FOURTH
QUARTER
2021

Earnings conference call

February 9, 2022

KAREN S. LYNCH
President
and Chief Executive Officer

SHAWN M. GUERTIN
Executive Vice President
and Chief Financial Officer

CVSHealth®

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. 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 differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties related to the COVID-19 pandemic, including the potential emergence of additional variants, vaccine and testing protocols, government testing initiatives, the geographies impacted by and the severity and duration of the pandemic, the pandemic's impact on the U.S. and global economies and consumer behavior and health care utilization patterns, and the timing, scope and impact of stimulus legislation and other federal, state and local governmental responses to the pandemic, as well as 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 and our recent Current Reports on Form 8-K.

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, on the Investor Relations portion of our website.
Link to our non-GAAP Reconciliations

CVSHealth.

Financial highlights

FY 2021 Adjusted EPS of $8.40 exceeded expectations; Maintaining FY 2022 guidance for Adjusted Operating Income and Adjusted EPS

$1.98

Q4 adjusted EPS

Reflects adjusted operating income growth across all businesses

10.6%

Q4 adjusted revenue growth

Reflects growth across all businesses

$4.0 billion

Q4 cash flow from operations

Committed to disciplined capital allocation priorities

Evidence our strategy and execution is delivering value across the health care system for
our customers,
our communities,
our colleagues and
our shareholders

FY 2022 guidance

Total company adjusted operating income

$16.7B – $17.1B

Total company adjusted EPS

$8.10 – $8.30

Cash flow from operations

$12.0 – $13.0B

strong balance sheet

Paid down $2.3B in debt in Q4 and net $8.8B in Full-Year

CVSHealth

Unifying our business around the consumer health experience and scale new sources of value

1. **Advance** all-payer primary care delivery capabilities
2. **Optimize** retail portfolio to serve as community health destinations
3. **Diversify** our growth portfolio with new health services
4. **Drive** digital-first, technology-forward approach
5. **Enhance** omnichannel health experiences

CVS Health continues to **lead the nation's COVID-19 response**

- **>32M tests** administered in 2021
- **>59M vaccines** administered in 2021
- **~37M** new customers through COVID-19 testing and vaccine services since inception
- **~14%** of customers new to CVS Health through COVID-19 testing services chose to fill new prescriptions or receive their vaccinations at CVS Health*

*New COVID-19 testing patients defined as those who have had 12 months elapse since their COVID-19 test.

CVSHealth.

2021 Financial Review

FULL-YEAR 2021

Consolidated results

Delivered Adjusted EPS >12% above midpoint of initial 2021 guidance

in millions, except per share amounts	2021	2020	Change %
Total Adjusted Revenues[1]	$292,111	$268,395	8.8%
Adjusted Operating Income	$17,312	$16,008	8.1%
GAAP EPS	$5.95	$5.47	8.8%
Adjusted EPS	$8.40	$7.50	12.0%
Cash Flow from Operations	$18,265	$15,865	15.1%

Strong adjusted revenue growth[1] of 8.8% vs. prior year

Interest expense of $2,503 million

Adjusted effective tax rate of 25.6%

Weighted average diluted share count: 1,329 million shares

1. Total adjusted revenues remove 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 previously been fully reserved.

CVSHealth.

FULL-YEAR 2021

Capital and cash flow

Liquidity and capital position remain strong

Powerful cash generation

$18.3 billion cash flow from operations, ~15% growth over prior year

Paid $2.6 billion in shareholder dividends

Committed to our investment grade ratings

Repaid net $8.8 billion of long-term debt

Repaid net $21 billion of long-term debt since the close of the Aetna transaction

CVSHealth.

FOURTH QUARTER 2021

Consolidated results

Results exceeded expectations; robust revenue and adjusted operating income growth across all segments

in millions, except per share amounts	**2021**	**2020**	**Change %**
Total Adjusted Revenues[1]	$76,604	$69,243	10.6%
Adjusted Operating Income	$4,147	$2,945	40.8%
GAAP EPS	$0.98	$0.75	30.7%
Adjusted EPS	$1.98	$1.30	52.3%
Cash Flow from Operations	$4,005	$3,567	12.3%

Adjusted revenue growth[1] of 10.6% vs. prior year

Interest expense of $608 million

Adjusted effective tax rate of 26.5%

Weighted average diluted share count: 1,336 million shares

1. Total adjusted revenues remove 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 previously been fully reserved.

CVSHealth

FOURTH QUARTER 2021

Health Care Benefits segment

Sequential membership growth across all product lines; another strong year of Medicare membership growth

in millions, except MBR	2021	2020	Change %
Total Adjusted Revenues[1]	$20,699	$18,792	10.1%
Adjusted Operating Income	$510	$153	233.3%
Total Medical Membership	23.8	23.4	1.7%
Commercial	16.8	16.9	(0.6%)
Government	7.0	6.5	7.7%
Adjusted Medical Benefit Ratio (MBR)[1]	87.0%	88.3%	130 bps

Adjusted revenue growth[1] reflects growth in Government Services and lower COVID-19 related investments, partially offset by the repeal of the HIF

Adjusted operating income increase reflects lower COVID-19 related investments and improved underlying performance, partially offset by higher medical costs related to COVID-19

Improved adjusted MBR[1] due to lower COVID-19 related investments and improved underlying performance, partially offset by repeal of the HIF

Note: Q4 2020 GAAP MBR of 86.7%

1. Total adjusted revenues and adjusted MBR remove 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 previously been fully reserved.

