CVS Health Corporation

Supplemental Financial Information

Preliminary and Unaudited
Second Quarter 2018
Earnings Release
August 8, 2018

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 June 30, 2018. This filing is available on the investor relations portion of our website at investors.cvshealth.com.

GAAP

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions, except per share amounts)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 46,707.6**	$ 45,685.1	2.2%	**$ 92,400.8**	$ 90,198.7	2.4%
Cost of revenues [1] [3]	**39,507.0**	38,759.7	(1.9%)	**78,341.3**	76,702.9	(2.1%)
Gross profit [3]	**7,200.6**	6,925.4	4.0%	**14,059.5**	13,495.8	4.2%
gross margin [3]	***15.4%***	*15.2%*	*26 bps*	***15.2%***	*15.0%*	*25 bps*
Operating expenses [2] [3]	**8,787.5**	4,808.4	(82.8%)	**13,700.8**	9,586.3	(42.9%)
as a % of net revenues [3]	***18.8%***	*10.5%*	*(829) bps*	***14.8%***	*10.6%*	*(420) bps*
Operating profit (loss)	**$ (1,586.9)**	$ 2,117.0	(175.0%)	**$ 358.7**	$ 3,909.5	(90.8%)
operating margin [7]	***NM***	*4.6%*	*NM*	***0.4%***	*4.3%*	*(395) bps*
Interest expense, net [4]	**475.0**	246.9	(92.4%)	**948.3**	499.2	(90.0%)
Other expenses	**2.7**	6.7	59.5%	**5.4**	13.3	59.3%
Income (loss) before income tax provision	**(2,064.6)**	1,863.4	(210.8%)	**(595.0)**	3,397.0	(117.5%)
Income tax provision [5]	**(497.6)**	765.9	165.0%	**969.3**	1,337.9	27.5%
effective tax rate [5]	***(24.1%)***	*41.1%*	*6520 bps*	***(162.9%)***	*39.4%*	*20229 bps*
Discontinued operations	**(0.5)**	0.5	196.1%	**(0.6)**	(8.4)	93.4%
Net income (loss)	**(2,562.7)**	1,098.0	(333.4%)	**(1,564.9)**	2,050.7	(176.3%)
as a % of net revenues	***(5.5%)***	*2.4%*	*(789) bps*	***-1.7%***	*2.3%*	*(397) bps*
Net income (loss) attributable to noncontrolling interest	**(0.3)**	0.0	NM	**(0.3)**	(0.4)	NM
Net income (loss) attributable to CVS Health	**$ (2,562.9)**	$ 1,098.0	(333.4%)	**$ (1,565.2)**	$ 2,050.3	(176.3%)
as a % of net revenues	***(5.5%)***	*2.4%*	*(789) bps*	***(1.7%)***	*2.3%*	*(397) bps*
Earnings allocated to participating securities	**0.8**	3.5	75.7%	**2.4**	8.5	72.3%
Income (loss) available for common shareholders	**(2,563.8)**	1,094.5	334.2%	**(1,567.6)**	2,041.9	176.8%
Weighted average diluted shares outstanding [6]	**1,018.2**	1,023.8	0.5%	**1,017.1**	1,029.2	1.2%
GAAP diluted earnings (loss) per share from continuing ops	**$ (2.52)**	$ 1.07	(335.6%)	**$ (1.54)**	$ 1.99	(177.3%)
Depreciation & amortization	**647.1**	622.6	3.9%	**1,290.4**	1,242.2	3.9%
EBITDA	**$ (942.5)**	$ 2,732.9	(134.5%)	**$ 1,643.7**	$ 5,138.4	(68.0%)
as a % of net revenues	***(2.0%)***	*6.0%*	*(800) bps*	***1.8%***	*5.7%*	*(392) bps*

Footnotes

Totals may not foot due to rounding.

1 Includes $5 million of acquisition-related integration costs during both the three and six months ended June 30, 2017, related to the acquisition of Omnicare.

