

First Quarter 2025 | May 1, 2025



Earnings

Conference Call

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Cautionary Statement

concerning forward-looking statements

This presentation includes forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation (“CVS Health”). By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may also differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the heading “Cautionary Statement Concerning Forward-Looking Statements” in our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q, our recent Current Reports on Form 8-K, and this morning’s earnings press release.

This presentation includes non-GAAP financial measures that we use to describe our company’s performance. In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures, in our press release we issued in connection with the release of our results for the first quarter of 2025 and our non-GAAP reconciliation document, which are both available on the Investor Relations portion of our website.

Enterprise Highlights

Delivered consolidated revenue growth of **7.0%** and adjusted EPS of **\$2.25** in the first quarter of 2025.
Raised 2025 adjusted EPS guidance to a range of **\$6.00 to \$6.20**.

Delivering better experiences that

Build Trust

Introduced new **bundled prior authorization** approach to help **alleviate friction** for members and providers

Increasing access to innovative drugs **at a more affordable cost**

Improving health outcomes through better medication adherence

First Quarter

Financial Results

7.0%
consolidated revenue growth

\$1.41
GAAP EPS

\$2.25
adjusted EPS

\$4.6B
cash flow from operations

Full Year 2025

Company Guidance

At least \$382.6B
consolidated revenue

\$13.31 – \$13.65B
consolidated adjusted operating income

\$6.00 – \$6.20
adjusted EPS

~\$7.0B
cash flow from operations



OUR FOCUS

**Becoming America's
most trusted health
care company**

Strategic Imperatives

- ▶ **Grow** our core business
- ▶ **Build** diverse national care delivery and value-based care capabilities
- ▶ **Enable** consumers' health with care and coverage capabilities across local points of care
- ▶ **Create** seamless engagement and personalized experiences across all company channels
- ▶ **Empower** our people and culture

Consolidated Results

► Quarter Results

In billions, except per share amounts

1Q 2025

1Q 2024

Total Revenues	\$94.6	\$88.4
Adjusted Operating Income	\$4.58	\$2.96
GAAP Earnings per Share	\$1.41	\$0.88
Adjusted Earnings per Share	\$2.25	\$1.31
Cash Flow from Operations	\$4.6	\$4.9

Business highlights



Ongoing portfolio management through our decision to **exit the states in which Aetna independently operates Individual ACA plans** in 2026, our **exit from the ACO REACH program** and **the sale of our MSSP business**.

Continue to **grow retail pharmacy script share**, reaching ~27.6% in the first quarter, driven by continued **strong execution**, our ability to deliver **superior customer experiences** and our commitment to **pharmacy access** across the communities we serve.

Returned \$840 million to stockholders via quarterly dividend.

Consolidated Guidance

► Full Year Guidance

In billions, except per share amounts and tax rate

Full Year 2025

as of May 1, 2025

Full Year 2025

as of February 12, 2025

Total Revenues	At least \$382.6	At least \$385.9
Adjusted Operating Income	\$13.31 to \$13.65	\$12.95 to \$13.40
GAAP Earnings per Share	\$4.23 to \$4.43	\$4.58 to \$4.83
Adjusted Earnings per Share	\$6.00 to \$6.20	\$5.75 to \$6.00
Cash Flow from Operations	~\$7.0	~\$6.5
Interest Expense	~\$3.15	~\$3.24
Capital Expenditures	\$2.8 to \$3.0	\$2.8 to \$3.0
Adjusted Effective Tax Rate	~25.9%	~25.5%
Weighted Average Diluted Share Count	~1.270	~1.271

Business highlights



Revised **total revenues to at least \$382.6 billion**, down ~\$3.3 billion, largely due to our **exit from the ACO REACH program and the sale of our MSSP business**.

Raised 2025 adjusted EPS guidance to a **range of \$6.00 to \$6.20**.

Updated Health Care Benefits adjusted operating income guidance reflects an **increase of ~\$400 million**, primarily driven by **prior year development net of changes in estimates related to prior period revenue**.

Raised 2025 guidance continues to reflect our **focus on building trust** by setting expectations that are **appropriate** and **achievable** with **opportunities for outperformance**.



