

AmerisourceBergen – Walgreens Boots Alliance joint announcement, January 6th 2021

Selected media coverage from France, Spain, Germany, Italy, UK, US



- Title: **La valeur du jour à Wall Street - WALGREENS BOOTS ALLIANCE cède le contrôle d'Alliance Healthcare pour 6,5 milliards de dollars**
- Date: 7 Jan 2021
- Newspaper/Source: **Le Figaro**

AmerisourceBergen Corporation et Walgreens Boots Alliance ont annoncé des accords stratégiques en vertu desquels le premier va acquérir la majorité de l'activité de distribution de médicaments du second pour environ 6,5 milliards de dollars, dont 6,275 milliards de dollars en espèces et 2 millions d'actions ordinaires AmerisourceBergen. A Wall Street, le titre Walgreens Boots Alliance gagne 4,01% à 42,81. dollars. La transaction sera légèrement dilutive pour l'exercice financier en cours pour Walgreens Boots Alliance, mais sera relative à plus long terme.

L'activité vendue a représenté un chiffre d'affaires pour l'exercice 2020 d'environ 19 milliards de dollars et un Ebitda ajusté d'environ 540 millions de dollars. Alliance Walgreens Boots prévoit que l'Ebitda ajusté pour l'exercice 2021 se situera entre 575 millions et 580 millions de dollars pour Alliance Healthcare.

Walgreens Boots Alliance est le plus important actionnaire d'AmerisourceBergen avec une participation de près de 30 %, et Ornella Barra, directrice générale déléguée de Walgreens Boots Alliance, est membre du conseil d'administration d'AmerisourceBergen.

Outre cette transaction, les deux sociétés ont convenu de renforcer leur partenariat stratégique en étendant et en développant leurs accords commerciaux. Leur accord de distribution aux États-Unis sera prolongé de trois ans jusqu'en 2029 et leur partenariat est élargi pour inclure un engagement à rechercher des opportunités supplémentaires dans le domaine de l'approvisionnement et de la distribution.

En outre, Alliance Healthcare UK restera le partenaire de distribution de Boots jusqu'en 2031. Ensemble, ces accords devraient créer une croissance supplémentaire, des synergies et des gains d'efficacité. Les deux groupes sont partenaires depuis 2013.

- Title: **Pharmacie : alliance stratégique entre les deux géants WBA et AmerisourceBergen**
- Date: 7 Jan 2021
- Newspaper/Source: **Les Echos**, Basile Dekonink

Les deux groupes américains, déjà très liés, renforcent encore leur alliance sur un marché bousculé par Amazon. AmerisourceBergen reprend les activités répartiteur de Walgreens Boots pour 6,5 milliards de dollars, une somme que ce dernier va réinvestir dans son cœur d'activité, le commerce de détail.

Echange de bons procédés entre Walgreens Boots Alliance et AmerisourceBergen. Déjà très liés depuis 2013, les deux géants pharmaceutiques ont encore renforcé leur alliance, mercredi, à la faveur d'un accord à 6,5 milliards de dollars qui doit permettre à chacun de consolider son cœur d'activité.

AmerisourceBergen, numéro deux mondial de la répartition pharmaceutique - ces grossistes qui, au cœur du circuit de distribution du médicament, font le lien entre les laboratoires et les officines - va reprendre Alliance Healthcare, l'activité historique de répartition de Walgreens Boots Alliance.

L'opération, qui doit être finalisée au terme de l'exercice fiscal 2021, prévoit le versement de 6,275 milliards de dollars en cash et de deux millions de titres AmerisourceBergen à Walgreens Boots Alliance. Le grossiste américain, qui réalise encore plus de 80 % de son chiffre d'affaires aux Etats-Unis, met la main sur l'un des principaux répartiteurs européens, présent sur 11 marchés du Vieux Continent - mais aussi en Egypte, en Turquie et en Algérie.

Walgreens Boots s'éloigne de ses racines

Le nouvel ensemble pèsera un chiffre d'affaires consolidé de quelque 215 milliards de dollars - non loin du leader McKesson - avec 47.000 collaborateurs, répartis dans une soixantaine de pays. En France, il est présent avec Alliance Healthcare France (4 milliards d'euros de revenus, 4.000 salariés, 11.000 pharmacies clientes).

Walgreens Boots Alliance, de son côté, compte réemployer le fruit de la cession dans toute une série d'investissements. En cédant Alliance Healthcare, le distributeur américain prend non seulement ses distances avec son activité historique, la répartition, mais aussi avec son histoire : c'est à partir de ce groupe que l'Italien Stefano Pessina a bâti, à grands coups d'acquisition et de fusion, un géant pharmaceutique depuis les années 1970.

« C'est un choix stratégique », assume-t-on chez Walgreens Bots. Avec ce partenariat « en bonne intelligence », le groupe garde de toute façon un pied dans la répartition : il détient depuis 2013 et la signature d'un accord de distribution exclusif avec AmerisourceBergen une participation de 24 % au capital de son partenaire - participation qui frôle désormais les 30 %, tandis que l'accord est reconduit jusqu'à 2029.

La menace Amazon

Surtout, Walgreens a un besoin d'investissement « considérable » pour poursuivre sa numérisation, développer sa palette de services dans ses réseaux d'officines et devenir un « champion mondial ». Déjà présent aux Etats-Unis, au Royaume-Uni, en Chine et dans plusieurs pays d'Asie, le groupe regarde du côté de la Corée du Sud et de l'Amérique latine.

