

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):

**February 8, 2023**



**CVS HEALTH CORPORATION**

(Exact name of Registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation)

**001-01011**

(Commission  
File No.)

**05-0494040**

(IRS Employer  
Identification No.)

**One CVS Drive, Woonsocket, Rhode Island, 02895**

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(401) 765-1500**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>Common Stock, par value \$0.01 per share</b>	<b>CVS</b>	<b>New York Stock Exchange</b>

Securities registered pursuant to section 12(g) of the Act: None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- ☐ Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 7.01 – Regulation FD Disclosure.**

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On February 8, 2023, CVS Health Corporation, a Delaware corporation (“CVS Health”), and Oak Street Health, Inc., a Delaware corporation (“Oak Street Health”), issued a joint press release announcing that on February 7, 2023, CVS Pharmacy, Inc., a Rhode Island corporation and wholly owned direct subsidiary of CVS Health (“Parent”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Oak Street Health, Halo Merger Sub Corp., a Delaware corporation and wholly owned direct subsidiary of Parent (“Merger Sub”), and, for the limited purposes set forth therein, CVS Health, pursuant to which Merger Sub will merge with and into Oak Street Health and Oak Street Health will be the surviving corporation and will continue as a wholly owned direct subsidiary of Parent (the “Merger”). A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

In addition, the Chief Executive Officer of Oak Street Health will attend a portion of CVS Health’s conference call for investors on February 8, 2023 at 8:00 a.m. ET announcing results for the three months and full year ended December 31, 2022. An audio webcast of the conference call will be broadcast simultaneously for all interested parties through the Investors portion of the CVS Health website at [investors.cvshealth.com](https://investors.cvshealth.com) where it will be archived for a period of one year. A copy of presentation materials related to the Merger will be made available on the Investors portion of the CVS Health website at [investors.cvshealth.com](https://investors.cvshealth.com) and is furnished herewith as Exhibit 99.2 and is incorporated by reference herein.

The information included under Item 7.01 of this report (including the exhibits) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933.

**Cautionary Statement Regarding 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 or Oak Street Health. This Current Report on Form 8-K contains forward-looking statements, which include all statements that do not relate solely to historical or current facts, such as statements regarding CVS Health’s expectations, intentions or strategies regarding the future. In some cases, you can identify forward-looking statements by the following words: “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “aim,” “potential,” “continue,” “ongoing,” “goal,” “can,” “seek,” “target” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Statements in this Current Report on Form 8-K and in the press release or the presentation that are forward looking may include, but are not limited to, statements regarding the benefits of the proposed acquisition of Oak Street Health and the associated integration plans, expected synergies and revenue opportunities, anticipated future operating performance and results of CVS Health, the expected management and governance of Oak Street Health following the acquisition and expected timing of the closing of the proposed acquisition and other transactions contemplated by the Merger Agreement. 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. Such risks and uncertainties include, but are not limited to: the occurrence of any event, change or other circumstance that could give rise to the right of CVS Health or Oak Street Health or both of them to terminate the Merger Agreement, including circumstances requiring a party to pay the other party a termination fee pursuant to the Merger Agreement; the failure to obtain applicable regulatory or Oak Street Health stockholder approval in a timely manner or otherwise; the risk that the acquisition may not close in the anticipated timeframe or at all due to one or more of the other closing conditions to the transaction not being satisfied or waived; the risk that there may be unexpected costs, charges or expenses resulting from the proposed acquisition; risks related to the ability of CVS Health and Oak Street Health to successfully integrate the businesses and achieve the expected synergies and operating efficiencies within the expected timeframes or at all and the possibility that such integration may be more difficult, time consuming or costly than expected; risks that the proposed transaction disrupts CVS Health’s or Oak Street Health’s current plans and operations; the risk that certain restrictions during the pendency of the proposed transaction may impact CVS Health’s or Oak Street Health’s ability to pursue certain business opportunities or strategic transactions; risks related to disruption of each company’s management’s time and attention from ongoing business operations due to the proposed transaction; continued availability of capital and financing and rating agency actions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of CVS Health’s and/or Oak Street Health’s common stock, credit ratings or operating results; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of CVS Health and Oak Street Health to retain and hire key personnel, to retain customers and to maintain relationships with each of their respective business partners, suppliers and customers and on their respective operating results and businesses generally, including with respect to Humana Inc. and its affiliates, which lease or license to Oak Street Health a majority of Oak Street Health’s primary care centers;

