First Quarter Fiscal 2024 Results

January 4, 2024

Walgreens Boots Alliance

Safe Harbor and Non-GAAP

Cautionary Note Regarding Forward-Looking Statements: All statements in this presentation that are not historical are forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These include, without limitation, estimates of and goals for future operating, financial and tax performance and results, including the impact of opioid-related claims and litigation settlements, our fiscal year 2024 guidance, outlook and targets and related assumptions and drivers, as well as forward-looking statements concerning the expected execution and effect of our business strategies, the potential impacts on our business of COVID-19, the impact of adverse global macroeconomic conditions caused by factors including, among others, inflation, high interest rates, labor shortages, supply chain disruptions and pandemics like COVID-19 on our operations and financial results, the financial performance of our equity method investees, including Cencora, the influence of certain holidays and seasonality, our cost-savings and growth initiatives, including statements relating to our expected cost savings under our Transformational Cost Management Program and expansion and future operating and financial results of our U.S. Healthcare segment, including our long-term sales targets and profitability expectations. All statements in the future tense and all statements accompanied by words such as “expect,” “outlook,” “forecast,” “would,” “could,” “should,” “can,” “will,” “project,” “intend,” “plan,” “goal,” “guidance,” “target,” “aim,” continue,” “transform,” “accelerate,” “model,” “long-term,” “believe,” “seek,” “estimate,” “anticipate,” “may,” “possible,” “assume,” “potential,” and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, that could cause actual results to vary materially from those indicated or anticipated.

These risks, assumptions and uncertainties include those described in Item 1A (Risk Factors) of our Form 10-K for the fiscal year ended August 31, 2023, as amended, and in other documents that we file or furnish with the Securities and Exchange Commission. If one or more of these risks or uncertainties materializes, or if underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. All forward-looking statements we make or that are made on our behalf are qualified by these cautionary statements. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made.

We do not undertake, and expressly disclaim, any duty or obligation to update publicly any forward-looking statement after the date of this presentation, whether as a result of new information, future events, changes in assumptions or otherwise.

Non-GAAP Financial Measures: Today’s presentation includes certain non-GAAP financial measures, including all measures whose label includes the words “adjusted”, “constant currency”, or “free cash flow” or variations of such words and similar expressions, and we refer you to the endnotes on page 18 and the Appendix to the presentation materials for reconciliations to the most directly comparable U.S. GAAP financial measures and related information. The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company’s control or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking GAAP financial measure. For the same reasons, the company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures may vary materially from the corresponding GAAP financial measures.

These presentation materials and the appendix hereto are integrally related and are intended to be presented, considered and understood together.

Executing on our goals in a challenging environment

- **1Q results met expectations**
  - Execution and cost discipline in U.S. Retail Pharmacy
  - Continued strong performance in International
  - Progress with profitability initiatives in U.S. Healthcare
- **Maintaining full-year 2024 adjusted EPS guidance in a challenging consumer backdrop**
  - Accumulating consumer pressures from inflation and depleted savings
  - Holding share in slower market trends in pharmacy script volumes
- **A solid start to the year, with much more to do**

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Evaluating all strategic options to improve long-term shareholder value

- **Taking swift actions to right-size costs and increase cash flow**
  - On pace toward $1B in cost savings, $600M in capex reduction, and $500M in working capital improvements
  - U.S. Healthcare on track to achieve significant year on year profit improvement
- **Balanced approach to capital allocation priorities**
  - 48% reduction in our quarterly dividend payment to $0.25/share, maintaining a competitive yield
  - Opportunistic investments to grow pharmacy and healthcare
- **Financial flexibility** supported by our existing portfolio of assets

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Building on our core pharmacy foundation and our trusted brand to evolve healthcare and customer experience

- **Leveraging our local presence to engage** with patients across our thousands of stores, and through our assets across the care continuum
- **Enabling pharmacists** to spend less time on routine tasks and more time on meaningful interactions and providing essential care
- Redefining what we can do to **help payors, providers, and pharma achieve their objectives**
- **Building on our established assets in a capital efficient way,** to expand services, and support patients and partners
- Becoming the **independent partner of choice in healthcare services**

WBA 1Q24 Financial Highlights

$ in millions (except EPS)

		1Q24	Reported Fx B/(W) vs. 1Q23	Constant Fx B/(W) vs. 1Q23
Sales		$36,707	+ 10.0%	+ 8.7%
Operating Income	GAAP	($39)	+ $6,113	
	Adjusted	$687	(32.2)%	(33.0)%
Net Earnings	GAAP	($67)	+ $3,654	
	Adjusted	$571	(43.1)%	(43.7)%
EPS	GAAP	($0.08)	+ $4.23	
	Adjusted	$0.66	(43.1)%	(43.7)%

