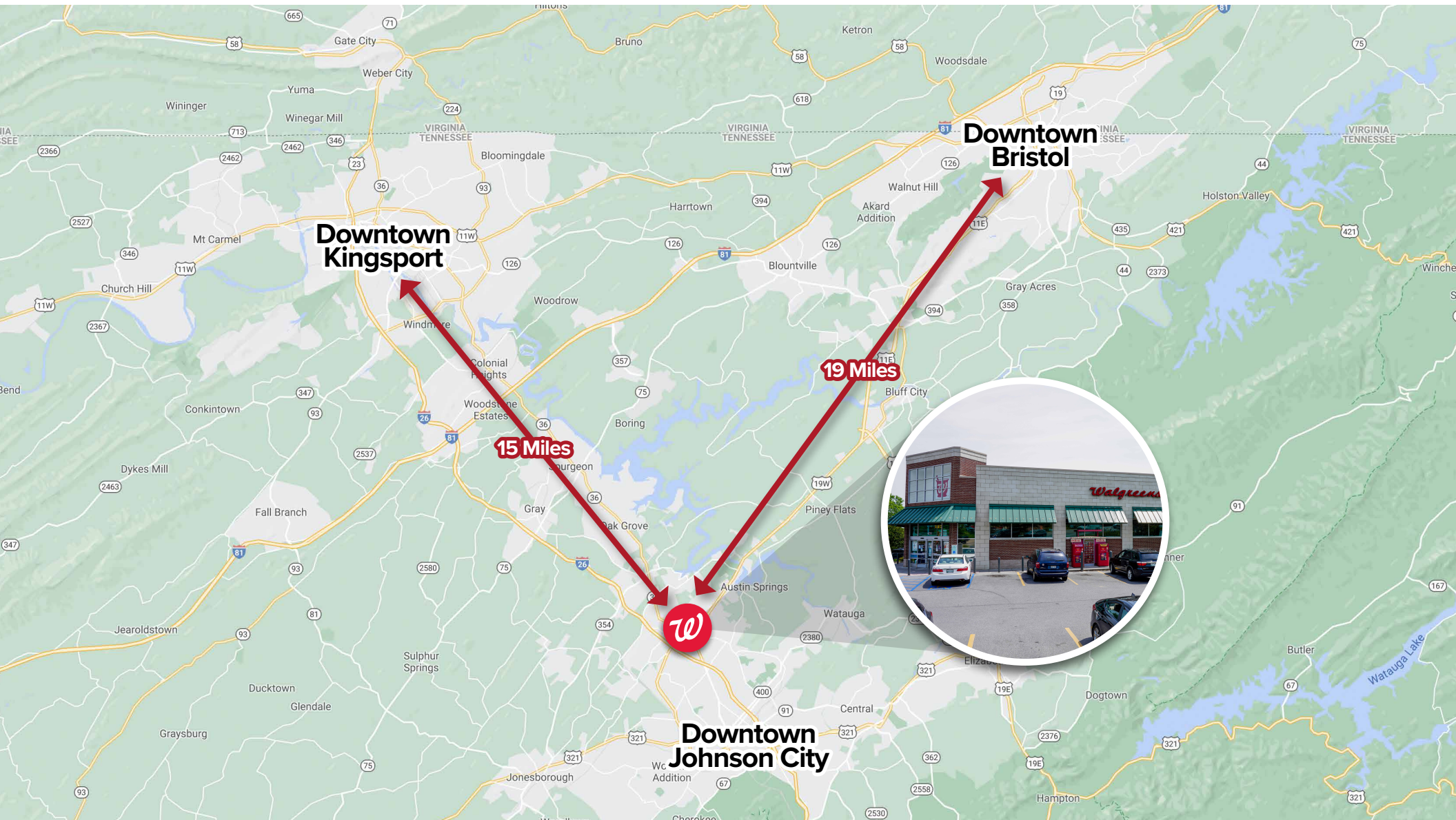


John Giordani  
Art Griffith

(888) 258-7605  
Listings@deerfieldteam.com



# REGIONAL OVERVIEW



John Giordani  
Art Griffith

(888) 258-7605  
Listings@deerfieldteam.com

 **DeerfieldPartners**  
The Drugstore Experts



## 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)	2016	2017	2018	2019	2020
<b>Sales/Revenue</b>	<b>117.35B</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>	<b>139.54B</b>
Sales Growth	13.44%	0.74%	11.27%	4.05%	1.95%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>89.2B</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>	<b>113.45B</b>
COGS excluding D&A	87.48B	89.05B	100.75B	106.79B	111.52B
Depreciation & Amortization Expense	1.72B	1.65B	1.77B	2.04B	1.92B
Depreciation	1.32B	1.27B	1.28B	1.49B	1.47B
Amortization of Intangibles	396M	385M	493M	552M	461M
<b>Gross Income</b>	<b>28.16B</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>	<b>26.09B</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>SG&amp;A Expense</b>	<b>21.79B</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>	<b>22.34B</b>
Research & Development	-	-	-	-	-
Other SG&A	21.79B	21.25B	22.88B	22.91B	22.34B
Other Operating Expense	-	-	-	-	-
Unusual Expense	963M	886M	188M	311M	2.85M
EBIT after Unusual Expense	5.41B	5.37B	(188M)	4.82B	897M
Non Operating Income/Expense	297M	37M	450M	251M	145M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	37M	135M	191M	164M	341M
<b>Interest Expense</b>	<b>596M</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>	<b>639M</b>
Gross Interest Expense	596M	693M	616M	704M	639M
Interest Capitalized	-	-	-	-	-
<b>Pretax Income</b>	<b>5.14B</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>	<b>743M</b>
Income Tax	997M	760M	998M	588M	360M
Income Tax - Current Domestic	1.06B	804M	969M	247M	199M
Income Tax - Current Foreign	371M	390M	353M	241M	204M
Income Tax - Deferred Domestic	(177M)	(330M)	(266M)	155M	(81M)
Income Tax - Deferred Foreign	(252M)	(104M)	(58M)	(55M)	38M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	44M	8M	54M	23M	41M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.19B	4.1B	5.03B	3.96B	424M
Minority Interest Expense	18M	23M	7M	(20M)	(32M)