L'américain doit aussi composer avec l'offensive d'Amazon, qui a lancé en novembre dernier son service Pharmacy aux Etats-Unis. Bien décidé à tailler des croupières aux acteurs traditionnels, le groupe de Jeff Bezos propose désormais la livraison de médicaments sur ordonnance sur sa plateforme, ou dans plus de 50.000 officines. Les abonnés au service prime peuvent, en outre, obtenir des rabais pouvant aller jusqu'à 40 % sur les médicaments sous licence et 80 % sur certains génériques.

L'annonce avait fait chuter le titre Walgreens de près de 10 % à Wall Street. L'action, qui a perdu la moitié de sa valeur en deux ans, rebondissait cette fois à l'ouverture du Nasdaq, mercredi (+ 2,5 %), et navigue désormais autour des 42 dollars.

HERALDO



- Title: **Alliance Healthcare valora su integración en la estadounidense Amerisource Bergen**
- Date: 7 Jan 2021
- Newspaper/Source: **Heraldo**, Luis Menéndez

La antigua SAFA de Zaragoza dejará de pertenecer al gigante Walgreens Boots Alliance (WBA).

El mayorista estadounidense de medicamentos AmerisourceBergen Corporation (ABC) y Walgreens Boots Alliance (WBA) anunciaron ayer un acuerdo estratégico por el que el primero de ellos adquirirá a la segunda su filial Alliance Healthcare, distribuidora de productos farmacéuticos con destacada presencia en Zaragoza, por 6.500 millones de dólares (unos 5.280 millones de euros). Según indicaron las dos compañías, que cotizan en el Nasdaq, mercado tecnológico de la Bolsa de Nueva York, el acuerdo permitirá que WBA centre su enfoque en impulsar sus principales negocios de farmacia minorista.

Además de esta transacción, las dos empresas acordaron fortalecer su asociación estratégica extendiendo y ampliando sus acuerdos comerciales, entre ellos el de distribución en Estados Unidos y el compromiso de buscar oportunidades adicionales en el abastecimiento y la distribución. Además, Alliance Healthcare UK seguirá siendo el socio de distribución de Boots hasta 2031.

Con esta operación, Alliance Healthcare España, que tiene su sede en Zaragoza –donde sus inicios se remontan a 1919 como Sociedad Anónima Farmacéutica Aragonesa (SAFA)–, dejará de pertenecer al gigante WBA, que cuenta con unos 400.000 trabajadores en todo el mundo, y se integrará en AmerisourceBergen. Con sede en Villanueva de Gállego, la distribuidora farmacéutica es la tercera sociedad aragonesa por cifra de negocio. En 2019, Alliance Healthcare España facturó 1.258,9 millones de euros, cifra solo superada por las de Opel España, del grupo PSA, y BSH Electrodomésticos.

Con más de 1.100 trabajadores en España, cerca de 200 de ellos en Zaragoza, Alliance Healthcare ha ganado peso en los últimos años en el grupo del que forma parte con una factoría de software ('software factory'), que trabaja en portales web, ingeniería de software de integración, 'business intelligence' y soluciones B2B, entre otras cosas.

WBA es el mayor accionista de AmerisourceBergen con una participación de casi el 30%, y Ornella Barra, codirectora de Operaciones de la propia WBA, es miembro de la Junta de AmerisourceBergen.



- Title: **Walgreens Boots verkauft Alliance Healthcare**
- Date: 7 Jan 2021
- Newspaper/Source: **Handelsblatt**, Jetzt teilen

Der Pharmagroßhändler wird von der US-Firma AmerisourceBergen übernommen. Damit baut diese ihre globalen Aktivitäten vor allem in Europa aus.

Die amerikanische Drogerie- und Apothekenkette Walgreens Boots Alliance hat einen Käufer für den Pharmagroßhändler Alliance Healthcare gefunden. Der US-Pharmahändler AmerisourceBergen zahlte insgesamt 6,5 Milliarden US-Dollar (5,29 Mrd Euro), wie die Unternehmen am Mittwoch mitteilten. Knapp 6,3 Milliarden Dollar sollen dabei in bar fließen, der Rest wird mit zwei Millionen Aktien von AmerisourceBergen beglichen. Grünes Licht von den Behörden steht noch aus.

Mit der Übernahme baut AmerisourceBergen seine globalen Aktivitäten vor allem in Europa aus, während sich Walgreens Boots stärker auf das Apotheken- und Gesundheitskerngeschäft fokussiert.

Darüber hinaus wollen die beiden Unternehmen, die angesichts einer bislang schon rund 30-prozentigen Beteiligung von Walgreens an AmerisourceBergen eng verflochten sind, ihre strategische Kooperation vertiefen. Dafür verlängerten sie ihren US-Vertriebsvertrag um drei Jahre bis 2029. Im Vereinigten Königreich bleibe Alliance Healthcare bis 2031 Vertriebspartner von Boots.



