

\$125,000 Fee to Buyer's Broker



Walgreens

LANCASTER, SC

\$5,460,000

5.75% CAP

12+ Year NNN Walgreens in Fast-Growing Charlotte MSA

- Absolute Net Lease - zero landlord responsibilities
- 5% rent increases every 5 years
- Located along a busy retail thoroughfare (20,000 CPD) adjacent to Walmart Supercenter, The Home Depot
- Lancaster is 40 miles south of Charlotte
- 2 min drive to University of South Carolina's Lancaster campus and Founders Federal Credit Union's corporate headquarters
- Full Walgreens corporate guaranty



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

John Giordani
Founder, CEO



866-934-7937



listings@drugstorepropertyadvisors.com

INVESTMENT SUMMARY

WALGREENS #10488

1101 HIGHWAY 9 BYPASS W | LANCASTER, SC 29790



\$5,460,000

PRICE



5.75%

CAP RATE



\$313,745

AVG ANNUAL RENT



12.5

YRS. GUARANTEED

This is an excellent opportunity for an investor to acquire a freestanding NNN Walgreens in the Charlotte MSA, one of the fastest growing metro areas in the U.S. Walgreens has operated at this location since 2006, and signed a new 15-year lease extension in 2020 that features five percent rental increases throughout the primary term and in each of the 12, five-year option periods. The Property is situated at the hard, signalized corner of Highway 9 and Gillsbrook Rd within a busy retail thoroughfare featuring Walmart, Home Depot, Harbor Freight, Big Lots and more.

