



Evolving Strategy for a Changing Marketplace

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CVSHealth®

Cautionary statement regarding forward-looking statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation. By their nature, all forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons as described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the section entitled “Cautionary Statement Concerning Forward-Looking Statements” in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

The presentations at our 2019 Investor Day include non-GAAP financial measures that we use to describe our company’s performance. In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to most comparable GAAP measures, on the Investor Relations portion of our website.

Link to our non-GAAP reconciliations.

Agenda

Leading PBM platform today and tomorrow

Performance update

Four pillars of strategic growth



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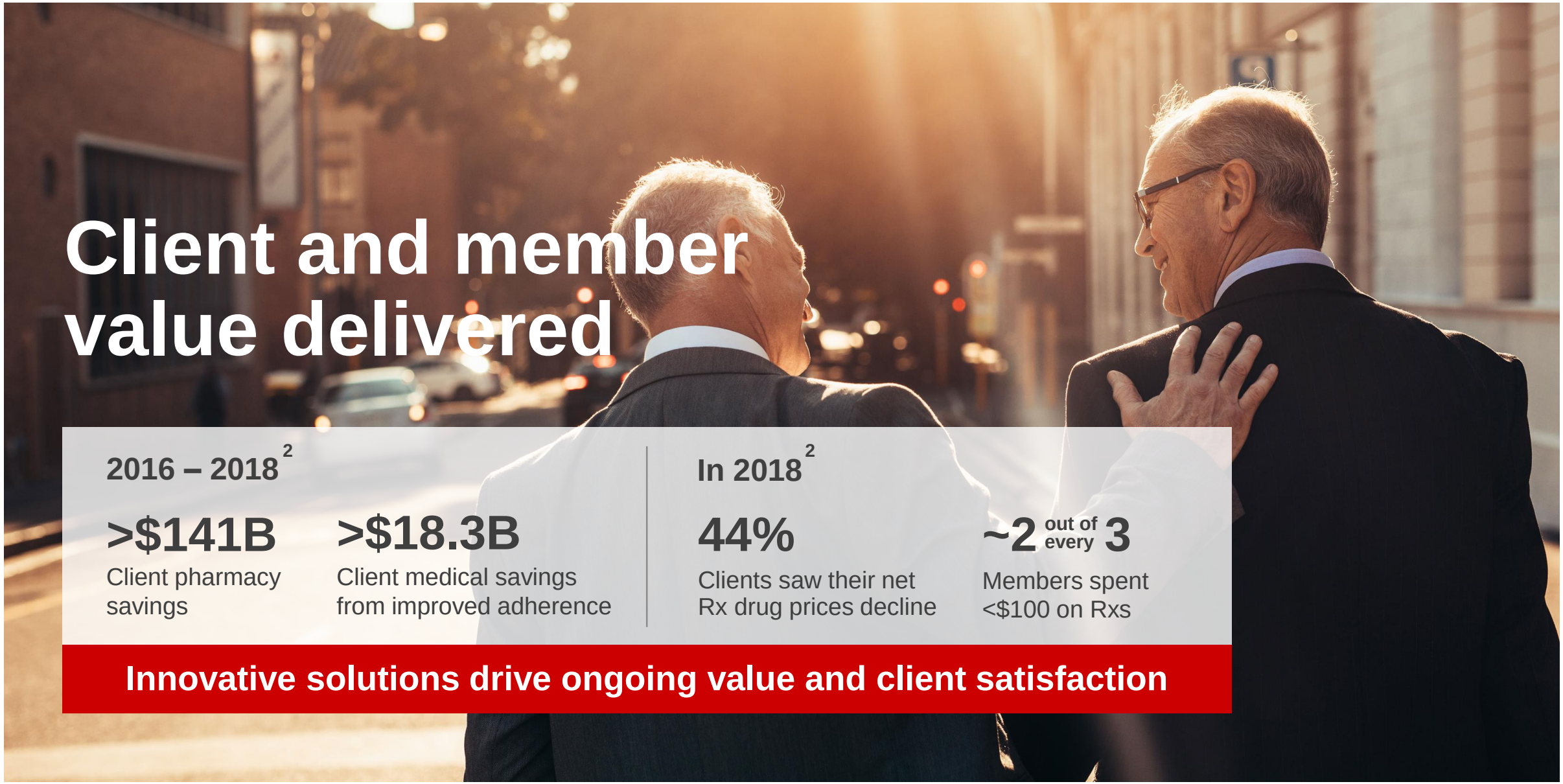
Client and member value delivered



