



Rare Long Term NNN California Walgreens

- 13+ Years Remaining
- Absolute Net - No Landlord Responsibilities
- Dense, Urban Infill Location - ~17,000 Reside in 1 Mile Radius
- Strategic Location for Walgreens
- Full Walgreens Guaranty

Walgreens

📍 SACRAMENTO, CA

\$6,970,000

5.40% CAP

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

John Giordani
 Art Griffith

DeerfieldPartners
 The Drugstore Experts

INVESTMENT SUMMARY

offering memorandum

840 EL CAMINO AVE | SACRAMENTO, CA 95815

WALGREENS #11262

\$6,970,000

5.40%

\$376,288

13.8

This is an extremely rare opportunity for an investor to acquire a freestanding, long-term NNN Walgreens in California. The Sacramento MSA is experiencing tremendous growth, as folks flee the Bay Area due to COVID, high cost of living etc. and remains poised for tremendous long term growth. California drugstores with term are hard to come by. This property is an ideal 1031 exchange, with the full rents guaranteed by Walgreens Corporate.



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PROPERTY OVERVIEW



PROPERTY DETAILS

Address: 840 El Camino Ave
Year Built: 2009
Building Size: 11,383 Sq. Ft.
Lot Size: 0.989 Acres
Tenant: Walgreens



LEASE SUMMARY

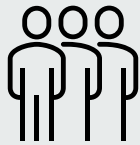
Lease Type: NNN
Landlord Responsibilities: None
Rent Start Date: 10/19/2009
Firm Term End Date: 10/18/2034
Termination Options: Tenant has 50 annual options to renew after the initial 25-year lease term.



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DEMOGRAPHICS



POPULATION

1 Mile	3 Mile	5 Mile
16,757	146,897	350,901



AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$51,022	\$70,242	\$83,573



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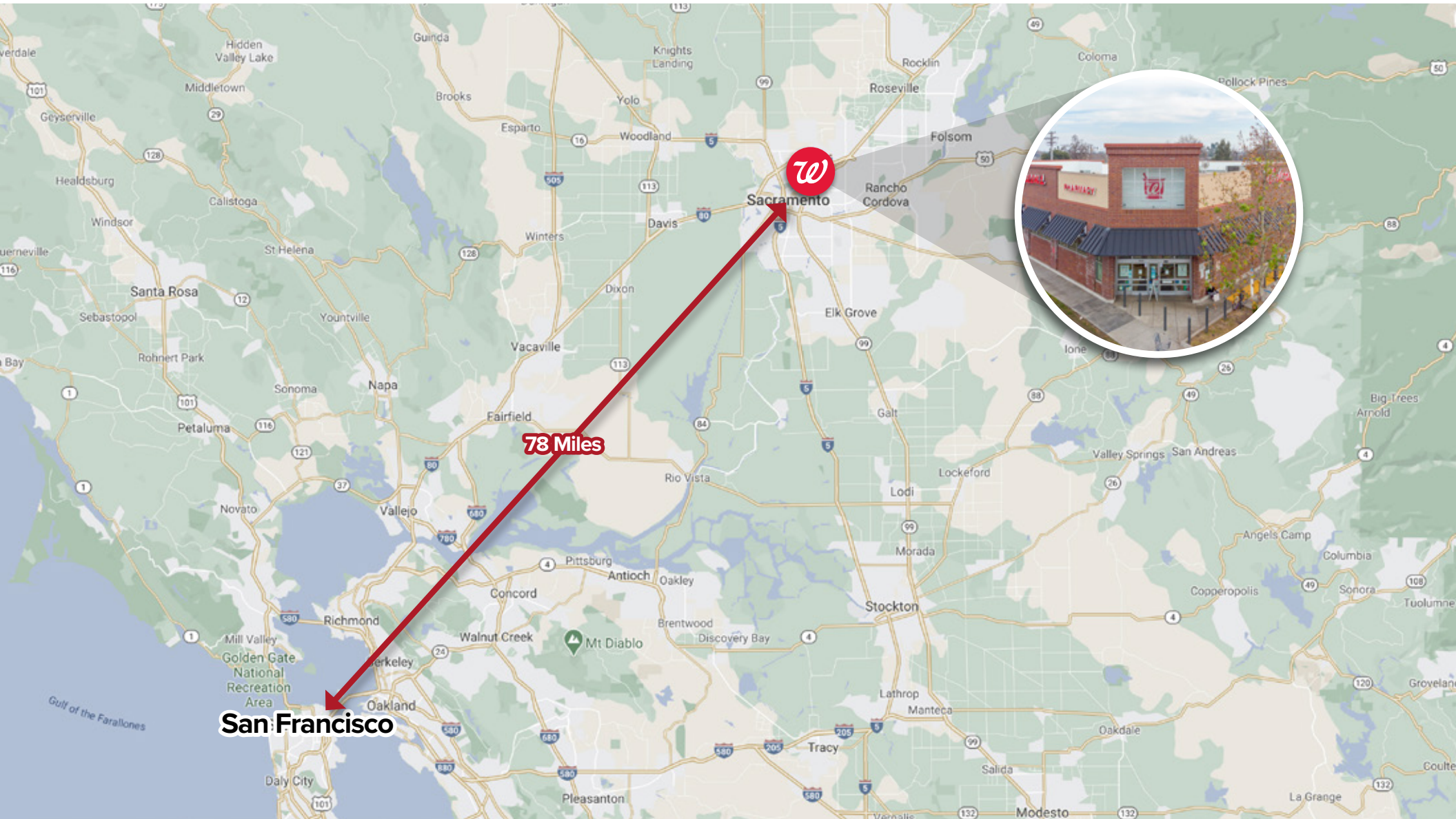


