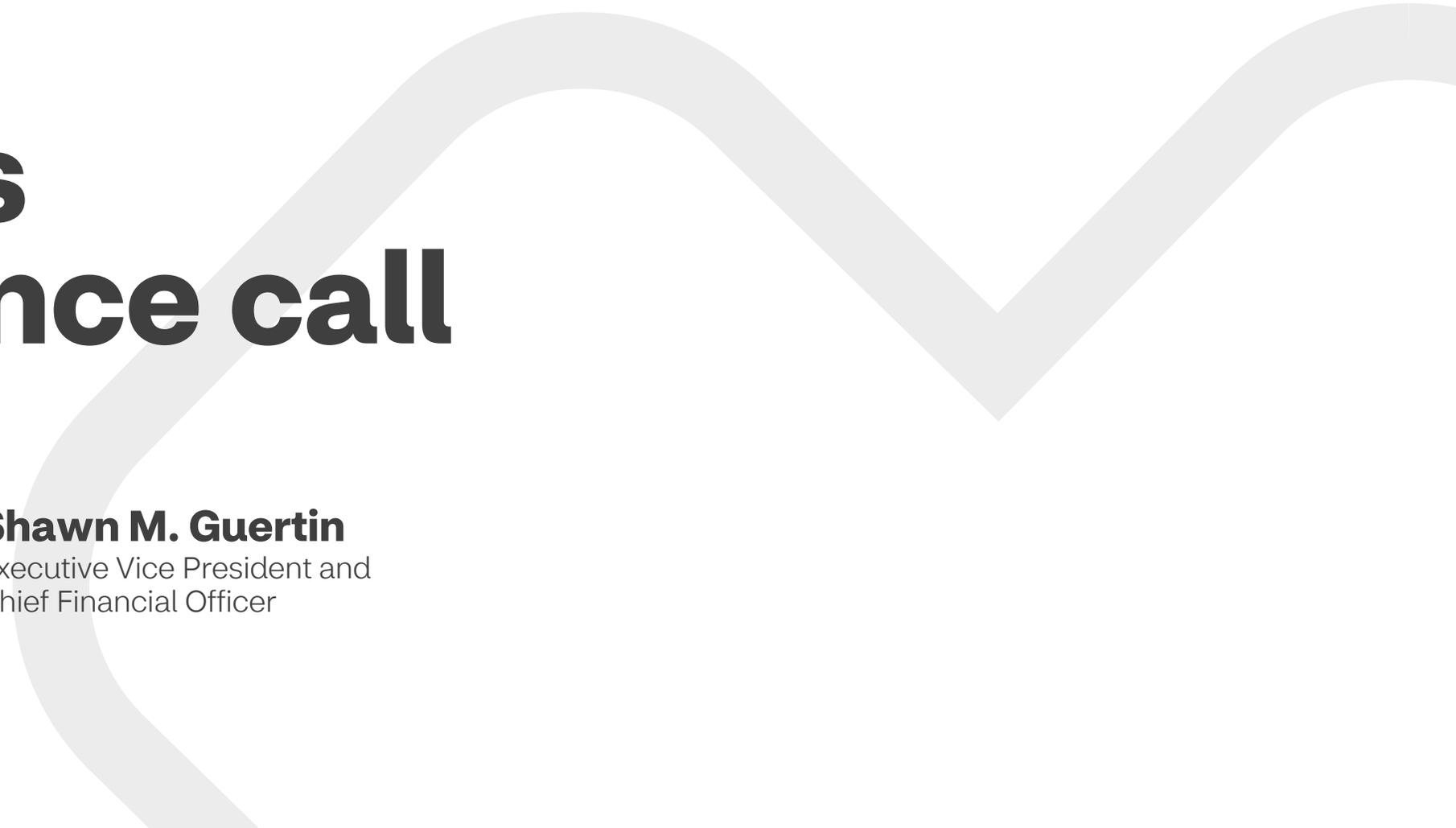


Second quarter 2023 —

Earnings conference call



Karen S. Lynch

President and
Chief Executive Officer

Shawn M. Guertin

Executive Vice President and
Chief Financial Officer

August 2, 2023

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 related to the recent acquisitions of Signify Health, Inc. and Oak Street Health, Inc., and the impact of COVID-19 and any new variants or viruses, 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, our most recent Quarterly Report on Form 10-Q, 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, on the Investor Relations portion of our website.

