



# JP Morgan Health Care Conference

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# Cautionary statement

## concerning forward-looking statements

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**This presentation includes forward-looking statements.** The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation (“CVS Health”). By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may also differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties related to the proposed acquisition of Signify Health, Inc. and the COVID-19 pandemic, including the potential emergence of additional variants, vaccine and testing protocols, government testing initiatives, the geographies impacted by and the severity and duration of the pandemic, the pandemic’s impact on the U.S. and global economies and consumer behavior and health care utilization patterns, and the timing, scope and impact of stimulus legislation and other federal, state and local governmental responses to the pandemic, as well as the risks and uncertainties described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the heading “Cautionary Statement Concerning Forward-Looking Statements” in our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and our recent Current Reports on Form 8-K.

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

# | Powerful combination of foundational businesses



(GUIDANCE AS OF NOV 2, 2022)

2022E TOTAL REVENUE

**\$309-314** billion

2022E TOTAL ADJUSTED  
OPERATING INCOME

**\$17.5-17.6** billion

2022E OPERATING CASH FLOW

**\$13.5-14.5** billion



*Health Care  
Benefits Segment*

KEY STATISTICS

**24M+**

Medical benefit  
members



*Pharmacy Services  
Segment*

**110M+**

Pharmacy benefit  
members



*Retail / LTC  
Segment*

**1.6B+**

Projected scripts to  
be filled in 2022

2022E REVENUE (GUIDANCE AS OF NOV 2, 2022)

**\$89.3-90.8**  
billion

**\$162.5-165.3**  
billion

**\$102.7-104.0**  
billion

2022E ADJUSTED OPERATING INCOME (GUIDANCE AS OF NOV 2, 2022)

**\$5.96-6.02**  
billion

**\$7.31-7.40**  
billion

**\$6.66-6.72**  
billion



# our **vision**

- ♥ Become **the leading health solutions company** for consumers
- ♥ Deliver a **superior health care experience** for consumers
- ♥ **Drive improved** health outcomes, lower costs, higher levels of engagement and broader access to high quality care



# Our Unparalleled Consumer Reach

- ⚙️ **More than 100M** Caremark & Aetna members
- ⚙️ **85% of Americans live** within 10 miles of a CVS Store
- ⚙️ Nearly **5M customers** visit CVS locations every day
- ⚙️ **46M+ unique digital customers**
- ⚙️ **74M+ members** enrolled in the CVS ExtraCare Loyalty Program

Note: All metrics are as of September 30, 2022.



# | Only CVS Health has this unique collection of capabilities...

We are **uniquely positioned** to deliver market leading health solutions



- ▶ **Destination and partner of choice** for consumers across America
- ▶ **Most trusted brand** associated with health care services
- ▶ Industry-leading pharmacy **fulfillment assets**
- ▶ Health care benefits assets to more effectively **manage risk**
- ▶ Differentiated **care delivery assets** (community, home, virtual)
- ▶ Proven ability to **scale assets**



