



Creating Value by Transforming the Consumer Health Experience

Larry Merlo
President &
Chief Executive Officer

CVS Health®

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.



Today's Objectives

Strength of our businesses and how they provide a foundation for transformation

How we intend to dramatically improve the way health care is delivered in the U.S.

Our expectations for 2020 / 2021 and our positioning for long-term growth

How current investments will translate into increased shareholder value

Agenda

Key trends in health care

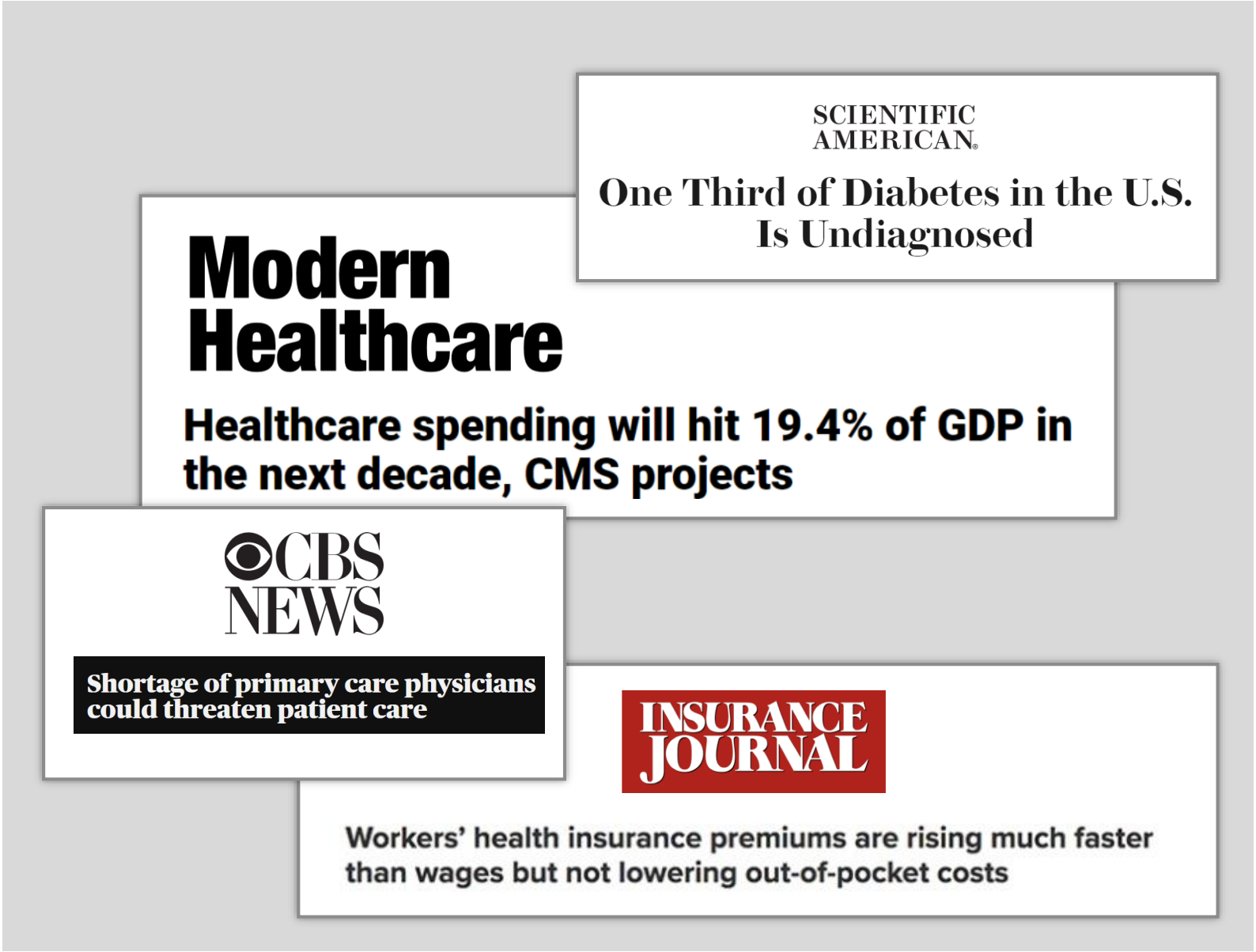
Well positioned to drive change

Enterprise priorities to accelerate growth



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As health care challenges mount, the call for change grows louder



