‘Changes Are Imminent’: Walgreens to Shutter a ‘Significant’ Number of Stores

Walgreens is the latest chain to face mass closures.

On Thursday, Walgreens announced that it would be closing a “significant” number of underperforming stores across the country.

“The current pharmacy model is not sustainable,” CEO Tim Wentworth told investors on an earnings call. “Changes are imminent.”

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Wentworth said that it would “take a hard look” at 25% of its stores over the next three years with the potential for closure, which means that 2,150 stores could be up for shutting down.

Walgreens currently operates 8,600 stores.

“The consumer is absolutely stunned by the absolute prices of things, and the fact that some of them may not be inflating doesn’t actually change their resistance to the current pricing,” Wentworth told investors. “So we’ve had to get really keen, particularly in discretionary things.”

Walgreens Boots Alliance stock plummeted over 24% in a 24-hour period upon the release of its fiscal Q3 2024 earnings, which

reported $36.4 billion in revenue.

The company revealed that it was hit with a $2.7 billion bill by the IRS after the agency conducted audits and reportedly found issues with Walgreens' transfer pricing between 2014 and 2017.

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"The Company intends to vigorously defend its position on the transfer pricing matter through the IRS's administrative appeals office and, if necessary, judicial proceedings and is confident in its ability to prevail on the merits," Walgreens said via the filing at the time.

As of Thursday afternoon, Walgreens Boots Alliance was down nearly 59% year over year.

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