CVS Health Corporation

Supplemental Financial Information

Preliminary and Unaudited
Third Quarter 2017
Earnings Release
November 6, 2017

The information in this supplement includes non-GAAP financial measures related to our company's performance, namely EBITDA and Adjusted EPS. In accordance with SEC regulations, the definitions of the non-GAAP items mentioned, as well as the reconciliations to comparable GAAP measures, are available on the investor relations portion of our website at investors.cvshealth.com. This supplement contains financial information derived from our company's Form 10-Q for the quarter ended September 30, 2017. This filing is available on the investor relations portion of our website at investors.cvshealth.com.

GAAP

(In millions, except per share amounts)	Third Quarter Three months ended September 30, 2017	Third Quarter Three months ended September 30, 2016	+/-Variance	Year-to-Date Nine months ended September 30, 2017	Year-to-Date Nine months ended September 30, 2016	+/-Variance
Net revenues	**$ 46,181.4**	$ 44,615.1	3.5%	**$ 136,380.1**	$ 131,555.1	3.7%
Cost of revenues [1]	**39,054.6**	37,122.7	(5.2%)	**115,738.7**	110,303.5	(4.9%)
Gross profit	**7,126.8**	7,492.4	(4.9%)	**20,641.4**	21,251.6	(2.9%)
gross margin	***15.4%***	*16.8%*	*(136) bps*	***15.1%***	*16.2%*	*(102) bps*
Operating expenses [2][3]	**4,627.7**	4,668.0	0.9%	**14,232.8**	13,885.1	(2.5%)
as a % of net revenues	***10.0%***	*10.5%*	*44 bps*	***10.4%***	*10.6%*	*12 bps*
Operating profit [3]	**$ 2,499.1**	$ 2,824.4	(11.5%)	**$ 6,408.6**	$ 7,366.5	(13.0%)
operating margin	***5.4%***	*6.3%*	*(92) bps*	***4.7%***	*5.6%*	*(90) bps*
Interest expense, net	**245.1**	252.6	3.0%	**744.2**	815.4	8.7%
Other expenses [4]	**192.5**	108.1	(78.1%)	**205.9**	666.8	69.1%
Income before income tax provision	**2,061.5**	2,463.8	(16.3%)	**5,458.6**	5,884.3	(7.2%)
Income tax provision	**777.2**	921.4	15.7%	**2,115.1**	2,270.7	6.9%
effective tax rate	***37.7%***	*37.4%*	*(30) bps*	***38.7%***	*38.6%*	*(16) bps*
Discontinued operations	**0.6**	(1.1)	156.6%	**(7.8)**	(1.3)	(504.7%)
Net income	**1,285.0**	1,541.2	(16.6%)	**3,335.7**	3,612.3	(7.7%)
as a % of net revenues	***2.8%***	*3.5%*	*(67) bps*	***2.4%***	*2.7%*	*(30) bps*
Net income (loss) attributable to noncontrolling interest	**0.1**	0.8	NM	**0.4**	1.7	NM
Net income attributable to CVS Health	**$ 1,284.9**	$ 1,540.4	(16.6%)	**$ 3,335.2**	$ 3,610.7	(7.6%)
as a % of net revenues	***2.8%***	*3.5%*	*(67) bps*	***2.4%***	*2.7%*	*(30) bps*
Earnings allocated to participating securities	**2.9**	7.3	59.5%	**12.6**	18.1	30.3%
Income available for common shareholders	**1,281.9**	1,533.1	16.4%	**3,322.6**	3,592.6	7.5%
Weighted average diluted shares outstanding	**1,020.2**	1,072.6	4.9%	**1,026.2**	1,082.3	5.2%
GAAP diluted EPS from continuing ops	**$ 1.26**	$ 1.43	(12.2%)	**$ 3.25**	$ 3.32	(2.3%)
Depreciation & amortization [5]	**614.3**	611.0	0.5%	**1,856.6**	1,846.8	0.5%
EBITDA	**$ 2,920.9**	$ 3,327.3	(12.2%)	**$ 8,059.3**	$ 8,546.5	(5.7%)
as a % of net revenues	***6.3%***	*7.5%*	*(113) bps*	***5.9%***	*6.5%*	*(59) bps*

Footnotes

Totals may not foot due to rounding.

1 Includes $5 million and $15 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Includes $2 million and $7 million of acquisition-related integration costs during both the three and nine months ended September 30, 2017. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare.