- Title: **Colpo da 6,5 miliardi di dollari: alleanza strategica tra Walgreens e AmerisourceBergen**
- Date: 6 Jan 2021
- Newspaper/Source: **Corriere.it**
- Link: [Click HERE](#)

“AmerisourceBergen” acquisisce le attività “Alliance Healthcare” da “Walgreens Boots Alliance” per 6,5 miliardi di dollari. I due leader nella produzione e distribuzione farmaceutica estendono gli accordi commerciali negli Stati Uniti fino al 2029

Scambio di favori tra due colossi mondiali della distribuzione e produzione farmaceutica. Nel nome degli affari. In una partita giocata su una distanza di 750 miglia e con una posta di 6,5 miliardi di dollari. Sono i numeri dell'accordo tra AmerisourceBergen - società americana di vendita all'ingrosso di farmaci, con sede a Valley Forge, in Pennsylvania -, e Walgreens Boots Alliance, di Deerfield, nell'Illinois, multinazionale e leader mondiale nella distribuzione di prodotti per la salute e il benessere. Dal colosso di Deerfield, il cui Ceo è l'italiano Stefano Pessina, l'AmerisourceBergen acquisirà le attività della distribuzione all'ingrosso dell' "Alliance Healthcare". I motivi dell'accordo da sei miliardi di dollari e mezzo - suddivisi in 6,275 miliardi di dollari in cash e 2 milioni in azioni ordinarie di AmerisourceBergen - sono dettati da una chiara divisione strategica dei compiti.

Divisione dei compiti e costante crescita

La mossa di AmerisourceBergen permetterà di offrire un supporto ancora più forte a farmacie e farmacisti in tutto il mondo e soluzioni integrate per le aziende farmaceutiche. Per quanto riguarda Walgreens Boots Alliance? Dall'headquarter di Deerfield fanno sapere che, in questo modo, il colosso di Pessina potrà concentrarsi ancora di più sull'espansione delle attività nel proprio core business - la farmacia retail -, ampliando l'offerta di salute per pazienti e clienti e accelerando ulteriormente il conseguimento delle sue priorità strategiche. Quest'ultima acquisizione da parte di AmerisourceBergen non è altro che il secondo importantissimo passo dopo quello del 2013 e del 2016 tra le due parti.

Quasi otto anni fa, infatti, era stato stipulato un contratto di distribuzione farmaceutica con Walgreens per dieci anni; mentre, dal 2016, la stessa Walgreens Boots Alliance è la maggiore azionista di AmerisourceBergen con una quota di quasi il 30 per cento. Senza dimenticarci che, Ornella Barra, Co-Chief Operating Officer di Walgreens Boots Alliance, è membro del Consiglio di Amministrazione di AmerisourceBergen. Tra i risvolti importantissimi dell'accordo, ricordiamo che l'alleanza in terra americana tra i due colossi farmaceutici è stata prorogata di altri tre anni: la loro partnership strategica sarà valida non più fino al 2026 ma fino al 2029. E tutto ciò, prevedono gli analisti di entrambe le parti, potrà portare nelle casse dei due protagonisti sinergie annuali del valore di almeno 150 milioni di dollari. Inoltre, Alliance Healthcare UK rimarrà il partner per la distribuzione di Boots fino al 2031

I protagonisti

“L'accordo consentirà una significativa creazione di valore per entrambe le società e genererà nuove sinergie in aggiunta a quelle già acquisite. È uno sviluppo logico, dopo il successo della nostra relazione strategica di lungo termine con AmerisourceBergen, che è un nostro partner forte e affidabile dal 2013”, dichiara Stefano Pessina, Ceo di Walgreens Boots Alliance, al quale risponde, chiaramente in sintonia, Steven Collins, presidente e amministratore delegato di AmerisourceBergen: “Il ruolo vitale di AmerisourceBergen nel sistema sanitario, come pilastro chiave dell'innovazione e dell'accesso in ambito farmaceutico, è stato ampiamente dimostrato nel corso dello scorso anno: gli annunci di oggi estenderanno il nostro raggio d'azione nella distribuzione farmaceutica, e si integreranno con l'ampia e approfondita offerta di servizi di AmerisourceBergen per le aziende farmaceutiche globali”.

- Title: **La svolta di Walgreens Boots Cede Alliance Healthcare Barra: priorità sulle farmacie**
- Date: 7 Jan 2021
- Newspaper/Source: **Corriere della Sera**

Svolta nella distribuzione farmaceutica. Il colosso americano (ma a guida italiana) Walgreens Boots Alliance cede ad AmerisourceBergen la maggioranza delle attività della partecipata Alliance Healthcare.

L'accordo, che vale 6,5 miliardi di dollari, consentirà a Walgreens Boots Alliance (139,5 miliardi di ricavi nel 2020) di sviluppare le attività nel proprio core business: la farmacia retail.

L'operazione nasce dal rapporto di lunga data con AmerisourceBergen di cui Walgreens Boots Alliance è il maggiore azionista con una quota di quasi il 30%. «Alliance Healthcare — spiega **Ornella Barra**, Co-Chief operating officer di Wba — rafforzerà la piattaforma di AmerisourceBergen, favorendo la crescita nella distribuzione farmaceutica e nei servizi alle aziende del settore.

Le sinergie creeranno valore attraverso lo sviluppo di nuove soluzioni, non è prevista alcuna riduzione del personale e ci sarà continuità a livello manageriale».

Un passo importante, visto l'impegno delle farmacie nel contesto pandemico. «Occorre ricordarlo, la distribuzione farmaceutica non si è mai fermata durante l'emergenza. I nostri addetti sono rimasti in magazzino e sui van 24 ore su 24 per garantire un servizio pubblico essenziale», aggiunge.