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the risk of litigation that could be instituted against the parties to the Merger Agreement or their respective directors, managers or officers and/or regulatory actions related to the proposed acquisition, including the effects of any outcomes related thereto; risks related to unpredictable and severe or catastrophic events, including but not limited to acts of terrorism, war or hostilities, cyber attacks, or the impact of the COVID-19 pandemic or any other pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide on CVS Health's or Oak Street Health's business, financial condition and results of operations, as well as the response thereto by each company's management; and other business effects, including the effects of industry, market, economic, political or regulatory conditions. Also, CVS Health's and Oak Street Health's actual results may differ materially from those contemplated by the forward-looking statements for a number of additional reasons as described in CVS Health's and Oak Street Health's respective SEC filings, including those set forth in the Risk Factors section and under any "Forward-Looking Statements" or similar heading in CVS Health's or Oak Street Health's respective most recently filed Annual Report on Form 10-K, Oak Street Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 and CVS Health's and Oak Street Health's Current Reports on Form 8-K.

You are cautioned not to place undue reliance on CVS Health's or Oak Street Health's forward-looking statements. CVS Health's and Oak Street Health's respective forward-looking statements are and will be based upon each company's management's then-current views and assumptions regarding CVS Health's proposed acquisition of Oak Street Health, future events and operating performance, and are applicable only as of the dates of such statements. Neither CVS Health nor Oak Street Health assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise.

The press release and presentation may include non-GAAP financial measures that CVS Health uses to describe its 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 Investors portion of CVS Health's website. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. CVS Health's definitions of its non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. In addition, this presentation includes Oak Street Health's projected adjusted EBITDA, a non-GAAP measure used to describe Oak Street Health's expected performance. We have not presented a reconciliation of this non-GAAP measure to Oak Street Health's projected net income, the most comparable GAAP financial measure, because the reconciliation could not be prepared without unreasonable effort. The information necessary to prepare the reconciliation is not available on a forward-looking basis and cannot be accurately predicted. The unavailable information could have a significant impact on the calculation of the comparable GAAP financial measure.

#### **Additional Information and Where to Find It**

This communication is being made in respect to the proposed transaction involving CVS Health and Oak Street Health. A meeting of the stockholders of Oak Street Health will be announced as promptly as practicable to seek stockholder approval in connection with the proposed transaction. CVS Health and Oak Street Health intend to file relevant materials with the SEC, including that Oak Street Health will file a preliminary and definitive proxy statement relating to the proposed transaction. The definitive proxy statement will be mailed to Oak Street Health's stockholders. The press release and presentation are not a substitute for the proxy statement or any other document that may be filed by Oak Street Health with the SEC.

BEFORE MAKING ANY DECISION, OAK STREET HEALTH STOCKHOLDERS ARE URGED TO CAREFULLY READ THE PRELIMINARY AND DEFINITIVE PROXY STATEMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE INTO THE PROXY STATEMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Any vote in respect of resolutions to be proposed at Oak Street Health's stockholder meeting to approve the proposed transaction or other responses in relation to the proposed transaction should be made only on the basis of the information contained in Oak Street Health's proxy statement. You will be able to obtain a free copy of the proxy statement and other related documents (when available) filed by Oak Street Health and documents filed by CVS Health with the SEC at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or by accessing the Investor Relations section of Oak Street Health's website at <https://www.oakstreethealth.com> for documents filed by Oak Street Health or the Investors portion of CVS Health's website at <https://investors.cvshealth.com> for documents filed by CVS Health.

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## No Offer or Solicitation

The press release and presentation is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## Participants in the Solicitation

CVS Health, Oak Street Health and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Oak Street Health's stockholders in connection with the proposed transaction. Information regarding CVS Health's directors and executive officers is contained in CVS Health's Definitive Proxy Statement for its 2022 Annual Meeting of Stockholders filed with the SEC on April 1, 2022 as updated by CVS Health's subsequent filings made on [www.sec.gov](http://www.sec.gov). Information regarding Oak Street Health's directors and executive officers, including a description of their respective direct or indirect interests, by security holdings or otherwise, will be included in the proxy statement described above. These documents (when available) may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) or by accessing the Investor Relations section of Oak Street Health's website at <https://www.oakstreethealth.com> for documents filed by Oak Street Health or the Investors portion of CVS Health's website at <https://investors.cvshealth.com> for documents filed by CVS Health.