2 Includes $60 million and $192 million of acquisition-related integration costs during the three months and nine months ended September 30, 2016, respectively. Includes a $3 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016. Includes $4 million and $24 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the integration costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target, and in 2017, the integration costs relate to the acquisition of Omnicare. Includes a $135 million goodwill impairment charge related to the RxCrossroads reporting unit within the Retail/LTC segment during the nine months ended September 30, 2017. Includes $6 million and $211 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and nine months ended September 30, 2017, respectively.

3 Amounts revised to reflect the adoption of ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* , which decreased operating expenses and increased operating profit by $7 million and $23 million for the three and nine months ended September 30, 2016, respectively.

4 Includes $101 million and $643 million from loss on extinguishment of debt during the three nine months ended September 30, 2016, respectively. Includes $187 of losses on settlements of definied benefit persion plans during the three and nine months ended September 30, 2017.

5 Includes $7 million and $21 million of acquisition-related integration depreciation during the three and nine months ended September 30, 2016, respectively. The depreciation relates to the acquisitions of Omnicare and the pharmacies and clinics of Target.

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ 32,895.8**	$ 30,429.1	8.1%	**$ 96,444.1**	$ 88,703.9	8.7%
Cost of revenues	**31,250.7**	28,632.4	(9.1%)	**92,233.6**	84,438.0	(9.2%)
Gross profit	**1,645.1**	1,796.7	(8.4%)	**4,210.5**	4,266.0	(1.3%)
gross margin	***5.0%***	*5.9%*	*(90) bps*	***4.4%***	*4.8%*	*(44) bps*
Operating expenses [1]	**292.1**	339.0	13.8%	**938.9**	984.8	4.7%
as a % of net revenues	***0.9%***	*1.1%*	*23 bps*	***1.0%***	*1.1%*	*14 bps*
Operating profit [1]	**$ 1,352.9**	$ 1,457.7	(7.2%)	**$ 3,271.5**	$ 3,281.2	(0.3%)
operating margin	***4.1%***	*4.8%*	*(68) bps*	***3.4%***	*3.7%*	*(31) bps*
Net revenues:						
Mail choice	**11,589.8**	10,872.2	6.6%	**33,950.2**	31,667.8	7.2%
Pharmacy network	**21,215.6**	19,468.8	9.0%	**62,257.8**	56,782.8	9.6%
Other	**90.4**	88.1	2.5%	**236.0**	253.3	(6.8%)
Pharmacy claims processed [2]:						
Total adjusted claims	**441.1**	408.7	7.9%	**1,323.2**	1,213.8	9.0%
Adjusted mail choice	**66.9**	63.0	6.1%	**196.2**	186.3	5.3%
Adjusted pharmacy network	**374.2**	345.7	8.3%	**1,127.0**	1,027.5	9.7%
Generic dispensing rate [2]:						
Total	**87.0%**	86.0%	*104 bps*	**87.1%**	85.8%	*124 bps*
Mail Choice	**83.3%**	81.7%	*161 bps*	**83.1%**	81.1%	*197 bps*
Pharmacy network	**87.7%**	86.8%	*90 bps*	**87.8%**	86.7%	*107 bps*
Mail choice penetration rate [2]	**15.2%**	15.4%	*(26) bps*	**14.8%**	15.3%	*(52) bps*

Footnotes

Totals may not foot due to rounding.

1 Amounts revised to reflect the adoption of ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* which decreased operating expenses and increased operating profit and EBITDA by $1 million and $4 million for the three and nine months ended September 30, 2016, respectively.