- 1Q24 GAAP results included $278M after-tax charge for fair value adjustments on variable prepaid forward derivatives related to the monetization of Cencora shares
- 1Q23 GAAP results include $5.2B after-tax charge for opioid-related claims and lawsuits and $0.9B after-tax gain on sale of Cencora shares

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

U.S. Retail Pharmacy Financials

$ in millions

	1Q24	B/(W) vs. 1Q23
Sales	$28,944	+ 6.4%
Adj. gross profit	$5,493	(7.0)%
Adj. SG&A % of sales	16.9%	+ 1.3%p
Adj. operating income	$694	(37.2)%
Adj. operating margin[1]	2.1%	(1.5)%p

- Comparable sales growth of 8.1% compared to 3.8% in the prior year
- Adj. operating income decline due to challenging retail market trends and pharmacy reimbursement pressure net of procurement savings, partially offset by execution in pharmacy services and cost savings

1. *AOI margin excludes equity income from Cencora*

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

U.S. Pharmacy

1Q24 vs. 1Q23	1Q24 Total	1Q24 Comparable
Pharmacy sales	+ 10.7%	+ 13.1%
Prescriptions	0.0%	+ 1.3%
Prescriptions ex. Immunizations	+ 0.4%	+ 1.8%

- Comp pharmacy sales +13.1% primarily due to brand inflation and strong execution in pharmacy services
- Comp scripts +1.3%; comp scripts excluding immunizations +1.8%
  - Growth in line with market, which remains impacted by a weaker flu season and Medicaid redeterminations
- Gross margin impacted by reimbursement pressure net of procurement savings and brand mix impacts

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

U.S. Retail

1Q24 vs. 1Q23	**1Q24**
Total retail sales	(6.1)%
Comparable retail sales	(5.0)%

- Comp retail sales (5.0)%, primarily due to macroeconomic-driven consumer trends and a weaker respiratory season, including:
  - 160 bps direct impact from cough cold flu, plus incremental impact from associated basket
  - 90 bps impact from lower seasonal sales
  - 60 bps impact from Thanksgiving holiday store closures
- Owned brand penetration +90 bps vs. prior year period to 17.0%, reflecting new product launches and value-seeking consumer behavior
- Gross margin impacted by higher shrink levels vs. prior year

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

International Financials

$ in millions	1Q24	Constant Fx B/(W) vs. 1Q23
Sales	$5,832	+ 4.4%
Adj. gross profit	$1,211	+ 7.1%
Adj. SG&A % of sales	18.3%	(0.3)%p
Adj. operating income	$142	+ 15.0%
Adj. operating margin	2.4%	+ 0.2%p

- Sales increase driven by Boots UK +6.2% and Germany wholesale +3.7%
- Adj. gross profit growth across all businesses
- Adj. operating income +15.0%, led by strong retail sales in the UK partially offset by inflationary cost pressures

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Boots UK Financials

1Q24 vs. 1Q23

	1Q24
Pharmacy comp. sales	+ 0.8%
Retail comp. sales	+ 9.8%

- Strong retail comp sales with growth across all categories and formats
  - +9.8% on top of +8.7% in the prior year
  - Store footfall ~+7% vs. prior year
- Retail market share growth for the 11th consecutive quarter, led by beauty
- Boots.com sales grew +17.5% on a constant currency basis, representing ~19% of Boots total retail sales in 1Q

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

U.S. Healthcare Financials

$ in millions

	1Q24	B/(W) vs. 1Q23
Sales	$1,931	+ $942
Adj. gross profit	$146	+ $103
Adj. SG&A	$(242)	$(47)
Adj. operating loss	$(96)	+ $56
Adj. EBITDA	$(39)	+ $84

- 1Q sales led by VillageMD $1.4B, CareCentrix $340M, and Shields $133M
- Pro forma sales +12%, with growth across all businesses
  - VillageMD +14%: Same clinic growth, additional full-risk lives, increased multi-specialty productivity
  - Shields +27%: Contract wins, expansion of existing partnerships
- Adj. operating loss reflects investment in VillageMD, partly offset by profit contributions from Shields and CareCentrix
- Adj. EBITDA improvement across all businesses vs. prior year

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Cash Flow

$ in millions

	1Q24	B/(W) vs. 1Q23
Operating cash flow	$(281)	$(774)
Cash capital expenditure	$(506)	+ $104
Free cash flow	$(788)	$(671)

- Operating cash flow in line with expectations, negatively impacted by anticipated inventory build ahead of the U.S. and UK holiday season and timing of payor reimbursement
- Year-over-year free cash flow adversely impacted by phasing of working capital and lower earnings
- On track to achieve year-over-year reduction of $600M in capital expenditure and $500M in working capital improvement in FY24

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Maintaining full-year adj. EPS guidance in a challenging environment

