Third Quarter 2018 Earnings Conference Call

Larry Merlo

President &
Chief Executive Officer

Eva Boratto

Executive Vice President,
Controller and Chief Accounting Officer

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CVSHealth

Important Information

No Offer or Solicitation

This communication is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell or an invitation to subscribe for, buy or sell any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Additional Information and Where to Find It

In connection with the proposed transaction between CVS Health Corporation ("CVS Health") and Aetna Inc. ("Aetna"), CVS Health filed a registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC"), which includes a joint proxy statement of CVS Health and Aetna that also constitutes a prospectus of CVS Health. The registration statement was declared effective by the SEC on February 9, 2018, and CVS Health and Aetna commenced mailing the definitive joint proxy statement/prospectus to stockholders of CVS Health and shareholders of Aetna on or about February 12, 2018, and the special meeting of the stockholders of CVS Health and the shareholders of Aetna was held on March 13, 2018. INVESTORS AND SECURITY HOLDERS OF CVS HEALTH AND AETNA ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain free copies of the registration statement and the definitive joint proxy statement/prospectus and other documents filed with the SEC by CVS Health or Aetna through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by CVS Health are available free of charge within the Investors section of CVS Health's Web site at http://www.cvshealth.com/investors or by contacting CVS Health's Investor Relations Department at 800-201-0938. Copies of the documents filed with the SEC by Aetna are available free of charge on Aetna's internet website at http://www.Aetna.com or by contacting Aetna's Investor Relations Department at 860-273-0896.

Important Information

Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Reform Act") provides a safe harbor for forward-looking statements made by or on behalf of CVS Health or Aetna. This communication may contain forward-looking statements within the meaning of the Reform Act. You can generally identify forward-looking statements by the use of forward-looking terminology such as "anticipate," "believe," "can," "continue," "could," "estimate," "evaluate," "expect," "explore," "forecast," "guidance," "intend," "likely," "may," "might," "outlook," "plan," "potential," "predict," "probable," "project," "seek," "should," "view," or "will," or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond CVS Health's and Aetna's control.

Statements in this communication that are forward-looking, including projections as to the closing date for the pending acquisition of Aetna (the "transaction"), the extent of, and the time necessary to obtain, the regulatory approvals required for the transaction, the anticipated benefits of the transaction, the impact of the transaction on CVS Health's and Aetna's businesses, the expected terms and scope of the expected financing for the transaction, the ownership percentages of CVS Health's common stock of CVS Health stockholders and Aetna shareholders at closing, the aggregate amount of indebtedness of CVS Health following the closing of the transaction, CVS Health's expectations regarding debt repayment and its debt to capital ratio following the closing of the transaction, CVS Health's and Aetna's respective share repurchase programs and ability and intent to declare future dividend payments, the number of prescriptions used by people served by the combined companies' pharmacy benefit business, the synergies from the transaction, and CVS Health's, Aetna's and/or the combined company's future operating results, are based on CVS Health's and Aetna's managements' estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond their control. In particular, projected financial information for the combined businesses of CVS Health and Aetna is based on estimates, assumptions and projections and has not been prepared in conformance with the applicable accounting requirements of Regulation S-X relating to pro forma financial information, and the required pro forma adjustments have not been applied and are not reflected therein. None of this information should be considered in isolation from, or as a substitute for, the historical financial statements of CVS Health and Aetna. Important risk factors related to the transaction could cause actual future results and other future events to differ materially from those currently estimated by management, including, but not limited to: the timing to consummate the proposed transaction; the risk that a regulatory approval that may be required for the proposed transaction is delayed, is not obtained or is obtained subject to conditions that are not anticipated; the risk that a condition to the closing of the proposed transaction may not be satisfied; the outcome of litigation related to the transaction; the ability to achieve the synergies and value creation contemplated; CVS Health's ability to promptly and effectively integrate Aetna's businesses; and the diversion of and attention of management of both CVS Health and Aetna on transaction-related issues.