2 Includes the adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ 19,593.4**	$ 20,142.7	(2.7%)	**$ 58,488.3**	$ 60,253.1	(2.9%)
Cost of revenues [1]	**13,908.4**	14,249.0	2.4%	**41,452.6**	42,693.0	2.9%
Gross profit	**5,685.0**	5,893.8	(3.5%)	**17,035.7**	17,560.1	(3.0%)
gross margin	***29.0%***	*29.3%*	*(24) bps*	***29.1%***	*29.1%*	*(2) bps*
Operating expenses [2][3]	**4,132.1**	4,116.2	(0.4%)	**12,660.5**	12,287.5	(3.0%)
as a % of net revenues	***21.1%***	*20.4%*	*(65) bps*	***21.6%***	*20.4%*	*(125) bps*
Operating profit [3]	**$ 1,552.9**	$ 1,777.6	(12.6%)	**$ 4,375.2**	$ 5,272.6	(17.0%)
operating margin	***7.9%***	*8.8%*	*(90) bps*	***7.5%***	*8.8%*	*(127) bps*
RETAIL STATISTICS						
Same-store increase (decrease) [4]:						
Total sales	**(3.2%)**	2.3%	*(550) bps*	**(3.5%)**	2.8%	*(630) bps*
Retail pharmacy sales	**(3.4%)**	3.4%	*(680) bps*	**(3.6%)**	4.3%	*(790) bps*
Retail front store sales	**(2.8%)**	(1.0%)	*(180) bps*	**(3.3%)**	(1.0%)	*(230) bps*
Total prescription volume	**(3.0%)**	1.5%	*(450) bps*	**(3.2%)**	2.7%	*(590) bps*
Total adjusted prescription volume [5]	**0.3%**	3.0%	*(270) bps*	**(0.4%)**	4.1%	*(450) bps*
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	**(2.7%)**	12.5%	*(1518) bps*	**(2.9%)**	15.6%	*(1857) bps*
Pharmacy	**(2.9%)**	15.3%	*(1821) bps*	**(3.1%)**	19.9%	*(2294) bps*
Front store	**(2.1%)**	0.8%	*(293) bps*	**(2.4%)**	0.9%	*(336) bps*
Generic dispensing rate	**87.2%**	85.8%	*140 bps*	**87.4%**	85.8%	*160 bps*
Rx % of net revenues	**75.9%**	76.0%	*(12) bps*	**75.1%**	72.5%	*260 bps*
FS % of net revenues	**22.8%**	22.7%	*15 bps*	**23.6%**	23.5%	*12 bps*
Retail/LTC prescriptions filled	**234.2**	240.4	*(2.6%)*	**708.8**	727.3	*(2.5%)*
Adjusted retail/LTC prescriptions filled [5]	**304.0**	302.9	*0.4%*	**908.7**	908.9	*(0.0%)*

Footnotes

Totals may not foot due to rounding.

1 Includes $5 million and $15 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Includes $2 million and $7 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare.

2 Includes $47 million and $179 million of acquisition-related integration costs during the three months and nine months ended September 30, 2016, respectively. Includes $7 million and $27 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare. Includes a $135 million goodwill impairment charge related to the RxCrossroads reporting unit within the Retail/LTC segment during the nine months ended September 30, 2017. Includes $6 million and $211 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the nine months ended September 30, 2017.

3 Amounts revised to reflect the adoption of ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* , which decreased operating expenses and increased operating profit by $5 million and $18 million for the three and nine months ended September 30, 2016, respectively.

4 Same store sales and prescriptions exclude revenues from MinuteClinic®, and revenue and prescriptions from stores in Brazil, LTC operations and from commercialization services.

5 Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ -**	$ -	N/A	**$ -**	$ -	N/A
Cost of revenues	**-**	-	N/A	**-**	-	N/A
Gross profit	**-**	-	N/A	**-**	-	N/A
gross margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating expenses [1]	**220.4**	227.5	3.2%	**686.4**	658.2	(4.3%)
as a % of net revenues	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating profit	**$ (220.4)**	$ (227.5)	3.2%	**$ (686.4)**	$ (658.2)	(4.3%)
operating margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*

Footnotes

Totals may not foot due to rounding.

1 Includes $13 million in acquisition-related integration costs during the three and nine months ended September 30, 2016. Includes a $3 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016. Operating loss for the three and nine months ended September 30, 2017 include a $3 million reduction in integration costs for a change in estimate.

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ (6,307.8)**	$ (5,956.8)	(5.9%)	**$ (18,552.3)**	$ (17,401.9)	(6.6%)
Cost of revenues	**(6,104.6)**	(5,758.7)	6.0%	**(17,947.5)**	(16,827.5)	6.7%
Gross profit	**(203.3)**	(198.1)	(2.6%)	**(604.8)**	(574.5)	(5.3%)
gross margin	***3.2%***	*3.3%*	*(10) bps*	***3.3%***	*3.3%*	*(4) bps*
Operating expenses	**(16.9)**	(14.7)	(15.1%)	**(53.1)**	(45.3)	(17.2%)
as a % of net revenues	***0.3%***	*0.2%*	*2 bps*	***0.3%***	*0.3%*	*3 bps*
Operating profit	**$ (186.4)**	$ (183.4)	(1.6%)	**$ (551.7)**	$ (529.1)	(4.3%)
operating margin	***3.0%***	*3.1%*	*(12) bps*	***3.0%***	*3.0%*	*(7) bps*

Footnotes

Totals may not foot due to rounding.