## Item 9.01 Financial Statements and Exhibits.

### (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Joint Press Release, issued on February 8, 2023.</a>
99.2	<a href="#">Presentation materials related to the Merger, February 8, 2023.</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### CVS HEALTH CORPORATION

Date: February 8, 2023

By: /s/ Shawn M. Guertin

NAME: Shawn M. Guertin

TITLE: Executive Vice President and Chief Financial Officer

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## CVS Health to Acquire Oak Street Health

*Acquisition further advances CVS Health's care delivery strategy for consumers*

WOONSOCKET, R.I., CHICAGO, Feb. 8, 2023 — CVS Health® (NYSE: [CVS](#)) and Oak Street Health (NYSE: [OSH](#)) have entered into a definitive agreement under which CVS Health will acquire Oak Street Health in an all-cash transaction at \$39 per share, representing an enterprise value of approximately \$10.6 billion.

Oak Street Health is a leading multi-payor, value-based primary care company helping older adults stay healthy and live life more fully. With an innovative care model and technology platform designed to deliver consistently superior outcomes and patient experiences, Oak Street Health has demonstrated that its model is scalable.

Bringing CVS Health and Oak Street Health together can significantly benefit patients' long-term health by reducing care costs and improving outcomes – particularly for those in underserved communities. Oak Street Health centers are located where health care services are needed most; more than 50 percent of Oak Street Health's patients have a housing, food or isolation risk factor.

"Combining Oak Street Health's platform with CVS Health's unmatched reach will create the premier value-based primary care solution," said CVS Health President and CEO Karen S. Lynch. "Enhancing our value-based offerings is core to our strategy as we continue to redefine how people access and experience care that is more affordable, convenient and connected."

Oak Street Health employs approximately 600 primary care providers and has 169 medical centers across 21 states. Oak Street Health is differentiated by its leading technology solution, Canopy, which is fully integrated with Oak Street Health's operations and utilized when determining the appropriate type and level of care for each patient. That care will be enhanced by CVS Health's community, home and digital offerings.

"This agreement with CVS Health will accelerate our ability to deliver on our mission and continue improving health outcomes, lowering medical costs, and providing a better patient experience while offering significant value to our shareholders," said Oak Street Health CEO Mike Pykosz. "Together with CVS Health, we will have access to greater resources and capabilities to expand the reach of our platform, provide more opportunities for our teammates and, most importantly, make a meaningful difference in the lives of the patients we serve."

Following the close of the transaction, Pykosz will continue to lead Oak Street Health, which will become part of CVS Health's recently formed Health Care Delivery organization. Oak Street Health will continue to serve its extensive network of health plan partners and patients – consistent with CVS Health's payor-agnostic approach to delivering leading solutions.

### Transaction details

CVS Health will acquire Oak Street Health's outstanding shares for \$39 per share in cash, representing an enterprise value of approximately \$10.6 billion. CVS Health expects to fund the transaction through available resources and existing financing capacity and is committed to maintaining its current credit ratings. The transaction was approved by the Board of Directors at each of the respective companies and is subject to approval by a majority of Oak Street Health's stockholders, receipt of regulatory approval and satisfaction of other customary closing conditions. Private equity funds affiliated with Newlight Partners LP and General Atlantic LLC and certain members of the Oak Street Health Board of Directors, which collectively own approximately 45% of the common stock of Oak Street Health, have agreed to vote the shares they own in favor of the transaction, subject to customary exceptions. CVS Health and Oak Street Health anticipate that the transaction will close in 2023.

"Oak Street Health is a premier value-based primary care platform," said CVS Health Chief Financial Officer Shawn M. Guertin. "We believe that in partnership with CVS Health, Oak Street Health can accelerate its growth and provide an attractive return to our shareholders over time. The pending acquisitions of Oak Street Health and Signify Health will also meaningfully advance our goal of adding 200 basis points of long-term adjusted operating income growth, a key commitment we made to shareholders at our December 2021 Investor Day."