# 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.

John Giordani

Art Griffith



(888) 258-7605



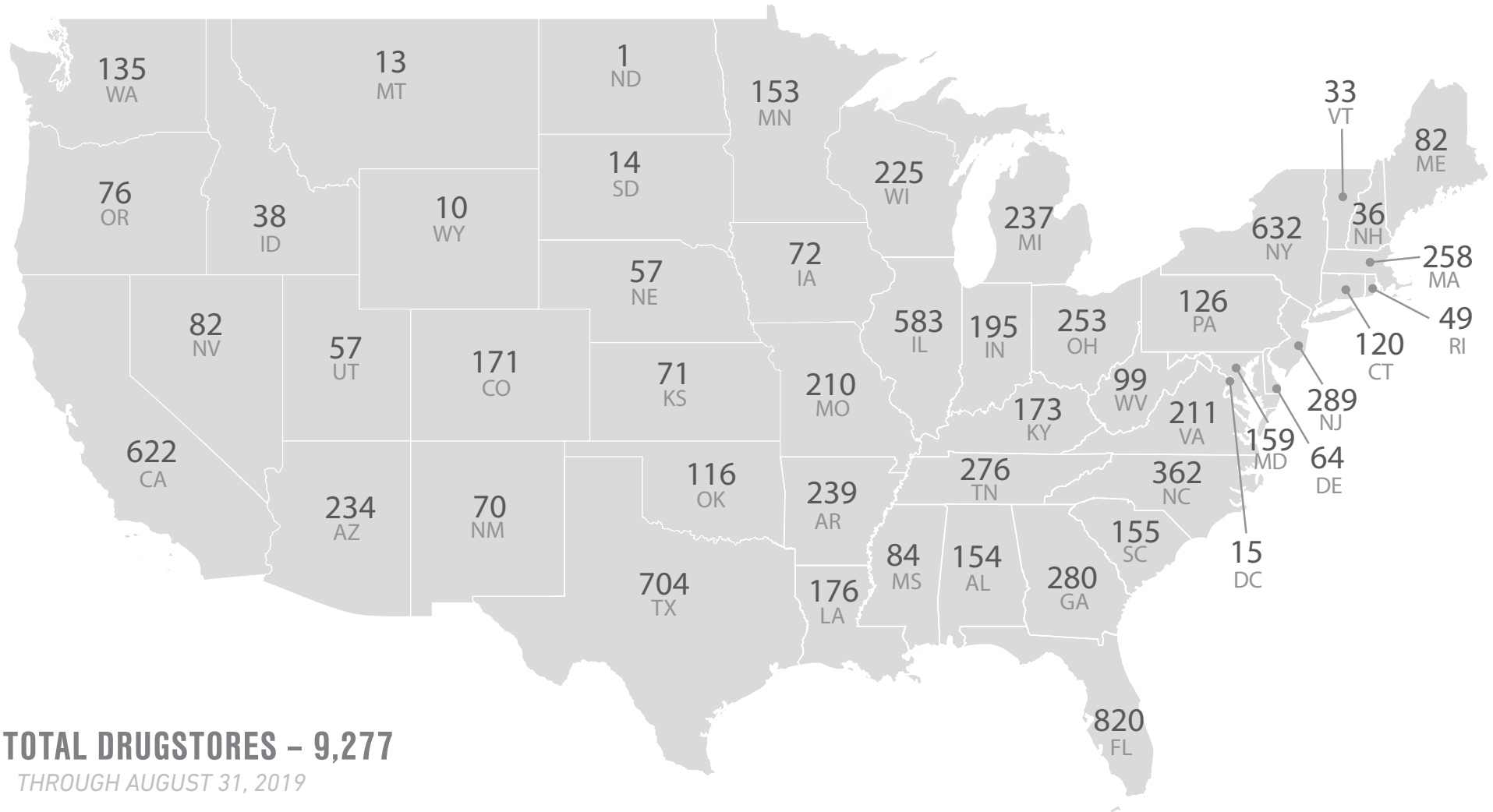
Listings@deerfieldteam.com



**DeerfieldPartners**  
The Drugstore Experts



# WALGREENS DRUGSTORES NATIONWIDE BY STATE



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.

John Giordani  
Art Griffith

(888) 258-7605  
Listings@deerfieldteam.com

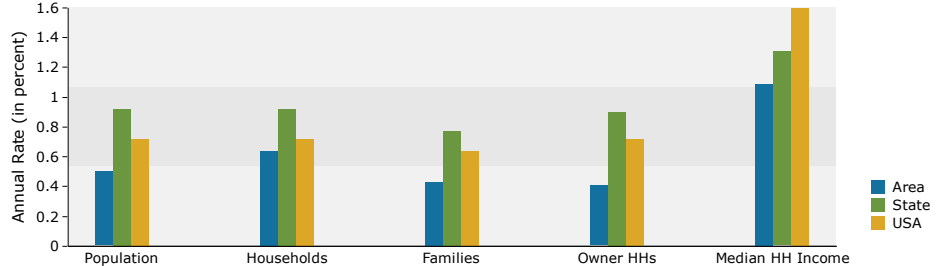
 **DeerfieldPartners**  
The Drugstore Experts

