



Company	Ticker	Sector	Industry
CVS Health Corporation	CVS-US	Health Care	Health Care Providers & Services

Business Description

CVS Health Corp. engages in the provision of healthcare services. It operates through the following segments: Pharmacy Services, Retail or Long-Term Care, Health Care Benefits, and Corporate/Other. The Pharmacy Services segment offers pharmacy benefit management solutions. The Retail or Long-Term Care segment includes the sale of prescription drugs and an assortment of health and wellness products, and general merchandise. The Health Care Benefits segment provides traditional, voluntary, and consumer-directed health insurance products and related services, including medical, pharmacy, dental and behavioral health plans, medical management capabilities, Medicare Advantage and Medicare Supplement plans, Medicare Part D prescription drug plan, Medicaid health care management services, and health information technology products and services. The Corporate/Other segment is involved in providing management and administrative services. The company was founded by Stanley P. Goldstein and Ralph Hoagland in 1963 and is headquartered in Woonsocket, RI.

Price Chart

Key Info & Metrics



Empirical Research Rank:	1
Date Purchased:	10/07/2021
Price:	\$85.98
52-Week Range:	\$85.25 - \$110.83
Dividend Yield:	2.62%
Market Cap (\$M):	\$112,975
Forward Price-to-Earnings:	10

Total Return

Year-to-Date:	-7.1%
1 Year:	-19.5%
3 Year:	30.0%
5 Year:	33.2%

Investment Case - Updated: November 7, 2022

CVS has transformed from a retail-focused pharmacy and pharmacy benefit manager into a diversified health care provider. With the acquisition of Aetna in 2018, the company set the stage to significantly add to earnings by leveraging its network of stores and clinics to deliver all-payer health care services. CVS is capitalizing on its trusted brand and its remarkable consumer reach to promote wellness and prevention with easily accessible primary care services and to offer omnichannel delivery of healthcare services focused on the consumer. CVS sees deeper engagement with consumer as an engine for sustainable growth. Its leading position in the deployment of COVID-19 testing and vaccinations during the pandemic strengthened its brand and increased store traffic. CVS is building on that momentum, deploying its long-term strategy with the commitment to deliver low double-digit revenue growth by 2024, supporting cash flow generation. With the higher-margin service business expanding, CVS also expects the long-term strategic shift to improve profitability. The company has been able to pay down debt and repurchase shares while maintaining its dividend.

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