L'operazione non interesserà, però, le attività di distribuzione farmaceutica di Wba in Italia, Cina e Germania. «Non abbiamo incluso — dice Barra — le attività tedesche perché in Germania abbiamo avviato una joint venture con McKesson che prevede l'integrazione dei due business mentre la Cina era considerata un mercato distante per AmerisourceBergen».

Mentre per Wba è un mercato strategico, dato l'accordo con la cinese GuoDa e le 7.500 farmacie del colosso presenti nel Paese. In Italia la distribuzione resta invariata: Wba continuerà a rifornire la sua rete che conta 7 mila farmacie, 800 farmacie indipendenti (del network Wba Alphega) e 12 negozi a marchio Boots.

Il colosso americano punta a sviluppare ulteriormente la farmacia. «Il nostro obiettivo — sottolinea ancora Barra — è investire nella digitalizzazione migliorando l'offerta.

Lo abbiamo visto con Covid- 19: le farmacie sono in prima linea e possono avere un ruolo di rilievo anche nel tracciamento e nel contenimento dei contagi». Come è avvenuto in Lazio dove Wba ha effettuato test diagnostici tramite un'unità mobile adibita ad ambulatorio. «Un camper fuori dalla farmacia che ha reso possibile anche la raccolta dati per il tracciamento. Ma si può fare di più. Negli Usa e in Regno Unito attraverso la rete delle farmacie stiamo effettuando le vaccinazioni».

Un modello che potrebbe essere applicato anche in Italia. «Per farlo però occorre una maggiore integrazione pubblico-privato e il riconoscimento della farmacia come riferimento strategico sul territorio per i cittadini», conclude Barra.

Il Messaggero

- Title: **Walgreens Boots Alliance cede ad Amerisource per 6,5 miliardi la maggioranza di Healthcare**
- Date: 7 Jan 2021
- Newspaper/Source: **Il Messaggero**

MILANO Walgreens Boots Alliance cederà ad AmerisourceBergen la maggioranza dell'attività Alliance Healthcare al prezzo di 6,5 miliardi di dollari (6,275 miliardi di dollari in cash e 2 milioni in azioni ordinarie di AmerisourceBergen). Con questa operazione, spiega la nota delle due società, Walgreens Boots Alliance potrà concentrarsi ancora di più sull'espansione delle attività nel proprio core business, la farmacia retail, ampliando l'offerta di salute per pazienti e clienti e accelerando ulteriormente il conseguimento delle sue priorità strategiche. L'acquisizione di Alliance Healthcare da parte di AmerisourceBergen, si sottolinea inoltre, permetterà di offrire un supporto ancora più forte a farmacie e farmacisti in tutto il mondo e soluzioni integrate per le aziende farmaceutiche. Le due società hanno anche deciso di rafforzare la propria partnership strategica: l'accordo di distribuzione negli Stati Uniti sarà prorogato di tre anni fino al 2029. Alliance Healthcare UK rimarrà peraltro il partner per la distribuzione di Boots fino al 2031. Va ricordato che Walgreens Boots Alliance è il maggiore azionista di AmerisourceBergen con quasi il 30%, e Ornella Barra, co-chief operating officer di Walgreens Boots Alliance, è membro del board di AmerisourceBergen. LA TRANSAZIONE NEL 2021 La transazione, che si prevede si concluderà entro la fine dell'esercizio

fiscale 2021 di AmerisourceBergen, è soggetta al ricevimento delle approvazioni regolamentari. Le attività di Walgreens Boots Alliance in Cina, Italia e Germania non fanno parte della transazione. A partire dai risultati finanziari del secondo trimestre dell'anno fiscale 2021 di Walgreens Boots Alliance, le attività vendute saranno classificate come "attività destinate alla vendita" con ricavi per l'anno fiscale 2020 pari a circa 19 miliardi di dollari e un ebitda rettificato di circa 540 milioni di dollari. Walgreens Boots Alliance prevede che l'ebitda rettificato per l'anno Stefano Pessina, ceo di Walgreens Boots Alliance fiscale 2021 per queste attività di Alliance Healthcare sarà compreso tra 575 e 580 milioni di dollari. La transazione avrà un effetto leggermente diluitivo per l'utile per azione nell'esercizio finanziario in corso per Walgreens Boots Alliance ma, aggiunge la nota, sarà accrescitiva nel lungo termine. Le due società prevedono che i benefici finanziari dell'espansione della partnership negli Stati Uniti aumentino nei prossimi tre anni per raggiungere a regime nel quarto anno sinergie di almeno 150 milioni di dollari, che saranno equamente suddivisi.

RELAZIONE DI LUNGO TERMINE Si prevede inoltre che il free cash flow rettificato delle attività combinate di AmerisourceBergen e Alliance Healthcare aumenti del 125% rispetto alle stime stand-alone di AmerisourceBergen. «Questo accordo con AmerisourceBergen, principale distributore farmaceutico al mondo, consentirà una significativa creazione di valore per entrambe le società e genererà nuove sinergie in aggiunta a quelle già acquisite. È uno sviluppo logico, dopo il successo della nostra relazione di lungo termine con AmerisourceBergen, che è un nostro partner forte e affidabile dal 2013», ha dichiarato Stefano Pessina, executive vice chairman e ceo di Walgreens Boots Alliance.