# 1-Mile DEMOGRAPHICS

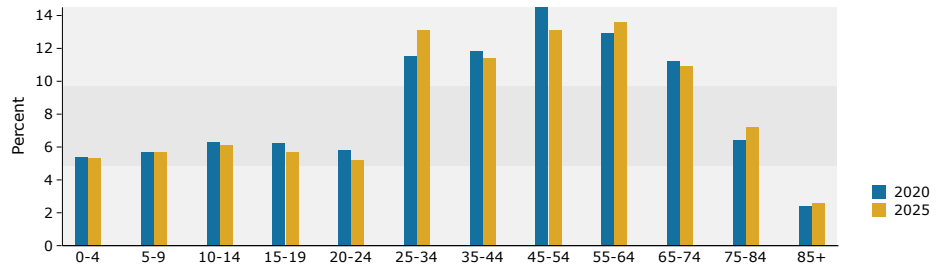
Summary		Census 2010		2020		2025	
Population		4,060		4,073		4,175	
Households		1,679		1,697		1,752	
Families		1,150		1,141		1,166	
Average Household Size		2.42		2.40		2.38	
Owner Occupied Housing Units		1,248		1,208		1,233	
Renter Occupied Housing Units		431		489		519	
Median Age		40.6		42.8		42.8	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		0.50%		0.92%		0.72%	
Households		0.64%		0.92%		0.72%	
Families		0.43%		0.77%		0.64%	
Owner HHs		0.41%		0.90%		0.72%	
Median Household Income		1.09%		1.31%		1.60%	
Households by Income				2020		2025	
				Number	Percent	Number	Percent
<\$15,000				142	8.4%	132	7.5%
\$15,000 - \$24,999				105	6.2%	98	5.6%
\$25,000 - \$34,999				115	6.8%	109	6.2%
\$35,000 - \$49,999				228	13.4%	215	12.3%
\$50,000 - \$74,999				213	12.6%	210	12.0%
\$75,000 - \$99,999				305	18.0%	315	18.0%
\$100,000 - \$149,999				303	17.9%	325	18.6%
\$150,000 - \$199,999				152	9.0%	182	10.4%
\$200,000+				134	7.9%	166	9.5%
Median Household Income				\$77,750		\$82,076	
Average Household Income				\$96,744		\$108,146	
Per Capita Income				\$40,141		\$45,124	
		Census 2010		2020		2025	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		239	5.9%	218	5.4%	223	5.3%
5 - 9		271	6.7%	234	5.7%	239	5.7%
10 - 14		308	7.6%	257	6.3%	253	6.1%
15 - 19		251	6.2%	253	6.2%	239	5.7%
20 - 24		200	4.9%	237	5.8%	219	5.2%
25 - 34		443	10.9%	468	11.5%	547	13.1%
35 - 44		623	15.3%	479	11.8%	474	11.4%
45 - 54		580	14.3%	590	14.5%	548	13.1%
55 - 64		512	12.6%	526	12.9%	567	13.6%
65 - 74		365	9.0%	455	11.2%	455	10.9%
75 - 84		213	5.2%	260	6.4%	301	7.2%
85+		55	1.4%	96	2.4%	110	2.6%
		Census 2010		2020		2025	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		3,729	91.8%	3,650	89.6%	3,682	88.2%
Black Alone		102	2.5%	120	2.9%	131	3.1%
American Indian Alone		16	0.4%	19	0.5%	21	0.5%
Asian Alone		113	2.8%	153	3.8%	186	4.5%
Pacific Islander Alone		0	0.0%	0	0.0%	0	0.0%
Some Other Race Alone		44	1.1%	56	1.4%	65	1.6%
Two or More Races		56	1.4%	75	1.8%	89	2.1%
Hispanic Origin (Any Race)		131	3.2%	169	4.1%	196	4.7%

