Consumer Innovation
Driving Profitable Growth

Kevin Hourican
Executive Vice President &
President, CVS Pharmacy
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.
Agenda

Health of the business

Retail growth strategy
Leadership in retail prescription growth driving increased share

**CVS Pharmacy Retail Share**

- **2018:** 9.9%
- **Q1 2019:** 7.1%

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**CVS Pharmacy Retail Share**

- **2017:** 22%
- **2018:** 26.3%
- **2019:** 26.2%

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*90-day prescriptions counted as 3 30-day prescriptions*
Prescription growth is 3x the industry

**Clinical Services and Innovative Initiatives**
- Industry leading adherence programs:
  - Saving Patients Money, ScriptPath, Multi-Dose Packaging

**Networks and Real Estate**
- Strong performance in Medicare Part D plans
- Continued strength of real estate program

~55% of Q1 2019 script growth

~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: 5.6%
- Beauty & Personal Care: 3.2%
- Consumables & General Merchandise: -1.8%

Health, Beauty, and Personal Care Revenue Growth

- 2018
  - CVS: 4.0%
  - Multi-Outlet: 2.1%
- Q1 2019
  - CVS: 4.6%
  - Multi-Outlet: 1.8%

Front store total revenue grew 1.5% in 2018 and 1.5% in Q1 2019
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
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
Enterprise modernization will enable profitable growth

- Real Estate Optimization
- Pharmacy Fulfillment
- Front Store Operating Model
- Pharmacy Inventory Efficiency
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

...position us to partner in value-based contracts

- Value tied to outcomes
- Quality guarantees
- Shared savings models
Transforming the consumer health experience starts with HealthHUB®

- Be local
- Make it simple
- Improve health

Risk stratification

Personalized engagement

Impactful interventions

Complex chronic

Common chronic

Healthy

Enables

- Coordinate care
- Integrate member context
- Influence meaningful moments

In consumers’ daily lives
HealthHUB® designed to meet consumer needs – from sick care to self care

- New Front Store Products
- New Health Services
- Advanced Pharmacy Care
HealthHUBs® are improving the customer experience

HealthHUBs® vs. Chain

- **Net Promoter Score**
  - HealthHUBs®: 75.3%
  - Chain: 66.4%

- **Pharmacy Satisfaction**
  - HealthHUBs®: 84.9%
  - Chain: 79.5%

- **Front Store Satisfaction**
  - HealthHUBs®: 81.1%
  - Chain: 76.3%

Customer Feedback:

- **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
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
Improving health in the community

Nurse practitioner

Diabetes intervention

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

Care concierge

Hypertension intervention\textsuperscript{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
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