Superior **assets. Superior **care.** Superior **value.****

Health Care Benefits

► Quarter Results

In billions, except MBR and membership

	1Q 2025	1Q 2024
Total Revenues	\$34.8	\$32.2
Adjusted Operating Income	\$1.99	\$0.73
Total Medical Membership (millions)	27.1	26.8
Commercial	19.2	18.8
Government	7.9	7.9
Medical Benefits Ratio (MBR)	87.3%	90.4%

► Full Year Guidance

	Full Year 2025 as of May 1, 2025	Full Year 2025 as of February 12, 2025
Total Revenues	At least \$138.0	At least \$132.1
Adjusted Operating Income	\$1.91 to \$2.25	\$1.50 to \$1.95
Total Medical Membership (millions)	~26.4	~25.8
Medical Benefits Ratio (MBR)	91.3% (at the low-end)	91.5% (at the low-end)

Business highlights



First quarter adjusted operating income **increased by over \$1.2 billion** year-over-year, driven by **the favorable impact of prior year development** and improved **underlying performance in Medicare**, partially offset by the premium deficiency reserve recorded in the quarter within the Individual Exchange product line related to anticipated losses for the 2025 coverage year.

Raised 2025 adjusted operating income guidance of **\$1.91 to \$2.25 billion** **reflects a respectful view of cost trends**, given the continued elevated trend observed in the first quarter.

Health Services

► Quarter Results

In billions, except pharmacy claims

	1Q 2025	1Q 2024
Total Revenues	\$43.5	\$40.3
Adjusted Operating Income	\$1.60	\$1.36
Pharmacy Claims Processed ¹ (millions)	464.2	462.9

► Full Year Guidance

	Full Year 2025 as of May 1, 2025	Full Year 2025 as of February 12, 2025
Total Revenues	At least \$181.0	At least \$184.8
Adjusted Operating Income	At least \$7.54	At least \$7.54
Pharmacy Claims Processed ¹ (billions)	At least 1.93	At least 1.93

Business highlights



First quarter adjusted operating income **increased ~18%** year over year, driven by **improved purchasing economics** and **pharmacy drug mix**, partially offset by continued pharmacy client price improvements.

Announced we are **partnering with Novo Nordisk** to significantly **increase member access to Wegovy** at a more affordable cost.

Health Care Delivery experienced **strong patient growth at Oak Street** and **increased in-home health evaluation volumes** at Signify.

Reaffirmed 2025 adjusted operating income guidance of **at least \$7.54 billion**.

Pharmacy & Consumer Wellness

► **Quarter Results**

In billions, except prescriptions filled

	1Q 2025	1Q 2024
Total Revenues	\$31.9	\$28.7
Adjusted Operating Income	\$1.31	\$1.18
Prescriptions Filled ¹ (millions)	435.5	417.6

► **Full Year Guidance**

	Full Year 2025 as of May 1, 2025	Full Year 2025 as of February 12, 2025
Total Revenues	At least \$133.0	At least \$134.0
Adjusted Operating Income	At least \$5.48	At least \$5.48
Prescriptions Filled ¹ (billions)	At least 1.77	At least 1.77

Business highlights

First quarter adjusted operating income **increased over 11%** year over year, driven by **increased prescription volume** and **improved drug purchasing**, partially offset by continued pharmacy reimbursement pressure and the impact of softening consumer demand in the front store.

Same store pharmacy sales and same store prescription volumes **increased by ~18%² and ~7%²**, respectively, over the prior year quarter.

Implementation of CVS CostVantage, our innovative and transparent pharmacy pricing model, **continues to track in-line with our expectations**.

Reaffirmed 2025 adjusted operating income guidance of **at least \$5.48 billion**, reflecting a respectful outlook for the remainder of the year.

Footnotes

First Quarter 2025

1. Includes an adjustment to convert 90-day prescriptions to the equivalent of three 30-day prescriptions.
2. Same store sales and prescription volume represent the change in revenues and prescriptions filled in the Company's retail pharmacy stores that have been operating for greater than one year and digital sales initiated online or through mobile applications and fulfilled through the Company's distribution centers, expressed as a percentage that indicates the increase or decrease relative to the comparable prior period. Same store metrics exclude revenues and prescriptions from LTC and infusion services operations. Management uses these metrics to evaluate the performance of existing stores on a comparable basis and to inform future decisions regarding existing stores and new locations. Same-store metrics provide management and investors with information useful in understanding the portion of current revenues and prescriptions resulting from organic growth in existing locations versus the portion resulting from opening new stores.