2021
INVESTOR
DAY

Healthier **happens here**



SHAWN M. GUERTIN
Executive Vice President
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CVSHealth

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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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key highlights

- **Strong** momentum into 2022
- **Unique** and robust portfolio of assets to succeed in care delivery and health services
- **Powerful** cash flow generation that will enable the strategy as well as share repurchases and increased dividends in 2022
- **Success** opens large addressable markets where we can generate both new revenue sources and accelerate the growth in our foundational businesses
- **Growing** to become nation's leading health solutions provider with assets and strategy to achieve low double-digit adjusted EPS growth by 2024

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Strong foundation:

Consistent outperformance in 2021

in billions, except per share amounts	CVS Health FY 2021 Guidance
Total Revenues	At least $290.3
Adjusted Operating Income	At least $16.6
Adjusted EPS	At least $8.00
Cash Flow from Operations	At least $13.5

Three quarters of **beat and raise** in adjusted EPS

Adjusted EPS guidance at least 7% above midpoint of initial 2021 guidance

Full year adjusted EPS trending towards **at least $8.00**

On track for **strong full year revenue growth of at least ~8%** vs. prior year[1]

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2021: Another year of delivering on our commitments



Operating Cash Flow	**$12.8B**	**$15.9B**	**At least $13.5B**
Leverage Ratio (Adjusted Debt to Adjusted EBITDA)	*4.7x*	*4.2x*	*~3.6x*

*June 2019 Investor Day goals for 2021: Mid-single digit Y/Y adjusted EPS growth, calculated for comparative purposes

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2022 Outlook:
Continued momentum off strong foundation

in billions, except per share amounts & cost reduction initiatives	CVS Health FY 2022 Guidance	Y/Y Growth[2]
Total Revenues	$304 to $309	5 – 6%
Adjusted Operating Income	$16.7 to $17.1	1 – 3%
Adjusted EPS	$8.10 to $8.30	1 – 4% 7 – 9% baseline*
Cash Flow from Operations	$12.5 to $13.0	
Cost Reduction Initiatives	~$200M	

Revenue growth of 5 – 6%

Stable adjusted operating margin

Share repurchase to offset dilution

Adjusted EPS growth of 7 to 9% versus 2021 "baseline"*

10% dividend increase

*Calculated versus 2021 adjusted baseline of ~$7.60 excluding prior years development, realized capital gains and 2021 to 2022 minimum wage change

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Segment detail:

Health Care Benefits 2022 outlook and key growth drivers

in billions, except MBR & membership	FY 2022 Guidance	Y/Y Growth[3]
Total Revenues	$88.1 to $89.6	8 – 9%
Adjusted Operating Income	$5.76 to $5.86	15 – 17%
Medical Benefit Ratio (MBR)	84.2% +/- 50 bps	(30) – 70 bps
Total Medical Membership (in millions)	23.8 to 24.1	0 – 2%

Revenue growth of 8 – 9%

Decline in COVID-19 medical costs driving margin improvement

Strong **Medicare Advantage growth**

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Segment detail:

Pharmacy Services 2022 outlook and key growth drivers

in billions	FY 2022 Guidance	Y/Y Growth[3]
Total Revenues	$162.5 to $165.3	6 – 8%
Adjusted Operating Income	$7.31 to $7.45	5 – 7%
Total Pharmacy Claims Processed[4]	2.24 to 2.27	0 – 1%

Revenue growth of 6 – 8%

Stable to improving operating margins

Winning by delivering **best-in-class customer service and drug trend management**

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Segment detail:

Retail / Long-Term Care 2022 outlook and key growth drivers

in billions	FY 2022 Guidance	Y/Y Growth[3]
Total Revenues	$99.0 to $100.7	0 – 2%
Adjusted Operating Income	$5.96 to $6.06	(16%) – (14%)
Prescriptions Filled[4]	1.61 to 1.64	1 – 3%

Revenue growth of 0 – 2%

COVID-19 vaccination and testing volumes expected to decline versus 2021; pressures revenue and margin

Optimize footprint by deploying new format strategy and closing ~300 stores/year 2022 to 2024

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2022–2024 consumer-centric cost improvements boost adjusted operating income growth



Orient around the customer

Deliver on **what matters most to customers** and eliminate work that does not

Optimize processes to drive value

Maximize customer experience and business value through new technologies, elevated intelligence and consolidation

and

Create an agile platform to sustain efficiency and savings

Empower a flexible and sustainable **workforce and vendor ecosystem**

$900M

by 2024 in annual adjusted EPS growth contribution

2022	1% or $200M
2023	1 to 2% or $300M
2024	2% or $400M

Total CVS Health annual cost base of **$40 to $42B**[5]

