2021
INVESTOR
DAY

Driving **sustainable growth** in PSS through customer focus and innovation



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These presentations 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 the most directly comparable GAAP measures, on the Investor Relations portion of our website.

Link to our non-GAAP Reconciliations

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Our PBM leadership with consumers, employers, health plans and government entities

#1
Ranked by PBM consultants[1]

Leader
Across customer segments[2]
Fortune 100, health plans, Managed Medicaid, and Medicare Part D

~80%
Captured of known new business revenue that moved with 2022 effective dates

2.9%
Overall drug trend in 2020

~110M
PBM lives served

2.1B
Total pharmacy claims processed in 2020[4]

>98%
Retention rate in 2022 selling season[3]

34%
Of clients had negative drug trend in 2020

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Our business today, positioned for growth…

$151.0B – $153.2B

FY 2021E Total Revenues

Grow above industry and lean in to shift towards Specialty & new value streams

$6.85B – $6.94B

FY 2021E Adjusted Operating Income

Outsized growth through a relentless focus on meeting customer needs and continuing to innovate to identify new sources of value for clients

+10%

Adjusted operating income 2017 – 2021E CAGR

$8.9B

Net new business in 2022 selling season[3]

1.5M

Gross new integrated Caremark and Aetna members through 2021 and 2022 selling seasons[5]

9.5M+

In force net new lives, excluding Aetna, since 2020[6]

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Sustainable PSS growth is achieved through…

1 Leading with capabilities and service

Deliver industry-leading drug trend

Use customer care as a differentiator

Increase digital penetration

2 Focusing on highest growth markets

Capture Specialty Pharmacy growth, including growing specialty generics and biosimilars

3 Enhancing profitability

Enhance digital self-serve tools

Create client value with pharmaceutical manufacturers

Drive operating efficiencies

CVS Health strategy will further fuel PSS growth

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1 We win and retain business by delivering best-in-class service across all key capabilities

Trend management	**3.9%** Q3 YTD 2021 overall drug trend	**5.8%** Q3 YTD 2021 Specialty drug trend
Trust, transparency & service	**99%** Client satisfaction[7]	**91%** Survey of existing clients "operating in an open and honest manner"[8]
Innovation	**>85%** of CVS Specialty patients have opted into digital messaging	**>32k** Prescribers on Specialty Expedite

How that translates to

growth

Competitive offering to **drive strong retention rates and higher new sales,** increasing volume

Winning **across all lines of business** with an experienced senior management team

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2 We focus on highest-growth markets, including Specialty, to drive greatest value

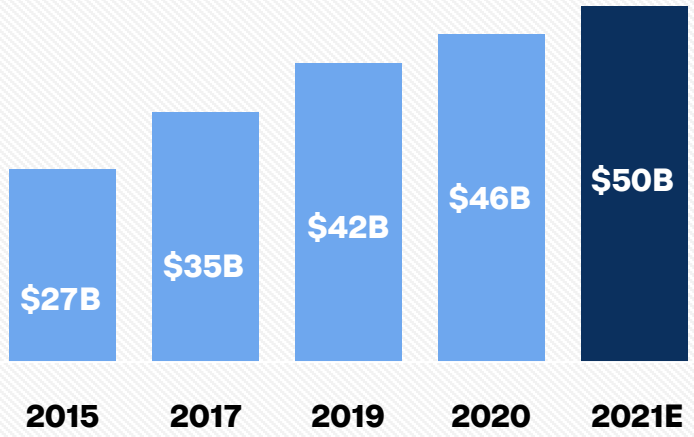
Specialty accounts for over half of pharmacy spend[12]....

Within this significant market, CVS Specialty Rx[9] is outpacing the industry

11%
CVS Specialty Rx dispensed CAGR[10]

9%
Specialty Rx industry CAGR[11]

Dispensed Specialty Revenue (incl. rebates)



How that translates to

growth

Consumers choosing CVS drives **above-industry Specialty growth:**

PBM Clients and Payers as stand-alone specialty managers choose us for our Specialty spend management

Open Market
Patients and providers choose us for our differentiated experience and digital engagement