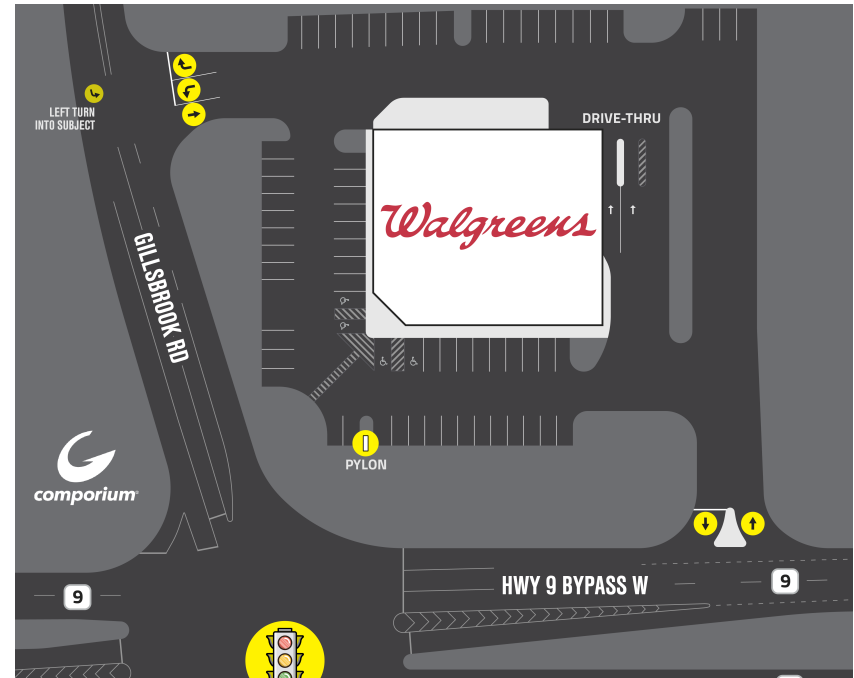


PROPERTY OVERVIEW



PROPERTY DETAILS

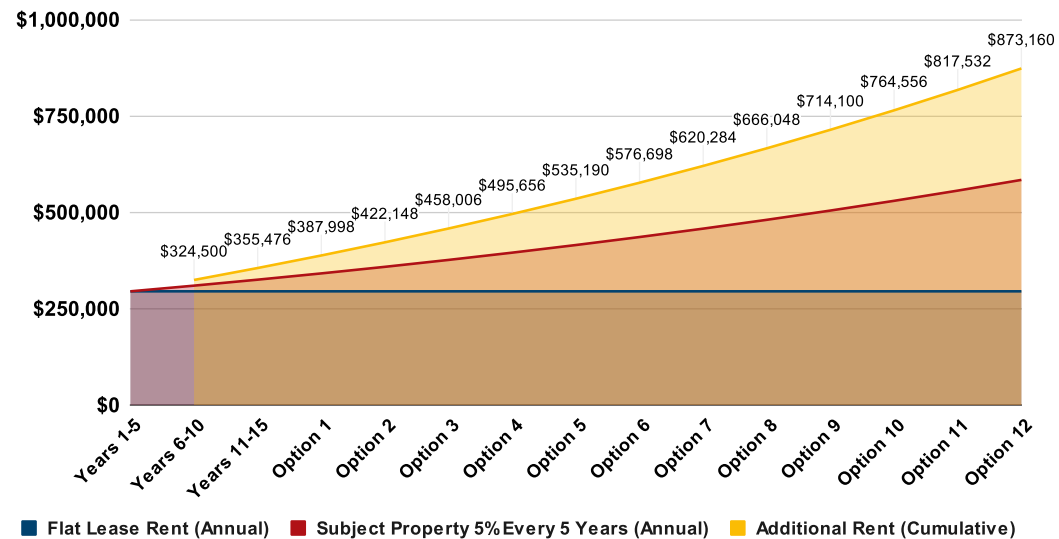
Address: 1101 Highway 9 Bypass W
Year Built: 2006
Building Size: 14,820 Square Feet
Lot Size: 2.25 Acres
Tenant: Walgreens



LEASE SUMMARY

Lease Type: NNN
Landlord Responsibilities: None
Rent Start Date: 12/30/2020
Firm Term End Date: 12/31/2095
Annual Rent: \$295,000
Rent Increase: 5% every 5 years
Termination Options: As of 12/31/2035, Tenant has 12 5-year options to renew

Additional Rent Comparison: Subject Property vs. Historical Flat Lease



DEMOGRAPHICS



POPULATION

1 Mile	3 Mile	5 Mile
2,637	18,702	29,837



AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$70,598	\$53,958	\$57,809



HWY 9 BYP W
(21,100 AADT)

9

9

9

9

PLANTATION RD

GILLSBROOK RD

SUBJECT PROPERTY
Walgreens



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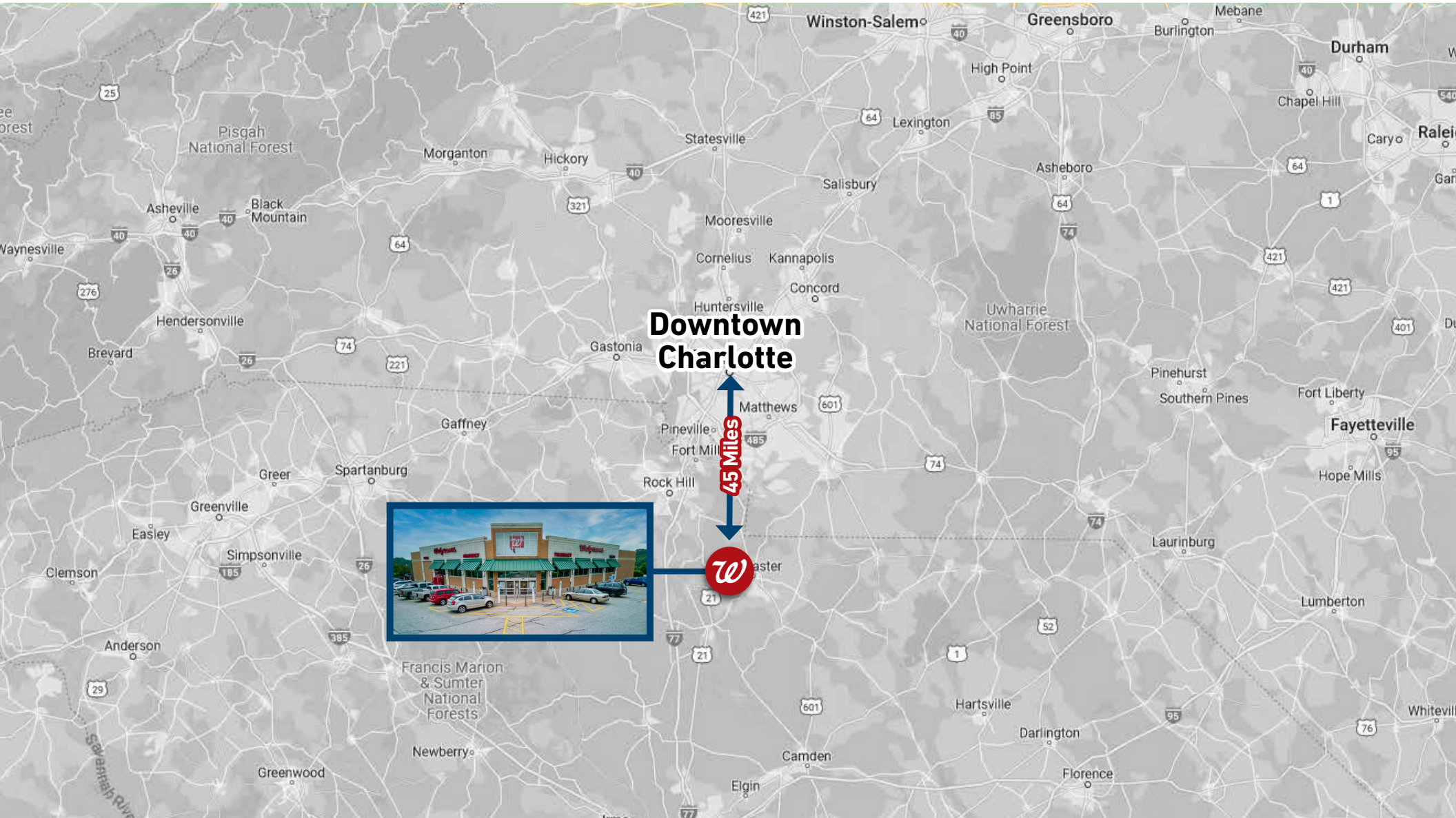
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REGIONAL OVERVIEW