Adjusted to Exclude Certain Items

Supplemental Information: Consolidated Statement of Income (Excluding Certain Items)

Third Quarter 2017

(In millions, except per share amounts)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ 46,181.4**	$ 44,615.1	3.5%	**$ 136,380.1**	$ 131,555.1	3.7%
Cost of revenues [1]	**39,052.8**	37,117.8	(5.2%)	**115,730.7**	110,288.5	(4.9%)
Gross profit	**7,128.6**	7,497.3	(4.9%)	**20,649.3**	21,266.6	(2.9%)
gross margin	***15.4%***	*16.8%*	*(137) bps*	***15.1%***	*16.2%*	*(102) bps*
Operating expenses [2][3]	**4,617.7**	4,607.9	(0.2%)	**13,863.9**	13,690.4	(1.3%)
as a % of net revenues	***10.0%***	*10.3%*	*33 bps*	***10.2%***	*10.4%*	*24 bps*
Operating profit [3]	**$ 2,511.0**	$ 2,889.3	(13.1%)	**$ 6,785.4**	$ 7,576.2	(10.4%)
operating margin	***5.4%***	*6.5%*	*(104) bps*	***5.0%***	*5.8%*	*(78) bps*
Interest expense, net	**245.1**	252.6	3.0%	**744.2**	815.4	8.7%
Other expenses [4]	**5.2**	7.0	26.1%	**18.5**	23.9	22.7%
Income before income tax provision	**2,260.7**	2,629.8	(14.0%)	**6,022.7**	6,736.9	(10.6%)
Amortization	**205.3**	196.1	4.7%	**608.7**	592.7	2.7%
Adjusted net income before income tax provision	**2,466.1**	2,825.9	(12.7%)	**6,631.3**	7,329.6	(9.5%)
Adjusted income tax provision	**934.6**	1,062.5	12.0%	**2,520.5**	2,832.5	11.0%
effective tax rate	***37.9%***	*37.6%*	*(30) bps*	***38.0%***	*38.6%*	*64 bps*
Adjusted net income	**1,531.4**	1,763.3	(13.2%)	**4,110.8**	4,497.1	(8.6%)
as a % of net revenues	***3.3%***	*4.0%*	*(64) bps*	***3.0%***	*3.4%*	*(40) bps*
Earnings allocated to participating securities	**3.4**	8.4	60.0%	**15.4**	22.6	31.8%
Net income attributable to noncontrolling interest	**0.1**	0.8	NM	**0.4**	1.7	NM
Adjusted net income attributable to CVS Health	**$ 1,528.0**	$ 1,754.1	(12.9%)	**$ 4,095.0**	$ 4,472.8	(8.4%)
as a % of net revenues	***3.3%***	*3.9%*	*(62) bps*	***3.0%***	*3.4%*	*(40) bps*
Weighted average diluted shares outstanding	**1,020.2**	1,072.6	4.9%	**1,026.2**	1,082.3	5.2%
Adjusted EPS from continuing operations	**$ 1.50**	$ 1.64	(8.4%)	**$ 3.99**	$ 4.13	(3.4%)
Depreciation & amortization [5]	**614.3**	604.3	1.7%	**1,856.5**	1,825.4	1.7%
EBITDA	**$ 3,120.1**	$ 3,486.6	(10.5%)	**$ 8,623.3**	$ 9,377.7	(8.0%)
as a % of net revenues	***6.8%***	*7.8%*	*(106) bps*	***6.3%***	*7.1%*	*(81) bps*

Footnotes

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1 Excludes $5 million and $15 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Excludes $2 million and $7 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare.

2 Excludes $60 million and $192 million of acquisition-related integration costs during the three months and nine months ended September 30, 2016, respectively. Excludes a $3 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016. Excludes $4 million and $24 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the integration costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target, and in 2017, the integration costs relate to the acquisition of Omnicare. Excludes a $135 million goodwill impairment charge related to the RxCrossroads reporting unit within the Retail/LTC segment during the nine months ended September 30, 2017. Excludes $6 million and $211 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and nine months ended September 30, 2017, respectively.

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4 Excludes $101 million and $643 million from loss on extinguishment of debt during the three and nine months ended September 30, 2016, respectively. Excludes $187 of losses on settlements of definied benefit persion plans during the three and nine months ended September 30, 2017.

5 Excludes $7 million and $21 million of acquisition-related integration depreciation during the three and nine months ended September 30, 2016, respectively. The depreciation relates to the acquisitions of Omnicare and the pharmacies and clinics of Target.