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REGIONAL OVERVIEW



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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.



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WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2015	2016	2017	2018	2019
Sales/Revenue	103.44B	117.35B	118.21B	131.54B	136.87B
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
Cost of Goods Sold (COGS) Incl, D&A	78.26B	89.2B	90.71B	102.52B	108.83B
COGS excluding D&A	76.52B	87.48B	89.05B	100.75B	106.79B
Depreciation & Amortization Expense	1.74B	1.72B	1.65B	1.77B	2.04B
Depreciation	1.26B	1.32B	1.27B	1.28B	1.49B
Amortization of Intangibles	480M	396M	385M	493M	552M
Gross Income	25.18B	28.16B	27.51B	29.02B	28.04B
	2015	2016	2017	2018	2019
SG&A Expense	20.26B	21.79B	21.25B	22.88B	22.91B
Research & Development	-	-	-	-	-
Other SG&A	20.26B	21.79B	21.25B	22.88B	22.91B
Other Operating Expense	-	-	-	-	-
Unusual Expense	(663M)	963M	886M	188M	311M
EBIT after Unusual Expense	5.58B	5.41B	5.37B	(188M)	4.82B
Non Operating Income/Expense	20M	297M	37M	450M	251M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	315M	37M	135M	191M	164M
Interest Expense	608M	596M	693M	616M	704M
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
Pretax Income	5.31B	5.14B	4.85B	5.98B	4.53B
Income Tax	1.06B	997M	760M	998M	588M
Income Tax - Current Domestic	967M	1.06B	804M	969M	247M
Income Tax - Current Foreign	128M	371M	390M	353M	241M
Income Tax - Deferred Domestic	(39M)	(177M)	(330M)	(266M)	155M
Income Tax - Deferred Foreign	-	(252M)	(104M)	(58M)	(55M)
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	24M	44M	8M	54M	23M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.28B	4.19B	4.1B	5.03B	3.96B
Minority Interest Expense	59M	18M	23M	7M	(20M)



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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

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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.