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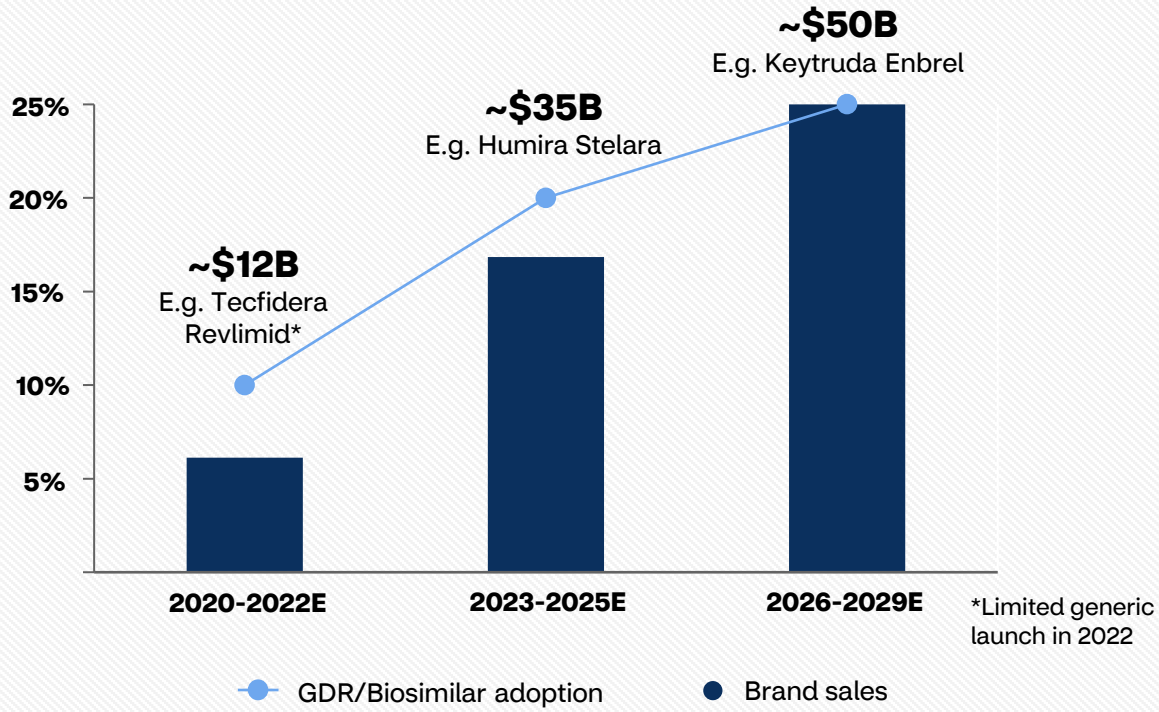
2 ...and the opportunity is growing as the era of generics and biosimilars in Specialty is arriving

Top specialty branded products with generic/biosimilar competition

(U.S. market sales, illustrative not exhaustive)[13]



How that translates to

growth

Creates opportunity for client savings and **improved PBM economics**

Opportunity to lower cost for our clients and patients from increased competition

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3 We continue to enhance our business to deliver meaningful value to clients and shareholders

Continue consumer focus	Improve digital self-serve experience
Enable Rx competition	Accelerate adoption of generic and biosimilar pipeline
Improve guarantee performance	Use advanced analytics to manage client and pharmacy guarantees
Drive operating efficiency	Modernize infrastructure and streamline decision-making

How that translates to

growth

Results in **better pricing for clients**

Deliver superior service

Evolve the operating model to **drive efficiencies**

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How will PSS **accelerate** enterprise growth?

PSS accelerates growth of CVS Health…

- Commercialize health services via Caremark's sales channel
- Connect our pharmacy capabilities to provide choice to consumers
- Grow integrated medical / pharmacy lives with HCB

…and CVS Health further fuels growth of PSS

- Differentiated community presence
- Expanded set of health services
- Enhanced insights & analytics

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In closing...
Key takeaways

- Leading **manager of pharmacy spend** for our customers
- PSS both **enables growth of and benefits from the growth** of an expanded set of health services
- **Experienced and stable management team** capitalizing on opportunities

- Market-leading PBM and Specialty pharmacy to continue delivering **strong and sustainable growth**

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Endnotes

All data is provided by CVS Health Enterprise Analytics or other internal CVS Health Sources, unless otherwise noted. All data is as of September 30, 2021, unless otherwise noted.

1. Annual PBM Selling Season Checks Most Positive on CVS Caremark (Mizhuho), July 2, 2021.
2. CVS Caremark sales data using 2021 January diagnostic related group (DRG) lives for health plan and Managed Medicaid lives. Medicare Part D lives based on enrollment data. 2021 Fortune 100 defined by company count using internal and external data sources.
3. Data as of November 3, 2021. Retention rate defined as: 1 less (estimated lost revenues from any known terminations plus annualizations of any mid-year terminations, divided by estimated PBM revenues for that selling season year) expressed as a percentage.
4. CVS Health 2020 Form 10-K. Total pharmacy claims processed includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.
5. Metric through the 2021 and 2022 selling seasons as of November 23, 2021.
6. In force net new health plan lives, excluding Aetna, from 2020 through 2022 selling seasons.
7. Client satisfaction is Overall Satisfaction with the Company per survey conducted October 2021.
8. Data per survey conducted October 2021.
9. Fein, Adam J., The 2021 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Drug Channels Institute, 2021.
10. CAGR time period: 2015 – 2020.
11. Fein, Adam J., The 2021 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Drug Channels Institute, 2021. 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 – 2020.
12. CVS Health Enterprise Analytics, 2021. Commercial Cohort client pharmacy spend using annual Q4 trend cohorts. Post-Discount Spend, Inclusive of Rebates, Guarantees and Specialty Copay Cards 2021 estimated using data from Q1-Q2 2021 (analysis conducted September 2021).
13. CVS Health Finance, Evaluate Pharma (Evaluate Pharma, © Evaluate Ltd, October 2021, www.evaluate.com) and IPD. Represents top branded products only as defined by >$2B in annual revenue in 2020 and Specialty products only. Estimated brand sales shown for the year prior to anticipated generic/ biosimilar launch (up to 2026); additional generic/ biosimilar products may launch during this time.

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