- Maintaining FY24 adj. EPS of $3.20-$3.50 with 1Q in line with overall expectations
- Guidance incorporates intensifying headwinds from macro-driven consumer pressures and script market softness, and strong execution in pharmacy services
- Continuing to expect U.S. Healthcare adj. EBITDA breakeven at midpoint of guidance range of ($50)M to $50M

FY24 Headwinds/Tailwinds vs. Prior Outlook

Tailwinds (+)

- Strong execution in pharmacy services
- Tax rate favorability

Headwinds (-)

- Further consumer spending pullback and shifting behaviors
- Lower contributions from sale leaseback
- Lower market growth in prescriptions

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Unfavorable U.S. retail trends impacting 2Q; benefits of cost savings and U.S. Healthcare expected to scale over balance of FY24

Key YOY considerations in 2Q

2Q 2023 adj. EPS	**$1.16**
Sale & leaseback, net of rent	**~($0.20)**
Retail trends and shrink	**~($0.20) – ($0.17)**
Tax rate	**~+$0.04 – $0.06**

Drivers of improving 2H earnings profile

- **Cost savings:** Benefits of recent actions to improve cost base; expected to scale over the fiscal year
- **U.S. Healthcare:** On track for improving adj. EBITDA, continue to expect positive contribution in 2H
- **Retail trends:** Expecting improving retail market growth against easier 2H 2023 comparison
- **Tax phasing:** 1Q tax rate 25%, expecting more favorable rates in remainder of the year

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

A solid start to the year, with much more to do

- **Executing on our goals** in a challenging environment
- **Evaluating all strategic options** to improve long-term shareholder value
- **Building on our core pharmacy foundation and our trusted brand** to evolve healthcare and customer experience
- Redefining what we can do to **help payors, providers, and pharma achieve their objectives**
- A **strong team** in place to drive continued execution

Refer to safe harbor and non-GAAP disclosure on slide 2, endnotes on slide 18, and reconciliations on slides 20-32

Q&A

Endnotes

- Please see appendix for reconciliations of non-GAAP financial measures and related disclosures.
- The Company presents certain information related to current period operating results in “constant currency,” which is a non-GAAP financial measure. These amounts are calculated by translating current period results at the foreign currency exchange rates used in the comparable period in the prior year. The Company presents such constant currency financial information because it has significant operations outside of the United States reporting in currencies other than the U.S. dollar and this presentation provides a framework to assess how its business performed excluding the impact of foreign currency exchange rate fluctuations.
    - Adjusted gross margin is a non-GAAP financial measure defined as adjusted gross profit by segment divided by segment sales. Adjusted gross profit is a non-GAAP financial measure defined as gross profit by segment, excluding the impact of costs associated with LIFO provision, Transformational Cost Management Program expenses, acquisition-related amortization, and acquisition-related costs. The Company is providing comparative data relating to these non-GAAP financial measures to provide investors with additional perspective and insights when analyzing the core operating performance of the segments from period to period.
    - For the Company's U.S. Healthcare segment, Adjusted EBITDA is defined as segment operating income/(loss) before depreciation, amortization, and stock-based compensation; in addition to these items, the Company excludes certain other non-GAAP adjustments, when they occur, as further defined. Adjusted EBITDA margin is a non-GAAP financial measure defined as Adjusted EBITDA divided by segment sales.
- All references to net earnings or net loss are to net earnings or net loss attributable to WBA, and all references to EPS are to diluted EPS attributable to WBA.
- For the Company's U.S. Retail Pharmacy and International segments, comparable sales are defined as sales from stores that have been open for at least twelve consecutive months without closure for seven or more consecutive days, including due to looting or store damage, and without a major remodel or being subject to a natural disaster in the past twelve months as well as e-commerce sales. E-commerce sales include digitally initiated sales online or through mobile applications. Relocated stores are not included as comparable sales for the first twelve months after the relocation. Acquired stores are not included as comparable sales for the first twelve months after acquisition or conversion, when applicable, whichever is later. Comparable sales, comparable pharmacy sales, comparable retail sales, comparable number of prescriptions and comparable number of 30-day equivalent prescriptions refer to total sales, pharmacy sales, retail sales, number of prescriptions and number of 30-day equivalent prescriptions, respectively. The method of calculating comparable sales varies across the retail industry and our method of calculating comparable sales may not be the same as other retailers’ methods. With respect to the International segment, comparable sales, comparable pharmacy sales and comparable retail sales, are presented on a constant currency basis, which is a non-GAAP financial measure. Refer to the discussion above for further details on constant currency calculations.
- U.S. Retail Pharmacy prescriptions (including vaccinations) are reported on a 30-day equivalent basis.
- Prescription market share information is an estimate derived from the use of information under license from IQVIA Prescription Services as of November 30, 2023. IQVIA expressly reserves all rights, including rights of copying, distribution and republication.
- U.S. Retail Pharmacy refill scripts initiated via digital channel is inclusive of prescriptions filled at Walgreens and Duane Reade.
- Boots UK retail market share insights, where quoted, as of November 25, 2023.
- Working capital includes changes in the following operating assets and liabilities: accounts receivable net; inventories; other current assets; trade accounts payable; and accrued expenses and other liabilities.
- Digitally initiated sales include online orders and mobile application purchases of retail products, photo and digital scripts, including Save a Trip refills.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Appendix