[Link to our non-GAAP Reconciliations](#)

Financial highlights

Delivered strong revenue growth of **10.3%** and Adjusted EPS of **\$2.21** in the second quarter of 2023. Adjusted EPS guidance reaffirmed at **\$8.50 to \$8.70**; expect 2023 MBR at high-end of range.

DELIVERED STRONG Q2 Financial results

10.3%

revenue growth

\$1.48

GAAP EPS

\$2.21

Adjusted EPS

\$5.9B

cash flow from operations

DEPLOYED CAPITAL TO GENERATE Shareholder value

Oak Street Health

acquisition closed in May

\$795M

returned to shareholders
through quarterly dividend

\$5.0B

long-term debt issued; repaid \$5.0B term
loan used to fund the Oak Street transaction

FULL-YEAR 2023 Company guidance

\$350 – \$356B

Total company revenue

\$17.3 – \$17.7B

Total adjusted operating income

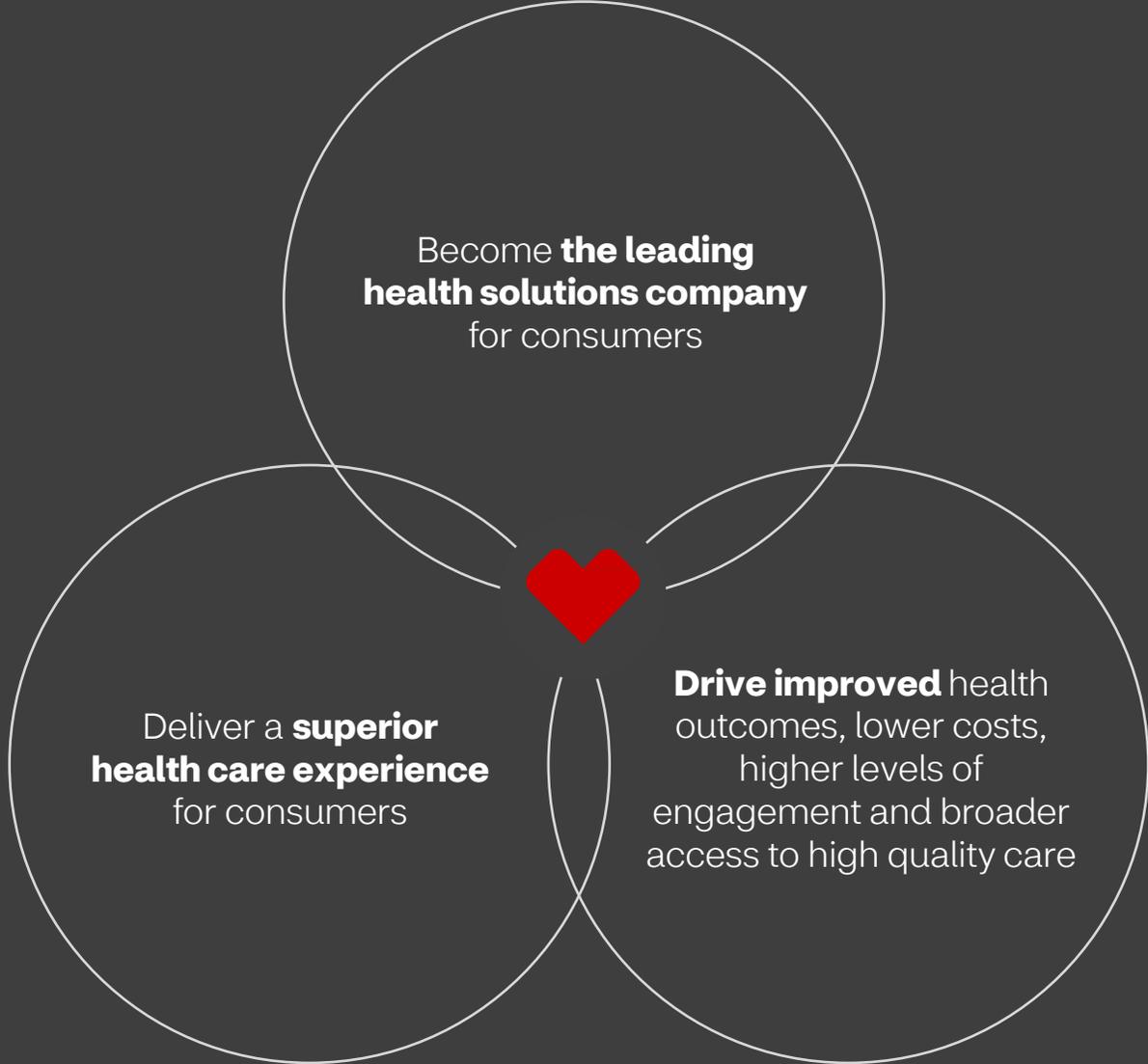
\$8.50 – \$8.70

Total company adjusted EPS

\$12.5 – \$13.5B

Total operating cash flow

Our vision



Our strategic imperatives

Grow
our core business

Enhance
omnichannel health capabilities and drive customer engagement

Power
a purpose driven culture and consumer mindset

Create
new sources of value in health services and care delivery

Deliver
cutting edge technology

Consolidated results

in billions, except per share amounts		Q2 2023	Q2 2022 <i>(revised)</i> ¹	Change %
Quarter results	Total Revenues	\$88.9	\$80.6	10.3%
	Adjusted Operating Income	\$4.48	\$5.00	(10.4%)
	GAAP Earnings per Share	\$1.48	\$2.29	(35.4%)
	Adjusted Earnings per Share	\$2.21	\$2.53	(12.6%)
	Cash Flow from Operations	\$5.9	\$5.4	8.5%
		Q2 2023 call August 2, 2023	Q1 2023 call May 3, 2023	
Full-year guidance	Total Revenues	\$350.5 to \$356.3	\$347.7 to \$353.5	
