

# \$200,000 Fee to Buyer's Broker



**Walgreens**

📍 FRANKLIN, MA

**\$8,956,522**

**5.75% CAP**

## 11+ Years NNN Walgreens in Boston Metro

- Affluent area: \$154,976 avg. household incomes
- 10 miles west of Gillette Stadium
- Over 70,302 residents within 5 miles
- Absolute net lease - zero landlord responsibilities
- Full Walgreens corporate guaranty



**DRUGSTORE PROPERTY  
ADVISORS**  
Experts in Walgreens and CVS Investments

**John Giordani**  
Founder, CEO

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# INVESTMENT SUMMARY

160 E CENTRAL ST | FRANKLIN, MA 02038

WALGREENS #13005

 **\$8,956,522**  
PRICE

 **5.75%**  
CAP RATE

 **\$515,000**  
ANNUAL RENT

 **11.5**  
YRS. GUARANTEED

This is an excellent opportunity for an investor to acquire a freestanding NNN leased Walgreens store in Franklin, Massachusetts. Franklin benefits from having over 70,302 full-time residents within 5 miles who have a household income over \$154,976 annually. This prototypical store is strategically situated at the signalized corner of East Central Street and King Street – it's 10 miles west of Gillette Stadium where the New England Patriots play, and less than one mile from Dean College (1,200 students; 90% live on campus). Other nearby retailers include: McDonald's, Starbucks, Subway, Big Lots, Dollar Tree, Jeep/Dodge/Ram car dealership and more.





# DEMOGRAPHICS



## POPULATION

1 Mile	3 Mile	5 Mile
9,551	33,969	70,302



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$121,636	\$151,980	\$154,976

# PROPERTY OVERVIEW



## PROPERTY DETAILS

**Address:** 160 E Central St  
**Year Built:** 2009  
**Building Size:** 14,509 Square Feet  
**Lot Size:** 1.59 Acres  
**Tenant:** Walgreens



## LEASE SUMMARY

**Lease Type:** NNN  
**Landlord Responsibilities:** None  
**Rent Start Date:** 1/25/2010  
**Lease End Date:** 1/31/2085  
**Termination Options:** As of 1/31/2035, Tenant may terminate lease with 12 months written notice





**FRANKLIN VILLAGE PLAZA**

**FMC**  
PIRELLI  
VETERANS ARENA

**FRANKLIN HIGH SCHOOL**

**CVS pharmacy**

**TACO BELL**

**HORACE MANN SCHOOL**

**DEAN COLLEGE**

**UNITED STATES POSTAL SERVICE**

**PISANI FIELD**

**DOWNTOWN FRANKLIN**

**FRANKLIN TRAIN STATION**

**FLETCHER FIELD**

**SUNOCO**

**SIMONS**  
FURNITURE • MATTRESSES • APPLIANCES

**E CENTRAL ST**  
(29,013 AADT)

**CROSS ST**

**Shell**

**E CENTRAL ST**

**Ford**

**SUBJECT PROPERTY**  
*Walgreens*

**CHESTNUT ST**

**SUMMER ST**

**KING ST**

**Domino's**

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# REGIONAL OVERVIEW





# FRANKLIN OVERVIEW



Credit: Doug Kerr from Upstate New York, CC BY-SA 2.0 via Wikimedia Commons



Credit: Swampyank, CC BY-SA 4.0 via Wikimedia Commons



Credit: Swampyank - Own work, CC BY-SA 4.0, via Wikimedia Commons



Full of rich history, Franklin is home to America's first public library, The Franklin Public Library



Subject location is less than one mile from Dean College, a private college where 90% of students live on campus