Adaptable and scalable for existing and new businesses

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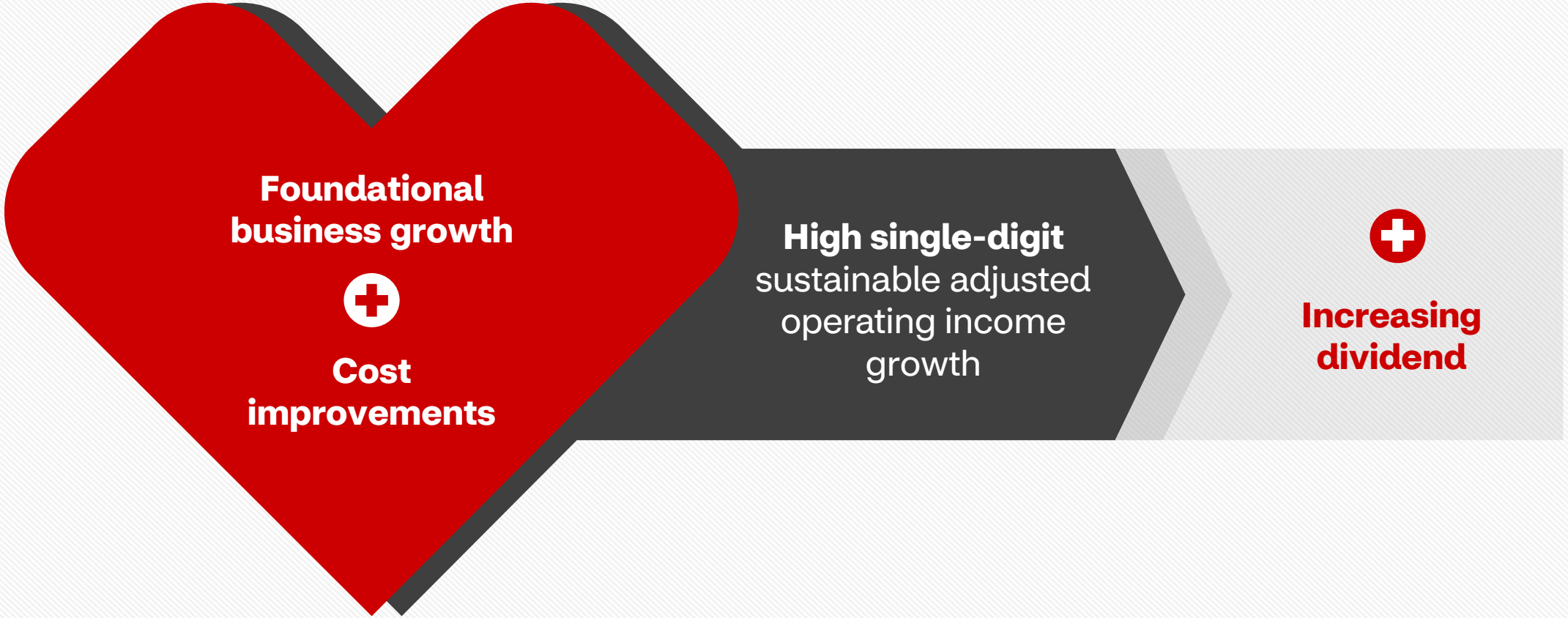
Strong foundation positions us well to accelerate the strategy



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Our foundational **accelerators**

1. **Unique** collection of assets
2. **Strong** consumer engagement
3. **Powerful** cash flow generation

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1 & 2

COVID-19 demonstrates the power of our integrated business model and consumer engagement

Our unique footprint and assets...

