FIRST QUARTER 2020

Earnings conference call

May 6, 2020

Larry Merlo
President &
Chief Executive Officer

Eva Boratto
Executive Vice President &
Chief Financial Officer

Cautionary statement concerning forward-looking statements

This presentation includes forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation. By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties related to the COVID-19 pandemic, the severity and duration of the pandemic, the pandemic's impact on the U.S. and global economies and consumer behavior and health care utilization patterns, and the timing, scope and impact of stimulus legislation and other federal, state and local governmental responses to the pandemic, as well as the risks and uncertainties described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the heading "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Annual Report on Form 10-K, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 and our recently filed Current Reports on Form 8-K.

This presentation includes non-GAAP financial measures that we use to describe our company's performance. In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures, on the Investor Relations portion of our website.

Link to our non-GAAP reconciliations

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CVS Health is uniquely positioned to help the country through the COVID-19 pandemic

First priority is the wellbeing and safety of our colleagues, consumers and the communities we serve

- Executing robust COVID-19 response plan*
- Acted swiftly to invest in our people and our businesses
- In collaboration with federal, state and local governments:
  - Opened large scale COVID-19 testing sites across 5 states. Through May 4, we had administered nearly 90k tests with real-time results
  - Establishing additional testing sites; targeting up to 1,000 locations across the country by the end of May

Second priority is maintaining the continuity of our businesses and operations

- Making investments to support our consumers, clients and members, while deepening our relationships and advancing our long-term strategy of being the most consumer-centric health company

*Refer to today's earnings press release for comprehensive view of actions taken

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Financial highlights

Strong first quarter in unprecedented and unpredictable environment due to COVID-19

Q1 2020 Enterprise results reflect strong underlying performance

- Q1 Adjusted EPS of **$1.91**, up **17.9%** year-over-year
  - Strong underlying core performance exceeded our expectations
  - COVID-19 added **~10 cents** to Q1 2020 Adjusted EPS, as we met elevated consumer and member needs from COVID-19
- Q1 Total Revenues of **$66.8 billion**, up 8.3% year-over-year
  - Growth driven by higher volume in Retail/LTC and Pharmacy Services and membership growth in Government products in Health Care Benefits

Strong liquidity position with access to over $11B in cash, short-term investments and commercial paper or borrowing capacity under credit facilities

Cash flow from operations of $3.3 billion; returned ~$650 million to shareholders through dividends

2020 Full-Year Adjusted EPS guidance range of $7.04 to $7.17 and cash flow from operations guidance range of $10.5 to $11 billion remain unchanged

- Underlying core business performance strong prior to COVID-19
- Prudently managing operating expenses; will reduce planned capital expenditures by **~$200 million**
- Guidance is subject to key considerations, including significant uncertainties that exist surrounding the COVID-19 pandemic, including:
  - The severity and duration of the pandemic
  - The impact of the pandemic on the U.S. and global economies, consumer behavior and health care utilization patterns
  - The timing, scope and impact of stimulus legislation and other governmental responses to the pandemic
- Given likelihood of significant variability in impact of COVID-19 on financial statement line items and related ratios, 2020 additional detailed guidance not noted above is withdrawn

Remain committed to target leverage ratio in low 3x's in 2022

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Strength and diversity of our Enterprise

Our integrated, innovation-driven health care model is providing benefits to members and consumers across the health care system that will continue into the future as needs evolve

New opportunities to serve our members and consumers

- ✓ Significant acceleration of digital platform utilization
- ✓ Opportunity to utilize CVS Health Retail assets to conduct nationwide COVID-19 testing and provide medication therapies and vaccines, when available
- ✓ Increase of care in the home (through home delivery and other services including telehealth and infusion)
- ✓ Enhance flu vaccine program in anticipation of stronger than historical demand

Uncertainties

- Severity and duration of the COVID-19 pandemic
- Impact of the pandemic on consumer behavior and health care utilization patterns
- Impact of stimulus legislation and other governmental responses to the pandemic (including on the economy and unemployment)
- Impact of incremental benefit costs and operating expenses associated with COVID-19

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Enterprise Priorities Update

Enterprise priorities to accelerate growth

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

Grow and differentiate our businesses

Deliver transformational products and services

Create a consumer-centric technology infrastructure

Modernize Enterprise functions and capabilities

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CONTINUED PROGRESS
ON STRATEGIC PRIORITIES

Grow and differentiate our businesses

Integrated value offerings

In collaboration with federal, state and local governments, MinuteClinic® practitioners are administering COVID-19 rapid tests across 5 states. Through May 4, we had administered nearly 90k tests with real-time results

Pharmacist Panels that integrate pharmacy and medical data are operating in 75 pharmacies supporting over 1,200 high risk patients with engagement rates exceeding expectations

HealthHUB® conversions status:

- 98 HealthHUB® locations opened as of April across 17 states
- HealthHUB® conversions paused due to COVID-19; year-end 2020 count dependent on duration of stay-at-home guidelines and other COVID-19 related constraints
- Expect 1,500 HealthHUB® locations by end of 2021

