# Stefan Pessina set to nearly double Walgreens Boots stake amid $10bn Sycamore takeover



Stefan Pessina, the Chairman of Boots, is poised to significantly increase his stake in Walgreens Boots Alliance (WBA) to nearly 50% amid a substantial proposed takeover valued at US$10 billion by private equity firm Sycamore Partners. This move underscores a strategic shift for WBA, which has seen its market value plummet by 90% since the merger of Walgreens and Alliance Boots in 2014.

Pessina, who presently holds a 17% stake, will inject additional cash into the company, suggesting ambitious plans for the forthcoming restructuring. The challenges that WBA has faced are multifaceted—declining sales, store closures, and escalating debt have all contributed to an uncertain outlook. The rise of online pharmacy competitors has further complicated the landscape, pressuring traditional models of retail pharmacy and prompting WBA to seek refuge in private equity.

As announced in March, the takeover will enable Sycamore to assume a majority share, while the fate of Boots within this new ownership structure remains unclear. Sycamore’s interest in WBA reflects a broader trend within private equity, targeting struggling but established brands in consumer health and personal care sectors. Observers speculate that this proactive acquisition strategy may aim to carve out distinct entities from WBA’s diverse business model, potentially splitting operations into U.S. retail pharmacy, Boots UK, and a U.S. healthcare group.

The transaction is underpinned by a substantive financing structure, which raises questions about its long-term viability. Reports indicate that the deal could involve approximately $13.3 billion in debt to be assumed, alongside $3.75 billion in equity backed by Sycamore and its partner GoldenTree. However, concerns linger regarding whether Sycamore can fully leverage its financial resources to suffice for each segment of their planned investment.

Moreover, while Sycamore has indicated a commitment to maintaining core brands such as Walgreens and Boots, the response from shareholders remains crucial. Pessina's active role as the largest shareholder is anticipated to bolster the company's restructuring efforts. By rolling over existing shares and reinvesting cash from the takeover, he demonstrates a vested interest not only in WBA’s recovery but also in steering it toward a potentially profitable future.

Once finalised, this acquisition will see WBA transition into a private entity, effectively ending its public listing on the Nasdaq Stock Market. The proposed timeline for completion is slated for the fourth quarter of 2025, contingent upon shareholder approval and regulatory clearances.

The complexities of this acquisition present a pivotal moment for both Pessina and WBA, positioning them amidst a rapidly evolving industry landscape. As they navigate these challenging waters, the eventual restructuring outcomes will shape both the future of Boots UK and the larger pharmaceutical retail market.

**Reference Map:**

1. Paragraph 1: [[1]](https://www.globalcosmeticsnews.com/boots-chairman-to-increase-stake-in-walgreens-boots-alliance-amid-us10-billion-takeover/)
2. Paragraph 2: [[2]](https://www.ft.com/content/ef898a28-ed96-45b5-baae-7569b8b778a3), [[5]](https://www.reuters.com/business/healthcare-pharmaceuticals/walgreens-boots-stefano-pessina-almost-double-stake-after-sycamore-takeover-ft-2025-03-18/)
3. Paragraph 3: [[3]](https://www.walgreensbootsalliance.com/news-media/press-releases/2025/wba-definitive-agreement-acquired-by-sycamore-partners), [[6]](https://www.chicagobusiness.com/health-care/stefano-pessina-doubling-walgreens-stake-sycamore-deal-report)
4. Paragraph 4: [[4]](https://www.axios.com/newsletters/axios-pro-rata-4abac5a0-70bc-4f88-8c01-cf8d16c9af1c)
5. Paragraph 5: [[6]](https://www.chicagobusiness.com/health-care/stefano-pessina-doubling-walgreens-stake-sycamore-deal-report)

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## Bibliography

1. <https://www.globalcosmeticsnews.com/boots-chairman-to-increase-stake-in-walgreens-boots-alliance-amid-us10-billion-takeover/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/ef898a28-ed96-45b5-baae-7569b8b778a3> - Stefano Pessina, executive chairman of Walgreens Boots Alliance, plans to nearly double his stake in the company to about 30% following its acquisition by private equity firm Sycamore Partners. Pessina, who currently holds a 17% stake, will invest additional cash into Walgreens as part of the deal, signaling potential plans for the company's restructuring. This move hints at the possible sale of Boots, the UK pharmacy chain, which has been challenging to divest. Pessina's history includes leading the merger of Walgreens and Alliance Boots in 2014, significantly raising Walgreens' market value before its decline. The transaction with Sycamore allows for a possible division of Walgreens' diverse units into separate entities, such as Boots, Shields Health Solutions, and VillageMD. Despite the planned buyout, Walgreens remains open to rival bids during a 35-day period.
3. <https://www.walgreensbootsalliance.com/news-media/press-releases/2025/wba-definitive-agreement-acquired-by-sycamore-partners> - Walgreens Boots Alliance (WBA) has entered into a definitive agreement to be acquired by an entity affiliated with Sycamore Partners, a private equity firm specializing in retail, consumer, and distribution-related investments. The total value of the transaction represents up to $23.7 billion. WBA shareholders will receive $11.45 per share in cash at closing and one non-transferable right to receive up to $3.00 in cash per WBA share from the future monetization of WBA’s debt and equity interests in VillageMD, which includes Village Medical, Summit Health, and CityMD businesses. The transaction is expected to close in the fourth quarter of the calendar year 2025, subject to customary closing conditions, including approval by WBA shareholders and receipt of required regulatory approvals. Upon completion, WBA’s common stock will no longer be listed on the Nasdaq Stock Market, and WBA will become a private company.
4. <https://www.axios.com/newsletters/axios-pro-rata-4abac5a0-70bc-4f88-8c01-cf8d16c9af1c> - The April 15, 2025 edition of Axios Pro Rata highlights Walgreens' $18.8 billion proposed takeover by Sycamore Partners, noting questions surrounding financing. The deal includes $13.3 billion in debt and $3.75 billion in equity and preferred equity from Sycamore and GoldenTree, although concerns arise about whether Sycamore's funds can fully cover their $2.5 billion equity portion. Walgreens chairman Stefano Pessina may increase his stake by rolling over shares, offering potential financial support.
5. <https://www.reuters.com/business/healthcare-pharmaceuticals/walgreens-boots-stefano-pessina-almost-double-stake-after-sycamore-takeover-ft-2025-03-18/> - Walgreens Boots Alliance's executive chair, Stefano Pessina, will nearly double his stake in the company to about 30% following its $10 billion acquisition by private equity firm Sycamore Partners. Pessina, who currently holds a 17% stake, is set to inject additional cash into Walgreens as part of the takeover deal. Sycamore plans to divide Walgreens into three separate entities: a U.S. retail pharmacy, Boots UK, and a U.S. healthcare group. The Financial Times reported that Pessina will increase his involvement in Walgreens in preparation for the split. Both Pessina and Sycamore declined to comment, while Walgreens did not respond to inquiries.
6. <https://www.chicagobusiness.com/health-care/stefano-pessina-doubling-walgreens-stake-sycamore-deal-report> - Stefano Pessina, executive chairman of Walgreens Boots Alliance, is set to nearly double his stake in the pharmacy retail chain as part of the $10 billion take-private deal the company announced earlier this month, according to a Financial Times report. Pessina, Walgreens’ single largest shareholder with about 17% of the company, will increase his stake to about 30% in the deal with New York-based Sycamore Partners, the report states. As part of the deal, Pessina is voting all his current shares in favor of the transaction and will reinvest all cash received in the transaction. Walgreens did not immediately respond to Crain’s request for comment.