By 2026, Oak Street Health will have over 300 centers, each of which has the potential to contribute \$7 million of Oak Street Health Adjusted EBITDA at maturity, representing more than \$2 billion of Oak Street Health embedded Adjusted EBITDA at that time. Additionally, CVS Health projects more than \$500 million in synergy potential over time, enhancing CVS Health's long-term adjusted operating income growth.

CVS Health continues to project that it will achieve 2023 Adjusted EPS in the range of \$8.70 to \$8.90. CVS Health is now targeting 2024 Adjusted EPS of approximately \$9.00, growing to approximately \$10.00 in 2025, with upside in 2025 based on the successful resolution of its Medicare Stars Ratings mitigation efforts. The 2024 and 2025 Adjusted EPS trajectories reflect the impact of the previously disclosed 2024 Medicare Stars Ratings headwind and Centene contract loss, closing of the Oak Street Health transaction in 2023, as well as projected contributions from the pending Signify Health transaction in 2024 and beyond. Consistent with past practice, CVS Health expects to exclude integration and transaction costs from its Adjusted EPS presentation.

### Advisors

Credit Suisse Securities (USA) LLC and Lazard Ltd are serving as co-financial advisors to CVS Health. CVS Health was advised on legal matters by Shearman & Sterling LLP, Dechert LLP and McDermott Will & Emery. Centerview Partners is serving as financial advisor for Oak Street Health and Kirkland & Ellis LLP is acting as Oak Street Health's legal advisor.

### **About CVS Health**

[CVS Health](#)<sup>®</sup> is the leading health solutions company, delivering care like no one else can. We reach more people and improve the health of communities across America through our local presence, digital channels and over 300,000 dedicated colleagues – including more than 40,000 physicians, pharmacists, nurses and nurse practitioners. Wherever and whenever people need us, we help them with their health – whether that’s managing chronic diseases, staying compliant with their medications or accessing affordable health and wellness services in the most convenient ways. We help people navigate the health care system – and their personal health care – by improving access, lowering costs and being a trusted partner for every meaningful moment of health. And we do it all with heart, each and every day. Follow @CVSHealth on social media.

### **About Oak Street Health**

Founded in 2012, Oak Street Health is a network of value-based primary care centers for adults on Medicare. With a mission of rebuilding healthcare as it should be, the Company operates an innovative healthcare model focused on quality of care over volume of services, and assumes the full financial risk of its patients. Oak Street Health currently operates more than 160 centers across 21 states and is the only primary care provider to carry the AARP name. The Company is a winner of Energage’s 2022 Top Workplaces USA award, was recognized by Inc. on its inaugural Best-Led Companies of 2021 list and was honored as a recipient of the 2022 and 2021 Joy in Medicine™ Health System Recognition Program by the American Medical Association. To learn more about Oak Street Health’s proven approach to care, visit [oakstreethealth.com](https://oakstreethealth.com) or read its [Social Impact Report](#).

### **CVS Health Contacts:**

#### **Media**

T.J. Crawford  
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#### **Investors**

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### **Oak Street Health Contacts:**

#### **Media**

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**Investors**

Sarah Cluck

773-572-0254

[Sarah.Cluck@OakStreetHealth.com](mailto:Sarah.Cluck@OakStreetHealth.com)**Cautionary Statement Regarding Forward-Looking Statements**

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# Creating the Premier Medicare Value-Based Care Platform