Notes: Totals are expressed in current dollars

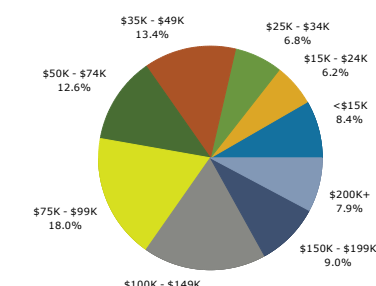
Trends 2020-2025



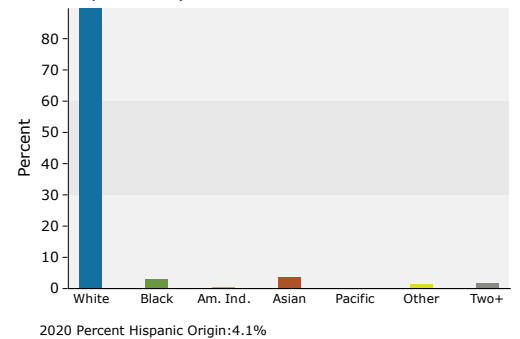
Population by Age



2020 Household Income



2020 Population by Race



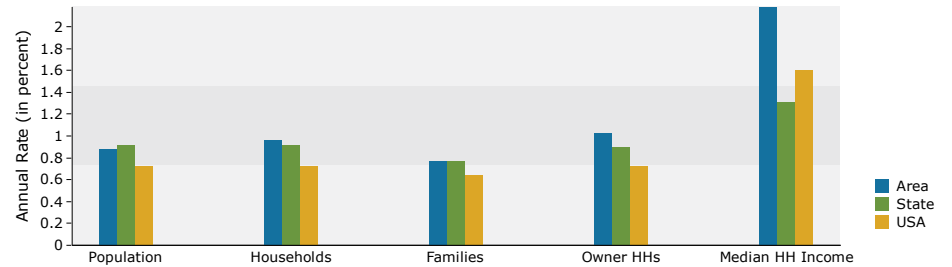


# 3-Mile DEMOGRAPHICS

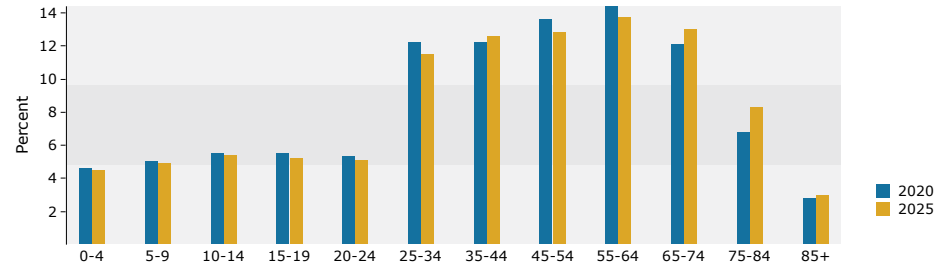
Summary	Census 2010	2020	2025				
Population	19,839	22,028	23,013				
Households	8,533	9,573	10,043				
Families	5,479	6,018	6,254				
Average Household Size	2.29	2.27	2.26				
Owner Occupied Housing Units	5,893	6,150	6,473				
Renter Occupied Housing Units	2,640	3,423	3,570				
Median Age	41.9	44.8	45.6				
Trends: 2020-2025 Annual Rate	Area	State	National				
Population	0.88%	0.92%	0.72%				
Households	0.96%	0.92%	0.72%				
Families	0.77%	0.77%	0.64%				
Owner HHs	1.03%	0.90%	0.72%				
Median Household Income	2.18%	1.31%	1.60%				
Households by Income	Number	Percent	Number	Percent			
	<\$15,000	733	7.7%	686	6.8%		
	\$15,000 - \$24,999	987	10.3%	927	9.2%		
	\$25,000 - \$34,999	721	7.5%	692	6.9%		
	\$35,000 - \$49,999	1,171	12.2%	1,141	11.4%		
	\$50,000 - \$74,999	1,490	15.6%	1,497	14.9%		
	\$75,000 - \$99,999	1,531	16.0%	1,622	16.2%		
	\$100,000 - \$149,999	1,404	14.7%	1,544	15.4%		
	\$150,000 - \$199,999	643	6.7%	789	7.9%		
