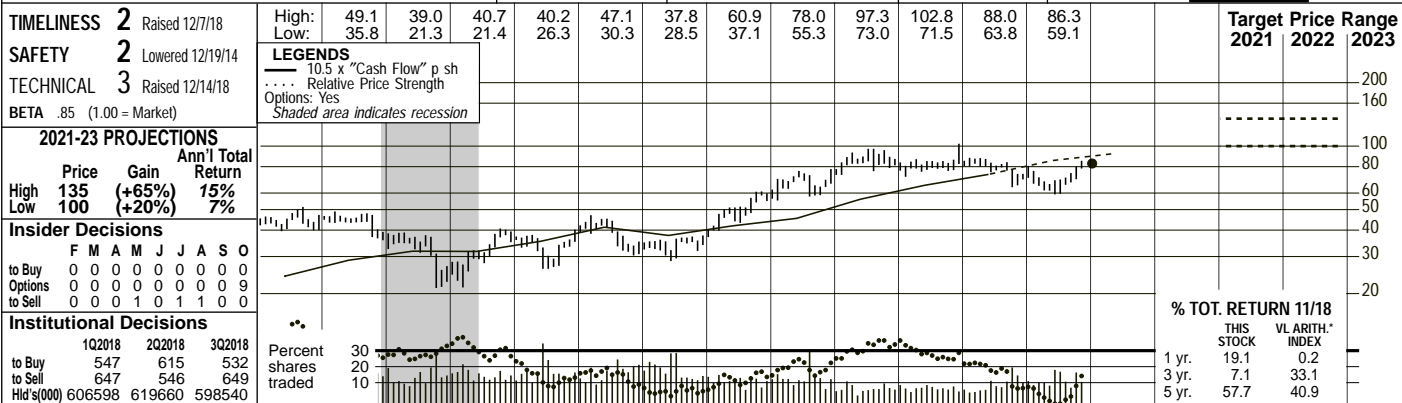


# WALGREENS BOOTS NDQ-WBA

**RECENT PRICE** 82.82    **P/E RATIO** 12.9 (Trailing: 13.8 / Median: 16.0)    **RELATIVE P/E RATIO** 0.79    **DIV'D YLD** 2.1%    **VALUE LINE**



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
27.98	31.72	36.65	41.16	47.04	54.24	59.68	64.07	71.83	81.17	75.88	76.29	80.38	94.91	108.36	115.46	138.15	151.10	Sales per sh <sup>A</sup>	183.55
1.29	1.47	1.72	1.99	2.30	2.74	3.03	3.02	3.37	3.93	3.59	3.99	4.33	5.35	6.21	6.99	8.14	8.80	"Cash Flow" per sh	11.60
.98	1.12	1.32	1.52	1.72	2.03	2.17	2.02	2.16	2.64	2.53	2.61	2.90	3.88	4.59	5.10	6.02	6.60	Earnings per sh <sup>AB</sup>	8.50
.15	.16	.18	.22	.27	.33	.40	.48	.59	.80	.95	1.14	1.28	1.37	1.46	1.53	1.62	1.74	Div'ds Decl'd per sh <sup>C</sup>	2.24
6.08	7.02	8.04	8.67	10.04	11.20	13.01	14.54	15.34	16.70	19.32	20.55	21.63	28.32	27.59	26.83	28.03	30.60	Book Value per sh	43.55
1024.9	1024.9	1023.3	1025.4	1007.9	991.14	989.18	988.56	938.61	889.29	944.06	946.60	950.39	1089.9	1083.0	1023.8	952.13	915.00	Common Shs Outst'g <sup>D</sup>	850.00
36.8	27.7	26.3	27.9	26.0	22.2	17.1	13.9	15.9	14.8	13.2	16.3	21.8	20.2	18.0	16.1	11.5		Avg Ann'l P/E Ratio	14.0
2.01	1.58	1.39	1.49	1.40	1.18	1.03	.93	1.01	.93	.84	.92	1.15	1.02	.94	.81	.61		Relative P/E Ratio	.80
4%	5%	5%	5%	6%	7%	1.1%	1.7%	1.7%	2.1%	2.8%	2.7%	2.0%	1.8%	1.8%	1.9%	2.3%		Avg Ann'l Div'd Yield	1.9%