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Trends driving change in the health care landscape



Empowered health care consumer



Migration from sick care to self care



Changing perspectives on aging



Evolution of personalized care



Evolving payment models

Agenda

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Creating the most consumer-centric health company

Powerful health care decision-making engine informed by data and analytics

Owner economics enable broader ability to deliver value across enterprise

Recognized and trusted brand, supported by large workforce of clinicians and support professionals

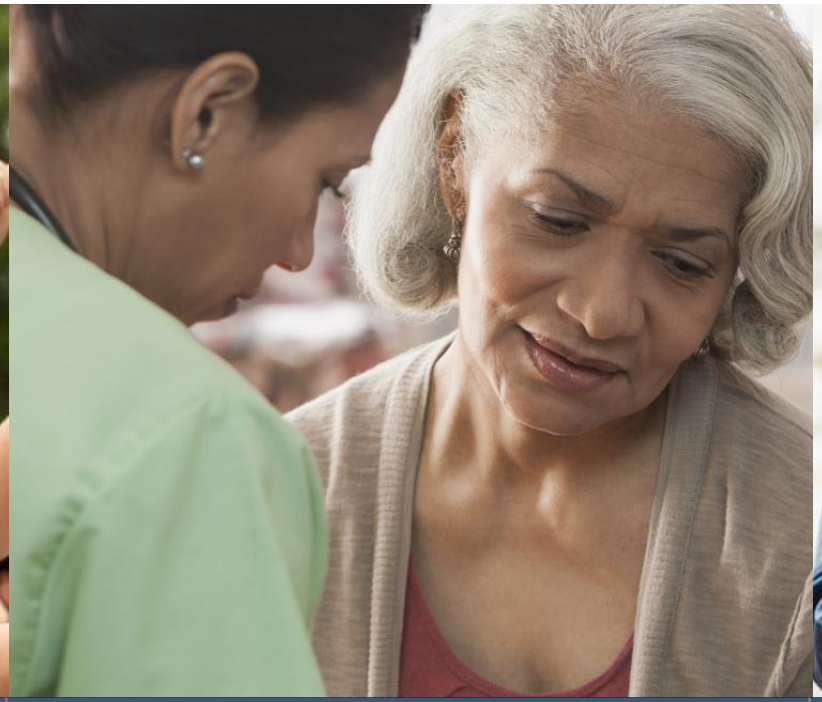
Deep local footprint of consumer-facing assets including retail stores and MinuteClinic®

Unmatched ability to engage with consumers – CVS Health interacts with one in three Americans annually