Supplemental Information: Pharmacy Services Segment
(Excluding Certain Items)

Third Quarter 2017

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ 32,895.8**	$ 30,429.1	8.1%	**$ 96,444.1**	$ 88,703.9	8.7%
Cost of revenues	**31,250.7**	28,632.4	(9.1%)	**92,233.6**	84,438.0	(9.2%)
Gross profit	**1,645.1**	1,796.7	(8.4%)	**4,210.5**	4,266.0	(1.3%)
gross margin	***5.0%***	*5.9%*	*(90) bps*	***4.4%***	*4.8%*	*(44) bps*
Operating expenses [1]	**292.1**	339.5	13.9%	**938.9**	984.7	4.6%
as a % of net revenues	***0.9%***	*1.1%*	*23 bps*	***1.0%***	*1.1%*	*14 bps*
Operating profit [1]	**$ 1,352.9**	$ 1,457.2	(7.2%)	**$ 3,271.5**	$ 3,281.3	(0.3%)
operating margin	***4.1%***	*4.8%*	*(68) bps*	***3.4%***	*3.7%*	*(31) bps*
Depreciation and amortization	**176.4**	179.0	(1.4%)	**535.5**	534.6	0.2%
EBITDA	**$ 1,529.3**	$ 1,636.2	(6.5%)	**$ 3,807.0**	$ 3,815.9	(0.2%)
as a % of net revenues	***4.6%***	*5.4%*	*(73) bps*	***3.9%***	*4.3%*	*(35) bps*
Net revenues:						
Mail choice	**11,589.8**	10,872.2	6.6%	**33,950.2**	31,667.8	7.2%
Pharmacy network	**21,215.6**	19,468.8	9.0%	**62,257.8**	56,782.8	9.6%
Other	**90.4**	88.1	2.5%	**236.0**	253.3	(6.8%)
Pharmacy claims processed [2]:						
Total adjusted claims	**441.1**	408.7	7.9%	**1,323.2**	1,213.8	9.0%
Adjusted mail choice	**66.9**	63.0	6.1%	**196.2**	186.3	5.3%
Adjusted pharmacy network	**374.2**	345.7	8.3%	**1,127.0**	1,027.5	9.7%
Generic dispensing rate:						
Total	**87.0%**	86.0%	*104 bps*	**87.1%**	85.8%	*124 bps*
Mail Choice	**83.3%**	81.7%	*161 bps*	**83.1%**	81.1%	*197 bps*
Pharmacy network	**87.7%**	86.8%	*90 bps*	**87.8%**	86.7%	*107 bps*
Mail choice penetration rate [2]	**15.2%**	15.4%	*(26) bps*	**14.8%**	15.3%	*(52) bps*

Footnotes

Totals may not foot due to rounding.

1 Amounts revised to reflect the adoption of ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* which decreased operating expenses and increased operating profit and EBITDA by $1 million and $4 million for the three and nine months ended September 30, 2016, respectively.

2 Includes the adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.

Supplemental Information: Retail/LTC Segment
(Excluding Certain Items)

