CVS HEALTH Corp
Form S-4/A
February 05, 2018

As filed with the Securities and Exchange Commission on February 5, 2018

Registration No. 333-222412

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CVS Health Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**5912**	**05-0494040**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

One CVS Drive, Woonsocket, RI 02895 (401) 765-1500

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

David M. Denton

Executive Vice President and Chief Financial Officer

CVS Health Corporation

One CVS Drive

Woonsocket, RI 02895

(401) 765-1500

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Thomas M. Moriarty **Executive Vice President, Chief Policy and External Affairs Officer and General Counsel** **CVS Health Corporation** **One CVS Drive** **Woonsocket, RI 02895** **(401) 765-1500**	**Creighton O M. Condon** **Robert M. Katz** **Daniel Litowitz** **Shearman & Sterling LLP** **599 Lexington Avenue** **New York, NY 10022** **(212) 848-4000**	**Thomas J. Sabatino, Jr.** **Executive Vice President and General Counsel** **Aetna Inc.** **151 Farmington Avenue** **Hartford, CT 06156** **(860) 273-0123**	**H. Oliver Smith** **John A. Bick** **Harold Birnbaum** **Davis Polk & Wardwell LLP** **450 Lexington Avenue** **New York, NY 10017** **(212) 450-4000**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement and completion of the merger of Hudson Merger Sub Corp. (**Merger Sub**), a wholly-owned subsidiary of CVS Health Corporation (**CVS Health**), with and into Aetna Inc. (**Aetna**), as described in the Agreement and Plan of Merger, dated as of December 3, 2017, among CVS Health, Merger Sub and

Aetna.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the **Securities Act**), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Securities Exchange Act of 1934 (the **Exchange Act**).

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		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 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-l(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 5, 2018

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

[ ], 2018

Dear CVS Health Stockholders and Aetna Shareholders:

On behalf of the boards of directors of CVS Health and Aetna, we are pleased to enclose the joint proxy statement/prospectus relating to the merger of Aetna with a wholly-owned subsidiary of CVS Health pursuant to the terms of a merger agreement entered into by CVS Health and Aetna on December 3, 2017.

If the merger is completed, Aetna shareholders immediately prior to the effective time of the merger will be entitled to receive $145.00 in cash and 0.8378 of a share of CVS Health common stock for each Aetna common share held by them, as described in more detail in the accompanying joint proxy statement/prospectus under the heading The Merger Agreement Merger Consideration. Based on the closing price of a share of CVS Health common stock on [ ], 2018, the most recent trading day prior to the date of the accompanying joint proxy statement/prospectus for which this information was available, the merger consideration represented approximately $[ ] in value per Aetna common share. The value of the consideration to be received by Aetna shareholders will fluctuate with changes in the price of the shares of CVS Health common stock. We urge you to obtain current market quotations for shares of CVS Health common stock and Aetna common shares. Shares of CVS Health common stock and Aetna common shares are traded on the New York Stock Exchange (NYSE) under the symbols CVS and AET , respectively.

In connection with the merger, CVS Health stockholders are cordially invited to attend a special meeting of the stockholders of CVS Health to be held on [ ], 2018 at the offices of Shearman & Sterling LLP, located at 599 Lexington Avenue, New York, NY 10022, at [ ] a.m. Eastern Time, and Aetna shareholders are cordially invited to attend a special meeting of the shareholders of Aetna to be held on [ ], 2018 at the offices of Davis Polk & Wardwell LLP, located at 450 Lexington Avenue, New York, NY 10017, at [ ] a.m. Eastern Time.

Your vote is very important, regardless of the number of shares you own. We cannot complete the merger and the merger consideration will not be paid unless (i) CVS Health stockholders approve the issuance of shares of CVS Health common stock in the merger and (ii) Aetna shareholders approve and adopt the merger agreement. Approval of the issuance of shares of CVS Health common stock in the merger requires the affirmative vote of holders of a majority of the votes cast thereon at the special meeting of stockholders of CVS Health. Approval and adoption of the merger agreement requires the affirmative vote of holders of at least a majority of the outstanding Aetna common shares entitled to vote thereon.

At the special meeting of the stockholders of CVS Health, CVS Health stockholders will be asked to vote on (i) a proposal to approve the issuance of shares of CVS Health common stock in the merger and (ii) a proposal to approve the adjournment from time to time of the CVS Health special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the issuance of shares of CVS Health common stock in the merger.

CVS Health s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of shares of CVS Health common stock in the merger, are advisable, fair to and in the best interests of CVS Health and its stockholders and unanimously recommends that CVS Health stockholders vote (i) FOR the approval of the issuance of shares of CVS Health common stock in the merger and (ii) FOR the approval of the adjournment from time to time of the CVS Health special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the issuance of shares of CVS Health common stock in the merger.

At the special meeting of the shareholders of Aetna, Aetna shareholders will be asked to vote on (i) a proposal to approve and adopt the merger agreement, (ii) a proposal to approve the adjournment from time to

Table of Contents

time of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof, and (iii) a proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

Aetna s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement (including the merger) are fair to and in the best interests of Aetna and its shareholders and unanimously recommends that Aetna shareholders vote (i) FOR the approval and adoption of the merger agreement, (ii) FOR the approval of the adjournment from time to time of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof, and (iii) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

We estimate that CVS Health may issue up to approximately [ ] million shares of its common stock to Aetna shareholders in the merger. Based on the number of shares of CVS Health common stock outstanding as of [ ], 2018, and the number of Aetna common shares outstanding as of [ ], 2018, immediately following completion of the merger, CVS Health stockholders immediately prior to the merger are expected to own approximately [ ]% of the outstanding shares of CVS Health common stock and former Aetna shareholders are expected to own approximately [ ]% of the outstanding shares of CVS Health common stock.

The accompanying joint proxy statement/prospectus provides important information regarding the CVS Health and Aetna special meetings and a detailed description of the merger agreement, the merger, the issuance of shares of CVS Health common stock in the merger, the adjournment proposals and the proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger. We urge you to read carefully the accompanying joint proxy statement/prospectus (and any documents incorporated by reference into the accompanying joint proxy statement/prospectus). **Please pay particular attention to the section entitled Risk Factors beginning on page 62 of the accompanying joint proxy statement/prospectus.** You can also obtain information about CVS Health and Aetna from documents that CVS Health and Aetna previously have filed with the Securities and Exchange Commission.

For a discussion of the material U.S. federal income tax consequences of the merger, see Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 167 of the accompanying joint proxy statement/prospectus.

Whether or not you expect to attend your company s special meeting, the details of which are described in the accompanying joint proxy statement/prospectus, please immediately submit your proxy by telephone, by the Internet or by completing, signing, dating and returning your signed proxy card(s) in the enclosed prepaid return envelope so that your shares may be represented at the applicable special meeting.

If CVS Health stockholders have any questions or require assistance in voting their shares of CVS Health common stock, they should call Okapi Partners LLC, CVS Health s proxy solicitor for its special meeting, toll-free at (855) 305-0855 or collect at (212) 297-0720. If Aetna shareholders have any questions or require assistance in voting their Aetna common shares, they should call Georgeson LLC, Aetna s proxy solicitor for its special meeting, toll-free at (888) 658-3624 or (781) 575-2137 for international callers.

Table of Contents

We hope to see you at the applicable special meeting and look forward to the successful completion of the merger.

Sincerely,	Sincerely,
David W. Dorman	Mark T. Bertolini
Chairman of the Board of	Chairman and Chief Executive Officer of
CVS Health Corporation	Aetna Inc.

Larry J. Merlo

President and Chief Executive Officer of

CVS Health Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying joint proxy statement/prospectus or determined that the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The accompanying joint proxy statement/prospectus is dated [ ], 2018 and is first being mailed to stockholders and shareholders on or about [ ], 2018.

ADDITIONAL INFORMATION

The accompanying document is the proxy statement of Aetna Inc. for its special meeting of shareholders, the proxy statement of CVS Health Corporation for its special meeting of stockholders and the prospectus of CVS Health Corporation for the shares of its common stock to be issued in the merger. The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about CVS Health Corporation and Aetna Inc. from documents that are not included in or delivered with the accompanying joint proxy statement/prospectus. You can obtain the documents that are incorporated by reference into the accompanying joint proxy statement/prospectus (other than certain exhibits or schedules to those documents), without charge, by requesting them in writing or by telephone from CVS Health Corporation or Aetna Inc. at the following addresses and telephone numbers, or through the Securities and Exchange Commission website at www.sec.gov:

CVS Health Corporation	Aetna Inc.
One CVS Drive	151 Farmington Avenue
Woonsocket, RI 02895	Hartford, CT 06156
Attention: Investor Relations	Attention: Investor Relations
Telephone: (800) 201-0938	Telephone: (860) 273-2402

In addition, if you have questions about the merger or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact Okapi Partners LLC, the proxy solicitor for CVS Health Corporation, toll-free at (855) 305-0855 or collect at (212) 297-0720, or Georgeson LLC, the proxy solicitor for Aetna Inc., toll-free at (888) 658-3624 or (781) 575-2137 for international callers. You will not be charged for any of these documents that you request.

To obtain timely delivery of the documents, you must request them no later than five business days before the date of the applicable special meeting. Therefore, if you would like to request documents from CVS Health Corporation, please do so by [ ], 2018 in order to receive them before the CVS Health Corporation special meeting. If you would like to request documents from Aetna Inc., please do so by [ ], 2018 in order to receive them before the Aetna Inc. special meeting.

See Where You Can Find More Information beginning on page 254 of the accompanying joint proxy statement/prospectus for further information.

Table of Contents

CVS Health Corporation

One CVS Drive

Woonsocket, RI 02895

(401) 765-1500

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

OF CVS HEALTH CORPORATION

TO BE HELD ON [DAY], [ ], 2018

[TIME] a.m. Eastern Time

To the Stockholders of CVS Health Corporation:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of CVS Health Corporation, a Delaware corporation (which is referred to in this notice as CVS Health), will be held at the offices of Shearman & Sterling LLP, located at 599 Lexington Avenue, New York, NY 10022, on [DAY], [ ], 2018, at [ ] a.m. Eastern Time, for the following purposes:

1. to consider and vote on a proposal to approve the issuance of shares of CVS Health common stock, par value $0.01 per share (which is referred to in this notice as CVS Health common stock), in the merger contemplated by the Agreement and Plan of Merger, dated as of December 3, 2017, as it may be amended from time to time (which is referred to in this notice as the merger agreement), among CVS Health, Hudson Merger Sub Corp., a Pennsylvania corporation and wholly-owned subsidiary of CVS Health, and Aetna Inc., a Pennsylvania corporation (which is referred to in this notice at Aetna), pursuant to which Hudson Merger Sub Corp. will be merged with and into Aetna (which is referred to in this notice as the merger), with Aetna surviving the merger as a wholly-owned subsidiary of CVS Health (a copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus); and

2. to consider and vote on a proposal to approve the adjournment from time to time of the special meeting of stockholders of CVS Health (which is referred to in this notice as the CVS Health special meeting) if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the issuance of shares of CVS Health common stock in the merger.

CVS Health s board of directors has fixed the close of business on February 5, 2018 as the record date for the determination of the stockholders entitled to vote at the CVS Health special meeting or any adjournment or postponement thereof. Only stockholders of record at the record date are entitled to notice of, and to vote at, the CVS Health special meeting or any adjournment or postponement thereof. CVS Health is commencing its solicitation of proxies on or about [ ], 2018. CVS Health will continue to solicit proxies until the date of the CVS Health special meeting.

If you plan to attend the CVS Health special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the CVS Health special meeting.

If you are a beneficial owner of shares of CVS Health common stock held in street name, meaning that your shares are held by a broker, bank or other nominee holder of record at the record date, in addition to proper identification, you will also need an account statement or letter from the nominee indicating that you were the beneficial owner of the shares at the record date to be admitted to the CVS Health special meeting. If you want to vote your shares of CVS Health common stock held in street name in person at the CVS Health special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

Table of Contents

Approval of the issuance of shares of CVS Health common stock in the merger requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock (assuming a quorum is present). Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock (whether or not a quorum is present).

CVS Health s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of shares of CVS Health common stock in the merger, are advisable, fair to and in the best interests of CVS Health and its stockholders and unanimously recommends that CVS Health stockholders vote (i) FOR the approval of the issuance of shares of CVS Health common stock in the merger and (ii) FOR the approval of the adjournment from time to time of the CVS Health special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the issuance of shares of CVS Health common stock in the merger.

By Order of the Board of Directors,

Colleen M. McIntosh

Senior Vice President and Corporate Secretary

Woonsocket, Rhode Island

[ ], 2018

IMPORTANT INFORMATION IF YOU PLAN TO ATTEND THE CVS HEALTH SPECIAL MEETING IN PERSON:

Don t forget your government-issued ID (e.g., a driver s license or passport).

If you hold your shares of CVS Health common stock through a brokerage account (in street name), you will also need an account statement or letter from the nominee indicating that you were the beneficial owner of the shares at the record date to be admitted to the CVS Health special meeting.

Please leave all cameras, audio and video recording devices, cell phones and other electronic devices at home. They will not be allowed in the meeting room.

Table of Contents

YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO ATTEND THE CVS HEALTH SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY COMPLETING, SIGNING AND DATING THE ENCLOSED CVS HEALTH PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE CVS HEALTH SPECIAL MEETING IN PERSON AND WISH TO VOTE YOUR SHARES OF CVS HEALTH COMMON STOCK AT THE CVS HEALTH SPECIAL MEETING, YOU MAY DO SO AT ANY TIME PRIOR TO THE CLOSING OF THE POLLS AT THE CVS HEALTH SPECIAL MEETING. You may revoke your proxy or change your vote for shares of CVS Health common stock you hold directly in your name by (i) signing another proxy card with a later date and delivering it to Broadridge Financial Solutions, Inc. before the date of the CVS Health special meeting, (ii) submitting revised votes over the Internet or by telephone before 11:59 p.m. Eastern Time on [ ], 2018, or (iii) attending the CVS Health special meeting in person and voting your shares of CVS Health common stock at the CVS Health special meeting. If your shares of CVS Health common stock are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the merger, the issuance of shares of CVS Health common stock in the merger, the adjournment proposal, the CVS Health special meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of CVS Health common stock, please contact:

Okapi Partners LLC

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

Telephone (Toll-Free): (855) 305-0855

Telephone (Collect): (212) 297-0720

Email: cvsproxyinfo@okapipartners.com

or

CVS Health Corporation

One CVS Drive

Woonsocket, RI 02895

Attention: Investor Relations

Telephone: (800) 201-0938

Email: investorinfo@cvshealth.com

Table of Contents

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

(860) 273-0123

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF

AETNA INC.

TO BE HELD ON [DAY], [ ], 2018

[TIME] a.m. Eastern Time

To the Shareholders of Aetna Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Aetna Inc., a Pennsylvania corporation (which is referred to in this notice as Aetna), will be held at the offices of Davis Polk & Wardwell LLP, located at 450 Lexington Avenue, New York, NY 10017, on [DAY], [ ], 2018, at [ ] a.m. Eastern Time, for the following purposes:

1. to consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger, dated as of December 3, 2017, as it may be amended from time to time (which is referred to in this notice as the merger agreement), among CVS Health Corporation, a Delaware corporation (which is referred to in this notice as CVS Health), Hudson Merger Sub Corp., a Pennsylvania corporation and wholly-owned subsidiary of CVS Health, and Aetna, pursuant to which Hudson Merger Sub Corp. will be merged with and into Aetna (which is referred to in this notice as the merger), with Aetna surviving the merger as a wholly-owned subsidiary of CVS Health (a copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus);

2. to consider and vote on a proposal to approve the adjournment from time to time of the special meeting of shareholders of Aetna (which is referred to in this notice as the Aetna special meeting) if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof; and

3. to consider and vote on a proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

The holders of record of Aetna common shares, par value $0.01 per share (which are referred to in this notice as Aetna common shares), at the close of business on February 5, 2018 are entitled to notice of and to vote at the Aetna special meeting or any adjournment or postponement thereof. Aetna is commencing its solicitation of proxies on or about [ ], 2018. Aetna will continue to solicit proxies until the date of the Aetna special meeting.

If you hold Aetna common shares in your name at the record date and plan to attend the Aetna special meeting, because of security procedures, you will need to obtain an admission ticket in advance. In addition to obtaining an admission ticket in advance, you will be required to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the Aetna special meeting. You may apply for an admission ticket by mail to Office of the Corporate Secretary, 151 Farmington Avenue, RW61, Hartford, CT 06156 or by facsimile to (860) 293-1361. Ticket requests will not be accepted by phone or email. Aetna s Corporate Secretary must receive your request for an admission ticket on or before [ ], 2018.

If you are a beneficial owner of Aetna common shares held in street name, meaning that your shares are held by a broker, bank or other nominee holder of record at the record date, and you plan to attend the Aetna special meeting, in addition to following the security procedures described above, you will also need to provide proof of beneficial ownership at the record date to obtain your admission ticket for the Aetna special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your Aetna common shares held in street name in person at the Aetna special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

Table of Contents

Approval and adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of the Aetna common shares outstanding and entitled to vote thereon. Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares (whether or not a quorum, as defined under Pennsylvania law, is present). Approval of the proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger requires the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares (assuming a quorum, as defined under Pennsylvania law, is present).

Aetna s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement (including the merger) are fair to and in the best interests of Aetna and its shareholders and unanimously recommends that Aetna shareholders vote (i) FOR the proposal to approve and adopt the merger agreement, (ii) FOR the proposal to approve the adjournment from time to time of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof and (iii) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

The Aetna special meeting will be audiocast live on the Internet at www.aetna.com/investor.

By Order of the Board of Directors,

Adam F. McAnaney

Vice President and Corporate Secretary

Hartford, Connecticut

[ ], 2018

IMPORTANT INFORMATION IF YOU PLAN TO ATTEND THE AETNA SPECIAL MEETING IN PERSON:

Don t forget your admission ticket and government-issued ID (e.g., a driver s license or passport).

You must request an admission ticket in advance by following the instructions on pages 10 and 82 of the accompanying joint proxy statement/prospectus. Aetna s Corporate Secretary must receive your written request for an admission ticket on or before [ ], 2018.

If you hold your Aetna common shares through a brokerage account (in street name), your request for an admission ticket must include a copy of a brokerage statement reflecting stock ownership as of the record date.

Please leave all weapons, cameras, audio and video recording devices and other electronic devices at home. They will not be allowed in the meeting room.

Table of Contents

YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO ATTEND THE AETNA SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY COMPLETING, SIGNING AND DATING THE ENCLOSED AETNA PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE AETNA SPECIAL MEETING IN PERSON AND WISH TO VOTE YOUR SHARES AT THE AETNA SPECIAL MEETING, YOU MAY DO SO AT ANY TIME PRIOR TO THE CLOSING OF THE POLLS AT THE AETNA SPECIAL MEETING. You may revoke your proxy or change your vote for Aetna common shares you hold directly in your name by (i) signing another proxy card with a later date and delivering it to Broadridge Financial Solutions, Inc. before the date of the Aetna special meeting, (ii) submitting revised votes over the Internet or by telephone before 11:59 p.m. Eastern Time on [ ], 2018, or (iii) attending the Aetna special meeting in person and voting your Aetna common shares at the Aetna special meeting. If your Aetna common shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the merger, the vote on the merger agreement, the adjournment proposal, the advisory (non-binding) proposal to approve the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger, the Aetna special meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your Aetna common shares, please contact:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Telephone (Toll-Free): (888) 658-3624

International Callers: (781) 575-2137

Email: aetna@georgeson.com

or

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Attention: Investor Relations

Telephone: (860) 273-2402

Email: investorrelations@aetna.com

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following are some questions that you, as a stockholder of CVS Health Corporation, which is referred to in this joint proxy statement/prospectus as CVS Health, or a shareholder of Aetna Inc., which is referred to in this joint proxy statement/prospectus as Aetna, may have regarding the merger, the stock issuance, the Aetna adjournment proposal, the CVS Health adjournment proposal, the Aetna compensation advisory proposal and the special meetings as well as brief answers to those questions. You are urged to read carefully this joint proxy statement/prospectus, including all documents incorporated by reference into this joint proxy statement/prospectus, and its annexes, in their entirety because this section may not provide all of the information that is important to you with respect to the merger, the stock issuance, the Aetna adjournment proposal, the CVS Health adjournment proposal, the Aetna compensation advisory proposal and the special meetings. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

Q: Why am I receiving this document and why am I being asked to vote on the merger agreement?

A: CVS Health and Aetna have agreed to a merger, which is referred to in this joint proxy statement/prospectus as the merger, pursuant to which Aetna will become a wholly-owned subsidiary of CVS Health and will no longer be a publicly traded corporation. In order to complete the merger, CVS Health stockholders must vote to approve the issuance of shares of CVS Health common stock to Aetna shareholders in the merger, which issuance is referred to in this joint proxy statement/prospectus as the stock issuance, and Aetna shareholders must vote to approve and adopt the Agreement and Plan of Merger, dated as of December 3, 2017, among CVS Health, Aetna and Hudson Merger Sub Corp., a wholly-owned subsidiary of CVS Health that is referred to in this joint proxy statement/prospectus as Merger Sub. This merger agreement, as it may be amended from time to time, is referred to in this joint proxy statement/prospectus as the merger agreement.

Aetna is holding a special meeting of shareholders, which is referred to in this joint proxy statement/prospectus as the Aetna special meeting, in order to obtain the shareholder approval necessary to approve and adopt the merger agreement. **Approval and adoption of the merger agreement requires the affirmative vote of holders of at least a majority of the outstanding Aetna common shares entitled to vote thereon.** Aetna shareholders will also be asked to approve the adjournment from time to time of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof, which is referred to in this joint proxy statement/prospectus as the Aetna adjournment proposal, and to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers, who are referred to in this joint proxy statement/prospectus as the named executive officers, in connection with the merger, which is referred to in this joint proxy statement/prospectus as the Aetna compensation advisory proposal. **It is important that Aetna s shareholders vote their Aetna common shares on each of these matters, regardless of the number of shares owned.**

CVS Health is holding a special meeting of stockholders, which is referred to in this joint proxy statement/prospectus as the CVS Health special meeting, in order to obtain the stockholder approval necessary to approve the stock issuance. **Approval of the stock issuance requires the affirmative vote of holders of a majority of the votes cast thereon at the CVS Health special meeting.** CVS Health stockholders will also be asked to approve the adjournment from time to time of the CVS Health special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the stock issuance, which is referred to in this joint proxy statement/prospectus as the CVS Health adjournment proposal.

It is important that CVS Health s shareholders vote their shares of CVS Health common stock on each of these matters, regardless of the number of shares owned.

1

Table of Contents

This document is being delivered to you as both a joint proxy statement of Aetna and CVS Health and a prospectus of CVS Health in connection with the merger and the stock issuance. It is the proxy statement by which Aetna s board of directors is soliciting proxies from Aetna shareholders to vote at the Aetna special meeting, or at any adjournment or postponement of the Aetna special meeting, on the approval and adoption of the merger agreement, the approval of the Aetna adjournment proposal and the approval, on an advisory (non-binding) basis, of the Aetna compensation advisory proposal. It is also the proxy statement by which CVS Health s board of directors is soliciting proxies from CVS Health stockholders to vote at the CVS Health special meeting, or at any adjournment or postponement of the CVS Health special meeting, on the approval of the stock issuance and the approval of the CVS Health adjournment proposal. In addition, this document is the prospectus of CVS Health pursuant to which CVS Health will issue shares of CVS Health common stock to Aetna shareholders as part of the merger consideration.

Q: Is my vote important?

A: **Yes, your vote is very important**. For Aetna shareholders, an abstention from voting or a failure to vote will have the same effect as a vote **AGAINST** the approval and adoption of the merger agreement. If you hold your Aetna common shares through a broker, bank or other nominee holder of record and you do not give voting instructions to that broker, bank or other nominee holder of record, that broker, bank or other nominee holder of record will not be able to vote your shares on the approval and adoption of the merger agreement, and your failure to give those instructions will have the same effect as a vote **AGAINST** the approval and adoption of the merger agreement. Aetna s board of directors unanimously recommends that Aetna shareholders vote **FOR** the approval and adoption of the merger agreement, and CVS Health s board of directors unanimously recommends that CVS Health stockholders vote **FOR** the approval of the stock issuance.

Q: What will happen in the merger?

A: In the merger, Merger Sub will be merged with and into Aetna. Aetna will be the surviving corporation in the merger and will be a wholly-owned subsidiary of CVS Health following completion of the merger and will no longer be a publicly traded corporation.

Q: What will Aetna shareholders receive in the merger?

A: If the merger is completed, each Aetna common share automatically will be cancelled and converted into the right to receive $145.00 in cash without interest thereon, which is referred to in this joint proxy statement/prospectus as the cash consideration, and 0.8378 of a share of CVS Health common stock, which is referred to in this joint proxy statement/prospectus as the share consideration. The cash consideration and the share consideration are collectively referred to in this joint proxy statement/prospectus as the merger consideration. Each Aetna shareholder will be entitled to receive cash for any fractional share of CVS Health common stock that the Aetna shareholder would otherwise be entitled to receive in the merger.

Based on the closing price of shares of CVS Health common stock on the New York Stock Exchange, which is referred to in this joint proxy statement/prospectus as the NYSE, on October 25, 2017, the last trading day prior to news reports of a potential transaction between CVS Health and Aetna, which is referred to in this joint proxy statement/prospectus as the unaffected date, the merger consideration represented approximately $208.28 in value for each Aetna common share. Based on the closing price of shares of CVS Health common stock on the NYSE on [ ], 2018, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was available, the merger consideration represented approximately $[ ] in value for each Aetna common share.

Because CVS Health will issue a fixed fraction of a share of CVS Health common stock in exchange for each Aetna common share, the value of the share consideration will depend on the market price of shares of CVS Health common stock at the time the merger is completed. The market price of shares of CVS Health common stock when

Table of Contents

Aetna shareholders receive those shares after the merger is completed could be greater than, less than or the same as the market price of shares of CVS Health common stock on the date of this joint proxy statement/prospectus or at the time of the Aetna special meeting or any adjournment or postponement thereof.

