Creating Value by Transforming the Consumer Health Experience

Larry Merlo
President &
Chief Executive Officer

Cautionary statement regarding 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 involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons as described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

The presentations at our 2019 Investor Day 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 most comparable GAAP measures, on the Investor Relations portion of our website.

Link to our non-GAAP reconciliations.

Today's Objectives

Strength of our businesses and how they provide a foundation for transformation

How we intend to dramatically improve the way health care is delivered in the U.S.

Our expectations for 2020 / 2021 and our positioning for long-term growth

How current investments will translate into increased shareholder value

CVSHealth

Agenda

Key trends in health care

Well positioned to drive change

Enterprise priorities to accelerate growth

As health care challenges mount, the call for change grows louder

SCIENTIFIC AMERICAN

One Third of Diabetes in the U.S. Is Undiagnosed

Modern Healthcare

Healthcare spending will hit 19.4% of GDP in the next decade, CMS projects

CBS NEWS

Shortage of primary care physicians could threaten patient care

INSURANCE JOURNAL

Workers' health insurance premiums are rising much faster than wages but not lowering out-of-pocket costs

Trends driving change in the health care landscape

Empowered health care consumer

Migration from sick care to self care

Changing perspectives on aging

Evolution of personalized care

Evolving payment models

Agenda

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Enterprise priorities to accelerate growth

CVSHealth

Creating the most consumer-centric health company

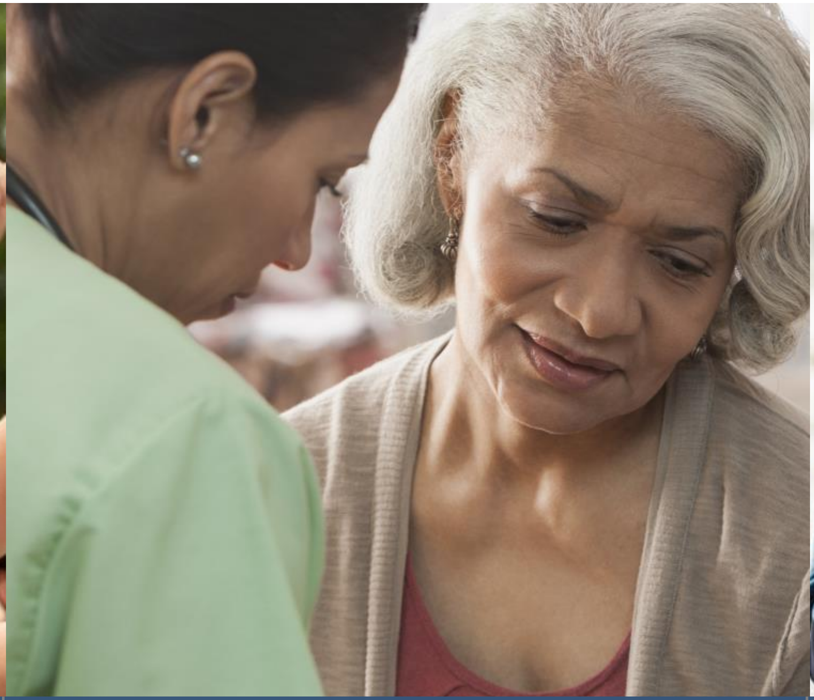
Powerful health care decision-making engine informed by data and analytics

Owner economics enable broader ability to deliver value across enterprise

Recognized and trusted brand, supported by large workforce of clinicians and support professionals

Deep local footprint of consumer-facing assets including retail stores and MinuteClinic®

Unmatched ability to engage with consumers – CVS Health interacts with one in three Americans annually



In the community	In the home	In the palm of their hand
~70% of U.S. population lives within three miles of a CVS Pharmacy	**700K** visits[1] annually	**72M** patients enrolled in text messaging program

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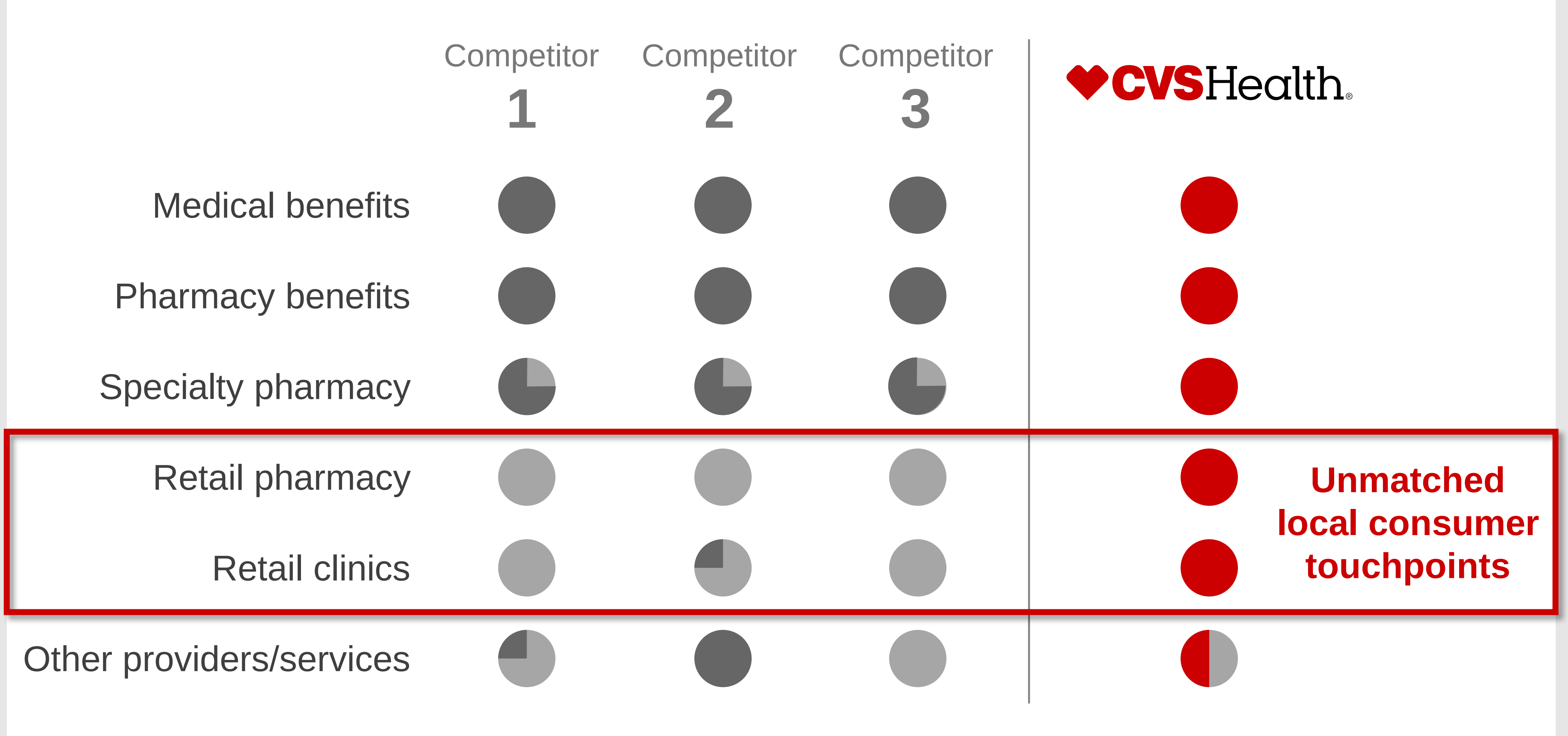
We are uniquely positioned among managed care peers



Agenda

Key trends in health care

Well positioned to drive change

Enterprise priorities to accelerate growth

CVSHealth.

Enterprise priorities to accelerate growth

Consumer obsessed –
be local, make it simple, improve health

1.
Grow and differentiate our businesses

2.
Deliver transformational products and services

3.
Create a consumer-centric technology infrastructure

4.
Modernize enterprise functions and capabilities

Grow and differentiate our businesses

Drive engagement through personalization

Win in high-growth market segments

Deliver new and innovative benefit designs, reimbursement models, and store formats

Improve productivity and efficiency

Introduce integrated products and services

HealthHUBs®: Positive Results Fuel Broader Expansion

By the end of 2019

Expanding to **4 markets**

By the end of 2021

Expecting to open **1,500 locations**

Transformation provides multiple growth opportunities

Products & Services

Comprehensive chronic care and disease management

New consumer facing products

Optimize government programs

Risk carve-outs

Home hemodialysis

Analytics products

Value Creation

Medical cost savings

Membership growth

Expanded use of CVS assets

Increased customer satisfaction and retention

Open platform and new businesses

Operating Income Expectations[2]

~ $850 million in 2022

~ $2.5 billion long term

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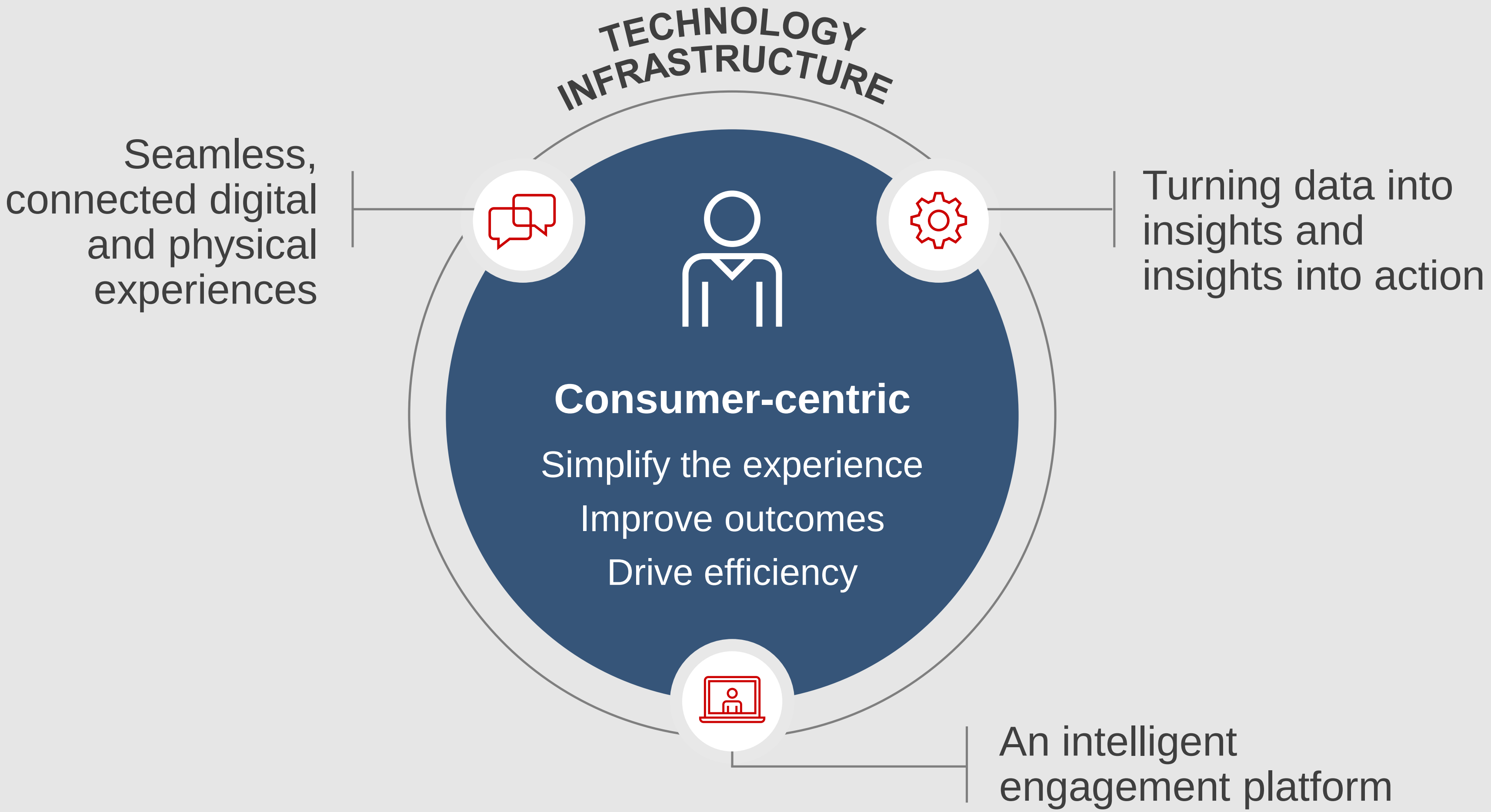
PRIORITY #3

Creating a consumer-centric technology infrastructure



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Integration and modernization expected to deliver significant savings

Integration synergies

- Business integration
- General and administrative functions
- Medical cost savings

On track to deliver savings of

~ $900M[2]

in 2021 and beyond

Enterprise modernization

- Technology enhancements
- Productivity improvements

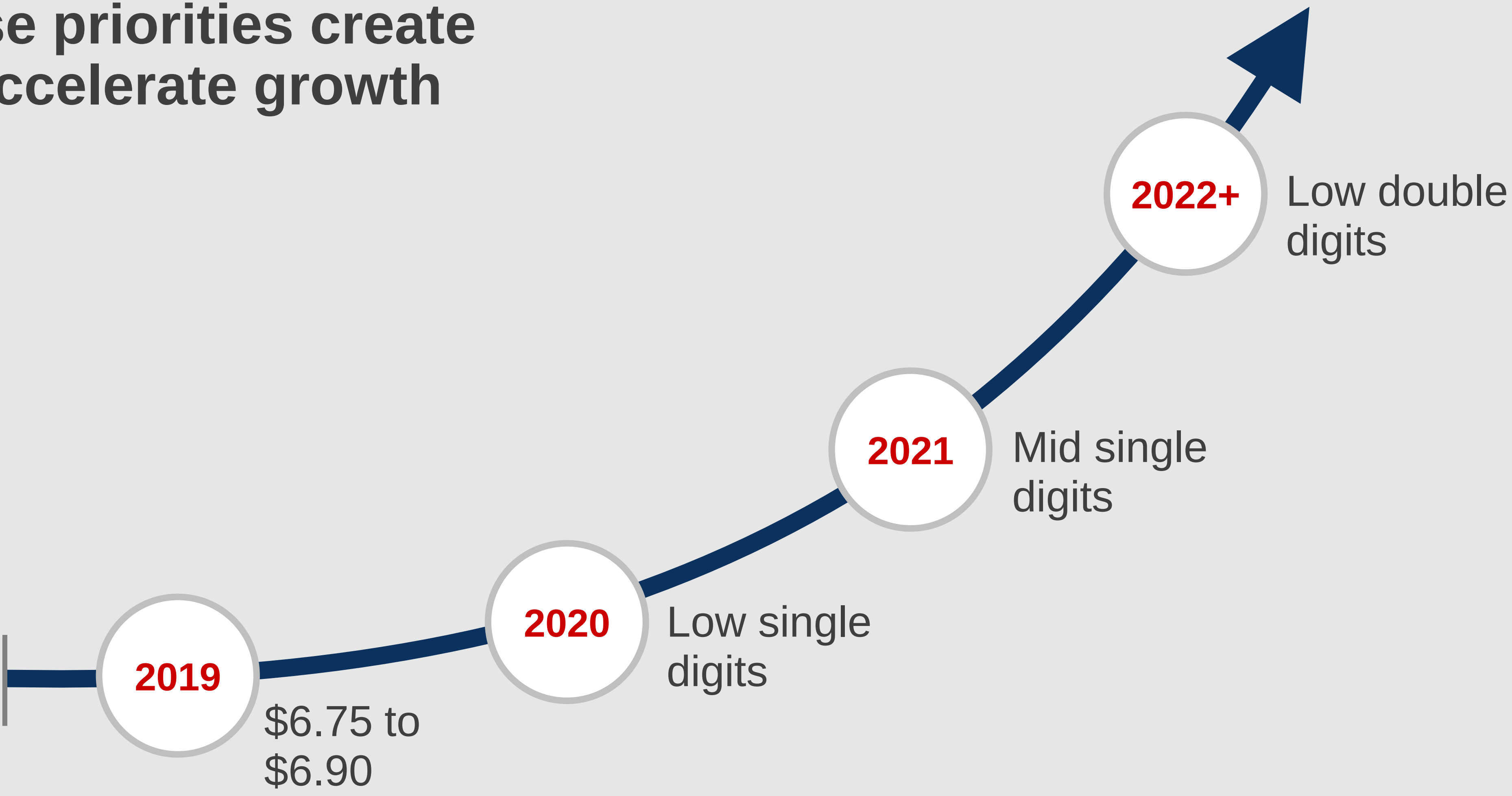
Targeting savings of

$1.5B-2.0B[2]

in 2022 and beyond

Enterprise priorities create path to accelerate growth

Projected Adjusted EPS growth (%)[2,3]



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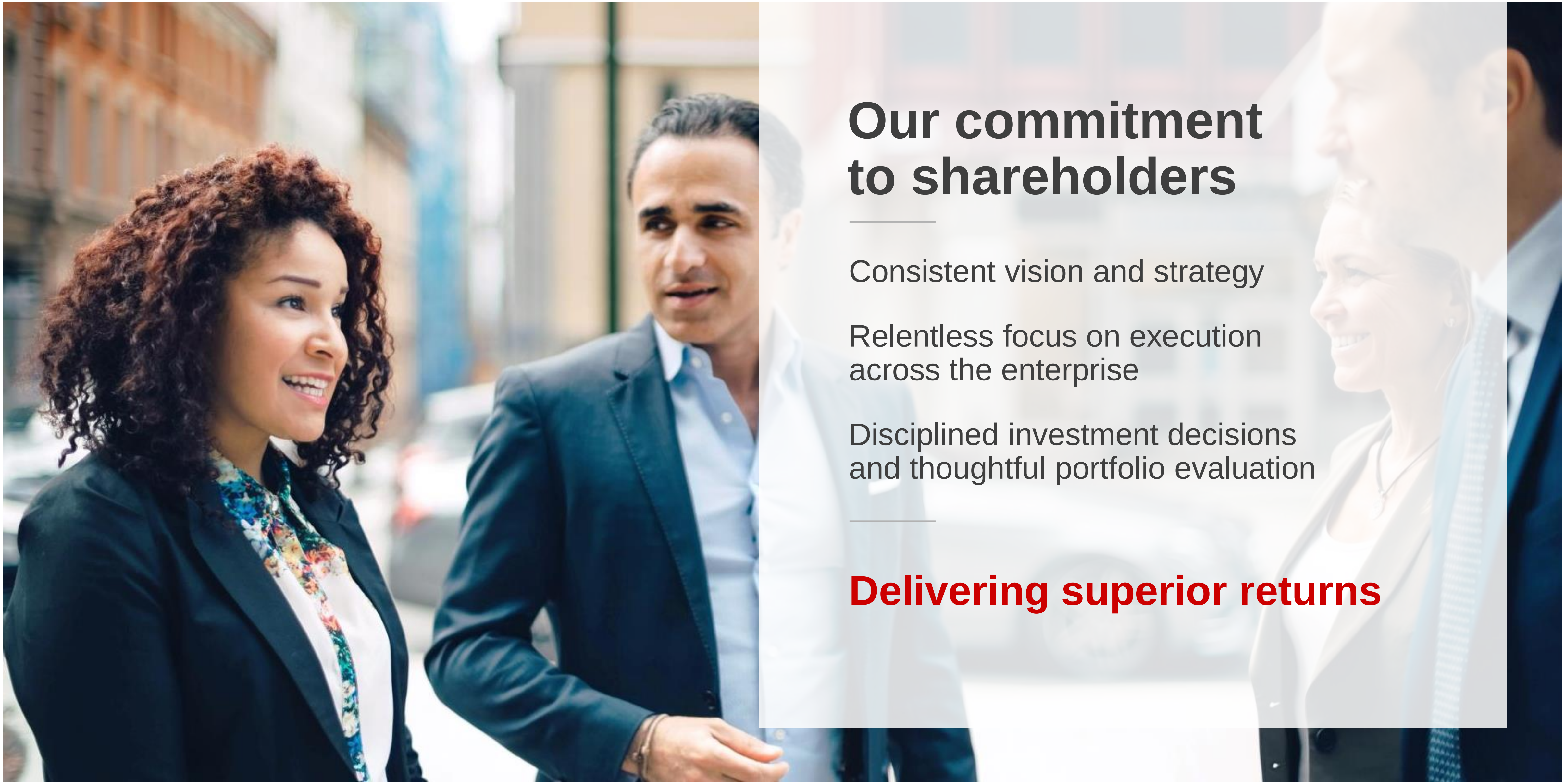

Our commitment to shareholders

Consistent vision and strategy

Relentless focus on execution across the enterprise

Disciplined investment decisions and thoughtful portfolio evaluation

Delivering superior returns

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Today's agenda

Advancing the Enterprise to Unlock Value
Eva Boratto

Building the Most Consumer-Centric Health Company
Alan Lotvin, MD

Establishing the Foundation for Transformation
Jon Roberts

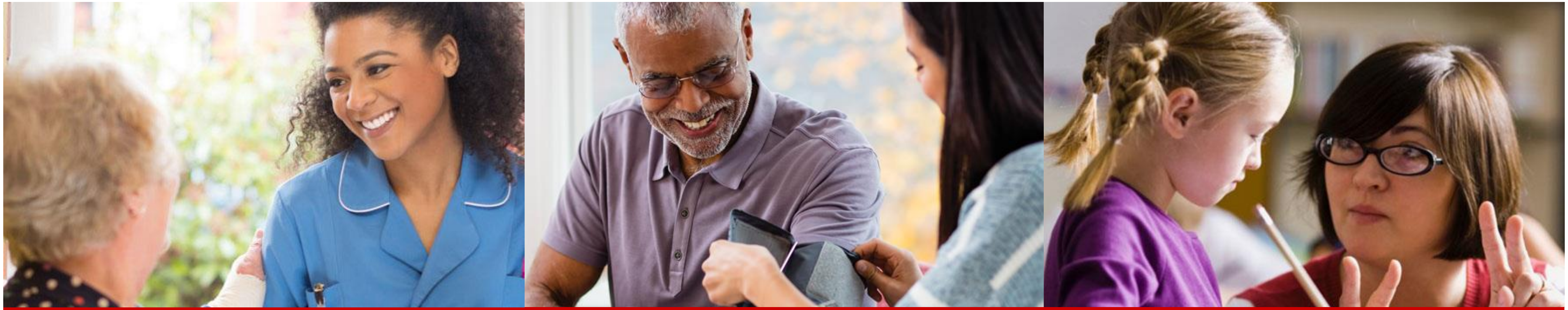
Driving Profitable Growth as a Consumer Health Company
Karen Lynch

Evolving Strategy for a Changing Marketplace
Derica Rice

Consumer Innovation Driving Profitable Growth
Kevin Hourican

Endnotes

1. Number of in-home visits includes visits by Coram, Aetna, and vendor nurses or other care team members to homes or other community settings.
2. Currently enacted laws and regulations were used in all the Company’s projections.
3. This financial measure is a non-GAAP financial measure. For an explanation of this financial measure and a reconciliation to the most directly comparable GAAP measure, refer to our Investor Relations website at https://www.investors.cvshealth.com.



Advancing the Enterprise to Unlock Value

Eva Boratto
Executive Vice President &
Chief Financial Officer

CVSHealth®

Continued focus on enhancing long-term shareholder value

- Sustainable long-term growth
- Launching transformative products
- Generating significant cash flow from operations
- Optimizing capital allocation

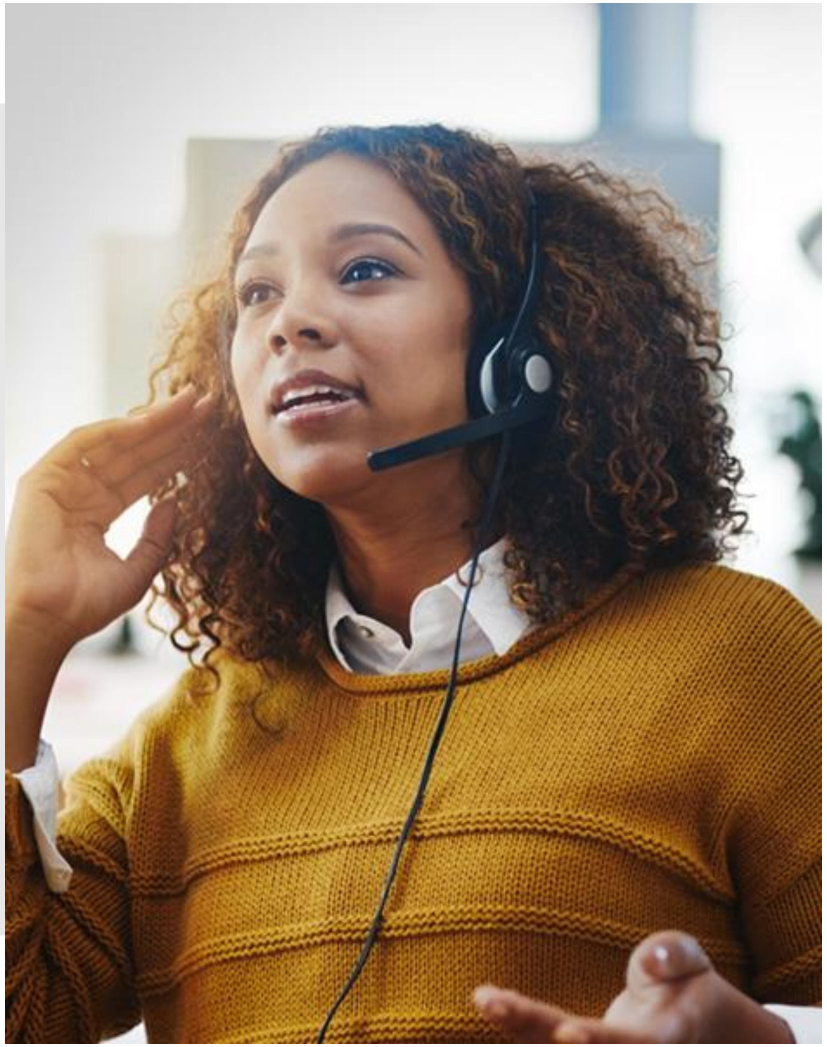
Steps of value creation to drive long-term growth

Agenda

2019 guidance review

Value creation through integration synergies, modernization & transformation

Financial outlook & capital allocation strategy



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Enterprise Outlook: 2019 full year[1]

Reaffirming all elements of 2019 guidance

($ in billions, except per share data)

Consolidated Revenues	**$251.2 to $254.4**
Adjusted Operating Income[3]	**$15.0 to $15.2**
GAAP Diluted EPS	**$4.90 to $5.05**
Adjusted EPS[3]	**$6.75 to $6.90**
Cash Available to Repay Debt[3]	**$4.2 to $4.6**

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Agenda

2019 guidance review

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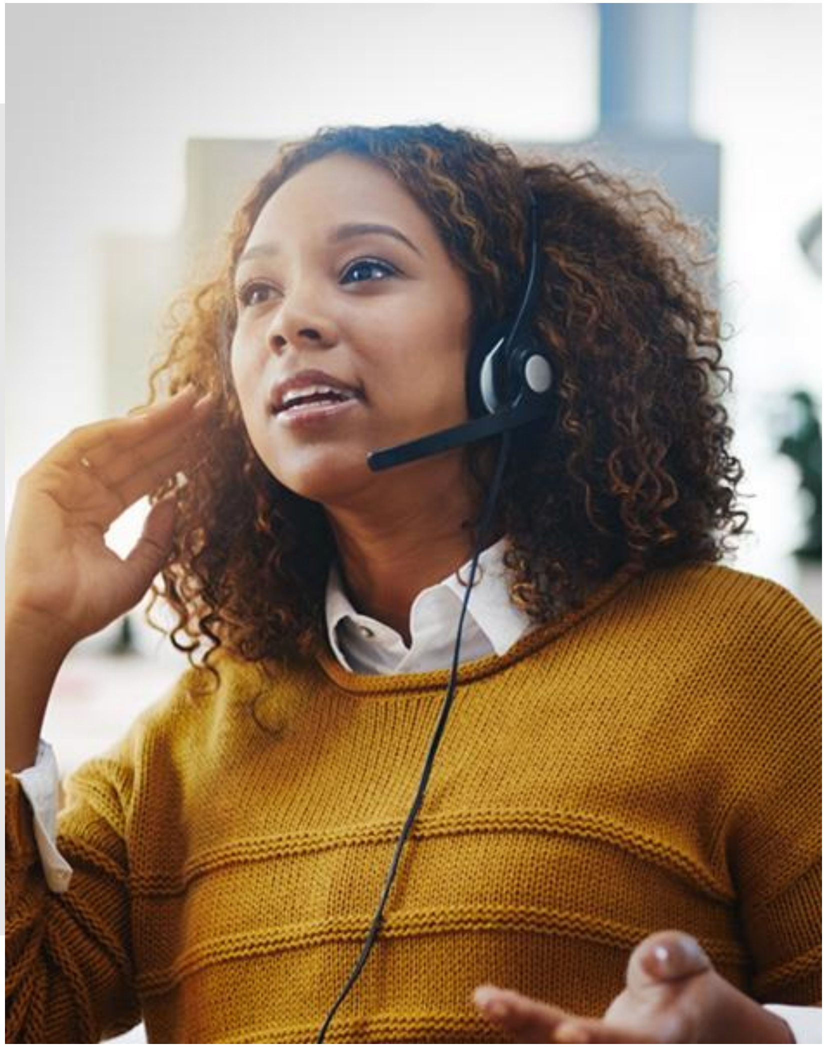