2016 – 2018[2]

>$141B
Client pharmacy savings

>$18.3B
Client medical savings from improved adherence

In 2018[2]

44%
Clients saw their net Rx drug prices decline

~2 out of every 3
Members spent <$100 on Rxs

Innovative solutions drive ongoing value and client satisfaction

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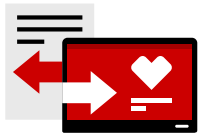
Caremark continues to pioneer industry-leading approaches to transform healthcare



Drug spend management

- Formulary innovations
- Proven purchasing economics



Operational excellence

- Seamless on-boarding
- Medicare D capabilities



Specialty outperformance

- Scale / purchasing
- Optimal utilization management



Enterprise-wide innovation

- Maintenance Choice
- Specialty Connect
- Pharmacy Advisor

New economic models → Enterprise Modernization → New best-in-class specialty solutions → New open platform solutions

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Strong fundamentals, transient challenges

Drivers / Challenges[1]	2018	2019	2020	2021
Net new contracts	▲	▲	▼▼	▲
Centene carve-in		▼	▼▼	▼
Rebate guarantees	▼	▼▼	▼	
Client pricing	▼▼	▼▼	▼▼	▼▼
Improvement to COGS	▲▲	▲▲	▲▲	▲▲
Specialty	▲▲	▲▲	▲▲	▲▲

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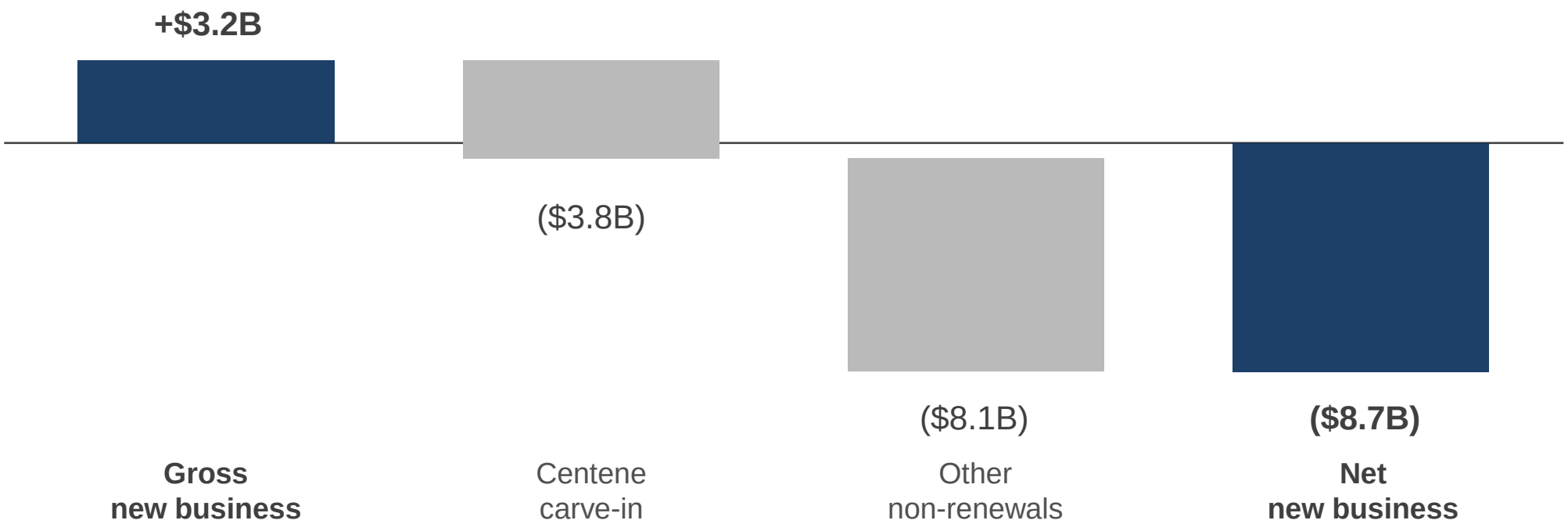
2020 selling season results year-to-date