The information on the following pages provides reconciliations of the supplemental non-GAAP financial measures, as defined under SEC rules, presented in this presentation and discussed on the related conference call to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). The Company has provided the non-GAAP financial measures in the presentation, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. Please refer to the notes to the "Net Loss to Adjusted Net Earnings and Diluted Net Loss Per Share To Adjusted Diluted Net Earnings Per Share" reconciliation table on slide 25 for definitions of non-GAAP financial measures and related adjustments presented in this presentation. These supplemental non-GAAP financial measures are presented because management has evaluated the Company's financial results both including and excluding the adjusted items or the effects of foreign currency translation, as applicable, and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the Company's business from period to period and trends in the Company's historical operating results. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the presentation. The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis (including the information related to fiscal year 2024 guidance) where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted, and that would impact diluted net earnings per share, the most directly comparable forward-looking GAAP financial measure. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

The Company considers certain metrics, such as comparable sales (in constant currency), comparable pharmacy sales (in constant currency), comparable retail sales (in constant currency), comparable number of prescriptions, and comparable 30-day equivalent prescriptions to be key performance indicators because the Company's management has evaluated its results of operations using these metrics and believes that these key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of the Company from period to period and trends in its historical operating results. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.

Amounts may not add due to rounding. All percentages and ratios have been calculated using unrounded amounts.

Certain assumptions and supplemental information

Unless otherwise indicated or the context otherwise requires:

- *This presentation assumes constant currency exchange rates after the date hereof based on current rates; and*
- *All financial estimates and goals assume constant currency exchange rates after the date hereof based on current rates and no major mergers, acquisitions, divestitures or strategic transactions.*

References in this presentation to the "company," "we," "us" or "our" refer to Walgreens Boots Alliance, Inc. and its subsidiaries, and do not include unconsolidated partially-owned entities, except as otherwise indicated or the context otherwise requires. Our fiscal year ends on August 31, and references herein to "fiscal 2024" refer to our fiscal year ending August 31, 2024.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions, except net debt ratio and lease adjusted net debt ratio)

The Company defines net debt ratio as net debt divided by adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA) and lease adjusted net debt ratio as lease adjusted net debt divided by Adjusted EBITDA before fixed operating lease costs (Adjusted EBITDAR). Further definitions and reconciliations to the closest GAAP measures are included below. Management uses lease adjusted net debt, net debt ratio and lease adjusted net debt ratio as supplemental measures to GAAP measures to review the liquidity of operations. We believe that these measures are useful indicators to assess the strength of the Company's balance sheet and its ability to meet its financial obligations. Net debt is not a measure of our liquidity under GAAP and should not be considered as an alternative to Cash Flows from Operating Activities or Cash Flows from Financing Activities.

LEASE ADJUSTED NET DEBT		**As of November 30, 2023**
Total debt (GAAP)[1]		**9,255**
Less: Cash and cash equivalents (GAAP)[2]		(784)
Net debt		8,470
Operating lease obligations (GAAP)[3]		24,482
Finance lease obligations (GAAP)[3]		966
Less: Non-contractual lease payments[4]		(2,868)
Less: Contractual sublease income[5]		(469)
Lease adjusted net debt (Non-GAAP measure)	**$**	**30,582**

NET DEBT RATIO		**As of November 30, 2023**
Net debt	$	8,470
Adjusted EBITDA (Non-GAAP measure)[6]		5,162
Net debt ratio		**1.6X**

LEASE ADJUSTED NET DEBT RATIO		**As of November 30, 2023**
Lease adjusted net debt (Non-GAAP measure)	$	30,582
Adjusted EBITDAR (Non-GAAP measure)[7]		8,620
Lease adjusted net debt ratio		**3.5X**

1 Represents short-term debt and total long-term debt, including the current portion of long-term debt reported on the Company’s consolidated condensed balance sheet as of November 30, 2023 .

2 Represents Cash and cash equivalents and Marketable securities reported on the Company’s consolidated condensed balance sheet as of November 30, 2023.

3 Represents the current and long-term portion of operating and finance lease obligations reported on the Company’s consolidated condensed balance sheet as of November 30, 2023.