Q: What happens if the merger is not completed?

A: If the merger agreement is not approved and adopted by Aetna shareholders, the stock issuance is not approved by CVS Health stockholders or if the merger is not completed for any other reason, Aetna shareholders will not receive any payment for their Aetna common shares in connection with the merger. Instead, Aetna will remain an independent public company and its common shares will continue to be listed and traded on the NYSE. If the merger agreement is terminated under specified circumstances, Aetna may be required to pay CVS Health a termination fee of $2.1 billion, and if the merger agreement is terminated under certain other circumstances, CVS Health may be required to pay Aetna a termination fee of $2.1 billion. See The Merger Agreement Termination Fees and Expenses beginning on page 205 of this joint proxy statement/prospectus for a more detailed discussion of the termination fees.

Q: What are Aetna shareholders being asked to vote on?

A: Aetna shareholders are being asked to vote on the following three proposals:

- to approve and adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus;
- to approve the Aetna adjournment proposal; and
- to approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal.

The approval and adoption of the merger agreement by Aetna shareholders is a condition to the obligations of Aetna and CVS Health to complete the merger. Neither the approval of the Aetna adjournment proposal nor the approval of the Aetna compensation advisory proposal is a condition to the obligations of Aetna or CVS Health to complete the merger.

Q: What are CVS Health stockholders being asked to vote on?

A: CVS Health stockholders are being asked to vote on the following proposals:

- to approve the stock issuance; and

to approve the CVS Health adjournment proposal.

The approval of the stock issuance by CVS Health stockholders is a condition to the obligations of Aetna and CVS Health to complete the merger. The approval of the CVS Health adjournment proposal is not a condition to the obligations of Aetna or CVS Health to complete the merger.

Q: Does Aetna s board of directors recommend that Aetna shareholders approve and adopt the merger agreement?

A: Yes. Aetna s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement (including the merger) are fair to and in the best interests of Aetna and its shareholders and unanimously recommends that Aetna shareholders vote **FOR** the approval and adoption of the merger agreement at the Aetna special meeting. See Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement beginning on page 101 of this joint proxy statement/prospectus.

Table of Contents

Q: Does Aetna s board of directors recommend that shareholders approve the Aetna adjournment proposal?

A: Yes. Aetna s board of directors unanimously recommends that you vote **FOR** the Aetna adjournment proposal. See Aetna Proposal II: Adjournment of the Aetna Special Meeting beginning on page 219 of this joint proxy statement/prospectus.

Q: What is the Aetna compensation advisory proposal and why am I being asked to vote on it?

A: The Securities and Exchange Commission, which is referred to in this joint proxy statement/prospectus as the SEC, has adopted rules that require Aetna to seek an advisory (non-binding) vote on compensation that is tied to or based on completion of the merger and that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

Q: Does Aetna s board of directors recommend that Aetna shareholders approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal?

A: Yes. The Aetna board of directors unanimously recommends that Aetna shareholders vote **FOR** the Aetna compensation advisory proposal. See Aetna Proposal III: Advisory Vote On Merger-Related Executive Compensation Arrangements beginning on page 220 of this joint proxy statement/prospectus.

Q: What happens if the Aetna compensation advisory proposal is not approved?

A: Approval of the Aetna compensation advisory proposal is not a condition to the obligations of Aetna or CVS Health to complete the merger. The vote is an advisory vote and is not binding. If the merger is completed, Aetna may pay the applicable compensation in connection with the merger to its named executive officers even if Aetna shareholders fail to approve the Aetna compensation advisory proposal.

Q: Does CVS Health s board of directors recommend that CVS Health stockholders approve the stock issuance?

A: Yes. CVS Health s board of directors unanimously determined that the stock issuance was advisable, fair to and in the best interests of CVS Health and its stockholders and unanimously recommends that CVS Health stockholders vote **FOR** the approval of the stock issuance. See Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus.

Q: Does CVS Health s board of directors recommend that CVS Health stockholders approve the CVS Health adjournment proposal?

A: Yes. CVS Health s board of directors unanimously recommends that CVS Health stockholders vote **FOR** the CVS Health adjournment proposal. See CVS Health Proposal II: Adjournment of the CVS Health Special Meeting beginning on page 221 of this joint proxy statement/prospectus.

Q: What Aetna shareholder vote is required for the approval of each proposal?

A: The following are the vote requirements for the proposals at the Aetna special meeting:

Approval and Adoption of the Merger Agreement: The affirmative vote of holders of at least a majority of the outstanding Aetna common shares entitled to vote on this proposal. Accordingly, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have the same effect as a vote **AGAINST** this proposal.

Table of Contents

Approval of Aetna Adjournment Proposal (if necessary): A majority of the votes cast affirmatively or negatively on this proposal (whether or not a quorum, as defined under Pennsylvania law, is present). Accordingly, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have no effect on the approval of this proposal.

Approval of the Aetna Compensation Advisory Proposal: A majority of the votes cast affirmatively or negatively on this proposal (assuming a quorum, as defined under Pennsylvania law, is present). Accordingly, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have no effect on the approval of this proposal.

Q: What CVS Health stockholder vote is required for the approval of each proposal at the CVS Health special meeting?

A: The following are the vote requirements for the proposals at the CVS Health special meeting:

Approval of the Stock Issuance: The affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock (assuming a quorum is present). Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against as well as elections to abstain from voting on the stock issuance. As a result, a CVS Health stockholder s election to abstain from voting on the stock issuance will have the same effect as a vote **AGAINST** the approval of this proposal. The failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the approval of this proposal because these failures to vote are not considered votes cast. However, these failures to vote will make it more difficult to meet the requirement under Delaware law that the holders of a majority of the outstanding shares of CVS Health common stock entitled to vote at the CVS Health special meeting be present in person or represented by proxy to constitute a quorum at the CVS Health special meeting.

Approval of the CVS Health Adjournment Proposal (if necessary): The affirmative vote of a majority of the votes cast at the CVS Health special meeting by CVS Health stockholders (whether or not a quorum, as defined under Delaware law, is present). For purposes of the CVS Health adjournment proposal, votes cast means votes for or against the proposal. As a result, a CVS Health stockholder s election to abstain from voting, the failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other holder of record to give voting instructions to that broker, bank or other holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the approval of this proposal.

Q: What constitutes a quorum for the Aetna special meeting?

A: The holders of a majority of the outstanding Aetna common shares entitled to vote being present in person or represented by proxy constitutes a quorum for the Aetna special meeting. Aetna common shares whose holders elect to abstain from voting will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum.

Table of Contents

Q: What constitutes a quorum for the CVS Health special meeting?

A: A majority of the outstanding shares of CVS Health common stock entitled to vote being present in person or represented by proxy constitutes a quorum for the CVS Health special meeting. Elections to abstain from voting will be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum. Shares of CVS Health common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record will not be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum.

Q: Who is entitled to vote at the Aetna special meeting?

A: All holders of Aetna common shares who held shares at the record date for the Aetna special meeting (the close of business on February 5, 2018) are entitled to receive notice of, and to vote at, the Aetna special meeting. As of the close of business on [ ], 2018, there were [ ] Aetna common shares outstanding. Each holder of Aetna common shares is entitled to one vote for each Aetna common share owned at the record date.

Q: Who is entitled to vote at the CVS Health special meeting?

A: All holders of shares of CVS Health common stock who held shares at the record date for the CVS Health special meeting (the close of business on February 5, 2018) are entitled to receive notice of, and to vote at, the CVS Health special meeting. As of the close of business on [ ], 2018, there were [ ] shares of CVS Health common stock outstanding. Each holder of shares of CVS Health common stock is entitled to one vote for each share of CVS Health common stock owned at the record date.

Q: What if I hold shares in both Aetna and CVS Health?

A: If you are both an Aetna shareholder and a CVS Health stockholder, you will receive separate packages of proxy materials from each company. A vote as an Aetna shareholder for the approval and adoption of the merger agreement (or any other proposal to be considered at the Aetna special meeting) will not constitute a vote as a CVS Health stockholder to approve the stock issuance (or any other proposal to be considered at the CVS Health special meeting), and vice versa. **Therefore, please complete, sign and date and return all proxy cards and/or voting instructions that you receive from Aetna or CVS Health, or submit your proxy or voting instructions for each set of voting materials over the Internet or by telephone in order to ensure that all of your shares are voted.**

Q: When and where is the Aetna special meeting?

A: The Aetna special meeting will be held on [ ], 2018, at the offices of Davis Polk & Wardwell LLP, located at 450 Lexington Avenue, New York, NY 10017, at [ ] Eastern Time.

Q: When and where is the CVS Health special meeting?

A: The CVS Health special meeting will be held on [ ], 2018, at the offices of Shearman & Sterling LLP, located at 599 Lexington Avenue, New York, NY 10022, at [ ] Eastern Time.

Q: How do I vote my shares at the Aetna special meeting?

A: *Via the Internet or by Telephone*

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote via the Internet at www.proxyvote.com or by telephone by calling (800) 690-6903 toll-free. In order to vote your shares via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Aetna shareholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone, 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on [ ], 2018.

Table of Contents

If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, you may submit voting instructions via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

By Mail

If you hold Aetna common shares directly in your name as a shareholder of record, in order to vote by mail, you may submit a proxy card. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge Financial Solutions, Inc., which is referred to in this joint proxy statement/prospectus as Broadridge, must receive your proxy card no later than the close of business on [ ], 2018.

If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record with these materials and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

In Person

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote in person at the Aetna special meeting. Shareholders of record also may be represented by another person at the Aetna special meeting by executing a proper proxy designating that person and having that proper proxy be presented to the judge of election with the applicable ballot at the Aetna special meeting.

If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the Aetna special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

Please carefully consider the information contained in this joint proxy statement/prospectus. Whether or not you plan to attend the Aetna special meeting, Aetna encourages you to vote via the Internet, by telephone or by mail so that your shares will be voted in accordance with your wishes even if you later decide not to attend the Aetna special meeting.

Aetna encourages you to register your vote via the Internet, by telephone or by mail. If you attend the Aetna special meeting, you may also vote in person, in which case any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by the vote that you cast at the Aetna special meeting. Your attendance at the Aetna special meeting alone will not revoke any proxy previously given. To vote in person at the Aetna special meeting, beneficial owners who hold shares in street name through a broker, bank or other nominee holder of record will need to contact the broker, bank or other nominee holder of record to obtain a written legal proxy to bring to the meeting. Whether your proxy is submitted via the Internet, by telephone or by mail, if it is properly completed and submitted, and if you do not revoke it prior to or at the Aetna special meeting, your shares will be voted at the Aetna special meeting in the manner specified by you, except as otherwise set forth in this joint proxy statement/prospectus.

You may vote via the Internet or by telephone until 11:59 p.m. (Eastern Time) on [ ], 2018, or Broadridge must receive your proxy card by mail no later than the close of business on [ ], 2018.

Q: If my Aetna common shares are held in street name, will my broker, bank or other nominee holder of record automatically vote my shares for me?

A: No. If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares.

Table of Contents

Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold Aetna common shares in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, each of the three proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on any of the three proposals to be considered at the Aetna special meeting.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the Aetna special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the three proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus, if a beneficial owner of Aetna common shares held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the Aetna special meeting. As a result, there will not be any broker non-votes in connection with any of the three proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus.

Q: How will my shares be represented at the Aetna special meeting?

A: If you correctly register your vote via the Internet, by telephone or by mail, the directors of Aetna named in your proxy card will vote your shares in the manner you requested. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as Aetna s board of directors unanimously recommends, which is:

FOR the approval and adoption of the merger agreement;

FOR the Aetna adjournment proposal; and

FOR the Aetna compensation advisory proposal.

However, if you indicate that you wish to vote against the approval and adoption of the merger agreement, your shares will only be voted in favor of the Aetna adjournment proposal and/or the Aetna compensation advisory proposal if you indicate that you wish to vote in favor of that proposal.

Q: How do I vote my shares at the CVS Health special meeting?

A: *Via the Internet or by Telephone*
If you hold shares of CVS Health common stock directly in your name as a stockholder of record, you may vote via the Internet at www.proxyvote.com or by telephone by calling (800) 690-6903 toll-free. In order to submit a proxy to vote via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each CVS Health stockholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on [ ], 2018.

If you hold shares of CVS Health common stock in street name, meaning through a broker, bank or other nominee holder of record, you may vote via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

By Mail

If you hold shares of CVS Health common stock directly in your name as a stockholder of record, you may submit a proxy card to vote your shares by mail. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on [ ], 2018.

If you hold shares of CVS Health common stock in street name, meaning through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail, you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record with these materials and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

In Person

If you hold shares of CVS Health common stock directly in your name as a stockholder of record, you may vote in person at the CVS Health special meeting. Stockholders of record also may be represented by another person at the CVS Health special meeting by executing a proper proxy designating that person and having that proper proxy be presented to the judge of election with the applicable ballot at the CVS Health special meeting.

If you hold shares of CVS Health common stock in street name, meaning through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the CVS Health special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

Please carefully consider the information contained in this joint proxy statement/prospectus. Whether or not you plan to attend the CVS Health special meeting, CVS Health encourages you to vote via the Internet, by telephone or by mail so that your shares will be voted in accordance with your wishes even if you later decide not to attend the CVS Health special meeting.

CVS Health encourages you to register your vote via the Internet, by telephone or by mail. If you attend the CVS Health special meeting, you may also vote in person, in which case any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by the vote that you cast at the CVS Health special meeting. To vote in person at the CVS Health special meeting, beneficial owners who hold shares in street name through a broker, bank or other nominee holder of record will need to contact the broker, bank or other nominee holder of record to obtain a written legal proxy to bring to the meeting. Whether your proxy is submitted via the Internet, by phone or by mail, if it is properly completed and submitted, and if you do not revoke it prior to or at the CVS Health special meeting, your shares will be voted at the CVS Health special meeting in the manner specified by you, except as otherwise set forth in this joint proxy statement/prospectus.

You may vote via the Internet or by telephone until 11:59 p.m. (Eastern Time) on [ ], 2018, or Broadridge must receive your paper proxy card by mail no later than the close of business on [ ], 2018.

Q: If my shares of CVS Health common stock are held in street name, will my broker, bank or other nominee holder of record automatically vote my shares for me?

A: No. If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold shares of CVS Health common stock in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the

Table of Contents

beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, both proposals to be considered at the CVS Health special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on either proposal.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the CVS Health special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to either of the proposals to be considered at the CVS Health special meeting as described in this joint proxy statement/prospectus, if a beneficial owner of shares of CVS Health common stock held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the CVS Health special meeting. As a result, there will not be any broker non-votes in connection with either of the proposals to be considered at the CVS Health special meeting as described in this joint proxy statement/prospectus.

Q: How will my shares be represented at the CVS Health special meeting?

A: If you correctly submit your proxy via the Internet, by telephone or by mail, the persons named in your proxy card will vote your shares in the manner you requested. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as CVS Health s board of directors unanimously recommends, which is:

FOR the stock issuance; and

FOR the approval of the CVS Health adjournment proposal.

However, if you indicate that you wish to vote against the approval of the stock issuance, your shares will only be voted in favor of the CVS Health adjournment proposal if you indicate that you wish to vote in favor of that proposal.

Q: Who may attend the Aetna special meeting?

A: Aetna shareholders at the record date for the Aetna special meeting (the close of business on February 5, 2018), or their proxy holders, may attend the Aetna special meeting. If you hold shares in your name at the record date and plan to attend the Aetna special meeting, because of security procedures, you will need to obtain an admission ticket in advance. In addition to obtaining an admission ticket in advance, you will be required to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the Aetna special meeting.

If you are a beneficial owner of Aetna common shares held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on February 5, 2018), and you plan to attend the Aetna special meeting, in addition to following the security procedures described above, you will also need proof of beneficial ownership at the record date to obtain your admission ticket to the Aetna special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your Aetna common shares held in street name in person at the Aetna special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

Aetna shareholders may contact Georgeson LLC at (888) 658-3624 (toll-free) or (781) 575-2137 (for international callers) to obtain directions to the location of the Aetna special meeting.

Table of Contents

Q: Who may attend the CVS Health special meeting?

A: CVS Health stockholders at the record date for the CVS Health special meeting (the close of business on February 5, 2018), or their proxy holders, may attend the CVS Health special meeting. You may not appoint more than one person to act as your proxy at the CVS Health special meeting. If you would like to attend the CVS Health special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the CVS Health special meeting.

If you are a beneficial owner of shares of CVS Health common stock held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on February 5, 2018), in addition to proper identification, you will also need an account statement or letter from the nominee indicating that you were the beneficial owner of the shares at the record date to be admitted to the CVS Health special meeting. If you wish to vote your shares of CVS Health common stock held in street name in person at the CVS Health special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

CVS Health stockholders may contact Okapi Partners LLC at (855) 305-0855 (toll-free) or (212) 297-0720 (collect) or CVS Health s Investor Relations at (800) 201-0938 to obtain directions to the location of the CVS Health special meeting.

Q. Can I revoke my proxy or change my voting instructions?

A: Yes. You may revoke your proxy or change your vote at any time before the closing of the polls at the applicable special meeting.

If you are a shareholder of record at the record date for the Aetna special meeting or a stockholder of record at the record date for the CVS Health special meeting (in each case, the close of business on February 5, 2018), you can revoke your proxy or change your vote by:

- sending a signed notice stating that you revoke your proxy:
  - if you are an Aetna shareholder, to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood NY 11717 or by fax at (631) 254-7733; or
  - if you are a CVS Health stockholder, to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood NY 11717 or by fax at (631) 254-7733;

in each case, that bears a date later than the date of the proxy you want to revoke and is received prior to the applicable special meeting;

submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 p.m. (Eastern Time) on [ ], 2018, or by mail that is received prior to the applicable special meeting; or

attending the applicable special meeting (or, if the applicable special meeting is adjourned or postponed, attending the applicable adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your broker, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the applicable special meeting.

Q: What happens if I sell my Aetna common shares after the record date but before the Aetna special meeting?

A: The record date for the Aetna special meeting (the close of business on February 5, 2018) is earlier than the date of the Aetna special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your Aetna common shares after the record date but before the date of the Aetna special meeting, you will retain your right to vote at the Aetna special meeting. However, you will not have the right to receive the merger consideration to be received by Aetna shareholders in the merger. In order to receive the merger consideration, you must hold your shares immediately prior to completion of the merger.

Table of Contents

Q: What happens if I sell my CVS Health shares after the record date but before the CVS Health special meeting?

A: The record date for the CVS Health special meeting (the close of business on February 5, 2018) is earlier than the date of the CVS Health special meeting. If you sell or otherwise transfer your shares of CVS Health common stock after the record date but before the date of the CVS Health special meeting, you will retain your right to vote at the CVS Health special meeting.

Q: What do I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus, the related proxy card or the voting instruction forms. This can occur if you hold your shares in more than one brokerage account, if you hold shares directly as a record holder and also in street name, or otherwise through another nominee holder of record, and in certain other circumstances. In addition, if you are a holder of shares of both Aetna common shares and shares of CVS Health common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. If you receive more than one set of voting materials, please separately submit votes for each set of voting materials in order to ensure that all of your shares are voted.

Q: Are Aetna shareholders entitled to appraisal rights?

A: No. In accordance with Section 1571(b) of the Pennsylvania Business Corporation Law, which is referred to in this joint proxy statement/prospectus as the PBCL, holders of Aetna common shares will not be entitled to appraisal or dissenters rights in connection with the merger.

Q: Is completion of the merger subject to any conditions?

A: Yes. CVS Health and Aetna are not required to complete the merger unless a number of conditions are satisfied (or, to the extent permitted by applicable law, waived). These conditions include the approval and adoption of the merger agreement by Aetna shareholders, the approval of the stock issuance by CVS Health stockholders, termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to in this joint proxy statement/prospectus as the HSR Act, and the receipt of certain other regulatory approvals. For a more complete summary of the conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus.

Q: When do you expect to complete the merger?

A:

As of the date of this joint proxy statement/prospectus, Aetna and CVS Health expect to complete the merger in the second half of 2018, subject to the approval and adoption of the merger agreement by Aetna shareholders, the approval of the stock issuance by CVS Health stockholders, early termination or expiration of the waiting period under the HSR Act, the receipt of certain other regulatory approvals and the satisfaction (or, to the extent permitted by applicable law, waiver) of the other conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the merger. However, no assurance can be given as to when, or if, the merger will be completed.

Q: Is the transaction expected to be taxable to Aetna shareholders?

A: The exchange of Aetna common shares for the merger consideration pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, an Aetna shareholder that is a U.S. holder (as defined in Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 167 of this joint proxy statement/prospectus) will recognize taxable capital gain or loss in an amount equal to the difference, if any, between (i) the sum of (x) the amount of cash, including cash in lieu of fractional shares, received by such U.S. holder in the merger and (y) the fair market value of the shares of CVS Health common stock received by such U.S. holder in the merger and (ii) such U.S. holder s adjusted tax basis in the Aetna common shares exchanged therefor. With respect to an Aetna shareholder that is a non-U.S. holder (as defined in Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 167 of this joint proxy statement/prospectus), the exchange of Aetna common shares for the merger consideration pursuant to the merger generally will not result in tax to such non-U.S. holder under U.S. federal income tax laws unless such non-U.S. holder has certain connections with the United States.

Each Aetna shareholder is urged to read the discussion in the section entitled Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 167 of this joint proxy statement/prospectus and to consult its tax advisor to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences to it of the merger.

Q: What do I need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. Then, please vote your Aetna common shares and/or shares of CVS Health common stock, as applicable, which you may do by:

- completing, dating, signing and returning the enclosed proxy card for the applicable company in the accompanying postage-paid return envelope;

- submitting your proxy via the Internet or by telephone by following the instructions included on your proxy card for such company; or

- attending the applicable special meeting and voting by ballot in person.

If you hold shares in street name through a broker, bank or other nominee holder of record, please instruct your broker, bank or other nominee holder of record to vote your shares by following the instructions that the broker, bank or other nominee holder of record provides to you with these materials.

See How will my shares be represented at the Aetna special meeting? beginning on page 8 of this joint proxy statement/prospectus and How will my shares be represented at the CVS Health special meeting? beginning on page 10 of this joint proxy statement/prospectus.

Q: Should I send in my Aetna share certificates now?

A: No. Aetna shareholders should not send in their share certificates at this time. After completion of the merger, CVS Health s exchange agent will send you a letter of transmittal and instructions for exchanging your Aetna common shares for the merger consideration. The shares of CVS Health common stock you receive in the merger will be issued in book-entry form and, unless otherwise requested, physical certificates will not be issued. See The Merger Agreement Procedures for Surrendering Aetna Share Certificates beginning on page 179 of this joint proxy statement/prospectus. CVS Health stockholders will keep their existing share certificates, if any, and will not be required to take any action with respect to their certificates.

Q: As a holder of stock appreciation rights issued by Aetna representing the right to receive a payment in Aetna common shares, or a holder of Aetna restricted stock units or performance stock units, what will I receive in the merger?

A: Each vested stock appreciation right representing the right to receive a payment in Aetna common shares, which are referred to in this joint proxy statement/prospectus as Aetna stock appreciation rights (including

13

Table of Contents

those Aetna stock appreciation rights that vest by their terms as of completion of the merger) that is outstanding as of completion of the merger will be cancelled and converted into the right to receive a cash amount (without interest) equal to the product of (a) the excess, if any, of (x) the sum of $145.00 plus the value equal to the product of the average of the volume weighted averages of the trading prices for shares of CVS Health common stock on the NYSE on each of the five consecutive trading days ending on the trading day that is two trading days prior to completion of the merger, which average is referred to in this joint proxy statement/prospectus as the CVS Health closing price, multiplied by the ratio of 0.8378 of a share of CVS Health common stock for each Aetna common share (which is referred to in this joint proxy statement/prospectus as the exchange ratio) (the sum of such amounts is referred to in this joint proxy statement/prospectus as the equity award cash consideration) over (y) the applicable per share exercise price of the Aetna stock appreciation right multiplied by (b) the total number of Aetna common shares subject to such Aetna stock appreciation right.

Each Aetna stock appreciation right that is not vested as of completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), at completion of the merger, will be assumed by CVS Health and will become a stock appreciation right, which is referred to in this joint proxy statement/prospectus as an assumed stock appreciation right, representing the right to receive a payment in shares of CVS Health common stock on the same terms and conditions, except that the number of shares of CVS Health common stock subject to the assumed stock appreciation right will equal the product of (a) the number of Aetna common shares that were subject to such Aetna stock appreciation right immediately prior to completion of the merger, multiplied by (b) the sum of (x) the exchange ratio plus (y) the quotient of $145.00, divided by the CVS Health closing price (the sum of such amounts is referred to in this joint proxy statement/prospectus as the equity award exchange ratio), with such product rounded down to the nearest whole share of CVS Health Common stock. The per share exercise price for each assumed stock appreciation right will equal the exercise price per share of such Aetna stock appreciation right immediately prior to completion of the merger divided by the equity award exchange ratio, rounded up to the nearest whole cent.

Immediately prior to completion of the merger, each outstanding Aetna restricted stock unit, which is referred to in this joint proxy statement/prospectus as an Aetna RSU, and each outstanding Aetna performance stock unit, which is referred to in this joint proxy statement/prospectus as an Aetna PSU, that provides for accelerated vesting upon completion of the merger will vest and will be converted into the right to receive, with respect to each Aetna common share underlying the Aetna RSU or Aetna PSU, the merger consideration, less applicable tax withholdings.

Each Aetna RSU or Aetna PSU that is not converted into a right to receive the merger consideration or is granted after the date of the merger agreement (to the extent permitted under the merger agreement) will be assumed by CVS Health and will be converted into a time-based restricted stock unit award covering the number of whole shares of CVS Health common stock equal to the product of the number of Aetna common shares underlying such assumed Aetna RSU or Aetna PSU immediately prior to completion of the merger (with the performance of each Aetna PSU to be determined based on the applicable award agreement relating to such Aetna PSU) multiplied by the equity award exchange ratio, with such product rounded down to the nearest whole share of CVS Health common stock. Except as provided in the immediately preceding sentence, each assumed Aetna RSU or Aetna PSU will continue to have, and be subject to, the same terms and conditions as applied to the corresponding Aetna RSU or Aetna PSU immediately prior to completion of the merger (including any terms and conditions relating to accelerated vesting upon a termination of the holder s employment in connection with or following the merger).