2020 Year-to-date Selling Season Revenue Impact[1,3] (As of May 2019)



Note: Anthem revenue recorded on a net basis vs. gross.

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CVS Caremark is well positioned for growth



1. New economic models

Drug spend management

2. Enterprise Modernization

Operational Excellence

3. New best-in-class specialty solutions

Specialty outperformance

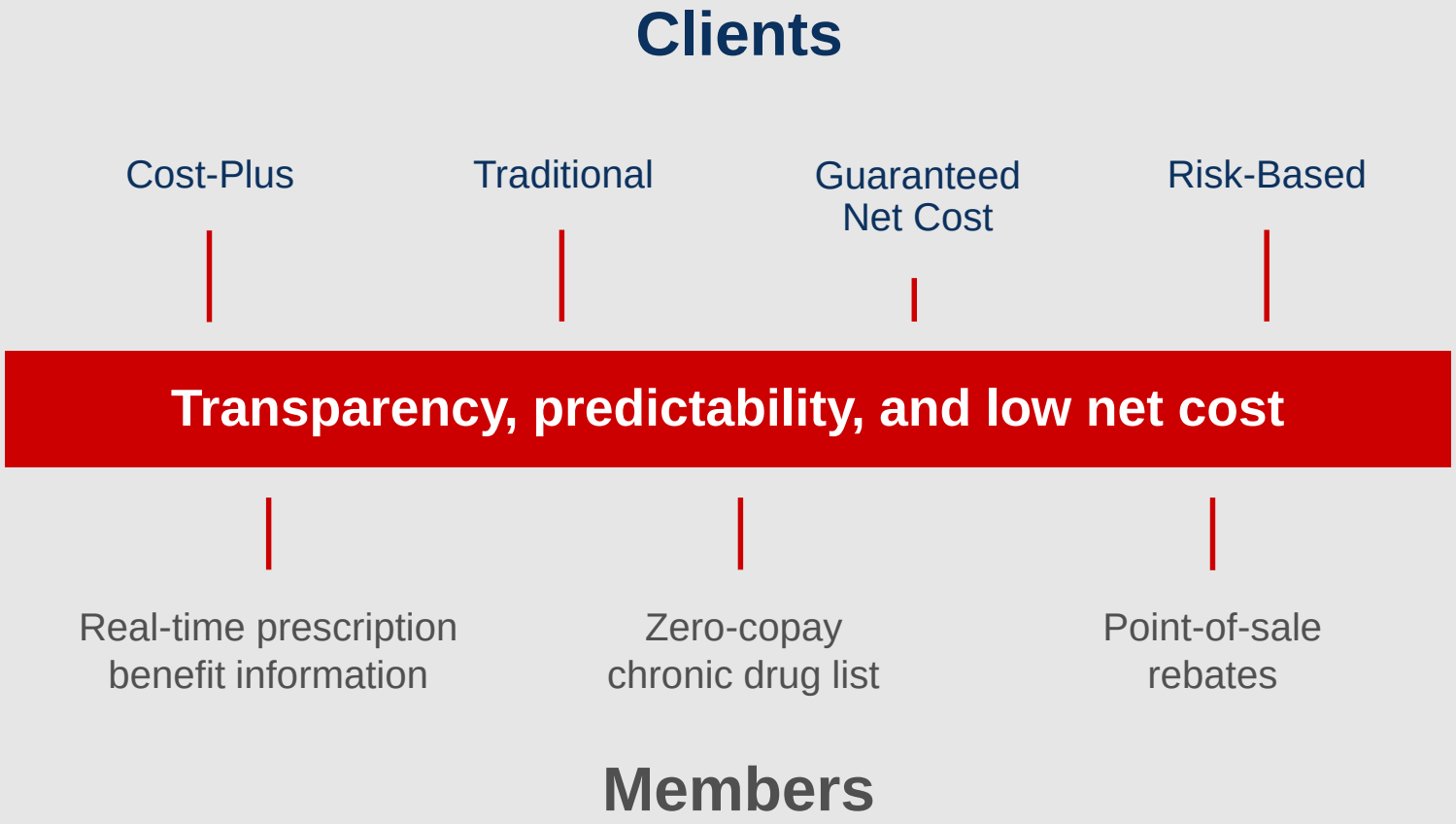
4. New open platform solutions

Enterprise-wide innovation

A full range of pricing model options for clients

+

Industry leading solutions for members



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Aligning for Growth: Enhancing the member experience