FINANCIAL TIMES



- Title: **US drug group buys Alliance Healthcare for \$6.5bn**
- Date: **7 Jan 2021**
- Newspaper/Source: **Financial Times**: James Fontanella-Khan, Hannah Kuchler, Jonathan Eley, Ortenca Aliaj

US drug wholesaler AmerisourceBergen has agreed to buy the distribution business of Walgreens Boots Alliance for about \$6.5bn as it pushes further into Europe.

The offer for Alliance Healthcare, comprising \$6.275bn in cash and 2m AmerisourceBergen shares, comes three years after a potential deal for Walgreens to acquire the pharmaceuticals distributor fell through.

The two companies already have a strategic partnership in place but as part of the transaction, Walgreens and AmerisourceBergen have agreed to extend a US distribution agreement by three years to 2029. Alliance Healthcare will also remain a distribution partner for Boots, the UK drugstore group, for a decade. Walgreens is the largest shareholder in AmerisourceBergen with an almost 30 per cent stake.

The deal is designed to expand AmerisourceBergen's presence in Europe, as Alliance is one of the largest wholesalers on the continent. Stefano Pessina, chief executive of Walgreens Boots Alliance, told the Financial Times that he would use proceeds from the sale to pay down debt and to help fund acquisitions, adding that the company had identified a number of targets.

Steven Collis, chief executive of AmerisourceBergen, said he has "inherited an intact and very good business" that will allow the company to pursue European expansion. It will also allow Walgreens to focus on its pharmacy business which includes more than 9,000 drugstores across the US.

Mr Pessina defended retail stores amid a rise in online shopping and pharmacy delivery services. Using the coronavirus vaccine as an example, he said some things could not be distributed digitally. "Pharmacies will continue to be the backbone of healthcare in any country," he added.

Despite concerns about a sluggish start, Mr Pessina said that Walgreens would finish the first phase of its US vaccination programme five days ahead of schedule, inoculating residents and staff at nursing homes across the country by January 25.

Shares in AmerisourceBergen climbed almost 8 per cent to \$105.50 by early afternoon in New York.

Walgreens stock, which has fallen 30 per cent in the past year as the pandemic put pressure on its bricks-and mortar stores, also gained up 4 per cent to \$43.04.

In late-2019 Walgreens explored a \$70bn management buyout with US private equity giant KKR that would have delisted the retailer. The sale of Alliance Healthcare is likely to reignite speculation about a fresh attempt to take the drugstore group private.

Mr Pessina, the deal-hungry chief who assembled Walgreens through a series of mergers over the years, could take advantage of Walgreens' smaller business and market valuation to explore a buyout.

Mr Pessina announced last year that he planned to step down from the role and become executive chairman but did not give a timeline.

Walgreens and AmerisourceBergen expect synergies in four years' time to be at an annual run rate of at least \$150m, which will be split equally between the companies.

'Pharmacies will continue to be the backbone of healthcare in any country' Stefano Pessina, Walgreens CEO



- Title: **Boots' parent company sells off wholesaling arm Alliance for £4.7bn**
- Date: 8 Jan 2021
- Newspaper/Source: **Chemist + Druggist**

Boots' parent company Walgreens Boots Alliance has sold the majority share of its wholesaling arm Alliance to healthcare company AmerisourceBergen for £4.7 billion (\$6.5bn).

The acquisition, which was announced jointly by Walgreens Boots Alliance and AmerisourceBergen yesterday (January 6) applies to the global Alliance Healthcare business – including the UK market – with the exception of China, Italy and Germany.

The deal is expected to close “by AmerisourceBergen’s fiscal year-end 2021” on September 30, the two companies said in a statement published yesterday.

The agreement fetched Walgreens Boots Alliance £4.6bn (\$6.275bn) in cash, along with two million shares of AmerisourceBergen common stock.

AmerisourceBergen’s acquisition of Alliance Healthcare will lead to “even stronger support for pharmacies and pharmacists across the globe and integrated solutions for pharmaceutical manufacturers”, the companies said in yesterday’s joint statement.

It will also allow Walgreens Boots Alliance to “increase its focus on expanding its core retail pharmacy businesses”, they added.

“A very positive development”

The announcement is the latest step in a partnership dating back to 2013. Walgreens Boots Alliance is the largest shareholder in AmerisourceBergen, whose offering includes pharmaceutical wholesale, with a nearly 30% stake in the company.

Ornella Barra, co-chief operating officer of Walgreens Boots Alliance and an AmerisourceBergen board member, told C+D yesterday that “this is a great agreement”, with Alliance Healthcare joining “a global distribution leader”.

The acquisition, through which Alliance Healthcare becomes “a key part of a global business fully dedicated to wholesale and its growth” will also “create greater career development and new opportunities for the Alliance Healthcare teams”, she added.

Commenting on the announcement yesterday, Julian Mount, managing director of Alliance Healthcare UK, said the news represented “a new and exciting chapter” for the business.

“I am tremendously excited about the opportunity this brings and am sure it will lead to some very near-term benefits for UK pharmacy customers, patients and the NHS,” he added.

Stefano Pessina, executive vice chairman and CEO of Walgreens Boots Alliance, described the acquisition as “a very positive development for the two companies”. The move is a “logical step following the success of our long-term strategic relationship with AmerisourceBergen which has been a strong and trusted partner since 2013”, he added.

"Alliance Healthcare UK will remain the distribution partner of Boots until 2031," according to yesterday's statement. No details have yet been released on what will happen after this date.