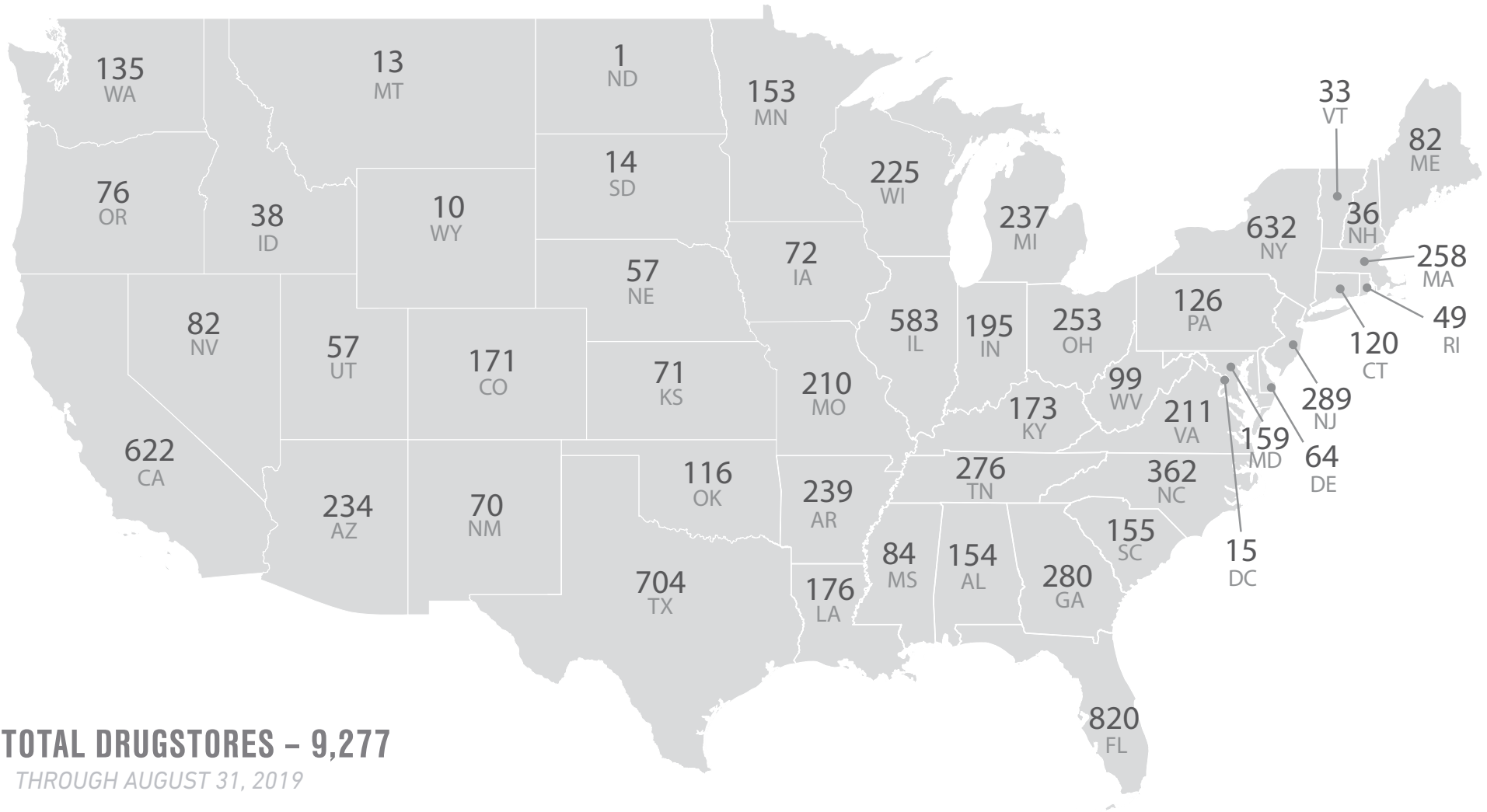
We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

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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.

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1-Mile DEMOGRAPHICS

Summary	Census 2010	2020	2025
Population	15,811	16,757	17,265
Households	5,343	5,615	5,765
Families	3,286	3,428	3,516
Average Household Size	2.93	2.96	2.97
Owner Occupied Housing Units	1,857	1,965	2,051
Renter Occupied Housing Units	3,486	3,650	3,714
Median Age	31.2	32.4	33.1
Trends: 2020-2025 Annual Rate	Area	State	National
Population	0.60%	0.55%	0.72%
Households	0.53%	0.50%	0.72%
Families	0.51%	0.50%	0.64%
Owner HHS	0.86%	0.65%	0.72%
Median Household Income	1.50%	1.81%	1.60%

Households by Income	Number	Percent	Number	Percent
<\$15,000	1,161	20.7%	1,100	19.1%
\$15,000 - \$24,999	1,079	19.2%	1,033	17.9%
\$25,000 - \$34,999	608	10.8%	599	10.4%
\$35,000 - \$49,999	893	15.9%	926	16.1%
\$50,000 - \$74,999	800	14.2%	863	15.0%
\$75,000 - \$99,999	485	8.6%	553	9.6%
\$100,000 - \$149,999	289	5.1%	337	5.8%
\$150,000 - \$199,999	173	3.1%	206	3.6%
\$200,000+	127	2.3%	147	2.5%

