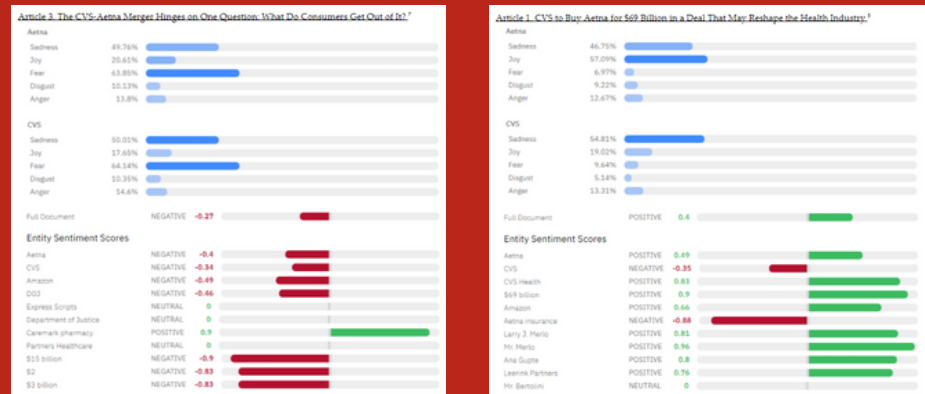


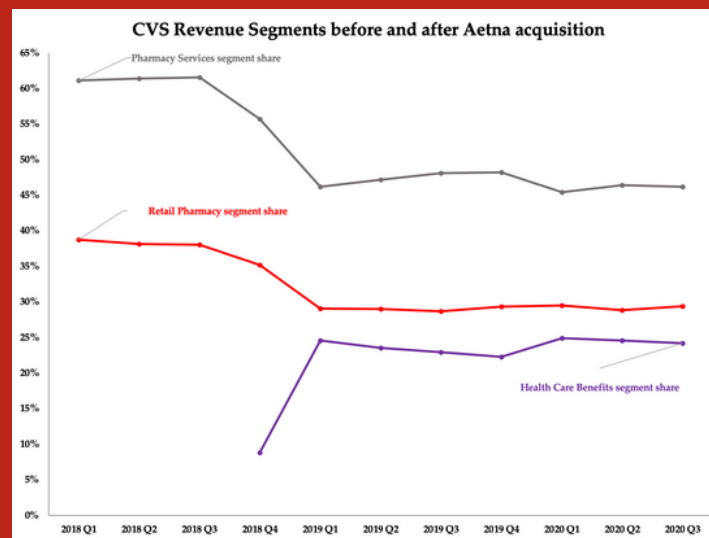
Effects of Aetna acquisition on CVS Health performance summary by Zinaida Dvoskina and Kirill Ilin

Sentiment analysis of the Aetna acquisition



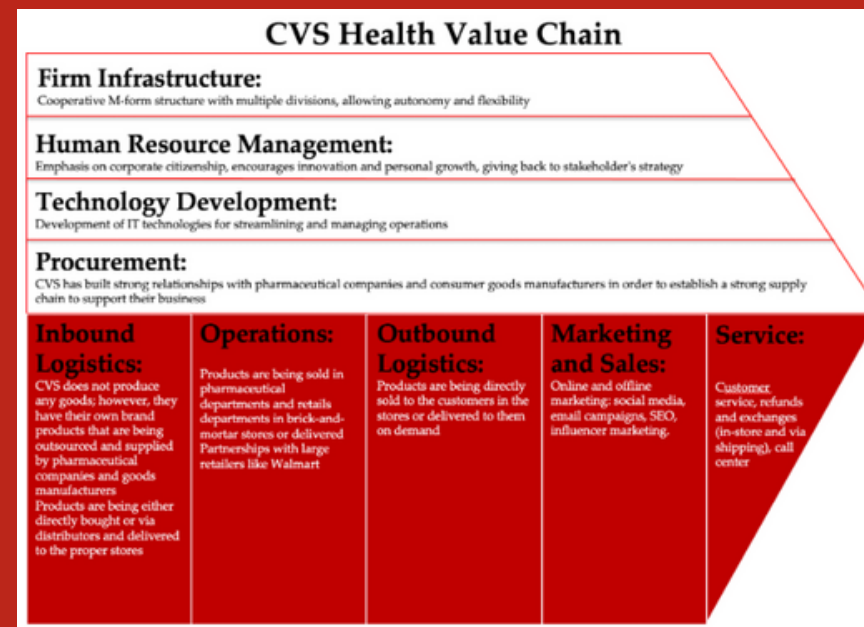
The forecasts from the market experts were that this acquisition could result in CVS wasting money for no additional revenue or profit and losing a solid portion of the brand valuation.

Revenue Segments



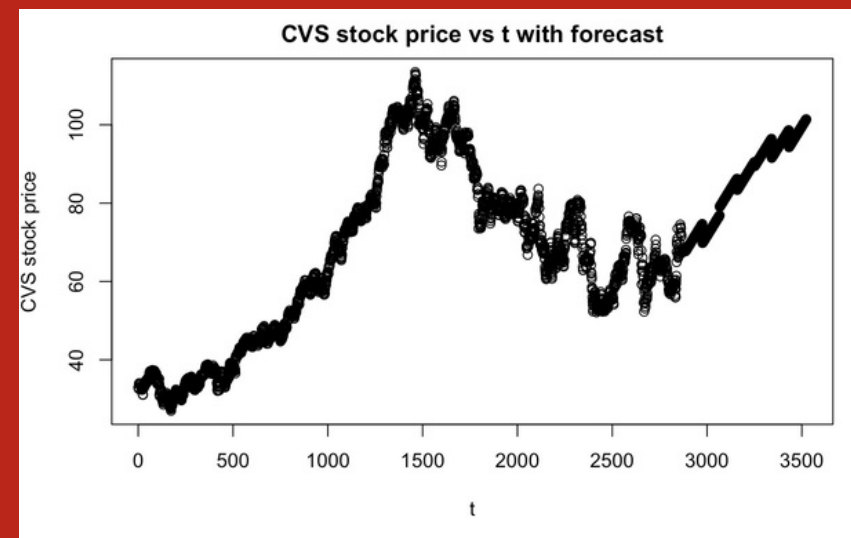
Just within 1 year of operations, complicated by COVID-19 situation, revenue stream from Aetna has reached almost the same level as the retail segment which indicates a great overall performance and a worthy acquisition.

Value Chain and Strategy



Core capability: Providing Care Delivery Ecosystem which means value-based contracting with aligned incentives; clinical risk stratification and predictive modeling

Stock price analysis and forecast



Based on the company's performance, Aetna's presence and COVID situation, we are predicting the stock price to steadily increase in the upcoming year.

EPS analysis and prediction



As the result of the Aetna acquisition, CVS were predicting significant EPS growth, but even managed to outperform it in 2019 and will have outperformed it in 2020. COVID-19 made a positive impact on EPS in the 1st and 2nd quarters, as CVS met elevated consumer and member needs.



Results

Despite all the concerns regarding the acquisition and all the related risks, CVS with Aetna has outperformed their own predictions and predictions of the market experts in terms of EPS. It was only a short period before the Pandemic when we could estimate an isolated effect of Aetna acquisition without COVID-related effects.