Member experience improvements	Proactive communications to providers	Real-time member information	Best-in-class self-service tools	Clinical secure messaging
Expected benefits	Lower member out-of-pocket costs; Minimized patient disruption	Physicians pick optimal therapies	Reduced administrative burden	Enhanced adherence; Improved outcomes

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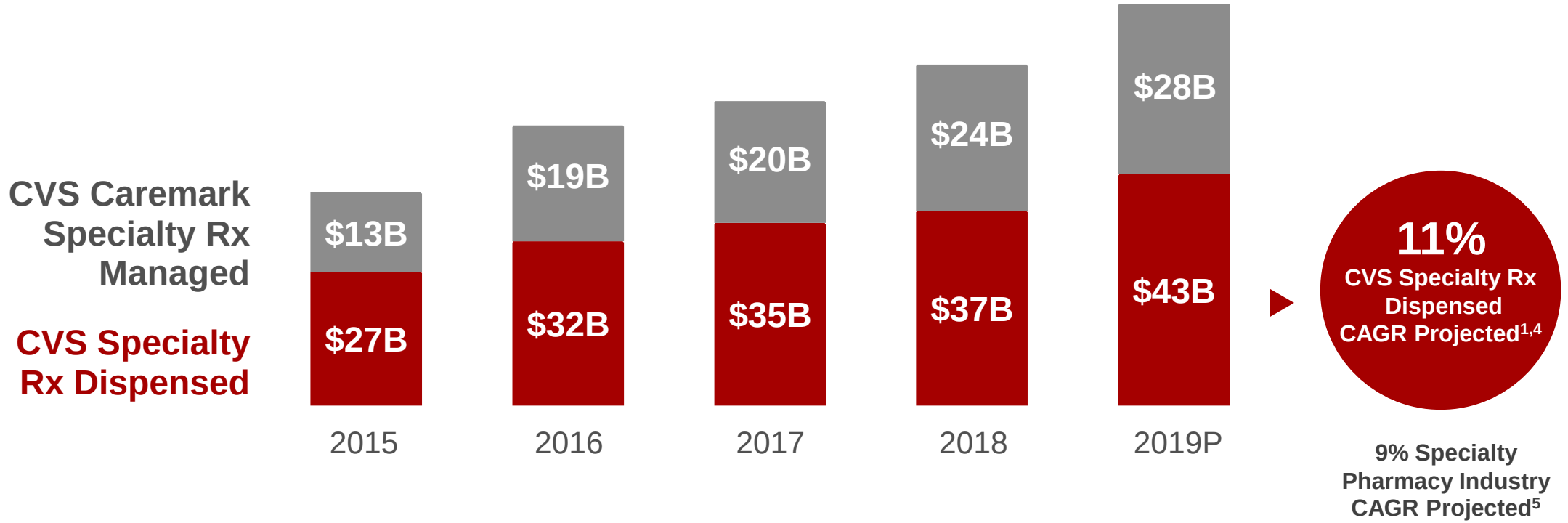
CVS Health projected to outpace the industry in Specialty Rx growth



Specialty accounts for 45% of the pharmacy spend and an estimated 60% of total drug spend under both pharmacy and medical benefits[6]