2 Includes $39 million and $82 million of acquisition-related transaction and integration costs during the three and six months ended June 30, 2018, respectively. Includes $5 million and $20 million of acquisition-related integration costs during the three and six months ended June 30, 2017, respectively. In 2018, transaction and integration costs relate to the proposed acquisition of Aetna and the acquisition of Omnicare. In 2017, integration costs relate to the acquisition of Omnicare. Includes $3.9 billion and $135 million of goodwill impairment charges in both the three and six months ended June 30, 2018 and 2017, respectively. In 2018, the charge relates to the LTC reporting unit and in 2017 the charge relates to the RxCrossroads reporting unit both within the Retail/LTC Segment. Includes $86 million of pre-tax loss in the six months ended June 30, 2018 on the sale of the RxCrossroads subsidiary for $725 million on January 2, 2018. Includes $6 million and $205 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and six months ended June 30, 2017, respectively.

3 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

4 The three and six months ended June 30, 2018 include $8 million and $169 million, respectively, of bridge financing costs, plus $433 million and $545 million, respectively, of interest expense on the $40 billion of senior notes issued on March 9, 2018 and the $5 billion term loan facility, less related interest income of $202 million and $244 million, respectively, earned on the proceeds of the 2018 senior notes.

5 The income tax provision for the three and six months ended June 30, 2018 and 2017, include the effects of the items described in footnotes 1 through 4.

6 There were 2 million of potential common shares in the three and six months ended June 30, 2018 that were excluded from the calculation of GAAP net loss per share for the three and six months ended June 30, 2018, as the shares would have had an anti-dilutive effect as a result of the GAAP net loss incurred in both periods.

7 Percentages for the three and six months ended June 30, 2018, are not meaningful.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 33,246.8**	$ 32,325.6	2.8%	**$ 65,464.9**	$ 63,548.3	3.0%
Cost of revenues [1]	**31,751.7**	30,869.0	(2.9%)	**62,832.5**	61,009.2	(3.0%)
Gross profit [1]	**1,495.0**	1,456.6	2.6%	**2,632.5**	2,539.1	3.7%
gross margin [1]	***4.5%***	*4.5%*	*(1) bps*	***4.0%***	*4.0%*	*3 bps*
Operating expenses [1]	**406.1**	345.2	(17.7%)	**783.0**	670.3	(16.8%)
as a % of net revenues [1]	***1.2%***	*1.1%*	*(15) bps*	***1.2%***	*1.1%*	*(14) bps*
Operating profit [1]	**$ 1,088.9**	$ 1,111.5	(2.0%)	**$ 1,849.4**	$ 1,868.8	(1.0%)
operating margin [1]	***3.3%***	*3.4%*	*(16) bps*	***2.8%***	*2.9%*	*(12) bps*
Net revenues:						
Mail choice	**11,787.8**	11,512.8	2.4%	**22,995.4**	22,360.5	2.8%
Pharmacy network [2]	**20,565.7**	19,940.6	3.1%	**40,119.5**	38,927.6	3.1%
Other [2]	**893.3**	872.2	2.4%	**2,350.1**	2,260.2	4.0%
Pharmacy claims processed [3]:						
Total adjusted claims	**470.1**	441.6	6.5%	**938.9**	882.1	6.4%
Adjusted mail choice	**71.9**	65.6	9.6%	**141.2**	129.3	9.2%
Adjusted pharmacy network	**398.2**	376.0	5.9%	**797.7**	752.8	6.0%
Generic dispensing rate [3]:						
Total	**87.6%**	87.2%	*40 bps*	**87.6%**	87.1%	*52 bps*
Mail Choice	**84.0%**	83.1%	*89 bps*	**83.9%**	82.9%	*96 bps*
Pharmacy network	**88.2%**	87.9%	*31 bps*	**88.3%**	87.8%	*46 bps*
Mail choice penetration rate [3]	**15.3%**	14.9%	*42 bps*	**15.0%**	14.7%	*38 bps*

Footnotes

Totals may not foot due to rounding.

1 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

2 Amounts revised for the three and six months ended June 30, 2017, to reflect the reclassification of Medicare Part D premium revenues from pharmacy network revenues to other revenues.