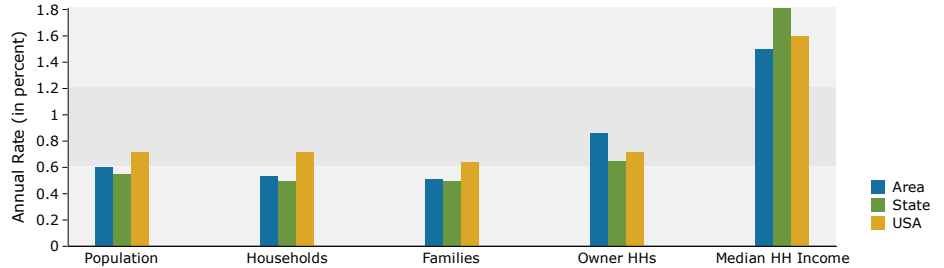
Median Household Income	\$34,149	\$36,782
Average Household Income	\$51,022	\$56,569
Per Capita Income	\$17,117	\$18,909

Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,512	9.6%	1,450	8.7%	1,526	8.8%
5 - 9	1,234	7.8%	1,374	8.2%	1,381	8.0%
10 - 14	1,198	7.6%	1,321	7.9%	1,335	7.7%
15 - 19	1,205	7.6%	1,106	6.6%	1,263	7.3%
20 - 24	1,195	7.6%	1,242	7.4%	1,138	6.6%
25 - 34	2,385	15.1%	2,501	14.9%	2,453	14.2%
35 - 44	2,008	12.7%	2,114	12.6%	2,324	13.5%
45 - 54	2,165	13.7%	1,876	11.2%	1,852	10.7%
55 - 64	1,582	10.0%	1,913	11.4%	1,818	10.5%
65 - 74	729	4.6%	1,196	7.1%	1,361	7.9%
75 - 84	450	2.8%	484	2.9%	633	3.7%
85+	149	0.9%	180	1.1%	181	1.0%

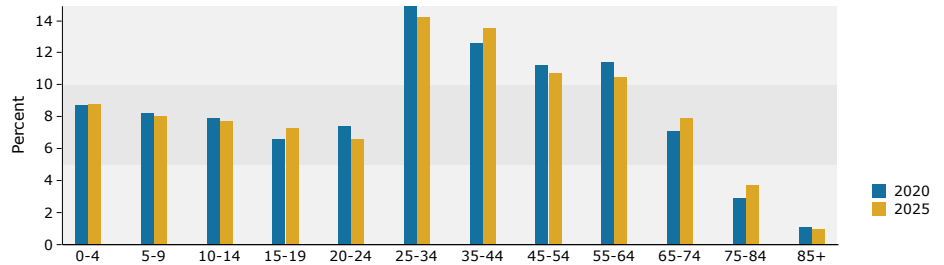
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	7,723	48.8%	7,624	45.5%	7,560	43.8%
Black Alone	1,869	11.8%	1,915	11.4%	1,943	11.3%
American Indian Alone	266	1.7%	265	1.6%	263	1.5%
Asian Alone	1,487	9.4%	1,783	10.6%	1,954	11.3%
Pacific Islander Alone	165	1.0%	197	1.2%	220	1.3%
Some Other Race Alone	3,169	20.0%	3,613	21.6%	3,860	22.4%
Two or More Races	1,131	7.2%	1,359	8.1%	1,466	8.5%
Hispanic Origin (Any Race)	6,709	42.4%	7,608	45.4%	8,155	47.2%