CVSHealth.

FOURTH QUARTER 2021

Pharmacy Services segment

Continued outperformance; $8.8B net new business wins

in millions	2021	2020	Change %
Total Revenues	$39,341	$36,355	8.2%
Adjusted Operating Income	$1,824	$1,561	16.8%
Total Pharmacy Claims Processed[1,2]	582.2	537.9	8.2%

Total revenue growth reflects increased pharmacy claims volume, growth in Specialty pharmacy, and brand inflation, partially offset by continued client price improvements

- **Specialty Pharmacy** revenue growth of 12.3% year-over-year reflects increased pharmacy claims volume and brand inflation

Adjusted operating income growth reflects improved purchasing economics mainly driven by our group purchasing organization, specialty pharmacy (including pharmacy and/or administrative services for providers and 340B covered entities), partially offset by continued client price improvements

Total pharmacy claims processed[1] increase reflects net new business, COVID-19 vaccinations and increased new therapy prescriptions, which were adversely impacted in Q4 2020 due to COVID-19

[1] Total pharmacy claims processed include an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.

[2] Excluding the impact of COVID-19 vaccinations, total pharmacy claims processed increased 5.4% on a 30-day equivalent basis for the three months ended December 31, 2021 compared to the prior year.

CVSHealth

FOURTH QUARTER 2021

Retail / LTC segment

Exceptional revenue and adjusted operating income year-over-year growth, exceeding expectations

in millions	2021	2020	Change %
Total Revenues	$27,111	$24,062	12.7%
Adjusted Operating Income	$2,457	$1,775	38.4%
Prescriptions Filled[1,2]	419.8	376.3	11.6%

Total revenue growth reflects increased prescription and front store volume, administration of COVID-19 vaccinations and diagnostic testing, and brand inflation, partially offset by continued pharmacy reimbursement pressure and generic launches

Adjusted operating income growth reflects administration of COVID-19 vaccinations, increased prescription and front store volume, improved generic drug purchasing, and gain from anti-trust legal settlements, partially offset by continued pharmacy reimbursement pressure and increased investments in segment's capabilities and colleague compensation and benefits

Prescriptions filled[1] increase reflects COVID-19 vaccinations and continued adoption of patient care programs as well as increased new therapy prescriptions, which were adversely impacted in Q4 2020 due to COVID-19

[1] Retail/LTC prescriptions filled includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.
[2] Excluding the impact of COVID-19 vaccinations, prescriptions filled increased 6.1% on a 30-day equivalent basis for the three months ended December 31, 2021 compared to the prior year.

CVSHealth.

Retail pharmacy

Significant year-over-year growth in a dynamic environment; volume growth in majority of Front Store categories

	Change vs. Q4 2020
Retail Pharmacy Script Share of 26.7%[1,2]	Up ~60 bps
Same Store Sales[3]	13.4%
Pharmacy Sales	11.8%
Pharmacy Prescription Volume[2]	12.8%
Front Store Sales	18.9%

Continued growth in Retail pharmacy script share in a dynamic environment

Growth in prescriptions filled reflects COVID-19 vaccinations, continued adoption of patient care programs and increased new therapy prescriptions

Front Store sales increase reflects increased volume across most product categories

Prescription and front store volumes in Q4 2020 were adversely impacted due to COVID-19 restrictions

[1] Source: IQVIA retail pharmacy script data for Q4 2021. Disclosure reflects IQVIA's restated methodology for market share data.

[2] Retail pharmacy prescriptions filled includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.

[3] Same store sales and prescription volume exclude revenues from MinuteClinic and revenues and prescriptions from long-term care operations.