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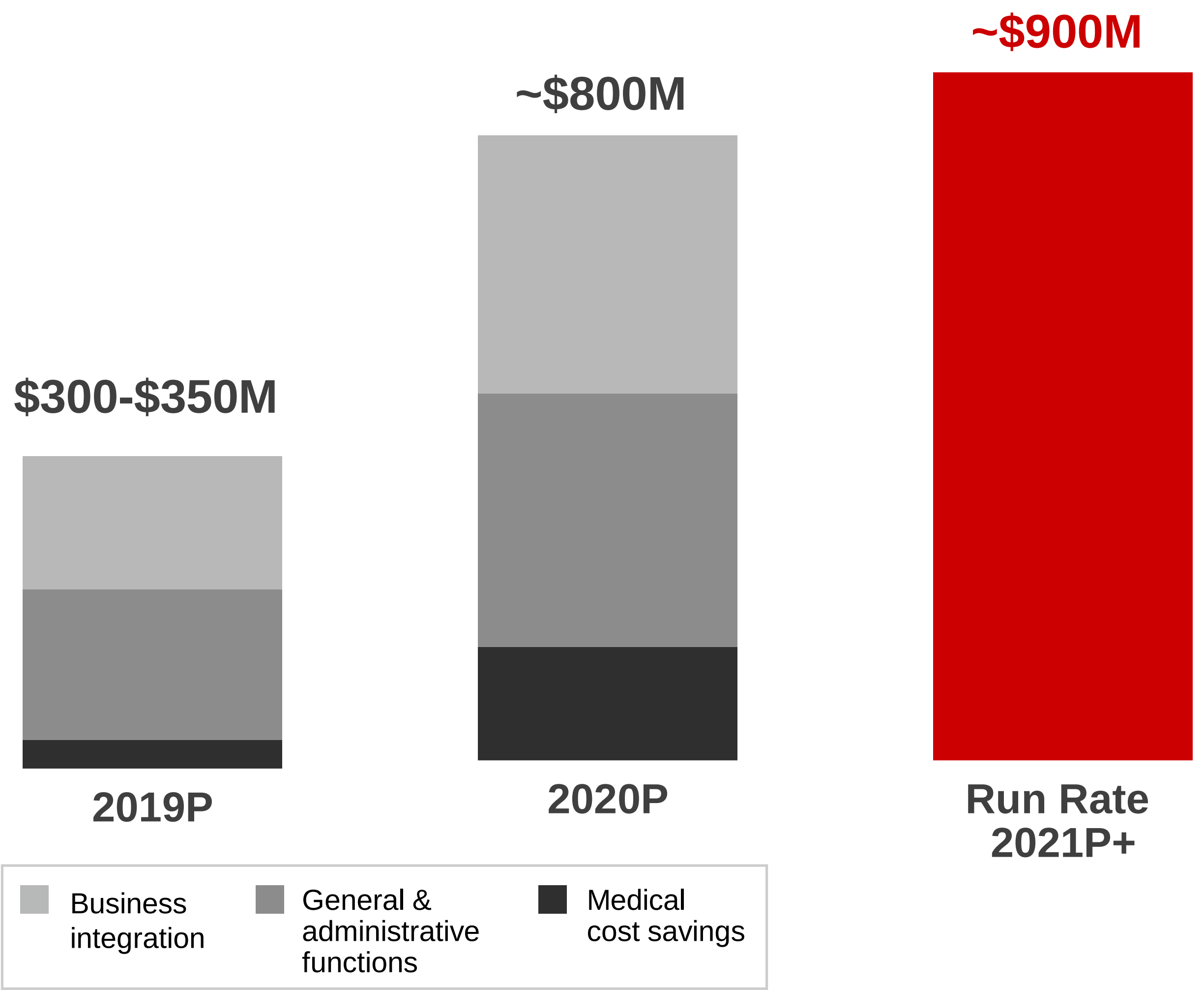
Executing on integration synergies to reach ~$900M run rate

Business integration
- Plan design
- Specialty / Coram / PBM Operations / Other

General & administrative functions
- Vendor contracting
- Streamline corporate functions

Medical cost savings
- Improve adherence and close gaps in care for patients with chronic diseases
- Optimize existing programs in readmission prevention
- Site of care management



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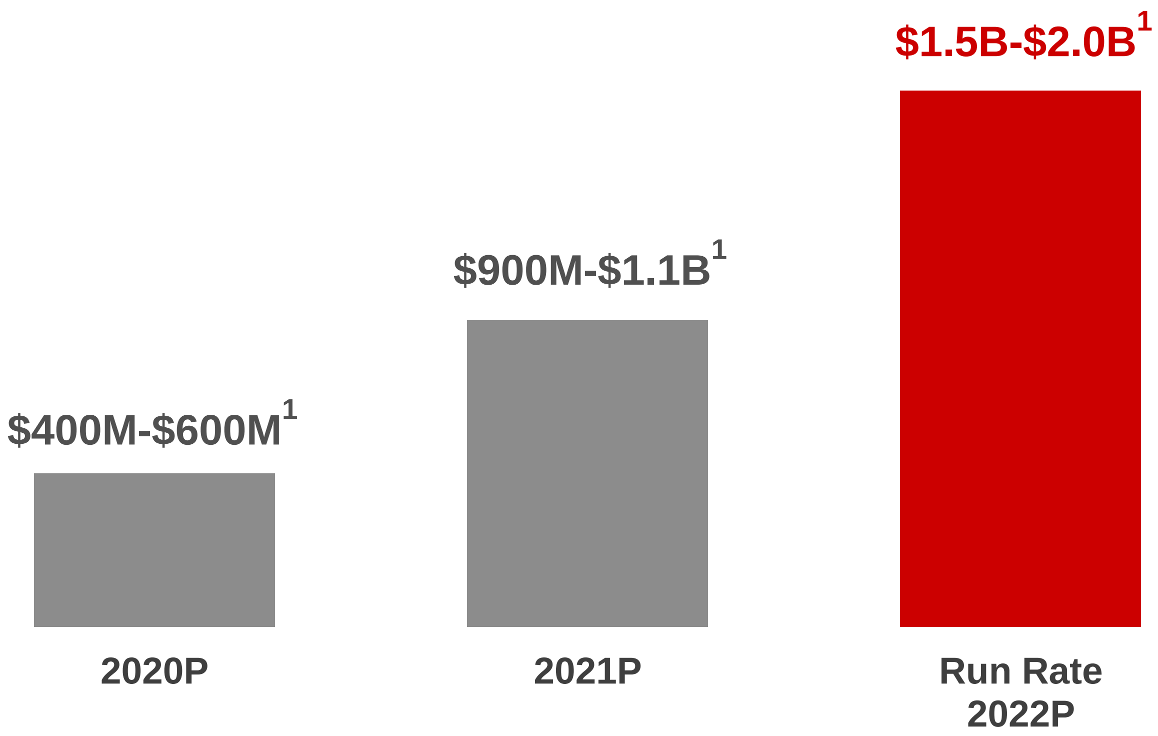
Generating net savings with enterprise modernization



Areas of net savings

- Technology modernization
  - Rationalization
  - Centers of excellence
- Productivity improvements
  - Optimize call centers
  - Vendor management
  - Business initiatives

Projected costs to achieve

- Operating expenses
  - $200M-$300M[1] annually through 2022

Modernization net savings are incremental to previously disclosed cost reduction programs

Driving long-term value through transformation

Medical cost savings

Commercial insured

Medicare Advantage

Membership growth

Plan sponsors

Medicare Advantage members

Expanded use of CVS assets

Pharmacy

MinuteClinic®

Front of store

Coram

Medicare Advantage quality improvement

Increased customer satisfaction and retention

Improving the consumer experience

Open platform and new businesses

Payor agnostic solutions

Data and analytics products

New businesses

Projected to drive ~$850M of incremental operating income in 2022, growing to ~$2.5B long term[1]

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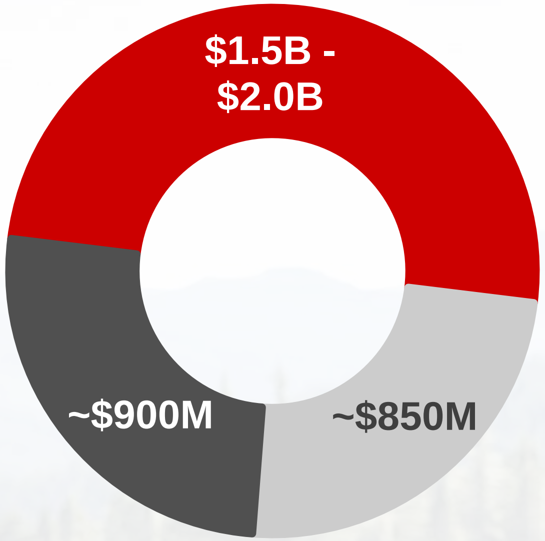
Projected to drive a run rate of ~$3.5B in operating income in 2022[1]

Substantial long-term value creation through strategic initiatives & consumer-centric products



1. Integration synergies
2. Enterprise modernization
3. Transformation

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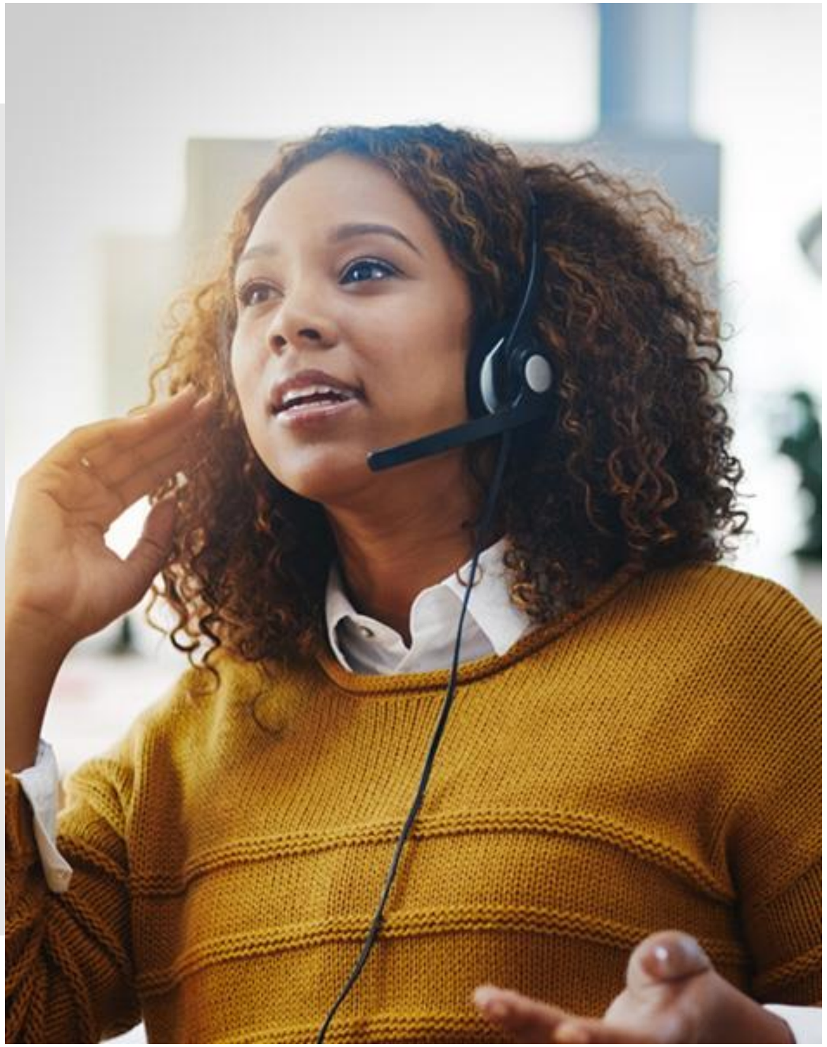
Agenda

2019 guidance review

Value creation through integration synergies, modernization & transformation

Financial outlook & capital allocation strategy



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Balancing near-term execution with long-term vision

1

Mitigate headwinds

2

Execute streamlining and expense reduction initiatives

3

Focus on integration process and exceed synergy expectations

4

Refine and roll out new front doors to health care

5

Optimize enterprise portfolio and evaluate asset base

6

Enhance shareholder returns through disciplined capital allocation

Well positioned for long-term growth

Projected Adjusted EPS growth[1,3,6] (%)

2019 — $6.75 to 6.90

2020 — Low single digits

2021 — Mid single digits

2022+ — Low double digits[5]

2020P Key Elements[1]

$7.00+ Adjusted EPS[3,6]

Revenue up low single digits %

Tax rate ~ 28.5%

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Health Care Benefits – 2020 year-over-year drivers

Total Revenues[1]	
Divestiture of Aetna PDP	▼
Health insurance fee reinstatement	▲
Outpace industry growth in gov't services	▲

2020P up mid single digits %

Adjusted Operating Income[1,3,4]	
Competitive environment	▼
Divestiture of Aetna PDP and stranded costs	▼
Health insurance fee reinstatement[2]	▲
Outpace industry growth in gov't services	▲
Synergies / enterprise modernization	▲
Transformation	▲

2020P up high single digits %

Retail / LTC – 2020 year-over-year drivers

Total Revenues[1]	
Front store continued shift to digital	▼
Front store formats & personalization	▲
Omnicare	▲
Outpace industry growth in Rx	▲

2020P up low-to-mid single digits %

Adjusted Operating Income[1,3]	
Front store margin	▲
Generics	▲
Omnicare	▲
Reimbursement pressure	▼
Rx growth	▲
Synergies / enterprise modernization	▲

2020P up low single digits %

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Pharmacy Services – 2020 year-over-year drivers

Total Revenues[1]		Adjusted Operating Income[1,3]	
Anthem	▲	Anthem	▲
Net new business / Centene migration	▼	Net new business / Centene migration	▼
Specialty	▲	Pricing pressure	▼
		Purchasing economics	▲
		Rebate guarantees	▲
		Specialty	▲
		Synergies / enterprise modernization	▲

2020P down low-to-mid single digits %

2020P down mid single digits %

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Investing in capabilities to drive sustainable long-term value

$2.3B to $2.6B

Annual projected capital expenditures[1]

Key areas of capital spending

Historical

Remodels

New stores

Technology

Initiatives

Projected

Innovative HealthHUB®s

Transformative products and modernization

New stores

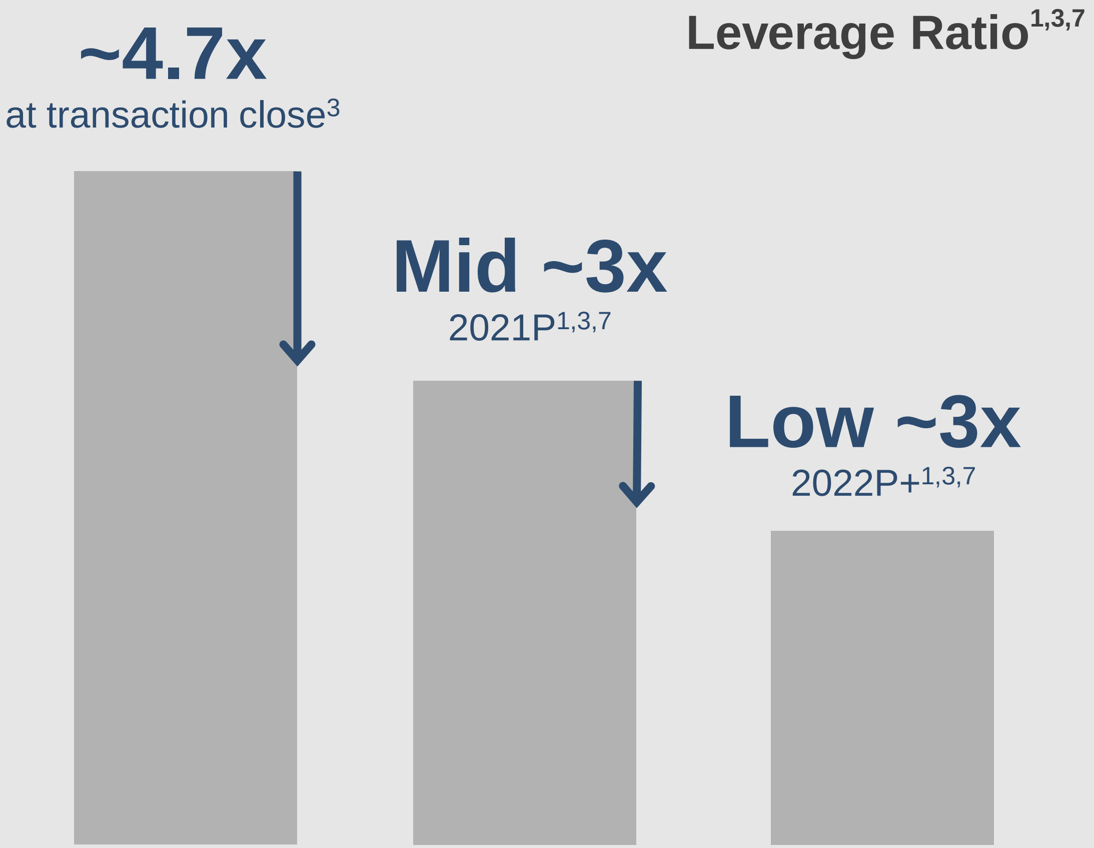
Data analytics

Consumer experiences

CVSHealth

Strong cash flow generation and effective capital deployment

Plan to reduce debt significantly to reach leverage ratio target of low 3x's



Focused on debt reduction in the near term

- Committed to returning to low 3x's leverage ratio target
- Significant cash flow from operations supports debt repayment

Expect to pay down ~$7.5B of debt from close of Aetna transaction to the end of 2019

- Aggregate $5.1B of cumulative debt repaid to date

Increased opportunity to enhance shareholder value once leverage ratio target achieved

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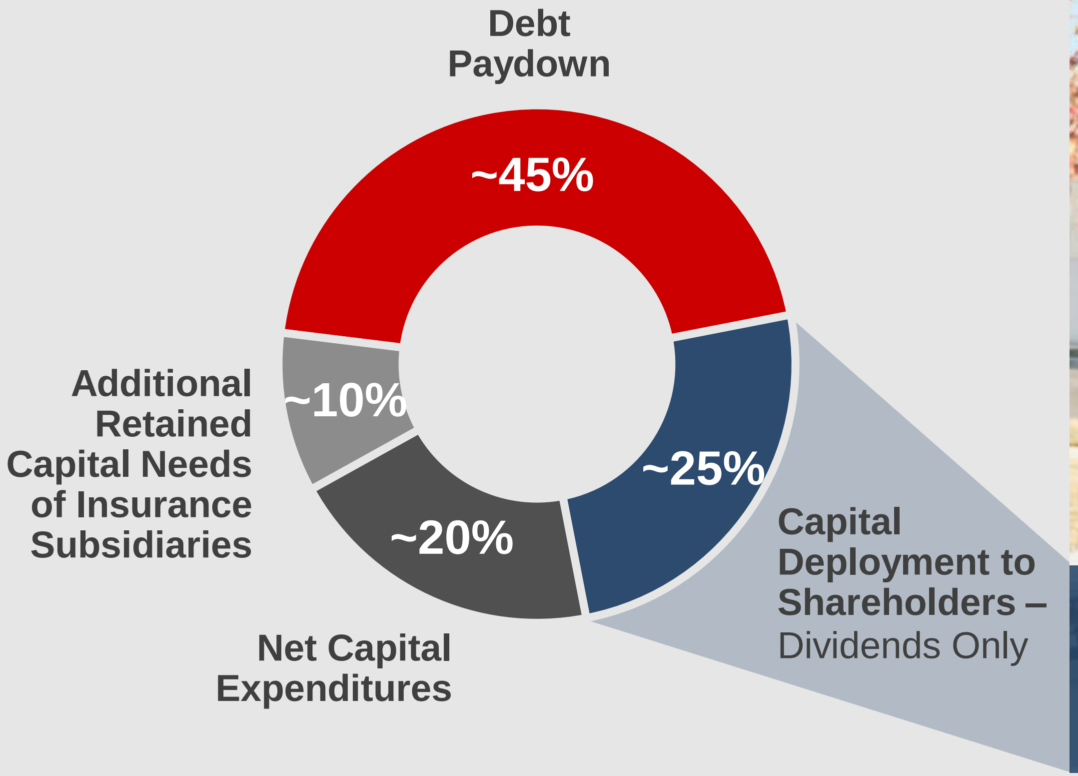
Thoughtful capital allocation strategy to drive long-term value creation

Near term (2020P-2021P)[1]



Expect $10B - $12B[1,8] cash available annually for enhancing shareholder value in the long term (2022+)

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Long-term assumptions – 2022 and beyond[1]

Health Care Benefits		Retail / LTC		Pharmacy Services		Other	
Commercial retention	▲	Generics	▼	Claims growth	▲	Capital deployment	▲
Competitive environment	▼	HealthHUB / services growth	▲	Generics	▼	Impact of digital	▼▲
Membership growth	▲	Improvement in LTC	▲	Introduction of biosimilars	▲	Interest expense	▲
		Reimbursement pressure	▼	Pricing pressure	▼	Transformation / open platform	▲
		Rx growth	▲	Specialty growth	▲		

Project adjusted EPS[1,3] growth in low double digits % on average

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Scorecard to evaluate success

	Target[1]	Timing
Adjusted EPS Growth[3]	$6.75 - $6.90	2019
	$7.00+ (Low single digits%)	2020
	Mid single digits %	2021
	Low double digits %	2022+
Integration synergies	$300M - $350M	2019
	~ $800M	2020
	~ $900M	2021+
Enterprise modernization	$1.5B - $2B	Run Rate 2022
Transformation	~ $850M	2022
	~ $2.5B	Long-term
Leverage ratio[3,7]	Low 3x's	2022
Cash available for enhancing shareholder value[8]	$10B - $12B	Annually Long-term
Inventory reduction	~ $1.5B	2022

KEY TAKEAWAYS

Steps to unlocking significant value well underway

Strong progress executing our plan to grow and differentiate our businesses

Significant upside to synergy targets

Positioned for long-term enterprise growth

Thoughtful allocation and prioritization of capital

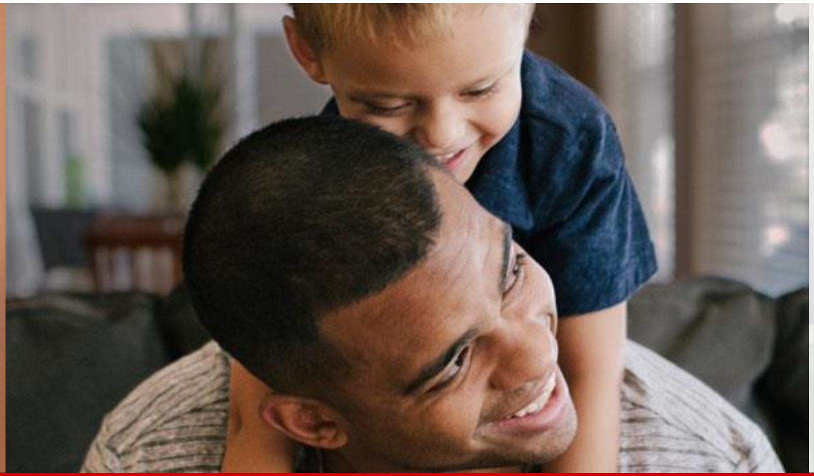
CVSHealth

Endnotes

1. Currently enacted laws and regulations were used in all the Company's projections.
2. After income taxes, the Health Insurer Fee is projected to be a headwind for the Health Care Benefits segment.
3. This financial measure is a non-GAAP financial measure. For an explanation of this financial measure and a reconciliation to the most directly comparable GAAP measure, refer to our Investor Relations website at https://www.investors.cvshealth.com.
4. Health Care Benefits segment projections do not include an estimate of prior years' development.
5. 2022 includes modest share repurchases.
6. Projected Adjusted EPS after 2019 excludes from GAAP diluted EPS the impact of amortization of intangible assets and other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance, the corresponding tax benefit or expense related to the items excluded from adjusted net income attributable to CVS Health and the corresponding impact to income allocable to participating securities, net of tax, related to the items excluded from net income attributable to CVS Health in determining adjusted net income attributable to CVS Health. The Company is not able to project the amount of any such other items during periods after 2019 at this time and therefore cannot reconcile projected Adjusted EPS after 2019 to projected GAAP diluted EPS. The Company is unable at this time to accurately quantify the significance of any item of unavailable information.

Endnotes

7. The Company defines its leverage ratio as Adjusted Debt divided by adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA). Adjusted Debt is defined as short-term debt and total long-term debt (including the current portion of long-term debt), plus the present value of future operating lease payments at a discount rate of 8.5% assuming lease payments occur at the end of the year. Adjusted EBITDA is defined as (i) net income before income taxes, depreciation and amortization, plus (ii) implied interest expense on future operating lease payments at a discount rate of 8.5% assuming lease payments occur at the end of the year, less (iii) other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance, such as goodwill impairments, interest income on financings associated with proposed acquisitions (for periods prior to the acquisition) and any other items specifically identified herein. The Company is not able to project the Adjusted EBITDA amount during 2021 or 2022 and beyond at this time and therefore cannot reconcile projected adjusted EBITDA to projected GAAP net income. The Company is unable at this time to accurately quantify the significance of any item of unavailable information.
8. Cash available for enhancing shareholder value annually in the long term is inclusive of current shareholder dividends.