* Median Income is expressed in current dollars

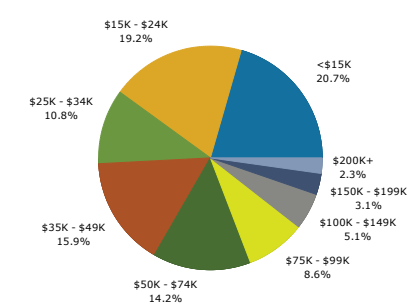
Trends 2020-2025



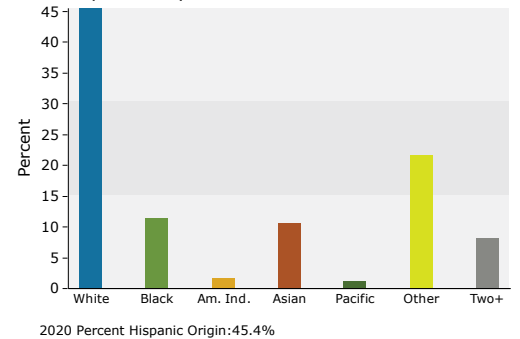
Population by Age



2020 Household Income



2020 Population by Race



3-Mile DEMOGRAPHICS

Summary	Census 2010	2020	2025
Population	137,083	146,897	152,891
Households	52,889	56,061	58,186
Families	28,491	30,042	31,099
Average Household Size	2.55	2.58	2.59
Owner Occupied Housing Units	20,073	21,304	22,110
Renter Occupied Housing Units	32,816	34,758	36,076
Median Age	32.2	33.3	
Trends: 2020-2025 Annual Rate	Area	State	National
Population	0.80%	0.55%	0.72%
Households	0.75%	0.50%	0.72%
Families	0.69%	0.50%	0.64%
Owner HHs	0.75%	0.65%	0.72%
Median Household Income	1.51%	1.81%	1.60%

Households by Income	Number	Percent	Number	Percent
<\$15,000	9,008	16.1%	8,568	14.7%
\$15,000 - \$24,999	6,596	11.8%	6,272	10.8%
\$25,000 - \$34,999	5,226	9.3%	5,070	8.7%
\$35,000 - \$49,999	7,574	13.5%	7,588	13.0%
\$50,000 - \$74,999	9,431	16.8%	9,972	17.1%
\$75,000 - \$99,999	6,095	10.9%	6,766	11.6%
\$100,000 - \$149,999	6,957	12.4%	7,969	13.7%
\$150,000 - \$199,999	2,647	4.7%	3,084	5.3%
\$200,000+	2,526	4.5%	2,897	5.0%

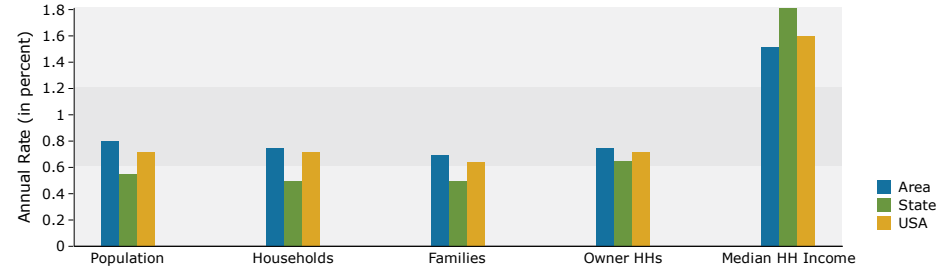
Median Household Income	\$49,020	\$52,831
Average Household Income	\$70,242	\$77,372
Per Capita Income	\$26,946	\$29,570

Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	10,914	8.0%	10,805	7.4%	11,341	7.4%
5 - 9	9,316	6.8%	10,017	6.8%	10,269	6.7%
10 - 14	8,585	6.3%	9,338	6.4%	9,750	6.4%
15 - 19	9,555	7.0%	8,796	6.0%	9,392	6.1%
20 - 24	12,146	8.9%	12,134	8.3%	12,265	8.0%
25 - 34	24,080	17.6%	26,446	18.0%	26,561	17.4%
35 - 44	17,763	13.0%	18,950	12.9%	20,509	13.4%
45 - 54	17,942	13.1%	16,507	11.2%	16,724	10.9%
55 - 64	14,079	10.3%	15,927	10.8%	15,452	10.1%
65 - 74	6,472	4.7%	11,037	7.5%	12,228	8.0%
75 - 84	4,094	3.0%	4,714	3.2%	6,189	4.0%
85+	2,137	1.6%	2,227	1.5%	2,212	1.4%