85% of Americans
live within 10 miles of a CVS Pharmacy location

~4.5M consumers
visiting CVS stores each day

~74M members
in CVS ExtraCare loyalty program

National in scale, but local in feel and digitally accelerated

...positioned us to lead the nation's response

>50M COVID-19 vaccines[6]

~29M COVID-19 tests[6]

>32M new customers
to CVS Health through COVID-19 testing and vaccine efforts[7]

>$3B in revenue
from vaccines and testing in 2021[8]

Creating a >$3 billion[8] business in one year

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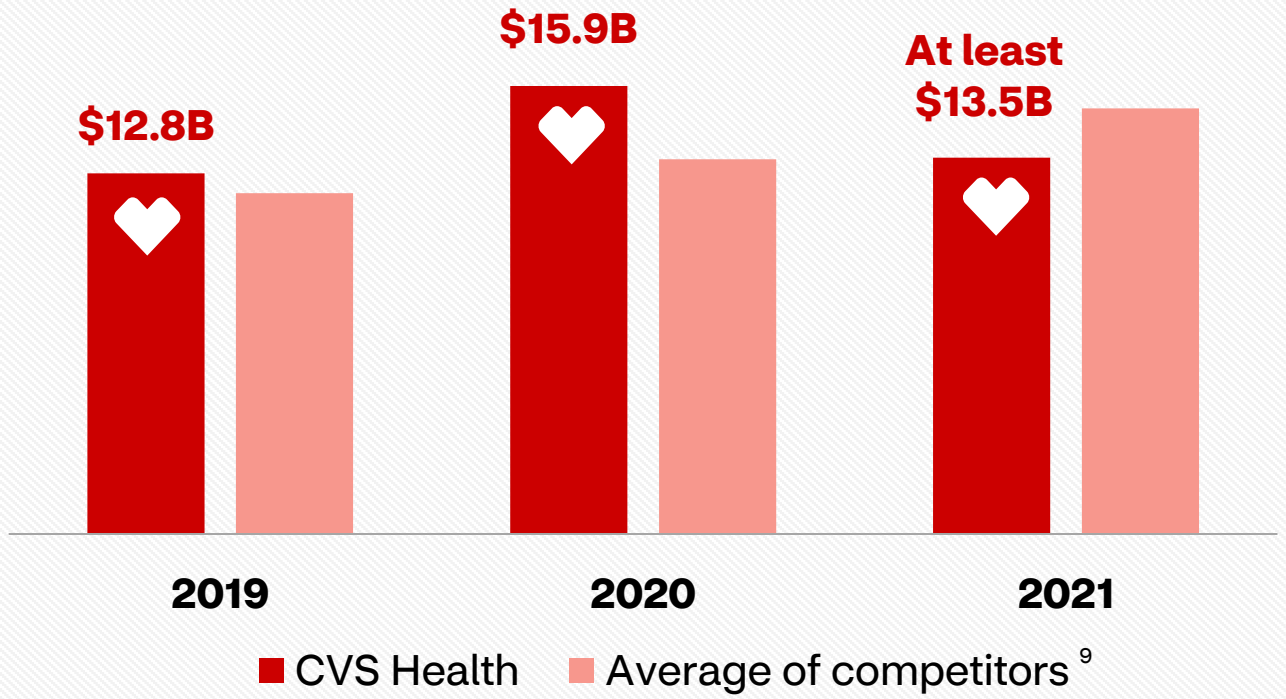
3 Foundational business has produced strong cash flow

Operating cash flow on par with average of competitors



...and could be deployed to accelerate adjusted EPS growth and acquire strategic capabilities

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Long-term capital generation and deployment critical to execute our vision

$40 - $50B

2022 to 2024 cumulative deployable cash

25 to 35% | Invest in our business

- Organic **capital expenditures**
- **Maintain statutory capital** in regulated entities

20% | Provide attractive dividend yield

- **Dividend growth** over time in line with adjusted EPS gains

45 to 55% | Available cash for flexible deployment

- **Commitment to investment grade ratings**
- Invest in **value-added** and **capability-focused M&A**
- **Increasing share repurchase** program over time

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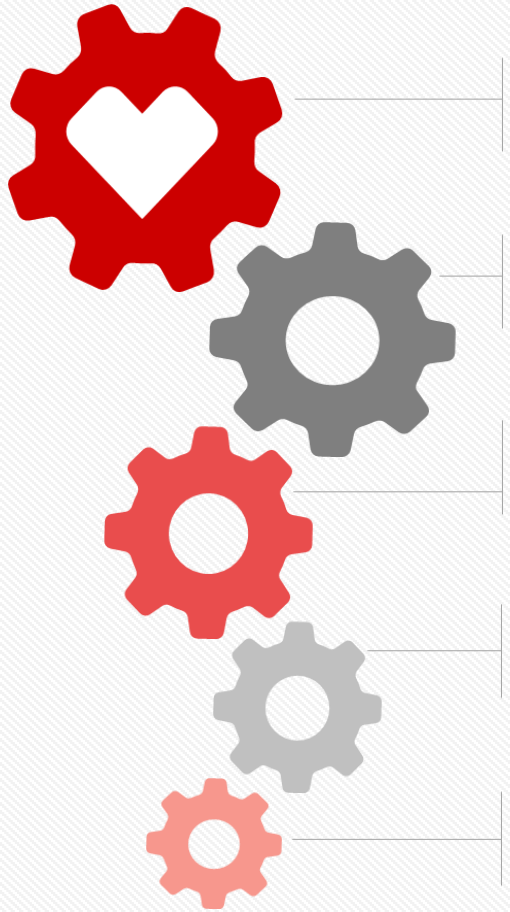
Integrating capability-focused M&A into our unique collection of assets to accelerate our vision