	Adjusted Operating Income	\$17.34 to \$17.70	\$17.34 to \$17.70	
	GAAP Earnings per Share	\$6.53 to \$6.75	\$6.90 to \$7.12	
	Adjusted Earnings per Share	\$8.50 to \$8.70	\$8.50 to \$8.70	
	Cash Flow from Operations	\$12.5 to \$13.5	\$12.5 to \$13.5	

Financial highlights

Completed the acquisition of **Oak Street Health on May 2**, significantly advancing our value-based care strategy by adding primary care capabilities to our platform.

Issued \$5.0 billion of long-term debt and repaid our outstanding \$5.0 billion term-loan that was used to fund the Oak Street transaction.

\$795 million returned to shareholders through quarterly dividend.

Our diversified business is well positioned to navigate emerging trends, and gives us the confidence to **reaffirm our full-year 2023 adjusted EPS guidance range of \$8.50 to \$8.70.**

Health care benefits

in billions, except MBR and membership		Q2 2023	Q2 2022 (revised) ¹	Change %
Quarter results	Total Revenues	\$26.7	\$22.7	17.6%
	Adjusted Operating Income	\$1.54	\$1.92	(19.9%)
	Total Medical Membership (millions)	25.6	24.4	4.9%
	Commercial	18.1	17.0	6.8%
	Government	7.5	7.4	0.6%
	Medical Benefits Ratio (MBR)	86.2%	82.7%	350 bps
		Q2 2023 call August 2, 2023	Q1 2023 call May 3, 2023	
Full-year guidance	Total Revenues	\$102.4 to \$103.9	\$102.4 to \$103.9	
	Adjusted Operating Income	\$5.99 to \$6.12	\$6.39 to \$6.52	
	Total Medical Membership (millions)	25.1 to 25.5	25.1 to 25.5	
	Medical Benefits Ratio (MBR)	High-end of range 84.7% +/- 50 bps	84.7% +/- 50 bps	

Financial highlights

Increase in membership reflects broad based growth, including **eighth consecutive quarter of commercial gains²** and expansion of individual offerings into 12 states.