3 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.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 20,672.1**	$ 19,554.4	5.7%	**$ 41,104.1**	$ 38,894.9	5.7%
Cost of revenues [1] [2]	**14,760.4**	13,876.4	(6.4%)	**29,276.1**	27,536.6	(6.3%)
Gross profit [2]	**5,911.7**	5,678.0	4.1%	**11,828.0**	11,358.2	4.1%
gross margin [2]	***28.6%***	*29.0%*	*(44) bps*	***28.8%***	*29.2%*	*(43) bps*
Operating expenses [2] [3]	**8,137.4**	4,249.4	(91.5%)	**12,429.3**	8,497.0	(46.3%)
as a % of net revenues [2]	***39.4%***	*21.7%*	*(1763) bps*	***30.2%***	*21.8%*	*(839) bps*
Operating profit (loss) [2]	**$ (2,225.6)**	$ 1,428.6	(255.8%)	**$ (601.3)**	$ 2,861.2	(121.0%)
operating margin [6]	***NM***	*7.3%*	*NM*	***NM***	*7.4%*	*NM*
RETAIL STATISTICS						
Same-store increase (decrease) [4]:						
Total sales	**5.9%**	(2.6%)	*850 bps*	**5.9%**	(3.7%)	*960 bps*
Retail pharmacy sales	**8.3%**	(2.8%)	*1110 bps*	**7.8%**	(3.7%)	*1150 bps*
Retail front store sales	**(1.0%)**	(2.1%)	*110 bps*	**0.3%**	(3.5%)	*380 bps*
Total prescription volume	**3.2%**	(2.9%)	*610 bps*	**3.3%**	(3.4%)	*670 bps*
Total adjusted prescription volume [5]	**9.5%**	0.0%	*950 bps*	**9.0%**	(0.7%)	*970 bps*
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	**5.7%**	(2.2%)	*794 bps*	**5.7%**	(3.0%)	*871 bps*
Pharmacy revenues	**15,804.8**	14,596.6	8.3%	**31,304.7**	29,032.9	7.8%
Pharmacy	**8.3%**	(2.5%)	*1075 bps*	**7.8%**	(3.1%)	*1097 bps*
FS revenues	**4,707.1**	4,699.4	0.2%	**9,432.9**	9,318.7	1.2%
Front store	**0.2%**	(1.3%)	*148 bps*	**1.2%**	(2.6%)	*382 bps*
Generic dispensing rate [5]	**88.1%**	87.6%	*43 bps*	**88.1%**	87.6%	*53 bps*
Rx % of net revenues	**76.5%**	74.6%	*181 bps*	**76.2%**	74.6%	*151 bps*
FS % of net revenues	**22.8%**	24.0%	*(126) bps*	**22.9%**	24.0%	*(101) bps*
Retail/LTC prescriptions filled	**243.1**	235.0	*3.5%*	**492.0**	474.6	*3.7%*
Adjusted retail/LTC prescriptions filled [5]	**329.7**	301.6	*9.3%*	**658.5**	604.7	*8.9%*

Footnotes

Totals may not foot due to rounding.

1 Includes $5 million of acquisition-related integration costs during both the three and six months ended June 30, 2017, related to the acquisition of Omnicare.

2 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

3 Includes $3 million of acquisition-related integration costs during the six months ended June 30, 2018, related to the acquisition of Omnicare. Includes $5 million and $20 million of acquisition-related integration costs during the three and six months ended June 30, 2017, respectively, related to the acquisition of Omnicare. Includes $3.9 billion and $135 million of goodwill impairment charges in both the three and six months ended June 30, 2018 and 2017, respectively. In 2018, the charge relates to the LTC reporting unit and in 2017 the charge relates to the RxCrossroads reporting unit both within the Retail/LTC Segment. Includes $86 million of pre-tax loss in the six months ended June 30, 2018 on the sale of the RxCrossroads subsidiary for $725 million on January 2, 2018. Includes $6 million and $205 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and six months ended June 30, 2017, respectively.

4 Same store sales and prescriptions exclude revenues from MinuteClinic®, and revenue and prescriptions from stores in Brazil, LTC operations and, in 2017, from commercialization services provided through RxCrossroads.

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.