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Delivering industry leading specialty results[1,7]



1.7%

Specialty unit price growth management



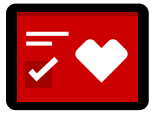
80%

Patients digitally engaged



5.3%

More patients optimally adherent with Secure Messaging



60M+

Novologix has highest adoption of any specialty medical solution

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CVS Health continues to develop best-in-class specialty solutions to fuel growth



Innovative specialty solutions focused on:

Patient care and provider connectivity

Drive appropriate therapy

Deliver low net cost

- Provider and patient engagement
- EHR connectivity
- Creating competition with formulary
- Biosimilars and generics adoption
- Utilization management
- Medical pharmacy cost reduction using Novologix

EHR = Electronic Health Records

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CVS Caremark has successfully delivered programs and enterprise innovation to our clients and health care stakeholders[8]

75+
Health Plan clients

1,400+
Employer clients

90+
Health Systems including provider organizations and ACOs

94M
Consumers CVS Caremark members

ACOs = Accountable Care Organizations

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Continuing to solve the biggest health care challenges for all of our stakeholders

Transformation

- Comprehensive chronic care and disease management
- New consumer facing products
- Risk carve-outs
- Home hemodialysis
- Optimize government programs
- Analytics products

CVS Caremark open platform solutions

- Diabetes management
- Chronic kidney disease management
- Comprehensive oncology solution
- Vendor benefit management
- HealthHUB®

CVS Caremark distribution channel

Delivering leading products to all clients

Note: Diabetes management and comprehensive oncology solution expected to launch Q3 2019

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Oncology accounts for:

~25%[9]
of total specialty drug spend (medical and pharmacy benefit)

~10%[10]
of total health care spend (for patients undergoing oncology treatment)



Comprehensive oncology solution matches patients with optimal treatment options

Align physician incentives	Enhance patient experience	Improve care quality
Value-based payment model	Holistic patient engagement advocacy	Real-time, regimen-level PA with NCCN guidelines
Novologix clinical decision support tools	Integrated High-touch Accordant Oncology and Aetna Advocates	Compassionate Care Program to address end of life goals of care

- **Reduces UM administrative cost** through decrease in phone and fax PA
- **Reduces medical spend** through improved pathway compliance and member management

UM = Utilization Management; NCCN = National Comprehensive Cancer Network; PA = Prior Authorization

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KEY TAKEAWAYS

Well positioned for growth and innovation

Leading PBM platform today and tomorrow

Evolving strategy for a changing marketplace

Four pillars of strategic growth:
New economic models, enterprise modernization, best-in-class specialty solutions, open platform solutions

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Endnotes

1. Currently enacted laws and regulations were used in all the Company's projections.
2. CVS Health Enterprise Analytics; 2019. 2018 CVS Health Trend Report. Members are only utilizing members.
3. CVS Health Finance, Selling Season Report (YTD as of 5/24/2019)
4. Internal Specialty Finance; CAGR time period: 2015-2018
5. Fein, Adam J., The 2019 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Drug Channels Institute, 2019. Includes total prescription dispensing revenues from specialty drugs at retail, mail, long-term care, and specialty pharmacies. Does not include dispensing revenues from hospitals and health systems. Does not include revenue from provider-administered specialty drugs billed under a patient's medical benefit. CAGR time period 2015 – 2018
6. Commercial clients, using year-end cohorts, represent Employer and Health Plan groups, January 2014 to December 2018, Enterprise Analytics, March 2019.
7. CVS Health Enterprise Analytics, May. 2019. CVS Health Finance, 2016-2018. Projections based on CVS Caremark data CVS Specialty Digital data, 2017; analysis of short message service (SMS) and email alert signups. CVS Health 9/2017-10/2018, analysis of patients with Chronic Myelogenous Leukemia (CML); medication on-hand for ≥95% of study period.
8. CVS Caremark Finance, 2019. Standalone specialty and Coram clients excluded.
9. CVS Health Enterprise Analytics, commercial client analysis, 2018 data.
10. Aetna Analytics analysis, 2018 data.