Business growth

Medicare Advantage sequential membership growth of 11.3% in Q1, outpacing the industry average of ~6%

Completed >70% of 2021 Pharmacy Services selling season renewals with strong retention rate

Q1 2020 Specialty pharmacy revenue growth of ~19% year-over-year

Q1 2020 Retail script share up ~50 bps year-over-year to 26.8%[1, 2]

Agreed to acquire Schnuck Markets Inc.'s Retail and Specialty pharmacy businesses

1. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.
2. Source: IQVIA retail pharmacy script data for March 2020

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CONTINUED PROGRESS
ON STRATEGIC PRIORITIES

Deliver transformational products and services

Oncology care

Transform Oncology Care program rolled out to over 40 providers and ~1,300 Commercial insured and Medicare members across 17 states

Chronic Kidney Disease care

Chronic Kidney Disease (CKD) care management program is currently available to ~4 million people across Aetna and 14 Caremark clients

Entered into joint venture with Satellite Healthcare to provide comprehensive kidney care in two geographies

Home hemodialysis device: enrollment in our clinical trial paused due to stay at home guidelines

Diabetes management

Launch of integrated version of our diabetes product for early adopter Caremark and Aetna ASC clients scheduled for September 2020, with a full launch scheduled for January 2021

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CONTINUED PROGRESS
ON STRATEGIC PRIORITIES

Create a consumer-centric technology infrastructure

CarePass® membership	CarePass subscription program has ~2.2M enrolled members as of Q1 2020, ~40% growth from prior quarter
Retail prescription home delivery	Retail prescription home delivery is up more than 1,000% compared to Q1 2019
Telemedicine	Utilization of telemedicine for virtual visits through MinuteClinic® is up ~600% compared to Q1 2019
Mobile engagement	Launched streamlined digital experience through new scheduling app to support COVID-19 testing sites; 85% customer satisfaction rate ~89M patients are enrolled in text messaging program as of Q1 2020, up 9% from prior quarter Double digit percentage increase in app usage across CVS Pharmacy, Caremark and Specialty compared to Q1 2019 Through the Aetna Health app, engaged more households in Q1 2020 than in the first three quarters of 2019

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CONTINUED PROGRESS
ON STRATEGIC PRIORITIES

Modernize Enterprise functions and capabilities

Client service delivery

Investing in improving client service delivery with continued progress toward process simplification and delivering net savings

- Enhancing self-service capabilities by eliminating unnecessary member and patient inquiries, mailings and reducing incoming call volumes

Modernization

Continued technology modernization with business system and application rationalizations, data center consolidation review and cloud strategy

- Advancing integrated data and analytics capabilities
- Advancing and embedding intelligent automation to streamline routine processes and optimize our utilization management capabilities

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Q1 2020 Financial Review

Q1 RESULTS

Consolidated results

in millions, except per share data	Q1 2020	Q1 2019	Change %
Total revenues	$66,755	$61,646	8.3%
Adjusted operating income	$4,113	$3,595	14.4%
GAAP EPS	$1.53	$1.09	40.4%
Adjusted EPS	$1.91	$1.62	17.9%
Cash flow from operations	$3,305	$1,948	69.7%

Interest expense of **$733 million**

Adjusted effective tax rate of **27.0%**

Weighted-average diluted share count: **1,312 million** shares

COVID-19 added **~10 cents** to Q1 2020 Adjusted EPS, as we met elevated consumer and member needs from COVID-19

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Cash flow and capital allocation

Strong cash generation and commitment to disciplined capital allocation priorities

Generated **$3.3 billion** of cash flow from operations

Strong liquidity: access to over **$11 billion**

- Over **$5 billion** of cash and short-term investments at March 31, 2020, including proceeds from the March bond deal
- **$6 billion** available through commercial paper or borrowing capacity under credit facilities

Continue to prioritize paying down debt and maintaining dividend, with no share repurchases planned until leverage target met

Paid ~**$650 million** in shareholder dividends

Remain committed to target leverage ratio in **low 3x's** in 2022

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Q1 RESULTS

Pharmacy Services segment

in millions	Q1 2020	Q1 2019	Change %
Total revenues	$34,983	$33,558	4.2%
Adjusted operating income	$1,181	$947	24.7%
Total pharmacy claims processed[1]	541.4	481.8	12.4%

Note: IngenioRx network revenue recorded on a net basis

1. Total pharmacy claims processed and generic dispensing rate for all periods presented include an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.

Revenue growth drivers

- Growth driven by Specialty pharmacy revenue reflecting full benefit of IngenioRx that started onboarding in Q2 2019 and COVID-19 related pull-forward of scripts and increase in 90-day prescriptions, partially offset by previously disclosed client losses and continued price compression

Increase in **Adjusted Operating Income** primarily driven by Specialty pharmacy volume, continued improvement in purchasing economics and an increase in generic dispensing rate (GDR), partially offset by previously disclosed client losses and continued price compression

- GDR of **89.0%**[1], up **~ 70 bps**, year-over-year

Growth in **Total Pharmacy Claims Processed[1]** primarily driven by increased claims from IngenioRx and COVID-19 related prescription volume discussed above. Estimated COVID-19 impact ~125 bps

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Q1 RESULTS

Retail / LTC segment

in millions	Q1 2020	Q1 2019	Change %
Total revenues	$22,749	$21,115	7.7%
Adjusted operating income	$1,902	$1,489	27.7%
Prescriptions filled[1]	375.1	346.8	8.2%

1. Prescriptions filled and generic dispensing rate for all periods presented include an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.