- Title: **Nottingham Post: Boots owner sells business responsible for distributing medicines in \$6.5bn deal**
- Date: 7 Jan 2021
- Newspaper/Source: **Nottingham Post**, Matthew Bunn

Part of Boots' parent company which is responsible for distributing medicines is set to be sold in a deal worth \$6.5 billion.

Walgreens Boots Alliance confirmed a deal had been struck with AmerisourceBergen, described as the 'world's leading pharmaceutical wholesaler, for its Alliance Health business.

While this part of the business is responsible for distributing medicines and drugs from sites in Beeston and Weybridge, it is understood there will be no impact on staff.

Stefano Pessina, executive vice chairman and CEO of Walgreens Boots Alliance, said: "This strategic agreement with AmerisourceBergen, which we consider to be the world's leading pharmaceutical wholesaler, is a very positive development for the two companies.

"This deal will enable significant value creation for both companies and will generate new synergies in addition to those already captured."

Walgreens and AmerisourceBergen have developed a 'close partnership' over the last eight years.

Walgreens is the largest shareholder in the company and Ornella Barra, co-chief operating officer at Walgreens, is a board member.

She said: "This is a great agreement that marks the next step in the journey we have been on for 40 years. Alliance Healthcare will become part of a global distribution leader in which we have a 30 percent stake.

"Boots will benefit from that scale through a decade long distribution partnership and close working relationship with a global leader. Today's announcement will also fuel further investments and long term growth for our core retail pharmacy and healthcare businesses, including Boots.

"This is good news for the UK, and for our business in Nottingham, as we work to develop future new healthcare services for Boots customers and communities. I would like to thank all of my colleagues at both Alliance Healthcare and Boots, who continue to work so hard to help our communities, especially at this time."

Steven Collis, AmerisourceBergen's chairman, president and CEO, added: "AmerisourceBergen's vital role in the health system as a key pillar of pharmaceutical innovation and access has been on full display over the past year.

"AmerisourceBergen's financial and strategic position enable this next evolution of enhancing our ability to provide healthcare capabilities across regions and deliver innovative solutions for our upstream and downstream partners.

"Today's announcements will expand our reach and solutions in pharmaceutical distribution and add to AmerisourceBergen's breadth and depth of global manufacturer services, supporting our ability to create differentiated value for all our stakeholders."

Walgreens acquired a 45 percent stake in Alliance Boots in 2012 and, a year later, the two firms announced their 'long-term relationship' with AmerisourceBergen.

In 2014, Walgreens exercised its option to complete the second step of its partnership with Alliance Boots, forming Walgreens Boots Alliance. A spokesperson for Walgreens said the main distribution centre is based in Weybridge, with some staff based in Beeston.

country would be very challenging, so I believe that COVID has shown that if we were to invest in pharmacies, well, this is not a bad thing for the future.”

Bloomberg

- Title: **U.S. Health Industry’s Deal Engines Humming Despite Pandemic**
- Date: 6 Jan 2021
- Newspaper/Source: **Bloomberg**, Timothy Annett, John Tozzi and Cécile Daurat
 - UnitedHealth, AmerisourceBergen each expand reach in new pacts
 - Walgreens sheds Alliance units, refining its drugstore focus

Some of the biggest companies in health care in the U.S. are pressing ahead with significant deals at the start of the new year, even as the coronavirus pandemic hangs over the industry’s immediate future.

Insurer UnitedHealth Group Inc. unveiled one of its biggest-ever acquisitions on Wednesday, saying it planned to take over with the \$8 billion acquisition of health-technology company Change Healthcare Inc. for \$8 billion. Also Wednesday, AmerisourceBergen Corp. said it had agreed to buy Walgreens Boots Alliance Inc.’s Alliance Healthcare pharmaceutical wholesale businesses for about \$6.5 billion in cash and stock.

Taken together, the transactions are a sign that large health-care companies are thinking beyond the coronavirus, refining strategies developed before the pandemic while positioning themselves to profit from a world reshaped by it.

More deals could unfold in coming weeks as the industry prepares to gather for the JPMorgan Healthcare Conference -- usually a glitzy annual confab in San Francisco that this year will be held virtually as Covid-19 infections continue to soar and vaccines roll out worldwide.

In buying Change Healthcare, UnitedHealth will add additional muscle to its vast Optum health-services business. Meanwhile, U.S.-based AmerisourceBergen will gain one of the largest pharmaceutical wholesalers in Europe, while Walgreens will become even more focused on drugstores at a time when rivals have tried to diversify beyond retail pharmacies.

Investors mostly cheered the deals even as signs that Democrats are poised to take control of the U.S. Senate weighed on the wider market. AmerisourceBergen shares advanced 4.8% in premarket trading in New York, while Change Healthcare soared 35% and Walgreens rose 2.2%. UnitedHealth shares fell 2.3%.

Beyond Insurance

UnitedHealth has broadened its reach well beyond the health insurance business it is perhaps best known for. Through its Optum division, the company increasingly delivers medical care directly to patients and sells consulting, technology, and data to other health-care entities.

UnitedHealth will pay \$25.75 per share in cash, a 41% premium over Change Healthcare’s Tuesday close of \$18.24. Including more than \$5 billion in debt owed by Change Healthcare, the deal amounts to \$13 billion.