Building the Most Consumer-Centric Health Company

Alan Lotvin, MD
Executive Vice President &
Chief Transformation Officer

A team with a diverse experience set

to lead our company through a time of change

Alan Lotvin, MD
Chief Transformation Officer

Dan Finke
Transformation Products & Services

Megan Hall
Strategy & Partnerships

Ali Keshavarz
Analytics & Behavior Change

Bruce Culleton, MD
Kidney Care

Kari Holloway
Kidney Care

Nicki MacManus
Primary Care Optimization

Ben Wanamaker
Consumer Products

Quinby Squire
Chief Financial Officer

Dave Edelman
Chief Marketing Officer

Betsy Ferguson
Legal

Eldridge Banks
Human Resources

Tammy Arnold
Communications

CVSHealth

Agenda

Strategy for accelerating growth

Our differentiated consumer experience

Product roadmap and value creation

CVSHealth

A truly consumer-centric health company

Be local

Community-focused

Within 3 miles of ~70% of US population

Make it simple

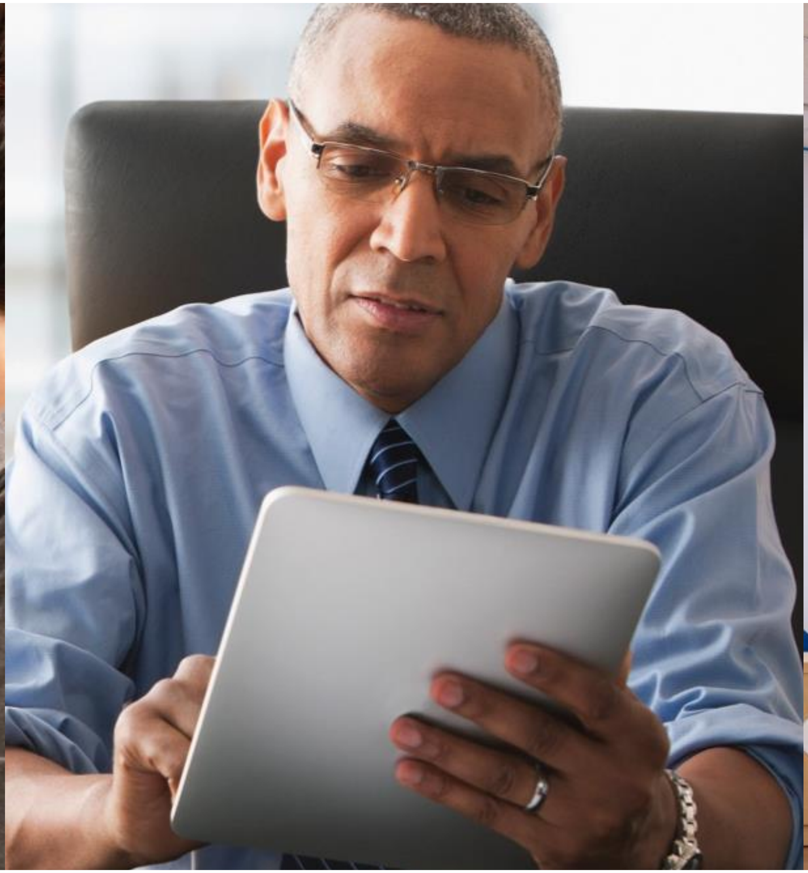
Technology-enabled

Connecting physical and digital experiences

Improve health

Solving unmet needs to help achieve best health

More than 30K health care professionals



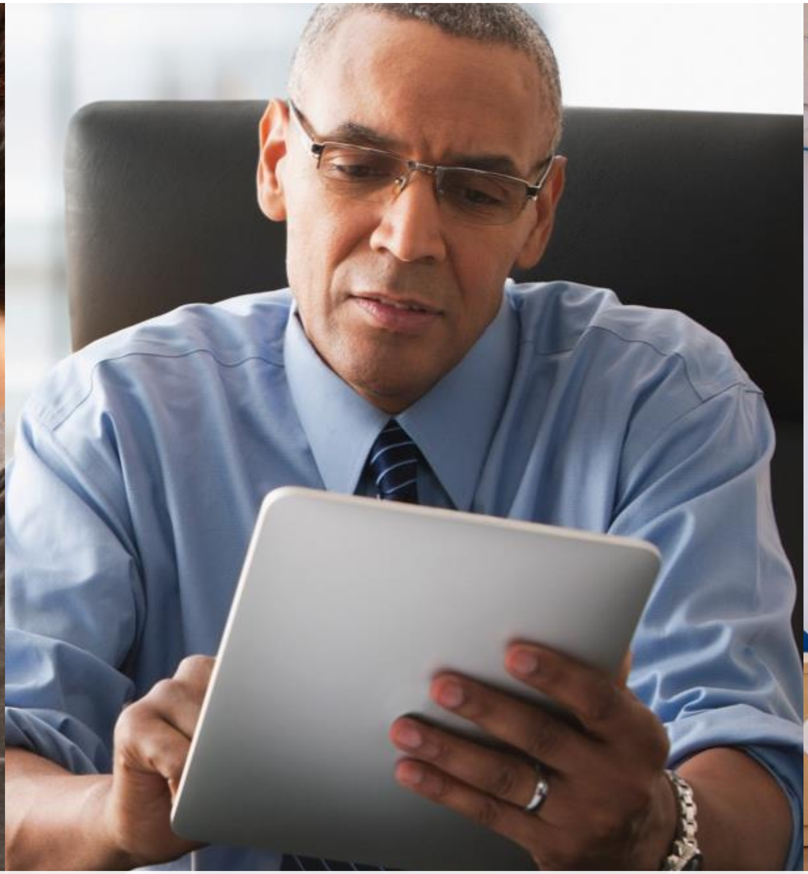

Our community assets differentiate us

Consumers invite us into their **homes**

We are embedded in their digital lives, in their **hands**

Our stores are in their community – a local **"hub"**

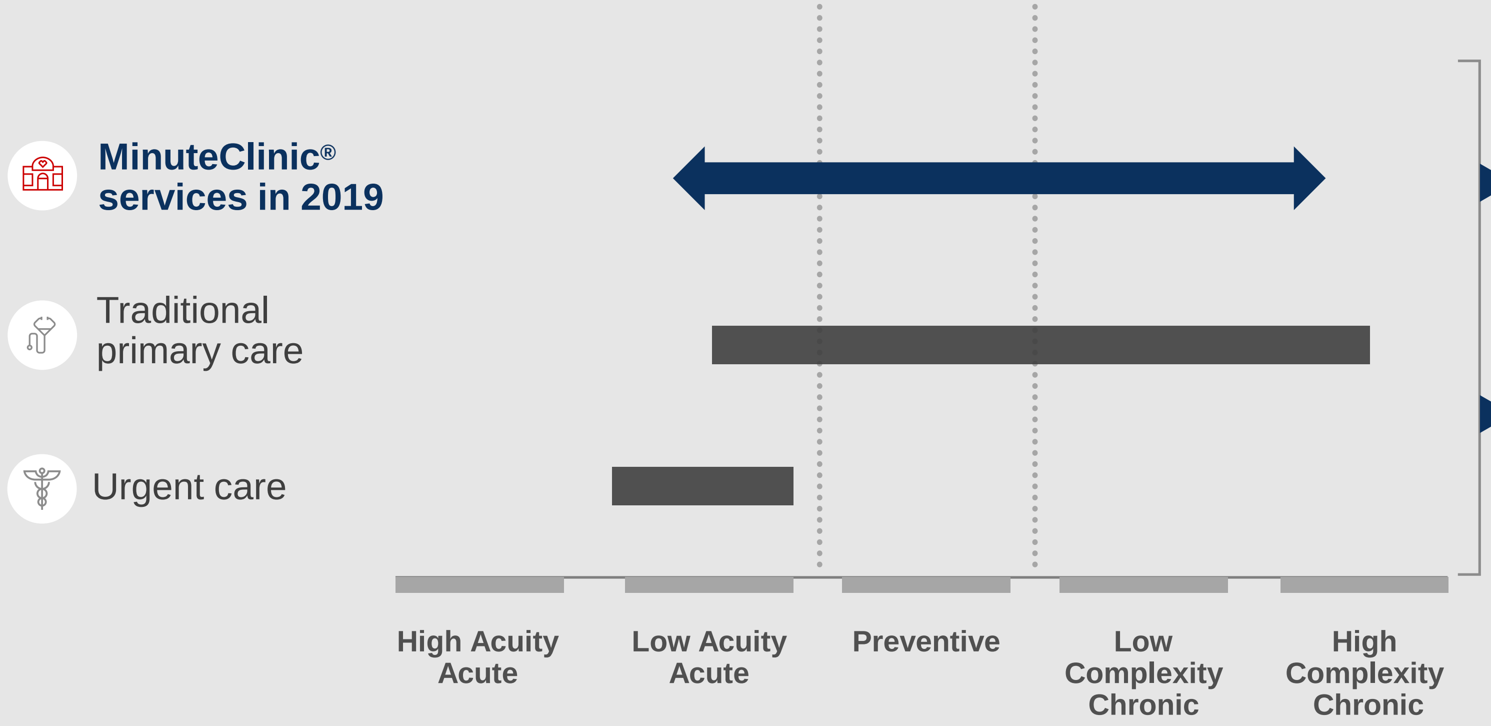
CVSHealth




We meet consumers where they are

We're reinventing local health care delivery with our community assets

ONE EXAMPLE:



- **MinuteClinic® can manage ~ 80% of the scope of typical primary care practice**
- **Currently over 1,100 MinuteClinic® locations**

New services include:

- **Sleep apnea screening**
- **Retina evaluations**
- **Phlebotomy**

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Transformational products and services

Solve customers' biggest problems

Accelerate in fastest growing segments

Deliver true innovation

Differentiate legacy businesses

CVS Health

Our product and service portfolio targets the biggest challenges in health care

New consumer facing products

Comprehensive chronic care and disease management

- 60% adults have chronic disease[1]
- $3T in spend in U.S.[2]
- $50B spent by Aetna clients[3]

Risk carve-outs

Optimize government programs

Home hemodialysis

- $114B in Medicare spend on CKD and ESRD patients[6]
- CMS to maximize home therapy[11]

Analytics products

Focusing on large opportunities enables us to create significant financial value

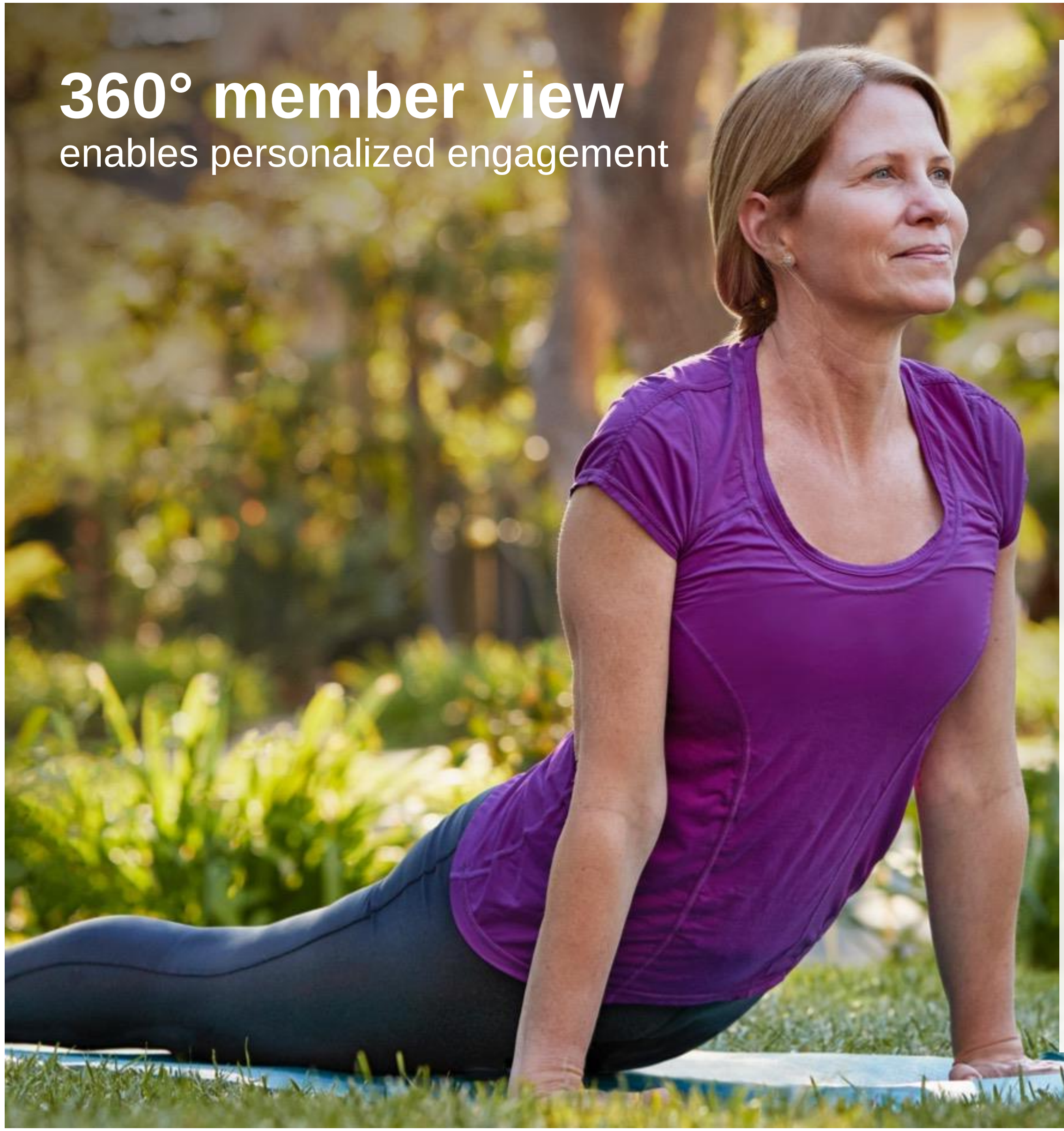
CVS Health.

Agenda

Strategy for accelerating growth

Our differentiated consumer experience

Product roadmap and value creation



360° member view

enables personalized engagement

Identify consumer risk stratification —

- Complex chronic
- Common chronic
- Healthy

Personalized engagement —

Impactful interventions —

- Coordinate care
- Integrate member context
- Influence meaningful moments

Transforming the patient journey

Multiple community touchpoints

Connecting physical and virtual experience

Two-way data flows to defragment care

JOSEPH
48 years old

- Has type-2 diabetes
- Infrequently sees his primary care doctor
- On medication
- Demanding job

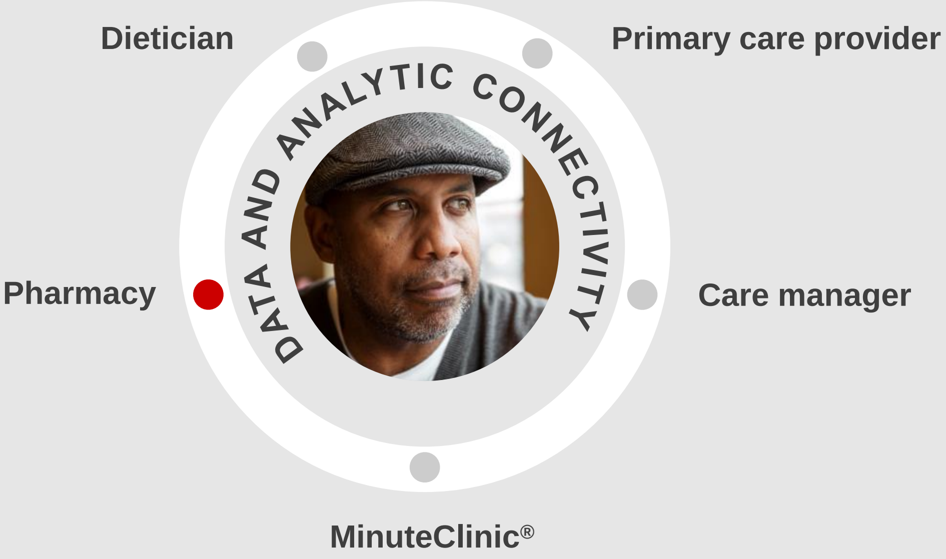
SUSAN
62 years old

- Has difficult-to-control high blood pressure
- Last visit with PCP was 1 year ago
- Wants to work until age 70

Refer to endnote 9.

JOSEPH'S JOURNEY

Identified as needing an annual diabetes exam, Joseph is counseled while filling his prescription.



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JOSEPH'S JOURNEY

MinuteClinic®
administers annual
diabetes exam. Need for
additional support
identified.

Dietician

Primary care provider

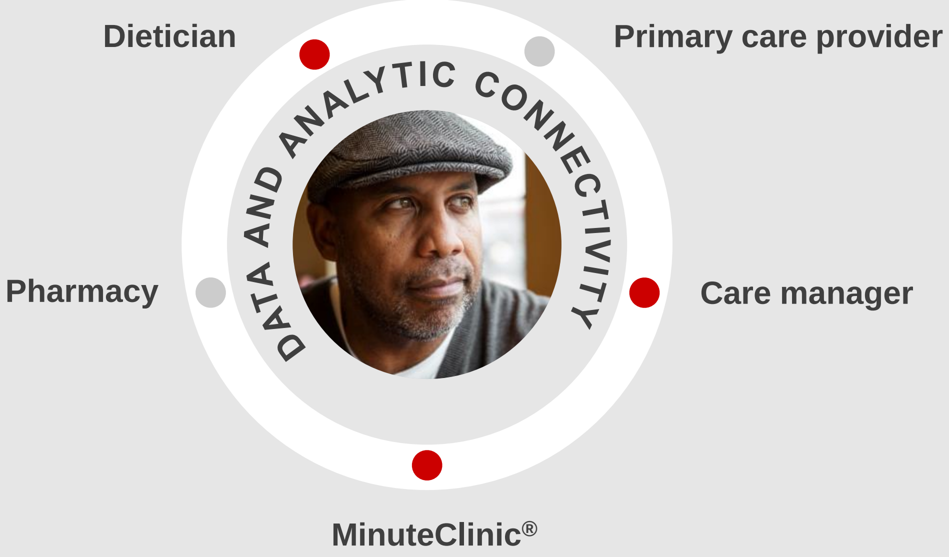
Pharmacy

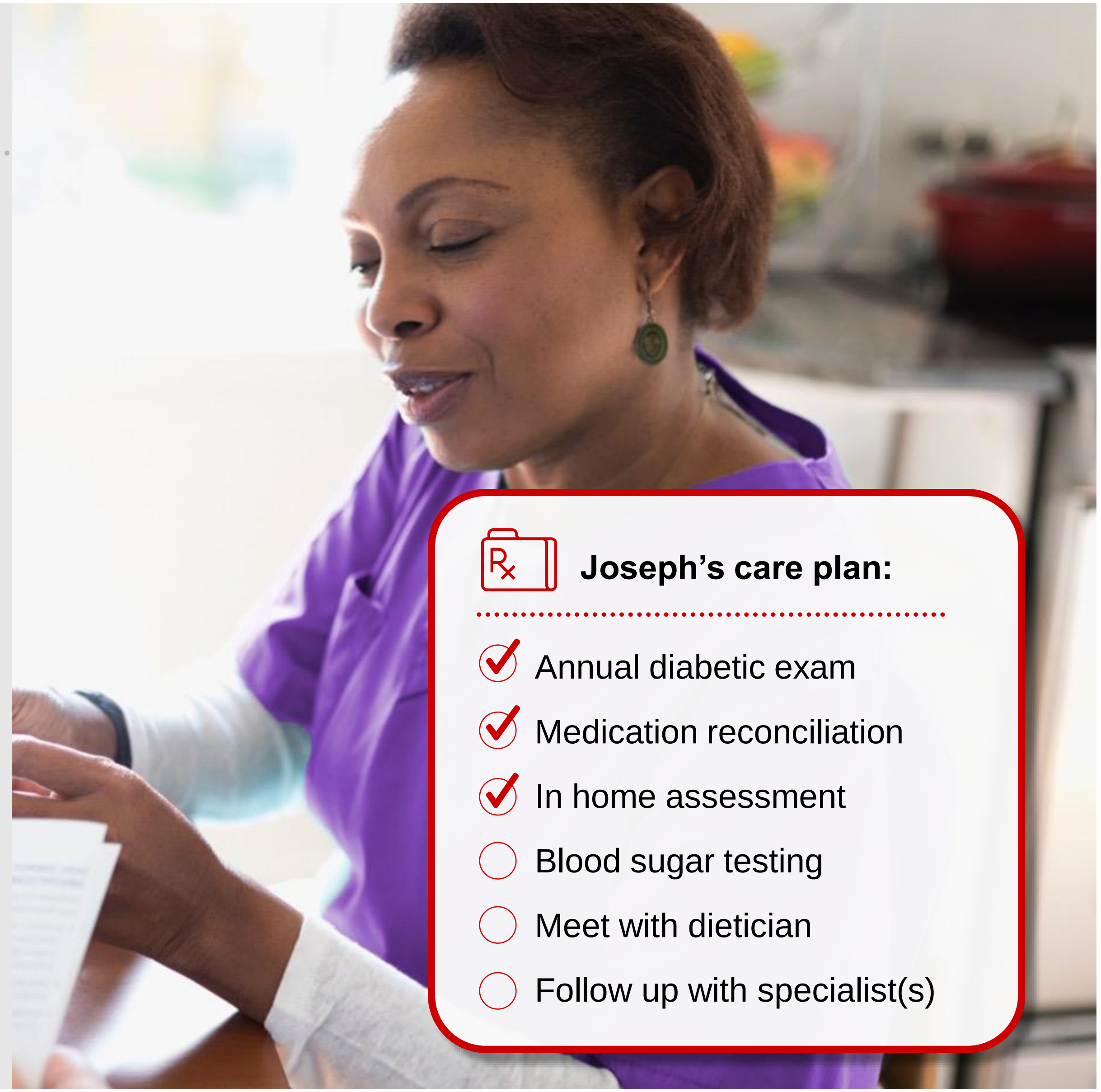
Care manager

MinuteClinic®

JOSEPH'S JOURNEY

Care manager visits Joseph at home and creates a care plan to keep him on track.





Joseph's care plan:

- ☑ Annual diabetic exam
- ☑ Medication reconciliation
- ☑ In home assessment
- ☐ Blood sugar testing
- ☐ Meet with dietician
- ☐ Follow up with specialist(s)

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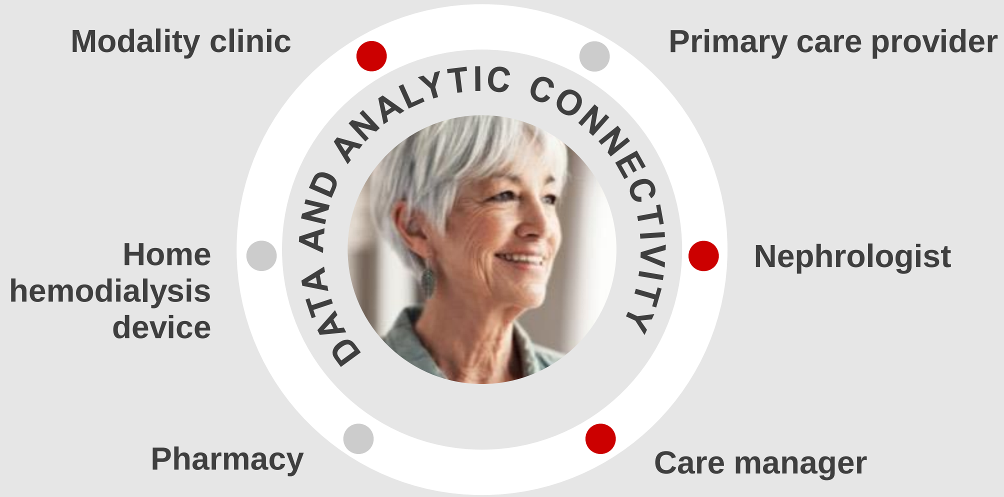
SUSAN'S JOURNEY

Analytics identify elevated risk.
Care management contacts Susan.

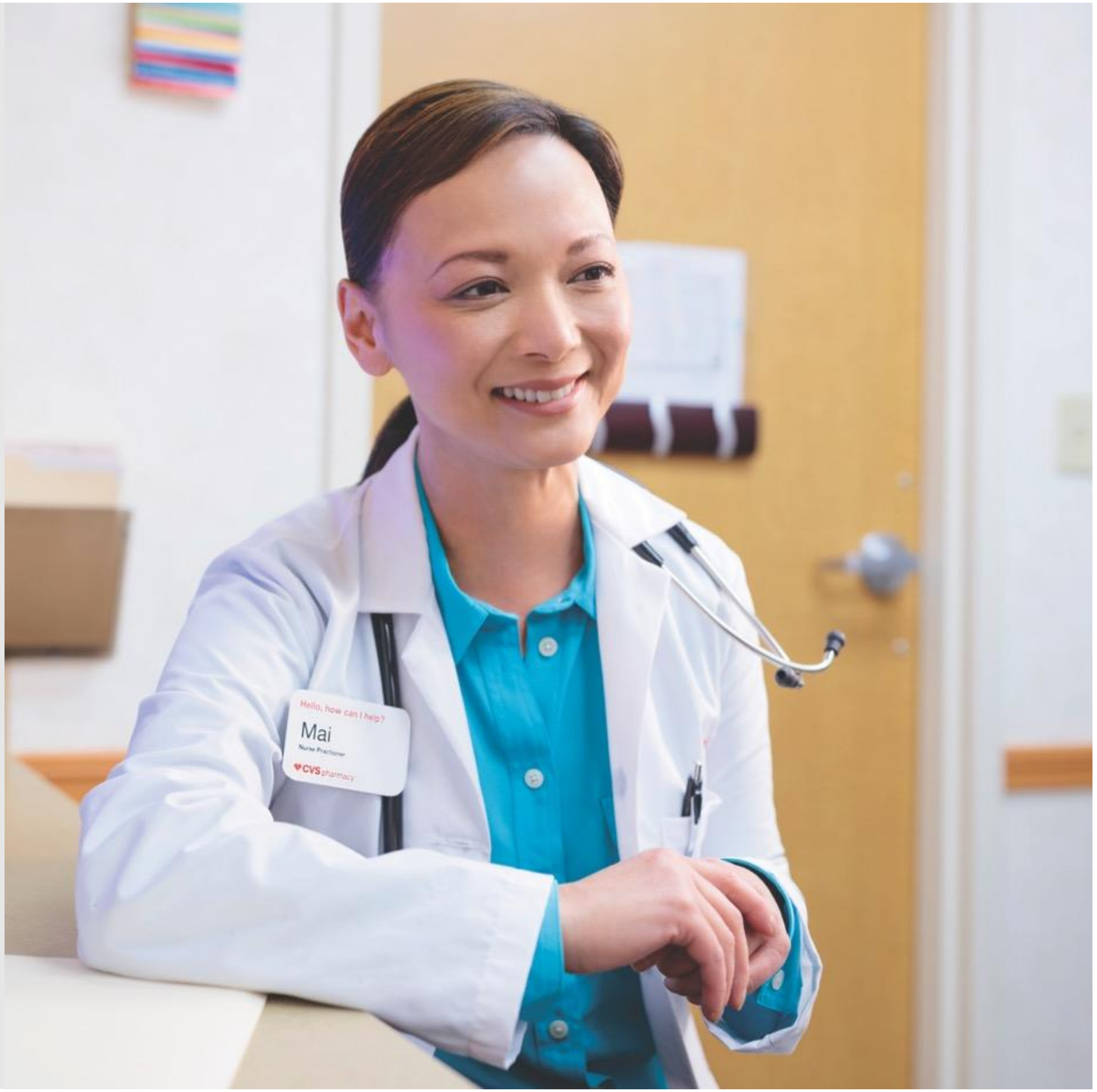
Note: Home hemodialysis device still pending FDA approval

SUSAN'S JOURNEY

Discusses options for future renal replacement therapy and makes a plan for future dialysis.

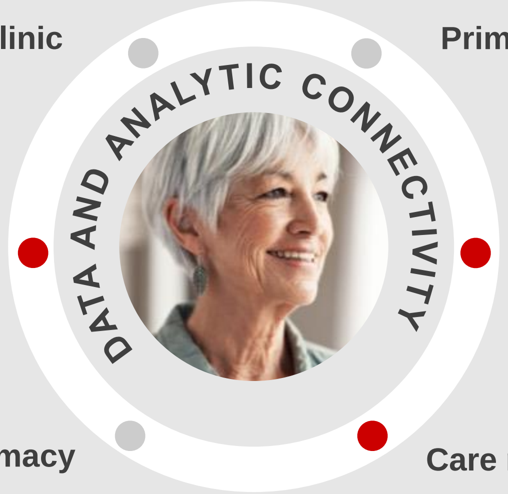


Note: Home hemodialysis device still pending FDA approval



SUSAN'S JOURNEY

Starts home hemodialysis and is able to continue working.



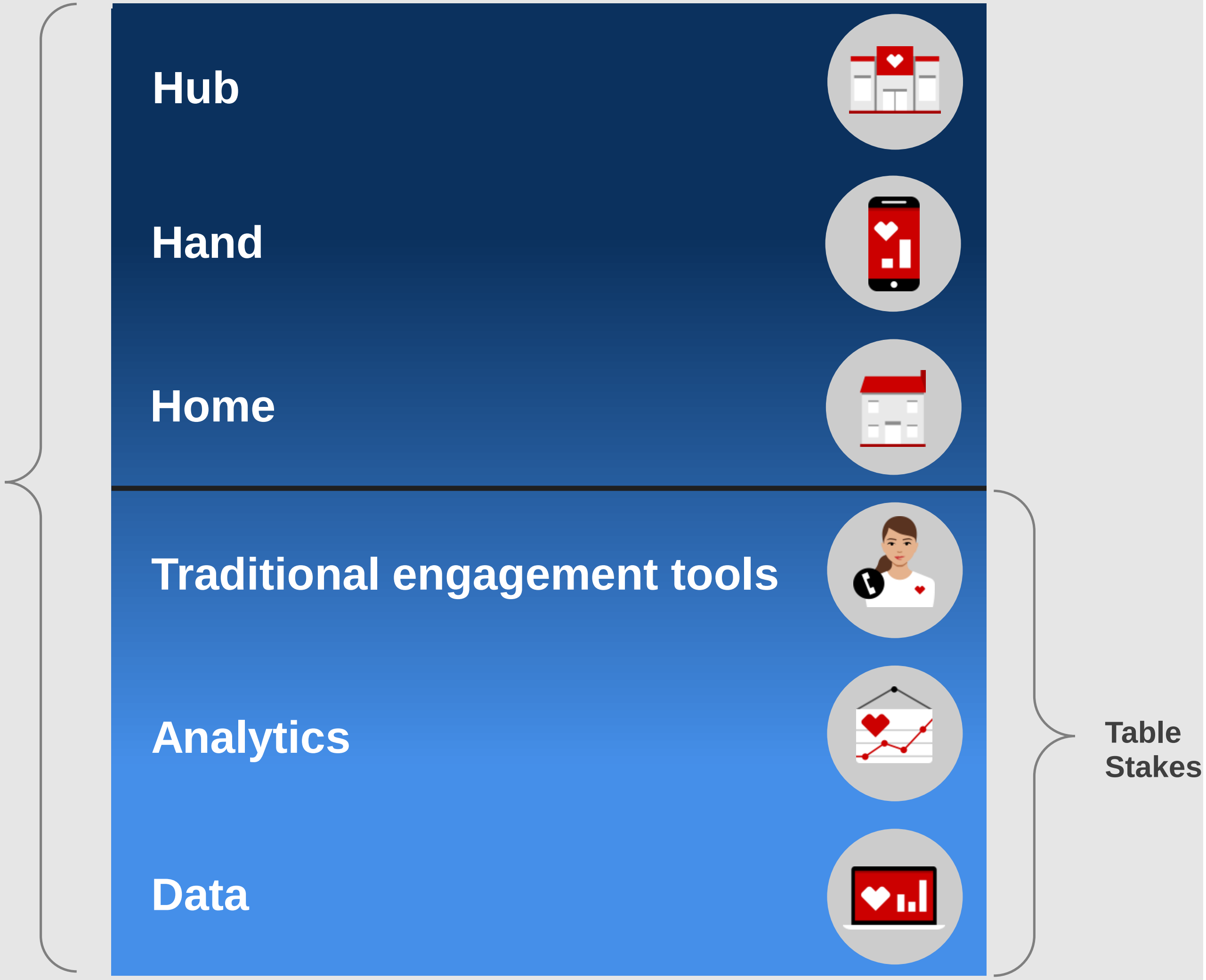
Note: Home hemodialysis device still pending FDA approval

CVS Health

The CVS Health difference

Community touchpoints are our differentiator:

- Changing behavior by being a part of daily life
- Improving outcomes associated with chronic disease



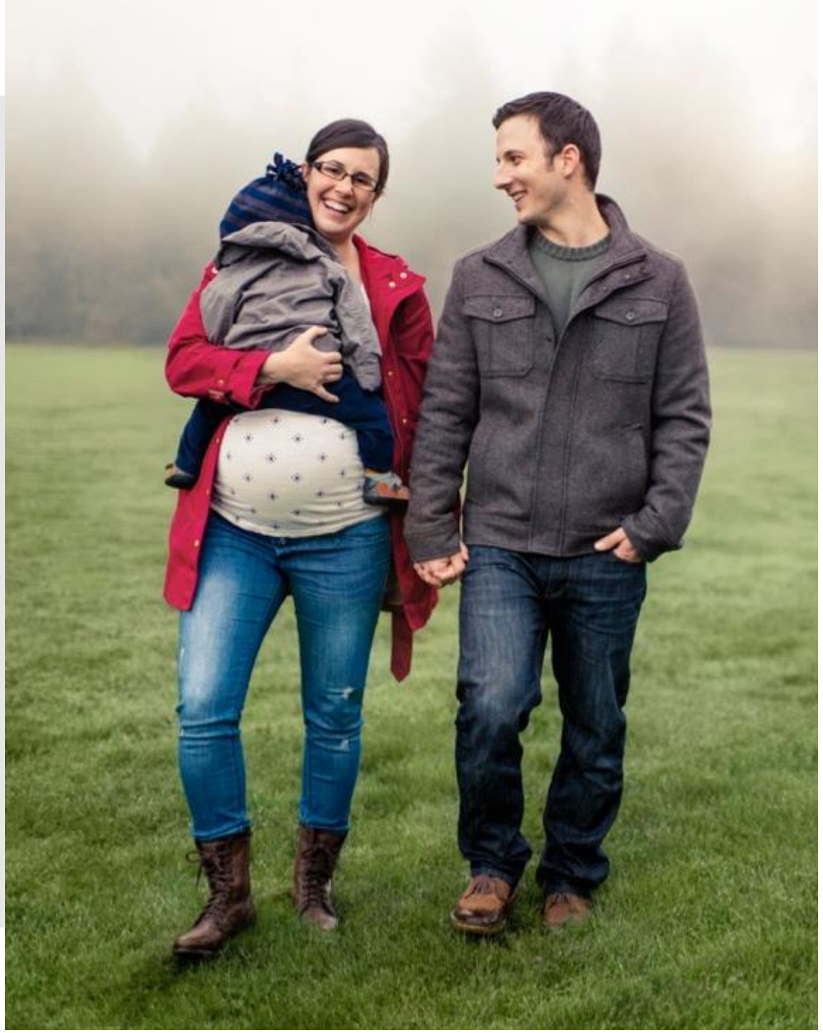
CVSHealth.