# our strategic imperatives

**Grow**  
our foundational  
businesses

**Advance**  
care delivery and  
health services offerings

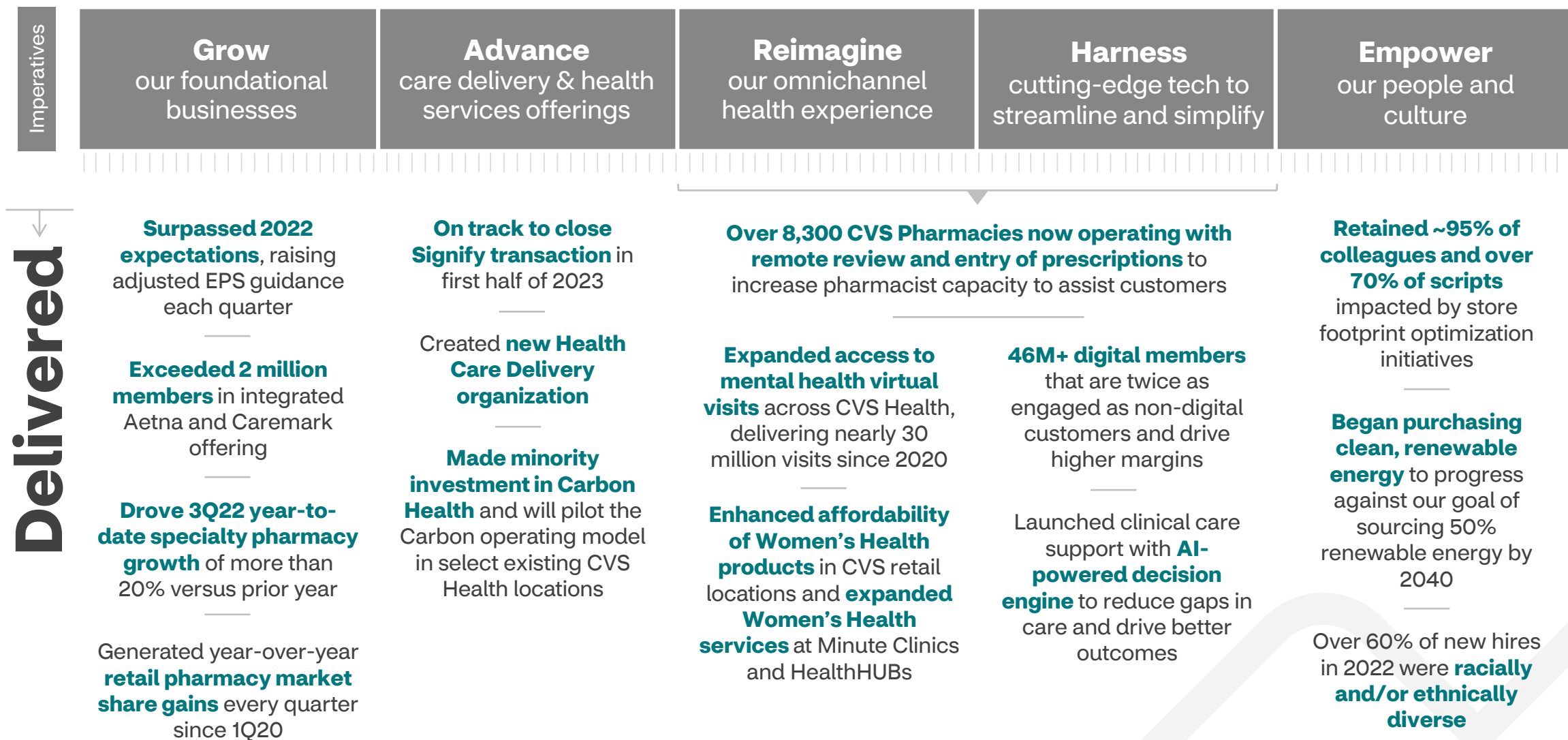
**Reimagine**  
our omnichannel  
health experience