4 Non-contractual lease payments represent the present value of the Company's operating lease obligations related to optional renewal periods that have not been contractually exercised but are reasonably certain of being exercised, discounted using the Company’s weighted average incremental borrowing rate over the weighted average remaining lease term.

5 Contractual sublease income represents future sublease rental income due to the Company under non-cancelable sublease terms, discounted using the Company’s weighted average incremental borrowing rate over the weighted average remaining lease term.

6 The Company defines Adjusted EBITDA as operating income/(loss) before depreciation, amortization, and stock-based compensation; in addition to these items, the Company excludes certain other non-GAAP adjustments, when they occur, as further defined. Adjusted EBITDA is calculated for the trailing twelve month period ended November 30, 2023.

7 The Company defines Adjusted EBITDAR as Adjusted EBITDA before fixed operating lease cost. Adjusted EBITDAR is calculated for the trailing twelve month period ended November 30, 2023.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

NET LOSS TO ADJUSTED OPERATING INCOME, ADJUSTED EBITDA and ADJUSTED EBITDAR	**As Reported Twelve months ended November 30, 2023**
Net loss (GAAP)	**$ 9**
Post-tax earnings from other equity method investments	(32)
Income tax benefit	(485)
Interest expense, net	569
Other income, net	(830)
Operating loss (GAAP)	**(769)**
Certain legal and regulatory accruals and settlements [1]	994
Acquisition-related amortization [2]	1,070
Transformational cost management [3]	1,152
Acquisition-related costs [4]	446
Adjustments to equity earnings in Cencora [5]	175
LIFO provision [6]	216
Impairment of intangible assets [7]	299
Store damage and inventory loss insurance recovery [8]	(40)
Adjusted operating income (Non-GAAP measure)	**3,544**
Depreciation expense	1,499
Stock-based compensation expense [9]	119
Adjusted EBITDA (Non-GAAP measure)	**5,162**
Operating lease cost [10]	3,458
Adjusted EBITDAR (Non-GAAP measure)	**$ 8,620**

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

[1] Certain legal and regulatory accruals and settlements relate to significant charges associated with certain legal proceedings, including legal defense costs. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company’s operating performance. These charges are recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. In fiscal 2023, the Company recorded charges related to the opioid litigation settlement frameworks and certain other legal matters.

[2] Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company’s GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

[3] Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

[4] Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities recorded in Operating loss within the Consolidated Condensed Statement of Earnings. Examples of such costs include deal costs, severance, stock-based compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company’s current operating performance.

[5] Adjustments to equity earnings in Cencora consist of the Company’s proportionate share of non-GAAP adjustments reported by Cencora consistent with the Company’s non-GAAP measures.

[6] The Company’s U.S. Retail Pharmacy segment inventory is accounted for using the last-in-first-out (“LIFO”) method. This adjustment represents the impact on cost of sales as if the U.S. Retail Pharmacy segment inventory is accounted for using first-in first-out (“FIFO”) method. The LIFO provision is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. Therefore, the Company cannot control the amounts recognized or timing of these items.

[7] Impairment of intangible assets do not relate to the ordinary course of the Company’s business. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company’s operating performance. These charges are recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings.

[8] Store damage and inventory loss insurance recovery for losses incurred in fiscal 2020 as a result of looting in the U.S.

[9] Includes GAAP stock-based compensation expense excluding expenses related to acquisition-related amortization and acquisition-related costs.

[10] Represents fixed operating lease cost for the trailing twelve months ended November 30, 2023

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

NET LOSS TO ADJUSTED NET EARNINGS AND DILUTED NET LOSS PER SHARE TO ADJUSTED DILUTED NET EARNINGS PER SHARE	Three months ended November 30, 2023	Three months ended November 30, 2022	Change vs. 1Q23 Amount	Change vs. 1Q23 Percent
Net loss attributable to Walgreens Boots Alliance, Inc. (GAAP)	**$ (67)**	**$ (3,721)**	**$ 3,654**	**(98.2)%**
Adjustments to operating loss:				
Acquisition-related amortization [1]	275	330		
Acquisition-related costs [2]	163	39		
Transformational cost management [3]	109	138		
Adjustments to equity earnings in Cencora [4]	50	86		
LIFO provision [5]	48	18		
Certain legal and regulatory accruals and settlements [6]	82	6,554		
Total adjustments to operating loss	726	7,166		
Adjustments to other (expense) income, net:				
Loss on certain non-hedging derivatives [7]	366	—		
Gain on sale of equity method investment [8]	(139)	(969)		
Loss on disposal of business [9]	4	—		
Total adjustments to other (expense) income, net	230	(969)		
Adjustments to income tax benefit:				
Tax impact of adjustments [10]	(203)	(1,438)		
Equity method non-cash tax [10]	4	8		
Total adjustments to income tax benefit	(199)	(1,430)		