The description above does not apply to equity awards held by Aetna s non-employee directors, who will receive a cash payment for their restricted and deferred units in accordance with the Aetna Inc. Non-Employee Director Compensation Plan, which is referred to in this joint proxy statement/prospectus as the Aetna Director Plan.

See The Merger Agreement Treatment of Aetna Equity Awards beginning on page 180 of this joint proxy statement/prospectus.

Table of Contents

Q: How can I vote the shares of CVS Health common stock I hold through the 401(k) Plan and Employee Stock Ownership Plan of CVS Health Corporation and Affiliated Companies?

A: Participants in the 401(k) Plan and Employee Stock Ownership Plan of CVS Health Corporation and Affiliated Companies, which is referred to in this joint proxy statement/prospectus as the CVS Health 401(k) Plan, who receive this joint proxy statement/prospectus in their capacity as participants in the CVS Health 401(k) Plan are entitled to vote using the enclosed proxy card. The proxy card directs the trustee of the CVS Health 401(k) Plan to vote a participant s shares as indicated on the card. Shares of CVS Health common stock held through the CVS Health 401(k) Plan for which no instructions are received will be voted by the trustee of the CVS Health 401(k) Plan in the same percentage as the shares of CVS Health common stock held through the CVS Health 401(k) Plan for which the trustee receives voting instructions. The trustee of the CVS Health 401(k) Plan must receive your voting instructions by 11:59 p.m. (Eastern Time) on [ ], 2018.

Please note that you cannot vote the shares of CVS Health common stock you hold through the CVS Health 401(k) Plan in person at the CVS Health special meeting.

Q: How can I vote the Aetna common shares I hold through Aetna s 401(k) plan?

A: Participants in the Aetna Inc. 401(k) Plan, which is referred to in this joint proxy statement/prospectus as the Aetna 401(k) Plan, who receive this joint proxy statement/prospectus in their capacity as participants in the Aetna 401(k) Plan will receive voting instruction cards instead of proxy cards. The voting instruction card directs the trustee of the Aetna 401(k) Plan to vote the shares shown on the card as indicated on the card. Aetna common shares held through the Aetna 401(k) Plan may be voted by using the Internet, by calling a toll-free telephone number or by completing, signing and dating the voting instruction card and mailing it to the trustee of the Aetna 401(k) Plan in accordance with the trustee s instructions. Aetna common shares held through the Aetna 401(k) Plan for which no instructions are received will be voted by the trustee of the Aetna 401(k) Plan in the same percentage as the Aetna common shares held through the Aetna 401(k) Plan for which the trustee receives voting instructions unless contrary to ERISA. The trustee of the Aetna 401(k) Plan must receive your voting instructions by 11:59 p.m. (Eastern Time) on [ ], 2018.

Please note that you cannot vote the Aetna common shares you hold through the Aetna 401(k) Plan in person at the Aetna special meeting.

Table of Contents

Q: If I am an Aetna shareholder, whom should I call with questions?

A: If you have any questions about the merger agreement, the merger, the proposal to approve and adopt the merger agreement, the Aetna adjournment proposal, the Aetna compensation advisory proposal or the Aetna special meeting, or this joint proxy statement/prospectus, desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms or need help voting your Aetna common shares, you should contact:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Telephone (Toll-Free): (888) 658-3624

International Callers: (781) 575-2137

Email: aetna@georgeson.com

or

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Attention: Investor Relations

Telephone: (860) 273-2402

Email: investorelations@aetna.com

Q: If I am a CVS Health stockholder, whom should I call with questions?

A: If you have any questions about the merger agreement, the merger, the stock issuance, the proposal to approve the stock issuance, the CVS Health adjournment proposal or the CVS Health special meeting or this joint proxy statement/prospectus, desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms or need help voting your shares of CVS Health common stock, you should contact:

Okapi Partners LLC

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

Telephone (Toll-Free): (855) 305-0855

Telephone (Collect): (212) 297-0720

Email: cvsproxyinfo@okapipartners.com

or

CVS Health Corporation

One CVS Drive

Woonsocket, RI 02895

Attention: Investor Relations

Telephone: (800) 201-0938

Email: investorinfo@cvshealth.com

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read carefully the entire joint proxy statement/prospectus and the other documents attached to or referred to in this joint proxy statement/prospectus in order to fully understand the merger agreement and the proposed merger. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus. Each item in this summary refers to the page of this joint proxy statement/prospectus on which the more detailed discussion of that subject begins.

The Companies (see page 73)

CVS Health Corporation

CVS Health Corporation was incorporated in the State of Delaware on August 22, 1996. CVS Health, together with its subsidiaries, is a pharmacy innovation company helping people on their path to better health. At the forefront of a changing health care landscape, CVS Health has an unmatched suite of capabilities and the expertise needed to drive innovations that will help shape the future of health care.

Through more than 9,700 retail locations, more than 1,100 walk-in health care clinics, a leading pharmacy benefits manager with nearly 90 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, expanding specialty pharmacy services and a leading stand-alone Medicare Part D prescription drug plan, CVS Health enables people, businesses and communities to manage health in more affordable, effective ways. CVS Health is delivering break-through products and services, from advising patients on their medications at CVS Pharmacy® locations, to introducing unique programs to help control costs for CVS Health s clients at CVS Caremark®, to innovating how care is delivered to CVS Health s patients with complex conditions through CVS Specialty®, to improving pharmacy care for the senior community through Omnicare®, or by expanding access to high-quality, low-cost care at CVS MinuteClinic®.

The principal trading market for shares of CVS Health common stock (NYSE: CVS) is the NYSE. The principal executive offices of CVS Health are located at One CVS Drive, Woonsocket, RI 02895; its telephone number is (401) 765-1500; and its website is www.cvshealth.com. Information on CVS Health s Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about CVS Health from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

Aetna Inc.

Aetna Inc. was incorporated in the Commonwealth of Pennsylvania on December 20, 1982. Aetna, together with its subsidiaries, is one of the nation s leading diversified health care benefits companies, serving an estimated 37.9 million people as of December 31, 2017. Aetna has the information and resources to help its members, in consultation with their health care professionals, make better informed decisions about their health care. Aetna offers a broad range of traditional, voluntary and consumer-directed health insurance products and related services, including medical, pharmacy, dental, behavioral health, group life and disability plans, medical management capabilities, Medicaid health care management services, Medicare Advantage and Medicare supplement plans, workers compensation administrative services and health information technology products and services. Aetna s customers include employer groups, individuals, college students, part-time and hourly workers, health plans, health care providers, governmental units, government-sponsored plans, labor groups and expatriates. On November 1, 2017, Aetna sold its domestic group life insurance, group disability insurance and absence management businesses to Hartford Life and Accident Insurance Company.

The principal trading market for Aetna common shares (NYSE: AET) is the NYSE. The principal executive offices of Aetna are located at 151 Farmington Avenue, Hartford, CT 06156; its telephone number is (860) 273-0123; and its website is www.aetna.com. Information on Aetna s Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Aetna from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

Hudson Merger Sub Corp.

Merger Sub was incorporated in the Commonwealth of Pennsylvania on November 14, 2017, and is a wholly-owned subsidiary of CVS Health. Merger Sub was formed solely for the purpose of completing the merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

The principal executive offices of Merger Sub are located at One CVS Drive, Woonsocket, RI 02895; and its telephone number is (401) 765-1500.

The Merger (see page 177)

CVS Health, Merger Sub and Aetna have entered into the merger agreement. Subject to the terms and conditions of the merger agreement and in accordance with applicable law, in the merger, Merger Sub will be merged with and into Aetna, with Aetna continuing as the surviving corporation and a wholly-owned subsidiary of CVS Health. Upon completion of the merger, Aetna common shares will no longer be publicly traded.

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. **You should read the merger agreement carefully because it is the legal document that governs the merger.**

Special Meeting of Stockholders of CVS Health (see page 75)

Meeting. The CVS Health special meeting will be held on [ ], 2018, at the offices of Shearman & Sterling LLP, located at 599 Lexington Avenue, New York, NY 10022, at [ ] Eastern Time. At the CVS Health special meeting, CVS Health stockholders will be asked to consider and vote on the following proposals:

- to approve the stock issuance; and

- to approve the CVS Health adjournment proposal.

Record Date. CVS Health s board of directors has fixed the close of business on February 5, 2018, as the record date for the determination of the stockholders entitled to notice of and to vote at the CVS Health special meeting or any adjournment or postponement of the CVS Health special meeting. Only CVS Health stockholders of record at the record date are entitled to receive notice of, and to vote at, the CVS Health special meeting or any adjournment or postponement of the CVS Health special meeting. As of the close of business on [ ], 2018, there were [ ] shares of CVS Health common stock outstanding and entitled to vote at the CVS Health special meeting. Each holder of shares of

CVS Health common stock is entitled to one vote for each share of CVS Health common stock owned at the record date.

Quorum. The presence at the CVS Health special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of CVS Health common stock at the record date (the close of business on

February 5, 2018) will constitute a quorum. Elections to abstain from voting will be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum. Shares of CVS Health common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and shares of CVS Health common stock with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the stock issuance to be taken at the CVS Health special meeting. Failure of a quorum to be present at the CVS Health special meeting will necessitate an adjournment of the meeting and will subject CVS Health to additional expense.

Required Vote. Assuming a quorum is present, approval of the stock issuance requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock. **CVS Health cannot complete the merger unless its stockholders approve the stock issuance**. Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against , as well as elections to abstain from voting on the stock issuance. As a result, a CVS Health stockholder s election to abstain from voting on the stock issuance will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the outcome of any vote to approve the stock issuance because these failures to vote are not considered votes cast.

Approval of the CVS Health adjournment proposal, whether or not a quorum, as defined under Delaware law, is present, requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by CVS Health stockholders. For purposes of the CVS Health adjournment proposal, votes cast means votes for or against the proposal. As a result, a CVS Health stockholder s election to abstain from voting on the CVS Health adjournment proposal, the failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the outcome of any vote on the CVS Health adjournment proposal.

Stock Ownership of and Voting by CVS Health Directors and Executive Officers. At the record date for the CVS Health special meeting (the close of business on February 5, 2018), CVS Health s directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate [ ] shares of CVS Health common stock at the CVS Health special meeting, which represents approximately [ ]% of the shares of CVS Health common stock entitled to vote at the CVS Health special meeting. Approval of the stock issuance requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock (assuming a quorum is present).

Each of CVS Health s directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her shares of CVS Health common stock **FOR** the stock issuance and **FOR** the CVS Health adjournment proposal, although none of CVS Health s directors and executive officers has entered into any agreement requiring them to do so.

Special Meeting of Shareholders of Aetna (see page 82)

Meeting. The Aetna special meeting will be held on [ ], 2018, at the offices of Davis Polk & Wardwell LLP, located at 450 Lexington Avenue, New York, NY 10017, at [ ] Eastern Time. At the Aetna special meeting, Aetna shareholders will be asked to consider and vote on the following proposals:

to approve and adopt the merger agreement;

to approve the Aetna adjournment proposal; and

to approve, on an advisory (non-binding) basis the Aetna compensation advisory proposal.

Record Date. A committee of Aetna s board of directors has fixed the close of business on February 5, 2018, as the record date for the determination of the Aetna shareholders entitled to notice of and to vote at the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. Only Aetna shareholders of record at the record date are entitled to receive notice of, and to vote at, the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. As of the close of business on [ ], 2018, there were [ ] Aetna common shares outstanding and entitled to vote at the Aetna special meeting. Each holder of Aetna common shares is entitled to one vote for each Aetna common share owned at the record date.

Quorum. The presence at the Aetna special meeting, in person or by proxy, of the holders of a majority of the outstanding Aetna common shares at the record date (the close of business on February 5, 2018) will constitute a quorum. Aetna common shares whose holders elect to abstain from voting will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and Aetna common shares with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the approval and adoption of the merger agreement and the vote on the Aetna compensation advisory proposal to be taken at the Aetna special meeting. Failure of a quorum to be present at the Aetna special meeting will necessitate an adjournment of the meeting and will subject Aetna to additional expense.

Required Vote. Pursuant to Aetna s amended and restated articles of incorporation, which are referred to in this joint proxy statement/prospectus as Aetna s articles, to approve and adopt the merger agreement, the affirmative vote of the holders of a majority of Aetna common shares outstanding and entitled to vote thereon is required. **Aetna cannot complete the merger and the merger consideration will not be paid unless its shareholders approve and adopt the merger agreement. Because approval and adoption of the merger agreement requires the affirmative vote of the holders of at least a majority of Aetna common shares outstanding and entitled to vote thereon, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement.**

To approve (i) the Aetna adjournment proposal (whether or not a quorum, as defined under Pennsylvania law, is present) and (ii) on an advisory (non-binding) basis, the Aetna compensation advisory proposal (assuming a quorum, as defined under Pennsylvania law, is present), the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares is required. For purposes of each of the Aetna adjournment proposal and the Aetna compensation advisory proposal, votes cast means votes for or against the applicable proposal. As a result, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have no effect on the outcome of any vote on the Aetna adjournment proposal or any vote to approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal.

Share Ownership of and Voting by Aetna Directors and Executive Officers. At the record date for the Aetna special meeting (the close of business on February 5, 2018), Aetna s directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate [ ] Aetna common shares at the Aetna special meeting, which represents approximately [ ]% of the Aetna common shares entitled to vote at the Aetna special meeting. To approve and adopt the merger agreement, the affirmative vote of the holders of a majority of Aetna common shares outstanding and entitled to vote thereon is required.

Table of Contents

Each of Aetna s directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her Aetna common shares **FOR** the proposal to approve and adopt the merger agreement, **FOR** the Aetna adjournment proposal and **FOR** the Aetna compensation advisory proposal, although none of Aetna s directors or executive officers has entered into any agreement requiring them to do so.

What Aetna Shareholders Will Receive in the Merger (see page 178)

If the merger is completed, Aetna shareholders will be entitled to receive, in exchange for each Aetna common share that they own immediately prior to the effective time of the merger, $145.00 in cash without interest thereon and 0.8378 of a share of CVS Health common stock, together with cash payable in lieu of any fractional shares as described below.

CVS Health will not issue any fractional shares in the merger. Instead, the total number of shares of CVS Health common stock that each Aetna shareholder will be entitled to receive in the merger will be rounded down to the nearest whole number, and each Aetna shareholder will be entitled to receive cash, without interest thereon, for any fractional share of CVS Health common stock that he or she otherwise would be entitled to receive in the merger. The amount of cash for fractional shares will be calculated by multiplying the fraction of a share of CVS Health common stock that the Aetna shareholder otherwise would be entitled to receive in the merger by the CVS Health closing price.

Example: If you own 100 Aetna common shares at the time the merger is completed, you will be entitled to receive $14,500.00 in cash without interest thereon and 83 shares of CVS Health common stock. In addition, you will be entitled to receive an amount of cash equal to 0.78 of a share of CVS Health common stock multiplied by the CVS Health closing price.

The exchange ratio is fixed, which means that it will not change between now and the date of the merger, regardless of whether the market price of either shares of CVS Health common stock or Aetna common shares changes. Therefore, the value of the share consideration will depend on the market price of shares of CVS Health common stock at the time Aetna shareholders receive shares of CVS Health common stock in the merger. Based on the closing price of a share of CVS Health common stock on the NYSE on October 25, 2017, the last trading day prior to news reports of a potential transaction between CVS Health and Aetna, the merger consideration represented approximately $208.28 in value for each Aetna common share. Based on the closing price of a share of CVS Health common stock on the NYSE on [ ], 2018, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was available, the merger consideration represented approximately $[ ] in value for each Aetna common share. **The market price of shares of CVS Health common stock has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Aetna special meeting and the date the merger is completed and thereafter. The market price of shares of CVS Health common stock when received by Aetna shareholders after the merger is completed could be greater than, less than or the same as the market price of shares of CVS Health common stock on the date of this joint proxy statement/prospectus or at the time of the Aetna special meeting or any adjournment or postponement thereof**.

Treatment of Aetna Equity Awards (see page 180)

At completion of the merger, each outstanding vested Aetna stock appreciation right (including those Aetna stock appreciation rights that vest by their terms at completion of the merger), will be cancelled and converted into the right to receive an amount in cash, without interest, equal to the excess, if any, of the equity award cash consideration over the applicable per share exercise price of such Aetna stock appreciation right multiplied by the total number of Aetna common shares subject to such Aetna stock appreciation right.

Each Aetna stock appreciation right that is not vested as of completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), at completion of the merger, will be assumed by CVS Health and will become an assumed stock appreciation right representing the right to receive a payment in shares of CVS Health common stock on the same terms and conditions, except that the number of shares of CVS Health common stock subject to the assumed stock appreciation right will equal the product of the number of Aetna common shares that were subject to such Aetna stock appreciation right immediately prior to completion of the merger multiplied by the equity award exchange ratio, with such product rounded down to the nearest whole share of CVS Health common stock. The per share exercise price for each assumed stock appreciation right will equal the exercise price per share of such Aetna stock appreciation right immediately prior to completion of the merger divided by the equity award exchange ratio, rounded up to the nearest whole cent.

Immediately prior to completion of the merger, each outstanding Aetna RSU and each outstanding Aetna PSU that provides for accelerated vesting upon completion of the merger will vest and will be converted into the right to receive, with respect to each Aetna common share underlying the Aetna RSU or Aetna PSU, the merger consideration, less applicable tax withholdings.

Each Aetna RSU or Aetna PSU that is not converted into a right to receive the merger consideration or is granted after the date of the merger agreement (to the extent permitted under the merger agreement) will be assumed by CVS Health and will be converted into a time-based restricted stock unit award covering the number of whole shares of CVS Health common stock equal to the product of the number of Aetna common shares underlying such assumed Aetna RSU or Aetna PSU immediately prior to completion of the merger (with the performance of each Aetna PSU to be determined based on the applicable award agreement relating to such Aetna PSU) multiplied by the equity award exchange ratio, with such product rounded down to the nearest whole share of CVS Health common stock. Except as provided in the immediately preceding sentence, each assumed Aetna RSU or Aetna PSU will continue to have, and be subject to, the same terms and conditions as applied to the corresponding Aetna RSU or Aetna PSU immediately prior to completion of the merger (including any terms and conditions relating to accelerated vesting upon a termination of the holder s employment in connection with or following the merger).

The description above does not apply to equity awards held by Aetna s non-employee directors, who will receive a cash payment for their restricted and deferred units in accordance with the Aetna Director Plan.

Recommendations of the Aetna Board of Directors (see page 101)

Aetna s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement (including the merger) are fair to and in the best interests of Aetna and its shareholders. **Aetna s board of directors unanimously recommends that Aetna shareholders vote FOR the proposal to approve and adopt the merger agreement.** For the factors considered by Aetna s board of directors in reaching this decision, see Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement beginning on page 101 of this joint proxy statement/prospectus.

Aetna s board of directors unanimously recommends that Aetna shareholders vote **FOR** the Aetna adjournment proposal. See Aetna Proposal II: Adjournment of the Aetna Special Meeting beginning on page 219 of this joint proxy statement/prospectus.

In addition, Aetna s board of directors unanimously recommends that Aetna shareholders vote **FOR** the Aetna compensation advisory proposal. See Aetna Proposal III: Advisory Vote On Merger-Related Executive Compensation

Arrangements beginning on page 220 of this joint proxy statement/prospectus.

Recommendations of the CVS Health Board of Directors (see page 106)

CVS Health s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including merger and the stock issuance, are advisable, fair to and in the best interests of CVS Health and its stockholders. **CVS Health s board of directors unanimously recommends that CVS Health stockholders vote FOR the stock issuance**. For the factors considered by CVS Health s board of directors in reaching this decision, see Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus.

CVS Health s board of directors unanimously recommends that CVS Health stockholders vote **FOR** the CVS Health adjournment proposal. See CVS Health Proposal II: Adjournment of the CVS Health Special Meeting beginning on page 221 of this joint proxy statement/prospectus.

Opinions of Aetna s Financial Advisors (see page 111)

Opinion of Lazard Frères & Co. LLC

Aetna has engaged Lazard Frères & Co. LLC, which is referred to in this joint proxy statement/prospectus as Lazard, as a financial advisor in connection with the merger. In connection with the merger, Lazard delivered a written opinion, dated December 3, 2017, to the Aetna board of directors as to the fairness, from a financial point of view and as of such date, of the consideration to be paid to the holders of Aetna common shares in the merger.

The full text of Lazard s written opinion, dated December 3, 2017, which sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. The description of Lazard s opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard s opinion. Lazard s opinion was for the benefit of the Aetna board of directors (in its capacity as such) in connection with its evaluation of the merger and did not address any terms or other aspects (other than the merger consideration to the extent expressly specified in Lazard s opinion) of the merger. **Lazard s opinion did not address the relative merits of the merger as compared to any other transaction or business strategy in which Aetna might engage or the merits of the underlying decision by Aetna to engage in the merger. Lazard s opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any matter relating thereto.**

Opinion of Allen & Company LLC

Aetna also has engaged Allen & Company LLC, which is referred to in this joint proxy statement/prospectus as Allen & Company, as a financial advisor in connection with the merger. In connection with the merger, Allen & Company delivered a written opinion, dated December 3, 2017, to the Aetna board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the consideration to be received by holders of Aetna common shares pursuant to the merger agreement.

The full text of Allen & Company s written opinion, dated December 3, 2017, which describes the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The description of Allen & Company s opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Allen & Company s opinion. **Allen & Company s opinion was intended for the benefit and use of the Aetna board of directors (in its capacity as such) in connection**

with its evaluation of the merger consideration from a financial point of view and did not address any other terms, aspects or implications of the merger. Allen & Company s opinion did not constitute a recommendation as to the course of action that Aetna (or the Aetna board of directors) should pursue in connection with the merger or otherwise address the merits of the underlying decision by Aetna to engage in the merger, including in comparison to other strategies or transactions that might be available to Aetna or which Aetna might engage in or consider. Allen & Company s opinion does not constitute advice or a recommendation to any shareholder as to how such shareholder should vote or act on any matter relating to the merger or otherwise.

Opinions of CVS Health s Financial Advisors (see page 128)

Opinions of Barclays Capital Inc. and Goldman Sachs & Co. LLC

CVS Health engaged Barclays Capital Inc., which is referred to in this joint proxy statement/prospectus as Barclays, and Goldman Sachs & Co. LLC, which is referred to in this joint proxy statement/prospectus as Goldman Sachs, to act as its financial advisors with respect to the merger. Barclays delivered its opinion to CVS Health s board of directors that, as of December 3, 2017 and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the opinion, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health. Goldman Sachs delivered its opinion to CVS Health s board of directors that, as of December 3, 2017 and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the opinion, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health.

The full text of the written opinion of Barclays, dated as of December 3, 2017, is attached as Annex D to this joint proxy statement/prospectus. **Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Barclays in connection with the opinion. Barclays provided advisory services and its opinion for the information and assistance of CVS Health s board of directors in connection with its consideration of the merger. The Barclays opinion is not a recommendation as to how any holder of shares of CVS Health common stock or Aetna common shares should vote with respect to the merger or any other matter.**

The full text of the written opinion of Goldman Sachs, dated as of December 3, 2017, is attached as Annex E to this joint proxy statement/prospectus. **Goldman Sachs written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Goldman Sachs in connection with the opinion. Goldman Sachs provided advisory services and its opinion for the information and assistance of CVS Health s board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of CVS Health common stock or Aetna common shares should vote with respect to the merger or any other matter.**

Opinion of Centerview Partners LLC

CVS Health also retained Centerview Partners LLC, which is referred to in this joint proxy statement/prospectus as Centerview, as financial advisor to CVS Health in connection with the proposed merger and the other transactions contemplated by the merger agreement, which are collectively referred to as the transaction throughout this section and the summary of Centerview s opinion below under the caption Opinions of CVS Health s Financial Advisors Opinion of Centerview Partners LLC beginning on page 145 of this joint proxy statement/prospectus. In connection with this engagement, the board of directors of CVS Health requested that Centerview evaluate the fairness, from a financial point of view, to CVS Health, of the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement. On December 3, 2017, Centerview

rendered to the board of directors of CVS Health its oral opinion, which was subsequently confirmed by delivery of a written opinion dated December 3, 2017 that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, the merger consideration proposed to be paid by CVS Health in the merger pursuant to the merger agreement was fair, from a financial point of view, to CVS Health.

The full text of Centerview s written opinion, dated December 3, 2017, which describes the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, is attached as Annex F and is incorporated herein by reference. **Centerview s financial advisory services and opinion were provided for the information and assistance of the board of directors of CVS (in their capacity as directors and not in any other capacity) in connection with and for purposes of its consideration of the transaction and Centerview s opinion addressed only the fairness, from a financial point of view, as of the date of Centerview s written opinion, to CVS of the merger consideration to be paid by CVS in the merger pursuant to the merger agreement. Centerview s opinion did not address any other term or aspect of the merger agreement or the transaction and does not constitute a recommendation to any stockholder of CVS or any other person as to how such stockholder or other person should vote with respect to the merger or otherwise act with respect to the transaction or any other matter.**

The full text of Centerview s written opinion should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion.

Ownership of CVS Health Common Stock After the Merger **(see page 89)**

Based on the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding as of [ ], and the treatment of Aetna common shares, stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan in the merger, CVS Health expects to issue approximately [ ] million shares of CVS Health common stock to Aetna shareholders and Aetna equity award holders upon completion of the merger and reserve for issuance additional shares of CVS Health common stock in connection with the assumption, exercise and settlement of Aetna stock appreciation rights, Aetna RSUs and Aetna PSUs that are not vested as of completion of the merger or that are granted after the date of the merger agreement (to the extent permitted by the merger agreement). The actual number of shares of CVS Health common stock to be issued and reserved for issuance upon completion of the merger will be determined at completion of the merger based on the exchange ratio and the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding at that time. Based on the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding as of [ ], and the number of shares of CVS Health common stock outstanding as of [ ], it is expected that, immediately after completion of the merger, former Aetna shareholders will own approximately [ ]% of the outstanding shares of CVS Health common stock.

