

Fourth quarter 2024 —

February 12, 2025

Earnings conference call

J. David Joyner

President and
Chief Executive Officer

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Executive Vice President and
Chief Financial Officer



Cautionary statement

concerning forward-looking statements

This presentation includes 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 (“CVS Health”). By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may also differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the heading “Cautionary Statement Concerning Forward-Looking Statements” in our most recent Annual Report on Form 10-K, our recent Current Reports on Form 8-K, and this morning’s earnings press release.

This presentation includes 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, in our press release we issued in connection with the release of our results for the fourth quarter of 2024 and our non-GAAP reconciliation document, which are both available on the Investor Relations portion of our website.

Financial highlights

Delivered revenue growth of **4.2%** and adjusted EPS of **\$1.19** in the fourth quarter of 2024.
Issued initial 2025 adjusted EPS guidance of **\$5.75 to \$6.00**.

Our Priorities

**To be America's most
trusted health care
company**

Best-in-class businesses

Strong integrated capabilities

Leading digital strategy and tech-
enabled simplicity and efficiency

Disciplined capital stewardship

FOURTH QUARTER

Financial Results

4.2%

revenue growth

\$1.30

GAAP EPS

\$1.19

adjusted EPS

\$1.9B

cash flow from operations

FULL-YEAR 2025

Company Guidance

At least \$385.9B

total company revenue

\$12.95B – \$13.40B

total adjusted operating income

\$5.75 – \$6.00

total company adjusted EPS

~\$6.5B

total operating cash flow

Accelerating opportunities to drive integrated value

♥
We are **demonstrating progress towards key measures of success** across the enterprise,

enabling us to **deliver on our financial commitments**
♥

Increase in Aetna® members covered by Caremark® (YoY change)

~12%

In-Home Health Evaluations completed by Signify Health (Full-Year 2024)

>3M

Active users of newly redesigned CVS Health app, with unique, consumer-centric capabilities (December 2024)

>14M

Increase in Oak Street Health at-risk members (YoY change)

+35%

Caremark's biosimilar strategy with Cordavis™ contributed to net customer savings (Since April 1st formulary change)

~\$1B



OUR VISION

**Building a
world of health around
every consumer**



Our Strategic Imperatives



Grow

our core business



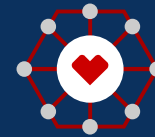
Build

diverse national care
delivery and value-
based care capabilities



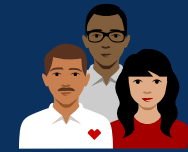
Enable

consumers' health
with care and
coverage capabilities
across local points
of care



Create

seamless engagement
and personalized
experiences across
all company channels



Empower

our people and
culture

Consolidated Results

in billions,
except per share amounts

	Q4 2024	Q4 2023
Total Revenues	\$97.7	\$93.8
Adjusted Operating Income	\$2.73	\$4.23
GAAP Earnings per Share	\$1.30	\$1.58
Adjusted Earnings per Share	\$1.19	\$2.12
Cash Flow from Operations	\$1.9	(\$2.6)

Business highlights

Successfully **completed our three-year store closure plan** and **are progressing further footprint optimization** in 2025.

Maintained **greater than 27% retail pharmacy script share**, demonstrating strong execution, robust omnichannel capabilities and superior customer experiences.

Returned \$838 million to stockholders via quarterly dividend.

Cash flow from operations in the fourth quarter benefited from **early receipt of cash**, particularly in our Pharmacy Services business.

2025 Consolidated Guidance

in billions, except per share amounts and tax rate

	GUIDANCE	RESULTS
	Full-Year 2025 Guidance	Full-Year 2024 Results
Total Revenues	At least \$385.9	\$372.8
Adjusted Operating Income	\$12.95 to \$13.40	\$11.98
GAAP Earnings per Share	\$4.58 to \$4.83	\$3.66
Adjusted Earnings per Share	\$5.75 to \$6.00	\$5.42
Cash Flow from Operations	~\$6.5	\$9.1
Interest Expense	~\$3.24	\$2.96
Capital Expenditures	\$2.8 to \$3.0	\$2.8
Adjusted Effective Tax Rate	~25.5%	25.3%
Weighted Average Diluted Share Count	~1.271	1.262

Business highlights

Issued initial **full-year 2025 adjusted EPS guidance within the range of \$5.75 to \$6.00.**

At the low end of our 2025 adjusted EPS range, **our initial guidance represents ~10% year over year growth**, after adjusting for \$0.18 of favorable prior year reserve development in 2024.