Agenda

Strategy for accelerating growth

Our differentiated consumer experience

Product roadmap and value creation



CVSHealth

Our product and service portfolio targets the biggest challenges in health care

New consumer facing products

- Greenfield opportunity
- Substantial focus of health care VCs

Comprehensive chronic care and disease management

Risk carve-outs

- $180B spend for oncology / kidney disease[5]
- Major client pain point

Optimize government programs

- STARs drives revenue and enrollment
- $6.3B opportunity for MA plans[4]

Home hemodialysis

Analytics products

- $19B industry growing at a 28% CAGR[7,8]
- Highly fragmented industry

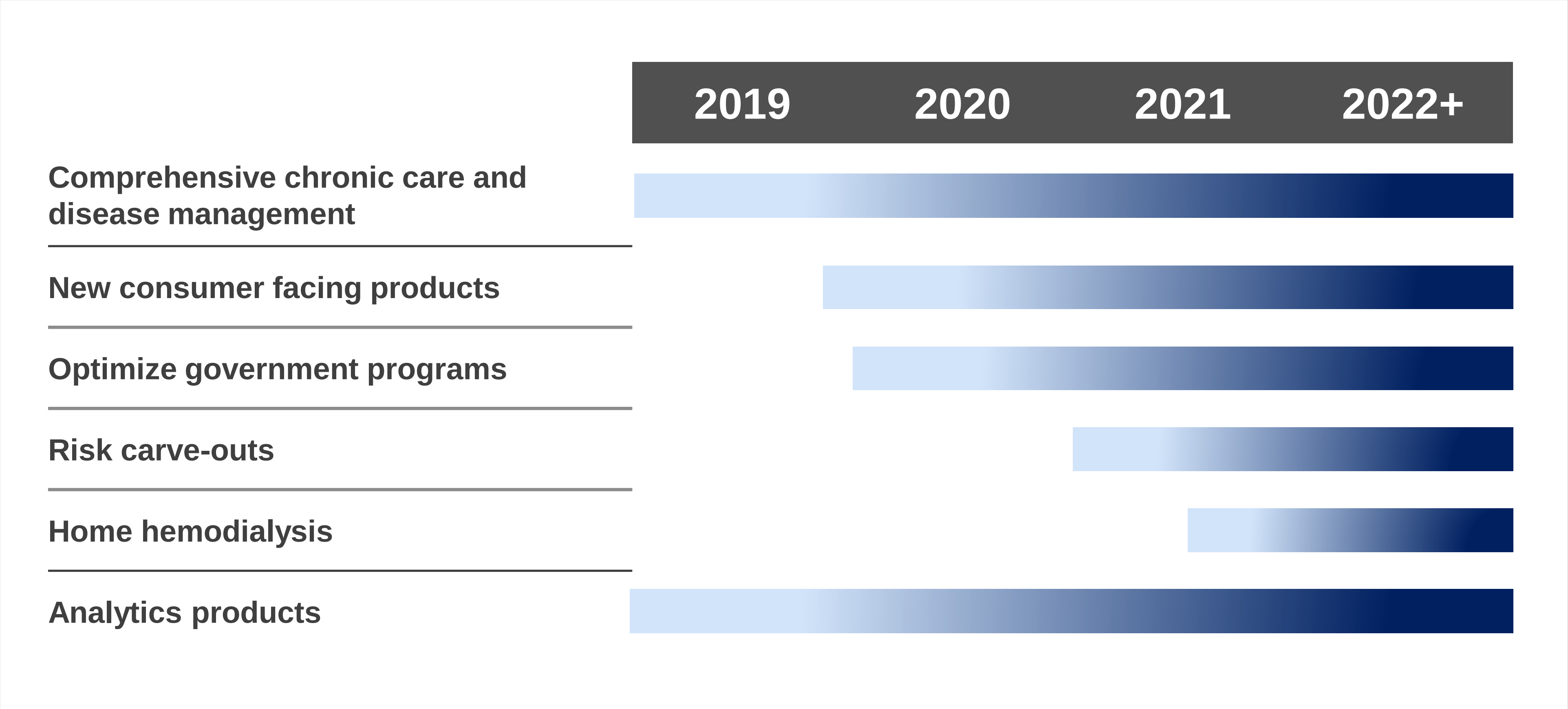
Focusing on large opportunities enables us to create significant financial value

How we'll create value across the enterprise

Medical cost savings	Membership growth	Expanded use of CVS assets	Increased consumer satisfaction and retention	Open platform and new businesses
Commercial insured	Plan sponsors	Pharmacy	Improving the consumer experience	Payor agnostic solutions
Medicare Advantage	Medicare Advantage members	MinuteClinic®		Data and analytics products
		Front of store		New businesses
		Coram		
		Medicare Advantage quality improvement		

CVSHealth.

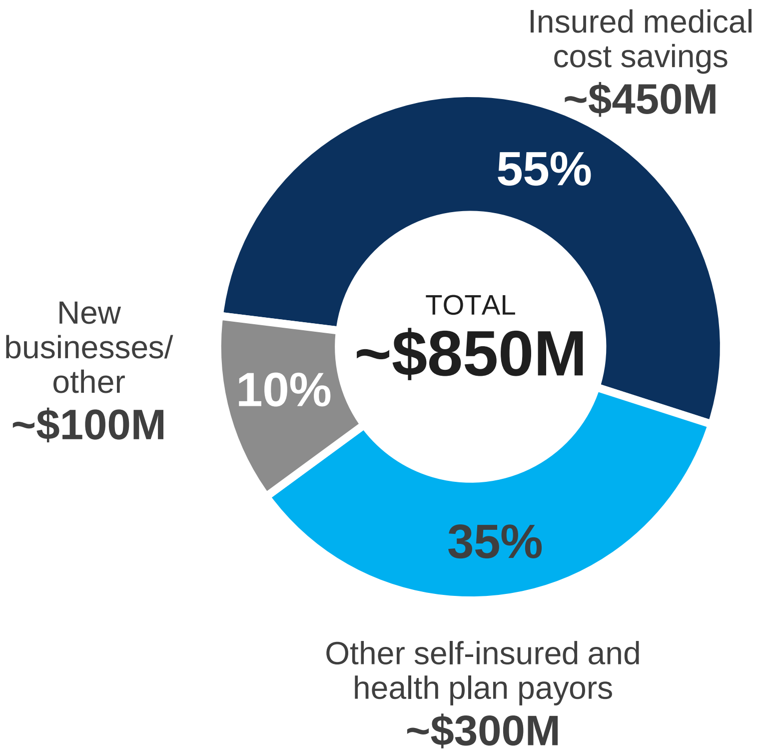
Transformation product timeline



The portfolio is projected to drive significant operating income

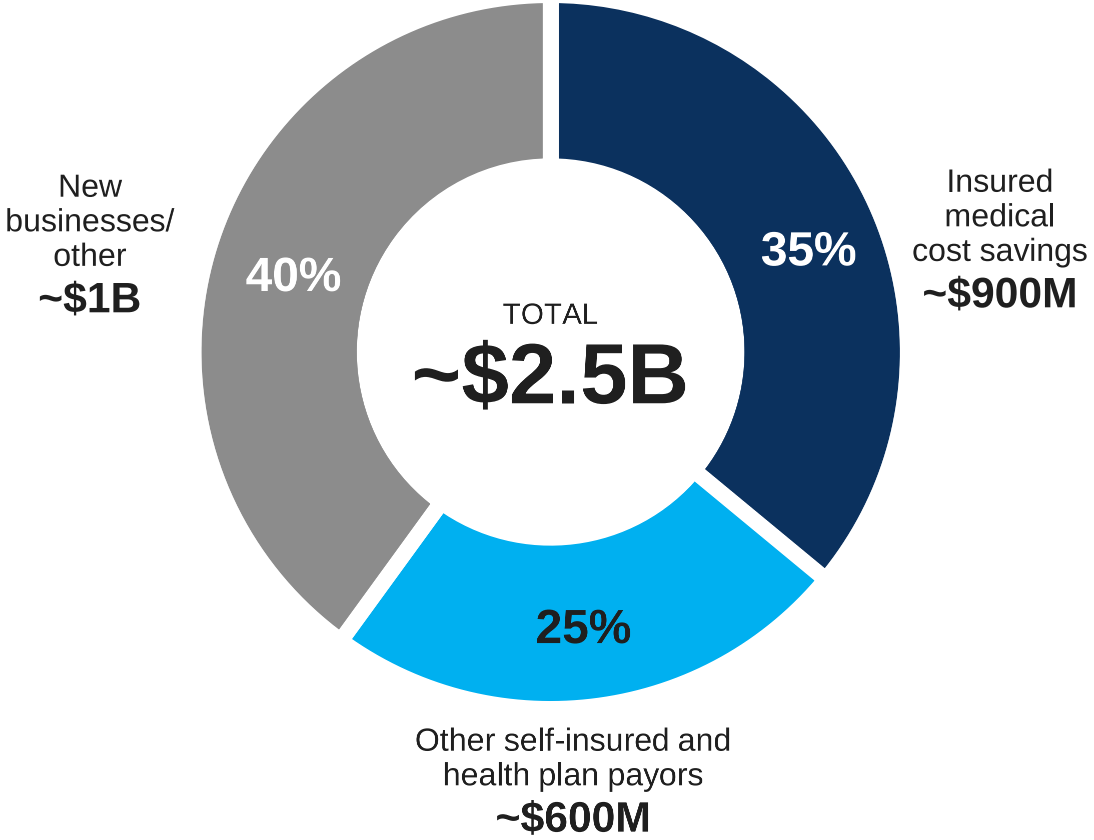
2022

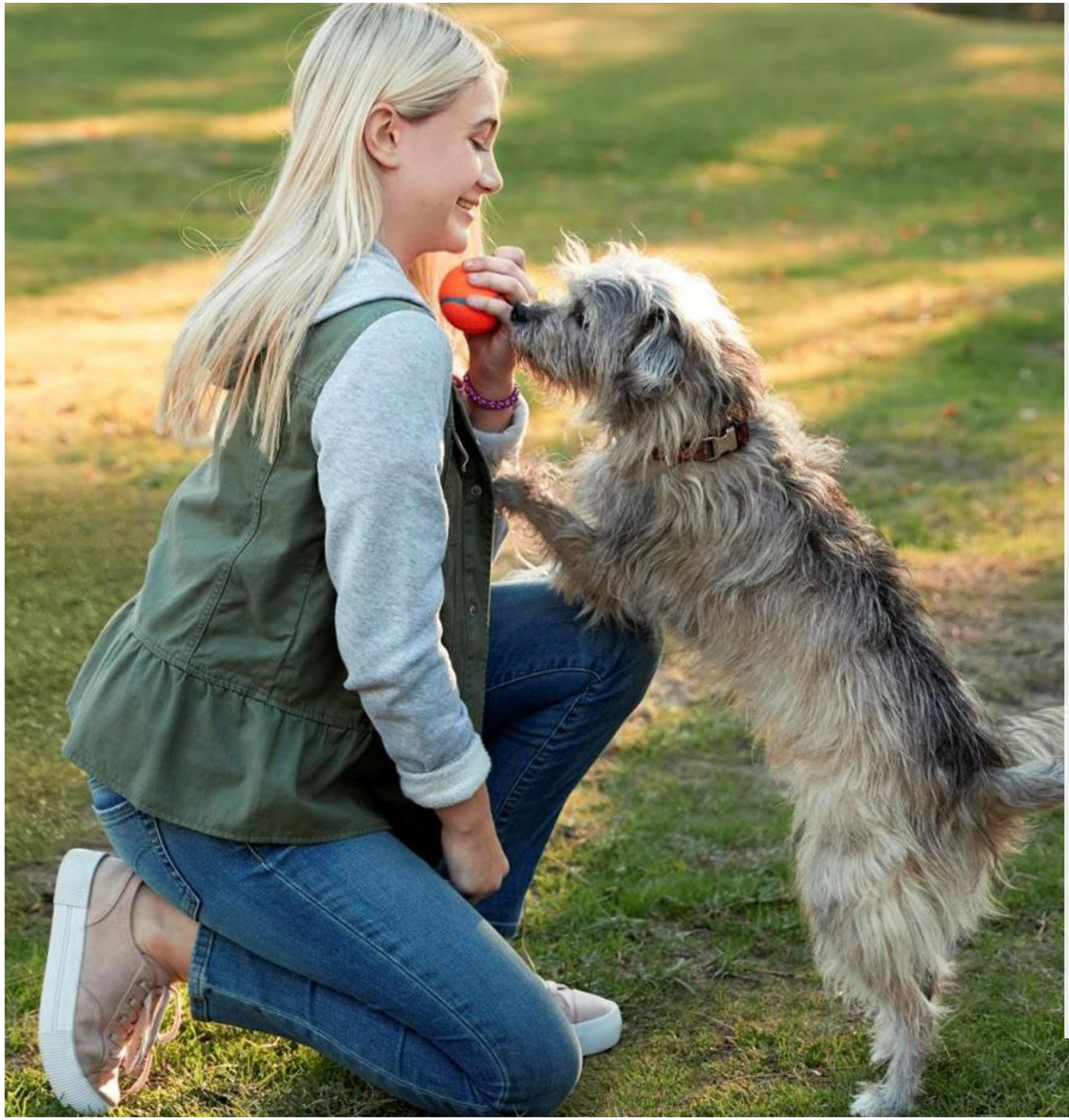
~$850M in projected operating income for the enterprise[10]



Long Term

~$2.5B in projected operating income for the enterprise[10]





KEY TAKEAWAYS

Building the most consumer-centric health company

Becoming the most consumer-centric health company

Differentiating through our community touchpoints

Building a balanced growth portfolio supporting all businesses

---

Projecting ~$2.5B of operating income over the long term

CVSHealth.

Endnotes

1. 6 in 10 adults in the US have a chronic disease; Source: CDC
2. $3T in US spend on people with chronic and mental health conditions; Source: CDC
3. $50B in chronic care spend within Aetna membership in 2017 (includes insured and ASO); Source: Aetna
4. $6.3B in bonus payments from CMS for Medicare Advantage plans; Source: KFF
5. $180B+ in US spend on cancer and renal disease in 2017; Source: United States Renal Data System, National Cancer Institute
6. $114B+ in Medicare spend on CKD and ESRD patients in 2016; Source: United States Renal Data System
7. Top two analytics industry leaders earned $19B in revenue in 2018; Source: Annual Reports (UnitedHealth Group Incorporated, IQVIA Holdings Inc.)
8. Healthcare analytics 28% annual growth rate; Source: ReportsnReports
9. Joseph and Susan are illustrative patient examples.
10. Currently enacted laws and regulations were used in all the Company's projections.
11. https://www.reuters.com/article/us-usa-healthcare-dialysis/u-s-seeks-to-cut-dialysis-costs-with-more-home-care-versus-clinics-idUSKCN1QL0G6, accessed March 4, 2019.

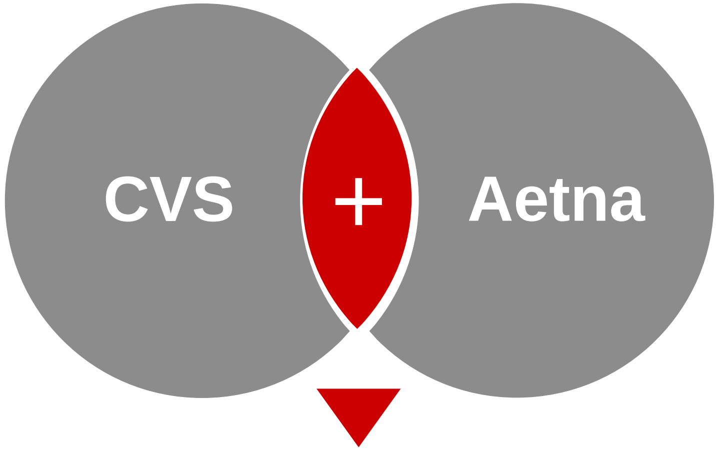
CVSHealth

Establishing the Foundation for Transformation

Jon Roberts
Executive Vice President &
Chief Operating Officer

CVS Health®

Transforming our operations to enable long-term growth



NEW OPPORTUNITY

Unmatched expertise across multiple areas of health care

Businesses with aligned objectives and complementary assets

Data-driven, robust technology foundation

To capitalize on this opportunity, we will establish a new operational foundation

Enhance our technology infrastructure to deliver connected, personalized experiences

Optimize our pharmacy supply chain to reduce costs

Modernize our enterprise to drive long-term value and fund future growth

CVS Health

Agenda

Consumer-centric, data-driven infrastructure

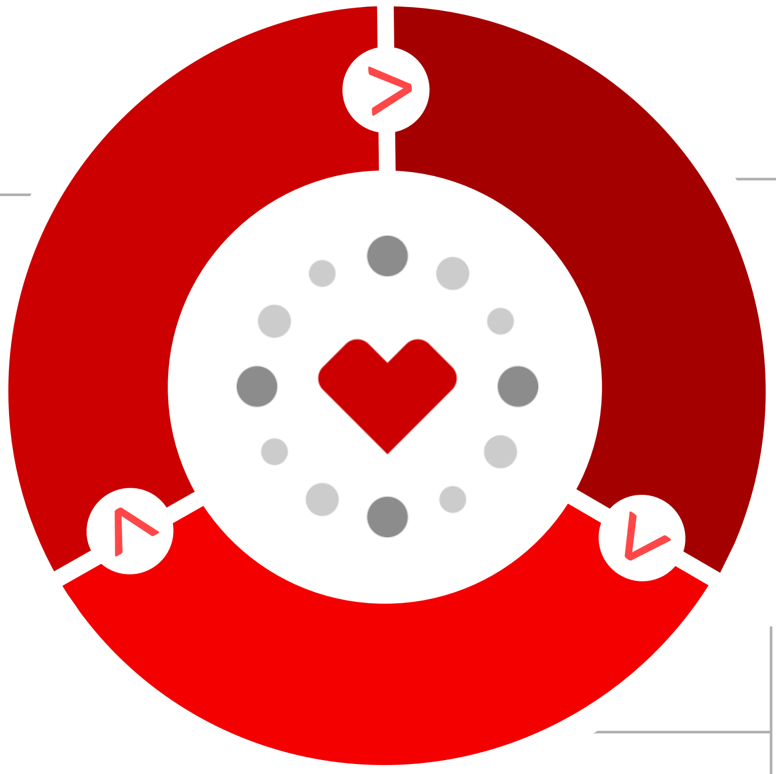
Optimizing the pharmacy supply chain

Enterprise modernization

Building a consumer-centric technology infrastructure

Three Key Areas

Integrated data and advanced analytics



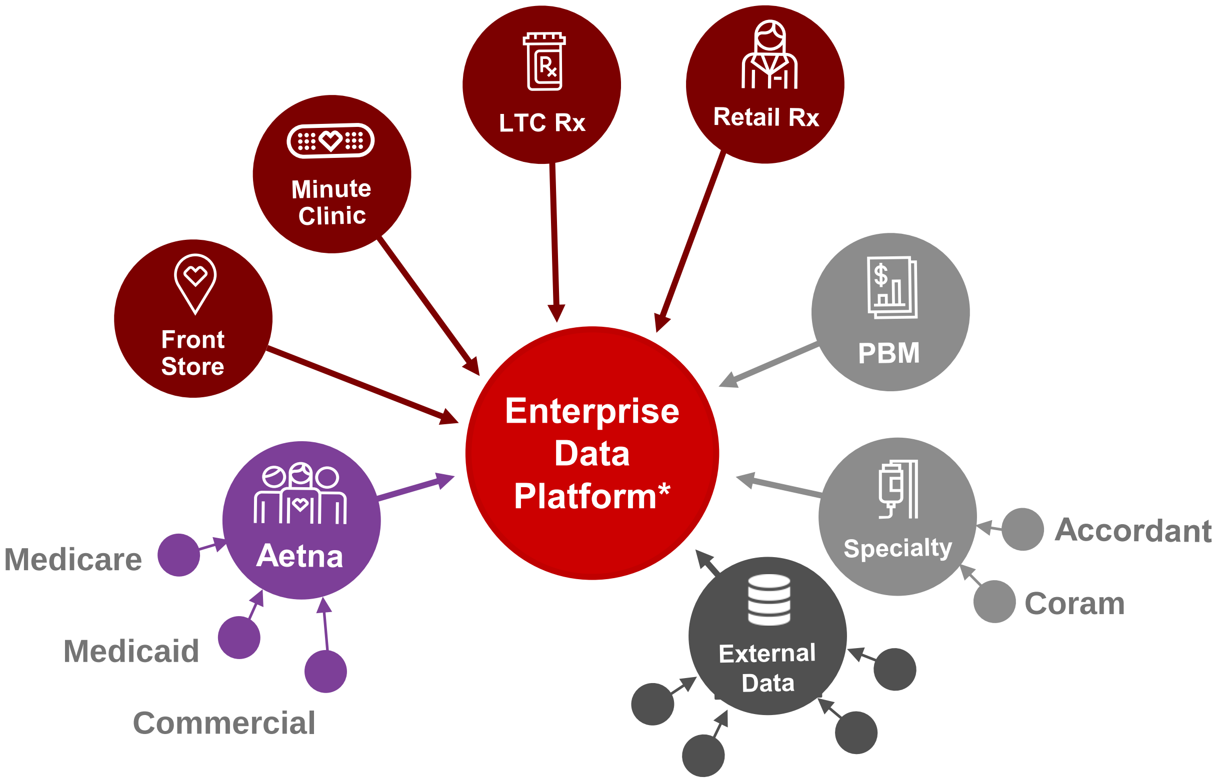
An intelligent engagement platform

Seamless, connected digital & physical experiences

CVSHealth

Creating an integrated data ecosystem

Creating a high-quality, reliable, protected and integrated data platform for the enterprise…



…to **unlock the power of our data;** delivering value in new ways

Increasing consumer engagement

Enhancing business benefits

Driving new business

*Data will be used only as permitted by applicable laws, client contracts and our internal policies and standards

CVSHealth

Applying advanced analytics, including machine learning and artificial intelligence

Supporting our businesses

Revenue & membership growth

Network & provider tools

Cost management

Personalization

Engaging consumers

Consumer Behavior Change

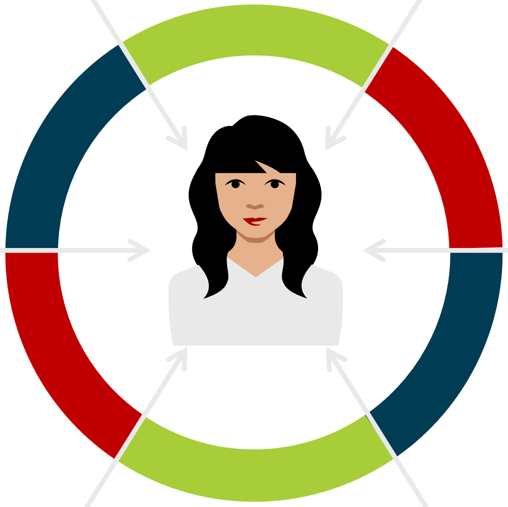
Next best action analytics that develop targeted engagement opportunities to influence consumer behavior and improve health outcomes

Developing an intelligent engagement platform

Understanding the consumer's journey and creating a customized engagement strategy

Continually updated 360° view of consumer to personalize product and service offerings and engagement

Understanding the situational context; the right time and sequence



Consistent and connected outreach across various channels

Personalized content management; the right topic, for the right consumer

Consumer-focused approach to communication, when and how they prefer

CVSHealth.

Turning data into insights and insights into action

AT-RISK JOSEPH

AGE:

INCOME:

JOB: Employed

DEVICES USED: Mobile phone

PREFERENCES: Appreciates proactive outreach as he balances work, family and his health

> *"Maintaining my health is my first priority since learning I'm at risk for complications associated with my diabetes."*

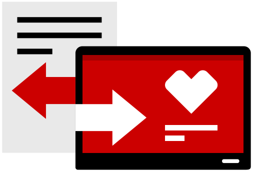
Our technology in action

Data Platform	Analytics	Business Platforms	Engagement Platform	Consumer Touchpoint
360° view of Joseph (preferences, health info, etc.)	*Engagement recommendations based on Joseph's preferences*	*Integrated back-end systems enable seamless, simple, and convenient front-end experiences*	*Connected channels know when and how to engage with Joseph*	*Mobile scheduling and reminders delivered via digital app*

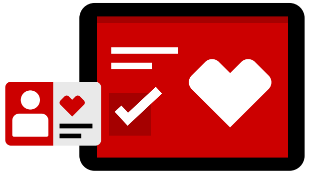
Refer to endnote 15.