In the community

~70% of U.S. population lives within three miles of a CVS Pharmacy



In the home

700K visits[1] annually

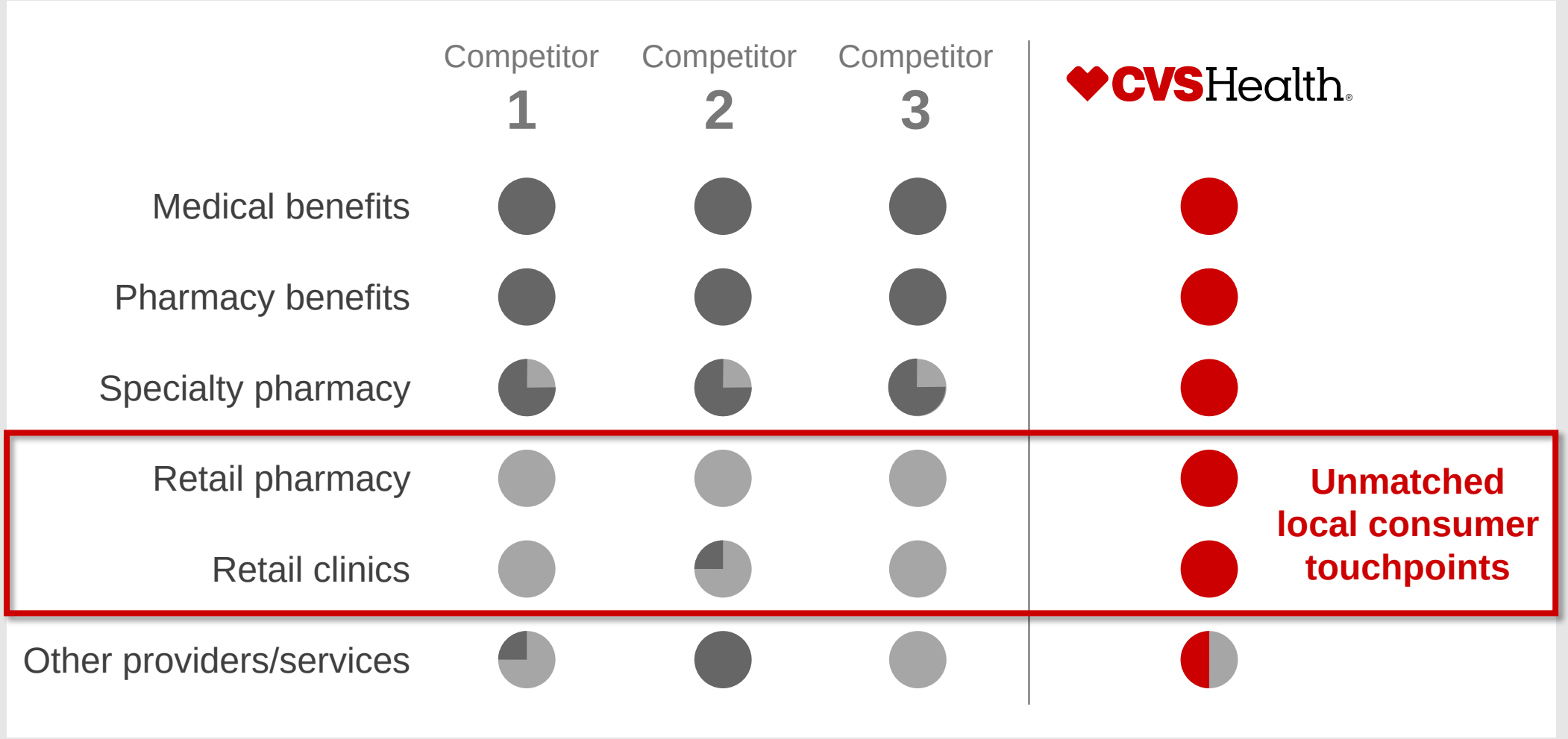


In the palm of their hand

72M patients enrolled in text messaging program

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We are uniquely positioned among managed care peers



Agenda

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Enterprise priorities to accelerate growth

Consumer obsessed –
be local, make it simple, improve health



1.
Grow and differentiate our businesses



2.
Deliver transformational products and services



3.
Create a consumer-centric technology infrastructure



4.
Modernize enterprise functions and capabilities

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PRIORITY #1

Grow and differentiate our businesses



Drive engagement through personalization



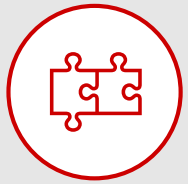
Win in high-growth market segments



Deliver new and innovative benefit designs, reimbursement models, and store formats



Improve productivity and efficiency



Introduce integrated products and services

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HealthHUBs®: Positive Results Fuel Broader Expansion

By the end of 2019

Expanding to **4 markets**

By the end of 2021

Expecting to open **1,500 locations**



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PRIORITY #2

Transformation provides multiple growth opportunities

Products & Services

Comprehensive chronic care and disease management

New consumer facing products

Optimize government programs

Risk carve-outs

Home hemodialysis

Analytics products

Value Creation



Medical cost savings



Membership growth



Expanded use of CVS assets



Increased customer satisfaction and retention



Open platform and new businesses

Operating Income Expectations[2]

~ $850 million
in 2022

~ $2.5 billion
long term

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PRIORITY #3

Creating a consumer-centric technology infrastructure



Seamless, connected digital and physical experiences

Turning data into insights and insights into action

An intelligent engagement platform

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PRIORITY #4

Integration and modernization expected to deliver significant savings

Integration synergies

- Business integration
- General and administrative functions
- Medical cost savings