CAPITAL STRUCTURE as of 8/31/18					© VALUE LINE PUB. LLC													21-23
Total Debt \$14397 mill. Due in 5 Yrs. \$6215 mill.					59034	63335	67420	72184	71633	72217	76392	103444	117351	118214	131537	138250	Sales (\$mill) <sup>A</sup>	156000
LT Debt \$12431 mill. LT Interest \$531.9 mill. (32% of Cap'l)					29.6%	29.3%	29.7%	29.9%	30.0%	31.0%	31.3%	27.7%	27.9%	27.7%	27.5%	28.0%	"Cash Flow" per sh	28.5%
Leases., Uncap. Annual rentals \$3.5 bill.					7.3%	6.7%	6.7%	7.0%	6.7%	6.8%	7.8%	5.7%	7.6%	7.7%	7.3%	7.0%	Operating Margin	7.5%
Pension Assets-8/18 \$8676 mill. Oblig. \$8293 mill.					6934	7496	7562	8210	8385	8582	8309	13100	12848	12822	14327	14800	Number of Stores	16300
Pfd Stock None					2157.0	2006.0	2134.0	2411.1	2223.8	2497.0	2798.0	4085.0	5009.0	5503.0	5985	6200	Net Profit (\$mill)	7500
Common Stock 949,164,514 shares as of 9/30/18					37.1%	36.6%	36.7%	37.5%	37.0%	37.1%	36.9%	19.9%	21.5%	22.1%	17.9%	18.5%	Income Tax Rate	19.5%
MARKET CAP: \$67.1 billion (Large Cap)					3.7%	3.2%	3.2%	3.3%	3.1%	3.5%	3.7%	3.9%	4.3%	4.7%	4.6%	4.5%	Net Profit Margin	4.8%
CURRENT POSITION (SMILL.)					3789.0	5280.0	4489.0	4239.0	2038.0	2991.0	3347.0	3100.0	8870.0	1206.0	d3821	d2000	Working Cap'l (\$mill)	6875
Cash Assets					1337.0	2336.0	2389.0	2396.0	4073.0	4477.0	3736.0	13315	18705	12684	12431	12250	Long-Term Debt (\$mill)	10000
Receivables					12869	14376	14400	14847	18236	19454	20561	30861	29880	27466	26689	28000	Shr. Equity (\$mill)	37000
Inventory (LIFO)					15.2%	12.2%	13.0%	14.2%	10.2%	10.7%	11.8%	9.9%	10.9%	14.3%	16.0%	16.5%	Return on Total Cap'l	16.0%
Other					16.8%	14.0%	14.8%	16.2%	12.2%	12.8%	13.6%	13.2%	16.8%	20.0%	22.4%	22.0%	Return on Shr. Equity	20.5%
Current Assets					13.8%	10.9%	11.1%	11.9%	7.9%	7.5%	7.8%	8.8%	11.5%	13.8%	15.9%	16.5%	Retained to Com Eq	15.0%
Accts Payable					17%	22%	25%	27%	35%	42%	43%	34%	31%	31%	29%	26%	All Div'ds to Net Prof	26%
Debt Due					<b>Walgreens Boots Alliance is expected to put together another strong financial performance for fiscal 2019 (ends August 31st).</b> Even though the drug provider came up a bit short of expectations on both the top and bottom lines in the fourth quarter of fiscal 2018, growth was still healthy on an absolute basis, with the company posting 11% and 13% respective gains. The margin pressure from the Rite Aid acquisition was offset by the newcomer's top-line contributions, which also helped pick up the slack for sluggish (+0.3%) domestic same-store sales growth and a 2.7% decline on the international side of things. Meantime, guidance pointed to continued success, with management saying that it anticipates earning between \$6.40 and \$6.70 a share for all of this year. All told, we've tempered our top-line call to about \$138-plus billion, but have upped our earnings estimate a dime, to \$6.60, modeling for a 10% year-over-year advance. Our forecast assumes about \$10 billion in additional share repurchases and a lower-than-previously anticipated tax rate. <b>The stock has continued to gain ground in recent months and is up</b>													
Other					<b>40%-plus since bottoming out in late June.</b> While the updated outlook is responsible for some of the uptick in optimism, Wall Street appears to also be enthusiastic about possible developments with health insurer Humana. Indeed, the two are rumored to be discussing equity stakes in each other, leading some to speculate that an outright merger may be in the cards. That said, for now, they are working on a deal in which Humana is slated to roll out senior-focused primary care clinics inside Walgreens. <b>These shares are now timely according to our proprietary ranking system and are expected to outpace the broader markets over the coming six to 12 months.</b> Three- to five-year price appreciation potential is below average given the above-mentioned gains, but total return potential is still worthwhile on a risk-adjusted basis. The company's finances are another boon, as is management's aggressiveness on the M&A front. Investors will want to keep abreast of further developments about the Humana situation.													
Current Liab.					<i>Andre J. Costanza</i> December 14, 2018													

ANNUAL RATES					© VALUE LINE PUB. LLC													21-23
Past 10 Yrs.					13.8%	10.9%	11.1%	11.9%	7.9%	7.5%	7.8%	8.8%	11.5%	13.8%	15.9%	16.5%	All Div'ds to Net Prof	26%
Past 5 Yrs.					17%	22%	25%	27%	35%	42%	43%	34%	31%	31%	29%	26%		
Est'd '15-'17 to '21-'23					8.5%	7.0%	9.5%											
Sales					10.0%	11.0%	11.0%											
"Cash Flow"					10.0%	13.0%	11.0%											
Earnings					18.0%	13.0%	7.5%											
Dividends					10.5%	10.0%	8.0%											
Book Value																		

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Nov.30	Feb.28	May 31	Aug.31	
2015	19554	26573	28795	28522	103444
2016	29033	30184	29498	28636	117351
2017	28501	29446	30118	30149	118214
2018	30740	33021	34334	33442	131537
2019	33750	34650	35450	34400	138250

Fiscal Year Ends	EARNINGS PER SHARE <sup>AB</sup>				Full Fiscal Year
	Nov.30	Feb.28	May 31	Aug.31	
2015	.81	1.18	1.02	.88	3.88
2016	1.03	1.31	1.18	1.07	4.59
2017	1.10	1.36	1.33	1.31	5.10
2018	1.28	1.73	1.53	1.48	6.02
2019	1.43	1.82	1.70	1.65	6.60

Calendar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.315	.315	.3375	.3375	1.26
2015	.3375	.3375	.360	.360	1.40
2016	.360	.360	.375	.375	1.46
2017	.375	.375	.400	.400	1.53
2018	.40	.40	.44	.44	

**(A)** Fiscal year ends August 31st. **(B)** Based on diluted shares. Excludes non-recurring gains (losses): '02, 1c; '03, 2c; '04, 1c; '10, (4c); '11, 30c; '12, (11c); '13, (5c); '14, (90c); '15, 12c; '16, (77c); '17, (\$1.32); '18, (97c). May not add due to rounding. Next earnings report due early Jan. **(C)** Dividends historically paid in March, June, Sept., and Dec. **(D)** In millions.

Direct stock purchase plan avail. (includes dividend reinvest.).

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	85