CVS Health

Building on our existing foundation, we are taking an agile and scalable approach



Build on our existing technology
modernize and rationalize as needed



Take a use case driven approach to build
guided by the needs of our customers, strategy and businesses

Start small, show value, and iterate
with a design that allows us to expand, scale, and remain agile

Build for the enterprise
ensuring we maximize the value of our investment

Agenda

Consumer-centric, data-driven technology

Optimizing the pharmacy supply chain

Enterprise modernization

Levers to optimize our pharmacy supply chain

1. Size, scale, and expertise	2. Traditional generics	3. Specialty & biosimilars	4. Pharmacy & medical benefit	5. Innovative contracting

CVSHealth

Our advantages make us a marketplace leader

100+ Million[3]

Lives under management across PBM and Health Care Benefits

$18.5 Billion[2]

Savings from generics and biosimilars (2016-2018)

2.7 Billion[1]

Enterprise prescriptions dispensed and managed per year

$67 Billion[2]

Rebate value delivered to clients and members (2016-2018)

Our scale and expertise enable us to hold down costs for consumers and customers

CVSHealth

Red Oak continues to position us to win in the traditional generics marketplace

RED OAK SOURCING

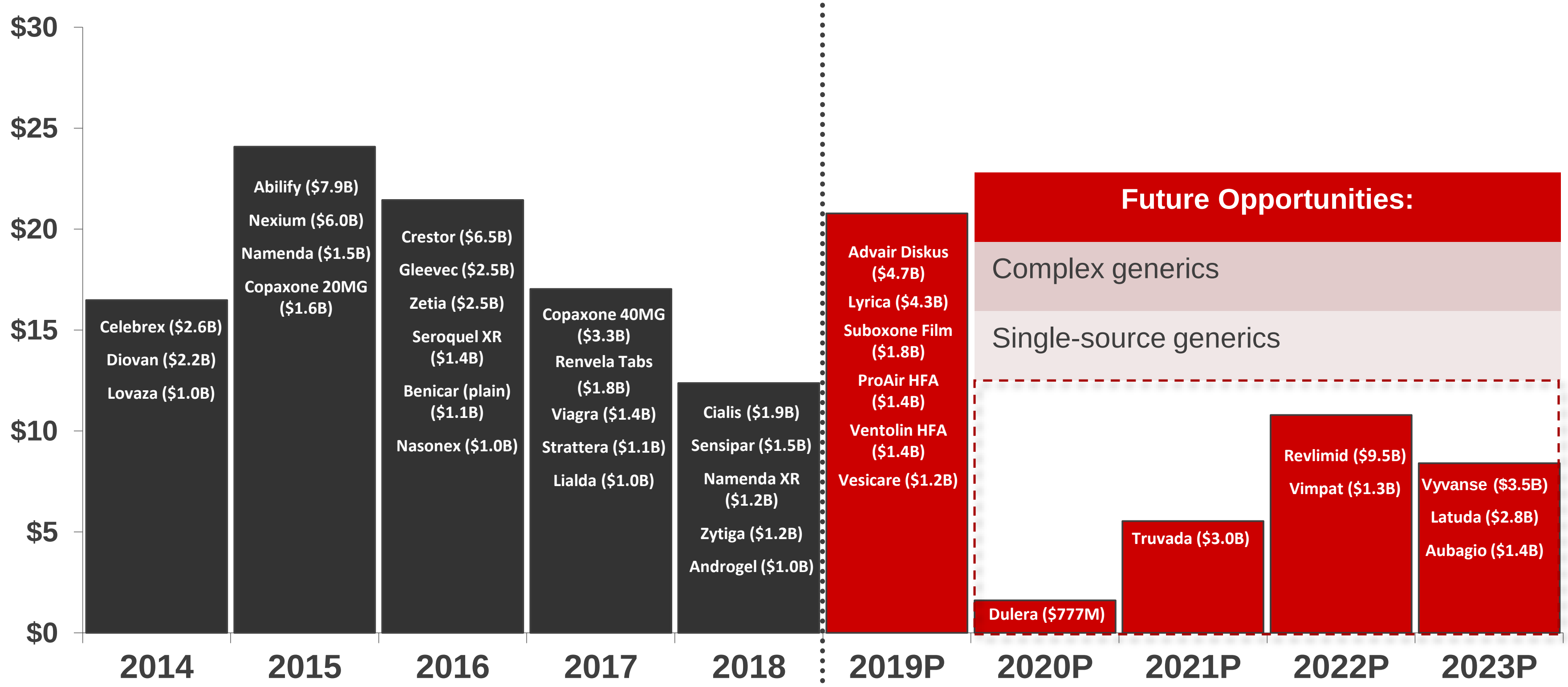
New Capabilities

- Increased data and analytics capabilities
- Expanded ability to identify risks and opportunities across the global supply chain
- Enhanced supplier assessment framework to deliver greater stability and predictability
- Improved monitoring of international regulatory agencies and each element of the supply chain

Historic and potential future generic launches

Sales of branded products with recent and upcoming generic launches (excluding biosimilars)[4]

U.S. Sales ($ Billions)

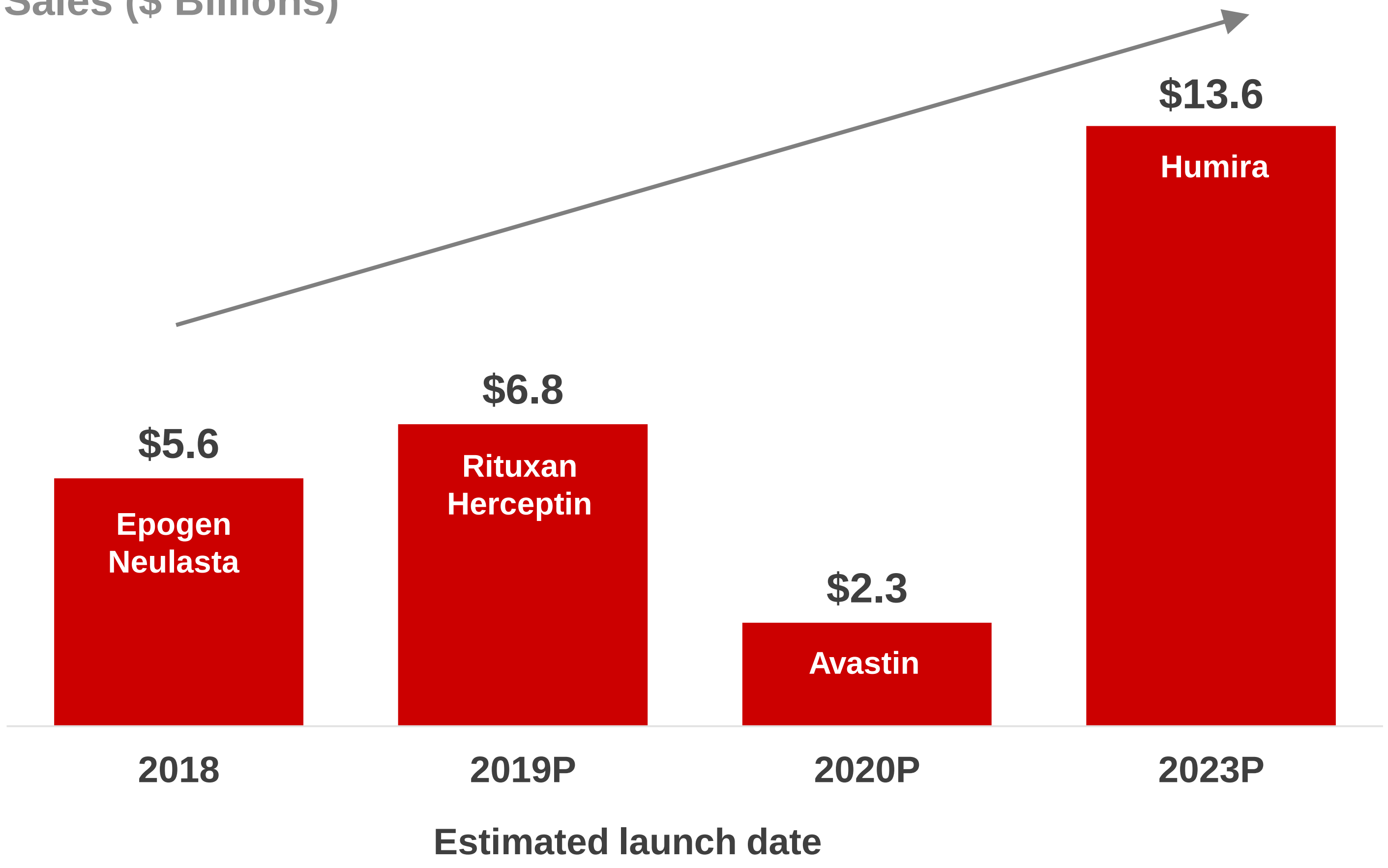


Opportunity remains beyond the traditional generic marketplace to create value with our unique capabilities.

In Specialty, we will increase the use of biosimilars as approvals gain momentum

Sales of branded products with recent and upcoming biosimilar launches[5]

U.S. Sales ($ Billions)



Cost management opportunity improves when there is increased competition in a class or new therapy options are coming to market

CVSHealth

We will take an enterprise approach to reducing specialty drug costs under both the medical and pharmacy benefit

U.S. specialty pharmaceutical market by channel
(In billions)[6]

Our combined capabilities create more opportunities to:

- Align incentives across stakeholders to increase competition in medical benefits
- Explore value-based collaboration with providers to enhance formulary compliance
- Work to ensure drug prices align to the value they deliver

Integrated approach can improve affordability of prescription drugs

CVS Health

High-cost therapies present opportunities for innovative approaches

Gene therapy

Expensive

Single-use agents

"Curative"

Replace lifetime therapy

Examples:

$850K
Luxturna
inherited vision loss[7]

$2M+
Zolgensma
for spinal muscular atrophy in pediatric patients[8]

$2-3M
Valoctocogene Roxaparvovec
for hemophilia A[9]

Car T-cell therapy

High-cost

Patient-specific therapy

Drug or procedure

Medical or pharmacy benefit

$475K
Kymriah
acute lymphoblastic leukemia[10]

$375K
Lisocabtagene Maraleucel
aggressive non-Hodgkin's lymphoma[11]

High-cost therapies present opportunities for innovative approaches

Gene therapy[12]

Expensive

Single-use agents

"Curative"

Replace lifetime therapy

Example (illustrative):

$850K
Luxturna
inherited vision loss[1]

$2M+
Zolgensma
for spinal muscular atrophy in pediatric patients[2]

$2-3M
Valoctocogene Roxaparvovec
for hemophilia A

- Therapy should lead to the patient avoiding bleeding events and subsequent medical costs of those events, such as ER visits.
- Therapy should result in a significant decrease or no need for current factor therapy ($100K+ cost annually).

CVSHealth.

Optimizing our pharmacy supply chain

- Well positioned to drive value from traditional generics and biosimilars
- CVS + Aetna combination provides additional levers to drive value in specialty pharmacy under the medical benefit
- We will use our enterprise assets to continue to optimize our pharmacy supply chain in rapidly evolving marketplace

CVSHealth

Agenda

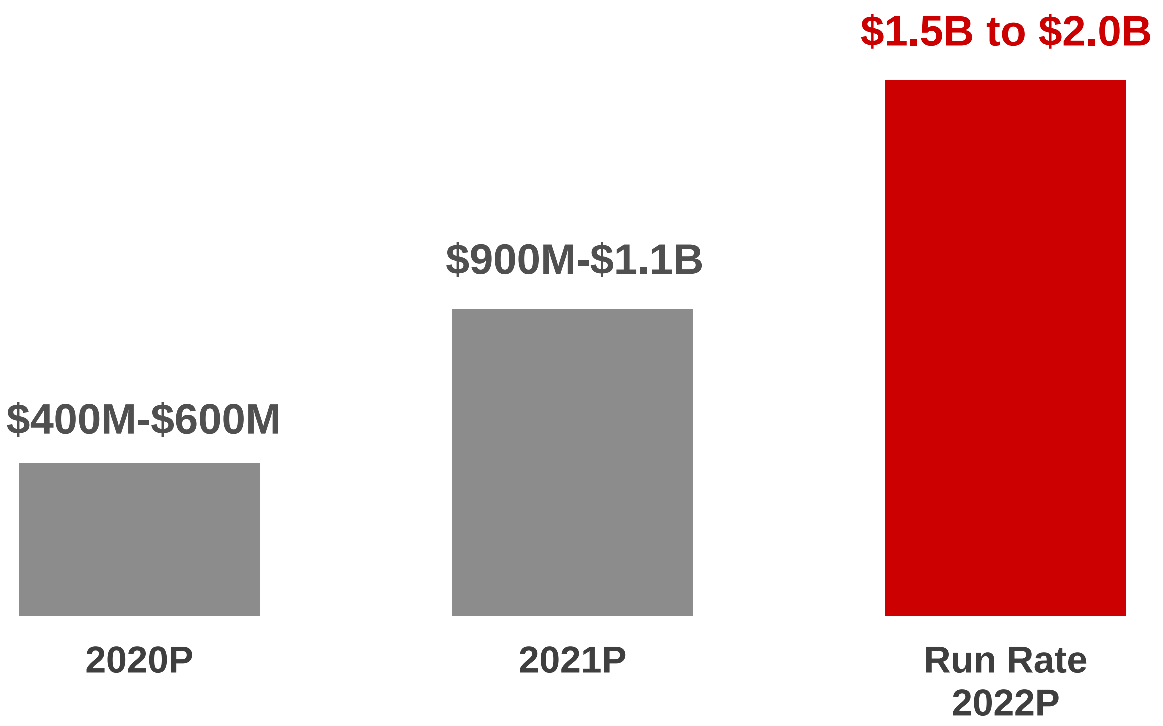
Consumer-centric, data-driven technology

Optimizing the pharmacy supply chain

Enterprise modernization

CVSHealth

Generating net savings with enterprise modernization[13]



Modernization net savings are incremental to previously disclosed cost reduction programs

Areas of net savings

- Technology modernization
  - Rationalization
  - Centers of Excellence
- Productivity improvements
  - Optimize call centers
  - Vendor management
  - Business initiatives

Projected costs to achieve

- Operating expenses
  - $200M-300M annually through 2022

This is a cross-enterprise effort to create capacity and invest in our growth

Major long-term value opportunities will help us reach our strategic and financial aspirations

Enterprise modernization

Work smarter to deliver substantial cost benefits

Deliver unmatched consumer experience

Build an innovative workplace and workforce

Pursue a responsible sustainability agenda

IT modernization

Enterprise service delivery center

Member experience of the future

Demand management

CVSHealth

Example: Automating pharmacy benefit plan configuration[14]

Delivering faster, more accurate client benefits and better member experience

2,800+ clients offering 1,000’s of plans, millions of PBM members

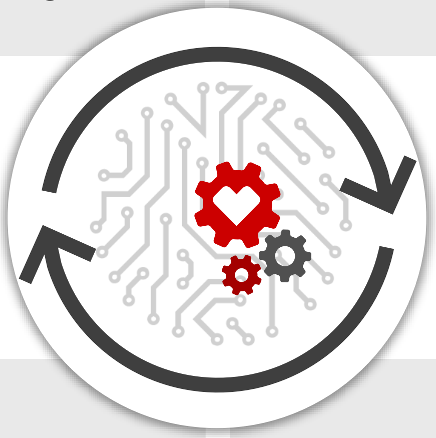
Automated machine learning techniques

Over **98% accuracy** in preliminary results

Client Interface

Requirements
Optical Character Recognition + Natural Language Processing

Modeling
Analytics + Machine Learning



Data Interface

Testing
Robotic Process Automation + Machine Learning

Coding
Robotic Process Automation + Machine Learning

Estimated to reduce costs by 80% and improve service

CVSHealth

Example: Targeting significant reduction in call center cost while improving member experience[14]

>100M

Inbound calls received each year across PBM, Aetna, and Retail businesses

>$1B

Annual spend from external and internal call center operations

Leverage technology

Change behaviors

Goals

Reduce call center cost by >30% …

…while **improving member experience** …

…and moving to **higher-value interactions**

CVSHealth

KEY TAKEAWAYS

Building a powerful operational foundation

At the center – a consumer-centric technology infrastructure with advanced analytics

---

An optimized pharmacy supply chain – capitalizing on generics and biosimilars, and utilizing innovative contracting

---

Multi-year Enterprise Modernization Initiative – projected run rate net savings of $1.5B - $2.0B in 2022

CVSHealth

Endnotes

1. https://www.cvshealth.com/about/facts-and-company-information, accessed May 19, 2019.
2. https://payorsolutions.cvshealth.com/sites/default/files/2018-trend-report.pdf (page 2), accessed May 19, 2019.
3. https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/9cbbe02f-2553-4357-9633-fc0823f630d4.pdf (page 2), accessed May 19, 2019.
4. IMS and Evaluate Ltd. Annual USA Sales Summary data, pulled on May 22, 2019. 2014-2018 includes all actual launches; 2019-2023 includes all expected generic launches and are subject to change. IMS total brand market sales estimates represent trailing 12 months of sales. Evaluate sales estimates represent sales for the branded drug in the launch year. This slide contains references to brand-name prescription drugs that are trademarks or registers trademarks of pharmaceutical manufacturers not affiliated with CVS Health.
5. Evaluate Ltd. Annual USA Sales Summary for 2018, pulled on May 21, 2019. Dates included in this slide are reflective of estimated commercial launch date and subject to change. Branded drugs are placed in the year that their biosimilar equivalent is expected to launch. Values shown are annual sales for the branded drug in the launch year. This slide contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health.
6. Barclays US Health Care Distribution and Technology Specialty Market Model 2017 Update: A Focus on Biosimilar Opportunities, Jan 30, 2017. Medical: specialty distribution - primarily physician office, clinic and hospital sites of care covered under the medical benefit; Pharmacy: specialty pharmacy - primarily home and alternate care sites covered under the pharmacy benefit.
7. https://www.nbcnews.com/health/health-news/luxturna-gene-therapy-blindness-cost-850-000-n834261, accessed April 8, 2019.
8. https://scrip.pharmaintelligence.informa.com/SC124932/Price-Anchoring-Zolgensma-And-The-Art-Of-Managing-Gene-Therapy-Sticker-Shock, accessed April 8, 2019.
9. https://scrip.pharmaintelligence.informa.com/SC124718/BioMarin-CEO-Suggests-Hemophilia-Gene-Therapy-Pricing-In-$2m$3m-Range, accessed April 8, 2019.

Endnotes

10. https://www.consumerreports.org/drug-prices/kymriah-first-gene-therapy-costs-475000-dollars-childhood-cancer, accessed April 8, 2019.
11. https://www.pharmaceutical-technology.com/comment/asco-2018-will-jcar017-become-third-car-t-product-lymphoma/, accessed April 8, 2019.
12. Summary of clinical trial outcome measures for Valoctocogene Roxaparvovec summarized from https://clinicaltrials.gov/ct2/show/NCT03392974, accessed April 8, 2019. Cost of factor therapy: https://hemophilianewstoday.com/2018/05/04/extended-half-life-products/ and https://icer-review.org/wp-content/uploads/2017/08/ICER_Hemophilia_A_Draft_Report_012618.pdf Note: These slides contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health.
13. Currently enacted laws and regulations were used in all the Company's projections.
14. Internal CVS Health analysis.
15. Joseph is an illustrative patient example.

Driving Profitable Growth as a Consumer Health Company

Karen S. Lynch
Executive Vice President &
President, Aetna

CVS Health®

Health Care Benefits (HCB) executive team

Karen S. Lynch
President

Scott Walker
Chief Financial Officer

Jonathan Mayhew
Markets and Distribution Strategy & Enablement

Fran Soistman
Government Services

Chris Ciano
Medicare

Randy Hyun
Medicaid

Sheryl Burke
Commercial Business

Erin Hoeflinger
Business Strategy & Excellence and Consumer Experience

Angie Meoli
Network Strategy and Provider Experience

Doug Porter
Service Operations

Dave Edelman
Marketing

Tanya Taupier
Human Resources

Louis Ursini
Information Technology

Paula Branco
Operational Planning & Reporting, Financial Planning & Analysis

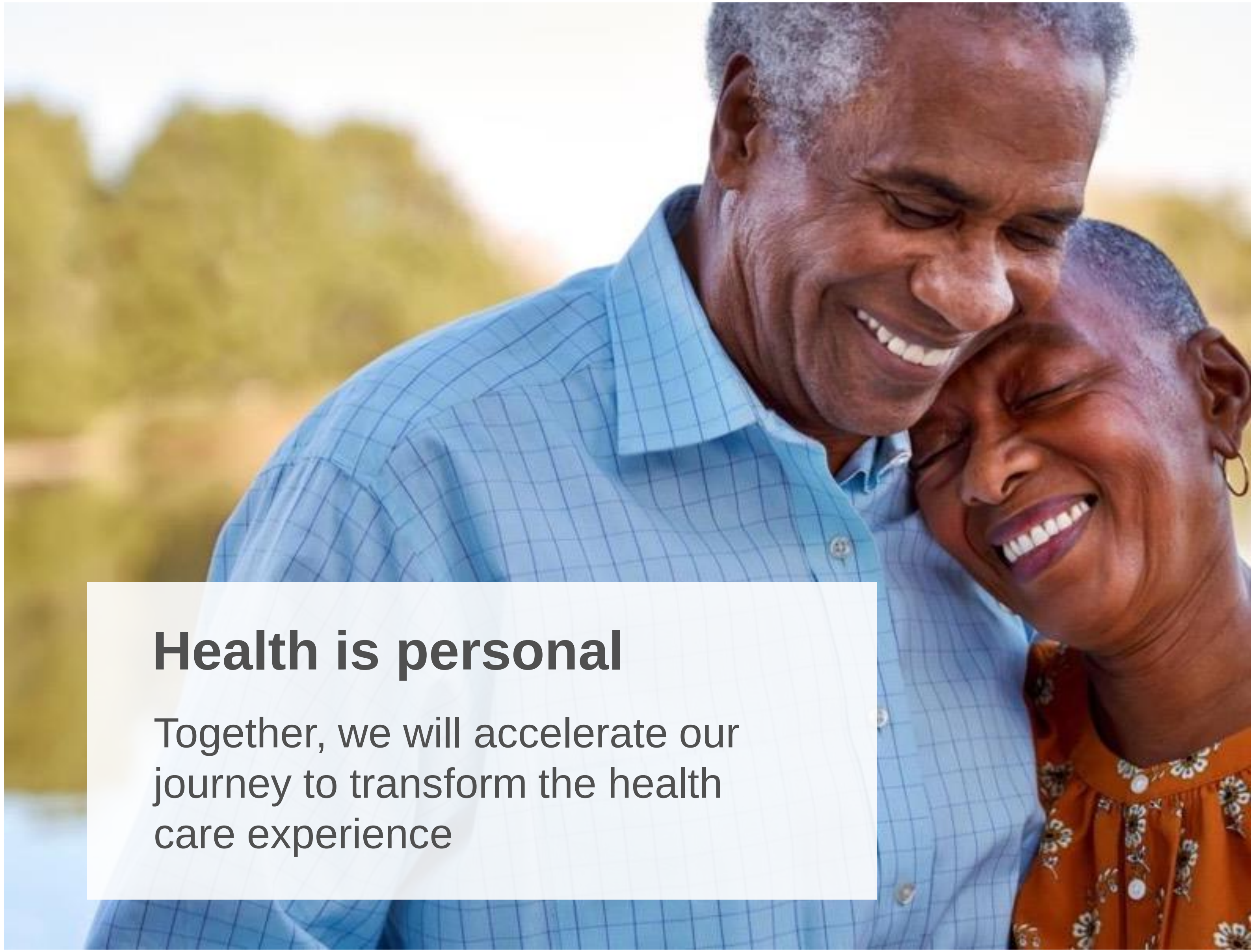
Sandra Waite
Communications and Strategic Advisor to the President

Agenda

Strategy

Business Update

- Medicare
- Medicaid
- Commercial & Supplemental



Health is personal

Together, we will accelerate our journey to transform the health care experience

CVSHealth

Transformational change

Complementing our core with the development of new products and services

Grow the core

Multi-pronged approach to deliver growth across HCB businesses

Expand geographic footprint

Optimize growth within existing businesses

Enhance local, omni-channel distribution strategy

Build the new

Innovative solutions and services to be delivered in the community

Create integrated experience offerings

Establish holistic care coordination and delivery

Develop engaging consumer tools and resources

Integrating capabilities to differentiate the health care experience

CVS | AETNA

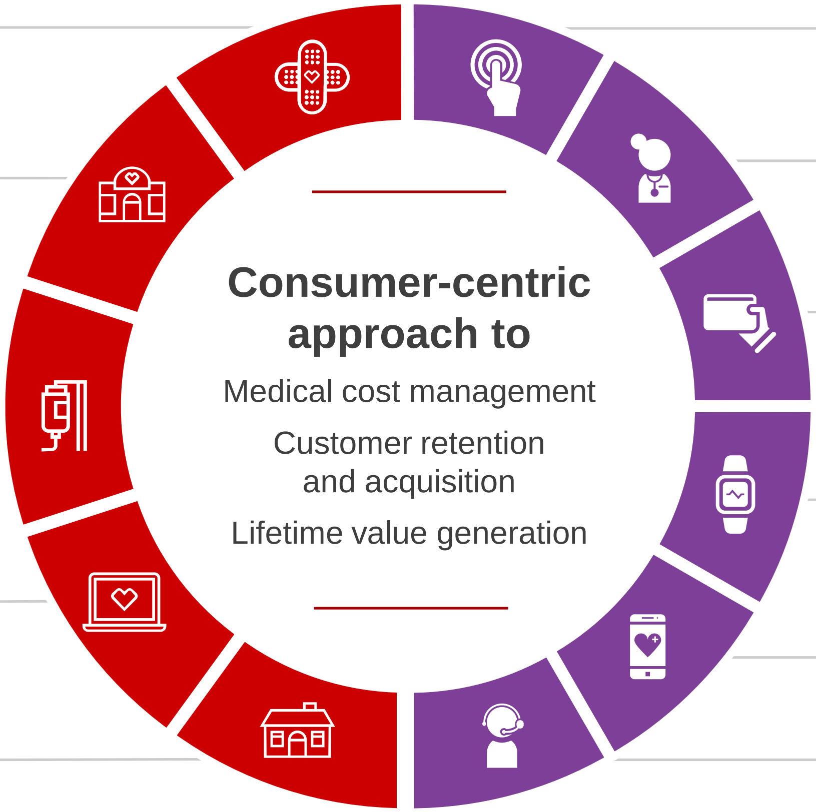
MinuteClinic®
Walk-in Clinics

Retail Pharmacies

Coram
Specialty infusion

Novologix
Medical Specialty Rx

Accordant
Care management



bswift®
Shop/buy/enroll

Aetna® Community Care
Local care teams

PayFlex®
Pay. Save. Invest.

Virtual health

Aetna® Health
Digital self-service

Aetna One® Advocate
Personal touch

HealthHUBs®

The combined advantage

Be local	MinuteClinic optimization	In-store Medicare knowledge centers
Make it simple	Holistic product integration	“Hospital to Home”*
Improve health	Pharmacy panels	Digital triage*

*Future program launch

CVSHealth.

The future

1. Evolving from health insurer to consumer health company
2. Delivering holistic care to our members
3. Transforming the industry with combined CVS Health / Aetna assets

CVSHealth.

Agenda

Strategy

Business Update

- **Medicare**
- Medicaid
- Commercial & Supplemental

CVS Health

Our business today - Medicare

1.3M+ Individual members

21% CAGR (2015 – 1Q 2019)

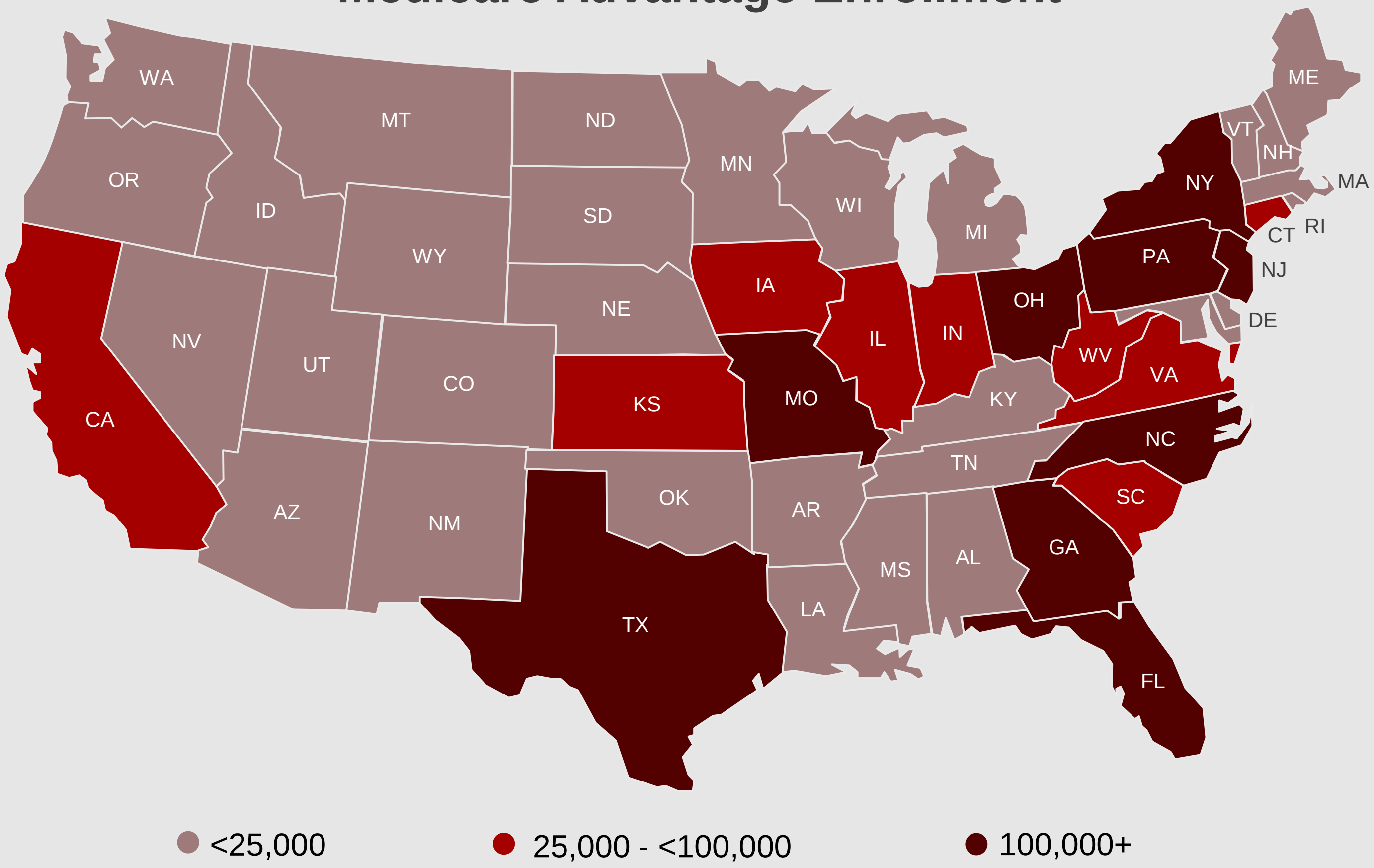
900K+ Group members

15% CAGR (2015 – 1Q 2019)

6.0M+ PDP members*

Largest PDP membership in the nation (1Q 2019)

Medicare Advantage Enrollment

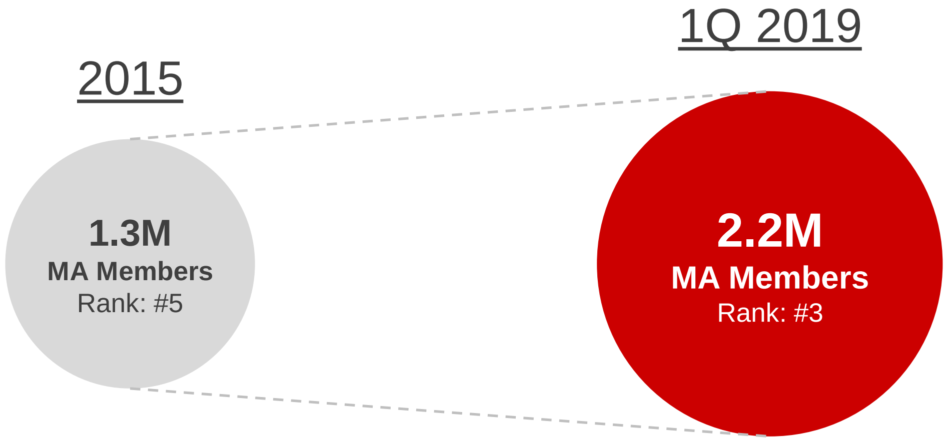


*Excludes members divested to WellCare Health Plans, Inc. effective December 31, 2018.