Important Information

In addition, this communication may contain forward-looking statements regarding CVS Health's or Aetna's respective businesses, financial condition and results of operations. These forward-looking statements also involve risks, uncertainties and assumptions, some of which may not be presently known to CVS Health or Aetna or that they currently believe to be immaterial also may cause CVS Health's or Aetna's actual results to differ materially from those expressed in the forward-looking statements, adversely impact their respective businesses, CVS Health's ability to complete the transaction and/or CVS Health's ability to realize the expected benefits from the transaction. Should any risks and uncertainties develop into actual events, these developments could have a material adverse effect on the transaction and/or CVS Health or Aetna, CVS Health's ability to successfully complete the transaction and/or realize the expected benefits from the transaction. Additional information concerning these risks, uncertainties and assumptions can be found in CVS Health's and Aetna's respective filings with the SEC, including the risk factors discussed in "Item 1.A. Risk Factors" in CVS Health's and Aetna's most recent Annual Reports on Form 10-K, as updated by their Quarterly Reports on Form 10-Q and future filings with the SEC.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are and will be based upon management's then-current views and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. Neither CVS Health nor Aetna assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, as of any future date.

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect our current views related to our future financial performance, future events and industry and market conditions. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from what may be indicated in the forward-looking statements. We strongly encourage you to review the information in the reports that we file with the SEC regarding these specific risks and uncertainties, in particular those that are described in the Risk Factors section of our most-recently filed Quarterly Report on Form 10-Q.

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

Link to our non-GAAP reconciliations: https://bit.ly/2HLoRlU

Aetna Update

Progress on Aetna Transaction

- Regulatory Update
  - Received approval from the Department of Justice on October 10th
  - Final stages of state approval process: received 23 of 28 state approvals needed, including CT, our lead regulator
  - Expect to close prior to Thanksgiving
- Immediate priorities of integration and innovation teams fall into two broad categories:
  - Successfully delivering on our stated goal in year-two synergies
    - Clear line of sight into year-two synergies that now exceed our original **$750 million** goal
    - Key near-term synergies derived from reduction of corporate expenses, integration of operations, and some medical cost reductions
  - Executing on the foundational pieces of our new health care model to achieve longer-term growth and value creation

Longer-Term Value Creation

- Targeting substantial savings through specific portfolio of products & services
  - Better management of five common chronic conditions by building upon near-term medical cost savings through tighter integration of pharmacy and medical claims, the rich clinical dataset we will have, along with our community assets
  - Optimize and extend primary care by expanding the scope of services available at MinuteClinic to help with early identification and ongoing management of chronic disease
  - Programs and services that reduce avoidable hospital readmissions
  - Comprehensive programs to better manage complex, chronic diseases:
    - Kidney disease with goal to reduce hospitalizations and delay progression of the disease
    - Oncology: objective to align provider incentives to focus on quality and outcomes, while enhancing patient support
- Our first concept stores will be up and running early 2019
  - Pilot and explore new programs and services to better address cost-quality-access challenges of consumers
  - Identify most cost-effective and scalable solutions so they can be rolled out more broadly across footprint
- We will make these solutions available to the wide array of health care partners we work with today through open platform model