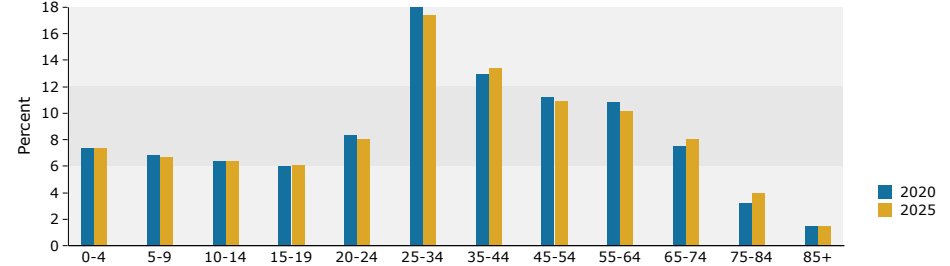
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	71,080	51.9%	70,388	47.9%	70,141	45.9%
Black Alone	18,529	13.5%	19,397	13.2%	20,070	13.1%
American Indian Alone	1,979	1.4%	2,007	1.4%	2,024	1.3%
Asian Alone	13,269	9.7%	16,510	11.2%	18,416	12.0%
Pacific Islander Alone	1,743	1.3%	2,201	1.5%	2,522	1.6%
Some Other Race Alone	20,927	15.3%	24,636	16.8%	26,786	17.5%
Two or More Races	9,557	7.0%	11,758	8.0%	12,933	8.5%
Hispanic Origin (Any Race)	43,955	32.1%	51,457	35.0%	56,201	36.8%

* Median Income is expressed in current dollars

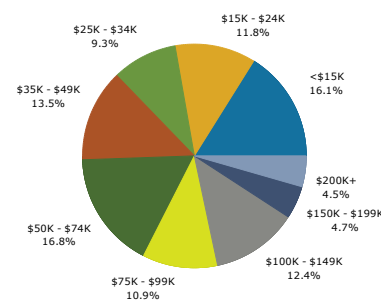
Trends 2020-2025



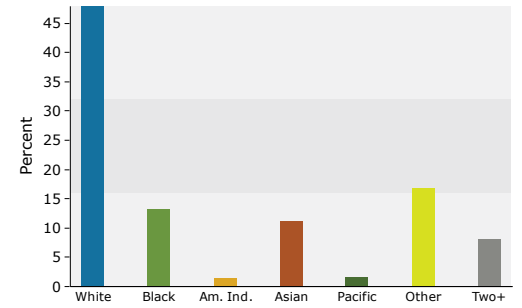
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 35.0%

5-Mile DEMOGRAPHICS

Summary	Census 2010	2020	2025
Population	323,606	350,901	367,232
Households	133,406	143,172	149,506
Families	69,433	74,035	76,984
Average Household Size	2.37	2.40	2.41
Owner Occupied Housing Units	56,334	60,132	62,410
Renter Occupied Housing Units	77,072	83,041	87,095
Median Age	33.8	35.1	35.6
Trends: 2020-2025 Annual Rate	Area	State	National
Population	0.91%	0.55%	0.72%
Households	0.87%	0.50%	0.72%
Families	0.78%	0.50%	0.64%
Owner HHS	0.75%	0.65%	0.72%
Median Household Income	1.64%	1.81%	1.60%

Households by Income	Number	Percent	Number	Percent
<\$15,000	19,485	13.6%	18,502	12.4%
\$15,000 - \$24,999	14,059	9.8%	13,302	8.9%
\$25,000 - \$34,999	11,720	8.2%	11,266	7.5%
\$35,000 - \$49,999	17,046	11.9%	17,000	11.4%
\$50,000 - \$74,999	23,435	16.4%	24,625	16.5%
\$75,000 - \$99,999	16,908	11.8%	18,390	12.3%
\$100,000 - \$149,999	21,468	15.0%	24,240	16.2%
\$150,000 - \$199,999	9,320	6.5%	10,850	7.3%
\$200,000+	9,731	6.8%	11,331	7.6%