6 Percentages for the three and six months ended June 30, 2018, are not meaningful.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-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] [2]	**263.6**	233.5	(12.9%)	**527.5**	455.2	(15.9%)
as a % of net revenues	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating loss [1] [2]	**$ (263.6)**	$ (233.5)	(12.9%)	**$ (527.5)**	$ (455.2)	(15.9%)
operating margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*

Footnotes

Totals may not foot due to rounding.

1 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

2 Includes $39 million and $79 million of acquisition-related transaction and integration costs for the three and six months ended June 30, 2018, respectively, related to the proposed acquisition of Aetna.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ (7,211.2)**	$ (6,194.9)	(16.4%)	**$ (14,168.2)**	$ (12,244.5)	(15.7%)
Cost of revenues	**(7,005.1)**	(5,985.7)	17.0%	**(13,767.3)**	(11,843.0)	16.2%
Gross profit	**(206.1)**	(209.2)	1.5%	**(400.9)**	(401.5)	0.1%
gross margin	***2.9%***	*3.4%*	*(52) bps*	***2.8%***	*3.3%*	*(45) bps*
Operating expenses	**(19.6)**	(19.6)	0.0%	**(39.0)**	(36.2)	(7.8%)
as a % of net revenues	***0.3%***	*0.3%*	*(4) bps*	***0.3%***	*0.3%*	*(2) bps*
Operating profit	**$ (186.5)**	$ (189.6)	1.6%	**$ (361.9)**	$ (365.3)	0.9%
operating margin	***2.6%***	*3.1%*	*(47) bps*	***2.6%***	*3.0%*	*(43) bps*

Footnotes

Totals may not foot due to rounding.

Adjusted to Exclude Certain Items

Supplemental Information: Consolidated Statements of Operations
(Excluding Certain Items)

Second Quarter 2018

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions, except per share amounts)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 46,707.6**	$ 45,685.1	2.2%	**$ 92,400.8**	$ 90,198.7	2.4%
Cost of revenues [1] [3]	**39,507.0**	38,754.2	(1.9%)	**78,341.2**	76,696.7	(2.1%)
Gross profit [3]	**7,200.7**	6,930.9	3.9%	**14,059.6**	13,501.9	4.1%
gross margin [3]	***15.4%***	*15.2%*	*25 bps*	***15.2%***	*15.0%*	*25 bps*
Operating expenses [2] [3]	**4,827.6**	4,662.7	(3.5%)	**9,611.2**	9,227.5	(4.2%)
as a % of net revenues [3]	***10.3%***	*10.2%*	*(13) bps*	***10.4%***	*10.2%*	*(17) bps*
Operating profit	**$ 2,373.1**	$ 2,268.1	4.6%	**$ 4,448.4**	$ 4,274.4	4.1%
operating margin	***5.1%***	*5.0%*	*12 bps*	***4.8%***	*4.7%*	*8 bps*
Interest expense, net [4]	**236.5**	246.9	4.2%	**479.0**	499.2	4.0%
Other expenses	**2.7**	6.7	59.5%	**5.4**	13.3	59.3%
Income before income tax provision	**2,133.9**	2,014.5	5.9%	**3,964.0**	3,761.9	5.4%
Amortization	**214.0**	202.9	5.5%	**423.8**	403.4	5.1%
Adjusted net income before income tax provision	**2,347.9**	2,217.5	5.9%	**4,387.8**	4,165.3	5.3%
Adjusted income tax provision [5]	**624.5**	851.5	26.7%	**1,157.0**	1,585.8	27.0%
effective tax rate [5]	***26.6%***	*38.4%*	*1180 bps*	***26.4%***	***38.1%***	*1169 bps*
Adjusted net income	**1,723.4**	1,366.0	26.2%	**3,230.8**	2,579.5	25.3%
as a % of net revenues	***3.7%***	*3.0%*	*70 bps*	***3.5%***	*2.9%*	*64 bps*
Earnings allocated to participating securities	**(2.0)**	(4.3)	52.5%	**(5.6)**	(10.5)	46.8%
Net income attributable to noncontrolling interest	**(0.3)**	0.0	NM	**(0.3)**	(0.4)	NM
Adjusted net income attributable to CVS Health	**$ 1,721.1**	$ 1,361.7	26.4%	**$ 3,224.8**	$ 2,568.5	25.6%
as a % of net revenues	***3.7%***	*3.0%*	*70 bps*	***3.5%***	*2.8%*	*64 bps*
Weighted average diluted shares outstanding [6]	**1,020.1**	1,023.8	0.4%	**1,019.4**	1,029.2	1.0%
Adjusted EPS from continuing operations	**$ 1.69**	$ 1.33	26.8%	**$ 3.16**	$ 2.50	26.8%
Depreciation & amortization	**647.1**	622.5	3.9%	**1,290.4**	1,242.2	3.9%
EBITDA	**$ 3,017.5**	$ 2,883.9	4.6%	**$ 5,733.4**	$ 5,503.3	4.2%
as a % of net revenues	***6.5%***	*6.3%*	*15 bps*	***6.2%***	*6.1%*	*10 bps*