Three Priorities Guide How Health Care Consumer Engagement is Transformed …

1 Be Local

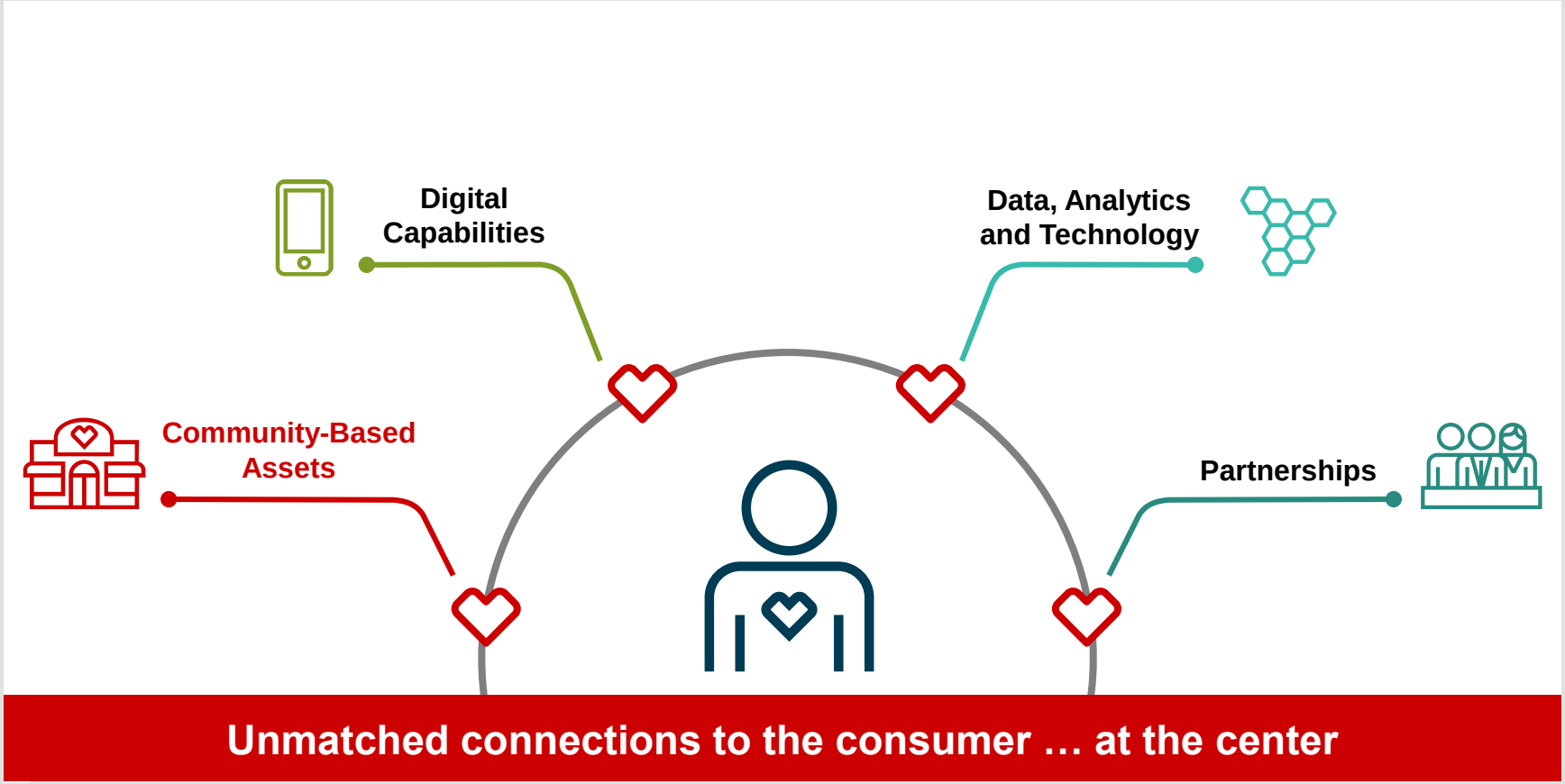
2 Make it Simple

3 Improve Health

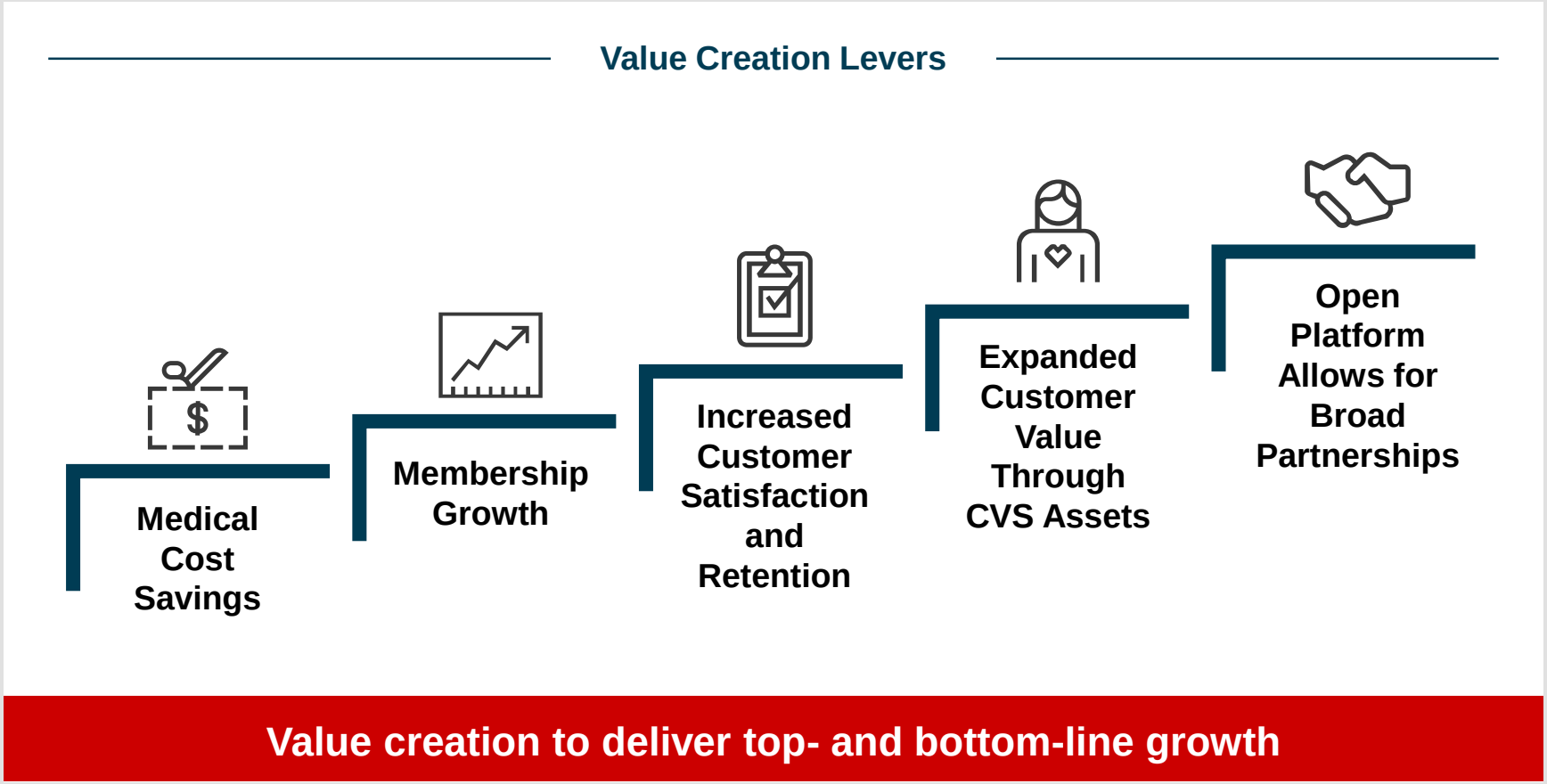
… and guide our strategies for medical cost savings

- Common Chronic Disease Management
- Readmission Prevention
- Site of Care Management
- Optimize Primary Care
- Complex Chronic Disease Management

CVS Health is Uniquely Positioned to Address Medical Cost Savings Opportunities



Multiple Levers of Value Creation Allow CVS Health to Accelerate Enterprise Growth



Value creation to deliver top- and bottom-line growth

Third Quarter 2018 Business & Financial Review

CVSHealth

Third Quarter: Strong Results

	Q3 2018	Change vs. Q3 2017
Consolidated net revenues	$47.3 billion	2.4%
Adjusted operating profit	$2.4 billion	(3.5%)
Adjusted EBITDA	$3.0 billion	(2.5%)
Adjusted EPS	$1.73	15.5%
Free Cash Flow	$557 million	(76.3%)

1. Refer to reconciliation of cost allocation methodology changes on the IR portion of the website: https://bit.ly/2HLoRIR

