

CVS HEALTH COMPANY Harvard Case Solution & Analysis



TheCaseSolutions.com

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Logo/ Motto

MOTTO:

"Millions of times a day, close to home and across the country, we're helping people on their path to better health."

LOGO:

CVS
pharmacy®

Headquarters

Headquarters is located in
Woonsocket, Rhode Island



Leadership

**C. DAVID
BROWN II**



Chairman of Broad and Cassel, a Florida law firm

**LARRY J.
MERLO**



President and Chief Executive
Officer of CVS Health Corporation

**DAVID W.
DORMAN**



Non-Executive Chairman of the Board of CVS
Health Corporation and Former Chairman and
CEO of AT&T

**NANCY-ANN
M. DEPARLE**



Co-Founding Partner at
Compassion Capital
Partners, LLC

**ANNE M.
FINUCANE**



Vice Chairman of Bank of America Corporation

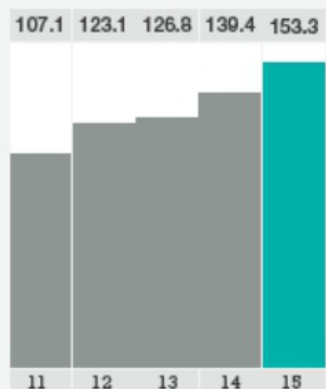
FY2015 Earnings

Financial highlights

| (in millions, except per share figures) | 2015 | 2014 | % change |
|---|------------|------------|----------|
| Net revenues | \$ 153,290 | \$ 139,367 | 10.0% |
| Operating profit | \$ 9,454 | \$ 8,799 | 7.4% |
| Net income | \$ 5,239 | \$ 4,644 | 12.8% |
| Diluted EPS from continuing operations | \$ 4.62 | \$ 3.96 | 16.8% |
| Free cash flow* | \$ 6,456 | \$ 6,516 | (0.9%) |
| Stock price at year-end | \$ 97.77 | \$ 96.31 | 1.5% |
| Market capitalization at year-end | \$ 107,645 | \$ 109,800 | (2.0%) |

* Free cash flow is defined as net cash provided by operating activities less net additions to properties and equipment (i.e., additions to property and equipment plus proceeds from sale-leaseback transactions).

Net revenue
in billions of dollars



Diluted EPS from continuing operations
in dollars



Annual cash dividends
in dollars per common share



HISTORY

CVS, also known as Consumer Value Store, opened in Lowell, Massachusetts in 1963. It served as a discount health and beauty aid store in which customers bag their own merchandise. The founders are brothers Sid and Stanley Goldstein and Ralph Hoagland. The abbreviation CVS wasn't used until 1964.



DOES/ DO/ STRUCTURE



CVS is a pharmacy innovation company with a simple and clear purpose: Helping people on their path to better health. They provide anything and everything from makeup to hygienic products to food. Most CVS companies have pharmacy's where you can fill prescriptions.