Footnotes

Totals may not foot due to rounding.

1 Excludes $5 million of acquisition-related integration costs during both the three and six months ended June 30, 2017, related to the acquisition of Omnicare.

2 Excludes $39 million and $82 million of acquisition-related transaction and integration costs during the three and six months ended June 30, 2018, respectively. Excludes $5 million and $20 million of acquisition-related integration costs during the three and six months ended June 30, 2017, respectively. In 2018, transaction and integration costs relate to the proposed acquisition of Aetna and the acquisition of Omnicare. In 2017, integration costs relate to the acquisition of Omnicare. Excludes $3.9 billion and $135 million of goodwill impairment charges in both the three and six months ended June 30, 2018 and 2017, respectively. In 2018, the charge relates to the LTC reporting unit and in 2017 the charge relates to the RxCrossroads reporting unit both within the Retail/LTC Segment. Excludes $86 million of pre-tax loss in the six months ended June 30, 2018 on the sale of the RxCrossroads subsidiary for $725 million on January 2, 2018. Excludes $6 million and $205 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and six months ended June 30, 2018, respectively.

3 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

4 The three and six months ended June 30, 2018 exclude $8 million and $169 million, respectively, of bridge financing costs, plus $433 million and $545 million, respectively, of interest expense on the $40 billion of senior notes issued on March 9, 2018 and the $5 billion term loan facility, less related interest income of $202 million and $244 million, respectively, earned on the proceeds of the 2018 senior notes.

5 The income tax provision for the three and six months ended June 30, 2018 and 2017, include the effects of the items described in footnotes 1 through 4.

6 Adjusted earnings per share for the three and six months ended June 30, 2018 are calculated utilizing weighted average diluted shares outstanding, which include 2 million of potential common shares in both periods, as the impact of the potential common shares was dilutive. The potential common shares were excluded from the calculation of GAAP net loss per share for the three and six months ended June 30, 2018, as the shares would have had an anti-dilutive effect as a result of the GAAP net loss incurred in both periods.

CVS HEALTH CORPORATION

Supplemental Information: Pharmacy Services Segment
(Excluding Certain Items)