The proposed deal will combine Change Healthcare with UnitedHealth's OptumInsight unit to offer software, data analytics, technology and other services to the health-care industry. Change Healthcare's chief executive officer, Neil de Crescenzo, will lead the combined business unit, the companies said. Nashville, Tennessee-based Change Healthcare has about 15,000 employees, according to data compiled by Bloomberg.

OptumInsight is the smallest unit in the Optum family by revenue, bringing in about \$2.8 billion in the three months ending Sept. 30, according to filings, or about 4% of the company's total. However, it has the highest operating margins of the company's reported segments, exceeding 20% in each of the last three full years.

Close Ties

For Walgreens, shedding the Alliance units will hone its focus on the pharmacy business. While rival CVS Health Corp. has added health-insurance plans, pharmacy-benefit management and other health services, Walgreens has been looking to shore up its stores, betting that they will remain fixtures for consumers even as online threats encroach on both its retail and pharmacy operations.

At the same time, gaining control of the Alliance units will help AmerisourceBergen expand its global reach. The terms of the deal include \$6.275 billion in cash and 2 million shares of AmerisourceBergen's common stock, the companies said in a statement. In addition, the firms extended existing distribution agreements in the U.S. and the U.K. by several years.

Walgreens and AmerisourceBergen have longstanding close ties -- the drugstore giant is AmerisourceBergen's biggest shareholder, with a stake of 30% -- and the companies have been talking for years about the potential transaction. AmerisourceBergen has a strong financial position to make it happen, CEO Steven Collis said on a conference call.

"We are pursuing this transaction from a position of strength," said Collis. "This is something that has been contemplated for a very long time,"

In a separate statement, AmerisourceBergen boosted its earnings forecast for the fiscal 2021 year that ends in September. The Chesterbrook, Pennsylvania-based company expects earnings per share of \$8.25 to \$8.50, excluding some items, up 5 cents from its previous range.

Walgreens is expected to report its latest quarterly results on Thursday. Its Alliance Healthcare businesses had combined revenue of about \$19 billion in 2020, and adjusted earnings before interest, tax, depreciation and amortization of \$540 million.



- Title: **Walgreens Pessina: We'll Spend Distributor Sale Proceeds On 'Pharmacy Of The Future'**
- Date: 6 Jan 2021
- Newspaper/Source: **Forbes**, Bruce Japsen

Walgreens Boots Alliance plans to use billions of dollars in proceeds from the sale of its healthcare distribution business on developing its pharmacies for the future, the company's chief executive said.

Money for drugstore development will come after the large drug wholesaler AmerisourceBergen said it will acquire the majority of Walgreens Boots Alliance's "Alliance Healthcare" wholesale distribution business for \$6.5 billion, the companies said Wednesday. Part of those proceeds will be

used to invest in Walgreens pharmacies, which are adding new healthcare items, primary care services and new digital capabilities.

“We will invest in developing our pharmacies,” Walgreens chief executive Stefano Pessina said in an interview after the AmerisourceBergen deal was announced.

“Part of the money will be used to repay debt and part of the money we will invest in developing our pharmacies,” Pessina added. “The pharmacy of the future is not the pharmacy we have. We want to prepare for the pharmacy of the future.”

Pessina said Walgreens will use the money from the sale of its Alliance Healthcare to invest in digital infrastructure and other efforts to build the drugstore chain’s healthcare services into the future to “make our pharmacies more efficient.”

Walgreens said Thursday as part of its fiscal 2021 first quarter earnings report that it has completed its \$1 billion investment in its primary care partner VillageMD and will accelerate “a large scale roll out” of primary care clinics.

When the VillageMD investment was first announced last year, Walgreens had said it planned to open 500 to 700 physician-staffed clinics inside its drugstores in more than 30 U.S. markets within the next four years.

Now, Walgreens said it will open “600 to 700 Village Medical at Walgreens primary care clinics in more than 30 U.S. markets within the next four years, with the intent to build hundreds more thereafter.”

“Walgreens is focused on creating the pharmacy of the future, providing a broad and meaningful range of high-quality, affordable healthcare services to our patients and customers,” Pessina said in a statement announcing the completion of the \$1 billion VillageMD investment. “Through these conveniently located clinics at our neighborhood stores, we will uniquely integrate the pharmacist as a critical member of VillageMD’s multi-disciplinary care team to provide patients with personalized and coordinated care.”



- Title: **Walgreens Boots to Sell Pharmacy Wholesale Operation to AmerisourceBergen**
- Date: 6 Jan 2021
- Newspaper/Source: **WSJ**, Micah Maidenberg

Drugstore chain expects deal to help it focus on retail-pharmacy business, health-care offerings

Walgreens Boots Alliance Inc. said it agreed to sell the majority of its pharmacy wholesale unit to AmerisourceBergen Corp., a move it said would help the drugstore chain to better focus on its retail pharmacy business and health offerings.

AmerisourceBergen, a distributor of pharmaceutical products, will pay \$6.5 billion for the wholesale business, Alliance Healthcare, including about \$6.3 billion in cash and two million of its shares, the companies said Wednesday. The planned deal would expand Walgreens' nearly 30% stake in AmerisourceBergen, which makes it the largest shareholder of the latter company, according to both firms.

