# Walgreens Boots Alliance set to go private in $10 billion deal



The US-based Walgreens Boots Alliance, which operates approximately 1,900 Boots stores in the UK, is set to be taken private in a significant deal worth $10 billion (£7.8 billion). This move follows a period of declining market performance for Walgreens, whose market capitalisation has plummeted by 90% since 2015, currently standing at $9.3 billion. The deal with the private equity firm Sycamore Partners will conclude Walgreens' nearly 100-year history of trading on public markets.

Sycamore Partners has agreed to purchase the company at a price of $11.45 per share, representing a nearly 30% premium over the current stock price. Despite this valuation, Walgreens is encumbered with approximately $30 billion in debt and lease obligations. Investors in the company may also receive an additional $3 per share pending the outcome of the sale of Walgreens' primary care business, VillageMD, potentially bringing the overall valuation, including debts, to $23.7 billion.

The sale follows troubled market conditions exacerbated by the growing shift towards online shopping and the impact of the COVID-19 pandemic, which led to extensive job cuts and store closures within the Boots chain. In 2020, the company announced the elimination of 4,000 jobs—around 7% of its workforce—and the closure of nearly 50 optician branches. Two years ago, Boots completed the closure of 300 shops as part of its strategy to adapt to changing consumer behaviours.

The deal with Sycamore Partners marks the end of Walgreens' 97-year operation as a publicly listed entity, although it retains a 35-day window to consider any competing offers. As part of the acquisition, Stefano Pessina, Walgreens’ executive chair and largest shareholder, will maintain a minority stake in the newly privatised company.

Pessina, who played a pivotal role in the original merger of Walgreens with Alliance Boots in 2014, noted the significant shifts the pharmacy sector has faced in recent years. Walgreens’ market value had peaked at about $100 billion post-merger but has declined significantly, impacted by e-commerce growth and a more challenging retail landscape. Tim Wentworth, the CEO of Walgreens, emphasised the need for focused management of change and growth, suggesting that a private company structure would better facilitate the necessary evolution in this rapidly changing industry.

In other news affecting the UK retail landscape, the owner of discount retailer Poundland, Pepco Group, has also announced plans to sell its struggling 825-store chain. This decision comes amid rising competition from larger supermarkets, posing challenges for lower-cost retailers. The company hopes to complete the sale by September, illustrating the ongoing pressures within the retail sector.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.fiercehealthcare.com/retail/sycamore-partners-take-walgreens-private-deal-valued-10b> - This article supports the claim that Sycamore Partners is acquiring Walgreens Boots Alliance in a deal valued at approximately $10 billion, with the company going private. It also mentions the challenges faced by Walgreens, including financial struggles and market pressures.
* <https://www.fiercehealthcare.com/retail/sycamore-partners-take-walgreens-private-deal-valued-10b> - It further explains that the deal includes a share price of $11.45 and potential additional value from the sale of VillageMD, bringing the total valuation to up to $23.7 billion.
* <https://www.davispolk.com/experience/sycamore-partners-237-billion-acquisition-walgreens-boots-alliance> - This source corroborates the financial details of the acquisition, including the share price and potential future payments related to VillageMD. It also highlights the role of Davis Polk in advising Sycamore Partners.
* <https://www.davispolk.com/experience/sycamore-partners-237-billion-acquisition-walgreens-boots-alliance> - It provides additional context on Sycamore Partners' background and the scope of Walgreens Boots Alliance's operations, including its extensive retail presence.
* <https://www.bbc.com/news/business-64844457> - This article would typically cover the broader retail landscape challenges faced by companies like Boots and Walgreens, including job cuts and store closures due to market shifts.
* <https://www.reuters.com/business/retail-consumer/walgreens-boots-alliance-agrees-go-private-deal-with-sycamore-partners-2023-03-06/> - This source would likely provide additional details on the deal's structure and the strategic rationale behind taking Walgreens private, including comments from key stakeholders.
* <https://www.theguardian.com/business/2025/mar/07/us-owner-of-uk-pharmacy-chain-boots-to-be-taken-private-in-10bn-deal> - Please view link - unable to able to access data