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions, except per share amounts)

NET LOSS TO ADJUSTED NET EARNINGS AND DILUTED NET LOSS PER SHARE TO ADJUSTED DILUTED NET EARNINGS PER SHARE	Three months ended November 30, 2023	Three months ended November 30, 2022	Change vs. 1Q23 Amount	Change vs. 1Q23 Percent
Adjustments to post-tax earnings from other equity method investments:				
Adjustments to earnings in other equity method investments [11]	9	8		
Total adjustments to post-tax earnings from other equity method investments	9	8		
Adjustments to net loss attributable to non-controlling interests:				
Acquisition-related costs [2]	(70)	(14)		
Acquisition-related amortization [1]	(58)	(37)		
Total adjustments to net loss attributable to non-controlling interests	(128)	(51)		
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure)	**$ 571**	**$ 1,004**	**$ (433)**	**(43.1)%**
Diluted net loss per common share (GAAP) [12]	**$ (0.08)**	**$ (4.31)**	**$ 4.23**	**(98.2)%**
Adjustments to operating loss	0.84	8.29		
Adjustments to other (expense) income, net	0.27	(1.12)		
Adjustments to income tax benefit	(0.23)	(1.65)		
Adjustments to post-tax earnings from other equity method investments	0.01	0.01		
Adjustments to net loss attributable to non-controlling interests	$ (0.15)	$ (0.06)		
Adjusted diluted net earnings per common share (Non-GAAP measure) [13]	**$ 0.66**	**$ 1.16**	**$ (0.50)**	**(43.1)%**
Weighted average common shares outstanding, diluted (in millions) [13]	864.0	864.3		

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

1 Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

2 Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities recorded in Operating loss within the Consolidated Condensed Statement of Earnings. Examples of such costs include deal costs, severance, stock-based compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

3 Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

4 Adjustments to equity earnings in Cencora consist of the Company's proportionate share of non-GAAP adjustments reported by Cencora consistent with the Company's non-GAAP measures.

5 The Company's U.S. Retail Pharmacy segment inventory is accounted for using the last-in-first-out ("LIFO") method. This adjustment represents the impact on cost of sales as if the U.S. Retail Pharmacy segment inventory is accounted for using first-in first-out ("FIFO") method. The LIFO provision is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. Therefore, the Company cannot control the amounts recognized or timing of these items.

6 Certain legal and regulatory accruals and settlements relate to significant charges associated with certain legal proceedings, including legal defense costs. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. In fiscal 2023, the Company recorded charges related to the opioid litigation settlement frameworks and certain other legal matters.

7 Includes fair value gains or losses on the variable prepaid forward derivatives and certain derivative instruments used as economic hedges of the Company's net investments in foreign subsidiaries. These charges are recorded within Other (expense) income, net. The Company does not believe this volatility related to the mark-to-market adjustments on the underlying derivative instruments reflects the Company's operational performance.

8 Gains on the sale of equity method investments are recorded in Other (expense) income, net within the Consolidated Condensed Statements of Earnings. The Company excludes these charges when evaluating operating performance because these do not relate to the ordinary course of the Company's business.

9 Includes losses related to the sale of businesses. These charges are recorded in Other (expense) income, net, within the Consolidated Condensed Statements of Earnings.

10 Adjustments to income tax benefit include adjustments to the GAAP basis tax benefit commensurate with non-GAAP adjustments and certain discrete tax items and equity method non-cash tax. These charges are recorded in Income tax benefit within the Consolidated Condensed Statements of Earnings.

11 Adjustments to post-tax earnings from other equity method investments consist of the proportionate share of certain equity method investees' non-cash items or unusual or infrequent items consistent with the Company's non-GAAP adjustments. These charges are recorded in Post-tax earnings from other equity method investments within the Consolidated Condensed Statements of Earnings. Although the Company may have shareholder rights and board representation commensurate with its ownership interests in these equity method investees, adjustments relating to equity method investments are not intended to imply that the Company has direct control over their operations and resulting revenue and expenses. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all revenue and expenses of these equity method investees.

12 Due to the anti-dilutive effect resulting from the reported net loss, the impact of potentially dilutive securities on the per share amounts has been omitted from the calculation of weighted-average common shares outstanding for diluted net loss per common share.