FEBRUARY 8, 2023

 **CVS**Health.

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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") or Oak Street Health, Inc. ("Oak Street Health"). This presentation contains forward-looking statements, which include all statements that do not relate solely to historical or current facts, such as statements regarding CVS Health's expectations, intentions or strategies regarding the future. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "aim," "potential," "continue," "ongoing," "goal," "can," "seek," "target" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Statements in this presentation that are forward looking may include, but are not limited to, statements regarding the benefits of the proposed acquisition of Oak Street Health and the associated integration plans, expected synergies and revenue opportunities, anticipated future operating performance and results of CVS Health, the expected management and governance of Oak Street Health following the acquisition and expected timing of the closing of the proposed acquisition and other transactions contemplated by the merger agreement. 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. Such risks and uncertainties include, but are not limited to: the occurrence of any event, change or other circumstance that could give rise to the right of CVS Health or Oak Street Health or both of them to terminate the merger agreement, including circumstances requiring a party to pay the other party a termination fee pursuant to the merger agreement; the failure to obtain applicable regulatory or Oak Street Health stockholder approval in a timely manner or otherwise; the risk that the acquisition may not close in the anticipated timeframe or at all due to one or more of the other closing conditions to the transaction not being satisfied or waived; the risk that there may be unexpected costs, charges or expenses resulting from the proposed acquisition; risks related to the ability of CVS Health and Oak Street Health to successfully integrate the businesses and achieve the expected synergies and operating efficiencies within the expected timeframes or at all and the possibility that such integration may be more difficult, time consuming or costly than expected; risks that the proposed transaction disrupts CVS Health's or Oak Street Health's current plans and operations; the risk that certain restrictions during the pendency of the proposed transaction may impact CVS Health's or Oak Street Health's ability to pursue certain business opportunities or strategic transactions; risks related to disruption of each company's management's time and attention from ongoing business operations due to the proposed transaction; continued availability of capital and financing and rating agency actions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of CVS Health's and/or Oak Street Health's common stock, credit ratings or operating results; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of CVS Health and Oak Street Health to retain and hire key personnel, to retain customers and to maintain relationships with each of their respective business partners, suppliers and customers and on their respective operating results and businesses generally, including with respect to Humana Inc. and its affiliates, which lease or license to Oak Street Health a majority of Oak Street Health's primary care centers; the risk of litigation that could be instituted against the parties to the merger agreement or their respective directors, managers or officers and/or regulatory actions related to the proposed acquisition, including the effects of any outcomes related thereto; risks related to unpredictable and severe or catastrophic events, including but not limited to acts of terrorism, war or hostilities, cyber attacks, or the impact of the COVID-19 pandemic or any other pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide on CVS Health's or Oak Street Health's business, financial condition and results of operations, as well the response thereto by each company's management; and other business effects, including the effects of industry, market, economic, political or regulatory conditions. Also, CVS Health's and Oak Street Health's actual results may differ materially from those contemplated by the forward-looking statements for a number of additional reasons as described in CVS Health's and Oak Street Health's respective Securities and Exchange Commission ("SEC") filings, including those set forth in the Risk Factors section and under any "Forward-Looking Statements" or similar heading in CVS Health's or Oak Street Health's respective most recently filed Annual Report on Form 10-K, Oak Street Health's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 and CVS Health's and Oak Street Health's Current Reports on Form 8-K.



## Cautionary statement concerning forward-looking statements (continued)

You are cautioned not to place undue reliance on CVS Health's or Oak Street Health's forward-looking statements. CVS Health's and Oak Street Health's respective forward-looking statements are and will be based upon each company's management's then-current views and assumptions regarding CVS Health's proposed acquisition of Oak Street Health, future events and operating performance, and are applicable only as of the dates of such statements. Neither CVS Health nor Oak Street Health assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise.

This presentation may include non-GAAP financial measures that CVS Health uses to describe its performance. In accordance with SEC regulations, unless stated otherwise herein, 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 Resources portion of CVS Health's website. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. CVS Health's definitions of its non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. In addition, this presentation includes projected Oak Street Health adjusted EBITDA, a non-GAAP measure used to describe Oak Street Health's expected performance. We have not presented a reconciliation of this non-GAAP measure to projected Oak Street Health net income, the most comparable GAAP financial measure, because the reconciliation could not be prepared without unreasonable effort. The information necessary to prepare the reconciliation is not available on a forward-looking basis and cannot be accurately predicted. The unavailable information could have a significant impact on the calculation of the comparable GAAP financial measure.

# Our Health Care Delivery Vision



Our vision is to **deliver an industry-leading health care experience for consumers and providers** through a risk-enabled, vertically-aligned, all-payor value-based care delivery platform



Achieving our vision requires **the right set of capabilities** to serve a broader customer and consumer base, especially those in underserved communities



The **key capabilities at the center of our vision start with a value-based primary care model** that is multi-payor, convenient, multi-channel and successful at driving consumer engagement and improved health outcomes



**We are broadening our value-based care platform into primary care** which will together accelerate our growth and long-term value to our patients, customers, and shareholders

Please note that the Signify Health transaction is pending and remains subject to customary closing conditions.