Initial 2025 guidance reflects an **appropriately achievable baseline** with **opportunities for outperformance.**

Superior assets. Superior care. Superior value.

Health care benefits

in billions, except MBR
and membership

	Q4 2024	Q4 2023
Total Revenues	\$33.0	\$26.7
Adjusted Operating Income	(\$0.44)	\$0.68
Total Medical Membership (millions)	27.1	25.7
Commercial	18.9	18.3
Government	8.2	7.4
Medical Benefits Ratio (MBR)	94.8%	88.5%
	Full-Year 2025 Guidance	Full-Year 2024 Results
Total Revenues	At least \$132.1	\$130.7
Adjusted Operating Income	\$1.50 to \$1.95	\$0.31
Total Medical Membership (millions)	~25.8	27.1
Medical Benefits Ratio (MBR)	91.5% (at the low-end)	92.5%

Business highlights

Fourth quarter **adjusted operating loss of \$439 million** was lower than the prior year quarter, primarily driven by a **higher MBR**, partially offset by the **utilization of the premium deficiency reserve** recorded in the third quarter, higher levels of **favorable prior period reserve development**, and increased **net investment income**.

Strong welcome season at Aetna, including the successful two-year **implementation of North Carolina's public employee benefit program**, representing ~600k new members.

2025 adjusted operating income guidance of **\$1.50 to \$1.95 billion reflects a respectful view of cost trends**, given the sustained elevated trend observed in the fourth quarter.

Health services

in billions, except pharmacy claims

	Q4 2024	Q4 2023
Total Revenues	\$47.0	\$49.1
Adjusted Operating Income	\$1.76	\$1.86
Pharmacy Claims Processed ¹ (millions)	499.4	600.8

	Full-Year 2025 Guidance	Full-Year 2024 Results
Total Revenues	At least \$184.8	\$173.6
Adjusted Operating Income	At least \$7.54	\$7.24
Pharmacy Claims Processed ¹ (billions)	At least 1.93	1.92

Business highlights

Fourth quarter adjusted operating income **decreased ~5%** year over year, primarily driven by **continued pharmacy client price improvements** and the previously announced **loss of a large client**, largely offset by **improved purchasing economics**.

CVS Caremark TrueCost™ continues to resonate in the marketplace with **more than 75% of Caremark's Commercial members with 2+ elements of the model** in their pharmacy benefit.

Initial 2025 adjusted operating income guidance of **at least \$7.54 billion** reflects **~4% growth**, driven by **growth in our Caremark business** and a **prudent outlook in our Health Care Delivery businesses**.

Pharmacy & consumer wellness

in billions, except prescriptions filled

Total Revenues

Q4 2024

\$33.5

Q4 2023

\$31.2

Adjusted Operating Income

\$1.76

\$2.03

Prescriptions Filled¹
(millions)

445.9

431.5

Total Revenues

Full-Year 2025
Guidance

At least \$134.0

Full-Year 2024
Results

\$124.5

Adjusted Operating Income

At least \$5.48

\$5.77

Prescriptions Filled¹
(billions)

At least 1.77

1.72

Business highlights

Fourth quarter adjusted operating income **decreased ~13%** year over year, primarily driven by **continued pharmacy reimbursement pressure** and **decreased front store volume**, partially offset by **improved drug purchasing**.

Same store Pharmacy sales and same store prescription volumes **increased by ~13%² and ~6%²**, respectively, over the prior year quarter.

Effective January 1st, 2025, **all Commercial scripts** dispensed through CVS Pharmacy **are contracted through CVS CostVantage™**.

Initial 2025 adjusted operating income guidance of **at least \$5.48 billion** reflects a **decline of ~5%**, in line with **our long-term guidance framework**.

Footnotes

Fourth quarter 2024

1. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.
2. Same store sales and prescription volume represent the change in revenues and prescriptions filled in the Company's retail pharmacy stores that have been operating for greater than one year and digital sales initiated online or through mobile applications and fulfilled through the Company's distribution centers, expressed as a percentage that indicates the increase or decrease relative to the comparable prior period. Same store metrics exclude revenues and prescriptions from LTC and infusion services operations. Management uses these metrics to evaluate the performance of existing stores on a comparable basis and to inform future decisions regarding existing stores and new locations. Same-store metrics provide management and investors with information useful in understanding the portion of current revenues and prescriptions resulting from organic growth in existing locations versus the portion resulting from opening new stores.