CVSHealth

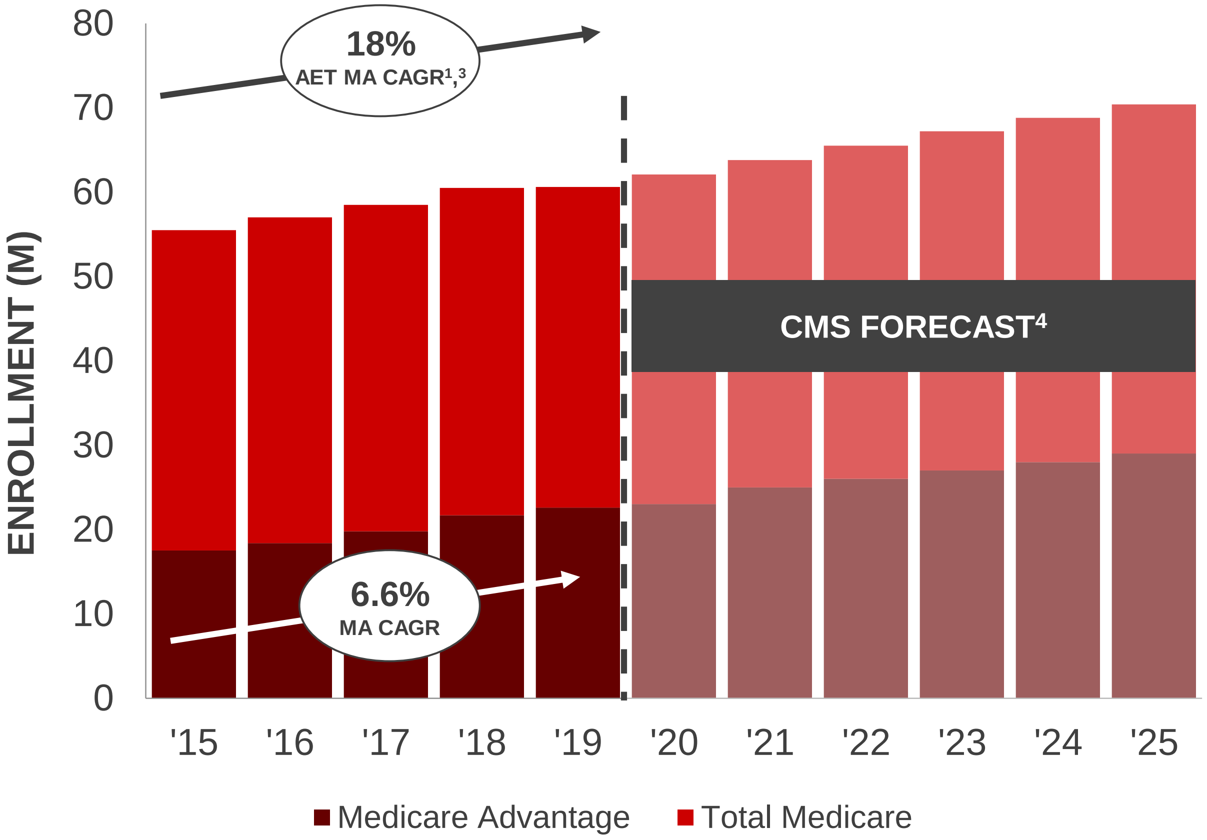
A compelling landscape

We have grown membership faster than competitors and captured share



Aetna has achieved **approximately 2.5 times** the Medicare Advantage industry's growth rate during this time period (industry 6.6%)[2]

CMS expects a continuation of the positive trends in Medicare Advantage enrollment

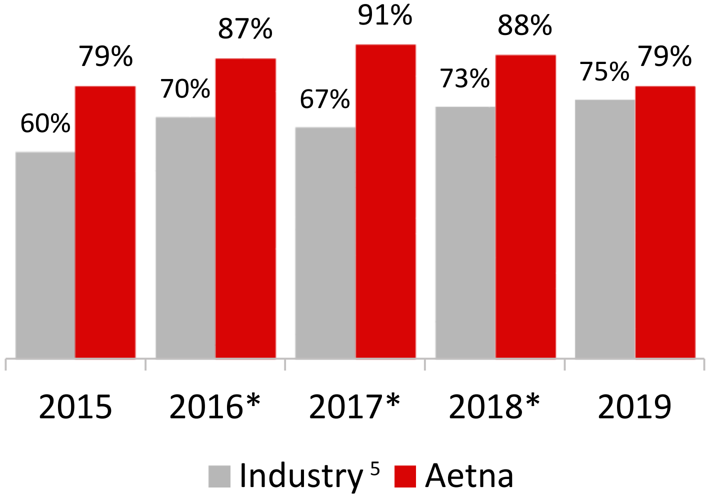


CVSHealth

Capturing the opportunity

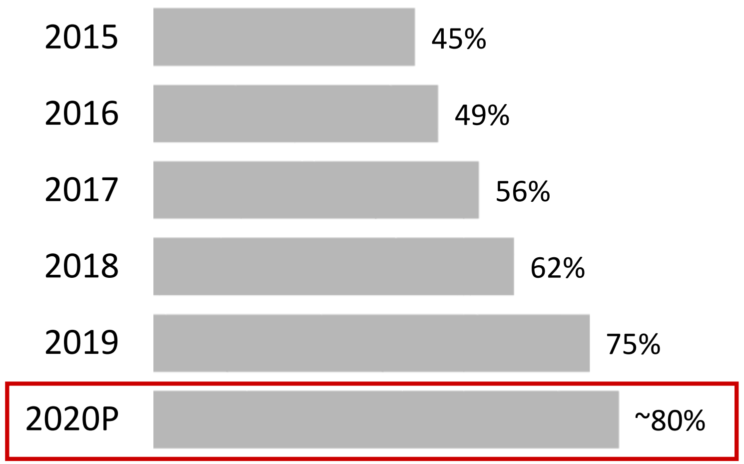
Medicare Advantage Star Ratings

% of members in 4+ star-rated plans



***Ranked #1**
among publicly traded companies
3 of the past 5 years

Percentage of Medicare Advantage beneficiaries with access to Aetna plans[1]



More than **82,000** PDP to Medicare Advantage conversions **2015 - 2019**

Critical capabilities

Local Market Presence & Depth

Deep understanding of market dynamics and **local presence** to drive mind share and contracting

Consumer Experience

Focus on **simplification**, **minimizing consumer hassles**, and differentiation through **local collaborations**

Care Delivery Ecosystem

Value-based contracting with aligned incentives; **clinical risk stratification** and **predictive modeling**

Analytics & Technology

360° view of consumers and providers; **operational efficiency** enabled by robotics, machine learning, and artificial intelligence

The combined advantage

"Hospital to Home"

Making it simpler for our customers to improve their quality of life

Expect to launch pilot in 4Q 2019

The future

1. Continued above industry growth
2. Commitment to STARS excellence
3. Personalized care in the community and in the home

Agenda

Strategy

Business Update

- Medicare
- **Medicaid**
- Commercial & Supplemental

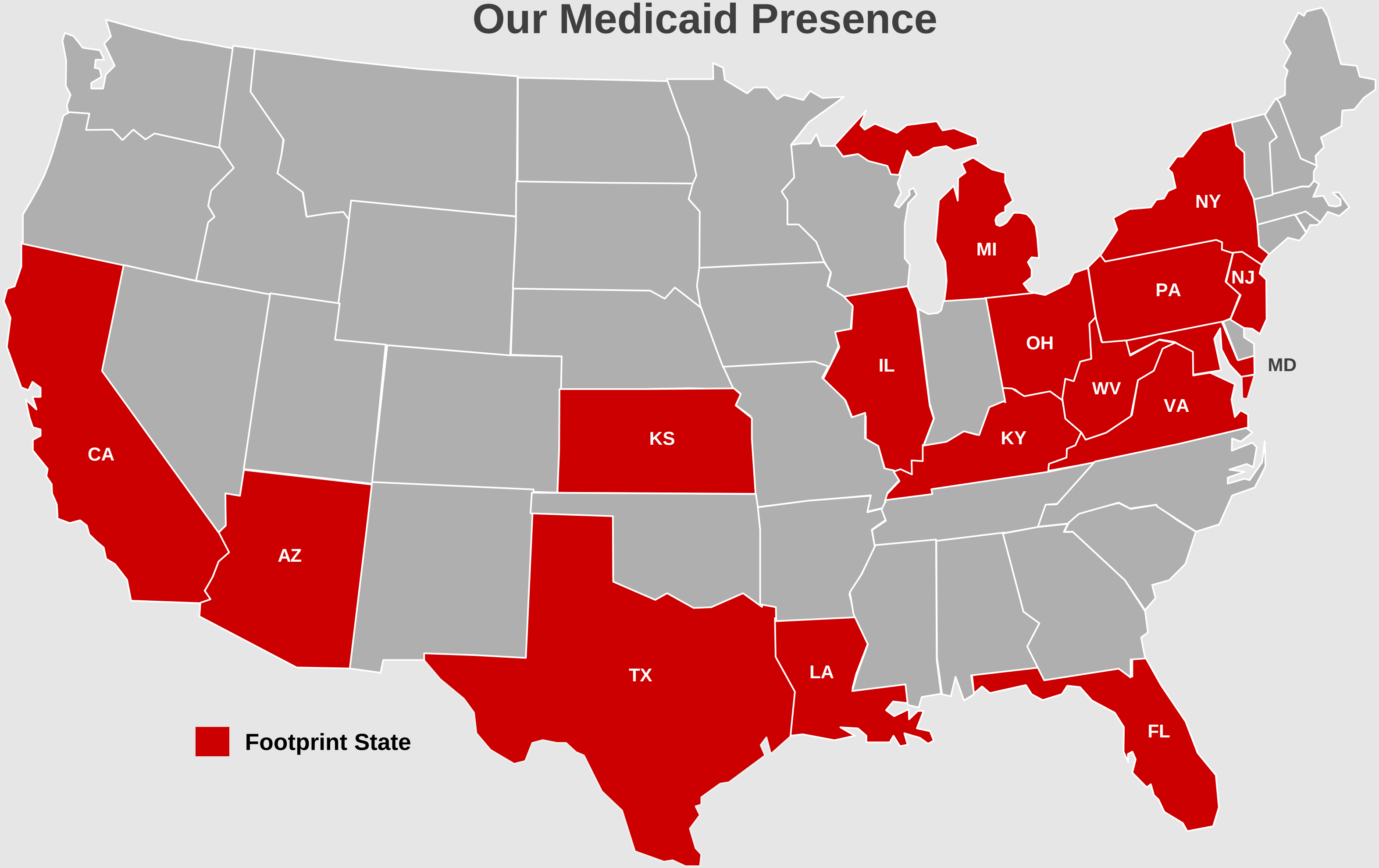
CVS Health

Our business today - Medicaid

2M members
in risk and non-risk agreements

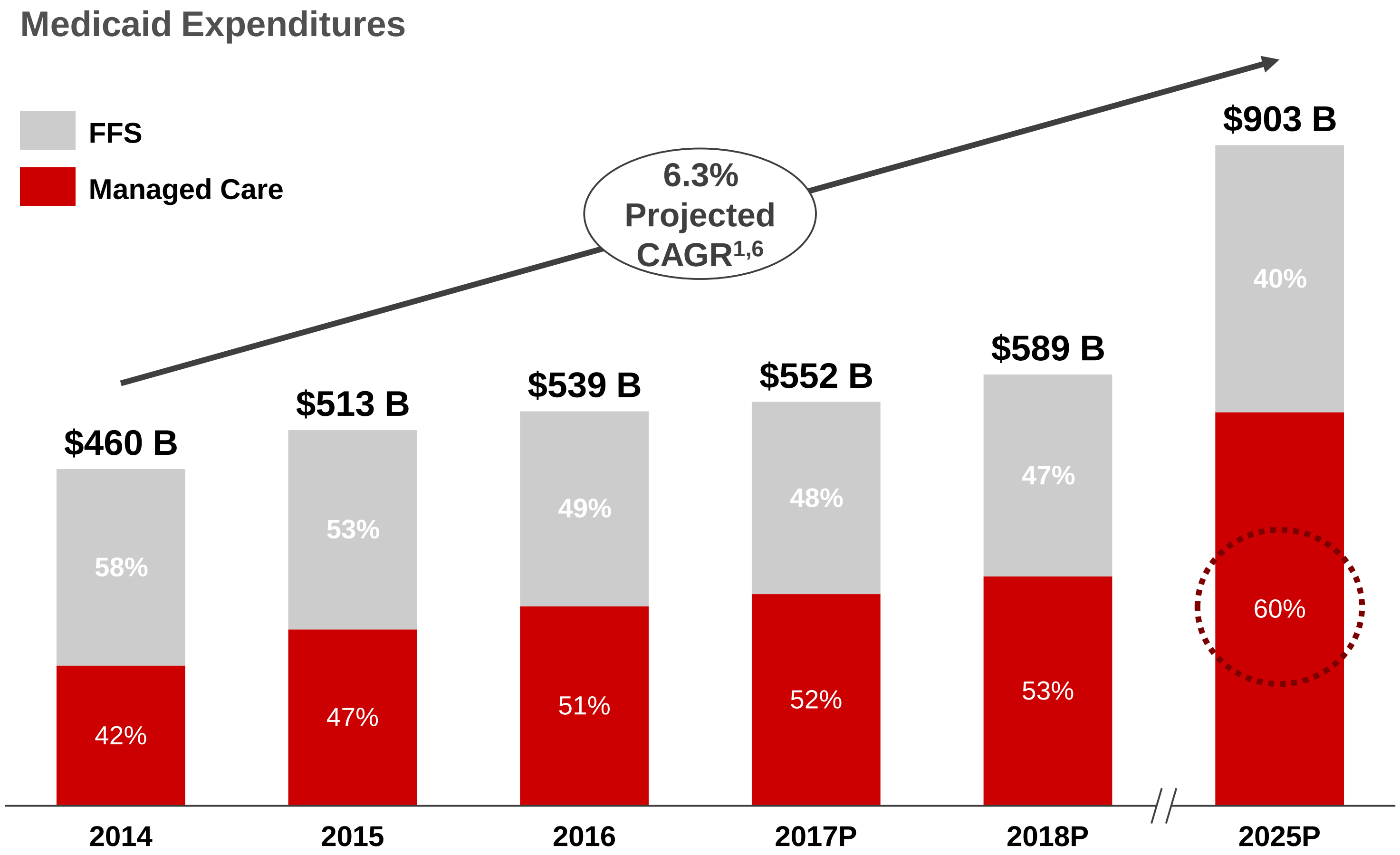
Serving 16 state partners
across the nation

Our Medicaid Presence



CVSHealth

Medicaid growth opportunity



60%

of Medicaid expenditure is expected to be serviced by managed care by 2025[6]

We are delivering

holistic health solutions for the Medicaid population that effectively respond to the **social determinants of health** and solve for **health inequalities**

The opportunity to care for the more complex and higher acuity populations

Our approach to the marketplace

Be local

Grow Medicaid through **program expansions**, winning **new state contracts**, and **strong plan retention**

Make it simple

Improve **member and provider experience** to better serve our members and support our vital provider partners

Improve health

Drive higher quality and plan performance by improving **quality metrics** and **health outcomes**

Lead the change

Deliver **innovative solutions** to evolve programs, optimize providers/vendors, and solve gaps impacting care

The combined advantage

Expanded primary care services at MinuteClinic

Improved access to care in the community

Launching in 4Q 2019

CVSHealth

The future

1. Continuation of marketplace expansion
2. Capturing growth opportunities
3. Delivering improved access to care

CVSHealth

Agenda

Strategy

Business Update

- Medicare
- Medicaid
- **Commercial & Supplemental**

CVSHealth

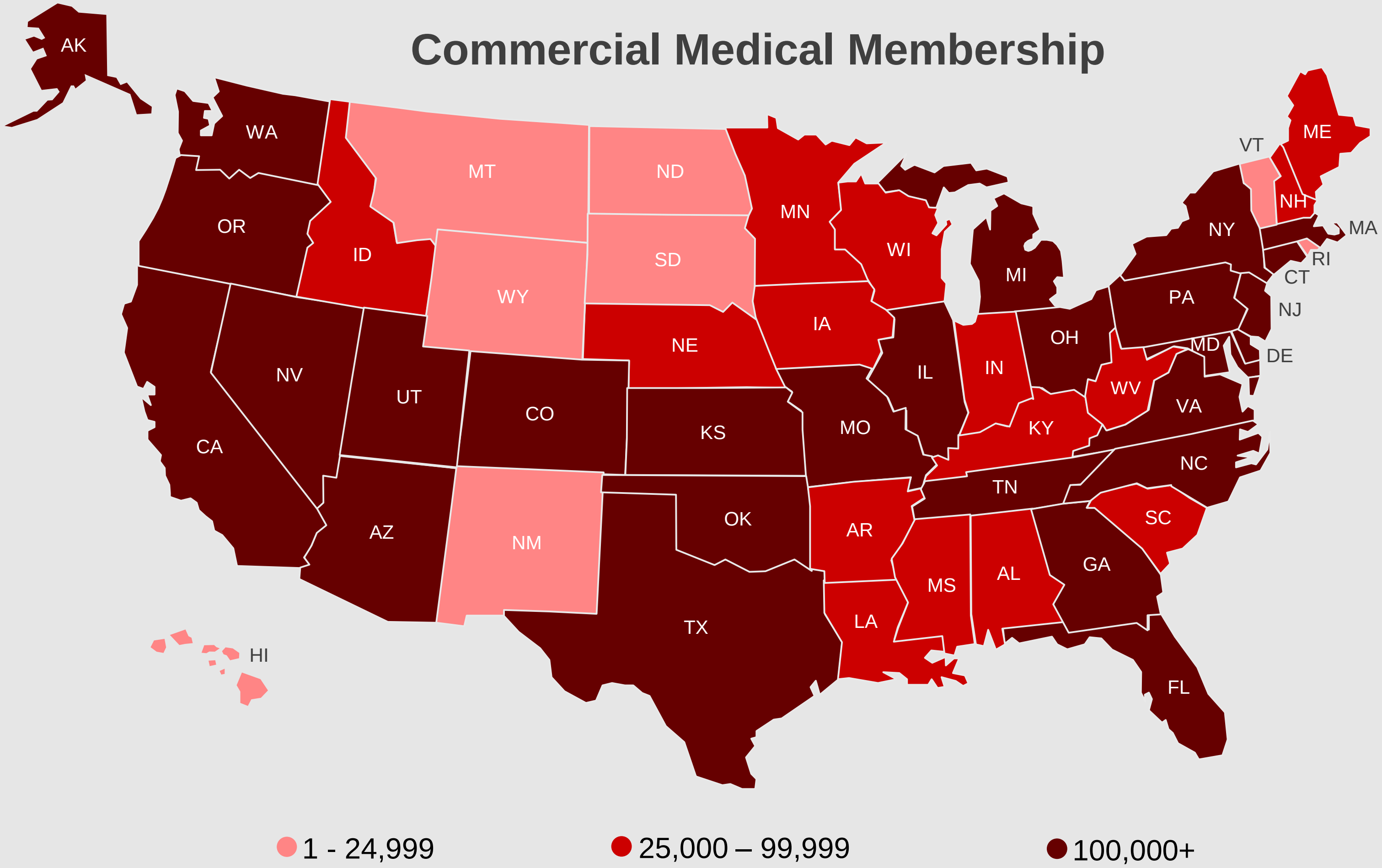
Our business today - Commercial & Supplemental[7]

~18M Commercial medical members

projected for 2019[1]

Among the

largest providers of Dental and Behavioral benefits in the U.S.[8]



CVSHealth

A mature landscape

Number of people **enrolled in employer-sponsored health care**[9]

156M

Percent of the U.S. population **enrolled in commercial health care**[10]

49%

Expected commercial industry **revenue growth through 2022**[11]

Low single digit %

Near-term Commercial medical membership and revenue expected to grow low single digit %[1]

Critical capabilities

Optimized value-based care model

VBC related spend

>50%

Service and clinical models

A1A membership

+600K

Growing supplemental opportunities

Projected 2019 revenue[1]

~$2.7B

Digital enhancements

CVSHealth

The combined advantage

Pharmacy panels

Highly personalized pharmacist consultations

Launched in 1Q 2019

The future

1. Driving profitable growth
2. Delivering fully integrated offerings
3. Evolving with industry change

KEY TAKEAWAYS

A redefined health care experience is within reach

Ongoing progress on the journey to transform health care

Uniquely positioned to drive growth in all lines of business

Continued commitment to strategy, accelerated through the CVS Health combination

CVSHealth

Endnotes

1. Currently enacted laws and regulations were used in all the Company's projections.
2. February 2019 CMS Enrollment File; Kaiser Family Foundation
3. CVS Finance
4. CMS NHE Data, available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html
5. Fact Sheet: Part C and D Star Ratings, available at https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/PerformanceData.html
6. Health & Human Services, 2017 Actuarial Report: Financial Outlook for Medicaid (issued Sept. 2018), Table 15 excluding Disproportionate Share Hospital Payments
7. Supplemental benefits refers to Aetna's Dental, Vision, Behavioral, Third Party Administration and Wholesale, Voluntary and Worker's Compensation businesses
8. LIMRA NADP 4Q18 US Workplace Benefits Dental and Vision in Force Survey Preliminary Report and Company research
9. https://www.kff.org, State Health Facts, Health Coverage & Uninsured, Health Insurance Status, Health Insurance Coverage of the Total Population (2017)
10. https://www.kff.org, State Health Facts, Health Coverage & Uninsured, Health Insurance Status, Health Insurance Coverage of the Total Population (2017)
11. IBIS World Industry Report 52411b Health & Medical Insurance in the U.S., December 2018

Evolving Strategy for a Changing Marketplace

Derica Rice
Executive Vice President &
President, CVS Caremark

CVSHealth®

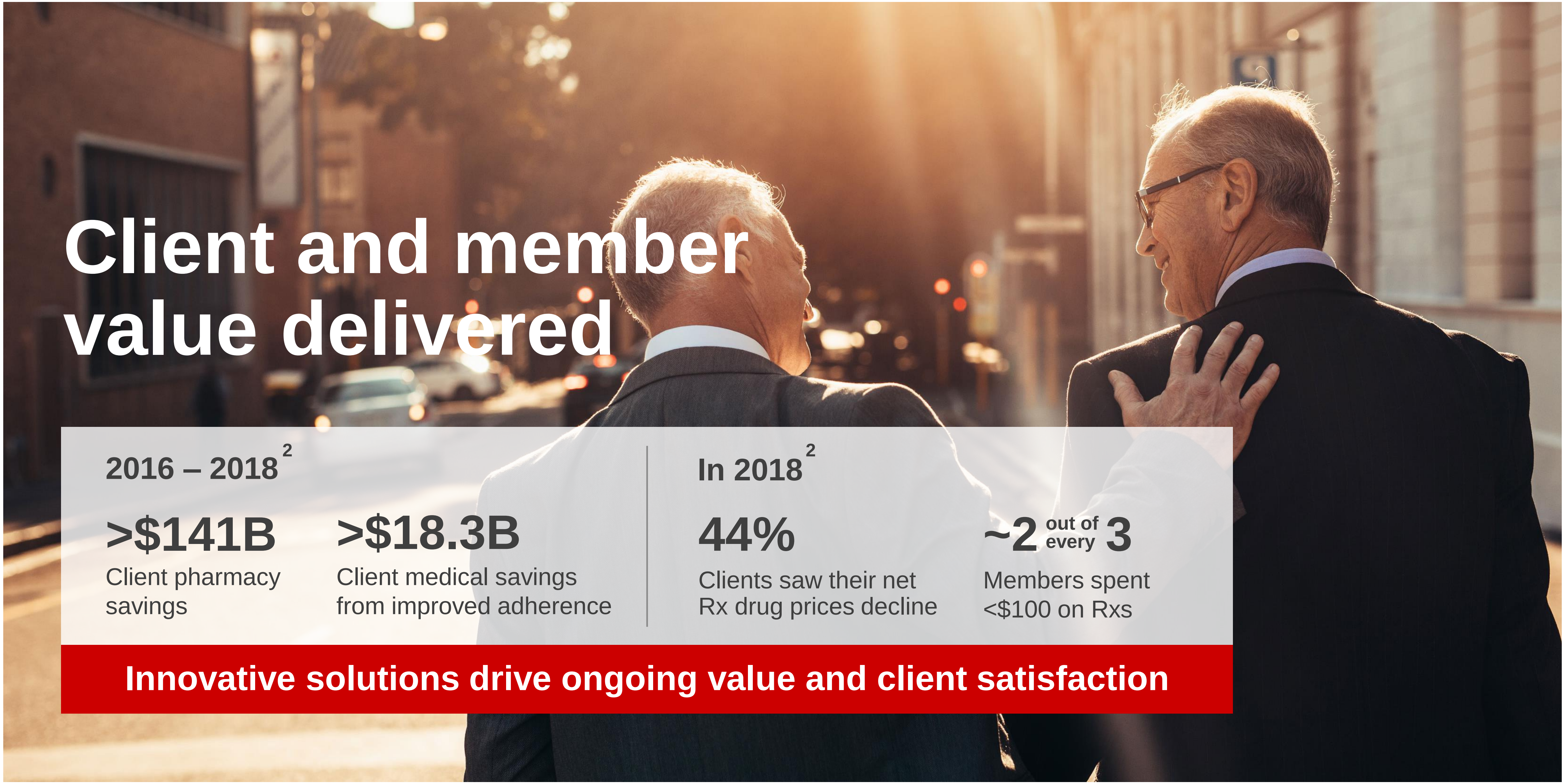
Agenda

Leading PBM platform today and tomorrow

Performance update

Four pillars of strategic growth

CVS Health



Client and member value delivered

2016 – 2018[2]

>$141B
Client pharmacy savings

>$18.3B
Client medical savings from improved adherence

In 2018[2]

44%
Clients saw their net Rx drug prices decline

~2 out of every 3
Members spent <$100 on Rxs

Innovative solutions drive ongoing value and client satisfaction

CVSHealth.

