

The secret fruit is an



Building a world of health around every consumer.



2023 Annual Report

Dear Fellow Stockholders:

Our more than 300,000 purpose-driven colleagues work every day to build a world of health around every consumer, improving outcomes, lowering costs and broadening access to quality care. We are bringing our heart to every moment of health for the people and communities we serve.

In 2023, we made tangible progress to transform how care is delivered in this country, bringing together integrated health solutions that meet the needs of consumers. We advanced our strategy and strengthened our position for continued success in 2024.

Delivering strong performance through a diversified portfolio

Last year we successfully navigated a challenging environment while delivering on our financial commitments. We grew total revenues to approximately \$358 billion, an 11 percent increase over 2022, and delivered adjusted operating income of \$17.5 billion* and adjusted earnings per share of \$8.74*. During the year, we generated \$13.4 billion in cash flow from operations, demonstrating the power of our business model. This performance enabled us to return more than \$5 billion to stockholders through dividend payments and common stock repurchases.

In the Health Care Benefits segment, we ended the year with nearly 26 million members, an increase of 1.3 million members versus the prior year, reflecting increases in the Commercial and Medicare product lines, including Individual Exchange business within the C

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product line. We offered our Individual Exchange products in 12 states in 2023, and in 2024 we will expand to a total of 17 states. Our success was driven by compelling offerings that were strengthened by CVS Health® assets, allowing us to create differentiated value for members.

In the Health Services segment, we launched a new brand, CVS Healthspire™, that brings together our health care delivery, pharmacy benefit management and health services solutions. These businesses will accelerate our ability to transform health care and to drive superior health outcomes at lower costs while offering a seamless consumer experience.

Our ability to consistently deliver exceptional customer and member experiences, while making medicine more affordable, makes CVS Caremark® a leader in the marketplace. In 2023, CVS Caremark served approximately 108 million members and processed 2.3 billion pharmacy claims on a 30-day equivalent basis. Our deep understanding of the practice of pharmacy allows us to deliver lower costs in the pharmaceutical marketplace, leading to better health outcomes.

In the Pharmacy & Consumer Wellness (PCW) segment, we filled more than 1.6 billion prescriptions and administered nearly 30 million vaccines. We invested in digital capabilities to help drive productivity in our business. More than 40 percent of our CVS Pharmacy® customers are engaging with us digitally for their pharmacy and well-being needs. Our local community presence allows us to connect millions of people across different sites of care to improve health in ways others cannot.

By bringing together the powerful capabilities of our br

more consumer products to engage members in more than the CVS Health business. Our capabilities allow us to connect with consumers in more places—in the community, in the home and virtually.

Advancing the future of care delivery

We have both the scale to transform how health care is delivered, and the ability to personalize care and coverage for each individual we serve.



Karen S. Lynch

President and Chief Executive Officer

In 2023, we made significant progress on our value-based care delivery strategy. We broadened our value-based care capabilities into the home with the acquisitions of Signify Health®, which expanded our reach into consumers' homes with Signify Health conducting 2.6 million in-home evaluations over the course of 2023. Over time, we expect to utilize the strong capabilities of Signify Health in other businesses, including Individual Exchange and Medicaid.

Our acquisition of Oak Street Health® extends our ability to provide primary care services and gives us momentum in engaging multi-payor Medicare Advantage members with Oak Street Health clinics. In 2023, there were more than 6 million visits to MinuteClinic® locations, our retail health clinics. We also grew our physician enablement business, CVS Accountable Care™, which had approximately \$10 billion of managed spend in 2023 and is expected to grow to more than 1 million patients in 2024. We expect these assets to accelerate our growth and the long-term value of CVS Health. Together, MinuteClinic and Oak Street Health makes CVS Health one of the largest providers of primary and episodic care in the United States. Collectively, we are effectively combining a unique and integrated platform of capabilities that lead to high quality of care, lower costs and better health outcomes.

Beyond engaging consumers, we believe emerging technologies will accelerate the transformation in

health care. We are embedding technology, data and analytics in every aspect of our business. The effects will be positive and profound, and we're already seeing significant value, while preserving the importance of the human connection in health care.

Driving pharmacy innovation for greater access and affordability

We are committed to continuously innovating to improve the choices we offer our customers, health plan clients and consumers. In 2023, we further expanded our role in ensuring access to high quality, reliable and cost-effective prescription therapies.

We launched Cordavis™, a wholly-owned subsidiary that works directly with pharmaceutical manufacturers to commercialize and/or co-produce biosimilar products. It builds on our history of finding ways to lower drug costs and ensure people have access to the medications they need to stay healthy, especially for high-priced specialty drugs. We expect that Cordavis will support a viable and durable biosimilar market at scale in the United States, a market which is projected to grow to more than \$100 billion by 2029.