Governance and Social Matters Following Completion of the Merger **(see page 180)**

At completion of the merger, the size of the board of directors of CVS Health will be increased by three and the vacancies created thereby will be filled by Mark T. Bertolini, the Chairman and Chief Executive Officer of Aetna, and two other individuals who are serving on the board of directors of Aetna immediately prior to completion of the merger who meet CVS Health s independence criteria as in effect as of such time and who will

be jointly designated by Aetna and CVS Health prior to completion of the merger. See The Merger Agreement Governance and Social Matters Following Completion of the Merger beginning on page 180 for further information.

The merger agreement provides that, for at least three years following completion of the merger, CVS Health will preserve Aetna Foundation, Inc. in a manner consistent in all material respects with the past practice of Aetna, including by maintaining its name and its charitable mission.

The merger agreement also provides that, for at least five years following completion of the merger, CVS Health will maintain Aetna as the primary brand for the insurance businesses of CVS Health and its subsidiaries (including Aetna and its subsidiaries).

Interests of Aetna s Directors and Executive Officers in the Merger (see page 209)

In considering the recommendation of the Aetna board of directors to approve and adopt the merger agreement, Aetna shareholders should be aware that Aetna s directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Aetna shareholders generally. Aetna s board of directors was aware of these interests and considered them, among other matters, in evaluating and negotiating the merger agreement, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger), and in recommending to Aetna shareholders that the merger agreement be approved and adopted.

These interests include the following:

Pursuant to the terms of the merger agreement and the outstanding equity awards, outstanding equity awards held by Aetna s non-employee directors will vest upon completion of the merger. Outstanding unvested equity awards currently held by Aetna s executive officers will either vest upon the completion of the merger or upon an involuntary termination of employment (other than for cause) in connection with completion of the merger. Assuming a closing date for the merger of December 3, 2018 and price per Aetna common share of $205.03, which is calculated based on the price of a share of CVS Health common stock of $71.65, which is the average closing price of a share of CVS Health common stock over the five-business-day period following the first public announcement of the merger agreement, the aggregate value of vesting of outstanding unvested equity awards upon completion of the merger or upon an involuntary termination of employment (other than for cause) in connection with completion of the merger payable in the aggregate to Aetna s non-employee directors and executive officers is estimated to be approximately $48.7 million for Aetna stock appreciation rights, approximately $1.7 million for Aetna RSUs and approximately $30.2 million for Aetna PSUs.

Pursuant to individual employment arrangements and the terms of Aetna s severance plan, each of Aetna s executive officers is eligible to receive severance benefits either upon an involuntary termination of employment without cause or a resignation for good reason in connection with completion of the merger. Pursuant to individual employment arrangements and Aetna s severance plan, upon a qualifying termination, Mr. Bertolini and Ms. Lynch are eligible to receive 24 months of cash compensation (calculated as annual base salary and target annual cash bonus opportunity) payable in equal installments over a period of two years and a pro rata portion of their target bonus opportunity for the year of termination, and Aetna s other executive officers are eligible to receive between 38 and 100 weeks of salary continuation. In addition, upon a qualifying termination, all of Aetna s executive officers will continue to receive Aetna-provided benefits for nine weeks, and may elect to continue coverage under Aetna s medical plan at employee rates for an additional two months thereafter. Any annual bonus will be paid in accordance with the terms of the merger agreement, except that any executive officer terminated without cause in connection with completion of the merger will receive

26

a bonus payment for the full calendar year. Assuming a qualifying termination of employment for all of Aetna s executive officers upon completion of the merger, the aggregate value of severance benefits to be paid or provided (including benefits continuation) to Aetna s executive officers is estimated to be approximately $24.6 million.

Aetna s directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

These interests are described in further detail, including more information on the assumptions used in calculating the estimated amounts set forth above, under Interests of Aetna s Directors and Executive Officers in the Merger and The Merger Agreement Indemnification and Insurance beginning on pages 209 and 201, respectively, of this joint proxy statement/prospectus.

Listing of CVS Health Common Stock; Delisting and Deregistration of Aetna Common Shares (see page 170)

CVS Health will apply to have the shares of CVS Health common stock to be issued in the merger approved for listing on the NYSE, where shares of CVS Health common stock are currently traded. If the merger is completed, Aetna common shares will no longer be listed on the NYSE and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to in this joint proxy statement/prospectus as the Exchange Act.

Appraisal or Dissenters Rights Not Available to Aetna Shareholders (see page 167)

Under Pennsylvania law, Aetna shareholders will not be entitled to appraisal or dissenters rights in connection with the merger.

Completion of the Merger Is Subject to Certain Conditions (see page 181)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, the obligation of each of CVS Health and Merger Sub, on the one hand, and Aetna, on the other hand, to complete the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of a number of conditions, including the following:

approval and adoption of the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding Aetna common shares;

approval of the stock issuance by the affirmative vote of the holders of a majority of the votes cast at the CVS Health special meeting;

absence of any applicable law (including any order) enacted, adopted or promulgated after of the date of the merger agreement being in effect in the U.S. that enjoins, prevents or prohibits completion of the merger;

effectiveness of, and absence of any stop order with respect to, the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, relating to the stock issuance;

approval for the listing on the NYSE of the shares of CVS Health common stock to be issued in the merger, subject to official notice of issuance;

accuracy of the representations and warranties made in the merger agreement by the other party, subject to certain materiality thresholds;

performance (or cure of any non-performance) in all material respects by the other party of the covenants and agreements required to be performed by it prior to completion of the merger; and

- the absence of a material adverse effect on the other party (see The Merger Agreement Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus for the definition of material adverse effect).

In addition to the conditions to all parties obligations, the obligations of CVS Health and Merger Sub to complete the merger are subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of certain additional conditions, including the following:

- expiration or early termination of the waiting period relating to the merger under the HSR Act without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna (see The Merger Agreement Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus for the definition of regulatory material adverse effect); and

- certain actions by or in respect of, and filings with, certain governmental authorities, which are referred to in this joint proxy statement/prospectus as the required governmental authorizations, having been made or obtained without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna.

In addition to the conditions to all parties obligations, the obligation of Aetna to complete the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of certain additional conditions, including (i) expiration or early termination of the waiting period relating to the merger under the HSR Act and (ii) the required governmental authorizations having been made or obtained.

CVS Health and Aetna cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

The Merger May Not Be Completed Without All Required Regulatory Approvals (see page 165)

Completion of the merger is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and the required governmental authorizations having been made or obtained and being in full force and effect, and in the case of CVS Health, without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna.

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission, which is referred to in this joint proxy statement/prospectus as the FTC, and the Antitrust Division of the U.S. Department of Justice, which is referred to in this joint proxy statement/prospectus as the DOJ. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties filings of their respective HSR Act notification forms or the early termination of that waiting period. The merger is being reviewed by the DOJ. If the DOJ issues a Request for Additional Information and Documentary Material prior to the expiration of the initial waiting period, the parties must observe a second 30-calendar-day waiting period, which would begin to run only after both parties have substantially complied with the request for additional information, unless the waiting period is terminated earlier.

Each of CVS Health and Aetna filed its respective HSR Act notification and report with respect to the merger on January 2, 2018. On February 1, 2018, CVS Health and Aetna each received a request for additional information, which is referred to in this joint proxy statement/prospectus as the second request, from the DOJ in connection with the DOJ s review of the transactions contemplated by the merger agreement. Issuance of the second request extends the waiting period under the HSR Act until 30 days after both CVS Health and Aetna have substantially complied with the second request or such later time as the parties may agree with the DOJ, unless the waiting period is terminated earlier by the DOJ. CVS Health and Aetna have been cooperating with the DOJ staff since shortly after the announcement of the merger agreement and are continuing to cooperate with the DOJ staff in its review of the transactions contemplated by the merger agreement.

Pursuant to federal health care laws and regulations and, in some instances, the health care and insurance laws and regulations of certain states, and pursuant to certain licenses and contracts of certain of Aetna s subsidiaries, applicable federal and state regulatory and governmental authorities must approve, or be notified of, CVS Health s acquisition of control of Aetna s health maintenance organizations, insurance companies, pharmacy businesses and other regulated businesses or entities. To obtain these approvals and provide such notices, CVS Health, or the applicable CVS Health subsidiary, and in some instances Aetna, or the applicable Aetna regulated entity, as the case may be, has filed and/or will file acquisition of control and/or material modification or other statements, notices or applications, as required by federal health care law or regulation and the insurance and health care laws and regulations of each applicable state and country or the Aetna regulated entities licenses and contracts. In addition, certain non-U.S. governmental authorities must approve, or be notified of, the merger, and CVS Health and/or Aetna and/or their respective subsidiaries will file all such statements, notices, or applications, as are required by the laws of applicable non-U.S. governmental authorities.

Neither CVS Health nor Aetna is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.

CVS Health and Aetna have agreed to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the merger, which reasonable best efforts include contesting any proceeding brought by a governmental authority seeking to prohibit completion of the merger or seeking damages or to impose any terms or conditions in connection with the merger. In using its reasonable best efforts, under the terms of the merger agreement, CVS Health is required to take all actions and do all things necessary, proper or advisable to complete the merger in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, except that CVS Health is not required to take any action or agree to any term or condition in connection with those matters if that action, term or condition would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or on Aetna (see The Merger Agreement Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus for the definition of regulatory material adverse effect). In addition, in connection with obtaining the regulatory approvals required to complete the merger, (x) neither CVS Health nor Aetna is required to take any action or agree to any term or condition that is not conditioned upon completion of the merger and (y) Aetna is not permitted to take any action or agree to any term or condition without CVS Health s consent.

Description of Debt Financing (see page 170)

The merger is not subject to a financing condition. On December 3, 2017, CVS Health entered into a bridge facility commitment letter, which is referred to in this joint proxy statement/prospectus as the bridge facility commitment letter, with Barclays Bank PLC, Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC, Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (solely in its capacity as an arranger), to finance up to $49.0 billion of the cash consideration and fees, commissions and expenses payable by CVS Health in connection with the merger to the extent that CVS Health has not received $49.0 billion of net cash proceeds from a combination of (a) the issuance by CVS Health or one of its wholly-owned subsidiaries of a combination of equity securities, equity-linked securities or unsecured debt securities and/or (b) unsecured term loans, in each case, at or prior to completion of the merger, which is referred to in this joint proxy statement/prospectus as the bridge facility. Barclays Bank PLC, Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC and Bank of America, N.A. each provided a commitment to fund loans under the bridge facility and are collectively referred to in this joint proxy statement/prospectus as the initial bridge commitment parties. On December 15, 2017, CVS Health, the initial bridge commitment parties and Merrill Lynch, Pierce, Fenner & Smith Incorporated entered into a joinder agreement to the bridge facility commitment letter, which is referred to in this joint proxy statement/prospectus as the bridge joinder agreement, with JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., The Bank of New York Mellon, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Royal Bank of Canada, SunTrust Bank, U.S. Bank National Association, Fifth Third Bank, KeyBank National Association, PNC Bank, National Association, Banco Santander, S.A., New York Branch, Sumitomo Mitsui Banking Corporation, Bank of China, New York Branch, Industrial and Commercial Bank of China Limited, New York Branch, The Toronto-Dominion Bank, New York Branch and Guggenheim Life and Annuity Company which are collectively referred to in this joint proxy statement/prospectus as the additional bridge commitment parties. The bridge joinder agreement amends the bridge facility commitment letter and reallocates the commitments of the initial bridge commitment parties to fund loans under the bridge facility among the initial bridge commitment parties and the additional bridge commitment parties. The initial bridge commitment parties together with the additional bridge commitment parties are collectively referred to in this joint proxy statement/prospectus as the bridge commitment parties. The bridge commitment parties obligation to fund the bridge facility is subject to several limited conditions as set forth in the bridge facility commitment letter, including, among others, completion of the merger, the non-occurrence of a material adverse effect (as defined in the bridge facility commitment letter) on Aetna, the accuracy in all material respects of certain representations and warranties related to both CVS Health and Aetna, the absence of certain defaults by CVS Health, the delivery of certain financial statements of CVS Health and Aetna and other customary conditions to completion.

On December 15, 2017, CVS Health entered into a term loan agreement, which is referred to in this joint proxy statement/prospectus as the term loan agreement, with a group of twenty banks and other financial institutions, which are collectively referred to in this joint proxy statement/prospectus as the term lenders, consisting of a $3.0 billion three-year tranche and a $2.0 billion five-year tranche, to finance $5.0 billion of the cash consideration and fees, commissions and expenses payable by CVS Health in connection with the merger, which is referred to in this joint proxy statement/prospectus as the term loan facility. The occurrence of the effective date under the term loan agreement on December 15, 2017 had the effect of reducing the bridge facility by a principal amount of $5.0 billion to $44.0 billion. The term lenders obligation to fund the term loan facility is subject to several limited conditions as set forth in the term loan agreement, including, among others, completion of the merger, the non-occurrence of a material adverse effect (as defined in the term loan agreement) on Aetna, the accuracy in all material respects of certain representations and warranties related to both CVS Health and Aetna, the absence of certain defaults by CVS Health, the delivery of certain financial statements of CVS Health and Aetna and other customary conditions to completion.

On December 15, 2017, CVS Health and its current group of lenders entered into a first amendment to each of CVS Health s existing revolving credit facilities (consisting of (i) a $1.0 billion, 364-day unsecured credit facility expiring on May 17, 2018, (ii) a $1.25 billion, five-year unsecured back-up credit facility expiring on July 24, 2019, (iii) a $1.25 billion, five-year unsecured back-up credit facility expiring on July 1, 2020 and (iv) a $1.0 billion, five-year unsecured back-up credit facility expiring on May 18, 2022, which is referred to in this joint proxy statement/prospectus as the 2017 five-year revolving credit facility, to (w) amend the covenant restricting the incurrence of debt by CVS Health s subsidiaries to up to 15% of net tangible assets, which is referred to in this joint proxy statement/prospectus as the net tangible assets test, by (a) excluding any indebtedness of Aetna and its subsidiaries existing as of completion of the merger (other than any increase, refinancing or replacement thereof), which is referred to in this joint proxy statement/prospectus as the Aetna existing indebtedness, from indebtedness for purposes of determining compliance with the net tangible assets test, and (b) restricting the indebtedness that may be incurred by all of CVS Health s subsidiaries (excluding the Aetna existing indebtedness and other indebtedness under capital leases incurred in connection with a sale and leaseback transaction) to an amount not exceeding $900.0 million in the aggregate, in each case, on and following completion of the merger until the date that CVS Health is in compliance with the net tangible assets

test without giving effect to the exclusion set forth in clause (a) above, (x) expressly permit completion of the merger under the acquisition covenant, (y) amend the financial covenant by (a) increasing the consolidated indebtedness to total capitalization ratio from 0.60:1.00 to 0.65:1.00 from completion of the merger through and including the fiscal quarter ending September 30, 2019, and (b) excluding unsecured indebtedness in an aggregate principal amount not exceeding $49.0 billion incurred by CVS Health for the purpose of financing the merger (including all of the transaction costs, fees, commissions and expenses in connection therewith) and which is redeemable or prepayable if the merger is not consummated, from the calculation of consolidated indebtedness and total capitalization, until the earliest of the occurrence of completion of the merger, the date that is 30 days following the termination of the merger agreement in accordance with its terms and August 31, 2019, and (z) increase the threshold amount of specified events of default to (a) prior to the later of (i) the termination or other expiration of the bridge facility commitment letter in accordance with its terms and (ii) the termination or other expiration of the bridge facility if it is entered into, $250.0 million, and (b) at all other times, $200.0 million. In this joint proxy statement/prospectus, CVS Health s existing revolving credit agreements are referred to as the revolving credit agreements, and the lenders under the revolving credit agreements are referred to as the revolving lenders.

For a more complete description of CVS Health s debt financing for the merger, see Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Description of Debt Financing beginning on page 170 of this joint proxy statement/prospectus.

CVS Health and Aetna Expect the Merger to be Completed in the Second Half of 2018 (see page 177)

The merger will occur three business days after the conditions to its completion have been satisfied or, to the extent permitted by applicable law, waived, unless otherwise mutually agreed by the parties. As of the date of this joint proxy statement/prospectus, CVS Health and Aetna expect the merger to be completed in the second half of 2018. However, there can be no assurance as to when, or if, the merger will occur.

No Solicitation by Aetna or CVS Health (see page 190)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the exceptions described below and in the merger agreement, each of Aetna and CVS Health has agreed not to, among other things, (i) solicit, initiate or take any action to knowingly facilitate or knowingly encourage the submission of any acquisition proposal from any third party, (ii) enter into or participate in any discussions or negotiations with any third party that such party knows is seeking to make, or has made, an acquisition proposal, (iii) fail to make or withdraw or qualify, amend or modify in any manner adverse to the other party the recommendation of such party s board of directors that its shareholders approve and adopt the merger agreement, in the case of Aetna, or its stockholders approve the stock issuance, in the case of CVS Health, or (iv) fail to enforce or grant any waiver or release under any standstill or similar agreement.

However, at any time prior to the approval and adoption of the merger agreement by Aetna shareholders, in the case of Aetna, or the approval of the stock issuance by CVS Health stockholders, in the case of CVS Health, subject to the terms and conditions described in the merger agreement, each of Aetna or CVS Health, as applicable, is permitted to:

- engage in negotiations or discussions with any third party that has made after the date of the merger agreement a superior proposal or an acquisition proposal that is reasonably likely to lead to a superior proposal;

following receipt of a superior proposal after the date of the merger agreement, withdraw or modify in a manner adverse to the other party the recommendation of such party s board of directors that its shareholders approve and adopt the merger agreement, in the case of Aetna, or its stockholders approve the stock issuance, in the case of CVS Health, and/or terminate the merger agreement to enter into a definitive agreement providing for such superior proposal and pay concurrently a termination fee to the other party (See The Merger Agreement Termination of the Merger Agreement beginning on page 203 of this joint proxy statement/prospectus); and

in response to certain events other than receipt of a superior proposal, withdraw or modify in a manner adverse to the other party the recommendation of such party s board of directors that its shareholders approve and adopt the merger agreement, in the case of Aetna, or its stockholders approve the stock issuance, in the case of CVS Health.

Aetna or CVS Health, as applicable, is only permitted to take the actions described above if its board of directors determines that the failure to take that action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. In addition, Aetna s board of directors is not permitted to withdraw or modify its recommendation that Aetna shareholders approve and adopt the merger agreement or to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal, and CVS Health s board of directors is not permitted to withdraw or modify its recommendation that CVS Health stockholders approve the stock issuance or to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal, unless, before taking that action, the applicable party notifies the other party that it intends to take that action and, if requested by the other party, negotiates in good faith with the other party for certain periods of time regarding any proposal by the other party to amend the terms of the merger agreement.

Termination of the Merger Agreement (see page 203)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions set forth in the merger agreement, the merger agreement may be terminated at any time before completion of the merger in any of the following ways:

by mutual written consent of CVS Health and Aetna; or

by either CVS Health or Aetna, if:

the merger has not been completed on or before December 3, 2018, which is referred to in this joint proxy statement/prospectus as the initial end date, unless all conditions to completion of the merger have been satisfied or waived on the initial end date other than the regulatory approvals condition (as defined under The Merger Agreement Conditions to Completion of the Merger), and either CVS Health or Aetna elects to extend the initial end date to March 3, 2019, which is referred to in this joint proxy statement/prospectus as the extended end date, in which case the merger agreement may be terminated by either CVS Health or Aetna if the merger has not been completed on or before March 3, 2019, unless all conditions to completion of the merger have been satisfied or waived on the extended end date other than the regulatory approvals condition, and CVS Health elects to extend the extended end date to June 3, 2019, which together with the initial end date and the extended end date is referred to in this joint proxy statement/prospectus as the end date, in which case the merger agreement may be terminated by either CVS Health or Aetna if the merger has not been completed on or before June 3, 2019;

there is in effect any applicable law or final and non-appealable order of any governmental authority in the U.S., in each case, enacted, adopted or promulgated after the date of the merger agreement, that enjoins, prevents or prohibits completion of the merger;

Aetna shareholders fail to approve and adopt the merger agreement upon a vote taken on a proposal to approve and adopt the merger agreement at the Aetna special meeting;

CVS Health stockholders fail to approve the stock issuance upon a vote taken on a proposal to approve the stock issuance at the CVS Health special meeting; or there has been a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the other party that would cause the other party to fail to satisfy the applicable condition to completion of the merger related to accuracy of representations and warranties or performance of covenants and agreements, as applicable, and that breach or failure to perform either is incapable of being cured by the end date or has not been cured within 45 days following notice from the non-breaching party of such breach or failure to perform; or

by CVS Health:

if Aetna s board of directors withdraws or modifies in a manner adverse to CVS Health its recommendation that Aetna shareholders approve and adopt the merger agreement or fails to publicly confirm that recommendation within seven business days after a request to do so from CVS Health;

if Aetna has breached in any material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligation to call and hold a meeting of its shareholders for purposes of approving and adopting the merger agreement described under The Merger Agreement Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus; or

prior to the approval of the stock issuance by CVS Health stockholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement), provided that CVS Health concurrently pays to Aetna the applicable termination fee; or

by Aetna:

If CVS Health s board of directors withdraws or modifies in a manner adverse to Aetna its recommendation that CVS Health stockholders approve the stock issuance or fails to publicly confirm that recommendation within seven business days after a request to do so from Aetna;

if CVS Health has breached in any material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its stockholders for purposes of approving the stock issuance described under The Merger Agreement Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus;

prior to the approval and adoption of the merger agreement by Aetna shareholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement), provided that Aetna concurrently pays to CVS Health the applicable termination fee; or

if (i) there is in effect any order in respect of certain regulatory matters that prohibits completion of the merger, which order has not become final and non-appealable, (ii) within 30 days after the order taking effect, CVS Health has not instituted appropriate proceedings seeking to have the order terminated and (iii) CVS Health s failure to institute appropriate proceedings has not been cured within 10 days following notice to CVS Health from Aetna of Aetna s intent to terminate the merger agreement.

Table of Contents

Termination Fees (see page 205)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, Aetna has agreed to pay CVS Health a termination fee of $2.1 billion if the merger agreement is terminated under any of the following circumstances:

- by CVS Health because Aetna s board of directors withdraws or modifies in a manner adverse to CVS Health its recommendation that Aetna shareholders approve and adopt the merger agreement or fails to publicly confirm that recommendation within seven business days after a request to do so from CVS Health;

- by CVS Health because Aetna has breached in any material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligation to call and hold a meeting of its shareholders for purposes of approving and adopting the merger agreement described under The Merger Agreement Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus;

- by Aetna, prior to the approval and adoption of the merger agreement by Aetna shareholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement); or

- by CVS Health or Aetna because Aetna shareholders fail to approve and adopt the merger agreement upon a vote taken on a proposal to approve and adopt the merger agreement at the Aetna special meeting and, at or prior to the Aetna special meeting, an acquisition proposal for Aetna has been publicly disclosed or announced, and on or prior to the first anniversary of such termination Aetna enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for Aetna.

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, CVS Health has agreed to pay Aetna a termination fee of $2.1 billion if the merger agreement is terminated under any of the following circumstances:

- by Aetna because CVS Health s board of directors withdraws or modifies in any manner adverse to Aetna its recommendation that CVS Health stockholders approve the stock issuance or fails to publicly confirm that recommendation within seven business days after a request to do so from Aetna;

- by Aetna because CVS Health has breached in a material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its stockholders for purposes of approving the stock issuance described under The Merger Agreement Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus;

by CVS Health, prior to obtaining the approval of the stock issuance by CVS Health stockholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement); or

by Aetna or CVS Health because CVS Health stockholders fail to approve the stock issuance upon a vote taken on a proposal to approve the stock issuance at the CVS Health special meeting and, at or prior to the CVS Health special meeting, an acquisition proposal for CVS Health has been publicly disclosed or announced, and on or prior to the first anniversary of such termination CVS Health enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for CVS Health.

In addition, as more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, CVS Health has agreed to pay Aetna a termination fee of $2.1 billion if both (x) the merger agreement is terminated under any the following circumstances:

- by Aetna or CVS Health because the merger has not been completed on or before the end date;
- by Aetna or CVS Health because there is in effect any applicable law or final and non-appealable order enacted, adopted or promulgated after the date of the merger agreement in respect of certain regulatory matters in the U.S. that prohibits completion of the merger; or
- by Aetna because (i) there is in effect any order in respect of certain regulatory matters that prohibits completion of the merger, which order has not become final and non-appealable, (ii) within 30 days after the order taking effect, CVS Health has not instituted appropriate proceedings seeking to have the order terminated and (iii) CVS Health s failure to institute appropriate proceedings has not been cured within 10 days following notice to CVS Health from Aetna of Aetna s intent to terminate the merger agreement;

and (y) at the time of termination of the merger agreement, all of the conditions to CVS Health s and Merger Sub s obligations to complete the merger are satisfied or waived other than (i) the regulatory approvals condition and (ii) the condition requiring the absence of any applicable law or order being in effect in the U.S. that prohibits completion of the merger (but only if that condition is not satisfied solely due to any applicable law or final and non-appealable order in respect of certain regulatory matters).

Except in the case of fraud, if either party receives a termination fee in accordance with the provisions of the merger agreement, the receipt of the termination fee will be the receiving party s sole and exclusive remedy against the paying party.

See The Merger Agreement Termination Fee and Expenses beginning on page 205 of this joint proxy statement/prospectus for a more complete description of the circumstances under which Aetna or CVS Health will be required to pay a termination fee.

Specific Performance; Remedies (see page 207)

Under the merger agreement, each of CVS Health and Aetna is entitled to an injunction or injunctions to prevent breaches of the merger agreement and to specifically enforce the terms and provisions of the merger agreement.