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The acquisitions of



*combined with*  
our established care delivery  
assets  
*(i.e., retail health, pharmacy, virtual care)*

position CVS Health to **achieve**  
**our Health Care Delivery**  
**Strategy**

and

**accelerate** our  
**long-term growth rate**







# Key Transaction Terms

## Purchase Price

Acquiring 100% of Oak Street Health for **\$39 per share in cash**

**~\$10.6 billion transaction value**, including net debt

## Organizational Structure

**Mike Pykosz will continue to lead** Oak Street Health

Oak Street Health will **operate as a payor-agnostic business** within CVS Health

## Closing

Transaction **expected to close in 2023**

Subject to regulatory approvals, Oak Street shareholder approval and other customary closing conditions

Together, we are **creating the premier multi-payor Medicare Value-Based Care platform.**

# Oak Street Health Is A Leading Medicare Value-Based Primary Care Platform

## PROVEN ABILITY TO IMPROVE OUTCOMES & EXPERIENCES

- ▶ Over 50% reduction in hospital admissions
- ▶ 42% reduction in 30-day readmission rate
- ▶ 43% reduction in depressive symptoms
- ▶ 5-star HEDIS level performance<sup>(1)</sup>
- ▶ Net Promoter Score of 90

## INTEGRATED, CONNECTED CARE

A leading provider of integrated care offerings that combine:

- ⚙ Primary Care
- ⚙ Social Support Services
- ⚙ Behavioral Health
- ⚙ Health Analytics
- ⚙ RubiconMD Virtual Specialty Care *(in person, virtually, & in-home)*

## MORE HOLISTIC, QUALITY CARE

- ▶ Physicians spend 3x longer with patients, and spend more time coordinating holistic, connected care
- ▶ More than 90% of centers located in medically underserved areas with average incomes below 300% of the federal poverty level

1. For patients that completed a 2021 wellness review visit

2. ~ 6,000 team members as of December 2022

3. As of December 31, 2022, 57% of Oak Street Health's medical centers are leased or licensed from Humana Inc. or one of its affiliates.



**~159K**  
At-risk patients



**~600**  
Care providers<sup>(2)</sup>



**169**  
Medical centers<sup>(3)</sup>



**21**  
States covered

**CVS Health.**

## CVS Health and Oak Street Health combination has strong strategic merit and alignment



Oak Street Health is a **leading senior focused, value-based, primary care asset**



**Expands Oak Street touchpoints in the community**, increasing access, adherence and ability to manage risk



**Strong cultural alignment and experienced management team** with extensive care delivery expertise



**Fully integrated technology platform** that assesses over 2,000 patient data points to optimize care plans

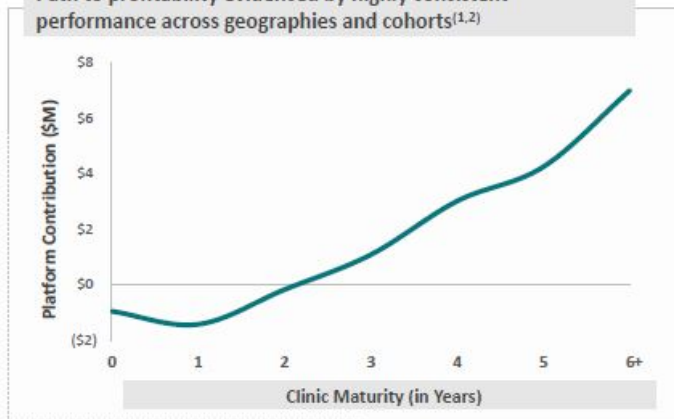


Opportunity to further improve Oak Street patient outcomes through complementary **CVS Health clinical services**

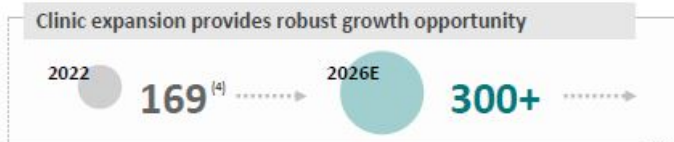


# Clear path to profitability, robust clinic growth and meaningful synergies drive double-digit return on invested capital over time

Path to profitability evidenced by highly consistent performance across geographies and cohorts<sup>(1,2)</sup>



Clinic expansion provides robust growth opportunity



Project over **\$2B** in embedded  
Oak Street Health Adjusted EBITDA<sup>(3)</sup>  
by 2026 (\$7M/center)

AND

Unlocks **\$500M+**  
in synergy potential over time

- ▶ Accelerates Oak Street Health patient growth through CVS channels
- ▶ Improves Oak Street Health economics through integration with complementary CVS assets
- ▶ Drives greater retention of Aetna MA members utilizing Oak Street physicians
- ▶ Increases opportunities for Oak Street to collaborate with CVS Pharmacy and Caremark
- ▶ Saves external public company and lease costs

1. Expected 2022 cohort performance, excluding exclusive centers.

2. Platform contribution defined as total revenues less the sum of (i) medical claims expense and (ii) cost of care, excluding depreciation and amortization.