Revenue growth drivers

- Strong prescription volume growth described below and increased Front Store revenues (up ~2% pre-COVID-19), partially offset by continued reimbursement pressure and increased GDR
- GDR[1] of **89.3%**, up ~ **60 bps,** year-over-year

Adjusted Operating Income growth from strong sales performance, benefit from generics, Front Store margin improvements and lower SG&A reflecting favorable resolution of legal matters and ongoing modernization efforts, partially offset by continued reimbursement pressure

Prescriptions Filled growth driven by continued adoption of patient care programs, COVID-19 related prescription volume and leap day. Estimated COVID-19 impact ~200 bps

COVID-19 had meaningful impact on segment performance

- COVID-19 contributed ~40% of Q1 2020 adjusted operating income growth, including the impact of additional operating expenses

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Q1 RESULTS

Retail pharmacy

	Change vs. Q1 2019
Same store sales[1]	9.0%
Pharmacy sales	9.3%
Pharmacy adjusted prescription volume[2]	9.8%
Front Store sales	8.0%
Retail pharmacy script share of 26.8%[2, 3]	Up ~50 bps

1. Same store sales and prescription volume exclude revenues from MinuteClinic and revenues and prescriptions from long-term care operations and, in 2019, from stores in Brazil.
2. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.
3. Source: IQVIA retail pharmacy script data for March 2020

Growth in prescription volume driven by continued adoption of patient care programs, COVID-19 related prescription volume and leap day

Growth in Front Store sales primarily driven by strength in consumer health and general merchandise sales, which was primarily driven by COVID-19 related sales, expansion of CarePass® program and leap day

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Q1 RESULTS

Health Care Benefits segment

in millions, except MBR	Q1 2020	Q1 2019	Change %
Total revenues	$19,198	$17,870	7.4%
Adjusted operating income	$1,491	$1,562	(4.5%)
Total medical membership	23.5	22.8	2.8%
Commercial membership	17.6	17.9	(1.9%)
Government membership	5.9	4.9	19.6%
Medical benefit ratio (MBR)	82.4%	84.0%	160 bps

Revenue growth primarily driven by strong membership growth in Government products

Adjusted operating income slight decline primarily due to membership declines in Commercial insured products, higher Medicaid benefit costs in certain states and incremental operating expenses related to onboarding IlliniCare members, partially offset by membership growth in Government products and increased integration synergies

Medical membership growth driven by increases in Medicare and Medicaid products, partially offset by decline in Commercial insured products

Improvement to MBR primarily reflects return of HIF. During Q1 2020, also saw reduced discretionary utilization due to COVID-19 that started in mid March, partially offset by growth in Government business and leap day

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Estimated impact of COVID-19 on Q1 financials

Pharmacy Services

- 🟢 Increase in prescription volume due to pull-forward in scripts driven by early maintenance medication refills and greater use of 90-day prescriptions
    - Estimate COVID-19 impacted total pharmacy claims growth by **~125 bps**
- 🔴 Incremental costs for operations

Retail / LTC

- 🟢 Increase in prescription volume; same drivers as PSS
    - Estimate COVID-19 impacted prescriptions filled growth by **~200 bps**
- 🟢 Front Store revenue growth of **8.5%**; significant portion due to COVID-19
- 🔴 Incremental costs for operations
- 🔴 Long term care performance

Health Care Benefits

- 🟢 Lower discretionary utilization starting mid March
- 🔴 Realized capital losses in investment portfolio

Corporate / Other

- 🔴 Realized capital losses in investment portfolio

COVID-19 related business activity added ~10 cents to Q1 2020 GAAP Diluted EPS and Adjusted EPS

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April Business Update

April business update

	March 2020 YoY	April 2020 YoY[3]
Retail same store sales[1]	17.5%	1.4%
Pharmacy sales	17.2%	5.3%
Pharmacy adjusted prescription volume[2]	12.6%	(0.6%)
Front Store sales	18.6%	(10.9%)
Pharmacy Services total claims processed[2]	17.0%	0.6%
HCB decreases in utilization across an array of services		(~30%)

1. Same store sales and prescription volume exclude revenues from MinuteClinic and revenues and prescriptions from long-term care operations and, in 2019, from stores in Brazil.
2. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.
3. April 2020 information is preliminary.

Change in April prescription and claims processed volume year-over-year versus March driven by reversal of the pull-forward in scripts seen in March, and drop in new prescriptions related to lower physician visits

Decline in April Front Store sales year-over-year as increased basket size is offset by reduction in store traffic as shelter in place orders took hold

Reduction in discretionary utilization that began in mid March continued through April; Q2 2020 MBR could be lowest of the year

Cannot predict impact of delayed or missed treatment on members with chronic conditions

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