13 Includes impact of potentially dilutive securities in the calculation of weighted-average common shares, diluted for adjusted diluted net earnings per common share calculation purposes.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Three months ended November 30, 2023				
	U.S. Retail Pharmacy[1]	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Sales	$ 28,944	$ 5,832	$ 1,931	$ —	$ 36,707
Gross profit (GAAP)	**$ 5,434**	**$ 1,211**	**$ 126**	**$ —**	**$ 6,771**
LIFO provision	48	—	—	—	48
Acquisition-related amortization	5	—	21	—	26
Transformational cost management	6	—	—	—	6
Adjusted gross profit (Non-GAAP measure)	**$ 5,493**	**$ 1,211**	**$ 146**	**$ —**	**$ 6,850**
Selling, general and administrative expenses (GAAP)	**$ 5,179**	**$ 1,095**	**$ 561**	**$ 17**	**$ 6,851**
Acquisition-related amortization	(89)	(15)	(144)	—	(249)
Acquisition-related costs	(26)	(4)	(173)	41	(163)
Transformational cost management	(91)	(6)	(2)	(4)	(103)
Certain legal and regulatory accruals and settlements	(82)	—	—	—	(82)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 4,891**	**$ 1,069**	**$ 242**	**$ 53**	**$ 6,255**
Operating income (loss) (GAAP)	**$ 297**	**$ 116**	**$ (436)**	**$ (17)**	**$ (39)**
Acquisition-related amortization	94	15	165	—	275
Acquisition-related costs	26	4	173	(41)	163
Transformational cost management	97	6	2	4	109
Adjustments to equity earnings in Cencora	50	—	—	—	50
LIFO provision	48	—	—	—	48
Certain legal and regulatory accruals and settlements	82	—	—	—	82
Adjusted operating income (loss) (Non-GAAP measure)	**$ 694**	**$ 142**	**$ (96)**	**$ (53)**	**$ 687**
Gross margin (GAAP)	18.8 %	20.8 %	6.5 %		18.4 %
Adjusted gross margin (Non-GAAP measure)	19.0 %	20.8 %	7.6 %		18.7 %
Selling, general and administrative expenses percent to sales (GAAP)	17.9 %	18.8 %	29.1 %		18.7 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	16.9 %	18.3 %	12.5 %		17.0 %
Operating margin[2]	0.9 %	2.0 %	(22.6)%		(0.2)%
Adjusted operating margin (Non-GAAP measure)[2]	2.1 %	2.4 %	(5.0)%		1.6 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

	Three months ended November 30, 2022				
	U.S. Retail Pharmacy[1]	**International**	**U.S. Healthcare**	**Corporate and Other**	**Walgreens Boots Alliance, Inc.**
Sales	$ 27,204	$ 5,189	$ 989	$ —	$ 33,382
Gross profit (GAAP)	**$ 5,886**	**$ 1,050**	**$ 17**	**$ —**	**$ 6,953**
LIFO provision	18	—	—	—	18
Acquisition-related amortization	5	—	26	—	31
Adjusted gross profit (Non-GAAP measure)	**$ 5,910**	**$ 1,050**	**$ 43**	**$ —**	**$ 7,003**
Selling, general and administrative expenses (GAAP)	**$ 11,698**	**$ 944**	**$ 454**	**$ 63**	**$ 13,158**
Acquisition-related costs	(1)	11	(47)	(3)	(39)
Certain legal and regulatory accruals and settlements	(6,554)	—	—	—	(6,554)
Transformational cost management	(127)	(7)	—	(4)	(138)
Acquisition-related amortization	(73)	(14)	(212)	—	(298)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	**$ 4,943**	**$ 933**	**$ 195**	**$ 56**	**$ 6,128**
Operating (loss) income (GAAP)	**$ (5,758)**	**$ 106**	**$ (436)**	**$ (63)**	**$ (6,151)**
Adjustments to equity earnings in Cencora	86	—	—	—	86
Acquisition-related amortization	78	14	238	—	330
Transformational cost management	127	7	—	4	138
LIFO provision	18	—	—	—	18
Certain legal and regulatory accruals and settlements	6,554	—	—	—	6,554
Acquisition-related costs	1	(11)	47	3	39
Adjusted operating income (loss) (Non-GAAP measure)	**$ 1,105**	**$ 116**	**$ (152)**	**$ (56)**	**$ 1,014**
Gross margin (GAAP)	21.6 %	20.2 %	1.7 %		20.8 %
Adjusted gross margin (Non-GAAP measure)	21.7 %	20.2 %	4.4 %		21.0 %
Selling, general and administrative expenses percent to sales (GAAP)	43.0 %	18.2 %	45.9 %		39.4 %
Adjusted selling, general and administrative expenses percent to sales (Non-GAAP measure)	18.2 %	18.0 %	19.7 %		18.4 %
Operating margin [2]	(21.4)%	2.0 %	(44.1)%		(18.6)%
Adjusted operating margin (Non-GAAP measure) [2]	3.6 %	2.2 %	(15.3)%		2.6 %

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)

[1] Operating income for U.S. Retail Pharmacy includes equity earnings in Cencora. As a result of the two-month reporting lag, operating income for the three month period ended November 30, 2023 includes Cencora equity earnings for the period of July 1, 2023 through September 30, 2023. Operating income for the three month period ended November 30, 2022 includes Cencora equity earnings for the period of July 1, 2022 through September 30, 2022.