Second Quarter 2018

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 33,246.8**	$ 32,325.6	2.8%	**$ 65,464.9**	$ 63,548.3	3.0%
Cost of revenues [1]	**31,751.7**	30,869.0	(2.9%)	**62,832.5**	61,009.2	(3.0%)
Gross profit [1]	**1,495.0**	1,456.6	2.6%	**2,632.5**	2,539.1	3.7%
gross margin [1]	***4.5%***	*4.5%*	*(1) bps*	***4.0%***	*4.0%*	*3 bps*
Operating expenses [1]	**406.1**	345.2	(17.7%)	**783.0**	670.3	(16.8%)
as a % of net revenues [1]	***1.2%***	*1.1%*	*(15) bps*	***1.2%***	*1.1%*	*(14) bps*
Operating profit [1]	**$ 1,088.9**	$ 1,111.5	(2.0%)	**$ 1,849.4**	$ 1,868.8	(1.0%)
operating margin [1]	***3.3%***	*3.4%*	*(16) bps*	***2.8%***	*2.9%*	*(12) bps*
Other expense	**(1.0)**	(1.0)	NM	**(2.0)**	(2.0)	NM
Depreciation and amortization	**182.3**	177.9	2.5%	**365.2**	357.2	2.2%
EBITDA	**$ 1,270.2**	$ 1,288.3	(1.4%)	**$ 2,212.7**	$ 2,224.0	(0.5%)
as a % of net revenues	***3.8%***	*4.0%*	*(17) bps*	***3.4%***	*3.5%*	*(12) bps*
Net revenues:						
Mail choice	**11,787.8**	11,512.8	2.4%	**22,995.4**	22,360.5	2.8%
Pharmacy network [2]	**20,565.7**	19,940.6	3.1%	**40,119.5**	38,927.6	3.1%
Other [2]	**893.3**	872.2	2.4%	**2,350.1**	2,260.2	4.0%
Pharmacy claims processed [3]:						
Total adjusted claims	**470.1**	441.6	6.5%	**938.9**	882.1	6.4%
Adjusted mail choice	**71.9**	65.6	9.6%	**141.2**	129.3	9.2%
Adjusted pharmacy network	**398.2**	376.0	5.9%	**797.7**	752.8	6.0%
Generic dispensing rate [3]:						
Total	**87.6%**	87.2%	*40 bps*	**87.6%**	87.1%	*52 bps*
Mail Choice	**84.0%**	83.1%	*89 bps*	**83.9%**	82.9%	*96 bps*
Pharmacy network	**88.2%**	87.9%	*31 bps*	**88.3%**	87.8%	*46 bps*
Mail choice penetration rate [3]	**15.3%**	14.9%	*42 bps*	**15.0%**	14.7%	*38 bps*

Footnotes

Totals may not foot due to rounding.

1 Amounts revised to reflect the a change to the company's cost allocation methodology effective January 1, 2018.

2 Amounts revised for the three and six months ended June 30, 2017, to reflect the reclassification of Medicare Part D premium revenues from pharmacy network revenues to other revenues.

3 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.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
(In millions)	**June 30, 2018**	June 30, 2017	+/-Variance	**June 30, 2018**	June 30, 2017	+/-Variance
Net revenues	**$ 20,672.1**	$ 19,554.4	5.7%	**$ 41,104.1**	$ 38,894.9	5.7%
Cost of revenues [1] [2]	**14,760.3**	13,870.9	(6.4%)	**29,276.0**	27,530.5	(6.3%)
Gross profit [2]	**5,911.8**	5,683.4	4.0%	**11,828.1**	11,364.4	4.1%
gross margin [2]	***28.6%***	*29.1%*	*(47) bps*	***28.8%***	*29.2%*	*(44) bps*
Operating expenses [2] [3]	**4,216.2**	4,103.7	(2.7%)	**8,419.4**	8,138.3	(3.5%)
as a % of net revenues [2]	***20.4%***	*21.0%*	*59 bps*	***20.5%***	*20.9%*	*44 bps*
Operating profit [2]	**$ 1,695.6**	$ 1,579.7	7.3%	**$ 3,408.7**	$ 3,226.1	5.7%
operating margin [2]	***8.2%***	*8.1%*	*12 bps*	***8.3%***	*8.3%*	*0 bps*
Other expense	**(2.0)**	(5.0)	(60.0%)	**(4.0)**	(10.0)	(60.0%)
Depreciation and amortization	**430.7**	416.0	3.5%	**857.5**	827.5	3.6%
EBITDA	**$ 2,124.4**	$ 1,990.8	6.7%	**$ 4,262.2**	$ 4,043.6	5.4%
as a % of net revenues	***10.3%***	*10.2%*	*10 bps*	***10.4%***	*10.4%*	*(3) bps*
RETAIL STATISTICS						
Same-store increase (decrease) [4]:						
Total sales	**5.9%**	(2.6%)	*850 bps*	**5.9%**	(3.7%)	*960 bps*
Retail pharmacy sales	**8.3%**	(2.8%)	*1110 bps*	**7.8%**	(3.7%)	*1150 bps*
Retail front store sales	**(1.0%)**	(2.1%)	*110 bps*	**0.3%**	(3.5%)	*380 bps*
Total prescription volume	**3.2%**	(2.9%)	*610 bps*	**3.3%**	(3.4%)	*670 bps*
Total adjusted prescription volume [5]	**9.5%**	0.0%	*950 bps*	**9.0%**	(0.7%)	*970 bps*
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	**5.7%**	(2.2%)	*794 bps*	**5.7%**	(3.0%)	*871 bps*
Pharmacy revenues	**15,804.8**	14,596.6	8.3%	**31,304.7**	29,032.9	7.8%
Pharmacy	**8.3%**	(2.5%)	*1075 bps*	**7.8%**	(3.1%)	*1097 bps*
FS revenues	**4,707.1**	4,699.4	0.2%	**9,432.9**	9,318.7	1.2%
Front store	**0.2%**	(1.3%)	*148 bps*	**1.2%**	(2.6%)	*382 bps*
Generic dispensing rate [5]	**88.1%**	87.6%	*43 bps*	**88.1%**	87.6%	*53 bps*
Rx % of net revenues	**76.5%**	74.6%	*181 bps*	**76.2%**	74.6%	*151 bps*
FS % of net revenues	**22.8%**	24.0%	*(126) bps*	**22.9%**	24.0%	*(101) bps*
Retail/LTC prescriptions filled	**243.1**	235.0	*3.5%*	**492.0**	474.6	*3.7%*
Adjusted retail/LTC prescriptions filled [5]	**329.7**	301.6	*9.3%*	**658.5**	604.7	*8.9%*