LANCASTER OVERVIEW



Credit: Unsplash



Credit: Founders Federal Credit Union



UNIVERSITY OF
South Carolina
LANCASTER



Lancaster is situated in north central South Carolina, approximately 40 miles south of Charlotte, NC, and 60 miles north of Columbia, SC.



Lancaster is part of the Charlotte MSA, one of the fastest-growing metro areas in the U.S. It's a recognized banking, healthcare, transportation and energy hub.



Subject location is a two minute drive from the University of South Carolina Lancaster campus.

Credit: University of South Carolina Lancaster

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ABOUT WALGREENS BOOTS ALLIANCE

Walgreens

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
Sales/Revenue	118.21B	131.54B	136.87B	139.54B	132.51B
Sales Growth	-	11.27%	4.05%	-10.87%	8.63%
Cost of Goods Sold (COGS) Incl, D&A	90.71B	102.52B	108.83B	97.69B	106.37B
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
Gross Income	27.51B	29.02B	28.04B	24.29B	26.14B
Gross Income Growth	-	5.50%	-3.39%	-13.36%	7.62%
	2017	2018	2019	2020	2021
SG&A Expense	21.25B	22.88B	22.91B	20.55B	22.13B
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)
Interest Expense	693M	616M	704M	613M	491M
Interest Expense Growth	-	-11.11%	14.29%	-12.93%	-19.90%
Gross Interest Expense	693M	616M	704M	613M	491M
Pretax Income	4.85B	5.98B	4.53B	446M	2B
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)
Net Income	4.08B	5.02B	3.98B	180M	1.99B



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.