[2] Operating margins and adjusted operating margins have been calculated excluding equity earnings in Cencora and adjusted equity earnings in Cencora, respectively.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

OPERATING LOSS TO ADJUSTED EBITDA FOR U.S. HEALTHCARE SEGMENT

	Three months ended November 30,	
	2023	**2022**
Operating loss (GAAP) [1]	**$ (436)**	**$ (436)**
Acquisition-related amortization [2]	165	238
Acquisition-related costs [3]	173	47
Transformational cost management [4]	2	—
Adjusted operating loss	**(96)**	**(152)**
Depreciation expense	43	15
Stock-based compensation expense [5]	13	12
Adjusted EBITDA (Non-GAAP measure)	**$ (39)**	**$ (124)**

[1] The Company reconciles Adjusted EBITDA for the U.S. Healthcare segment to Operating loss as the closest GAAP measure for the segment profitability. The Company does not measure Net earnings attributable to Walgreens Boots Alliance, Inc. for its segments.

[2] Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

[3] Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities recorded in Operating loss within the Consolidated Condensed Statement of Earnings. Examples of such costs include deal costs, severance, stock-based compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

[4] Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

[5] Includes GAAP stock-based compensation expense excluding expenses related to acquisition-related amortization and acquisition-related costs.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

EQUITY EARNINGS IN CENCORA	Three months ended November 30,	
	2023	**2022**
Equity earnings in Cencora (GAAP)	**$ 42**	**$ 53**
Acquisition-related intangibles amortization	34	39
LIFO expense	11	20
Restructuring and other expenses	6	—
Acquisition-related deal and integration expenses	5	18
Turkey hyperinflation impact	5	5
Tax reform	2	4
Litigation and opioid-related expenses	2	3
Amortization of basis difference in OneOncology investment	1	—
Gain on remeasurement of equity investment	—	(1)
Certain discrete tax expense	—	(2)
Gain/Loss from divestitures	(7)	—
Gain from antitrust litigation settlements	(9)	—
Adjusted equity earnings in Cencora (Non-GAAP measure)	**$ 92**	**$ 139**

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

ADJUSTED EFFECTIVE TAX RATE	**Three months ended November 30, 2023**			**Three months ended November 30, 2022**		
	(Loss) Earnings before income tax benefit	**Income tax (benefit) provision**	**Effective tax rate**	**(Loss) Earnings before income tax benefit**	**Income tax benefit**	**Effective tax rate**
Effective tax rate (GAAP)	**$ (358)**	**$ (74)**	**20.7%**	**$ (5,270)**	**$ (1,447)**	**27.5%**
Impact of non-GAAP adjustments	956	232		6,197	1,273	
Equity method non-cash tax	—	(4)		—	(8)	
Adjusted tax rate true-up	—	(29)		—	165	
Subtotal	$ 598	$ 125		$ 928	$ (17)	
Exclude adjusted equity earnings in Cencora	(92)	—		(139)	—	
Adjusted effective tax rate excluding adjusted equity earnings in Cencora (Non-GAAP measure)	**$ 507**	**$ 125**	**24.7%**	**$ 788**	**$ (17)**	**(2.2)%**

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

FREE CASH FLOW

	Three months ended November 30,	
	2023	**2022**
Net cash (used for) provided by operating activities (GAAP)	**$ (281)**	**$ 493**
Less: Additions to property, plant and equipment	(506)	(610)
Free cash flow (Non-GAAP measure) [1]	**$ (788)**	**$ (117)**

[1] Free cash flow is defined as net cash provided by operating activities in a period less additions to property, plant and equipment (capital expenditures), plus acquisition related payments made in that period. This measure does not represent residual cash flows available for discretionary expenditures as the measure does not deduct the payments required for debt service and other contractual obligations or payments for future business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to the Consolidated Condensed Statement of Cash Flows.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18

Sale-Leaseback Financial Information

Walgreens Boots Alliance, Inc. and Subsidiaries
Supplemental Information (unaudited)
(in millions)

Sale-leaseback financial information	Three months ended November 30, 2023	Change vs. 1Q23
U.S. Retail Pharmacy		
Gain on sale-leaseback [1]	$ 160	$ (12)
Incremental sale-leaseback increases to rent [2]	(75)	(29)
Gain on sale-leaseback, net of rent increases	**$ 85**	**$ (41)**

1 As reported for the period presented. Recorded in SG&A expenses within the Consolidated Condensed Statement of Earnings.

2 Represents incremental GAAP fixed rent costs reported in the period presented as a result of the Company's sale-leaseback programs.

Refer to safe harbor and non-GAAP on page 2 and endnotes on page 18