Material U.S. Federal Income Tax Consequences (see page 167)

The exchange of Aetna common shares for the merger consideration pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, an Aetna shareholder that is a U.S. holder (as defined in Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences) will recognize taxable capital gain or loss in an amount equal to the difference, if any, between (i) the sum of (x) the amount of cash, including cash in lieu of fractional shares, received by such U.S. holder in the merger and (y) the fair market value of the shares of CVS Health common stock received by such U.S. holder in the merger and (ii) such U.S. holder s adjusted tax basis in the Aetna common shares exchanged therefor. With respect to an Aetna shareholder that is a non-U.S. holder (as defined in

Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences), the exchange of Aetna common shares for the merger consideration pursuant to the merger generally will not result in tax to such non-U.S. holder under U.S. federal income tax laws unless such non-U.S. holder has certain connections with the United States.

35

Each Aetna shareholder is urged to read the discussion in the section entitled Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 167 of this joint proxy statement/prospectus and to consult its tax advisor to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences to it of the merger.

Accounting Treatment (see page 169)

The merger will be accounted for as an acquisition of a business. CVS Health will record assets acquired and liabilities assumed from Aetna primarily at their respective fair values at the date of completion of the merger. Any excess of the purchase price (as described under *Note 4. Estimate of Consideration Expected to be Transferred* under CVS Health and Aetna Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 42 of this joint proxy statement/prospectus) over the net fair value of such assets and liabilities will be recorded as goodwill.

Rights of Aetna Shareholders Will Change as a Result of the Merger (see page 225)

Aetna shareholders will have different rights once they become CVS Health stockholders due to differences between the organizational documents of CVS Health and Aetna and differences between Delaware law, under which CVS Health is incorporated, and Pennsylvania law, under which Aetna is incorporated. These differences are described in more detail under Comparison of Stockholder Rights beginning on page 225 of this joint proxy statement/prospectus.

Litigation Relating to the Merger (see page 176)

As of February 2, 2018, six complaints had been filed by purported Aetna shareholders challenging the merger. The first, a putative class action complaint, was filed by Olivier Miramond in the United States District Court for the District of Connecticut and is captioned *Miramond v. Aetna, Inc., et al.*, case number 3:18-cv-00083. The second complaint, filed in the United States District Court for the District of Connecticut by Shiva Stein individually, is captioned *Stein v. Aetna, Inc., et al.*, case number 3:18-cv-00136. The third complaint, a putative class action, was filed by Robert Freedman in the United States District Court for the Eastern District of Pennsylvania and is captioned *Freedman v. Aetna, Inc., et al.*, case number 2:18-cv-00323. The fourth complaint, filed in the United States District Court for the District of Connecticut by Luan Pham individually, is captioned *Pham v. Aetna, Inc., et al.*, case number 3:18-cv-00154. The fifth complaint, filed in the United States District Court for the Eastern District of Pennsylvania by Vladimir Gusinsky Rev. Trust individually, is captioned *Vladimir Gusinsky Rev. Trust v. Aetna Inc. et al.*, case number No. 2:18-cv-00361. The sixth complaint, a putative class action complaint, was filed by Dr. Eli Inzlicht-Sprei in the United States District Court for the District of Connecticut and is captioned *Inzlicht-Sprei v. Aetna, Inc., et al.*, case number No. 3:18-cv-00176. The complaints name as defendants Aetna and each member of Aetna s board of directors. In addition, the *Vladimir Gusinsky Rev. Trust* complaint names CVS Health and Merger Sub as defendants. The complaints generally allege, among other things, that the merger consideration in the proposed transaction is unfair, inadequate and undervalues Aetna; that the defendants failed to conduct a fair and reasonable sales process; that the merger agreement s deal protection provisions improperly deter other suitors from submitting a superior offer for Aetna; and that the defendants authorized the filing of a materially incomplete and misleading registration statement. Among other remedies, the complaints seek to enjoin the Aetna special meeting and the closing of the merger, as well as costs and attorneys fees. Defendants believe that the complaints are without merit.

Risk Factors (see page 62)

You should also carefully consider the risks that are described in the section entitled Risk Factors beginning on page 62 of this joint proxy statement/prospectus.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CVS HEALTH

The following table presents selected historical consolidated financial data of CVS Health. The selected historical consolidated financial data of CVS Health for each of the years ended December 31, 2016, 2015 and 2014, and as of December 31, 2016 and 2015, are derived from CVS Health s audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of CVS Health for each of the years ended December 31, 2013 and 2012, and as of December 31, 2014, 2013 and 2012, have been derived from CVS Health s audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of CVS Health as of, and for the nine months ended, September 30, 2017 and for the nine months ended September 30, 2016, are derived from CVS Health s unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of CVS Health as of September 30, 2016 are derived from CVS Health s unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which has not been incorporated by reference into this joint proxy statement/prospectus. CVS Health s management believes that CVS Health s unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

Table of Contents

You should read the following selected historical consolidated financial data of CVS Health in conjunction with CVS Health s audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2016 and unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017. In particular, see the notes to CVS Health s audited consolidated financial statements for significant events affecting the comparability of results as well as material uncertainties regarding CVS Health s future financial condition and results of operations.

	As of/For the Nine Months Ended		As of/For the Years Ended December 31,				
	9/30/17	9/30/16	2016	2015 (1)	2014	2013	2012
	(millions of dollars, except per share amounts, number of stores, growth rates and ratios)						
Statement of Operations Data:							
Net revenues	$ 136,380	$ 131,555	$ 177,526	$ 153,290	$ 139,367	$ 126,761	$ 123,120
Loss on early extinguishment of debt		643	643		521		348
Income from continuing operations	3,344	3,613	5,320	5,230	4,645	4,600	3,869
Income from continuing operations attributable to CVS Health	3,343	3,611	5,318	5,228	4,645	4,600	3,871
Balance Sheet Data:							
Total working capital (2)	1,410	4,198	4,792	5,989	5,971	8,998	5,318
Total assets	92,853	94,156	94,462	92,437	73,202	70,550	65,474
Long-term debt	23,386	25,610	25,615	26,267	11,630	12,767	9,079
Total CVS Health shareholders equity	34,868	35,954	36,834	37,203	37,963	37,938	37,653
Per Common Share Data:							
Income from continuing operations attributable to CVS Health:							
Basic	$ 3.26	$ 3.34	$ 4.93	$ 4.65	$ 3.98	$ 3.78	$ 3.05
Diluted	3.25	3.32	4.91	4.62	3.96	3.75	3.02
Cash dividends per common share	1.50	1.275	1.70	1.40	1.10	0.90	0.65

Other Operating Data:							
Ratio of earnings to fixed charges (3)	5.00x	5.11x	5.58x	6.26x	6.39x	6.81x	5.72x
Total same store sales growth	(3.5)%	2.8%	1.9%	1.7%	2.1%	1.7%	5.6%
Pharmacy same store sales growth	(3.6)%	4.3%	3.2%	4.5%	4.8%	2.6%	6.6%
Number of stores (at end of period)	9,795	9,737	9,750	9,681	7,866	7,702	7,508

(1) Includes the acquired operations of Omnicare, Inc. from August 18, 2015 and the acquired operations of the clinics and pharmacies of Target Corporation from December 16, 2015.

(2) As of January 1, 2016, CVS Health early adopted Accounting Standard Update No. 2015-17, *Income Taxes* (Topic 740) issued by the Financial Accounting Standards Board in November 2015. The effect of the retrospective adoption on CVS Health s historical consolidated balance sheets is a reduction in current assets and deferred income taxes of $985 million, $902 million and $693 million as of December 31, 2014, 2013 and 2012 respectively.

(3) Fixed charges consist of interest expense, capitalized interest, amortization of debt discount, and a portion of net rental expense deemed to be representative of the interest factor. The ratio of earnings to fixed charges is calculated as income from continuing operations, before provision for income taxes, plus fixed charges (excluding capitalized interest), plus amortization of capitalized interest, with the sum divided by fixed charges.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AETNA

The following table presents selected historical consolidated financial data of Aetna. The selected historical consolidated financial data of Aetna for each of the years ended December 31, 2016, 2015 and 2014, and as of December 31, 2016 and 2015, are derived from Aetna s audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Aetna for each of the years ended December 31, 2013 and 2012, and as of December 31, 2014, 2013 and 2012, are derived from Aetna s audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Aetna as of, and for the nine months ended, September 30, 2017 and for the nine months ended September 30, 2016, are derived from Aetna s unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30 2017, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Aetna as of September 30, 2016 are derived from Aetna s unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which has not been incorporated by reference into this joint proxy statement/prospectus. Aetna s management believes that Aetna s unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

You should read the following selected historical consolidated financial data of Aetna in conjunction with Aetna s audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2016 and unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017. In particular, see the notes to Aetna s audited consolidated financial statements for significant events affecting the comparability of results as well as material uncertainties regarding Aetna s future financial condition and results of operations.

	As of/For the Nine Months Ended,		As of/For the Years Ended December 31,				
	9/30/2017	9/30/2016	2016	2015	2014	2013 (1)	2012 (1)
	(millions of dollars, except per share amounts)						
Income Statement Data:							
Total revenue	$ 45,682	$ 47,427	$ 63,155	$ 60,337	$ 58,003	$ 47,295	$ 36,600
Net income attributable to Aetna	1,660	2,132	2,271	2,390	2,041	1,914	1,658
Net realized capital gains (losses), net of tax	(170)	55	56	(42)	52	(7)	71
Balance Sheet Data:							
Total assets (2)	57,383	71,883	69,146	53,509	53,354	49,723	41,341
Short-term debt					500		
Long-term debt (2)	10,159	20,662	20,661	7,785	8,033	8,210	6,435
Total Aetna shareholders equity	15,583	18,284	17,881	16,114	14,483	14,026	10,406
Per Common Share Data:							
Cumulative dividends declared in period	1.50	0.75	1.00	1.00	0.925	0.825	0.725

Net income attributable to Aetna:							
Basic	4.95	6.07	6.46	6.84	5.74	5.38	4.87
Diluted	4.92	6.02	6.41	6.78	5.68	5.33	4.81

(1) Aetna acquired Coventry Health Care, Inc. in May 2013, which impacts the comparability of operating results for the years ended December 31, 2013 to 2016 to prior periods.

(2) Amounts as of December 31, 2012 to 2015 have been retroactively restated to reflect the reclassification of debt issuance costs from other current and long-term assets to a reduction of long-term debt as a result of the adoption of new accounting guidance during the year ended December 31, 2016.

Table of Contents

COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA COMBINED PER SHARE DATA

The following table sets forth selected historical and unaudited pro forma combined per share information for CVS Health and Aetna.

Historical Per Common Share Information of CVS Health and Aetna. The historical per common share information of each of CVS Health and Aetna below is derived from the audited consolidated financial statements of each of CVS Health and Aetna as of and for the year ended December 31, 2016, and the unaudited consolidated financial statements of each of CVS Health and Aetna as of and for the nine months ended September 30, 2017.

Unaudited Pro Forma Combined per CVS Health Common Share Data. The unaudited pro forma combined per CVS Health common share data set forth below give effect to the merger under the acquisition method of accounting, as if the merger had been effective on January 1, 2016, the first day of CVS Health s fiscal year ended December 31, 2016, in the case of income from continuing operations per share. The unaudited pro forma combined book value per CVS Health common share data set forth below give effect to the merger under the acquisition method of accounting, as if the merger had been effective September 30, 2017, assuming that each outstanding Aetna common share, the vested Aetna RSUs and vested Aetna PSUs had been converted into shares of CVS Health common stock based on the exchange ratio.

The unaudited pro forma combined per CVS Health common share data is derived from the audited consolidated financial statements of each of CVS Health and Aetna as of and for the year ended December 31, 2016, and the unaudited condensed consolidated financial statements of each of CVS Health and Aetna as of and for the nine months ended September 30, 2017.

The acquisition method of accounting is based on Financial Accounting Standards Board, Accounting Standards Codification (which is referred to in this joint proxy statement/prospectus as ASC) 805, *Business Combinations*, and uses the fair value concepts defined in ASC 820, *Fair Value Measurements*, which CVS Health has adopted as required. Acquisition accounting requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. Fair value measurements recorded in acquisition accounting are dependent upon certain valuation studies of Aetna s assets and liabilities and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments reflect the assets and liabilities of Aetna at their preliminary estimated fair values. Differences between these preliminary estimates and the final values in acquisition accounting will occur, and these differences could have a material impact on the unaudited pro forma combined per share information set forth in the following table.

The unaudited pro forma combined per CVS Health common share data does not purport to represent the actual results of operations that CVS Health would have achieved had the companies been combined during these periods or to project the future results of operations that CVS Health may achieve after completion of the merger.

Unaudited Pro Forma Combined per Aetna Equivalent Share Data. The unaudited pro forma combined per Aetna equivalent share data set forth below shows the effect of the merger from the perspective of an owner of Aetna common shares. The information was calculated by multiplying the unaudited pro forma combined per share of CVS Health common stock amounts by the exchange ratio.

Generally. You should read the below information in conjunction with the selected historical consolidated financial data included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial statements of CVS Health and Aetna and related notes that have been filed with the SEC, certain of which are incorporated by reference into this joint proxy statement/prospectus. See Selected Historical Consolidated Financial Data of CVS Health , Selected Historical Consolidated Financial Data of Aetna and Where You Can Find More Information beginning on pages 37, 39 and 254, respectively, of this joint proxy

40

Table of Contents

statement/prospectus. The unaudited pro forma combined per CVS Health common share data and the unaudited pro forma combined per Aetna equivalent share data is derived from, and should be read in conjunction with, the CVS Health and Aetna unaudited pro forma condensed combined financial statements and related notes included in this joint proxy statement/prospectus. See CVS Health and Aetna Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 42 of this joint proxy statement/prospectus.

	As of/For the Nine Months Ended September 30, 2017	As of/For the Year Ended December 31, 2016
CVS Health Historical per Common Share Data:		
Income from continuing operations basic	$ 3.26	$ 4.93
Income from continuing operations diluted	3.25	4.91
Cash dividends declared	1.50	1.70
Book value (1)	34.42	34.71
Aetna Historical per Common Share Data:		
Net income basic	4.95	6.46
Net income diluted	4.92	6.41
Cash dividends declared	1.50	1.00
Book value (1)	47.79	50.84
Unaudited Pro Forma Combined per CVS Health Common Share Data:		
Income from continuing operations basic	2.65	4.06
Income from continuing operations diluted	2.63	4.02
Cash dividends declared (2)	N/A	N/A
Book value (1)	44.24	N/A
Unaudited Pro Forma Combined per Aetna Equivalent Share Data:		
Income from continuing operations basic (3)	2.22	3.40
Income from continuing operations diluted (3)	2.20	3.37
Cash dividends declared (2)	N/A	N/A
Book value (3)	37.06	N/A

(1) Amounts calculated by dividing the applicable total shareholders equity by the applicable common shares outstanding. Pro forma combined book value per share as of December 31, 2016 is not applicable as the estimated pro forma adjustments were calculated as of September 30, 2017.

(2) Pro forma combined dividends per share data is not provided due to the fact that the dividend policy for the combined company will be determined by CVS Health s board of directors following completion of the merger.

(3) Amounts calculated by multiplying unaudited pro forma combined per share amounts by the exchange ratio.

Table of Contents

CVS HEALTH AND AETNA UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined statements of income for the year ended December 31, 2016, and for the nine months ended September 30, 2017, combine the historical consolidated statements of income of CVS Health and Aetna, giving effect to the merger as if it had occurred on January 1, 2016, the first day of the fiscal year ended December 31, 2016. The unaudited pro forma condensed combined balance sheet as of September 30, 2017, combines the historical consolidated balance sheets of CVS Health and Aetna, giving effect to the merger as if it had occurred on September 30, 2017. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the merger, (ii) factually supportable, and (iii) with respect to the statements of income, expected to have a continuing impact on the combined company s results. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the following historical consolidated financial statements and accompanying notes, which are incorporated by reference into this joint proxy statement/prospectus:

- separate audited historical consolidated financial statements of CVS Health as of, and for the year ended, December 31, 2016, and the related notes included in CVS Health s Annual Report on Form 10-K for the year ended December 31, 2016;

- separate audited historical consolidated financial statements of Aetna as of, and for the year ended, December 31, 2016, and the related notes included in Aetna s Annual Report on Form 10-K for the year ended December 31, 2016;

- separate unaudited historical consolidated financial statements of CVS Health as of, and for the nine months ended, September 30, 2017, and the related notes included in CVS Health s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017; and

- separate unaudited historical consolidated financial statements of Aetna as of, and for the nine months ended, September 30, 2017, and the related notes included in Aetna s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017.

The unaudited pro forma condensed combined financial information has been prepared by CVS Health using the acquisition method of accounting in accordance with U.S. generally accepted accounting principles, which are referred to in this joint proxy statement/prospectus as GAAP. CVS Health has been treated as the acquirer in the merger for accounting purposes. The acquisition accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. The merger has not yet received the necessary approvals from governmental authorities. Under the HSR Act and other relevant laws and regulations, before completion of the merger, there are significant limitations regarding what CVS Health can learn about Aetna. The assets and liabilities of Aetna have been measured based on various preliminary estimates using assumptions that CVS Health believes are reasonable based on information that is currently available to it. Differences between these preliminary estimates and the final acquisition accounting will occur, and those differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company s future results of operations and financial position. The pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements prepared in accordance with the rules and regulations of the SEC.

CVS Health intends to commence the necessary valuation and other studies required to complete the acquisition accounting promptly upon completion of the merger and will finalize the acquisition accounting as soon as practicable within the required measurement period, but in no event later than one year following completion of the merger.

Table of Contents

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that CVS Health and Aetna would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the merger. The unaudited pro forma condensed combined financial information does not reflect any potential divestitures that may occur prior to, or subsequent to, completion of the merger or cost savings that may be realized as a result of the merger and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings.

Table of Contents

Unaudited Pro Forma Condensed Combined Statement of Income for the Year Ended December 31, 2016

	CVS Health	Aetna	Pro Forma Adjustments (Note 6)	Pro Forma Combined
	(Millions, except per common share data)			
Revenues:				
Pharmacy, consumer products and other:				
Net revenues	$ 175,413	$	$ (7,828) (j)	$ 167,585
Insurance:				
Premiums (i)	2,113	56,298		58,411
Fees and other revenue		5,947		5,947
Net investment income		910	(131) (k)	779
Total net revenues	177,526	63,155	(7,959)	232,722
Operating costs and expenses:				
Pharmacy, consumer products and other:				
Cost of revenues	146,921		(7,727) (j)	139,194
Insurance:				
Benefit costs (i)	1,748	46,228		47,976
	148,669	46,228	(7,727)	187,170
Selling, general and administrative expenses	18,491	12,332	1,518 (l)	32,341
Total operating costs and expenses	167,160	58,560	(6,209)	219,511
Operating income	10,366	4,595	(1,750)	13,211
Interest expense, net	1,058	604	1,801 (m)	3,463
Loss on early extinguishment of debt	643			643
Other expense (income)	28		(121) (n)	(93)
Income from continuing operations before income tax provision	8,637	3,991	(3,430)	9,198
Income tax provision	3,317	1,735	(1,338) (o)	3,714
Income from continuing operations	5,320	2,256	(2,092)	5,484
(Income) loss from continuing operations attributable to noncontrolling interest	(2)	15		13
Income from continuing operations attributable to CVS Health	$ 5,318	$ 2,271	$ (2,092)	$ 5,497
Earnings per share from continuing operations attributable to CVS Health:				
Basic	$ 4.93	$ 6.46		$ 4.06 (q)

Diluted	$ 4.91	$ 6.41		$ 4.02 (q)
Weighted average shares:				
Basic	1,073	351	(77)	1,347 (p)
Diluted	1,079	354	(72)	1,361 (p)

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note 6. Income Statement Pro Forma Adjustments*, beginning on page 53 of this joint proxy statement/prospectus.

Table of Contents

Unaudited Pro Forma Condensed Combined

Statement of Income

for the Nine Months Ended September 30, 2017

	CVS Health	Aetna	Pro Forma Adjustments (Note 6)	Pro Forma Combined
	(Millions, except per common share data)			
Revenues:				
Pharmacy, consumer products and other:				
Net revenues	$ 134,185	$	$ (6,713) (j)	$ 127,472
Insurance:				
Premiums (i)	2,195	40,810		43,005
Fees and other revenue		4,142		4,142
Net investment income		730	(87) (k)	643
Total net revenues	136,380	45,682	(6,800)	175,262
Operating costs and expenses:				
Pharmacy, consumer products and other:				
Cost of revenues	113,807		(6,627) (j)	107,180
Insurance:				
Benefit costs (i)	1,932	33,428		35,360
	115,739	33,428	(6,627) (j)	142,540
Selling, general and administrative expenses	14,232	9,193	1,153 (l)	24,578
Total operating costs and expenses	129,971	42,621	(5,474)	167,118
Operating income	6,409	3,061	(1,326)	8,144
Interest expense, net	744	349	1,357 (m)	2,450
Loss on early extinguishment of debt		246		246
Other expense (income)	206		(129) (n)	77
Income from continuing operations before income tax provision	5,459	2,466	(2,554)	5,371
Income tax provision	2,115	815	(996) (o)	1,934
Income from continuing operations	3,344	1,651	(1,558)	3,437
(Income) loss from continuing operations attributable to noncontrolling interest	(1)	9		8
Income from continuing operations attributable to CVS Health	$ 3,343	$ 1,660	$ (1,558)	$ 3,445

Earnings per share from continuing operations attributable to CVS Health:				
Basic	$ 3.26	$ 4.95		$ 2.65 (q)
Diluted	$ 3.25	$ 4.92		$ 2.63 (q)
Weighted average shares:				
Basic	1,022	335	(61)	1,296 (p)
Diluted	1,026	338	(56)	1,308 (p)

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note 6. Income Statement Pro Forma Adjustments*, beginning on page 53 of this joint proxy statement/prospectus.

Table of Contents

Unaudited Pro Forma Condensed Combined

Balance Sheet

As of September 30, 2017

	CVS Health	Aetna	Pro Forma Adjustments (Note 7) (Millions)	Pro Forma Combined
Assets:				
Cash and cash equivalents	$ 2,485	$ 5,928	$ (3,208) (r)	$ 5,205
Investments	75	2,869		2,944
Accounts receivable, net	12,440	4,965	(778) (s)	16,627
Inventories	14,147			14,147
Other current assets	776	2,672		3,448
Total current assets	29,923	16,434	(3,986)	42,371
Long-term investments		21,507		21,507
Property and equipment, net	9,914	581		10,495
Goodwill	38,169	10,683	39,753 (t)	88,605
Intangible assets, net	13,303	1,273	26,572 (u)	41,148
Separate Account assets		4,335		4,335
Other assets	1,544	2,570	(1,216) (v)	2,898
Total assets	$ 92,853	$ 57,383	$ 61,123	$ 211,359
Liabilities and equity:				
Pharmacy claims and discounts payable	$ 9,807	$	$	$ 9,807
Health care costs payable and other insurance liabilities		7,562	(778) (s)	6,784
Accrued expenses and other current liabilities	16,303	10,087	413 (w)	26,803
Short-term debt and current portion of long-term debt	2,403	1,998		4,401
Total current liabilities	28,513	19,647	(365)	47,795
Long-term debt	23,386	8,161	45,653 (x)	77,200
Deferred income taxes	4,442	72	9,353 (y)	13,867
Separate Account liabilities		4,335		4,335
Other long-term insurance liabilities		7,475		7,475
Other long-term liabilities	1,644	1,875		3,519
Total liabilities	57,985	41,565	54,641	154,191
Shareholders equity:				
Common stock and capital surplus (1)	32,026	4,707	(4,707) (z)	32,026

Treasury stock and shares held in trust	(37,795)		22,478 (aa)	(15,317)
Retained earnings	40,779	12,037	(12,450) (bb)	40,366
Accumulated other comprehensive income (loss)	(147)	(1,161)	1,161 (cc)	(147)
Total shareholders equity	34,863	15,583	6,482	56,928
Noncontrolling interest	5	235		240
Total equity	34,868	15,818	6,482	57,168
Total liabilities and equity	$ 92,853	$ 57,383	$ 61,123	$ 211,359

(1) On an historical basis, share information of CVS Health is as follows: 3.2 billion common shares authorized; 1.7 billion common shares issued and 1.0 billion shares outstanding. On a pro forma combined basis, share information is as follows: 3.2 billion common shares authorized; 2.0 billion common shares issued and 1.287 billion common shares outstanding.

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note* 7. *Balance Sheet Pro Forma Adjustments*, beginning on page 57 of this joint proxy statement/prospectus.

Table of Contents

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of Transaction

On December 3, 2017, CVS Health, Merger Sub and Aetna entered into the merger agreement, pursuant to which, subject to the terms and conditions set forth in the merger agreement, Aetna will become a wholly owned subsidiary of CVS Health. Upon completion of the merger, each Aetna common share issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive $145.00 in cash, without interest, and 0.8378 of a share of CVS Health common stock.

As of completion of the merger, each vested Aetna stock appreciation right (including those Aetna stock appreciation rights that vest by their terms as of completion of the merger) will be cancelled and converted into the right to receive a cash amount (without interest) equal to the product of (a) the excess, if any, of (i) the sum of $145.00 plus the value equal to the product of the CVS Health closing price multiplied by the exchange ratio over (ii) the applicable per share exercise price of such Aetna stock appreciation right multiplied by (b) the total number of Aetna common shares subject to such Aetna stock appreciation right. Each outstanding vested Aetna stock appreciation right (including those Aetna stock appreciation rights that vest by their terms as of completion of the merger) with a per share exercise price greater than or equal to the equity award cash consideration will be cancelled for no consideration.