3. Projected Oak Street Health Adjusted EBITDA is a non-GAAP financial measure. The comparable GAAP measure is projected net income (loss) and is defined as net income (loss) adjusted to exclude stock-based compensation expense, depreciation and amortization, interest expense, net, transaction and offering costs, one-time in nature litigation costs, provision for income taxes and fair value adjustments related to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangibles and related to impairment of equity investments, all on a projected basis. Assumes \$125,000 in overhead costs per center per month. A comparable GAAP measure and a reconciliation is not available. Projected Oak Street Health Adjusted EBITDA is calculated in a manner that is different than Adjusted EBITDA presented by CVS Health.

4. As of December 31, 2022, 57% of Oak Street Health's medical centers are leased or licensed from Humana Inc. or one of its affiliates.

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

## Primary Care Services

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

- ✓ Premier value-based care services leveraging tech-enabled care model across 21 states



## Home Health

Home solutions to extend reach and performance of primary care

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



## Physician Enablement

Provider tools and solutions to enable value-based models

- ✓ 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.



Please note that the Signify Health transaction is pending and remains subject to customary closing conditions.



# The premier Medicare Value-Based Care platform

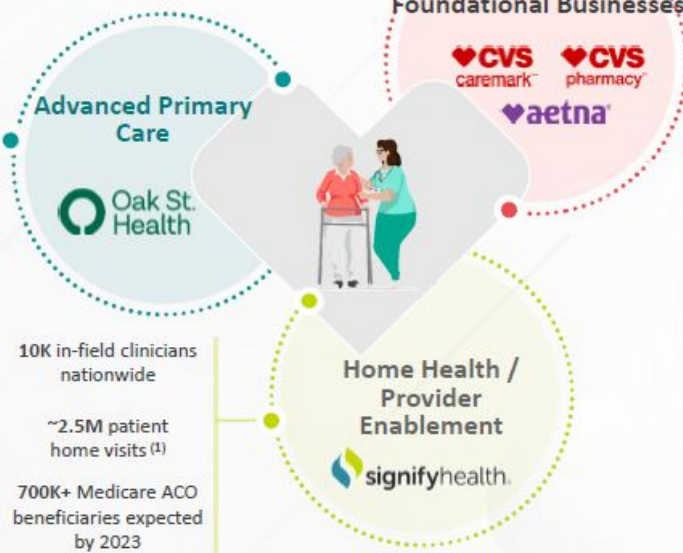
*making healthier happen together*

~159K  
at-risk patients

~600  
care providers

169  
medical centers

with significant  
opportunity to  
scale



## Building our Health Care Delivery business and enhancing our sustainable long-term growth rate



Long-Term Adjusted  
Operating Income  
Growth %

~7-8%



~2%

Signify Health & Oak Street Health  
are projected to deliver a meaningful  
portion of our targeted ~2%  
incremental long-term growth