	\$200,000+	893	9.3%	1,145	11.4%		
Median Household Income	\$68,126	\$75,879					
Average Household Income	\$94,687	\$107,345					
Per Capita Income	\$41,056	\$46,706					
Population by Age	Census 2010		2020		2025		
	Number	Percent	Number	Percent	Number	Percent	
	0 - 4	1,034	5.2%	1,013	4.6%	1,042	4.5%
	5 - 9	1,168	5.9%	1,105	5.0%	1,137	4.9%
	10 - 14	1,193	6.0%	1,203	5.5%	1,235	5.4%
	15 - 19	1,113	5.6%	1,201	5.5%	1,188	5.2%
	20 - 24	1,173	5.9%	1,170	5.3%	1,176	5.1%
	25 - 34	2,335	11.8%	2,686	12.2%	2,636	11.5%
	35 - 44	2,822	14.2%	2,688	12.2%	2,911	12.6%
	45 - 54	2,981	15.0%	3,005	13.6%	2,936	12.8%
	55 - 64	2,622	13.2%	3,163	14.4%	3,150	13.7%
	65 - 74	1,815	9.1%	2,663	12.1%	2,998	13.0%
	75 - 84	1,139	5.7%	1,505	6.8%	1,907	8.3%
	85+	444	2.2%	625	2.8%	697	3.0%
	Race and Ethnicity	Census 2010		2020		2025	
Number		Percent	Number	Percent	Number	Percent	
White Alone		18,270	92.1%	19,819	90.0%	20,403	88.7%
Black Alone		492	2.5%	628	2.9%	696	3.0%
American Indian Alone		51	0.3%	72	0.3%	84	0.4%
Asian Alone		464	2.3%	708	3.2%	877	3.8%
Pacific Islander Alone		3	0.0%	6	0.0%	8	0.0%
Some Other Race Alone		253	1.3%	342	1.6%	394	1.7%
Two or More Races		306	1.5%	454	2.1%	552	2.4%
Hispanic Origin (Any Race)		607	3.1%	838	3.8%	984	4.3%