As of completion of the merger, each Aetna stock appreciation right that is not vested as of completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), will be assumed by CVS Health and will become a stock appreciation right representing the right to receive a payment in shares of CVS Health common stock on the same terms and conditions, except that (i) the number of shares of CVS Health common stock subject to the assumed stock appreciation right will equal the product of (A) the number of Aetna common shares that were subject to such Aetna stock appreciation right immediately prior to completion of the merger multiplied by (B) the equity award exchange ratio (with such product rounded down to the nearest whole share of CVS Health common stock) and (ii) the per share exercise price will equal the exercise price per share of the Aetna stock appreciation right immediately prior to completion of the merger divided by the equity award exchange ratio (rounded up to the nearest whole cent).

Immediately prior to completion of the merger, each outstanding Aetna RSU and Aetna PSU that provides for accelerated vesting upon completion of the transactions contemplated by the merger agreement will vest and will be converted into the right to receive, with respect to each Aetna common share underlying the Aetna RSU or Aetna PSU, the merger consideration.

As of completion of the merger, each Aetna RSU or Aetna PSU that is not converted into a right to receive the merger consideration, or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), will be assumed by CVS Health and will be converted into a time-vesting CVS Health RSU award corresponding to the merger consideration.

Completion of the merger is subject to the approval of and adoption of the merger agreement by Aetna shareholders, the approval of the stock issuance by CVS Health stockholders, termination or expiration of the waiting period under the HSR Act, the required governmental authorizations having been obtained and being in full force and effect and certain other conditions to completion of the merger. As of the date of this joint proxy statement/prospectus, and subject to the satisfaction or, to the extent permitted by law, waiver of the conditions described in the preceding sentence, CVS Health and Aetna expect the merger to be completed in the second half of 2018.

2. Basis of Presentation

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting and are based on the historical consolidated financial statements of CVS Health and Aetna.

The acquisition method of accounting is based on ASC 805, *Business Combinations*, and uses the fair value concepts defined in ASC 820, *Fair Value Measurement*.

ASC 805 requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, ASC 805 requires that the consideration transferred be measured at the date the merger is completed at the then-current market price. This requirement will likely result in a per share equity component that is different from the amount assumed in these unaudited pro forma condensed combined financial statements, since the market price of the shares of CVS Health common stock at the date the merger is completed is likely to be different than the $82.01 market price that was used in the preparation of the unaudited pro forma condensed combined financial statements. The market price of $82.01 was based upon the closing price of shares of CVS Health common stock on the NYSE on January 26, 2018.

ASC 820 defines the term fair value, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined in ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, CVS Health may be required to record the fair value of assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect CVS Health s intended use of those assets. Many of these fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under the acquisition method of accounting, the assets acquired and liabilities assumed will be recorded, as of completion of the merger, primarily at their respective fair values and added to those of CVS Health. Financial statements and reported results of operations of CVS Health issued after completion of the merger will reflect these values, but will not be retroactively restated to reflect the historical financial position or results of operations of Aetna.

Under ASC 805, acquisition-related transaction costs (e.g., advisory, legal and other professional fees) are not included as a component of consideration transferred but are accounted for as expenses in the periods in which such costs are incurred. Acquisition-related transaction costs expected to be incurred by CVS Health include estimated fees related to a bridge financing commitment and agreement. Total acquisition-related transaction costs expected to be incurred by CVS Health and Aetna are estimated to be approximately $400 million and $165 million, respectively. During the nine months ended September 30, 2017, neither CVS Health nor Aetna incurred any material acquisition-related transaction costs.

The unaudited pro forma condensed combined balance sheet as of September 30, 2017 is required to include adjustments which give effect to events that are directly attributable to the merger regardless of whether they are expected to have a continuing impact on the combined results or are non-recurring. Therefore, acquisition-related transaction costs expected to be incurred by CVS Health and Aetna subsequent to September 30, 2017 of approximately $400 million and $165 million, respectively, are reflected as a pro forma adjustment to the unaudited pro forma condensed combined balance sheet as of September 30, 2017, with the after-tax impact presented as an increase to accrued expenses and other current liabilities and a decrease to retained earnings.

The unaudited pro forma condensed combined financial statements do not reflect any potential divestitures that may occur prior to, or subsequent to, completion of the merger, or the projected realization of cost savings following completion of the merger. These cost savings opportunities are from administrative cost savings as well as reduced health care costs due to medical management. Although CVS Health projects that cost savings will result from the merger, there can be no assurance that these cost savings will be achieved. The unaudited pro forma

Table of Contents

condensed combined financial statements do not reflect any projected pre-tax restructuring and integration-related costs associated with the projected annual cost savings. The annual cost savings are projected to be approximately $750 million in the second full year following completion of the merger. The restructuring and integration-related costs will be expensed in the appropriate accounting periods after completion of the merger.

The unaudited pro forma condensed combined financial statements do not reflect (a) any changes in applicable law (including applicable tax law) after September 30, 2017 or (b) Aetna s sale of its domestic group life insurance, group disability insurance and absence management businesses on November 1, 2017.

3. Accounting Policies

At completion of the merger, CVS Health will review Aetna s accounting policies. As a result of that review, CVS Health may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements. With the exception of one accounting policy related to recently issued accounting guidance that CVS Health early adopted in the first quarter of 2017 (see Note 6(l)), CVS Health is not aware of any differences that would have a material impact on the combined financial statements, and therefore, the unaudited pro forma condensed combined financial statements assume there are no other differences in accounting policies other than the one described in Note 6(l).

4. Estimate of Consideration Expected to be Transferred

The following is a preliminary estimate of consideration expected to be transferred to effect the acquisition of Aetna:

		(Millions, except per common share data)
Cash consideration:		
Shareholders:		
Aetna common shares outstanding		326.8
Multiplied by merger agreement cash consideration per share paid to Aetna shareholders	$	145.00
Preliminary estimate of cash consideration paid to Aetna shareholders	$	47,391
Stock appreciation right holders:		
Aetna vested in-the-money stock appreciation rights		4.0
Multiplied by merger consideration value of $213.71 less exercise price	$	136.00
Preliminary estimate of cash consideration paid to holders of vested Aetna stock appreciation rights	$	541
RSU and PSU holders:		
Vested Aetna RSUs and Aetna PSUs		0.3
	$	145.00

Multiplied by merger agreement cash consideration per share paid to Aetna shareholders		
Preliminary estimate of cash consideration paid to Aetna RSU and Aetna PSU holders	$	46
Preliminary fair value estimate of total cash consideration	$	47,978
Share consideration:		
Shareholders:		
Aetna common shares outstanding		326.8
Multiplied by merger agreement per share exchange ratio		0.8378
Multiplied by per share price of CVS Health common stock on January 26, 2018	$	82.01
Preliminary estimate of fair value of common stock issued to Aetna shareholders	$	22,456

Table of Contents

		(Millions, except per common share data)
RSU and PSU holders:		
Vested Aetna RSUs and Aetna PSUs		0.3
Multiplied by merger agreement per share exchange ratio		0.8378
Multiplied by per share price of CVS Health common stock on January 26, 2018	$	82.01
Preliminary estimate of fair value of common stock issued to Aetna RSU and Aetna PSU holders	$	22
Preliminary fair value estimate of total share consideration	$	22,478
Total consideration:		
Cash consideration	$	47,978
Common share consideration		22,478
Other consideration transferred (a)		
Estimate of total consideration expected to be transferred (b)	$	70,456

Certain amounts may reflect rounding adjustments.

(a) As further described in *Note 1. Description of Transaction*, beginning on page 47 of this joint proxy statement/prospectus, certain outstanding equity awards granted to Aetna employees will not be settled upon completion of the merger, and instead will be converted into replacement awards issued by CVS Health, which are referred to in this joint proxy statement/prospectus as replacement equity awards. The above table excludes approximately 1.4 million aggregate Aetna RSUs and PSUs and approximately 3.3 million Aetna stock appreciation rights, each outstanding at January 26, 2018, from the estimate of total consideration expected to be transferred. Other consideration transferred will include the portion of the fair value of the replacement awards that is attributed to pre-merger services. The fair value attributable to post-merger services will be recorded as compensation expense in CVS Health s post-merger financial statements. At this time, CVS Health is unable to reasonably estimate the respective amounts attributable to pre- and post-merger services.

(b) The estimated total consideration expected to be transferred reflected in these unaudited pro forma condensed combined financial statements does not purport to represent the actual consideration that will be transferred when the merger is completed. In accordance with ASC 805 the fair value of equity securities issued as part of the consideration transferred will be measured on the date the merger is completed at the then-current market price. This requirement will likely result in a different value of the common share component of the purchase consideration and a per Aetna share equity component different from the $68.71 assumed in these unaudited pro forma condensed combined financial statements, and that difference may be material. For example, if the per share price of CVS Health s common stock on the date the merger is completed increased or decreased by 10% from the price assumed in these unaudited pro forma condensed combined financial statements, the consideration transferred would increase or decrease by approximately $2.3 billion, which would be reflected in these unaudited pro forma condensed combined financial statements as an increase or decrease to goodwill.

5. Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by CVS Health in the merger, reconciled to the estimate of total consideration expected to be transferred:

	At September 30, 2017 (Millions)
Assets Acquired and Liabilities Assumed:	
Historical net book value of net assets acquired	$ 15,818
Less historical:	
Goodwill	(10,683)
Intangible assets	(1,273)
Debt issuance costs and net debt discounts/premiums	(45)
Capitalized software	(719)
Deferred acquisition costs	(497)
Deferred tax assets on outstanding equity awards	(45)
Deferred tax assets on debt premiums	(18)
Deferred tax liabilities on deferred acquisition costs	168
Deferred tax liabilities on historical capitalized software	258
Deferred tax liabilities on historical intangible assets and tax deductible goodwill	759
Adjusted book value of net assets acquired	3,723
Adjustments to:	
Goodwill (c)	50,436
Identifiable intangible assets (d)	27,845
Deferred tax liabilities (e)	(10,475)
Fair value adjustment to debt (f)	(838)
Fair value of noncontrolling interest (g)	(235)
Other (h)	
Total adjustments	66,733
Consideration transferred	$ 70,456

(c) Goodwill is calculated as the difference between the acquisition date fair value of the total consideration expected to be transferred and the aggregate values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized.

(d) As of completion of the merger, identifiable intangible assets are required to be measured at fair value, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements and consistent with the ASC 820 requirements for fair value measurements, it is assumed that all assets will be used, and that all acquired assets will be used in a manner that represents the highest and best use of those acquired assets, but it is not assumed that any market participant synergies will be achieved.

The fair value of identifiable intangible assets is determined primarily using variations of the income approach, which is based on the present value of the future after-tax cash flows attributable to each identifiable intangible asset. Other valuation methods, including the market approach and cost approach, were also considered in estimating the fair value. Under the HSR Act and other relevant laws and regulations, there are significant limitations on CVS Health s ability to obtain specific information about Aetna s intangible assets prior to completion of the merger.

Table of Contents

As of the date of this joint proxy statement/prospectus, CVS Health does not have sufficient information as to the amount, timing and risk of the cash flows from all of Aetna s identifiable intangible assets to determine their fair value. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include, but are not limited to: the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; the assessment of the asset s life cycle; and the competitive trends impacting the asset. However, for purposes of these unaudited pro forma condensed combined financial statements and using publicly available information, such as historical revenues, Aetna s cost structure, industry information for comparable intangible assets and certain other high-level assumptions, the fair value of Aetna s identifiable intangible assets and their weighted average useful lives have been preliminarily estimated as follows:

	Estimated Fair Value (Millions)	Estimated Useful Life (Years)
Customer relationships	$ 19,400	10
Technology	900	5
Provider networks	845	15
Definite-lived trade names/trademarks	200	7
	21,345	
Indefinite-lived trade name/trademark	6,500	N/A
Total	$ 27,845	

These preliminary estimates of fair value and weighted average useful life will likely be different from the amounts included in the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once CVS Health has full access to information about Aetna s intangible assets, additional insight will be gained that could impact (i) the estimated total value assigned to identifiable intangible assets, (ii) the estimated allocation of value between finite-lived and indefinite-lived intangible assets and/or (iii) the estimated weighted average useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to CVS Health only upon access to additional information and/or by changes in such factors that may occur prior to completion of the merger. These factors include, but are not limited to, changes in the regulatory, legislative, legal, technological and/or competitive environments. Increased knowledge about these and/or other elements could result in a change to the estimated fair value of the identifiable Aetna intangible assets and/or to the estimated weighted average useful lives from what CVS Health has assumed in these unaudited pro forma condensed combined financial statements. The combined effect of any such changes could then also result in a significant increase or decrease to CVS Health s estimate of associated amortization expense.

(e) As of completion of the merger, CVS Health will establish net deferred tax liabilities and make other tax adjustments as part of the accounting for the merger, primarily related to estimated fair value adjustments for identifiable intangible assets and debt (see (d) and (f)). The pro forma adjustment to record the effect of deferred taxes was computed as follows:

	(Millions)
Estimated fair value of identifiable intangible assets to be acquired	$ 27,845
Estimated fair value adjustment of debt to be assumed	(838)
Total estimated fair value adjustments of assets to be acquired and liabilities to be assumed	$ 27,007
Deferred taxes associated with the estimated fair value adjustments of assets to be acquired and liabilities to be assumed, at 39% (*)	$ 10,475

52

Table of Contents

(*) The tax impacts of the acquisition were estimated based on applicable law as in effect on September 30, 2017. CVS Health assumed a 39% effective income tax rate when estimating the deferred tax impacts of the acquisition.

(f) As of completion of the merger, Aetna s debt is required to be measured at fair value. CVS Health has calculated the pro forma adjustment using publicly available information and believes the pro forma adjustment amount to be reasonable. This adjustment reflects the incremental fair value of Aetna s long-term debt over the par value of such debt.

(g) The net book value of Aetna s noncontrolling interest is assumed to approximate its fair value in the pro forma condensed combined balance sheet.

(h) As of completion of the merger, various other assets and liabilities are required to be measured at fair value, including, but not limited to: accounts receivable, property and equipment, insurance liabilities, and legal contingencies. As of the date of this joint proxy statement/prospectus, CVS Health does not have sufficient information to make a reasonable preliminary estimate of the fair value of these assets and liabilities. Accordingly, for purposes of these unaudited pro forma condensed combined financial statements, CVS Health has assumed that the historical Aetna book values represent the best estimate of fair value.

6. Income Statement Pro Forma Adjustments

(i) For the year ended December 31, 2016 and the nine months ended September 30, 2017, CVS Health s insurance premiums from its SilverScript Insurance Company Medicare Part D prescription drug plan of $2.1 billion and $2.2 billion, respectively, have been reclassified and presented separately from net revenues from pharmacy, consumer products and other. The related costs and benefits for the year ended December 31, 2016 and the nine months ended September 30, 2017 of $1.7 billion and $1.9 billion, respectively, have been reclassified and presented separately from cost of revenues from pharmacy, consumer products and other. These reclassifications made in these pro forma condensed combined financial statements were made to conform to Aetna s insurance-related presentation.

(j) To eliminate pharmacy and clinical services revenue CVS Health earned from Aetna of $7,828 million and $6,713 million for the year ended December 31, 2016 and the nine months ended September 30, 2017, respectively. The related costs eliminated and their financial statement line items are as follows:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	

Elimination of cost of revenues	$ 7,727	$ 6,627
Elimination of administrative fees from selling, general and administrative expenses	101	86
Total elimination	$ 7,828	$ 6,713

(k) For purposes of these unaudited pro forma condensed combined financial statements, this adjustment reflects CVS Health s estimated forgone interest income associated with adjusting the amortized cost of Aetna s debt securities investment portfolio to fair value as of completion of the merger. Forgone interest income due to the fair value adjustment to Aetna s debt securities investment portfolio under the acquisition method of accounting is projected to be approximately $131 million and $87 million for the year ended December 31, 2016 and the nine months ended September 30, 2017, respectively.

(l) During the first quarter of 2017, CVS Health early adopted on a retrospective basis ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 requires entities to disaggregate the current service cost component from the other

Table of Contents

components of net benefit cost and present it with other current compensation costs for related employees in the income statement and present the other components of net benefit cost elsewhere in the income statement and outside of operating income. For the year ended December 31, 2016, CVS Health reclassified $28 million from selling, general and administrative expenses to other expense.

Below is Aetna s reclassification from selling, general and administrative expenses to other expense (income) to conform with CVS Health s current accounting policy:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
Net periodic benefit income for pension plans	$ (68)	$ (84)
Net periodic benefit expense for other postretirement employee benefit plans	7	3
Reclassification of net periodic benefit income from selling, general and administrative expenses to other expense (income)	$ (61)	$ (81)

Selling, general and administrative expenses is adjusted, as follows:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
Reclassification of net periodic benefit income to other expense (income), as discussed above	$ 61	$ 81
Eliminate Aetna s historical administrative fees paid to CVS Health (see (j))	(101)	(86)
Eliminate Aetna s historical intangible asset amortization expense	(247)	(176)
Eliminate Aetna s historical deferred acquisition cost amortization expense	(90)	(83)
Eliminate Aetna s historical capitalized software amortization expense	(310)	(237)
Estimated transaction-related intangible asset amortization (*)	2,205	1,654
Estimated adjustment to selling, general and administrative expenses	$ 1,518	$ 1,153

(*) Assumes an estimated $21.3 billion of finite-lived intangibles and a weighted average amortization period of approximately 10 years (Refer to *Note 5. Estimate of Assets to be Acquired and Liabilities to be Assumed*, beginning on page 51 of this joint proxy statement/prospectus).

Table of Contents

(m) CVS estimates interest expense, net to increase due to the following:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
Additional interest expense associated with the issuance of $40.0 billion of long-term fixed-rate and/or floating rate debt that CVS Health expects to issue to partially fund the merger with various maturity tranches ranging from 2 to 30 years and an assumed weighted average annual interest rate of 4.11% (**)	$ 1,643	$ 1,232
Additional interest expense associated with the issuance of $5.0 billion of fixed-rate term loans to partially fund the merger with an assumed maturity of 3 to 5 years and an assumed weighted average annual interest rate of 3.46% (***)	173	130
CVS Health estimated foregone interest income associated with cash used to partially fund a portion of the merger consideration. The estimated forgone interest income for the combined entity is based on a weighted average annual interest rate of 0.89% and 1.47% for the year ended December 31, 2016 and the nine months ended September 30, 2017, respectively	28	35
Eliminate historical amortization of net debt premiums/debt issuance costs	12	2
Amortization of estimated debt issuance costs of $230 million associated with the long-term debt and term loans to be issued to partially fund the merger	21	15
Amortization of the estimated fair value adjustment to Aetna s debt assumed by CVS Health over the remaining life of Aetna s outstanding debt	(76)	(57)
Estimated adjustment to interest expense	$ 1,801	$ 1,357

(**) If interest rates were to increase or decrease by 0.125% from the rates assumed in estimating this pro forma adjustment to interest expense, pro forma interest expense would increase or decrease by approximately $50 million in the year ended December 31, 2016 and $38 million in the nine months ended September 30, 2017.

(***) If interest rates were to increase or decrease by 0.125% from the rates assumed in estimating this pro forma adjustment to interest expense, pro forma interest expense would increase or decrease by approximately $6 million in the year ended December 31, 2016 and $5 million in the nine months ended September 30, 2017.

Table of Contents

(n) To adjust other expense (income) for the following:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
Reclassification of net periodic benefit income from selling, general and administrative expenses to other expense as discussed in (l)	$ (61)	$ (81)
Adjustment to net periodic benefit income to eliminate the amortization of prior service credit and deferred actuarial losses	(60)	(48)
Total	$ (121)	$ (129)

(o) The pro forma tax adjustments are estimated at the applicable statutory income tax rates as in effect on September 30, 2017, generally 39%.

(p) The combined basic and diluted earnings per share from continuing operations for the periods presented are based on the combined weighted average basic and diluted common shares of CVS Health and Aetna. The historical weighted average basic and diluted shares of Aetna were assumed to be replaced by the shares expected to be issued by CVS Health to effect the merger.

The following table summarizes the computation of the unaudited pro forma combined weighted average basic and diluted shares outstanding:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
CVS Health weighted average shares used to compute basic earnings per share	1,073	1,022
Aetna shares outstanding at January 26, 2018, converted at the exchange ratio of (326.8*0.8378)	274	274
Combined weighted average basic shares outstanding	1,347	1,296
Number of Aetna RSUs and Aetna PSUs at January 26, 2018, expected to vest at closing converted at the exchange ratio (0.3*0.8378)	0.3	0.3
Pro forma weighted average basic shares outstanding	1,347	1,296

Dilutive effect of CVS Health s outstanding stock-based awards	6	4
Dilutive effect of Aetna s outstanding stock-based awards, converted at the exchange ratio (CVS Health awards to be issued to replace Aetna awards)	8	8
Pro forma weighted average shares used to compute diluted earnings per share	1,361	1,308

Note: Certain amounts may reflect rounding adjustments.

56

Table of Contents

(q) The following is a reconciliation of pro forma basic and diluted earnings per share for the respective periods:

	Year Ended December 31, 2016	Nine Months Ended September 30, 2017
	(Millions)	
Numerator for earnings per share calculation:		
Pro forma income from continuing operations attributable to CVS Health	$ 5,497	$ 3,445
Income allocated to participating securities	(24)	(11)
Total	$ 5,473	$ 3,434
Denominator for earnings per share calculation:		
Pro forma weighted average shares, basic	1,347	1,296
Pro forma weighted average shares, diluted	1,361	1,308
Pro forma earnings per share:		
Basic	$ 4.06	$ 2.65
Diluted	$ 4.02	$ 2.63

7. Balance Sheet Pro Forma Adjustments

(r) To reflect the use of available cash to partially fund the merger. This estimate is derived as follows:

	(Millions)
To record issuance of CVS Health long-term debt and term loans to effect the merger	$ 45,000
Estimated debt issuance costs incurred	(230)
To record the cash portion of the merger consideration	(47,978)
Total	$ (3,208)

(s) To eliminate trade receivables and payables between CVS Health and Aetna.

(t) To adjust goodwill to an estimate of acquisition date goodwill, as follows:

	(Millions)
Eliminate Aetna s historical goodwill	$ (10,683)
Estimated transaction goodwill	50,436

Total	$ 39,753

(u) To adjust intangible assets to their estimated fair value, as follows:

	(Millions)
Eliminate Aetna s historical intangible assets	$ (1,273)
Estimated fair value of intangible assets acquired	27,845
Total	$ 26,572

(v) To adjust other assets to their estimated fair value, as follows:

	(Millions)
Eliminate Aetna s historical capitalized software	$ (719)
Eliminate Aetna s historical deferred acquisition costs	(497)
Total	$ (1,216)

Table of Contents

(w) To adjust accrued expenses and other current liabilities:

	(Millions)
To accrue estimated acquisition-related transaction costs	$ 565
To reduce current tax liabilities related to estimated tax-deductible acquisition-related transactions costs	(152)
Total	$ 413

(x) To record issuance of CVS Health long-term debt and related debt issuance costs, eliminate the Aetna historical debt issuance costs that have no future economic benefit, and adjust Aetna s debt to an estimate of fair value, as follows:

	(Millions)
Establish incremental CVS Health long-term debt to effect the merger	$ 40,000
Establish incremental CVS Health term loans to effect the merger	5,000
Estimated debt issuance costs	(230)
Elimination of unamortized debt issuance costs and net debt discounts/premiums	45
Estimated fair value increase over par value of assumed Aetna debt	838
Total	$ 45,653

(y) Adjustment of deferred income tax liabilities (assets) as follows:

	(Millions)
Eliminate Aetna s historical deferred tax liability on intangible assets and tax deductible goodwill	$ (759)
Eliminate Aetna s historical deferred tax liability on capitalized software	(258)
Eliminate Aetna s historical deferred tax asset on debt premiums	18
Eliminate Aetna s historical deferred tax asset on outstanding equity awards	45
Eliminate Aetna s historical deferred tax liability on deferred acquisition costs	(168)
Estimated transaction-related deferred tax liability on identifiable intangible assets	10,802
Estimated transaction-related deferred tax asset for fair value increase in assumed debt	(327)
Total	$ 9,353

(z) To eliminate Aetna s historical common shares and additional paid-in capital of $4.7 billion.

(aa) Issuance of shares of CVS Health common stock from treasury stock to record the stock portion of the merger consideration.

(bb) To eliminate Aetna s historical retained earnings and to record the estimated after-tax portion of the acquisition-related transaction costs projected to be incurred after September 30, 2017:

	(Millions)
Elimination of Aetna s historical retained earnings	$ (12,037)
Estimated transaction costs incurred	(413)
Total	$ (12,450)

(cc) To eliminate Aetna s historical accumulated other comprehensive income.

The unaudited pro forma condensed combined financial statements do not present a combined dividend per share amount. On each of February 2, 2017, May 1, 2017, August 3, 2017, November 3, 2017 and February 2, 2018, CVS Health paid a dividend of $0.50 per share of CVS Health common stock. On January 27, 2017, Aetna paid a dividend of $0.25 per Aetna common share. On each of April 28, 2017, July 28, 2017, October 27, 2017 and January 26, 2018, Aetna paid a dividend of $0.50 per Aetna common share. Under the terms of the merger agreement, during the period prior to completion of the merger, Aetna is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per share per quarter. Under the terms of the merger agreement, during the period before completion of the merger, CVS Health is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per share per quarter. The dividend policy of CVS Health following completion of the merger will be determined by CVS Health s board of directors.

Table of Contents

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Market Prices

The following table sets forth, for the calendar periods indicated, the intra-day high and low sales prices per share of CVS Health common stock and per Aetna common share as reported on the NYSE. The shares of CVS Health common stock are traded on the NYSE under the symbol CVS , and the Aetna common shares are traded on the NYSE under the symbol AET .