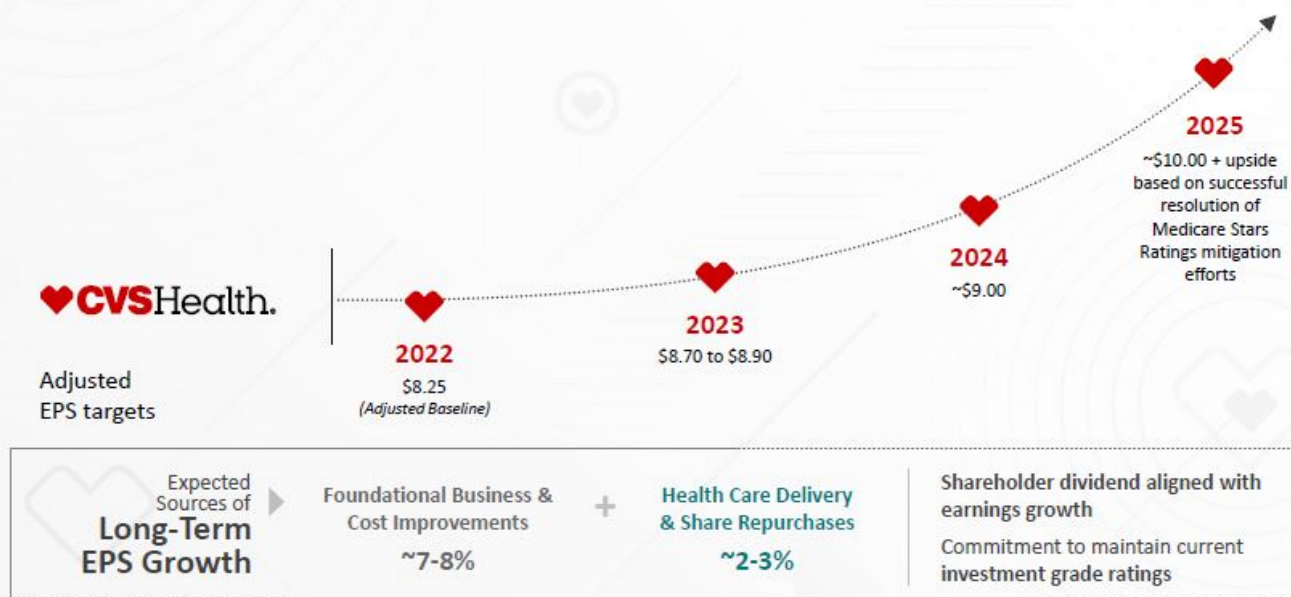
Foundational businesses **poised to deliver strong growth** driven by leading franchises, market trends and efficiency gains

combined with

Health Care Delivery  
acquisitions and synergies will  
**meaningfully improve our growth rate**

# Our long-term growth trajectory

Sustainable low double-digit adjusted EPS growth with attractive dividend growth



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



#### **Additional Information and Where to Find It**

This communication is being made in respect to the proposed transaction involving CVS Health and Oak Street Health. A meeting of the stockholders of Oak Street Health will be announced as promptly as practicable to seek stockholder approval in connection with the proposed transaction. CVS Health and Oak Street Health intend to file relevant materials with the SEC, including that Oak Street Health will file a preliminary and definitive proxy statement relating to the proposed transaction. The definitive proxy statement will be mailed to Oak Street Health's stockholders. This presentation is not a substitute for the proxy statement or any other document that may be filed by Oak Street Health with the SEC.

BEFORE MAKING ANY DECISION, OAK STREET HEALTH STOCKHOLDERS ARE URGED TO CAREFULLY READ THE PRELIMINARY AND DEFINITIVE PROXY STATEMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE INTO THE PROXY STATEMENT WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Any vote in respect of resolutions to be proposed at Oak Street Health's stockholder meeting to approve the proposed transaction or other responses in relation to the proposed transaction should be made only on the basis of the information contained in Oak Street Health's proxy statement. You will be able to obtain a free copy of the proxy statement and other related documents (when available) filed by Oak Street Health and documents filed by CVS Health with the SEC at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or by accessing the Investor Relations section of Oak Street Health's website at <https://www.OakStreetHealth.com> for documents filed by Oak Street Health or the Investor Relations portion of CVS Health's website at <https://investors.cvshealth.com> for documents filed by CVS Health.

#### **No Offer or Solicitation**

This presentation is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

#### **Participants in the Solicitation**

CVS Health, Oak Street Health and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Oak Street Health's stockholders in connection with the proposed transaction. Information regarding CVS Health's directors and executive officers is contained in CVS Health's Definitive Proxy Statement for its 2022 Annual Meeting of Stockholders filed with the SEC on April 1, 2022 as updated by CVS Health's subsequent filings made on [www.sec.gov](http://www.sec.gov). Information regarding Oak Street Health's directors and executive officers, including a description of their respective direct or indirect interests, by security holdings or otherwise, will be included in the proxy statement described above. These documents (when available) may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) or by accessing the Investor Relations section of Oak Street Health's website at <https://www.OakStreetHealth.com> for documents filed by Oak Street Health or the Investor Relations portion of CVS Health's website at <https://investors.cvshealth.com> for documents filed by CVS Health.

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