Caremark continues to pioneer industry-leading approaches to transform healthcare

Drug spend management

- ✓ Formulary innovations
- ✓ Proven purchasing economics

Operational excellence

- ✓ Seamless on-boarding
- ✓ Medicare D capabilities

Specialty outperformance

- ✓ Scale / purchasing
- ✓ Optimal utilization management

Enterprise-wide innovation

- ✓ Maintenance Choice
- ✓ Specialty Connect
- ✓ Pharmacy Advisor

New economic models > Enterprise Modernization > New best-in-class specialty solutions > New open platform solutions >

Agenda

Leading PBM platform today and tomorrow

Performance update

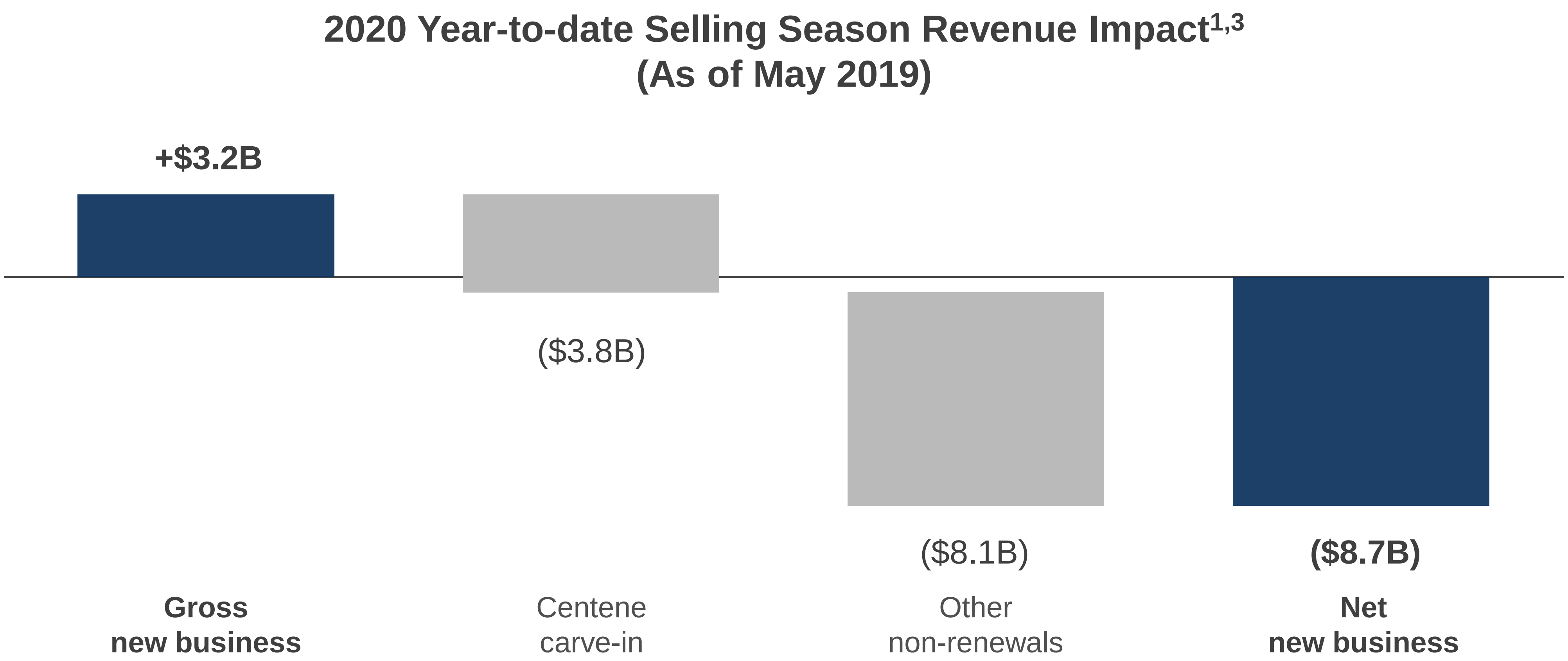
Four pillars of strategic growth

CVS Health

Strong fundamentals, transient challenges

Drivers / Challenges[1]	2018	2019	2020	2021
Net new contracts	▲	▲	▼▼	▲
Centene carve-in		▼	▼▼	▼
Rebate guarantees	▼	▼▼	▼	
Client pricing	▼▼	▼▼	▼▼	▼▼
Improvement to COGS	▲▲	▲▲	▲▲	▲▲
Specialty	▲▲	▲▲	▲▲	▲▲

2020 selling season results year-to-date



Note: Anthem revenue recorded on a net basis vs. gross.

Agenda

Leading PBM platform today and tomorrow

Performance update

Four pillars of strategic growth

CVS Caremark is well positioned for growth

1. New economic models	2. Enterprise Modernization	3. New best-in-class specialty solutions	4. New open platform solutions
Drug spend management	Operational Excellence	Specialty outperformance	Enterprise-wide innovation

CVSHealth.

A full range of pricing model options for clients

+

Industry leading solutions for members

Clients

Cost-Plus | Traditional | Guaranteed Net Cost | Risk-Based

Transparency, predictability, and low net cost

Real-time prescription benefit information | Zero-copay chronic drug list | Point-of-sale rebates

Members

CVSHealth

Aligning for Growth: Enhancing the member experience

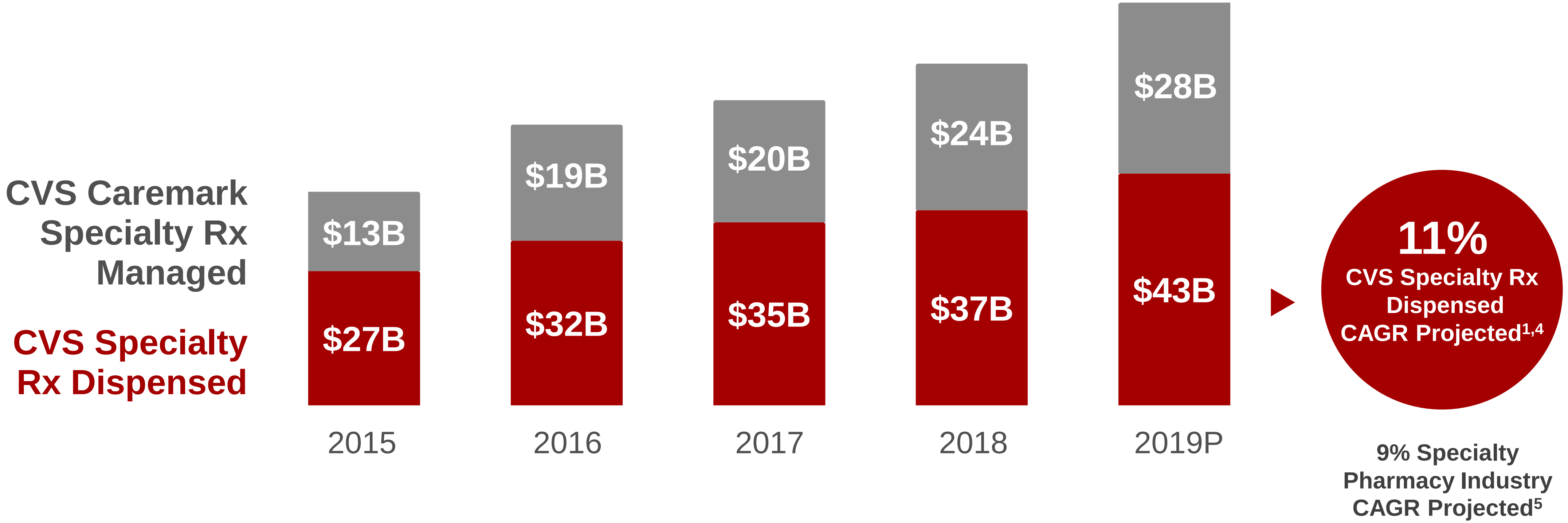
Member experience improvements	Proactive communications to providers	Real-time member information	Best-in-class self-service tools	Clinical secure messaging

Expected benefits

Lower member out-of-pocket costs	Minimized patient disruption	Physicians pick optimal therapies	Reduced administrative burden	Enhanced adherence	Improved outcomes

CVS Health

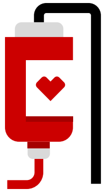
CVS Health projected to outpace the industry in Specialty Rx growth



Specialty accounts for 45% of the pharmacy spend and an estimated 60% of total drug spend under both pharmacy and medical benefits[6]

CVSHealth

Delivering industry leading specialty results[1,7]

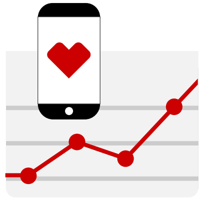


1.7%

Specialty unit price growth management

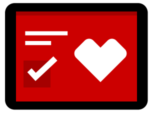
80%

Patients digitally engaged



5.3%

More patients optimally adherent with Secure Messaging



60M+

Novologix has highest adoption of any specialty medical solution

CVS Health

CVS Health continues to develop best-in-class specialty solutions to fuel growth

Innovative specialty solutions focused on:

Patient care and provider connectivity

Drive appropriate therapy

Deliver low net cost

- Provider and patient engagement
- EHR connectivity
- Creating competition with formulary
- Biosimilars and generics adoption
- Utilization management
- Medical pharmacy cost reduction using Novologix

EHR = Electronic Health Records

CVS Caremark has successfully delivered programs and enterprise innovation to our clients and health care stakeholders[8]

75+
Health Plan clients

1,400+
Employer clients

90+
Health Systems including provider organizations and ACOs

94M
Consumers CVS Caremark members

ACOs = Accountable Care Organizations

Continuing to solve the biggest health care challenges for all of our stakeholders

Transformation

- Comprehensive chronic care and disease management
- New consumer facing products
- Risk carve-outs
- Home hemodialysis
- Optimize government programs
- Analytics products

CVS Caremark open platform solutions

- Diabetes management
- Chronic kidney disease management
- HealthHUB®
- Comprehensive oncology solution
- Vendor benefit management

CVS Caremark distribution channel

Delivering leading products to all clients

Note: Diabetes management and comprehensive oncology solution expected to launch Q3 2019

CVSHealth.

Oncology accounts for:

~25%[9]
of total specialty drug spend (medical and pharmacy benefit)

~10%[10]
of total health care spend (for patients undergoing oncology treatment)

Comprehensive oncology solution matches patients with optimal treatment options

Align physician incentives	Enhance patient experience	Improve care quality
Value-based payment model	Holistic patient engagement advocacy	Real-time, regimen-level PA with NCCN guidelines
Novologix clinical decision support tools	Integrated High-touch Accordant Oncology and Aetna Advocates	Compassionate Care Program to address end of life goals of care

Reduces UM administrative cost through decrease in phone and fax PA

Reduces medical spend through improved pathway compliance and member management

UM = Utilization Management; NCCN = National Comprehensive Cancer Network; PA = Prior Authorization

CVSHealth

KEY TAKEAWAYS

Well positioned for growth and innovation

Leading PBM platform today and tomorrow

Evolving strategy for a changing marketplace

Four pillars of strategic growth:
New economic models, enterprise modernization, best-in-class specialty solutions, open platform solutions

CVSHealth

Endnotes

1. Currently enacted laws and regulations were used in all the Company's projections.
2. CVS Health Enterprise Analytics; 2019. 2018 CVS Health Trend Report. Members are only utilizing members.
3. CVS Health Finance, Selling Season Report (YTD as of 5/24/2019)
4. Internal Specialty Finance; CAGR time period: 2015-2018
5. Fein, Adam J., The 2019 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Drug Channels Institute, 2019. Includes total prescription dispensing revenues from specialty drugs at retail, mail, long-term care, and specialty pharmacies. Does not include dispensing revenues from hospitals and health systems. Does not include revenue from provider-administered specialty drugs billed under a patient's medical benefit. CAGR time period 2015 – 2018
6. Commercial clients, using year-end cohorts, represent Employer and Health Plan groups, January 2014 to December 2018, Enterprise Analytics, March 2019.
7. CVS Health Enterprise Analytics, May. 2019. CVS Health Finance, 2016-2018. Projections based on CVS Caremark data CVS Specialty Digital data, 2017; analysis of short message service (SMS) and email alert signups. CVS Health 9/2017-10/2018, analysis of patients with Chronic Myelogenous Leukemia (CML); medication on-hand for ≥95% of study period.
8. CVS Caremark Finance, 2019. Standalone specialty and Coram clients excluded.
9. CVS Health Enterprise Analytics, commercial client analysis, 2018 data.
10. Aetna Analytics analysis, 2018 data.

Consumer Innovation Driving Profitable Growth

Kevin Hourican
Executive Vice President &
President, CVS Pharmacy

CVS Health®

Agenda

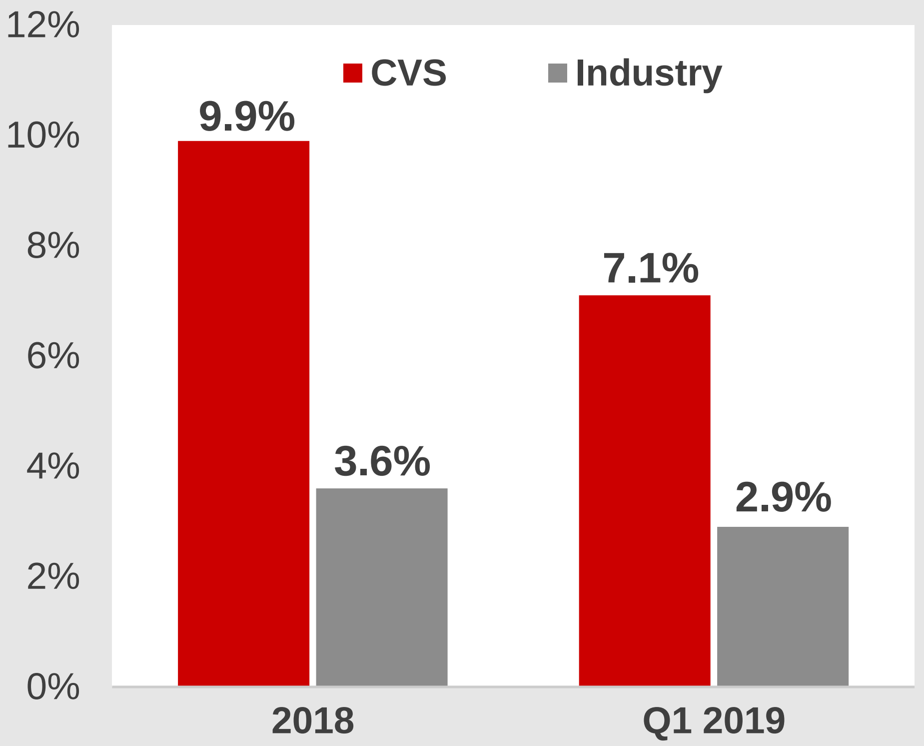
Health of the business

Retail growth strategy

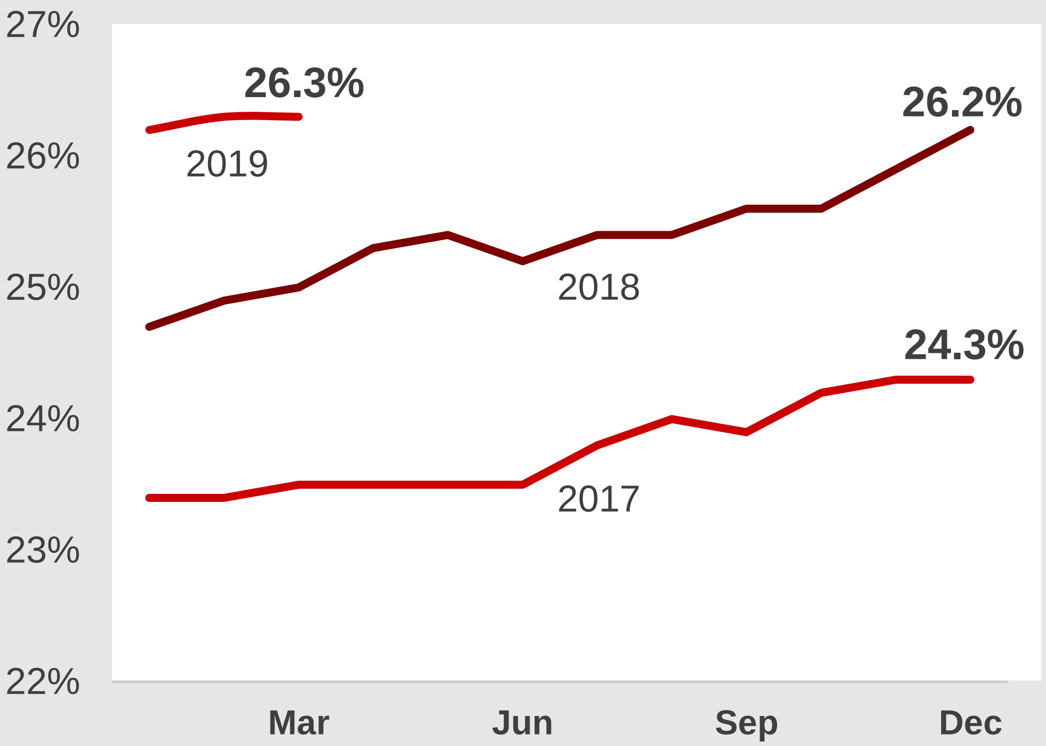
CVSHealth

Leadership in retail prescription growth driving increased share

CVS Pharmacy Retail Share[1,2] Growth*



CVS Pharmacy Retail Share[1,2]*



*90-day prescriptions counted as 3 30-day prescriptions

CVSHealth

Prescription growth is 3x the industry

Clinical Services and Innovative Initiatives

Industry leading adherence programs:

Saving Patients Money, ScriptPath, Multi-Dose Packaging

~55%

of Q1 2019 script growth

Networks and Real Estate

Strong performance in Medicare Part D plans

Continued strength of real estate program

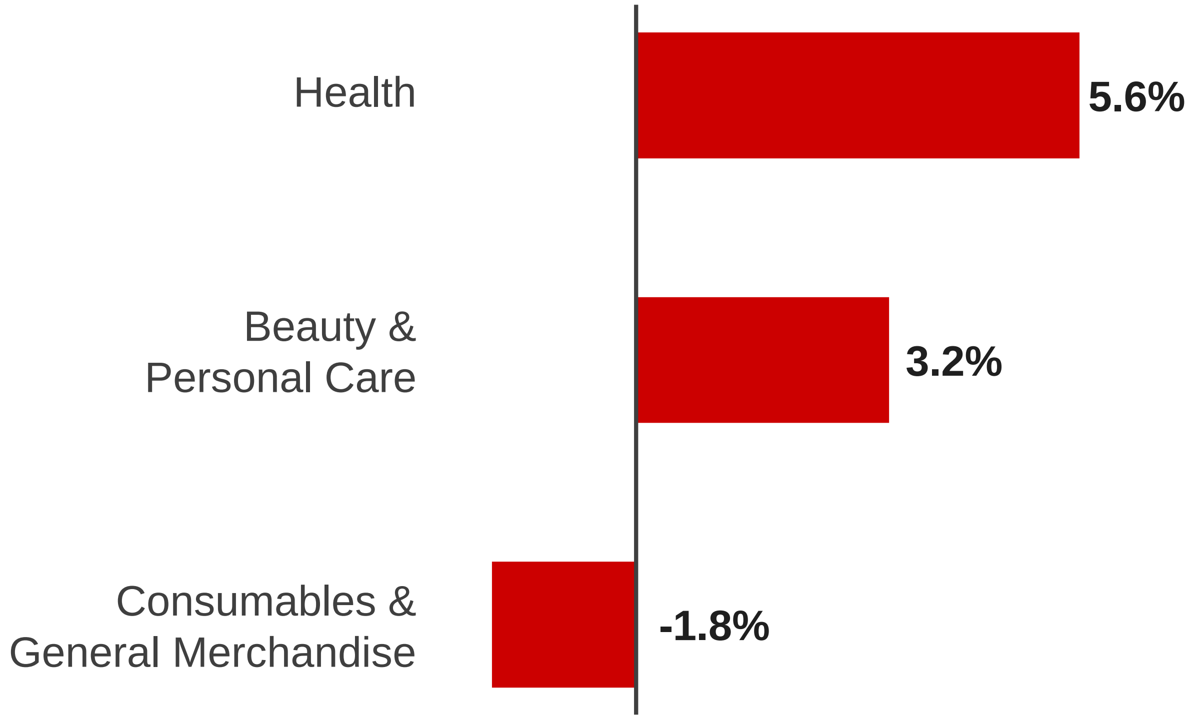
~35%

of Q1 2019 script growth

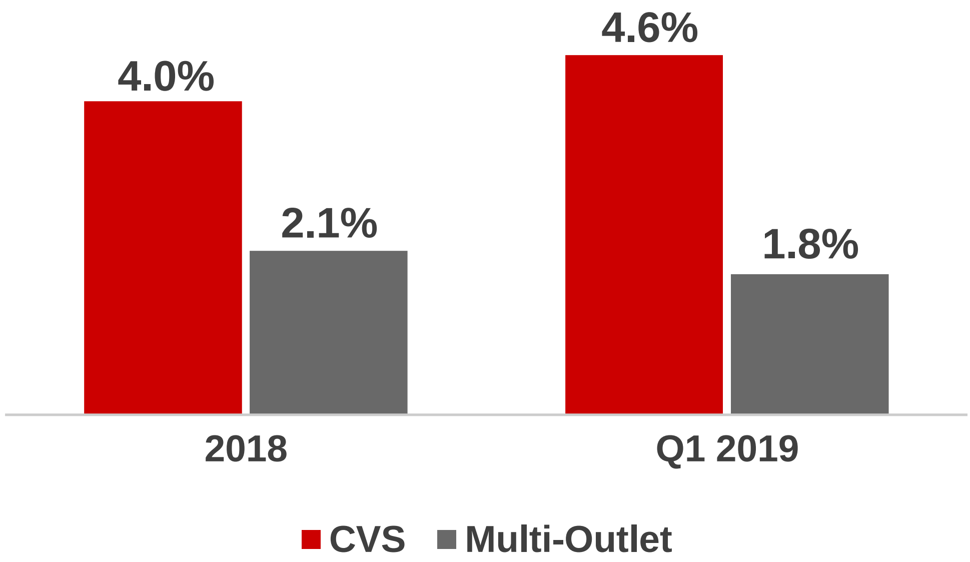
~10% of Q1 2019 script growth from underlying industry growth

Driving profitable growth through health and beauty innovation

Q1 2019 Front Store Revenue Growth by Category



Health, Beauty, and Personal Care Revenue Growth[3]



Front store total revenue grew 1.5% in 2018 and 1.5% in Q1 2019

CVSHealth

Topline strength offset by significant industry headwinds

Pharmacy reimbursement pressure

Reduced benefits from generics

Shift of retail to digital channels

Agenda

Health of the business

Retail growth strategy

CVSHealth

Retail strategy will help transform health care experience

Compelling place to shop

Investing in omnichannel

Customer-focused innovation

Differentiated service experience

Productivity improvements enable lower cost basis and increased profitability

CVS Pharmacy is uniquely positioned to win

1

Grow revenue faster than the industry

Innovative clinical programs and front store experiences

2

Improve productivity to fund future growth

Automation and technology driving improvement

3

Change to value-based contracting

Align incentives and take on risk to lower overall medical costs

4

Transform health care experience

Become the new front door to health care

Innovation driving front store growth

- **Store Formats**
  thousands of remodels, tailored assortments
- **Health and Wellness**
  sick care and self care, hundreds of new items
- **Beauty**
  50 store remodels in 2019, new brands and services
- **Personalized Engagement**
  ExtraCare® powered by machine learning

Innovation driving pharmacy growth

- **Clinical Services**
  Health data and advanced analytics driving personalized engagement
- **Saving Patients Money**
  Proprietary Rx Savings Finder
- **ScriptPath™**
  Proprietary prescription label and medication dosing schedule
- **Multi-Dose Packaging**
  Free delivery to store or home (nationwide service)

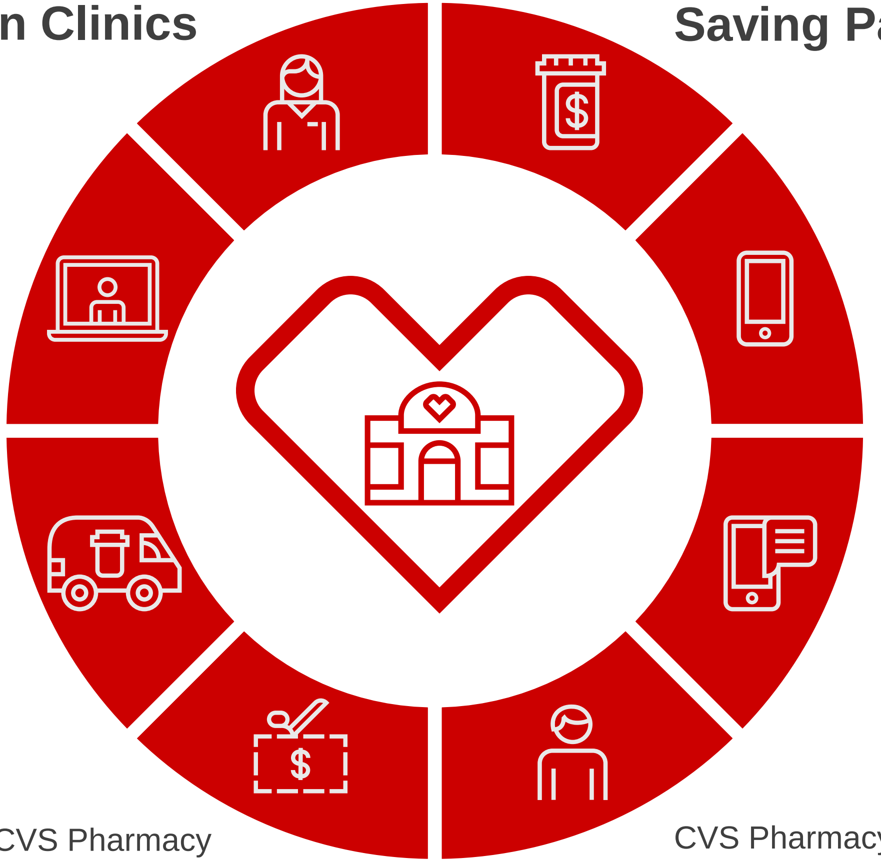
Advancing convenience via omnichannel touchpoints to enhance the reach of our 9,900+ retail locations

MinuteClinic®
Walk-in Clinics

CVS Pharmacy
Saving Patients Money

MinuteClinic®
Telehealth

CVS Pharmacy
Mobile App



CVS Pharmacy
Delivery Rx + Front

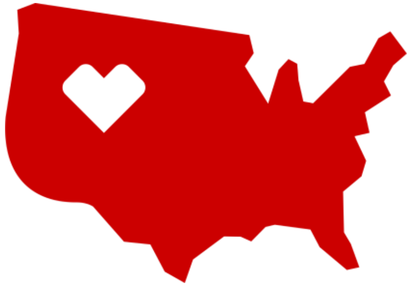
CVS Pharmacy
Rx Text Messages

CVS Pharmacy
ExtraCare® + Carepass™

CVS Pharmacy HealthHUB®
Care Concierge

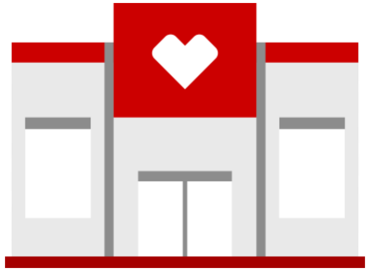
CVS Health

Enterprise modernization will enable profitable growth



Real Estate Optimization

Pharmacy Fulfillment



Front Store Operating Model

Pharmacy Inventory Efficiency

3. VALUE-BASED CONTRACTING

CVS Pharmacy will lead change in pharmacy contracting to include more value-based collaborations

Our growing, industry leading reach…

26%

Retail Rx Share

…and best-in-class adherence rates…

82%

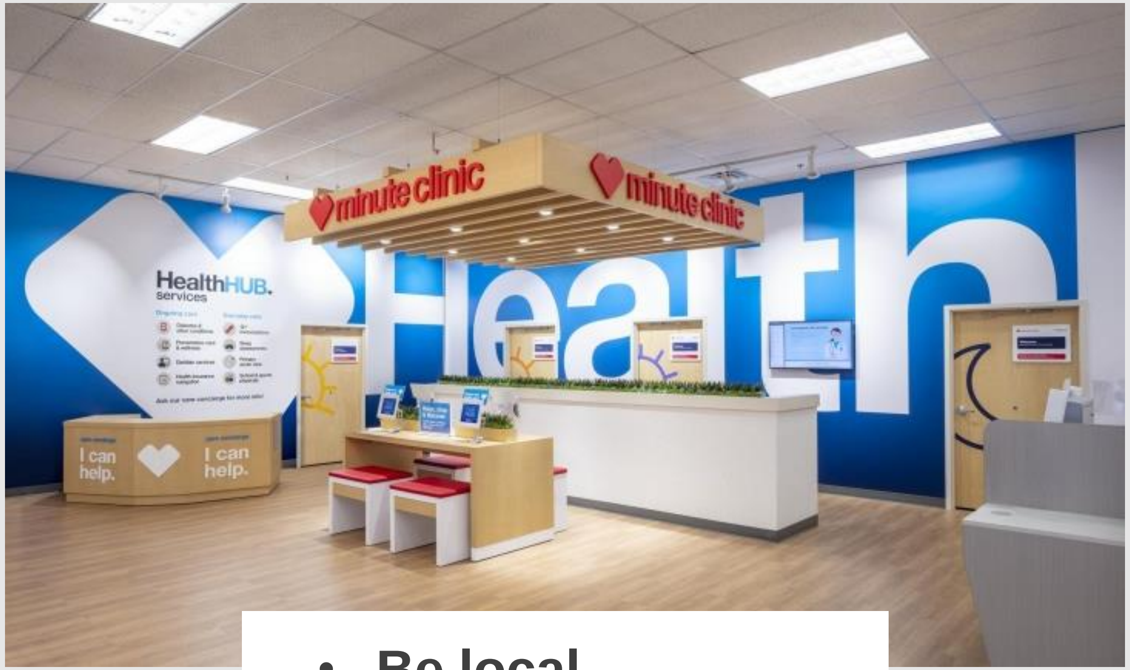
Adherence Rate[4]

…position us to partner in value-based contracts

- Value tied to outcomes
- Quality guarantees
- Shared savings models

CVSHealth.

Transforming the consumer health experience starts with HealthHUB®



- Be local
- Make it simple
- Improve health

Enables

Risk stratification

- Complex chronic
- Common chronic
- Healthy

Personalized engagement

Impactful interventions

- Coordinate care
- Integrate member context
- Influence meaningful moments

In consumers' daily lives

CVSHealth.