Footnotes

Totals may not foot due to rounding.

1 Excludes $5 million of acquisition-related integration costs during both the three and six months ended June 30, 2017, related to the acquisition of Omnicare.

2 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

3 Excludes $3 million of acquisition-related integration costs during the six months ended June 30, 2018, related to the acquisition of Omnicare. Excludes $5 million and $20 million of acquisition-related integration costs during the three and six months ended June 30, 2017, respectively, related to the acquisition of Omnicare. Excludes $3.9 billion and $135 million of goodwill impairment charges in both the three and six months ended June 30, 2018 and 2017, respectively. In 2018, the charge relates to the LTC reporting unit and in 2017 the charge relates to the RxCrossroads reporting unit both within the Retail/LTC Segment. Excludes $86 million of pre-tax loss in the six months ended June 30, 2018 on the sale of the RxCrossroads subsidiary for $725 million on January 2, 2018. Excludes $6 million and $205 million of charges primarily for noncancelable lease obligations associated with stores closed in connection with our enterprise streamlining initiative during the three and six months ended June 30, 2017, respectively.

4 Same store sales and prescriptions exclude revenues from MinuteClinic®, and revenue and prescriptions from stores in Brazil, LTC operations and, in 2017, from commercialization services provided through RxCrossroads.

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)

Second Quarter 2018

(In millions)	Second Quarter Three months ended June 30, 2018	Second Quarter Three months ended June 30, 2017	+/-Variance	Year-to-Date Six months ended June 30, 2018	Year-to-Date Six months ended June 30, 2017	+/-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] [2]	**224.9**	233.5	3.7%	**447.8**	455.2	1.6%
as a % of net revenues	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Operating profit [1] [2]	**$ (224.9)**	$ (233.5)	3.7%	**$ (447.8)**	$ (455.2)	1.6%
operating margin	***N/A***	*N/A*	*N/A*	***N/A***	*N/A*	*N/A*
Other expense	**-**	(1.0)	(100.0%)	**-**	(2.0)	(100.0%)
Depreciation and amortization	**34.1**	28.6	19.2%	**67.6**	57.4	17.8%
EBITDA	**$ (190.8)**	$ (205.9)	7.3%	**$ (380.2)**	$ (399.8)	4.9%
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 Amounts revised to reflect a change to the company's cost allocation methodology effective January 1, 2018.

2 Excludes $39 million and $79 million of acquisition-related transaction and integration costs for the three and six months ended June 30, 2018, respectively, related to the proposed acquisition of Aetna.