	Shares of CVS Health Common Stock		Aetna Common Shares	
	High	Low	High	Low
2015:				
First Calendar Quarter	$ 105.46	$ 93.68	$ 109.90	$ 87.25
Second Calendar Quarter	106.88	97.87	134.40	104.93
Third Calendar Quarter	113.65	81.37	129.74	93.51
Fourth Calendar Quarter	106.00	90.10	116.33	98.67
2016:				
First Calendar Quarter	$ 104.40	$ 86.50	$ 115.52	$ 92.42
Second Calendar Quarter	106.67	91.75	123.57	106.30
Third Calendar Quarter	98.66	88.10	121.70	111.88
Fourth Calendar Quarter	88.92	69.30	136.50	104.59
2017:				
First Calendar Quarter	$ 84.72	$ 74.05	$ 134.76	$ 116.04
Second Calendar Quarter	83.30	75.46	155.15	127.08
Third Calendar Quarter	84.00	74.59	164.52	150.43
Fourth Calendar Quarter	81.61	66.45	192.37	149.69
2018:				
First Calendar Quarter (through February 2, 2018)	$ 83.88	$ 72.87	$ 194.40	$ 180.06

The following table sets forth the closing sale price per share of CVS Health common stock and per Aetna common share as reported on the NYSE on the unaffected date, on December 1, the last trading day prior to the public announcement of the transaction, and on [ ], 2018, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was available. The table also shows the implied value of the merger consideration for each Aetna common share as of the same two dates. This implied value was calculated by multiplying the closing sale price of a share of CVS Health common stock on the relevant date by the exchange ratio and adding $145.00, the cash component of the merger consideration.

	Shares of CVS Health Common	Aetna Common Shares	Implied Per Share Value of Merger Consideration

	Stock		
October 25, 2017 (the unaffected date)	$ 75.53	$ 160.12	$ 208.28
December 1, 2017	$ 75.12	$ 181.31	$ 207.94
[ ], 2018	$ [ ]	$ [ ]	$ [ ]

The market prices of shares of CVS Health common stock and Aetna common shares have fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the dates of the CVS Health special meeting and the Aetna special meeting and the date the merger is completed. No assurance can be given concerning the market prices of shares of CVS Health common stock or Aetna common shares before completion of the merger or shares of CVS Health common stock after completion of the merger. The exchange ratio is fixed in the merger agreement, but the market price of shares of CVS Health common stock (and therefore the value of the merger consideration) when received by Aetna shareholders after the merger is completed could be greater than, less than or the same as shown in the table above. Accordingly, Aetna shareholders are advised to obtain current market quotations for shares of CVS Health common stock and Aetna common shares in deciding whether to vote for approval and adoption of the merger agreement.

Dividends

CVS Health currently pays a quarterly dividend on shares of CVS Health common stock and last paid a dividend on February 2, 2018 of $0.50 per share. Under the terms of the merger agreement, during the period before completion of the merger, CVS Health is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per share per quarter.

Aetna currently pays a quarterly dividend on Aetna common shares and last paid a dividend on January 26, 2018 of $0.50 per share. Under the terms of the merger agreement, during the period before completion of the merger, Aetna is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per share per quarter.

In addition, the merger agreement provides that CVS Health and Aetna will coordinate the declaration of, record dates for and payment of dividends in respect of their respective shares in order that holders of shares of CVS Health common stock and Aetna common shares do not receive two dividends or fail to receive one dividend for any quarter in respect of Aetna common shares, on the one hand, and shares of CVS Health common stock issuable in the merger, on the other hand.

After completion of the merger, each former Aetna shareholder who holds shares of CVS Health common stock into which Aetna common shares have been converted in connection with the merger will receive whatever dividends are declared and paid on shares of CVS Health common stock. However, no dividend or other distribution having a record date after completion of the merger will actually be paid with respect to any shares of CVS Health common stock into which Aetna common shares have been converted in connection with the merger until the certificates formerly representing Aetna common shares have been surrendered (or the book-entry shares formerly representing Aetna common shares have been transferred), at which time any accrued dividends and other distributions on those shares of CVS Health common stock will be paid without interest. Subject to the limitations set forth in the merger agreement described above, any future dividends by CVS Health will be made at the discretion of CVS Health s board of directors. Subject to the limitations set forth in the merger agreement described above, any future dividends by Aetna will be made at the discretion of Aetna s board of directors. There can be no assurance that any future dividends will be declared or paid by CVS Health or Aetna or as to the amount or timing of those dividends, if any.

Table of Contents

RISK FACTORS

In addition to the other information contained or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 72 of this joint proxy statement/prospectus, you should carefully consider the following risk factors in determining whether to vote for the approval and adoption of the merger agreement or approval of the stock issuance. You also should read and consider the risk factors associated with each of the businesses of CVS Health and Aetna because these risk factors may affect the operations and financial results of the combined company. These risk factors may be found under Part I, Item 1A, Risk Factors in each company s Annual Report on Form 10-K for the year ended December 31, 2016, as updated by their respective Quarterly Reports on Form 10-Q, and future filings with the SEC, each of which is on file or will be filed with the SEC and all of which are incorporated by reference into this joint proxy statement/prospectus.

Because the exchange ratio is fixed and the market price of shares of CVS Health common stock has fluctuated and will continue to fluctuate, Aetna shareholders cannot be sure of the value of the merger consideration they will receive in the merger.

Upon completion of the merger, each Aetna common share outstanding immediately prior to the effective time of the merger (other than those held by Aetna as treasury stock, by CVS Health or by any subsidiary of Aetna or CVS Health) will be converted into the right to receive $145.00 in cash without interest thereon and 0.8378 of a share of CVS Health common stock. Because the exchange ratio of 0.8378 of a share of CVS Health common stock is fixed, the value of the share consideration will depend on the market price of shares of CVS Health common stock at the time the merger is completed. The market price of shares of CVS Health common stock has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Aetna special meeting and the date the merger is completed, which could occur a considerable amount of time after the date of the Aetna special meeting, and thereafter. Accordingly, at the time of the Aetna special meeting, Aetna shareholders will not know or be able to determine the market value of the merger consideration they would be entitled to receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in CVS Health s and Aetna s respective businesses, operations and prospects, risks inherent in their respective businesses, changes in market assessments of the likelihood that the merger will be completed and/or the value that may be generated by the merger, and changes with respect to expectations regarding the timing of the merger and regulatory considerations. Many of these factors are beyond CVS Health s and Aetna s control. CVS Health stockholders and Aetna shareholders are urged to obtain current market quotations for shares of CVS Health common stock in deciding whether to vote for the stock issuance or the approval and adoption of the merger agreement, as applicable.

The market price of shares of CVS Health common stock after the merger may be affected by factors different from those that are currently affecting or historically have affected the market price of Aetna common shares.

Upon completion of the merger, holders of Aetna common shares will become holders of shares of CVS Health common stock. The market price of CVS Health common stock may fluctuate significantly following completion of the merger, and holders of Aetna common shares could lose the value of their investment in CVS Health common stock. The issuance of shares of CVS Health common stock in the merger could on its own have the effect of depressing the market price for CVS Health common stock. In addition, many Aetna shareholders may decide not to hold the shares of CVS Health common stock they receive as a result of the merger. Other Aetna shareholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of CVS Health common stock they receive as a result of the merger. Any such sales of CVS Health common stock could have the effect of depressing the market price for CVS Health common stock.

62

Table of Contents

Moreover, general fluctuations in stock markets could have a material adverse effect on the market for, or liquidity of, the CVS Health common stock, regardless of CVS Health s actual operating performance.

The businesses of CVS Health differ from those of Aetna in important respects and, accordingly, the results of operations of CVS Health after the merger, as well as the market price of shares of CVS Health common stock, may be affected by factors different from those that are currently affecting, historically have affected or would in the future affect the results of operations of Aetna as a stand-alone public company, as well as the market price of Aetna common shares. For further information on the respective businesses of CVS Health and Aetna and certain factors to consider in connection with those businesses, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

After completion of the merger, CVS Health may fail to realize the anticipated benefits and cost savings of the merger, which could adversely affect the value of shares of CVS Health common stock.

The success of the merger will depend, in part, on CVS Health s ability to realize the anticipated benefits and cost savings from combining the businesses of CVS Health and Aetna. CVS Health s ability to realize these anticipated benefits and cost savings is subject to certain risks, including:

- CVS Health s ability to successfully combine the businesses of CVS Health and Aetna;
- whether the combined businesses will perform as expected;
- the possibility that CVS Health paid more for Aetna than the value CVS Health will derive from the acquisition;
- the reduction of CVS Health s cash available for operations and other uses and the incurrence of indebtedness to finance the acquisition; and
- the assumption of known and unknown liabilities of Aetna.

If CVS Health is not able to successfully combine the businesses of CVS Health and Aetna within the anticipated time frame, or at all, the anticipated cost savings and other benefits of the merger may not be realized fully or may take longer to realize than expected, the combined businesses may not perform as expected and the value of the shares of CVS Health common stock may be adversely affected.

CVS Health and Aetna have operated and, until completion of the merger will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key CVS Health or Aetna employees, the disruption of either company s or both companies ongoing businesses or in unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, issues that must be addressed in integrating the operations of Aetna and CVS Health in order to realize the anticipated benefits of the merger so the combined business performs as expected include, among other things:

combining the companies separate operational, financial, reporting and corporate functions;

integrating the companies technologies, products and services;

identifying and eliminating redundant and underperforming operations and assets;

harmonizing the companies operating practices, employee development, compensation and benefit programs, internal controls and other policies, procedures and processes;

addressing possible differences in business backgrounds, corporate cultures and management philosophies;

consolidating the companies corporate, administrative and information technology infrastructure;

- coordinating sales, distribution and marketing efforts;
- managing the movement of certain businesses and positions to different locations;
- maintaining existing agreements with customers, providers and vendors and avoiding delays in entering into new agreements with prospective customers, providers and vendors;
- operating in industry sectors in which CVS Health and its current management may have little or no experience;
- coordinating geographically dispersed organizations;
- consolidating offices of Aetna and CVS Health that are currently in or near the same location; and
- effecting potential actions that may be required in connection with obtaining regulatory approvals.

In addition, at times, the attention of certain members of each company s management and each company s resources may be focused on completion of the merger and the integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt each company s ongoing business and the business of the combined company.

CVS Health has limited experience in the insurance and managed health care industry, which may hinder CVS Health s ability to achieve the combined company s objectives.

CVS Health has limited experience operating an insurance and managed health care business, and will rely in large part on the existing management of Aetna to continue to manage the Aetna business following the merger. However, there is no assurance that CVS Health will be able to retain the services of such management. If CVS Health fails to retain the existing management of Aetna, CVS Health s ability to realize the anticipated benefits of the transaction may be adversely affected.

CVS Health and Aetna may have difficulty attracting, motivating and retaining executives and other key employees in light of the merger.

As CVS Health will be operating in industry sectors for which its existing management team has little or no experience, CVS Health s success after the transaction will depend in part on the ability of CVS Health to retain key executives and other employees of Aetna. Uncertainty about the effect of the merger on CVS Health and Aetna employees may have an adverse effect on each of CVS Health and Aetna separately and consequently the combined business. This uncertainty may impair CVS Health s and/or Aetna s ability to attract, retain and motivate key personnel. Employee retention may be particularly challenging during the pendency of the merger, as employees of CVS Health and Aetna may experience uncertainty about their future roles in the combined business.

Additionally, Aetna s officers and employees may hold Aetna common shares, as well as Aetna stock appreciation rights, Aetna RSUs and Aetna PSUs that are subject to accelerated vesting on a change in control, and, if the merger is completed, these officers and employees may be entitled to cash and/or the merger consideration in respect of such Aetna common shares, stock appreciation rights, Aetna RSUs and Aetna PSUs. These payouts could also make retention of these officers and employees more difficult. Additionally, pursuant to employment agreements and/or other agreements or arrangements with Aetna, certain key employees of Aetna are entitled to receive severance payments upon a termination without cause and/or a resignation for good reason following completion of the merger. Under these agreements, certain key employees of Aetna potentially could resign from his or her employment following specified circumstances set forth in his or her applicable agreement, including an adverse change in his or her title, authority or responsibilities, compensation and benefits or primary office location.

Furthermore, if key employees of CVS Health or Aetna depart or are at risk of departing, including because of issues relating to the uncertainty and difficulty of integration, financial security or a desire not to become

Table of Contents

employees of the combined business, CVS Health may have to incur significant costs in retaining such individuals or in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the business of Aetna, and CVS Health s ability to realize the anticipated benefits of the merger may be materially and adversely affected. Accordingly, no assurance can be given that CVS Health will be able to attract or retain key employees of Aetna to the same extent that Aetna has been able to attract or retain employees in the past.

In order to complete the merger, CVS Health and Aetna must obtain certain governmental authorizations, and if such authorizations are not granted or are granted with conditions that become applicable to the parties, completion of the merger may be jeopardized or prevented or the anticipated benefits of the merger could be reduced.

Completion of the merger is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and certain other applicable laws or regulations and the required governmental authorizations having been obtained and being in full force and effect. Although CVS Health and Aetna have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to make certain governmental filings or obtain the required governmental authorizations, as the case may be, there can be no assurance that the relevant waiting periods will expire or authorizations will be obtained and no assurance that the merger will be completed.

In addition, the governmental authorities from which these authorizations are required have broad discretion in administering the governing laws and regulations, and may take into account various facts and circumstances in their consideration of the merger, including other potential transactions in the health care industry or other industries. These governmental authorities may initiate proceedings seeking to prevent, or otherwise seek to prevent, the merger. As a condition to authorization of the merger or related transactions, these governmental authorities also may impose requirements, limitations or costs, require divestitures or place restrictions on the conduct of CVS Health s business after completion of the merger. Under the terms of the merger agreement, CVS Health is not required, and Aetna is not permitted without CVS Health s consent, to take any actions or agree to any terms or conditions in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, in each case if such action, term or condition would have, or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna (see the section entitled The Merger Agreement Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus for the definition of regulatory material adverse effect).

However, notwithstanding the provisions of the merger agreement, either CVS Health or Aetna could become subject to terms or conditions in connection with such waiting periods, laws or other authorizations (whether because such term or condition does not rise to the specified level of materiality or CVS Health otherwise consents to its imposition) the imposition of which could adversely affect CVS Health s ability to integrate Aetna s operations with CVS Health s operations, reduce the anticipated benefits of the merger or otherwise materially and adversely affect CVS Health s business and results of operations after completion of the merger. See The Merger Agreement Conditions to Completion of the Merger and The Merger Agreement Reasonable Best Efforts Covenant beginning on pages 181 and 194, respectively, of this joint proxy statement/prospectus.

In addition to receipt of certain governmental authorizations, completion of the merger is subject to a number of other conditions, and if these conditions are not satisfied or waived, the merger will not be completed.

The obligations of CVS Health and Aetna to complete the merger are subject to satisfaction or waiver of a number of conditions in addition to receipt of certain governmental authorizations, including, among other conditions:

(i) approval and adoption of the merger agreement by Aetna shareholders at the Aetna special meeting, (ii) approval of the stock issuance by CVS Health stockholders at the CVS Health special meeting, (iii) approval for the listing on the NYSE of the shares of CVS Health common stock to be issued in the merger, (iv) absence of any applicable law or order that prohibits completion of the transaction, (v) declaration of effectiveness of the Registration Statement on Form S-4, of which this joint proxy statement/prospectus forms a part, and absence of any stop order suspending such effectiveness and any proceedings for such purpose pending before the SEC, (vi) accuracy of the representations and warranties made in the merger agreement by the other party, subject to certain materiality qualifications, (vii) performance in all material respects by the other party of the material obligations required to be performed by it at or prior to completion of the transaction, and (viii) the absence of a material adverse effect on the other party (see The Merger Agreement Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus for the definition of material adverse effect). For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus. There can be no assurance that the conditions to completion of the merger will be satisfied or waived or that the merger will be completed.

In addition, the CVS Health special meeting and the Aetna special meeting may take place before certain governmental authorizations have been obtained and, therefore, before the terms on which such governmental authorizations may be obtained, or the conditions to obtaining such governmental authorizations that may be imposed, are known. As a result, if CVS Health stockholders approve the stock issuance at the CVS Health special meeting, or Aetna shareholders approve and adopt the merger agreement at the Aetna special meeting, CVS Health and Aetna may make decisions after the respective meetings to waive a condition as to the receipt of certain governmental authorizations or to take certain actions required to obtain such governmental authorizations without seeking further stockholder or shareholder approval, as applicable, and such actions could have an adverse effect on the combined company.

CVS Health s and Aetna s business relationships may be subject to disruption due to uncertainty associated with the merger.

Parties with which CVS Health or Aetna does business may experience uncertainty associated with the merger, including with respect to current or future business relationships with CVS Health, Aetna or the combined business. CVS Health s and Aetna s business relationships may be subject to disruption as customers, providers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than CVS Health, Aetna or the combined business. These disruptions could have a material adverse effect on the businesses, financial condition, results of operations or prospects of CVS Health, Aetna and/or the combined business, including a material adverse effect on CVS Health s ability to realize the anticipated benefits of the merger. The risk and adverse effect of such disruptions could be exacerbated by a delay in completion of the merger or termination of the merger agreement.

Certain of Aetna s executive officers and directors have interests in the merger that may be different from your interests as a shareholder of Aetna.

When considering the recommendation of Aetna s board of directors that Aetna shareholders vote in favor of the approval and adoption of the merger agreement, Aetna shareholders should be aware that certain of the executive officers and directors of Aetna have interests in the merger that may be different from, or in addition to, the interests of Aetna shareholders generally. These include, among others, continuing service on the CVS Health board of directors for Mr. Bertolini and two other individuals who are serving on the Aetna board of directors immediately prior to completion of the merger, payments pursuant to certain equity awards, severance payments upon qualifying terminations and rights to continuing indemnification and directors and officers liability insurance. See Interests of

Aetna s Directors and Executive Officers in the Merger beginning on page 209 of this joint proxy statement/prospectus for a more detailed description of these interests. Aetna s board of directors and CVS Health s board of directors were aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and in recommending that Aetna shareholders

66

approve and adopt the merger agreement and that the CVS Health stockholders approve the stock issuance, respectively.

The merger agreement contains provisions that may make it more difficult for CVS Health and Aetna to pursue alternatives to the merger.

The merger agreement contains provisions that make it more difficult for Aetna to sell its business to a party other than CVS Health, or for CVS Health to sell its business. These provisions include a general prohibition on each party soliciting any acquisition proposal. Further, there are only limited exceptions to each party s agreement that its board of directors will not withdraw or modify in a manner adverse to the other party the recommendation of its board of directors in favor of the approval and adoption of the merger agreement, in the case of Aetna, or the approval of the stock issuance, in the case of CVS Health, and the other party generally has a right to match any acquisition proposal that may be made. However, at any time prior to the approval and adoption of the merger agreement by Aetna shareholders, in the case of Aetna, or the approval of the stock issuance by CVS Health stockholders, in the case of CVS Health, such party s board of directors is permitted to take certain of these actions if it determines in good faith that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. See The Merger Agreement No Solicitation and The Merger Agreement Termination Fees and Expenses beginning on pages 190 and 205, respectively, of this joint proxy statement/prospectus.

The parties believe these provisions are reasonable and not preclusive of other offers, but these restrictions might discourage a third party that has an interest in acquiring all or a significant part of either Aetna or CVS Health from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per-share value than the currently proposed merger consideration, in the case of Aetna, or that party were prepared to enter into an agreement that may be favorable to CVS Health or its stockholders, in the case of CVS Health. Furthermore, the termination fees described below may result in a potential competing acquirer proposing to pay a lower per-share price to acquire the applicable party than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable by such party in certain circumstances.

Failure to complete the merger could negatively impact the stock price and the future business and financial results of CVS Health and Aetna.

If the merger is not completed for any reason, including as a result of Aetna shareholders failing to approve and adopt the merger agreement or CVS Health stockholders failing to approve the stock issuance, the ongoing businesses of CVS Health and Aetna may be materially and adversely affected and, without realizing any of the benefits of having completed the merger, CVS Health and Aetna would be subject to a number of risks, including the following:

- CVS Health and Aetna may experience negative reactions from the financial markets, including negative impacts on trading prices of CVS Health common stock, Aetna common shares and both companies other securities, and from their respective customers, providers, vendors, regulators and employees;

- Aetna may be required to pay CVS Health a termination fee of $2.1 billion if the merger agreement is terminated under certain circumstances, and CVS Health may be required to pay Aetna a termination fee of $2.1 billion if the merger agreement is terminated under certain other circumstances (see The Merger Agreement Termination Fees and Expenses beginning on page 205 of this joint proxy statement/prospectus);

CVS Health and Aetna will be required to pay certain transaction expenses and other costs incurred in connection with the merger, whether or not the merger is completed;

the merger agreement places certain restrictions on the conduct of Aetna s and CVS Health s businesses prior to completion of the merger, and such restrictions, the waiver of which is subject to the consent of the other party, may prevent Aetna and CVS Health from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the merger that Aetna or CVS Health would have made, taken or pursued if these restrictions were not in place (see The Merger Agreement Conduct of Business Pending the Merger beginning on page 185 of this joint proxy statement/prospectus for a description of the restrictive covenants applicable to Aetna and CVS Health); and

matters relating to the merger (including arranging permanent financing and integration planning) will require substantial commitments of time and resources by CVS Health and Aetna management and the expenditure of significant funds in the form of fees and expenses, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to either CVS Health or Aetna as an independent company.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may materially and adversely affect CVS Health s and/or Aetna s businesses, financial condition, financial results, ratings, stock prices and/or bond prices.

In addition, CVS Health and Aetna could be subject to litigation related to any failure to complete the merger or related to any proceeding to specifically enforce CVS Health s or Aetna s obligation to perform their respective obligations under the merger agreement. If the merger is not completed, these risks may materialize and may materially and adversely affect CVS Health s and/or Aetna s businesses, financial condition, financial results, ratings, stock prices and/or bond prices.

The shares of CVS Health common stock to be received by Aetna shareholders upon completion of the merger will have different rights from Aetna common shares.

Upon completion of the merger, Aetna shareholders will no longer be shareholders of Aetna, a Pennsylvania corporation, but will instead become stockholders of CVS Health, a Delaware corporation, and their rights as CVS Health stockholders will be governed by Delaware law and the terms of CVS Health s amended and restated certificate of incorporation, as it may be amended from time to time, which is referred to in this joint proxy statement/prospectus as CVS Health s certificate of incorporation, and CVS Health s amended and restated by-laws, as they may be amended from time to time, which are referred to in this joint proxy statement/prospectus as CVS Health s by-laws. Delaware law and the terms of CVS Health s certificate of incorporation and CVS Health s by-laws are in some respects materially different than Pennsylvania law and the terms of Aetna s articles and Aetna s amended and restated by-laws, as they may be amended from time to time, which are referred to in this joint proxy statement/prospectus as Aetna s by-laws, which currently govern the rights of Aetna shareholders. See Comparison of Stockholder Rights beginning on page 225 of this joint proxy statement/prospectus for a discussion of the different rights associated with Aetna common shares and shares of CVS Health common stock.

Current CVS Health stockholders and Aetna shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over the management of the combined company.

Upon completion of the merger, CVS Health expects to issue up to approximately [ ] million shares of CVS Health common stock to Aetna shareholders in connection with the transactions contemplated by the merger agreement. As a result, it is expected that, immediately after completion of the merger, former Aetna shareholders will own approximately [ ]% of the outstanding shares of CVS Health common stock. Consequently, current CVS Health stockholders in the aggregate will have less influence over the management and policies of CVS Health than they currently have over the management and policies of CVS Health, and Aetna shareholders in the aggregate will have significantly less influence over the management and policies of CVS Health than they currently have over the management and policies of Aetna.

Table of Contents

Lawsuits have been filed against Aetna and its board of directors and other lawsuits may be filed against Aetna, CVS Health and/or their respective boards of directors challenging the merger. An adverse ruling in any such lawsuit may prevent the merger from being completed.

As of February 2, 2018, six complaints had been filed by purported Aetna shareholders challenging the merger. The first, a putative class action complaint, was filed by Olivier Miramond in the United States District Court for the District of Connecticut and is captioned *Miramond v. Aetna, Inc., et al.*, case number 3:18-cv-00083. The second complaint, filed in the United States District Court for the District of Connecticut by Shiva Stein individually, is captioned *Stein v. Aetna, Inc., et al.*, case number 3:18-cv-00136. The third complaint, a putative class action, was filed by Robert Freedman in the United States District Court for the Eastern District of Pennsylvania and is captioned *Freedman v. Aetna, Inc., et al.*, case number 2:18-cv-00323. The fourth complaint, filed in the United States District Court for the District of Connecticut by Luan Pham individually, is captioned *Pham v. Aetna, Inc., et al.*, case number 3:18-cv-00154. The fifth complaint, filed in the United States District Court for the Eastern District of Pennsylvania by Vladimir Gusinsky Rev. Trust individually, is captioned *Vladimir Gusinsky Rev. Trust v. Aetna Inc. et al.*, case number No. 2:18-cv-00361. The sixth complaint, a putative class action complaint, was filed by Dr. Eli Inzlicht-Sprei in the United States District Court for the District of Connecticut and is captioned *Inzlicht-Sprei v. Aetna, Inc., et al.*, case number No. 3:18-cv-00176. The complaints name as defendants Aetna and each member of Aetna s board of directors. In addition, the *Vladimir Gusinsky Rev. Trust* complaint names CVS Health and Merger Sub as defendants. The complaints generally allege, among other things, that the merger consideration in the proposed transaction is unfair, inadequate and undervalues Aetna; that the defendants failed to conduct a fair and reasonable sales process; that the merger agreement s deal protection provisions improperly deter other suitors from submitting a superior offer for Aetna; and that the defendants authorized the filing of a materially incomplete and misleading registration statement. Among other remedies, the complaints seek to enjoin the Aetna special meeting and the closing of the merger, as well as costs and attorneys fees. Defendants believe that the complaints are without merit.

See Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Proposal I: Approval of the Stock Issuance Litigation Relating to the Merger beginning on page 176 of this joint proxy statement/prospectus for more information about litigation related to the merger that has been commenced prior to the date of this joint proxy statement/prospectus. There can be no assurance that additional complaints will not be filed with respect to the merger.

One of the conditions to completion of the merger is the absence of any applicable law (including any order) being in effect that prohibits completion of the merger. Accordingly, if a plaintiff is successful in obtaining an order prohibiting completion of the merger, then such order may prevent the merger from being completed, or from being completed within the expected timeframe.