In its latest quarter, Walgreens generated \$6 billion in sales from its wholesale unit, which consists of Alliance Healthcare and the stake in AmerisourceBergen. The Alliance unit distributed health-care products and services to more than 115,000 pharmacies, hospitals and other health providers annually, as of the end of last August, Walgreens said in a filing. It operated then in 11 countries, most of them in Europe, the filing says.

Walgreens grappled with challenges related to the coronavirus last year, in part because the pandemic damped customer traffic and prescription demand in the U.K., where the company operates the Boots U.K. chain. The British government ordered a new lockdown this week.

However, sales for its latest quarter for its retail-pharmacy unit in the U.S. were up roughly 4% to \$27 billion. The deal to sell off its wholesale business will allow it to home in on its retail pharmacies, Walgreens said. It also said the transaction would help it focus on its health-care businesses. The retailer said last year it was working with primary-care provider VillageMD to open 500 to 700 clinics at Walgreens sites across the country over the next five years.

AmerisourceBergen said the deal would bolster its business providing goods to pharmacies and pharmacists.

Walgreens is scheduled to release results for its first quarter for its 2021 fiscal year Thursday.

Walgreens and AmerisourceBergen also said Wednesday they extended a distribution agreement for the U.S. by three years until 2029. The Alliance Healthcare U.K. branch will continue to distribute products to Walgreens's Boots business until 2031, the companies said.

Chain Drug Review

- Title: **Pessina discusses implications of AmerisourceBergen deal**
- Date: 8 Jan 2021
- Newspaper/Source: **Chain Drug Review**: - Jeffrey Woldt

Walgreens Boots Alliance and AmerisourceBergen yesterday took the next but far from final step in their long-standing partnership, when the former agreed to sell the latter most of Alliance Healthcare. Valued at some \$6.5 billion, the deal will bring AmerisourceBergen's pharmaceutical distribution and health care solutions business to 13 countries, mostly in Europe, while enabling WBA to accelerate investments in retail pharmacy and related consumer-facing services. By extending the term of their current U.S. wholesaling agreement by three years, to 2029, and committing to jointly capitalize on additional sourcing and distribution opportunities, as well as striking a similar deal in the United Kingdom, the two companies strengthened a bond that was forged in 2013, when WBA established what is now an almost 30% stake in AmerisourceBergen.

"We have always had a good relationship with AmerisourceBergen," says WBA executive vice chairman and chief executive officer Stefano Pessina, recalling a time when his company's primary focus was pharmaceutical distribution. "In Europe we always worked to create synergies between the wholesaler and the retailer. In doing this deal, we have been able to preserve these synergies because we work in a symbiotic way. This would have been very difficult with a company with which we didn't have a long relationship."

One area of concentration will be how to do a better job taking advantage of those opportunities. Pessina indicates that \$150 million in synergy savings — to be divided evenly between WBA and AmerisourceBergen — already have been targeted through better buying and logistics. He sees

further upside potential from AmerisourceBergen distributing nonprescription products in the over-the-counter health care and personal care categories.

“Our financial and strategic position enables this next evolution of enhancing our ability to provide health care capabilities across regions and deliver innovative solutions for our upstream and downstream partners,” notes Steve Collis, chairman, president and CEO of AmerisourceBergen.

Alliance Healthcare’s service orientation is consistent with a similar strategy at AmerisourceBergen. Such Alliance assets as pharmaceutical logistics company Alloga; Alcura, a provider of personalized patient care solutions; and Skills in healthcare, which offers brand service capabilities, will ease AmerisourceBergen’s way in the markets it is entering.

“Under co-chief operating officer Ornella Barra, we have developed over time a variety of products and services because, of course, the simple theory in business of just delivering packages is not terribly profitable,” Pessina explains. “These services are much more profitable than the basic business, and this is why Alliance Healthcare is so strong. AmerisourceBergen can take advantage of these ideas and these services that Ornella has put together and try to use them in the U.S.”

As for WBA, Pessina says that proceeds from the sale will be used to repay debt and help finance ongoing improvements in the business: “We are thinking of deploying the money to do certain acquisitions or invest in areas that could strengthen our presence as a pharmacy, make our pharmacies more efficient or really improve the service. VillageMD is one example where we intend to accelerate our investment in order to help them to expand more rapidly and to create more health care offerings in our stores.”

Subsequent to my conversation with Pessina, WBA announced that it is speeding up its investment in VillageMD, a value-based primary care provider slated to open 600 to 700 clinics at Walgreens stores over the next four years. WBA has committed to investing \$1 billion in VillageMD, with \$750 million of that funding now in place.

“We have a lot of ideas, and you will see over time that we will make investments that will improve the quality of our business,” adds Pessina. “We are investing a lot in the online channel of our company.

“The money from this deal will be well invested. While we are likely slightly diluted — but really slightly — in the medium or long term we will be substantially accretive if we invest as planned. You will see that in the next weeks or months we will make a lot of significant announcements.”

Citing the COVID-19 crisis as a factor behind the timing of the decision to sell Alliance Healthcare to AmerisourceBergen, Pessina says the pandemic highlights the importance of community pharmacy in health care delivery, and the need for close cooperation between retailers and drug wholesalers.

“COVID-19 has been a clear demonstration of how pharmacy is important,” he notes. “It’s put pharmacy at the center of health care. You see the success we’re having with the testing and now with vaccinations. Building on that success without the network of pharmacies we have in this country would be very challenging, so I believe that COVID has shown that if we were to invest in pharmacies, well, this is not a bad thing for the future.”