**Harness**  
cutting-edge tech to  
streamline and simplify

**Empower**  
our people and  
culture

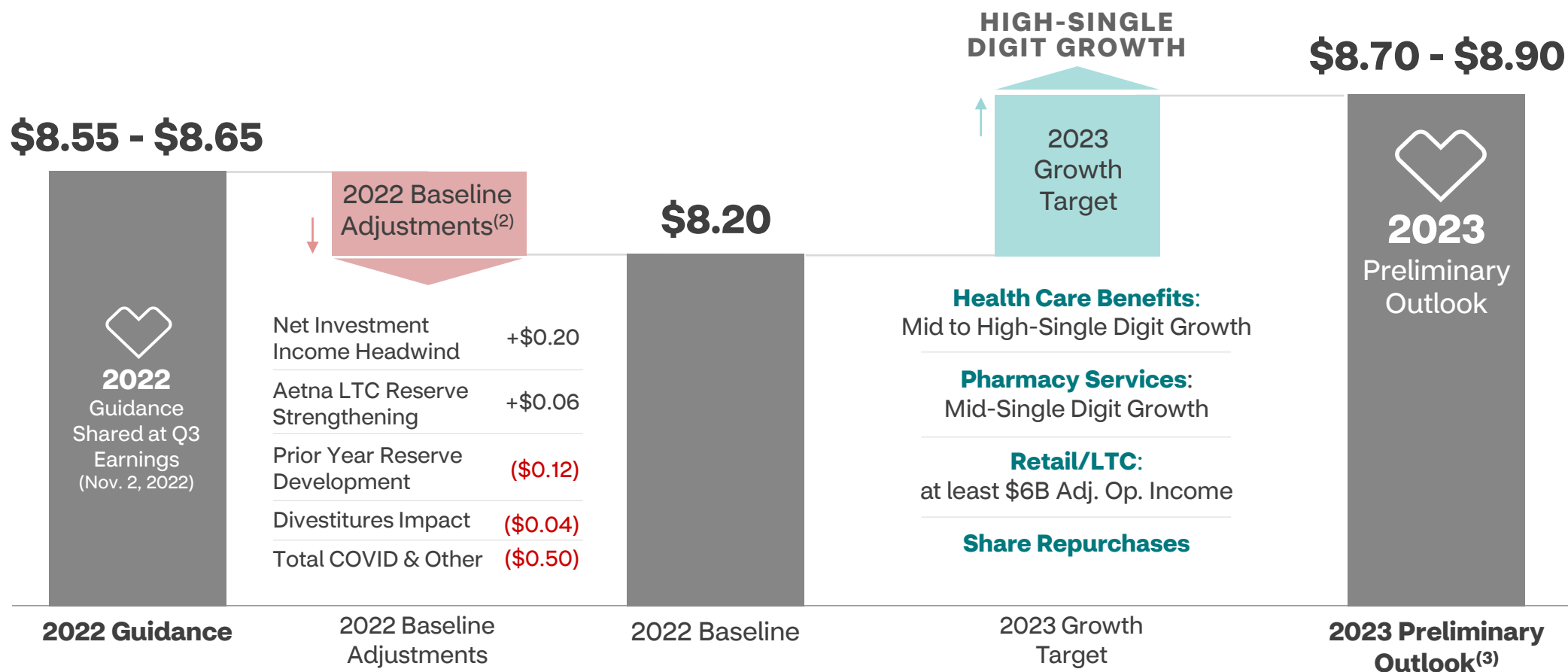


# We are executing on our strategy





# Expect to be at high end of 2022 Adjusted EPS guidance<sup>(1)</sup>, providing strong momentum for 2023



1. Based on Preliminary Results through November 2022.

2. Baseline Adjustments from 2022 Adjusted EPS Guidance mid-point as of November 2, 2022.

3. Beginning in 2023, Adjusted EPS will exclude realized capital gains and losses.

# Health Care Benefits



2023 OUTLOOK  
**Mid to high-single  
digit growth**

## — 2023 HEADWINDS & TAILWINDS —

- ▲ **Membership growth** balanced with disciplined pricing, including:
  - ▲ Medicare Advantage – low to mid-single digit growth
  - ▲ Commercial growth driven by strong Individual Exchange enrollment (+700K)
  - ▼ Medicaid decline reflecting impact of redeterminations (membership contraction and potential higher acuity)
- ▲ **Cost optimization** while balancing member experience improvements
- ▼ **Divestitures**, including PayFlex, bswift and portions of Aetna international business<sup>(1)</sup>

# Pharmacy Services

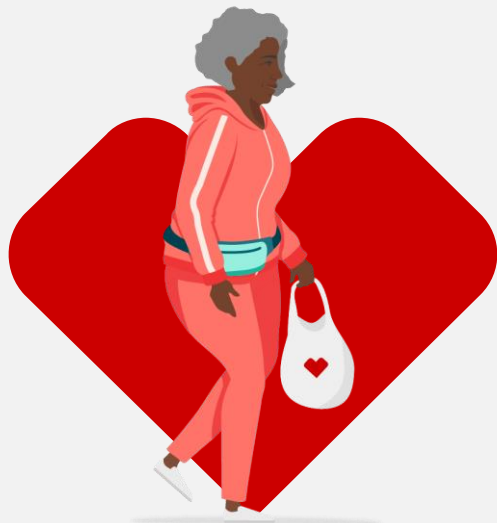


2023 OUTLOOK  
**Mid-single digit  
growth**

## — 2023 HEADWINDS & TAILWINDS —

- ▲ **Volume mix** and favorable impact of inflation
- ▲ **Strength in Specialty Pharmacy** including impact of generics
- ▲ Value driven by **generic and biosimilar launches**
- ▲ **Stabilization of 340B** dynamics
- ▼ Continued impact of **client price improvements**
- ▼ Investments to **enhance customer experience**

# Retail / LTC



2023 OUTLOOK  
At least **\$6 billion**  
in Adjusted  
Operating Income

## — 2023 HEADWINDS & TAILWINDS —

- ▲ **Pharmacy script** and **front store** growth
- ▲ Purchasing **cost improvements**
- ▲ **Continued store** footprint **optimization**  
*(At least 600 of 900 closures to be completed by year-end 2023)*
- ▼ Ongoing **pharmacy reimbursement pressure**
- ▼ Continued **expense investments** to modernize operations and enhance retention
- ▼ **COVID normalization** to endemic levels and reduced economics<sup>(1)</sup>



# Long-term capital generation and deployment critical to execute CVS Health's vision

**\$40 - \$50B**

2022 to 2024  
cumulative  
deployable cash

## 25 to 35% | Invest in our business

- ▶ Organic **capital expenditures**
- ▶ **Maintain statutory capital** in regulated entities