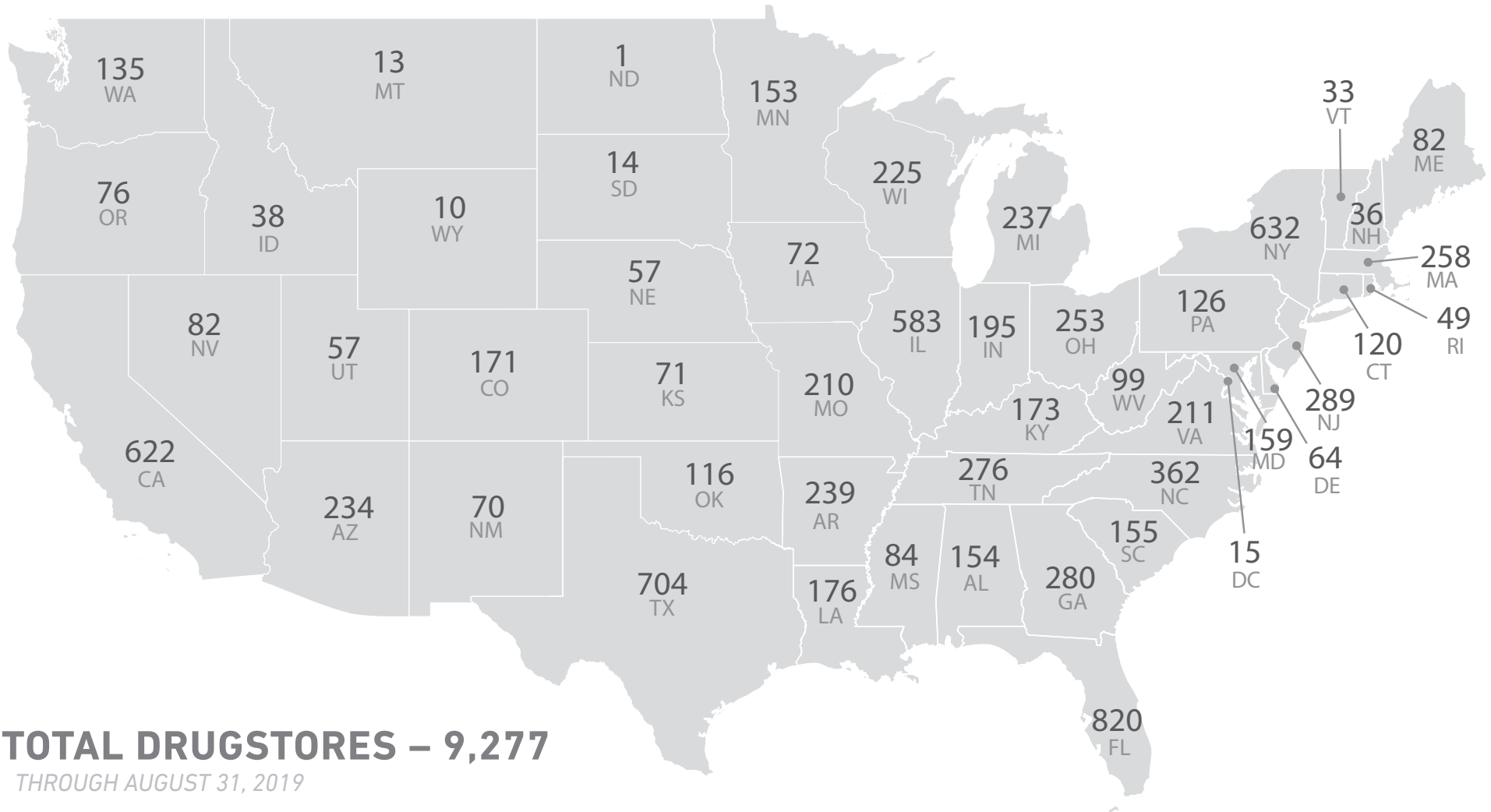
We utilize our extensive retail network as a channel to provide affordable quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

