

Amazon.com, Inc.

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Amazon throws down the gauntlet by buying online pharmacy PillPack

Amazon.com Inc. (NASDAQ:AMZN) announced Thursday that it is acquiring online pharmacy service PillPack, which delivers pre-sorted daily medications for consumers who take multiple prescriptions.

Shares of rival pharmacies CVS Health Corp (NYSE:CVS), Walgreens Boots Alliance Inc. (NASDAQ:WBA), and Rite Aid (NYSE:RAD) capsized on fears that the Seattle-based e-commerce giant would disrupt the drugstore market in the same way it snuffed out brick-and-mortar bookstores.

READ: Walgreens 3Q earnings beat on revenue surge

Amazon shares were up nearly 1%, while CVS Health plunged 9.6% to US\$63.33. It also stole the thunder from Walgreens, which handily beat third-quarter earnings earlier Thursday and announced a US\$10bn buyback. Despite the good news, jittery investors sent Walgreens shares down 9.8% to US\$59.78.

Monetary terms of the deal were not disclosed. The companies expect the deal to close during the second half of the year.

"PillPack's visionary team has a combination of deep pharmacy experience and a focus on technology," said Jeff Wilke, head of Amazon's worldwide consumer division — and Jeff Bezos' right-hand man. "PillPack is meaningfully improving its customers' lives, and we want to help them continue making it easy for people to save time, simplify their lives, and feel healthier. We're excited to see what we can do together on behalf of customers over time."

Going head-to-head with Walmart

Amazon also stole Pillpack from under Walmart Inc's (NYSE: WMT) nose. In April, CNBC first reported that Walmart was wooing Pillpack and the price being discussed was less than US\$1bn.

PillPack doesn't just fill prescriptions, it also helps patients and seniors manage their medications by pre-sorting pills into date and time-stamped packets, automatically delivering refills to their homes. Seniors are a key demographic for Walmart, which runs about 4,700 U.S. pharmacies and has major ambitions of expanding its health-care business.

Amazon and Walmart are beginning to compete in a growing number of areas and their rivalry has intensified, putting pressure on the big-box store chain.

Read: Walmart goes head-to head with Amazon, looks to scoop up PillPack

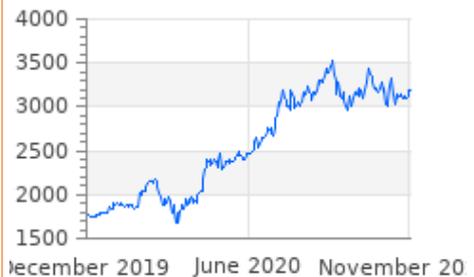
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Price: 3182.99

Market Cap: \$1.6 trillion

1 Year Share Price Graph



Share Information

Code: AMZN

Listing: NASDAQ

52 week	High	Low
	3550	1627

Sector: Retail

Website: www.amazon.com

Company Synopsis:

Amazon.com, Inc. offers services to consumers, sellers, and developers through its retail Websites. The Company offers programs that enable sellers to sell their products on its Websites and their own branded Websites.

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