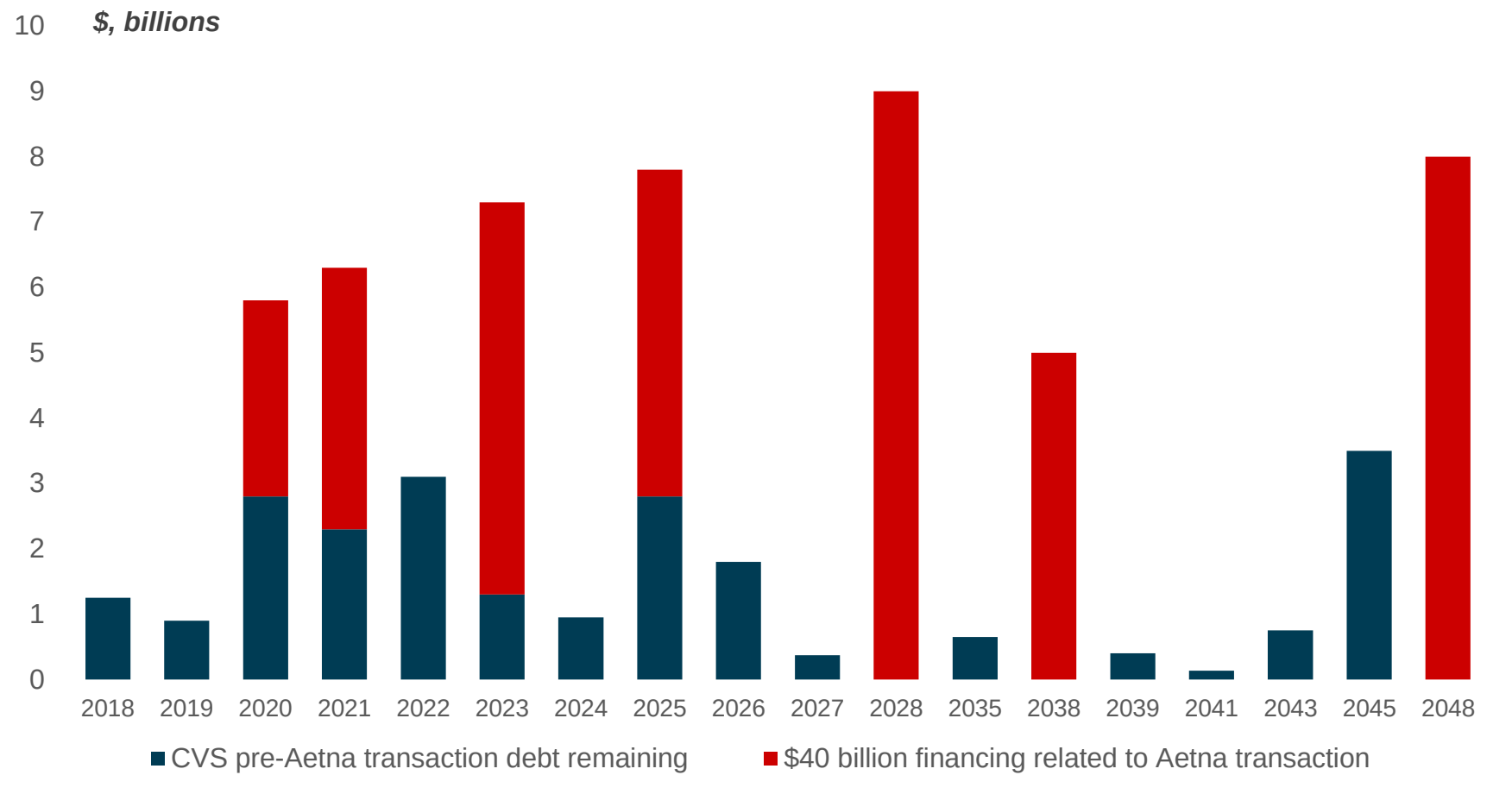
Financial Update:

Capital Allocation

- In Q3, generated **$557 million** in free cash
  - **$4.9 billion** in free cash year-to-date, on track to achieve our strong free cash flow expectations of ~ **$7 billion** for the full year
- Paid ~ **$510 million** in shareholder dividends in Q3
  - Returning more than **$2 billion** to shareholders this year through dividends
- In Q3, paid **$2.25 billion** of senior notes at maturity
- Will assume **$8.2 billion** of Aetna senior notes upon closing of the deal
- Combined company's pro forma, trailing 12-month adjusted debt-to-adjusted-EBITDA expected to be **~ 4.6x** post-close of transaction
  - Committed to improving to ~ **3.5x** within two years after closing, utilizing strong cash generation capabilities and savings from tax reform
  - Ultimate goal is leverage ratio in the low **3x**

Financial Update:

Debt Maturity Schedule



1. Does not include the $8.2 billion of Aetna senior notes CVS will assume upon the close of the transaction.

Q3 2018 Income Statement:

Earnings per Share

- Q3 Adjusted EPS of **$1.73**, a **15.5%** increase over last year
  - Growth primarily due to the lower effective income tax rate
  - Better-than-expected interest and tax rate drove results to high end of guidance range
- GAAP diluted EPS was **$1.36**

Q3 2018 Income Statement:

Consolidated

- Consolidated revenues of ~ **$47.3 billion**, up **2.4%** vs. LY and in line with expectations
- Gross margin of **15.5%,** up ~ 10 bps vs. LY largely due to segment mix
- Gross profit dollars **increased 2.9%**
- Adjusted operating expenses were **10.4%** of sales … ~ 40 bps deterioration vs. LY
  - Total operating expenses **increased 6.4%**, in line with expectations, largely driven by investments in business from a portion of savings from tax reform
  - Significant progress on enterprise streamlining efforts through process improvements and technology enhancements
    - In Q3, new improvements included enhanced specialty order routing to decrease the time to dispense medications
    - Still expect to generate **~$475 million** in gross benefits this year; expect savings to ramp in 2019 in line with original expectations
- Adjusted operating profit declined **3.5%** to **$2.4 billion**
- Adjusted operating margin of **5.1%**, contracting ~ 30 bps vs. LY

Q3 2018 Income Statement:

Below-the-line & Corporate

- Adjusted net interest expense of **$226 million**, ~ $19 million lower than LY
- Adjusted effective tax rate of **26.6%**
  - Better than expectations
- Weighted-average share count of ~ **1.0 billion** shares
- Corporate: adjusted operating expenses of **$221 million**, down 2.1% to LY and in line with expectations

Q3 2018 Income Statement:

PBM

- PBM revenues of **$33.8 billion**, up **2.6%** vs. LY
  - Year-over-year growth driven by claims volume growth and brand inflation
  - Growth partially offset by rebates, continued pricing pressure, and the administration of rebates for Aetna's Medicare Part D business
- Adjusted claims grew **5.7%** (1) vs. LY, to **466.3 million**
- Gross margin of **5.1%**, up ~20 bps vs. LY
- Gross profit dollars **increased 6.5%** vs. LY
  - Primarily driven by volume increases
- Operating expenses were **1.2%** of sales, deteriorating slightly year-over-year
  - Expense increase primarily driven by reinstatement of ACA's health insurer fee in 2018 and benefit realized in 2017 of partially-reserved receivables
- Operating profit increased **1.4%**, in line with expectations
  - Making good progress on implementation work for onboarding Anthem members in 2020
    - Costs incurred in Q3 in line with expectations
- Operating margin of **4.0%**, flat vs. LY

1. The pharmacy claims processed and the generic dispensing rate for all periods presented are adjusted to reflect 90-day prescriptions as the equivalent of three 30-day prescriptions.

PBM 2019 Selling Season

- Gross wins: **$2.6 billion**
- Net wins: **$875 million, up ~ $675 million** from last update
- To date, have completed more than **90%** of client renewals, roughly in line with previous years
  - Retention rate(1) is ~ **98%**

1. Client retention rate is defined as: 1 less (estimated lost revenues from any known terminations plus annualization of any mid-year terminations, divided by estimated PBM revenues for that selling season year) expressed as a percentage. Both terminations and PBM revenues exclude Medicare Part D SilverScript individual products.

PBM Cost Management Opportunities

- CMS decision to allow use of step therapy to help reduce costs for Medicare Advantage plans for drugs administered under Part B
  - New rule enables payors to direct patients who are new to treatment to the most cost-effective, clinically-appropriate, therapies first
  - Our solutions, enabled by NovoLogix, can help bring the same precision we apply to Part D plans to drugs administered under Part B
- Talking with consultants and clients about new, simpler economic models, which better reflect alignment of incentives while accounting for changing market trends

SilverScript, a Strong Competitor in Med D

- Including non-captive Med D lives CVS Caremark manages for our health plan clients, we have **13.6 million lives** under management

Medicare Part D Lives Served by CVS Caremark (1)(2)
(thousands)

	Oct '17	Oct '18	Oct YoY Growth
Individual	4,518.2	4,867.2	7.7%
EGWP	1,025.5	1,272.6	24.1%
Total captive lives	**5,543.7**	**6,139.8**	10.8%
Non-captive lives	7,027.4	7,437.4	5.8%
Total lives	**12,571.0**	**13,577.2**	8.0%

- Introducing SilverScript Allure for 2019 plan year
  - Enhanced plan offering reduced costs on many brand name drugs through the application of point-of-sale rebates
  - While featuring a higher premium, it offers beneficiaries lower out of pocket costs for their prescription drugs

1. Source: Centers for Medicare & Medicaid Services.
2. Totals may not foot due to rounding.

Q3 2018 Income Statement:

Retail/LTC

- Retail/LTC revenues of **$20.9 billion**, up **6.4%** vs. LY
  - Increase primarily driven by strong script volume growth of **9.2%** due to continued adoption of our Patient Care Programs, successfully partnering with PBMs and health plans, including our preferred position in a number of additional Med D networks this year
  - Retail/LTC GDR of **87.3%**[(1)]**,** up ~ 10 bps vs. LY
- Adjusted gross margin of **27.9%**, down ~ 120 bps vs. LY
  - Decrease driven by continued pressure on reimbursement rates, partially offset by favorable purchasing from Red Oak and front store rate improvement
- Adjusted gross profit dollars increased **2.2%** vs. LY, due to increased volume across pharmacy and front store, partially offset by continued reimbursement pressure
- Adjusted operating expenses as percent of sales deteriorated to **20.7%** primarily due to investments in wages and benefits from savings from tax reform and increased expenses related to script growth
- Adjusted operating profit declined **6.3**% to **$1.5 billion**, in line with expectations
- Adjusted operating margin of **7.2%**, down ~ 100 bps vs. LY

1. Generic dispensing rate for all periods presented are adjusted to reflect 90-day prescriptions as the equivalent of three 30-day prescriptions.

Q3 2018 Income Statement:

Retail/LTC Revenue and Script Growth (1)

- Total same store sales increased **6.7%**
- Pharmacy same store sales increased **8.7%**
- Pharmacy same store prescription volumes increased **9.2%** on a 30-day equivalent basis (2)
- Front store same store sales increase **0.8%**
- Retail pharmacy market share increased ~ 150 bps versus Q3 2017 to all-time high of **25.2%**
  - Driven by continued adoption of our Patient Care programs; healthy results from our initiatives, including those with other PBMs and health plans; and our inclusion in a number of Med D networks this year
- MinuteClinic Q3 revenue **up 14.5%** vs. LY
  - Operate 1,102 clinics across 33 states and Washington, D.C.

1. Same store sales and prescriptions exclude revenues from MinuteClinic, and revenue and prescriptions from stores in Brazil, long-term care operations and from commercialization services.
2. Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.

Q3 2018 Income Statement:

Real Estate Update

Retail locations at end of Q2 2018	9,880
Opened	29
Closed	(4)
Retail locations at end of Q3 2018	9,905
Net new locations	25
Relocations	7
Retail locations with pharmacies	9,858 (1)

1. Including 8,149 CVS Pharmacy stores that operated a pharmacy and 1,709 pharmacies located within Target stores. Excludes onsite pharmacy stores.

2018 Guidance

Guidance: 2018 Full-year

Enterprise Outlook

	Full-year 2018
Net Revenue Growth	1.5% to 2.5%
Retail Same-Store Adjusted Scripts [1] [2] ***PSS Total Adjusted Claims*** [2]	*8.25% to 9.25%* *1.88 billion to 1.90 billion*
Adjusted Operating Profit Growth	(0.75%) to 0.75%
Adjusted EPS *Growth*	$6.98 to $7.08 *18.25% to 20.0%*
GAAP EPS	$1.40 to $1.50

1. Same store prescriptions exclude prescriptions from stores in Brazil and long-term care operations.
2. Includes the adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.
3. Assume for guidance purposes only, Aetna transaction closes at year-end 2018. By doing so, we are setting no expectations for results of Aetna's operations in 2018.
4. Net interest expense, transaction and integration costs related to the deal are excluded from adjusted figures.
5. Unfavorably affected by 2018 implementation costs for the Anthem contract and the absence of the RxCrossroads business due to its sale.
6. Adjusted operating profit growth negatively affected by investment of $275 million of tax savings back into the business, predominantly in the back half of the year in the Retail/LTC segment.

Impacts From the Close of Aetna Transaction

- From a non-GAAP perspective, upon closing, the net interest expense associated with the deal-related debt raised in March will be included in the non-GAAP figures
- We expect to issue approximately **285 million** shares
- There will be a slight increase in the combined company tax rate relative to the CVS standalone rate
- There will be an increase in our revenue eliminations to reflect the elimination of Aetna's fully insured pharmacy revenue, also recorded on CVS Caremark's books
- Addition of Aetna's operating results
- Given the timing of the close, the impact of these items on Adjusted EPS is expected to be dilutive in both Q4 and the year
- 2019 earnings expectations will be provided on 4th quarter earnings call in February