Source: Census Bureau, American Community Survey, 2010-2019

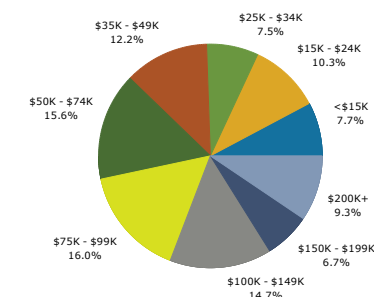
Trends 2020-2025



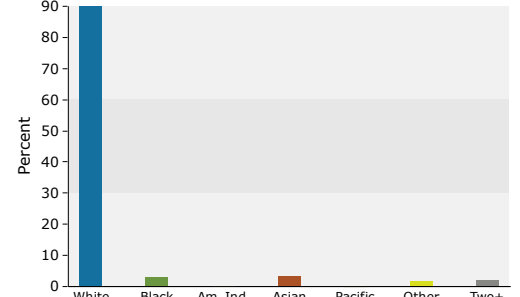
Population by Age



2020 Household Income



2020 Population by Race



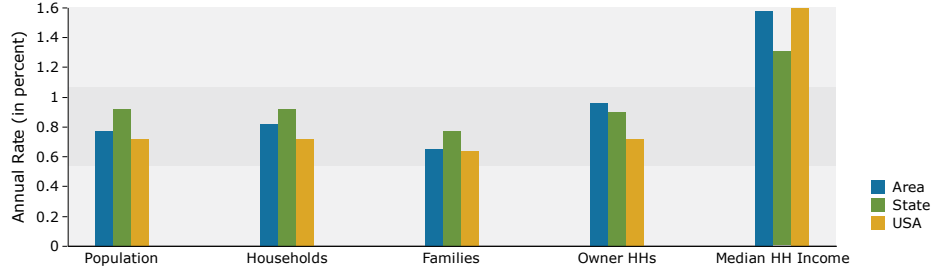
2020 Percent Hispanic Origin: 3.8%

# 5-Mile DEMOGRAPHICS

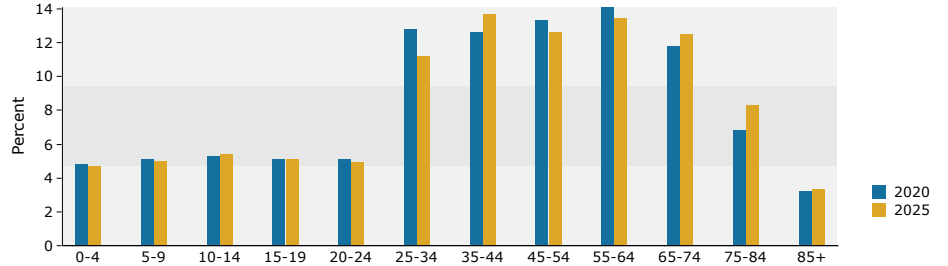
Summary		Census 2010		2020		2025			
Population		53,490		58,098		60,360			
Households		23,463		25,646		26,710			
Families		14,416		15,483		15,992			
Average Household Size		2.23		2.22		2.22			
Owner Occupied Housing Units		15,165		15,706		16,473			
Renter Occupied Housing Units		8,298		9,940		10,236			
Median Age		41.8		44.3		45.1			
Trends: 2020-2025 Annual Rate		Area		State		National			
Population		0.77%		0.92%		0.72%			
Households		0.82%		0.92%		0.72%			
Families		0.65%		0.77%		0.64%			
Owner HHs		0.96%		0.90%		0.72%			
Median Household Income		1.58%		1.31%		1.60%			
Households by Income				2020		2025			
				Number	Percent	Number	Percent		
<\$15,000				2,988	11.7%	2,839	10.6%		
\$15,000 - \$24,999				3,314	12.9%	3,150	11.8%		
\$25,000 - \$34,999				2,248	8.8%	2,211	8.3%		
\$35,000 - \$49,999				3,241	12.6%	3,207	12.0%		
\$50,000 - \$74,999				4,265	16.6%	4,387	16.4%		
\$75,000 - \$99,999				3,608	14.1%	3,875	14.5%		
\$100,000 - \$149,999				2,831	11.0%	3,197	12.0%		
\$150,000 - \$199,999				1,379	5.4%	1,672	6.3%		
\$200,000+				1,771	6.9%	2,172	8.1%		
Median Household Income				\$54,450		\$58,877			
Average Household Income				\$80,410		\$90,015			
Per Capita Income				\$35,418		\$39,730			
				Census 2010		2020		2025	
Population by Age		Number	Percent	Number	Percent	Number	Percent		
0 - 4		2,872	5.4%	2,761	4.8%	2,818	4.7%		