Affluent city with avg. household incomes of \$154,976



# 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)	2017	2018	2019	2020	2021
<b>Sales/Revenue</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>	<b>139.54B</b>	<b>132.51B</b>
Sales Growth	-	11.27%	4.05%	-10.87%	8.63%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>	<b>97.69B</b>	<b>106.37B</b>
COGS Growth	-	13.02%	6.16%	-10.24%	8.88%
COGS excluding D&A	89.05B	100.75B	106.79B	95.91B	104.44B
Depreciation & Amortization Expense	1.65B	1.77B	2.04B	1.78B	1.92B
Depreciation	1.27B	1.28B	1.49B	1.4B	1.4B
Amortization of Intangibles	385M	493M	552M	384M	523M
<b>Gross Income</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>	<b>24.29B</b>	<b>26.14B</b>
Gross Income Growth	-	5.50%	-3.39%	-13.36%	7.62%
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>SG&amp;A Expense</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>	<b>20.55B</b>	<b>22.13B</b>
SGA Growth	-	7.70%	0.12%	-10.33%	7.70%
Research & Development	-	-	-	-	-
Other SG&A	21.25B	22.88B	22.91B	20.55B	22.13B
Other Operating Expense	-	-	-	-	-
Unusual Expense	886M	188M	311M	3.1B	959M
EBIT after Unusual Expense	5.37B	(188M)	4.82B	(3.1B)	3.06B
Non Operating Income/Expense	37M	450M	251M	66M	566M
Equity in Affiliates (Pretax)	135M	191M	164M	341M	(1.14B)
<b>Interest Expense</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>	<b>613M</b>	<b>491M</b>
Interest Expense Growth	-	-11.11%	14.29%	-12.93%	-19.90%
Gross Interest Expense	693M	616M	704M	613M	491M
<b>Pretax Income</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>	<b>446M</b>	<b>2B</b>
Pretax Income Growth	-	23.12%	-24.23%	-90.15%	347.31%
Income Tax	760M	998M	588M	339M	667M
Income Tax - Current Domestic	804M	969M	247M	233M	194M
Income Tax - Current Foreign	390M	353M	241M	135M	234M
Income Tax - Deferred Domestic	(330M)	(266M)	155M	(81M)	(56M)
Income Tax - Deferred Foreign	(104M)	(58M)	(55M)	52M	295M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	8M	54M	23M	31M	627M
Consolidated Net Income	4.1B	5.03B	3.96B	138M	1.96B
Minority Interest Expense	23M	7M	(20M)	(42M)	(39M)
<b>Net Income</b>	<b>4.08B</b>	<b>5.02B</b>	<b>3.98B</b>	<b>180M</b>	<b>1.99B</b>



# WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



Walgreens Boots Alliance

THE FIRST GLOBAL PHARMACY-LED, HEALTH  
WELLBEING ENTERPRISE IN THE WORLD

*Walgreens*

A leading drugstore  
chain in the USA



The largest retail  
pharmacy chain in  
Europe

Alliance ™  
Healthcare

A leading global  
pharmaceutical  
wholesaler and  
distributor



# 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.

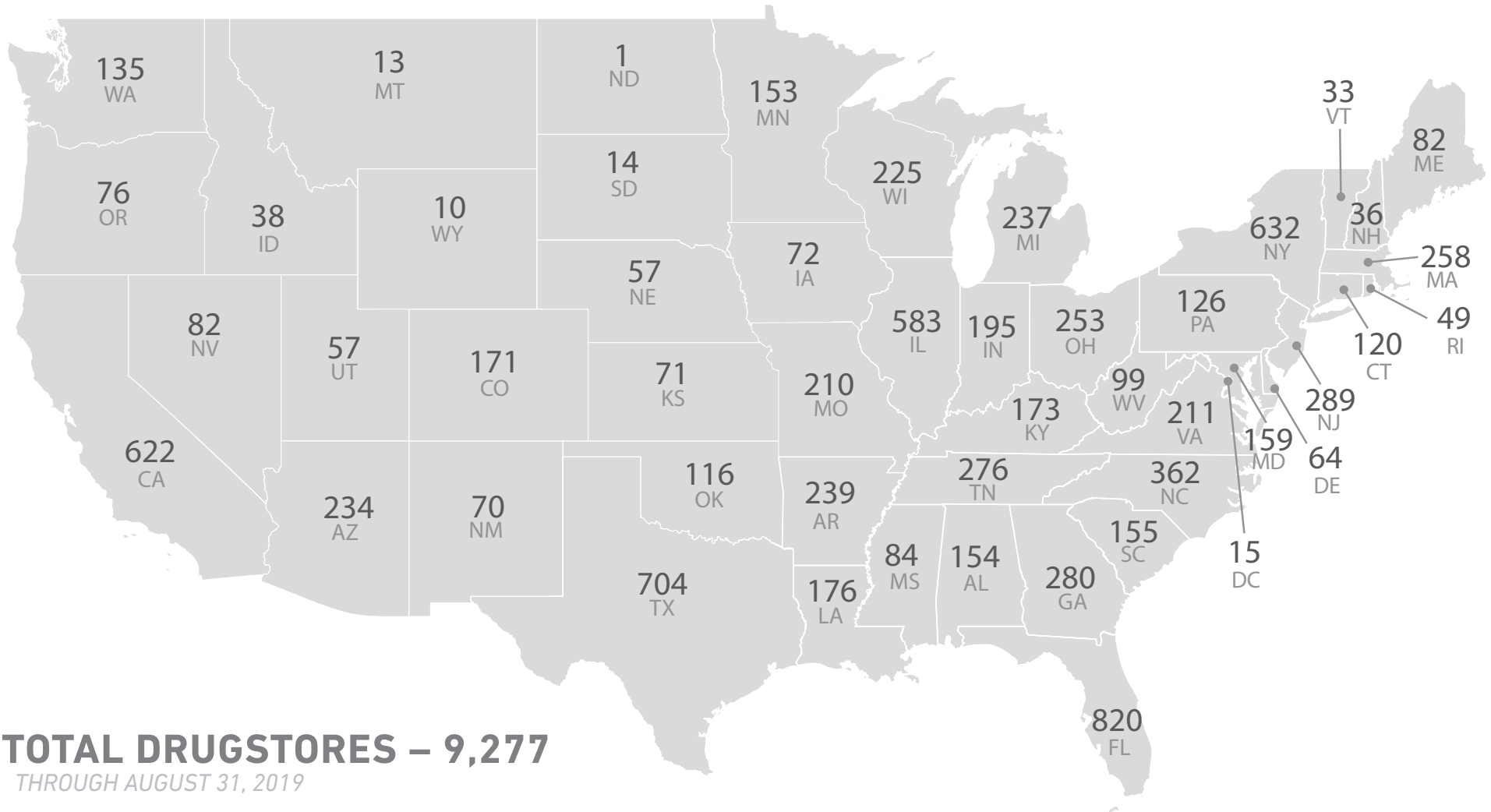
We utilize our extensive retail network as a channel to provide affordable quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