## 20% | Provide attractive dividend yield

- ▶ **Dividend growth** over time in line with adjusted EPS gains

## 45 to 55% | Available for flexible deployment

- ▶ Commitment to **investment grade ratings**
- ▶ Invest in **value-added** and **capability-focused M&A**
- ▶ **Increasing share repurchase** program over time

# Capability-focused capital deployment centered on value-based care to accelerate our health care delivery strategy

## Primary Care Services


Consumer-centric, next-generation clinics serving as focal point of care

## Home Health

Home solutions to extend reach and performance of primary care

## Physician Enablement

Provider tools and solutions to enable value-based models

**Our pending acquisition of**  
 **signifyhealth**



In-home services and care coordination through network of 10,000+ clinicians



Turnkey analytics, network and practice improvement solutions to enable value-based care

**Together, these drive improved...**



**ACCESS**



**COST**



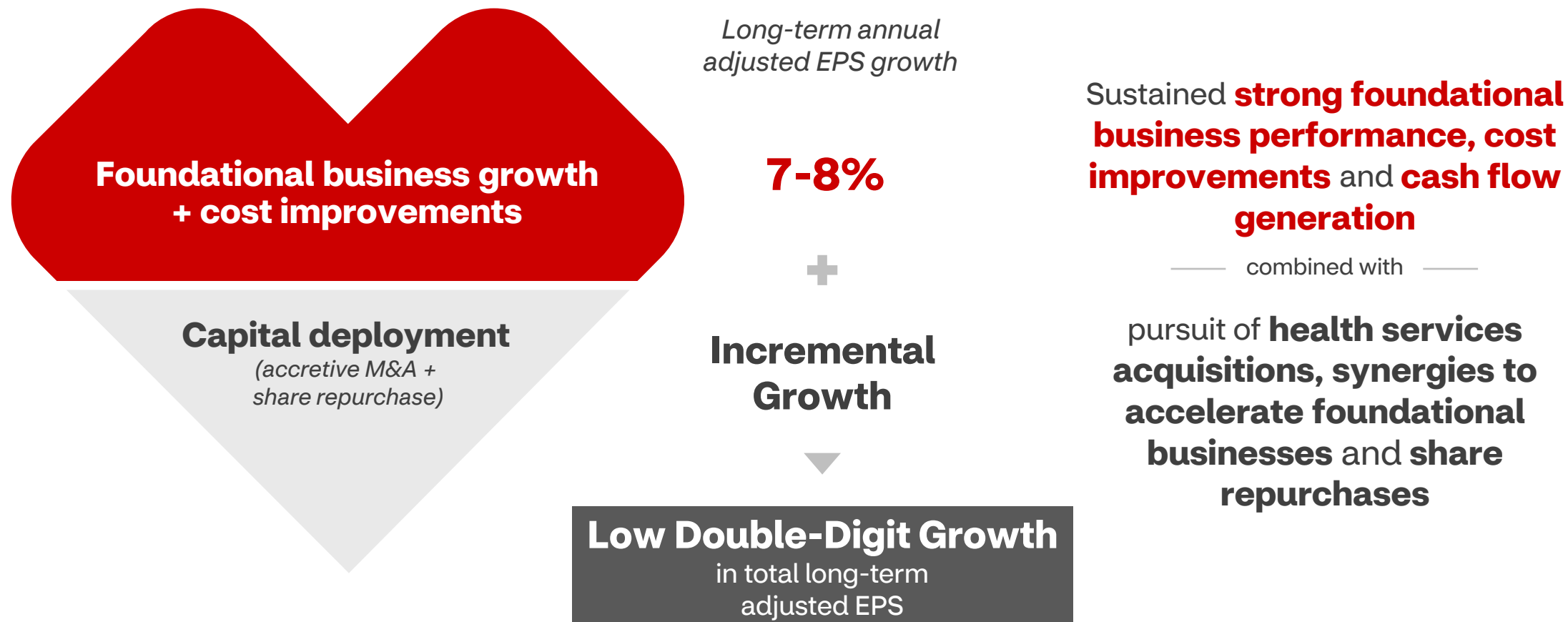
**QUALITY**



**SATISFACTION**

**...which leads to better outcomes.**

# Long-term low double-digit adjusted EPS growth requires strong execution





## What you can expect from **CVS Health**

- ♥ **Strong, sustainable growth** in our foundational businesses
- ♥ **Powerful** cash flow generation
- ♥ **Strategic** capital deployment
- ♥ **Differentiated consumer-focused** approach
- ♥ Commitment to **sustainable business practices** and employee development
- ♥ **Pathway to long-term**, low double-digit adjusted EPS growth