5 - 9		2,930	5.5%	2,943	5.1%	3,001	5.0%		
10 - 14		3,025	5.7%	3,105	5.3%	3,252	5.4%		
15 - 19		2,942	5.5%	2,945	5.1%	3,067	5.1%		
20 - 24		3,529	6.6%	2,971	5.1%	2,932	4.9%		
25 - 34		6,584	12.3%	7,456	12.8%	6,746	11.2%		
35 - 44		7,169	13.4%	7,330	12.6%	8,293	13.7%		
45 - 54		7,910	14.8%	7,714	13.3%	7,614	12.6%		
55 - 64		7,127	13.3%	8,210	14.1%	8,112	13.4%		
65 - 74		4,844	9.1%	6,869	11.8%	7,538	12.5%		
75 - 84		3,142	5.9%	3,934	6.8%	4,982	8.3%		
85+		1,417	2.6%	1,860	3.2%	2,005	3.3%		
				Census 2010		2020		2025	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent		
White Alone		48,482	90.6%	51,556	88.7%	52,869	87.6%		
Black Alone		2,388	4.5%	2,846	4.9%	3,075	5.1%		
American Indian Alone		136	0.3%	167	0.3%	186	0.3%		
Asian Alone		872	1.6%	1,297	2.2%	1,597	2.6%		
Pacific Islander Alone		16	0.0%	27	0.0%	33	0.1%		
Some Other Race Alone		675	1.3%	895	1.5%	1,026	1.7%		
Two or More Races		921	1.7%	1,310	2.3%	1,574	2.6%		
Hispanic Origin (Any Race)		1,579	3.0%	2,127	3.7%	2,480	4.1%		

\* Median Income is expressed in current dollars

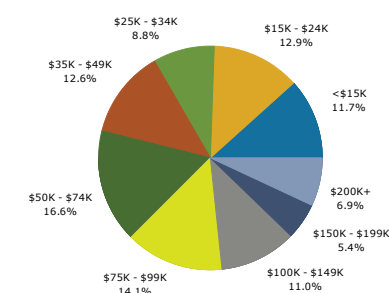
Trends 2020-2025



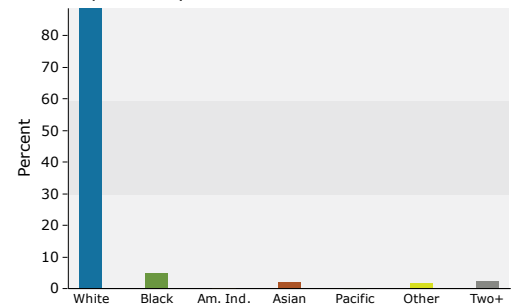
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 3.7%



## **John Giordani**

Partner

[listings@deerfieldteam.com](mailto:listings@deerfieldteam.com)

888-258-7605

## **Arthur Griffith**

Partner

[listings@deerfieldteam.com](mailto:listings@deerfieldteam.com)

888-258-7605

## **Deerfield Partners**

201 Mission Street

12th Floor

San Francisco, CA 94105

[deerfieldteam.com](http://deerfieldteam.com)

# **100% Focused on Drugstores**

All information provided is deemed reliable, but is not guaranteed and should be independently verified.