Third Quarter 2017

(In millions)	Third Quarter — Three months ended September 30, 2017	Third Quarter — Three months ended September 30, 2016	+/-Variance	Year-to-Date — Nine months ended September 30, 2017	Year-to-Date — Nine months ended September 30, 2016	+/-Variance
Net revenues	**$ 19,593.4**	$ 20,142.7	(2.7%)	**$ 58,488.3**	$ 60,253.1	(2.9%)
Cost of revenues [1]	**13,906.6**	14,244.1	2.4%	**41,444.6**	42,678.0	2.9%
Gross profit	**5,686.8**	5,898.6	(3.6%)	**17,043.7**	17,575.1	(3.0%)
gross margin	***29.0%***	*29.3%*	*(26) bps*	***29.1%***	*29.2%*	*(3) bps*
Operating expenses [2][3]	**4,119.2**	4,069.0	(1.2%)	**12,288.9**	12,110.2	(1.5%)
as a % of net revenues	***21.0%***	*20.2%*	*(82) bps*	***21.0%***	*20.1%*	*(91) bps*
Operating profit [3]	**$ 1,567.6**	$ 1,829.6	(14.3%)	**$ 4,754.7**	$ 5,464.9	(13.0%)
operating margin	***8.0%***	*9.1%*	*(108) bps*	***8.1%***	*9.1%*	*(94) bps*
Depreciation and amortization	**407.7**	395.8	3.0%	**1,234.6**	1,201.0	2.8%
EBITDA	**$ 1,975.3**	$ 2,225.5	(11.2%)	**$ 5,989.3**	$ 6,665.9	(10.1%)
as a % of net revenues	***10.1%***	*11.0%*	*(97) bps*	***10.2%***	*11.1%*	*(82) bps*
RETAIL STATISTICS						
Same-store increase (decrease) [4]:						
Total sales	**(3.2%)**	2.3%	*(550) bps*	**(3.5%)**	2.8%	*(630) bps*
Retail pharmacy sales	**(3.4%)**	3.4%	*(680) bps*	**(3.6%)**	4.3%	*(790) bps*
Retail front store sales	**(2.8%)**	(1.0%)	*(180) bps*	**(3.3%)**	(1.0%)	*(230) bps*
Total prescription volume	**(3.0%)**	1.5%	*(450) bps*	**(3.2%)**	2.7%	*(590) bps*
Total adjusted prescription volume [5]	**0.3%**	3.0%	*(270) bps*	**(0.4%)**	4.1%	*(450) bps*
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	**(2.7%)**	12.5%	*(1518) bps*	**(2.9%)**	15.6%	*(1857) bps*
Pharmacy	**(2.9%)**	15.3%	*(1821) bps*	**(3.1%)**	19.9%	*(2294) bps*
Front store	**(2.1%)**	0.8%	*(293) bps*	**(2.4%)**	0.9%	*(336) bps*
Generic dispensing rate	**87.2%**	85.8%	*140 bps*	**87.4%**	85.8%	*160 bps*
Rx % of net revenues	**75.9%**	76.0%	*(12) bps*	**75.1%**	72.5%	*260 bps*
FS % of net revenues	**22.8%**	22.7%	*15 bps*	**23.6%**	23.5%	*12 bps*
Retail/LTC prescriptions filled	**234.2**	240.4	*(2.6%)*	**708.8**	727.3	*(2.5%)*
Adjusted retail/LTC prescriptions filled [5]	**304.0**	302.9	*0.4%*	**908.7**	908.9	*(0.0%)*

Footnotes

Totals may not foot due to rounding.

1 Excludes $5 million and $15 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Excludes $2 million and $7 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare.

2 Excludes $47 million and $179 million of acquisition-related integration costs during the three months and nine months ended September 30, 2016, respectively. Excludes $7 million and $27 million of acquisition-related integration costs during the three and nine months ended September 30, 2017, respectively. In 2016, the costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. In 2017, the costs relate to the acquisition of Omnicare. Includes a $135 million goodwill impairment charge related to the RxCrossroads reporting unit within the Retail/LTC segment during the nine months ended September 30, 2017. Excludes $6 million and $211 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the nine months ended September 30, 2017.

3 Amounts revised to reflect the adoption of ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* , which decreased operating expenses and increased operating profit by $5 million and $18 million for the three and nine months ended September 30, 2016, respectively.

4 Same store sales and prescriptions exclude revenues from MinuteClinic®, and revenue and prescriptions from stores in Brazil, LTC operations and from commercialization services.

5 Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.

Supplemental Information: Corporate Segment
(Excluding Certain Items)

Third Quarter 2017

(In millions)	Third Quarter — Three months ended			Year-to-Date — Nine months ended		
	September 30, 2017	September 30, 2016	+/-Variance	**September 30, 2017**	September 30, 2016	+/-Variance
Net revenues	**$ -**	$ -	N/A	**$ -**	$ -	N/A
Cost of revenues	**-**	-	N/A	**-**	-	N/A
Gross profit	**-**	-	N/A	**-**	-	N/A
gross margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating expenses [1]	**223.2**	214.2	(4.2%)	**689.2**	640.9	(7.5%)
as a % of net revenues	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating profit	**$ (223.2)**	$ (214.2)	(4.2%)	**$ (689.2)**	$ (640.9)	(7.5%)
operating margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Depreciation and amortization	**30.1**	29.5	2.2%	**86.4**	89.8	(3.8%)
EBITDA	**$ (193.1)**	$ (184.7)	(4.5%)	**$ (602.9)**	$ (551.0)	(9.4%)
as a % of net revenues	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*

Footnotes

Totals may not foot due to rounding.

1 Excludes $13 million in acquisition-related integration costs during the three and nine months ended September 30, 2016. Includes a $3 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016. Operating loss for the three and nine months ended September 30, 2017 exclude a $3 million reduction in integration costs for a change in estimate.