On track to deliver savings of

~ $900M[2]

in 2021 and beyond

Enterprise modernization

- Technology enhancements
- Productivity improvements

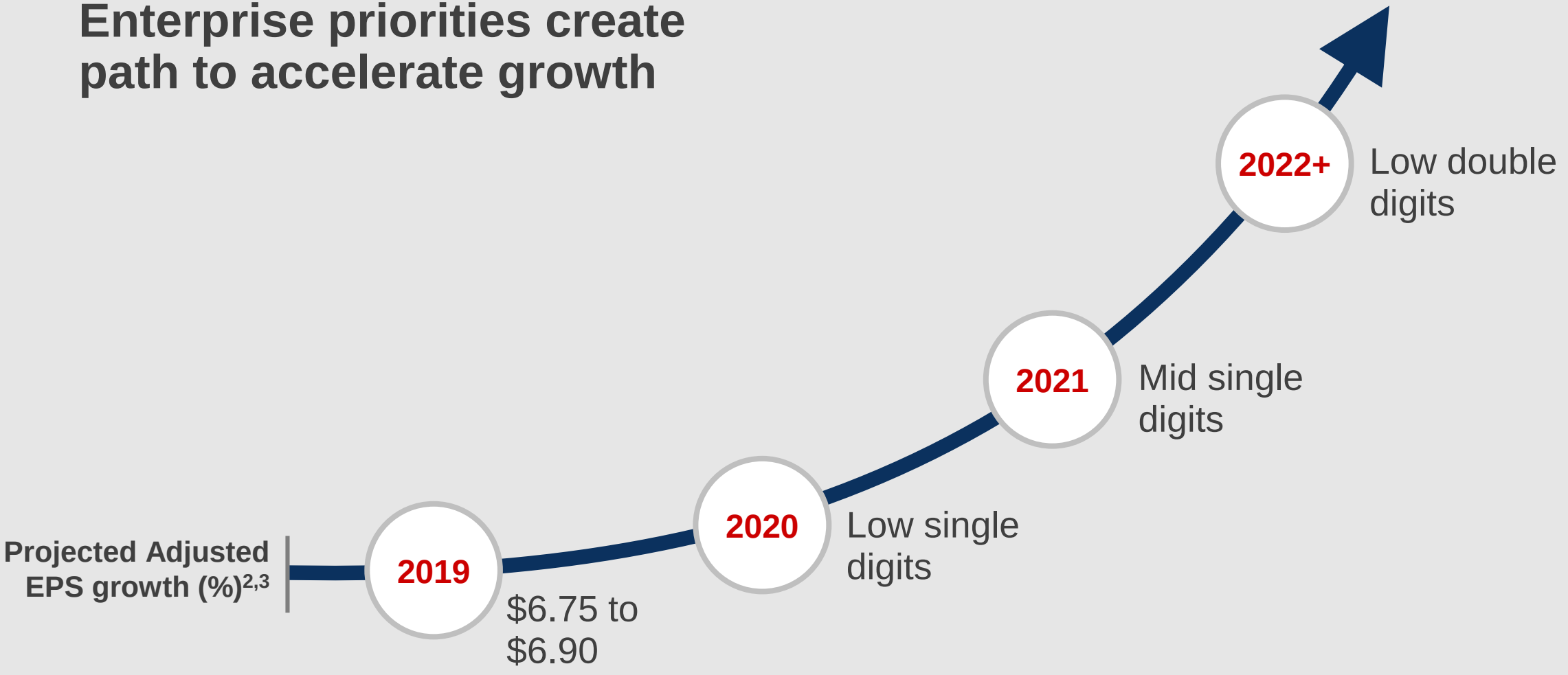
Targeting savings of

$1.5B-2.0B[2]