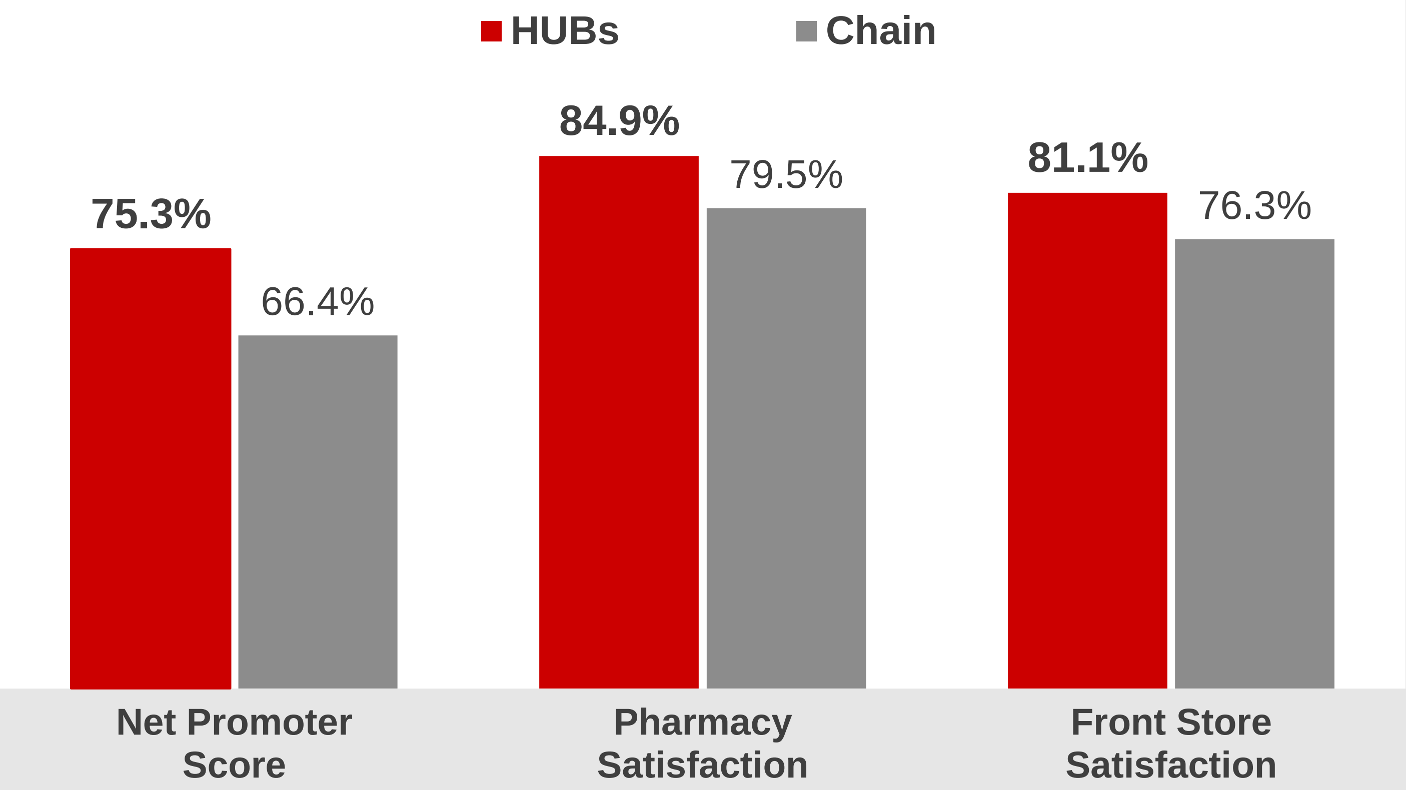
HealthHUB® designed to meet consumer needs – from sick care to self care

- New Front Store Products
- New Health Services
- Advanced Pharmacy Care

CVSHealth.

HealthHUBs® are improving the customer experience

HealthHUBs® vs. Chain[5]



Customer Feedback:[6]

Products and Services

"Great new renovations and many ***new brands of product*** *– especially vitamins."*
– Store #285

"Excited about dietician *in-house for consultation!!"*
– Store #1339

"…I like ***the expanded MinuteClinic services*** *that are now available."*
– Store #285

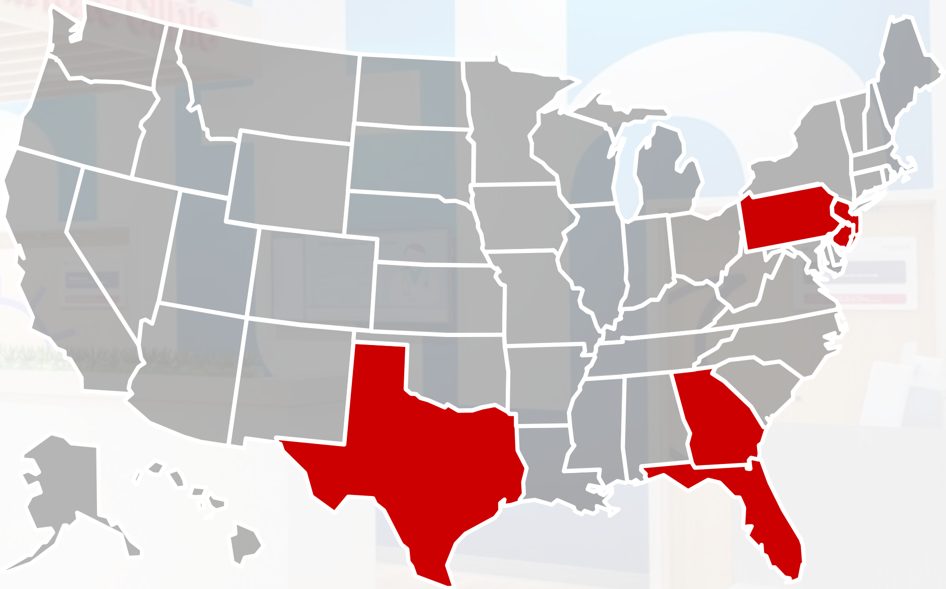
% of customers surveyed rating 9 or 10 on a 0 – 10 scale

CVSHealth

HealthHUB® expansion plans

Four Metropolitan Areas in 2019

Houston, Philadelphia / Southern New Jersey, Atlanta, Tampa



Nationwide coverage by end of 2021
~1,500 retail locations

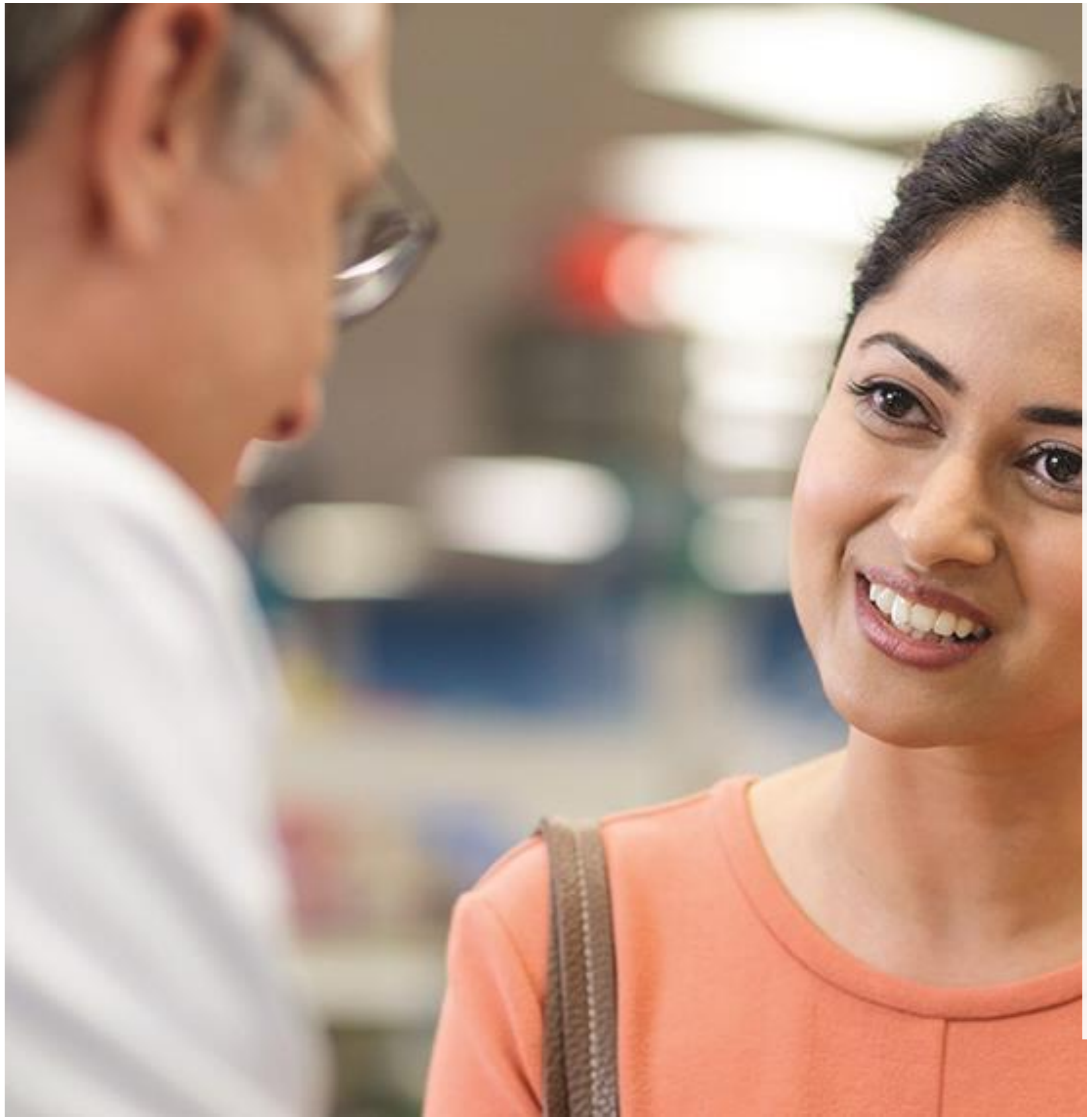
CVSHealth.

Improving health in the community

Nurse practitioner

Diabetes intervention[6,7]

- Abdominal pain
- A1C > 12%
- Not testing blood sugar
- Multiple gaps in medication therapy
- Severe retinopathy

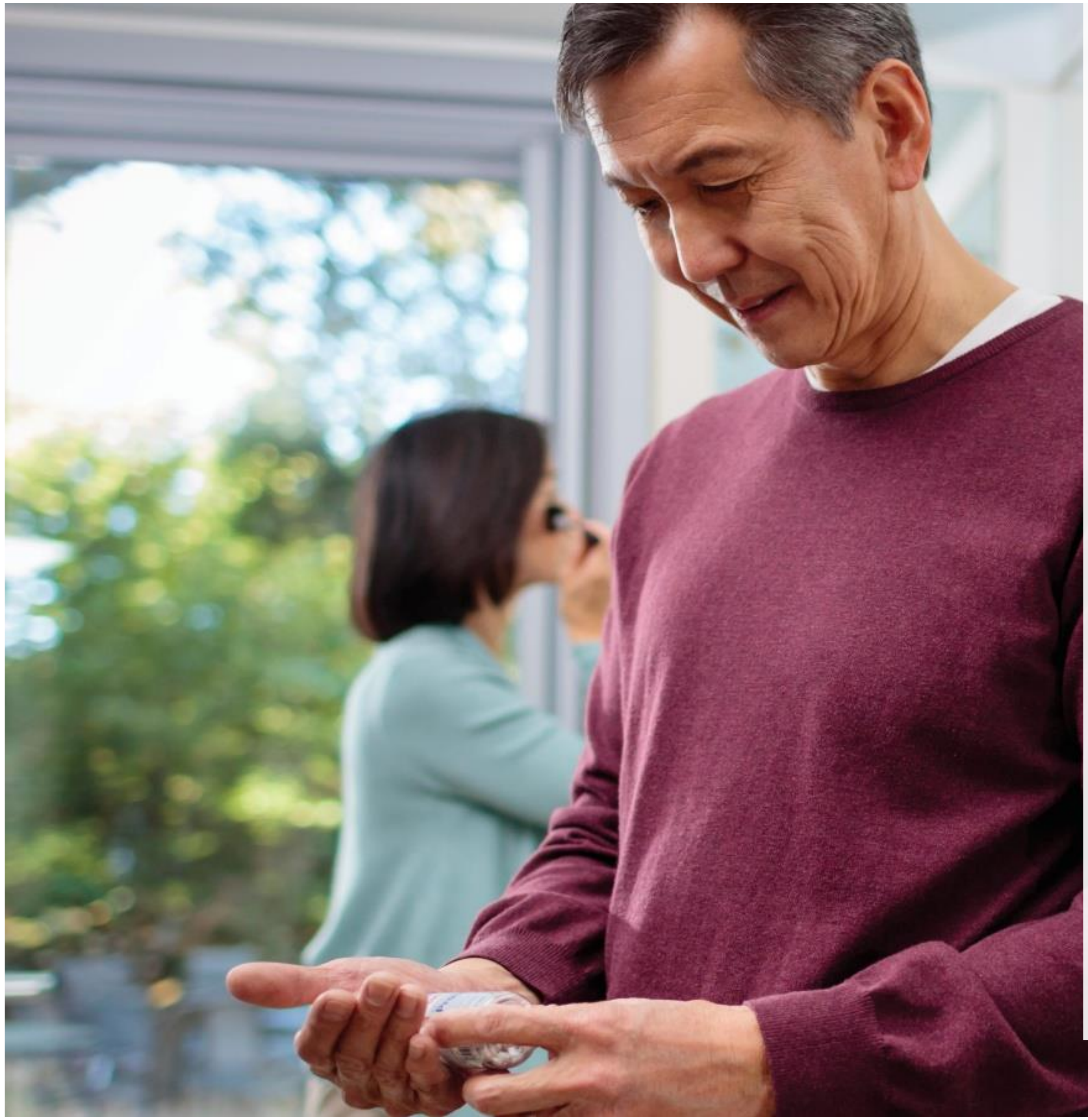


Improving health in the community

Care concierge

Hypertension intervention[6,7]

- Concierge engages customer in the self care aisle
- Conversation results in a BP reading via onsite machine
- 200/120 BP results in immediate Minute Clinic visit
- Gaps in care closed and prescriptions dispensed
- Linkage back to primary care physician



KEY TAKEAWAYS

Retail strategy to deliver profitable growth

Lead industry in consumer-based innovation that drives outsized revenue growth in pharmacy and front store

Increase automation to streamline work flows and enable differentiated customer service experience

Collaborate with payors to align incentives, improve health outcomes, and lower overall medical costs

Transform health care delivery and experience in local communities through our trusted health care professionals

Endnotes

1. CVS Health Retail Prescription Growth excluding LTC
2. IQVIA (data reflects Jan 2017 IQVIA methodology change)
3. Multi-Outlet growth based on dollar volume from all retail outlets in the Food, Drug, Mass, Dollar, Club, and Military channels that provide POS data to Information Resource Inc. (IRI), as of 30-Dec-2018 and 31-Mar-2019
4. Adherence rate defined as Weighted Average Proportion of Days Covered for the 13 top chronic conditions calculated by patient and condition using last 12 months CVS Retail fill history, CVS Health 2018
5. My Customer Connection. Satisfaction reported is percent of respondents rating their experience 9 or 10 on a 0 – 10 scale; aggregate across all respondents for HealthHUB stores fiscal March 2019 and fiscal April 2019
6. CVS HealthHUB research, in-store surveys, interviews, and colleague observations. Houston, TX
7. Customer names have been changed to protect the privacy of individuals

A reconciliation of non-GAAP items disclosed for the respective periods to the most directly comparable GAAP measure.

2019 GUIDANCE

The following reconciliations contain forward-looking information. By its nature, all forward-looking information involves risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking information for a number of reasons as described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Annual Report on Form 10-K and our most recently filed Quarterly Report on Form 10-Q.

NON-GAAP FINANCIAL MEASURES

CVS Health Corporation (the "Company") provides non-GAAP financial measures that exclude from the relevant GAAP metrics, as applicable, amortization of intangible assets and other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance. The Company uses non-GAAP measures to analyze underlying business performance and trends. The Company believes that providing these non-GAAP measures enhances the Company's and investors' ability to compare the Company's past financial performance with its current performance. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. The Company's definitions of non-GAAP financial measures may not be comparable to similarly titled measurements reported by other companies.

ADJUSTED EARNINGS PER SHARE

The Company defines adjusted net income attributable to CVS Health as net income attributable to CVS Health (GAAP measure) excluding the impact of amortization of intangible assets and other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance such as acquisition-related transaction and integration costs, store rationalization charges, goodwill and long-lived asset impairments, gains/losses on divestitures, net interest expense on financings associated with proposed acquisitions (for periods prior to the acquisition), the corresponding tax benefit or expense related to the items excluded from adjusted net income attributable to CVS Health, the corresponding impact to income allocable to participating securities, net of tax, related to the items excluded from net income attributable to CVS Health in determining adjusted net income attributable to CVS Health, and any other items specifically identified herein. GAAP diluted EPS and Adjusted EPS, respectively, are calculated by dividing net income attributable to CVS Health and adjusted net income attributable to CVS Health by the Company's weighted average diluted shares outstanding. The following are reconciliations of projected net income to projected adjusted net income attributable to CVS Health and calculations of projected GAAP diluted EPS and projected Adjusted EPS:

Reconciliation of Non-GAAP Items Required by SEC Rules

A reconciliation of non-GAAP items disclosed for the respective periods to the most directly comparable GAAP measure.

FULL-YEAR 2019

	Year Ending December 31,					
	2019P				2018	
	Low		High		Actual	
In millions, except per share amounts	**Total Company**	**Per Common Share**	**Total Company**	**Per Common Share**	Total Company	Per Common Share
Net income (GAAP measure)	$ 6,420		$ 6,620		$ (596)	
Net income attributable to noncontrolling interests (GAAP measure)	(10)		(10)		2	
Income allocable to participating securities (GAAP measure)	(5)		(5)		(3)	
Net income attributable to CVS Health (GAAP measure)	6,405	$ 4.90	6,605	$ 5.05	(597)	$ (0.57)
Non-GAAP adjustments:						
Amortization of intangible assets	2,520	1.93	2,520	1.93	1,006	0.96
Acquisition-related transaction and integration costs (1)	550	0.42	550	0.42	492	0.47
Store rationalization charge (2)	135	0.10	135	0.10	-	-
Goodwill impairments (3)	-	-	-	-	6,149	5.89
Impairment of long-lived assets (4)	-	-	-	-	43	0.04
Loss on divestiture of subsidiary (5)	-	-	-	-	86	0.08
Net interest expense on financing for the acquisition of Aetna (6)	-	-	-	-	894	0.85
Income tax benefit (7)	(785)	(0.60)	(785)	(0.60)	(658)	(0.63)
Income allocable to participating secuities, net of tax (8)	-	-	-	-	(9)	(0.01)
Adjusted net income attributable to CVS Health	**$ 8,825**	**$ 6.75**	**$ 9,025**	**$ 6.90**	$ 7,406	$ 7.08
Weighted average diluted shares outstanding (GAAP)		1,308		1,308		1,044
Weighted average diluted shares outstanding (non-GAAP)		1,308		1,308		1,047

(1) In 2019, acquisition-related integration costs relate to the acquisition of Aetna. In 2018, acquisition-related transaction and integration costs relate to the acquisitions of Aetna and Omnicare, Inc. ("Omnicare").
(2) Primarily relates to operating lease right-of-use asset impairment charges in connection with the planned closure of 46 underperforming retail pharmacy stores in the second quarter of 2019.
(3) The goodwill impairments related to the LTC reporting unit within the Retail/LTC segment.
(4) The impairment of long-lived assets primarily related to the impairment of property and equipment within the Retail/LTC segment.
(5) The loss on divestiture of subsidiary represents the pre-tax loss on the sale of the Company's RxCrossroads subsidiary for $725 million on January 2, 2018.
(6) Includes interest expense of $1.4 billion related to (i) bridge financing costs, (ii) interest expense on the $40 billion of senior notes issued on March 9, 2018 (the "2018 Notes") and (iii) interest expense the $5 billion term loan facility. The interest expense was reduced by related interest income of $536 million earned on the proceeds of the 2018 Notes. All amounts are for the periods prior to the close of the acquisition of Aetna, which occurred on November 28, 2018 (the "Aetna Acquisition Date").
(7) Represents the corresponding tax benefit or expense related to the items excluded from adjusted net income attributable to CVS Health and Adjusted EPS above. The nature of each non-GAAP adjustment is evaluated to determine whether a discrete adjustment should be made to the adjusted income tax provision.
(8) Represents the corresponding impact to income allocable to participating securities, net of tax, related to the items above excluded from net income attributable to CVS Health in determining adjusted net income attributable to CVS Health and calculating Adjusted EPS above.

A reconciliation of non-GAAP items disclosed for the respective periods to the most directly comparable GAAP measure.

ADJUSTED OPERATING INCOME

The Company defines adjusted operating income as operating income (GAAP measure) excluding the impact of amortization of intangible assets and other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance such as acquisition-related transaction and integration costs, store rationalization charges, goodwill and long-lived asset impairments, gains/losses on divestitures, interest income on financings associated with proposed acquisitions (for periods prior to the acquisition), and any other items specifically identified herein. The following are reconciliations of projected operating income to projected adjusted operating income:

FULL-YEAR 2019

	Year Ending December 31,		
	2019P		2018
In millions	**Low**	**High**	Actual
Operating income	**$ 11,765**	**$ 11,975**	$ 4,021
Non-GAAP adjustments:			
Amortization of intangible assets	**2,520**	**2,520**	1,006
Acquisition-related transaction and integration costs (1)	**550**	**550**	492
Store rationalization charge (2)	**135**	**135**	**-**
Goodwill impairments (3)	**-**	**-**	6,149
Impairment of long-lived assets (4)	**-**	**-**	43
Loss on divestiture of subsidiary (5)	**-**	**-**	86
Interest income on financing for the acquisition of Aetna (6)	**-**	**-**	(536)
Adjusted operating income	**$ 14,970**	**$ 15,180**	$ 11,261

(1) In 2019, acquisition-related integration costs relate to the acquisition of Aetna. In 2018, acquisition-related transaction and integration costs relate to the acquisitions of Aetna and Omnicare.

(2) Primarily relates to operating lease right-of-use asset impairment charges in connection with the planned closure of 46 underperforming retail pharmacy stores in the second quarter of 2019.

(3) The goodwill impairments related to the LTC reporting unit within the Retail/LTC Segment.

(4) The impairment of long-lived assets primarily related to the impairment of property and equipment within the Retail/LTC segment.

(5) The loss on divestiture of subsidiary represents the pre-tax loss on the sale of the Company's RxCrossroads subsidiary for $725 million on January 2, 2018.

(6) Interest income of $536 million earned on the proceeds of the 2018 Notes. All amounts are for the periods prior to the close of the acquisition of Aetna, which occurred on the Aetna Acquisition Date.

A reconciliation of non-GAAP items disclosed for the respective periods to the most directly comparable GAAP measure.

CASH AVAILABLE FOR DEBT REPAYMENT

The Company defines cash available for debt repayment as net cash provided by operating activities (GAAP measure) minus cash allocated to fund: (i) net capital expenditures, (ii) shareholder dividends and (iii) additional retained capital needs of its insurance subsidiaries. The following is a reconciliation of projected net cash provided by operating activities to projected cash available for debt repayment:

	Year Ending December 31,	
	2019P	
In millions	Low	High
Net cash provided by operating activities	**$ 9,800**	**$ 10,300**
Net capital expenditures (additions to property and equipment less sale-leaseback proceeds)	**(2,600)**	**(2,300)**
Shareholder dividends	**(2,600)**	**(2,600)**
Additional retained capital needs of insurance subsidiaries [(1)]	**(400)**	**(800)**
Cash available for debt repayment	**$ 4,200**	**$ 4,600**

(1) Represents a portion of the retained capital required to support the projected insured membership growth in the Health Care Benefits segment.

LEVERAGE RATIO

The Company defines its Leverage Ratio as Adjusted Debt divided by adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA). Adjusted Debt is defined as short-term debt and total long-term debt, including the current portion of long-term debt (GAAP measure), plus the present value of future operating lease payments at a discount rate of 8.5% assuming lease payments occur at the end of the year. Adjusted EBITDA is defined as (i) net income (GAAP measure) before income taxes, depreciation and amortization, plus (ii) implied interest expense on future operating lease payments at a discount rate of 8.5% assuming lease payments occur at the end of the year, less (iii) other items, if any, that neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance such as goodwill impairments, interest income on financings associated with proposed acquisitions (for periods prior to the acquisition), and any other items specifically identified herein. The following are reconciliations of total debt to Adjusted Debt and net income to Adjusted EBITDA as well as a calculation of estimated Adjusted Debt to Adjusted EBITDA as of the Aetna Acquisition Date:

Adjusted Debt

in millions	
Total debt (GAAP measure) [(1)]	**$ 75,972**
Net present value of operating leases [(2)]	**17,446**
Adjusted debt	**$ 93,418**

(1) Represents short-term debt and total long-term debt, including the current portion of long-term debt, as of the Aetna Acquisition Date.
(2) See information under "Present Value of Operating Leases" below.

A reconciliation of non-GAAP items disclosed for the respective periods to the most directly comparable GAAP measure.

Adjusted EBITDA

in millions	
Net income (GAAP measure) (1)	**$ 5,581**
Income tax provision (1)	**1,624**
Interest expense (1)	**3,115**
Depreciation and amortization (1)	**4,205**
EBITDA (1)	**14,525**
Implied interest expense on operating leases (2)	**1,424**
Goodwill impairment (3)	**3,921**
Interest income on financing for the acquisition of Aetna (4)	**(142)**
Adjusted EBITDA	**$ 19,728**

(1) Reflects estimated pro forma trailing twelve month total as of the Aetna Acquisition Date.
(2) See information under "Implied Interest Expense on Operating Leases" below.
(3) The goodwill impairment related to the LTC reporting unit within the Retail/LTC Segment.
(4) Represents interest income earned on the proceeds of the 2018 Notes. All amounts are for the periods prior to the Aetna Acquisition Date.

Estimated Adjusted Debt to Adjusted EBITDA as of Aetna Acquisition Date

in millions (except leverage ratio)	
Adjusted Debt	**$ 93,418**
Adjusted EBITDA	**$ 19,728**
Adjusted Debt-to-EBITDA	**4.7x**

Present Value of Operating Leases

A. Summary of the future minimum lease payments under operating leases as of December 31, 2018:

	Operating Leases	
in millions	Actual (1)(2)	Present Value (3)
2019	**$ 2,690**	**$ 2,479**
2020	**2,544**	**2,161**
2021	**2,399**	**1,878**
2022	**2,233**	**1,611**
2023	**2,110**	**1,403**
Thereafter (4)	**16,004**	**7,913**
Total future lease payments (5)	**$ 27,980**	**$ 17,446**

(1) Source: CVS Health Corporation Annual Report on Form 10-K for year ended December 31, 2018, Notes to Consolidated Financial Statements, Note 6: Leases
(2) Future operating lease payments have not been reduced by the minimum sublease rentals of $164 million due in the future under noncancelable subleases.
(3) Discount rate = 8.5%. Operating lease payments are assumed to occur at year-end.
(4) The Company leases pharmacy and clinic space from Target Corporation (“Target”). Amounts related to such capital and operating leases are reflected above. Amounts due in excess of the remaining estimated economic life of the buildings of approximately $2.1 billion are not reflected herein since the estimated economic life of the buildings is shorter than the contractual term of the lease arrangement.
(5) To capitalize these leases, divide the Thereafter operating lease payments by the 2023 operating lease payments to give the approximate number of years, at the 2023 level, of remaining lease payments. In this case, 16,004/2,110 = approximately eight years. Then, use eight years worth of operating lease payments of $2,110 million (the 2023 level) to calculate the associated present value.

B. Summary of the future minimum lease payments under operating leases as of December 31, 2017:

	Operating Leases	
in millions	Actual (1)(2)	Present Value (3)
2018	$ **2,493**	$ **2,298**
2019	**2,361**	**2,006**
2020	**2,201**	**1,723**
2021	**2,072**	**1,495**
2022	**1,934**	**1,286**
Thereafter (4)	**16,090**	**7,253**
Total future lease payments (5)	$ **27,151**	$ **16,061**

(1) Source: CVS Health Corporation Annual Report on Form 10-K for year ended December 31, 2017, Notes to Consolidated Financial Statements, Note 7: Leases
(2) Future operating lease payments have not been reduced by the minimum sublease rentals of $171 million due in the future under noncancelable subleases.
(3) Discount rate = 8.5%. Operating lease payments are assumed to occur at year-end.
(4) The Company leases pharmacy and clinic space from Target. Amounts related to such capital and operating leases are reflected above. Amounts due in excess of the remaining estimated economic life of the buildings of approximately $1.9 billion are not reflected herein since the estimated economic life of the buildings is shorter than the contractual term of the lease arrangement.
(5) To capitalize these leases, divide the Thereafter operating lease payments by the 2022 operating lease payments to give the approximate number of years, at the 2022 level, of remaining lease payments. In this case, 16,090/1,934 = approximately eight years. Then, use eight years worth of operating lease payments of $1,934 million (the 2022 level) to calculate the associated present value.

Implied Interest Expense on Operating Leases

	Year Ended December 31,	
in millions	**2017**	**2018**
Present value of operating leases (1)	$ **16,061**	$ **17,446**
Average present value of operating leases		**16,754**
Implied interest expense on operating leases (2)		$ **1,424**

(1) See information under "Present Value of Operating Leases" above.
(2) Interest rate = discount rate = 8.5%.