State of Oklahoma awarded Aetna a new statewide Medicaid contract beginning in April 2024.

Elevated medical costs in our Medicare Advantage business, primarily driven by higher-than-expected utilization in outpatient settings. MBR guidance at high-end of range, reflecting **elevated medical cost trends in Medicare Advantage for the remainder of 2023.**

Health services

Quarter results

in billions, except pharmacy claims	Q2 2023	Q2 2022 (revised) ¹	Change %
Total Revenues	\$46.2	\$42.9	7.6%
Adjusted Operating Income	\$1.89	\$1.83	3.5%
Pharmacy Claims Processed ³ (millions)	576.6	583.8	(1.2%)

Full-year guidance

	Q2 2023 call August 2, 2023	Q1 2023 call May 3, 2023
Total Revenues	\$181.0 to \$183.5	\$178.2 to \$180.7
Adjusted Operating Income	\$7.11 to \$7.23	\$6.61 to \$6.73
Pharmacy Claims Processed ³ (billions)	2.35 to 2.37	2.33 to 2.36

Financial highlights

Health Services results driven by continued **strong performance** and **exceptional execution** in our Pharmacy Services business.

Signify completed **673 thousand in-home evaluations** in the quarter.

Oak Street ended the quarter with **177 centers and 181 thousand at-risk lives**.

Expect to build **50 to 60 Oak Street clinics in 2024**.

Raising guidance to reflect continued strength in our Pharmacy Services business.

Pharmacy & consumer wellness

Quarter results

in billions, except prescriptions filled	Q2 2023	Q2 2022 (revised) ¹	Change %
Total Revenues	\$28.8	\$26.7	7.6%
Adjusted Operating Income	\$1.41	\$1.71	(17.4%)
Prescriptions Filled ³ (millions)	405.7	401.3	1.1%

Full-year guidance

	Q2 2023 call August 2, 2023	Q1 2023 call May 3, 2023
Total Revenues	\$115.5 to \$117.2	\$115.5 to \$117.2
Adjusted Operating Income	\$5.63 to \$5.73	\$5.73 to \$5.83
Prescriptions Filled ³ (billions)	1.65 to 1.67	1.66 to 1.68

Financial highlights

Total same store sales increased by nearly **11 percent**⁴, reflecting the impact of pharmacy drug mix, increased prescriptions, and brand inflation.

Pharmacy same store sales increased by more than **14 percent**⁴ versus prior year; Front Store same store sales declined 0.3%⁴, excluding OTC test kits grew by more than **1 percent**⁴.

Our digital members exceeded **53 million**. Digital **sales were up 24 percent** versus prior year, including an **increase of 65 percent** in our OTC health solutions offering.

Updating guidance to reflect the potential for weakening consumer environment.

Front store & pharmacy

In a dynamic environment, demonstrated **significant year-over-year growth**



Other items

Full-year guidance

in billions, except tax rate

	Q2 2023 call August 2, 2023	Q1 2023 call May 3, 2023
Interest Expense	~\$2.7	~\$2.7
Capital Expenditures	\$2.6 to \$2.8	\$2.8 to \$3.0
Adjusted Effective Tax Rate	~25.3%	~25.5%
Weighted Average Diluted Share Count	~1.293	~1.293
Cash Flow from Operations	\$12.5 to \$13.5	\$12.5 to \$13.5

Financial highlights

- **Reduced capital expenditures** to reflect prioritization of our portfolio to optimize our cost structure
- Revised effective tax rate to 25.3%
- Maintained guidance for Cash flow, Interest expense and Share count

Footnotes

Second quarter 2023

1. Previously reported Q2 2022 results have been revised to reflect our new segment structure, the adoption of a new long-duration accounting standard and a change in our reporting convention to exclude net realized capital gains and losses from adjusted operating income as described in our Press Release.
2. Core commercial excludes Aetna's international business.
3. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.
4. 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, 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. Effective January 1, 2023, same store sales also include digital sales initiated online or through mobile applications and fulfilled through the Company's distribution centers. Prior period financial information has been revised to conform with current period presentation. 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.