2022 Guidance

FULL-YEAR 2022 GUIDANCE

Total company outlook

Maintaining guidance for revenue, adjusted operating income and adjusted EPS; updating guidance range for cash flow from operations

in billions, except per share amounts	Q4:21 Earnings Call Feb 9, 2022	2021 Investor Day[1] Dec 9, 2021
Total Revenues	$304 to $309 4 – 6%	$304 to $309 5 – 6%
Adjusted Operating Income	$16.7 to $17.1 (4) – (1)%	$16.7 to $17.1 1 – 3%
GAAP EPS	$7.04 to $7.24 18 – 22%	$7.04 to $7.24 27 – 30%
Adjusted EPS	$8.10 to $8.30 (4) – (1)%	$8.10 to $8.30 1 – 4%
Cash Flow from Operations	$12.0 to $13.0	$12.5 to $13.0

Revenue growth of 4 – 6%

Adj. EPS growth of 2 – 5% versus 2021 baseline[2]

Strong cash generation

Percentages represent year-over-year growth from reported 2021 results.

1. Percentages represent year-over-year growth from FY21 Guidance shared at Investor Day on December 9, 2021. GAAP EPS percentages represent year-over-year growth from mid-point of FY21 GAAP EPS Guidance shared at Investor Day on December 9, 2021.

2. Calculated versus 2021 baseline of $7.92 excluding prior years development (net of profits returned to customers), net realized capital gains and includes the annualized impact from increase to minimum wage.

FULL-YEAR 2022 GUIDANCE

Health Care Benefits outlook

Guidance unchanged since 2021 Investor Day

in billions, except MBR and membership	**Q4:21 Earnings Call** Feb 9, 2022	**2021 Investor Day**[1] Dec 9, 2021
Total Revenues	\$88.1 to \$89.6 7 – 9%	\$88.1 to \$89.6 8 – 9%
Adjusted Operating Income	\$5.76 to \$5.86 15 – 17%	\$5.76 to \$5.86 15 – 17%
Medical Benefit Ratio (MBR)	84.2% +/- 50 bps	84.2% +/- 50 bps
Total Medical Membership (in millions)	23.8 to 24.1 0 – 1%	23.8 to 24.1 0 – 2%

Revenue growth of 7 – 9%

Adj. operating income growth of 15 – 17%

Percentages represent year-over-year growth from reported 2021 results.

1. Percentages represent year-over-year growth from FY21 Guidance shared at Investor Day on December 9, 2021.

CVSHealth

FULL-YEAR 2022 GUIDANCE

Pharmacy Services outlook

Guidance unchanged since 2021 Investor Day

in billions	**Q4:21 Earnings Call** Feb 9, 2022	**2021 Investor Day**[1] Dec 9, 2021
Total Revenues	$162.5 to $165.3 6 – 8%	$162.5 to $165.3 6 – 8%
Adjusted Operating Income	$7.31 to $7.45 7 – 9%	$7.31 to $7.45 5 – 7%
Total Pharmacy Claims Processed[2]	2.24 to 2.27 0 – 1%	2.24 to 2.27 0 – 1%

Revenue growth of 6 – 8%

Adj. operating income growth of 7 – 9%

Strong selling season

Percentages represent year-over-year growth from reported 2021 results.

1. Percentages represent year-over-year growth from FY21 Guidance shared at Investor Day on December 9, 2021.

2. Total pharmacy claims processed includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. Total pharmacy claims processed include vaccinations.

CVSHealth.

FULL-YEAR 2022 GUIDANCE

Retail/LTC outlook

Guidance unchanged since 2021 Investor Day

in billions	**Q4:21 Earnings Call** Feb 9, 2022	**2021 Investor Day**[1] Dec 9, 2021
Total Revenues	\$99.0 to \$100.7 (1) – 1%	\$99.0 to \$100.7 0 – 2%
Adjusted Operating Income	\$5.96 to \$6.06 (22) – (21%)	\$5.96 to \$6.06 (16) – (14%)
Prescriptions Filled[2]	1.61 to 1.64 1 – 3%	1.61 to 1.64 1 – 3%

Expected Revenue of (1) – 1%

COVID-19 vaccine volumes expected to decline ~70-80% compared to 2021 levels

COVID-19 in-store testing volumes expected to decline ~40-50% compared to 2021 levels

Does not assume impact from administration of fourth COVID-19 booster

Percentages represent year-over-year growth from reported 2021 results.

1. Percentages represent year-over-year growth from FY21 Guidance shared at Investor Day on December 9, 2021.
2. Prescriptions filled include an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. Prescriptions filled include vaccinations administered.

CVSHealth.

FULL-YEAR 2022 GUIDANCE

Other items

in billions, except tax rate. Cost reduction initiatives in millions	**Q4:21 Earnings Call** Feb 9, 2022	**2021 Investor Day** Dec 9, 2021
Interest Expense	~$2.3	NA
Capital Expenditures	$2.8 to $3.0	NA
Adjusted Effective Tax Rate	~25.6%	~25.6%
Weighted-Average Diluted Share Count	~1.330	~1.330
Cost Reduction Initiatives	~$200M	~$200M

Share repurchase program to offset dilution

10% dividend increase effective with our dividend distribution on February 1, 2022

CVSHealth.