- Build a **risk-enabled, vertically-aligned, all-payer care delivery business**
- Establish a network of **physician-led primary care centers with integrated virtual and home assets**
- Enhance **Management Services Organization (MSO)** capabilities to enable partnered providers, payers, and support primary care centers
- Deploy **existing ecosystem of assets** (e.g., CVS HealthHUB® and retail locations)
- Secure **assets that extend care delivery** and **enhance fulfillment**

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Health services derive new value through:

Potential new sources of growth from health services strategy

Accelerants to our foundational assets

New care delivery models accelerate foundational growth

Optimize retail portfolio to serve as community health destinations

Omnichannel Pharmacy

New revenue sources

Medicare-focused risk bearing entity

Care delivery and home health services

Worksite/near-site and subscription models

Management services organization revenue

Accretive to adjusted earnings starting in 2024

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Generating economic return through care delivery and health services

1 Accelerating foundational growth



Better health outcomes and lower costs

Improved growth and adjusted operating margin

Greater customer lifetime value

Adjusted EPS growth contribution

2024: ~1%

Increasing over time, becomes part of foundational business

2 New care delivery sources

Potential Sources

- **Enabled Primary Care Clinics**
- **Enhanced Care Model**
- **Owned Primary Care Centers**
- **All Payer Models**

Adjusted EPS growth contribution

2024: ~1%

Increasing over time, becomes part of foundational business

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Drives a new long-term growth trajectory

Low double-digit adjusted EPS growth beginning in 2024 with attractive dividend growth

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Adjusted EPS targets

2021E
At least $8.00
Baseline at least $7.60

2022E
~$8.10 – $8.30
High single-digit growth vs. 2021 baseline

2023E
High single-digit Y/Y growth

2024E+
Low double-digit Y/Y growth

Sources of Growth

1. **Foundational business + cost improvements** — 7 to 8%
2. **Care Delivery + Health Services** — Accelerant to foundation; New revenue sources — ~1%; ~1%
3. **Share repurchase** — Offsetting dilution; 1 – 2%

Healthy, increasing dividend and commitment to strong investment grade capital structure

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Healthier is happening here: CVS Health

Our unique collection of assets gives us the ability to dramatically reshape how consumers experience their care

Market leader with strong foundation and consumer focus

- Drives high single-digit adjusted EPS growth in 2022 and 2023, attractive dividend, strong cash flow
- Provides ideal platform to expand into care delivery and health services

Expanding into care delivery and health services

- Opens new, large markets with attractive growth profiles
- Accelerates growth in our foundational business

Positioned to be the nation's leading health solutions company

- Plays to our strength and differentiation in alignment, scope, and depth, with unmatched consumer focus and engagement
- Drives sustainable trajectory for low double-digit adjusted EPS growth in 2024 and beyond

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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. Growth rates for total revenues are calculated against 2020 adjusted revenues. 2020 adjusted revenues removes the receipt of $313 million owed to CVS Health under the ACA's risk corridor program, net of MLR rebates of $2 million in Q4 2020 that had been previously reserved. Reconciliation to the most directly comparable GAAP measure, refer to our Investor Relations website at https://www.investors.cvshealth.com.
2. Growth rates calculated over updated 2021 guidance on slide 4.
3. Growth rates calculated over November 3, 2021 guidance high-end
4. Total pharmacy claims processed and prescriptions filled includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. Total pharmacy claims processed and prescriptions filled include vaccinations.
5. Cost base includes operating expenses and cost of services, part of cost of goods sold
6. Vaccines and tests administered in the 11 months ended November 30, 2021.
7. Through November 2021.
8. Projected full year 2021
9. Anthem, Cigna, Humana, United Health, Walgreens and Walmart.

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