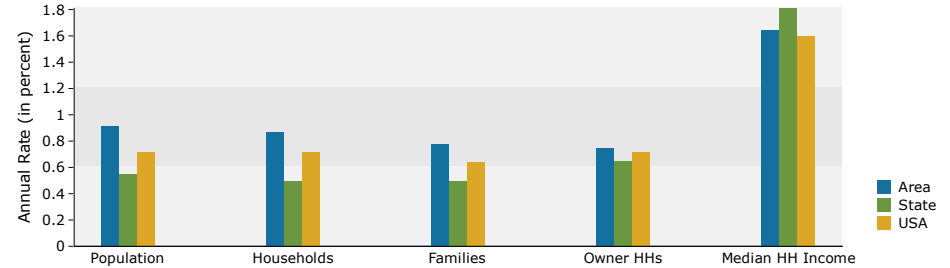
Median Household Income	\$57,765	\$62,665
Average Household Income	\$83,573	\$92,158
Per Capita Income	\$34,115	\$37,524

Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	22,831	7.1%	22,571	6.4%	23,814	6.5%
5 - 9	19,726	6.1%	21,349	6.1%	21,866	6.0%
10 - 14	18,307	5.7%	20,268	5.8%	20,990	5.7%
15 - 19	21,746	6.7%	20,662	5.9%	21,899	6.0%
20 - 24	28,411	8.8%	27,898	8.0%	28,842	7.9%
25 - 34	57,063	17.6%	62,370	17.8%	63,072	17.2%
35 - 44	42,774	13.2%	46,269	13.2%	50,098	13.6%
45 - 54	42,792	13.2%	40,535	11.6%	40,768	11.1%
55 - 64	35,057	10.8%	39,814	11.3%	39,036	10.6%
65 - 74	17,381	5.4%	29,123	8.3%	32,298	8.8%
75 - 84	11,483	3.5%	13,408	3.8%	17,756	4.8%
85+	6,034	1.9%	6,633	1.9%	6,793	1.8%

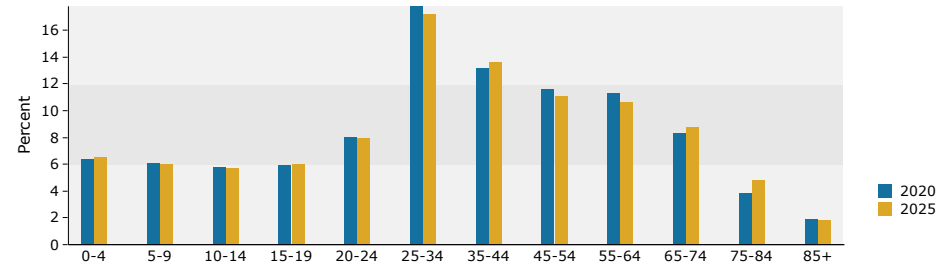
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	186,589	57.7%	186,742	53.2%	187,133	51.0%
Black Alone	37,114	11.5%	40,347	11.5%	42,180	11.5%
American Indian Alone	4,153	1.3%	4,266	1.2%	4,354	1.2%
Asian Alone	32,771	10.1%	42,079	12.0%	47,849	13.0%
Pacific Islander Alone	2,962	0.9%	3,796	1.1%	4,392	1.2%
Some Other Race Alone	38,063	11.8%	45,709	13.0%	50,138	13.7%
Two or More Races	21,954	6.8%	27,962	8.0%	31,186	8.5%
Hispanic Origin (Any Race)	83,654	25.9%	100,289	28.6%	110,945	30.2%

* Median Income is expressed in current dollars

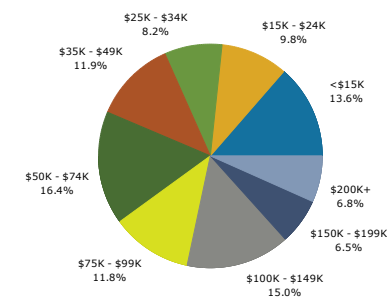
Trends 2020-2025



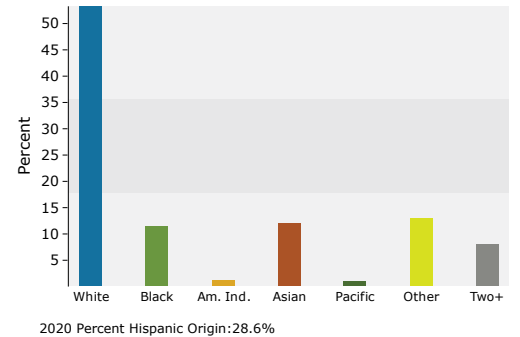
Population by Age



2020 Household Income



2020 Population by Race



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