We also announced two exciting new models, CVS CostVantage™ in CVS Pharmacy® and TrueCost™ in CVS Caremark®. CVS CostVantage offers a new approach to the pharmacy reimbursement model that delivers great transparency and simplicity to the system. The new model can create a more sustainable pharmacy market and will ensure that CVS Pharmacy locations continue to be a critical touchpoint for consumers to access affordable health care in their communities. Cash paying patients are expected to begin benefitting from CVS CostVantage in 2024, and it will become available to pharmacy benefit managers (PBMs) in 2025.

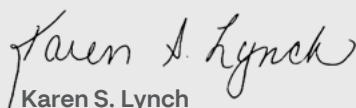
Our CVS Caremark TrueCost model offers clients pricing that reflects the true net cost of prescription drugs and offers consumers confidence that their pharmacy benefit is providing the best possible price. This new model is expected to be offered to payors for commercial clients in 2025.

Shaping the future of health care in America

We are proud of the progress we made in 2023 on our journey to transform how care is delivered in this country, and of the financial results we achieved. We are building America's health platform, enabling access to high quality, convenient and affordable care that supports individuals in building healthier lives.

In closing, I would like to thank our colleagues for their commitment to our purpose and our customers. I would also like to thank you, our stockholders, for believing in us, investing in us and giving us the opportunity to do more for the people we serve. I look forward to another successful year.

Sincerely,



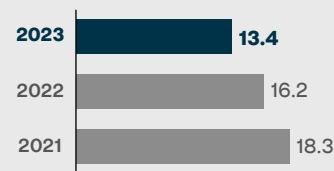
Karen S. Lynch
President and Chief Executive Officer
April 3, 2024

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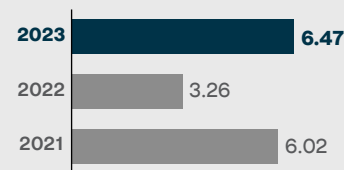
Total revenues in billions of dollars



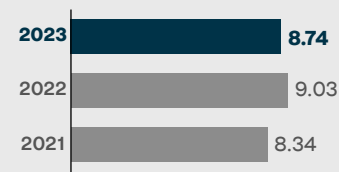
Cash flow from operations in billions of dollars



Diluted EPS in dollars per common share



Adjusted EPS* in dollars per common share



This annual report contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Please see the "Cautionary Statement Concerning Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Form 10-K"), included as part of this Annual Report, for a discussion on forward-looking statements.

* FOR ADJUSTED EPS: Adjusted operating income and adjusted earnings per share (EPS) are non-GAAP financial measures. A reconciliation of operating income to adjusted operating income is provided on [page 194](#) of the Form 10-K included in this Annual Report, and a reconciliation of GAAP diluted EPS to Adjusted EPS is provided under the heading "Reconciliation" in the back pages of this Annual Report.

CVS Health® is in nearly every community in America, an essential part of where people access care.



120+
million
consumers



55+
million
unique digital
customers



65,000+
providers across
our health care
delivery businesses



85%
of the U.S. population
lives within 10 miles of a
CVS Pharmacy® location



~14
million
weekly CVS Pharmacy
interactions



300,000+
purpose-driven
colleagues





♥ aetna®

We serve more than 35 million people through traditional, voluntary and consumer directed health insurance products and services, including expanding Medicare Advantage offerings and a standalone Medicare Part D prescription drug plan.



♥ CVS caremark®

A leading PBM that offers a full range of innovative solutions to lower drug costs and increase transparency while assisting health plans, employers and government clients in providing clinically appropriate coverage for medications to our members.



♥ CVS pharmacy®

A leading retail pharmacy chain in the country with over 9,000 community health locations that dispense prescriptions and offer health and wellness products to consumers.



○ Oak St. Health
part of **CVS Healthspire**.

A network of more than 200 value-based primary care centers, for adults on Medicare, delivering health care through an innovative model focused on quality of care over volume of services.

The secret shape is a



Superior Assets

CVS Health® is a trusted brand in health care.

Surveys and purchase patterns show that our customers know us, they like us and they trust us to support them throughout their health journeys. With a broad reach and more than 300,000 purpose-driven colleagues, we are committed to shaping the future of health care in America.

Our diversified portfolio of businesses and services presents an unmatched opportunity to fundamentally change the way people get and stay healthy.

From providing consumers health insurance through our Aetna® products, to conveniently serving customers through our CVS Pharmacy® community locations, to broadening access to quality care in our primary care and retail health locations, to our in-home evaluations and growing

digital presence, we are making health care more connected and convenient.

When all of our assets work together, we can do more to lower the total cost of care, improve health outcomes, increase loyalty and improve quality and affordability for the consumers we serve.

CVS Healthspire™ is our new brand that brings together Signify Health®, Oak Street Health®, MinuteClinic®, CVS Caremark® and Cordavis™.

Through this brand, we are signaling our differentiation to provide a connected, payor-agnostic, more affordable, consumer-centered health experience across our assets.

Transforming health care requires engagement and breadth. No one is better positioned to engage, deliver clinical services and simplify health care than CVS Health.