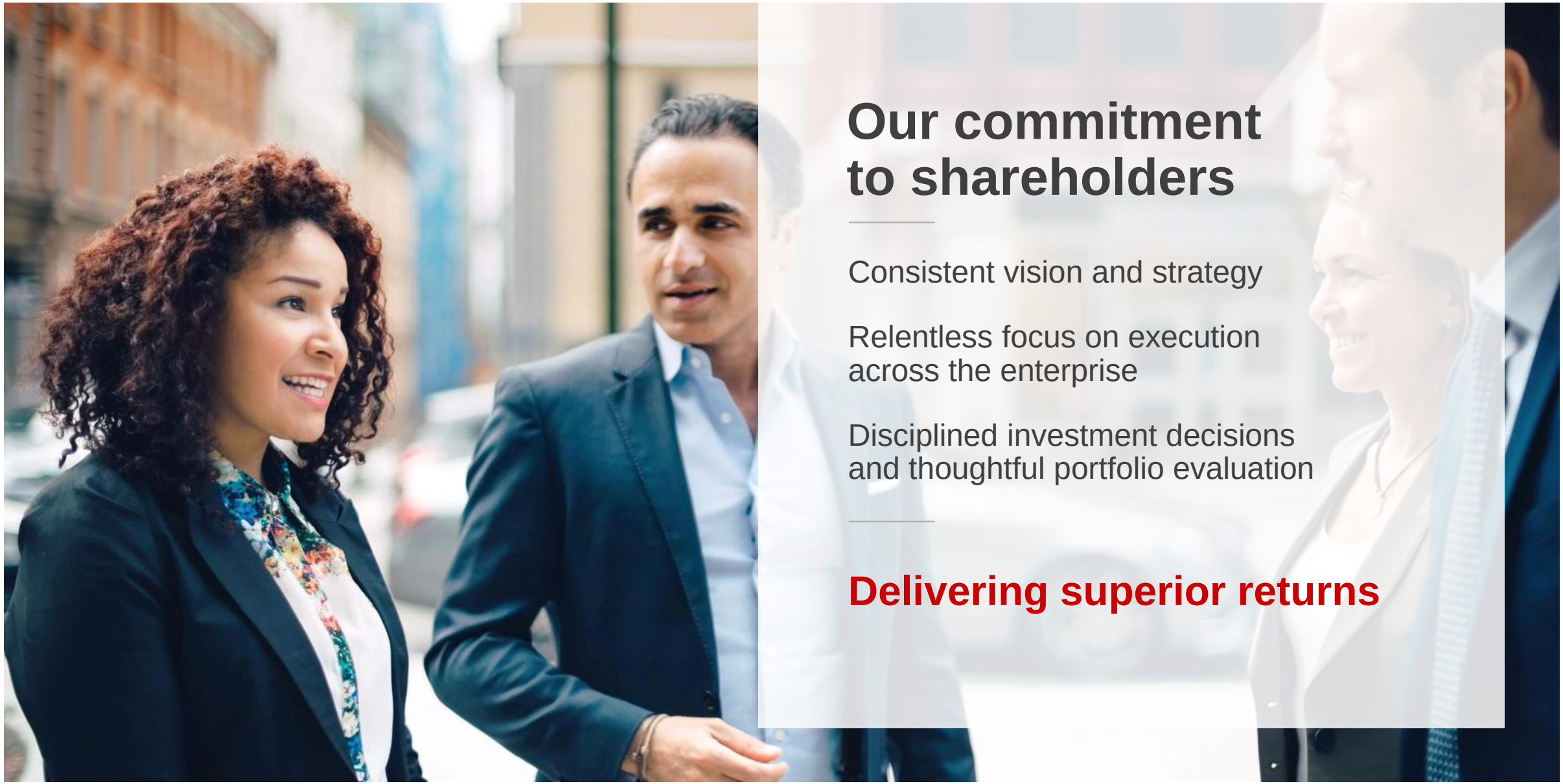
in 2022 and beyond

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Enterprise priorities create path to accelerate growth



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Our commitment to shareholders

Consistent vision and strategy

Relentless focus on execution across the enterprise

Disciplined investment decisions and thoughtful portfolio evaluation

Delivering superior returns

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Today's agenda

Advancing the Enterprise to Unlock Value
Eva Boratto

Building the Most Consumer-Centric Health Company
Alan Lotvin, MD

Establishing the Foundation for Transformation
Jon Roberts

Driving Profitable Growth as a Consumer Health Company
Karen Lynch

Evolving Strategy for a Changing Marketplace
Derica Rice

Consumer Innovation Driving Profitable Growth
Kevin Hourican

Endnotes

1. Number of in-home visits includes visits by Coram, Aetna, and vendor nurses or other care team members to homes or other community settings.
2. Currently enacted laws and regulations were used in all the Company's projections.
3. This financial measure is a non-GAAP financial measure. For an explanation of this financial measure and a reconciliation to the most directly comparable GAAP measure, refer to our Investor Relations website at https://www.investors.cvshealth.com.