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

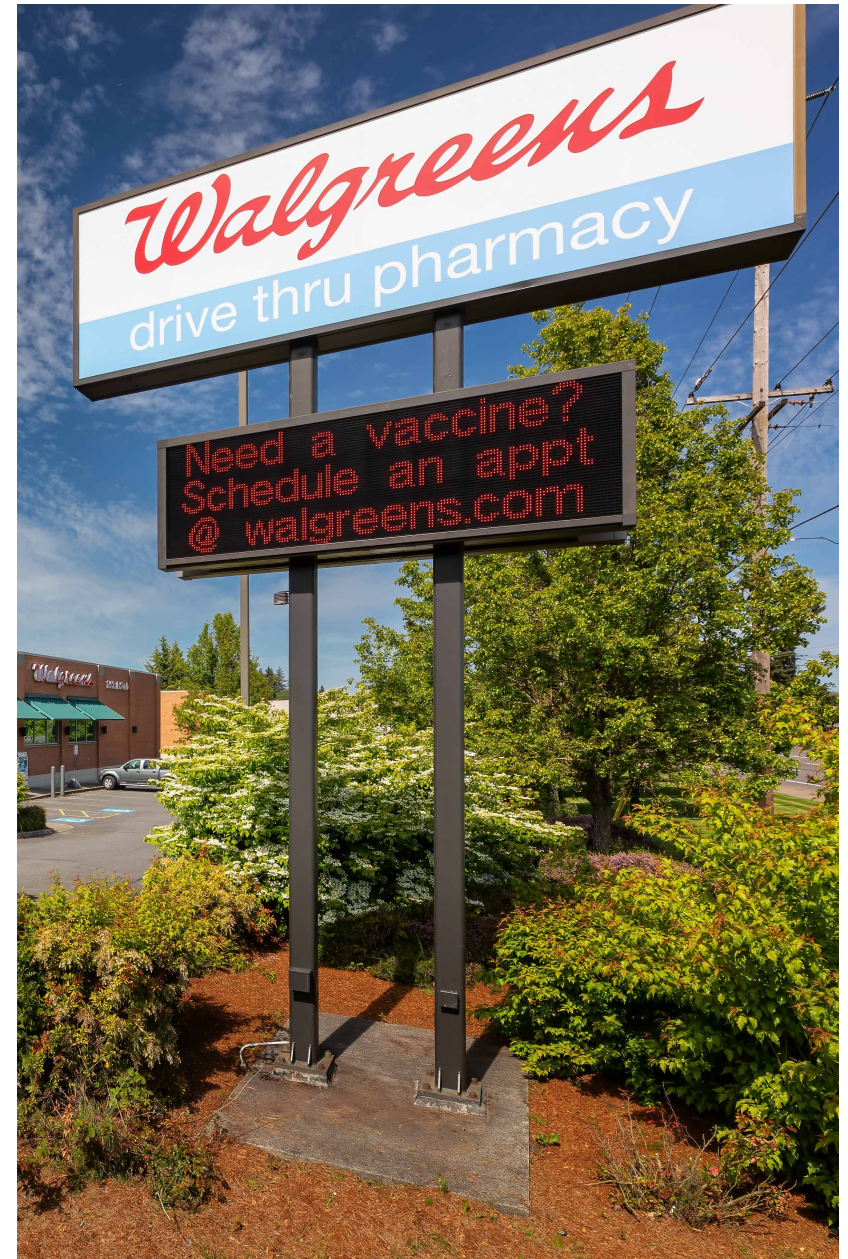
THROUGH AUGUST 31, 2019

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
Population			
2010 Population	2,534	17,391	27,435
2023 Population	2,637	18,702	29,837
2028 Population Projection	2,692	19,175	30,637
% Change 2010 to 2023	0.3%	0.6%	0.7%
% Change 2023 to 2028	0.4%	0.5%	0.5%
Households			
2010 No. Households	1,061	6,900	10,682
2023 No. Households	1,106	7,414	11,606
2028 No. Households	1,130	7,608	11,928
% Change 2010 to 2023	0.5%	0.6%	0.8%
% Change 2023 to 2028	0.4%	0.5%	0.6%
Housing			
Median Home Value	\$217,490	\$169,563	\$159,217
Median Year Built	1972	1971	1975
Owner Occupied Households	761	4,071	7,135
Renter Occupied Households	369	3,537	4,794
Household Income			
< \$25,000	405	2,961	4,035
\$25,000 - 50,000	131	1,281	2,296
\$50,000 - 75,000	172	1,574	2,438
\$75,000 - 100,000	145	667	1,069
\$100,000 - 125,000	53	262	575
\$125,000 - 150,000	82	288	577
\$150,000 - 200,000	72	229	377
\$200,000+	48	152	237
Avg Household Income	\$70,598	\$53,958	\$57,809
Median Household Income	\$56,206	\$38,586	\$43,367
Housing Value			
< \$100,000	109	1,220	2,050
\$100,000 - 200,000	221	1,099	2,403
\$200,000 - 300,000	243	1,049	1,500
\$300,000 - 400,000	74	410	658
\$400,000 - 500,000	19	47	145
\$500,000 - 1,000,000	79	143	189
\$1,000,000+	0	1	1



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