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

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.



# DEMOGRAPHICS

	1 mile	3 miles	5 miles
<b>Population</b>			
2000 Population	8,460	29,606	61,907
2010 Population	8,989	31,810	65,511
2021 Population	9,551	33,969	70,302
2026 Population	9,829	35,049	72,632
% Change 2010 to 2021	6.25%	6.79%	7.31%
% Change 2021 to 2026	2.91%	3.18%	3.31%
<b>Households</b>			
2000 No. Households	3,342	10,137	21,143
2010 No. Households	3,461	11,033	23,108
2021 No. Households	3,782	12,028	25,280
2026 No. Households	3,926	12,497	26,309
% Change 2010 to 2021	9.27%	9.02%	9.40%
% Change 2021 to 2026	3.81%	3.90%	4.07%
<b>Average Household Income</b>			
2000 Avg Household Income	\$60,008	\$82,023	\$84,132
2021 Avg Household Income	\$121,636	\$151,980	\$154,976
2026 Avg Household Income	\$124,512	\$154,556	\$157,733
% Change 2000 to 2021	102.70%	85.29%	84.21%
% Change 2021 to 2026	2.36%	1.69%	1.78%
<b>Income Ranges</b>			
Median Income	\$88,141	\$113,787	\$115,543
\$500,000+	2.91%	4.21%	4.40%
\$200,000 to \$499,999	9.02%	14.35%	14.73%
\$150,000 to \$199,999	12.41%	15.59%	15.29%
\$125,000 to \$149,999	7.91%	10.29%	10.72%
\$100,000 to \$124,999	11.67%	12.63%	13.10%
\$100,000 to \$149,999	19.58%	22.92%	23.83%
\$75,000 to \$99,999	12.67%	11.59%	11.58%
\$50,000 to \$74,999	10.58%	10.23%	10.80%
\$35,000 to \$49,999	8.65%	6.61%	6.65%
\$25,000 to \$34,999	7.62%	4.94%	4.28%
\$15,000 to \$24,999	6.75%	4.05%	3.96%
Under \$15,000	9.81%	5.53%	4.49%
2000 Median Income	\$51,147	\$70,038	\$71,941
2026 Median Income	\$89,911	\$115,497	\$117,377
<b>Occupancy</b>			
2021 Occupied Housing Units	3,781	12,028	25,280
% Owner Occupied	56.86%	77.17%	81.40%
% Renter Occupied	43.14%	22.83%	18.60%



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