The indebtedness of CVS Health following completion of the merger will be substantially greater than CVS Health s indebtedness on a stand-alone basis and greater than the combined indebtedness of CVS Health and Aetna existing prior to the announcement of the merger agreement. This increased level of indebtedness could adversely affect CVS Health s business flexibility, and increase its borrowing costs. Downgrades in CVS Health s and/or Aetna s ratings could adversely affect CVS Health s, Aetna s and/or the combined company s respective businesses, cash flows, financial condition and operating results.

Upon completion of the merger, CVS Health expects to incur acquisition-related debt financing of approximately $45.0 billion and assume Aetna s existing indebtedness of approximately $8.2 billion. CVS Health s substantially increased indebtedness and higher debt-to-equity ratio following completion of the merger in comparison to that of CVS Health prior to the merger will have the effect, among other things, of reducing CVS Health s flexibility to respond to changing business and economic conditions and will increase CVS Health s borrowing costs. In addition, the amount of cash required to service CVS Health s increased indebtedness levels and thus the demands on CVS Health s cash resources will be greater than the amount of cash flows required to service the indebtedness of CVS Health or Aetna individually prior to the merger. The increased levels of indebtedness could also reduce funds available to fund CVS Health s efforts to combine its

Table of Contents

business with Aetna and realize expected benefits of the merger and/or engage in investments in product development, capital expenditures, dividend payments, share repurchases and other activities and may create competitive disadvantages for CVS Health relative to other companies with lower debt levels.

In addition, CVS Health s credit ratings impact the cost and availability of future borrowings, and, as a result, CVS Health s cost of capital. CVS Health s ratings reflect each rating organization s opinion of CVS Health s financial strength, operating performance and ability to meet CVS Health s debt obligations or, following completion of the merger, obligations to the combined company s insureds. Each of the ratings organizations reviews CVS Health s and Aetna s ratings periodically, and there can be no assurance that CVS Health s or Aetna s current ratings will be maintained in the future. Following the announcement of the merger agreement, each of Standard & Poor s and Moody s placed certain of CVS Health s debt, financial strength and other credit ratings under review for a possible downgrade. Following the announcement of the merger agreement, Standard & Poor s, A.M. Best and Fitch placed Aetna s debt, financial strength and other credit ratings under review with negative implications. Downgrades in CVS Health s and/or Aetna s ratings could adversely affect CVS Health s, Aetna s and/or the combined company s businesses, cash flows, financial condition and operating results. In addition, if the merger is completed and, in certain circumstances, Aetna s debt securities are rated below investment grade, this may constitute a change of control triggering event under the indentures governing such debt. Upon the occurrence of a change of control triggering event, Aetna, as the surviving corporation of the merger, would be required to offer to repurchase most of Aetna s outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest if any, to, but not including, the date of repurchase. However, it is possible that Aetna (or CVS Health) would not have sufficient funds at the time of the change of control triggering event to make the required repurchase of notes or that restrictions in other debt instruments would not allow such repurchases. CVS Health and Aetna cannot provide any assurance that there will be sufficient funds available for Aetna (or CVS Health) to make any required repurchases of the notes upon a change of control triggering event.

CVS Health will incur significant transaction and integration-related costs in connection with the merger.

CVS Health expects to incur a number of non-recurring costs associated with the merger and combining the operations of the two companies. CVS Health will incur significant transaction costs related to the merger, including with respect to the financing for the cash consideration to be paid to Aetna shareholders. CVS Health also will incur significant integration-related fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. CVS Health continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies businesses. Although CVS Health expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow CVS Health to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

The merger may not be accretive, and may be dilutive, to CVS Health s earnings per share, which may negatively affect the market price of shares of CVS Health common stock.

CVS Health currently projects that the merger will result in a number of benefits, including enhanced competitive positioning and a platform from which to accelerate growth, and that it will be accretive to earnings per share in the second full year after the close of the transaction. This projection is based on preliminary estimates that may materially change. In addition, future events and conditions could decrease or delay the accretion that is currently projected or could result in dilution, including adverse changes in market conditions, additional transaction and integration-related costs and other factors such as the failure to realize some or all of the anticipated benefits of the merger. Any dilution of, decrease in or delay of any accretion to, CVS Health s earnings per share could cause the price of shares of CVS Health common stock to decline or grow at a reduced rate.

The unaudited pro forma combined financial information and prospective financial information included in this joint proxy statement/prospectus is presented for illustrative purposes only and does not represent the actual financial position or results of operations of the combined company following completion of the merger or reflect the effect of any divestitures that may be required in connection with the merger.

The unaudited pro forma combined financial information and prospective financial information contained in this joint proxy statement/prospectus is presented for illustrative purposes only, contains a variety of adjustments, assumptions and preliminary estimates and does not represent the actual financial position or results of operations of CVS Health and Aetna prior to the merger or that of the combined company following the merger for several reasons. Among other things, the unaudited pro forma combined financial information does not reflect the effect of any potential divestitures that may occur prior to or subsequent to completion of the merger, the projected realization of cost savings following completion of the merger, any changes in applicable law (including applicable tax law) after September 30, 2017, Aetna s sale of its domestic group life insurance, group disability insurance and absence management businesses on November 1, 2017, or CVS Health s projected reduction of its adjusted debt-to-EBITDA ratio following completion of the merger. See the sections entitled CVS Health and Aetna Unaudited Pro Forma Condensed Combined Financial Statements , Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Unaudited Prospective Financial Information and Comparative Historical and Unaudited Pro Forma Combined Per Share Data beginning on pages 42, 155 and 40, respectively, of this joint proxy statement/prospectus. The actual financial positions and results of operations of Aetna and CVS Health prior to the merger and that of the combined company following the merger may not be consistent with, or evident from, the unaudited pro forma combined financial information or prospective financial information included in this joint proxy statement/prospectus. In addition, the assumptions used in preparing the unaudited pro forma combined financial information and/or the prospective financial information included in this joint proxy statement/prospectus may not be realized and may be affected by other factors. Any significant changes in the market price of shares of CVS Health common stock may cause a significant change in the purchase price used for CVS Health s accounting purposes and the pro forma combined financial information contained in this joint proxy statement/prospectus.

The future results of the combined company may be adversely impacted if the combined company does not effectively manage its expanded operations following completion of the merger.

Following completion of the merger, the size of the combined company s business will be significantly larger than the current size of either CVS Health s or Aetna s respective businesses. The combined company s ability to successfully manage this expanded business will depend, in part, upon management s ability to implement an effective integration of the two companies and its ability to manage a combined business with significantly larger size and scope with the associated increased costs and complexity. There can be no assurances that the management of the combined company will be successful or that the combined company will realize the expected operating efficiencies, cost savings and other benefits currently anticipated from the merger.

Risks relating to CVS Health and Aetna.

CVS Health and Aetna are, and following completion of the merger CVS Health will continue to be, subject to the risks described in Part I, Item 1A in CVS Health s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 9, 2017, and Part I, Item 1A in Aetna s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 17, 2017, as updated by their respective Quarterly Reports on Form 10-Q and future filings with the SEC, in each case, incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

71

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

CVS Health and Aetna have included in this joint proxy statement/prospectus certain statements that may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (which is referred to in this joint proxy statement/prospectus as the Securities Act), and Section 21E of the Exchange Act. In addition, the management of CVS Health or Aetna may make forward-looking statements to analysts, investors, representatives of the media and others. You can generally identify forward-looking statements by the use of forward-looking terminology such as anticipate, believe, continue, can, could, estimate, expect, explore, forecast, guidance, intend, likely, may, might, outlook, plan, potential, predict, probable, pro or will, or the negatives thereof or other variations thereon or comparable terminology.

These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond CVS Health s and Aetna s control. Statements in this joint proxy statement/prospectus regarding CVS Health and Aetna that are forward-looking, including CVS Health s and Aetna s projections as to the timing of completion of the merger, the extent of, and the time necessary to obtain, the regulatory approvals required for the merger, the anticipated benefits of the merger, the impact of the merger on CVS Health s and Aetna s businesses, the expected terms, types and amount of the expected financing for the merger, the ownership percentages of CVS Health s common stock of CVS Health stockholders and Aetna shareholders upon completion of the merger, the aggregate amount of indebtedness of CVS Health following completion of the merger, CVS Health s expectations regarding debt repayment and its debt to capital ratio following completion of the merger, CVS Health s and Aetna s respective share repurchase programs and ability and intent to declare future dividend payments, the number of members served by the combined company s pharmacy benefits business, the amount, composition and timing of synergies from the merger, CVS Health s, Aetna s and/or the combined company s future operating results, including the timing and amount of any accretion to earnings, the public debt and insurer financial strength ratings of CVS Health and Aetna and their respective subsidiaries, CVS Health s and Aetna s acquisition-related merger costs and CVS Health s restructuring and integration-related costs and charges, and the estimates and assumptions underlying the pro forma combined financial information and other financial projections contained in this joint proxy statement/prospectus are based on CVS Health s and Aetna s respective management s estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond CVS Health s and Aetna s control.

In addition, this joint proxy statement/prospectus may contain forward-looking statements regarding CVS Health s or Aetna s respective businesses, financial condition and results of operations. These forward-looking statements also involve risks, uncertainties and assumptions, some of which may not be presently known to CVS Health or Aetna or that they currently believe to be immaterial, that may cause CVS Health s or Aetna s actual results to differ materially from those expressed in the forward-looking statements or adversely impact their respective businesses, CVS Health s ability to complete the merger and/or CVS Health s ability to realize the expected benefits from the merger. Should any risks and uncertainties develop into actual events or actual events develop differently from any assumptions, these developments could have a material adverse effect on the merger and/or CVS Health or Aetna, CVS Health s ability to successfully complete the merger and/or realize the expected benefits from the merger. Additional information concerning these risks, uncertainties and assumptions can be found in the section entitled Risk Factors beginning on page 62 of this joint proxy statement/prospectus and in CVS Health s and Aetna s respective filings with the SEC, including the risk factors discussed in Item 1.A. Risk Factors in CVS Health s and Aetna s most recent Annual Reports on Form 10-K, as updated by their Quarterly Reports on Form 10-Q and future filings with the SEC.

You are cautioned not to place undue reliance on CVS Health s and Aetna s forward-looking statements. These forward-looking statements are and will be based upon management s then-current views and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what impact they will have on the results of operations, financial condition and/or cash flows of CVS Health or Aetna. Actual results may differ materially from those discussed in this joint proxy statement/prospectus. Neither CVS Health nor Aetna assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise, as of any future date.

Table of Contents

THE COMPANIES

CVS Health Corporation

CVS Health Corporation was incorporated in the State of Delaware on August 22, 1996. CVS Health, together with its subsidiaries, is a pharmacy innovation company helping people on their path to better health. At the forefront of a changing health care landscape, CVS Health has an unmatched suite of capabilities and the expertise needed to drive innovations that will help shape the future of health care.

Through more than 9,700 retail locations, more than 1,100 walk-in health care clinics, a leading pharmacy benefits manager with nearly 90 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, expanding specialty pharmacy services and a leading stand-alone Medicare Part D prescription drug plan, CVS Health enables people, businesses and communities to manage health in more affordable, effective ways. CVS Health is delivering break-through products and services, from advising patients on their medications at CVS Pharmacy® locations, to introducing unique programs to help control costs for CVS Health s clients at CVS Caremark®, to innovating how care is delivered to CVS Health s patients with complex conditions through CVS Specialty®, to improving pharmacy care for the senior community through Omnicare®, or by expanding access to high-quality, low-cost care at CVS MinuteClinic®.

The principal trading market for shares of CVS Health common stock (NYSE: CVS) is the NYSE. The principal executive offices of CVS Health are located at One CVS Drive, Woonsocket, RI 02895; its telephone number is (401) 765-1500; and its website is www.cvshealth.com. Information on CVS Health s Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about CVS Health from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

Aetna Inc.

Aetna Inc. was incorporated in the Commonwealth of Pennsylvania on December 20, 1982. Aetna, together with its subsidiaries, is one of the nation s leading diversified health care benefits companies, serving an estimated 37.9 million people as of December 31, 2017. Aetna has the information and resources to help its members, in consultation with their health care professionals, make better informed decisions about their health care. Aetna offers a broad range of traditional, voluntary and consumer-directed health insurance products and related services, including medical, pharmacy, dental, behavioral health, group life and disability plans, medical management capabilities, Medicaid health care management services, Medicare Advantage and Medicare supplement plans, workers compensation administrative services and health information technology products and services. Aetna s customers include employer groups, individuals, college students, part-time and hourly workers, health plans, health care providers, governmental units, government-sponsored plans, labor groups and expatriates. On November 1, 2017, Aetna sold its domestic group life insurance, group disability insurance and absence management businesses to Hartford Life and Accident Insurance Company.

The principal trading market for Aetna common shares (NYSE: AET) is the NYSE. The principal executive offices of Aetna are located at 151 Farmington Avenue, Hartford, CT 06156; its telephone number is (860) 273-0123; and its website is www.aetna.com. Information on Aetna s Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Aetna from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus.

Table of Contents

Hudson Merger Sub Corp.

Merger Sub was incorporated in the Commonwealth of Pennsylvania on November 14, 2017, and is a wholly-owned subsidiary of CVS Health. Merger Sub was formed solely for the purpose of completing the merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

The principal executive offices of Merger Sub are located at One CVS Drive, Woonsocket, RI 02895; and its telephone number is (401) 765-1500.

Table of Contents

SPECIAL MEETING OF STOCKHOLDERS OF CVS HEALTH

CVS Health is providing this joint proxy statement/prospectus to its stockholders in connection with the solicitation of proxies to be voted at the CVS Health special meeting of stockholders (or any adjournment or postponement thereof) that CVS Health has called to consider and vote on a proposal to approve the stock issuance and a proposal to approve the adjournment from time to time of the CVS Health special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the stock issuance.

Date, Time and Location

Together with this joint proxy statement/prospectus, CVS Health is also sending CVS Health stockholders a notice of the CVS Health special meeting and a form of proxy card that is solicited by CVS Health s board of directors for use at the CVS Health special meeting to be held on [ ], 2018, at the offices of Shearman & Sterling LLP, located at 599 Lexington Avenue, New York, NY 10022, at [ ] Eastern Time, and any adjournments or postponements of the CVS Health special meeting.

Only stockholders or their proxy holders may attend the CVS Health special meeting.

If you plan to attend the CVS Health special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the CVS Health special meeting.

If you are a beneficial owner of shares of CVS Health common stock held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on February 5, 2018), in addition to proper identification, you will also need an account statement or letter from the nominee indicating that you were the beneficial owner of the shares at the record date to be admitted to the CVS Health special meeting. If you want to vote your shares of CVS Health common stock held in street name in person at the CVS Health special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

Purpose

At the CVS Health special meeting, CVS Health stockholders will be asked to consider and vote on the following proposals:

- to approve the stock issuance; and
- to approve the CVS Health adjournment proposal.

Under CVS Health s by-laws, the business to be conducted at the CVS Health special meeting will be limited to the proposals set forth in the notice to CVS Health stockholders provided with this joint proxy statement/prospectus.

Recommendations of the CVS Health Board of Directors

CVS Health s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the stock issuance, are advisable, fair to and in the best interests of

CVS Health and its stockholders. CVS Health s board of directors unanimously recommends that CVS Health stockholders vote **FOR** the stock issuance. CVS Health s board of directors further unanimously recommends that CVS Health stockholders vote **FOR** the CVS Health adjournment proposal. See Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of

Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus for a more detailed discussion of the recommendation of CVS Health s board of directors that CVS Health stockholders approve the stock issuance.

CVS Health Record Date; Outstanding Shares; Stockholders Entitled to Vote

CVS Health s board of directors has fixed the close of business on February 5, 2018, as the record date for the determination of the CVS Health stockholders entitled to vote at the CVS Health special meeting or any adjournment or postponement of the CVS Health special meeting. Only CVS Health stockholders of record at the record date are entitled to receive notice of, and to vote at, the CVS Health special meeting or any adjournment or postponement thereof. As of the close of business on [ ], 2018, there were [ ] shares of CVS Health common stock outstanding and entitled to vote at the CVS Health special meeting, held by approximately [ ] holders of record.

Quorum

The presence at the CVS Health special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of CVS Health common stock at the record date (the close of business on February 5, 2018) will constitute a quorum. Elections to abstain from voting will be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum. Shares of CVS Health common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and shares of CVS Health common stock with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the CVS Health special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the stock issuance to be taken at the CVS Health special meeting. Failure of a quorum to be present at the CVS Health special meeting will necessitate an adjournment of the meeting and will subject CVS Health to additional expense.

Required Vote

Assuming a quorum is present, approval of the stock issuance requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by holders of shares of CVS Health common stock. **CVS Health cannot complete the merger unless its stockholders approve the stock issuance.** Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against as well as elections to abstain from voting. As a result, a CVS Health stockholder s election to abstain from voting on the stock issuance will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the outcome of any vote to approve the stock issuance because these failures to vote are not considered votes cast.

Approval of the CVS Health adjournment proposal, whether or not a quorum is present, requires the affirmative vote of a majority of the votes cast at the CVS Health special meeting by CVS Health stockholders. For purposes of the CVS Health adjournment proposal, votes cast means votes for or against the proposal. As a result, a CVS Health stockholder s election to abstain from voting on the CVS Health adjournment proposal, the failure of a CVS Health stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of a CVS Health stockholder to vote will have no effect on the outcome of any vote on the CVS Health adjournment proposal.

Stock Ownership of and Voting by CVS Health Directors and Executive Officers

At the record date for the CVS Health special meeting (the close of business on February 5, 2018), CVS Health s directors and executive officers and their affiliates beneficially owned and had the right to vote in the

76

Table of Contents

aggregate [ ] shares of CVS Health common stock at the CVS Health special meeting, which represents approximately [ ]% of the shares of CVS Health common stock entitled to vote at the CVS Health special meeting.

Each of CVS Health s directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her shares of CVS Health common stock **FOR** the stock issuance and **FOR** the CVS Health adjournment proposal, although none of CVS Health s directors and executive officers has entered into any agreement requiring them to do so.

Voting of Shares

Via the Internet or by Telephone

If you hold shares of CVS Health common stock directly in your name as a stockholder of record, you may vote via the Internet at www.proxyvote.com or by telephone by calling (800) 690-6903 toll-free. In order to vote your shares via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each CVS Health stockholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone, 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on [ ], 2018.

If you hold shares of CVS Health common stock in street name through a broker, bank or other nominee holder of record, you may provide voting instructions via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

By Mail

If you hold shares of CVS Health common stock directly in your name as a stockholder of record, in order to vote by mail, you may submit a proxy card. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on [ ], 2018.

If you hold shares of CVS Health common stock in street name through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

In Person

If you hold shares of CVS Health common stock directly in your name as a stockholder of record, you may vote in person at the CVS Health special meeting. Stockholders of record also may be represented by another person at the CVS Health special meeting by executing a proper proxy designating that person.

When a stockholder of record submits a proxy via the Internet or by telephone, his or her proxy is recorded immediately. You are encouraged to register your vote via the Internet or telephone whenever possible. If you submit a proxy via the Internet or by telephone, please do not return your proxy card by mail. If you attend the CVS Health special meeting, you may also vote in person. Any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by any vote that you cast at the CVS Health special meeting. Your attendance at the CVS Health special meeting alone will not revoke any proxy previously given.

Table of Contents

If you hold shares of CVS Health common stock in street name through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the CVS Health special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

By Participants in the CVS Health 401(k) Plan

Participants in the CVS Health 401(k) Plan who receive this joint proxy statement/prospectus in their capacity as participants in the CVS Health 401(k) Plan are entitled to vote using the enclosed proxy card. The proxy card directs the trustee of the CVS Health 401(k) Plan to vote a participant s shares as indicated on the card. Shares of CVS Health common stock held through the CVS Health 401(k) Plan for which no instructions are received will be voted by the trustee of the CVS Health 401(k) Plan in the same percentage as the shares of CVS Health common stock held through the CVS Health 401(k) Plan for which the trustee receives voting instructions. The trustee of the CVS Health 401(k) Plan must receive voting instructions from participants by 11:59 p.m. (Eastern Time) on [ ], 2018. Participants cannot vote the shares of CVS Health common stock they hold through the CVS Health 401(k) Plan in person at the CVS Health special meeting.

Generally

If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold shares of CVS Health common stock in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, both proposals to be considered at the CVS Health special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore, brokers, banks and other nominee holders of record do not have discretionary authority to vote on either proposal. A beneficial owner s failure to instruct the broker, bank or other nominee holder of record how to vote shares of CVS Health common stock held in street name will have no effect on the proposal to approve the stock issuance or the CVS Health adjournment proposal.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the CVS Health special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker, bank or other nominee holder of record does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to either of the proposals to be considered at the CVS Health special meeting, if a beneficial owner of shares of CVS Health common stock held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the CVS Health special meeting. As a result, there will not be any broker non-votes in connection with either of the proposals to be considered at the CVS Health special meeting as described in this joint proxy statement/prospectus.

All shares represented by each properly completed and valid proxy received before or at the CVS Health special meeting will be voted in accordance with the instructions given in the proxy. If a CVS Health stockholder signs a proxy card and returns it without giving instructions for voting on any proposal, the shares of CVS Health common stock represented by that proxy card will be voted **FOR** the stock issuance and **FOR** the CVS Health adjournment proposal.

78

Table of Contents

Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the CVS Health special meeting in person, please vote or otherwise submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the CVS Health special meeting. If your shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

Revocability of Proxies; Changing Your Vote

You may revoke your proxy or change your vote at any time before the closing of the polls at the CVS Health special meeting. If you are a stockholder of record at the record date (the close of business on February 5, 2018), you can revoke your proxy or change your vote by:

- sending a signed notice stating that you revoke your proxy to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood, NY 11717 or by fax at (631) 254-7733 that bears a date later than the date of the proxy you want to revoke and is received prior to the CVS Health special meeting;

- submitting a valid, later-dated proxy via the Internet or telephone before 11:59 p.m. (Eastern Time) on [ ], 2018, or by mail that is received prior to the CVS Health special meeting; or

- attending the CVS Health special meeting (or, if the CVS Health special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance at the CVS Health special meeting alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your broker, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the CVS Health special meeting.

Solicitation of Proxies; Expenses of Solicitation

This joint proxy statement/prospectus is being provided to holders of shares of CVS Health common stock in connection with the solicitation of proxies by CVS Health s board of directors to be voted at the CVS Health special meeting and at any adjournments or postponements of the CVS Health special meeting. CVS Health will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the CVS Health special meeting. CVS Health has engaged Okapi Partners LLC to assist in the solicitation of proxies for the CVS Health special meeting and will pay Okapi Partners LLC an initial retainer of $20,000 and additional fees to be determined at the conclusion of the solicitation plus reimbursement of reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of CVS Health or its subsidiaries may solicit proxies from stockholders by telephone, telegram, email, personal interview or other means. CVS Health currently expects not to incur any costs beyond those customarily expended for a solicitation of proxies in connection with approval of any issuance of shares of CVS Health common stock. Directors, officers and employees of CVS Health will not receive additional compensation for their solicitation activities, but may be reimbursed for reasonable out-of-pocket expenses incurred by them in connection with the solicitation. Brokers, dealers, commercial banks, trust companies, fiduciaries, custodians and other nominees have been requested to forward proxy solicitation materials to their customers, and such nominees will be reimbursed for their reasonable out-of-pocket expenses.

Householding

The SEC has adopted a rule concerning the delivery of annual reports and proxy statements. It permits CVS Health, with your permission, to send a single notice of meeting and, to the extent requested, a single copy of this joint proxy statement/prospectus to any household at which two or more CVS Health stockholders reside if they appear to be members of the same family. This rule is called householding, and its purpose is to help reduce printing and mailing costs of proxy materials.

A number of brokerage firms have instituted householding for shares held in street name. If you and members of your household have multiple accounts holding shares of CVS Health common stock, you may have received a householding notification from your broker. Please contact your broker directly if you have questions, require additional copies of this joint proxy statement/prospectus or wish to revoke your decision to household. These options are available to you at any time.

Adjournment

CVS Health stockholders are being asked to approve a proposal that will give CVS Health s board of directors authority to adjourn from time to time the CVS Health special meeting for the purpose of soliciting additional proxies in favor of the approval of the stock issuance if there are not sufficient votes at the time of the CVS Health special meeting, or any adjournment or postponement thereof, to approve the stock issuance. If the CVS Health adjournment proposal is approved, the CVS Health special meeting could be adjourned to any date. In addition, CVS Health s board of directors, with or without stockholder approval, could postpone the CVS Health special meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the CVS Health special meeting is adjourned for the purpose of soliciting additional proxies, stockholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the approval of the stock issuance but do not indicate a choice on the CVS Health adjournment proposal, your shares will be voted in favor of the CVS Health adjournment proposal. But if you indicate that you wish to vote against the approval of the stock issuance, your shares will only be voted in favor of the CVS Health adjournment proposal if you indicate that you wish to vote in favor of that proposal.

Other Information

The matters to be considered at the CVS Health special meeting are of great importance to the stockholders of CVS Health. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this joint proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

Table of Contents

Assistance

If you need assistance in completing your proxy card or have questions regarding the CVS Health special meeting, please contact:

Okapi Partners LLC

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

Telephone (Toll-Free): (855) 305-0855

Telephone (Collect): (212) 297-0720

Email: cvsproxyinfo@okapipartners.com

or

CVS Health Corporation

One CVS Drive

Woonsocket, RI 02895

Attention: Investor Relations

Telephone: (800) 201-0938

Email: investorinfo@cvshealth.com

Table of Contents

SPECIAL MEETING OF SHAREHOLDERS OF AETNA

Aetna is providing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the Aetna special meeting of shareholders (or any adjournment or postponement thereof) that Aetna has called to consider and vote on (i) a proposal to approve and adopt the merger agreement, (ii) a proposal to approve the adjournment from time to time of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof and (iii) a proposal to approve, on an advisory (non-binding) basis, the compensation that will or may be paid or provided by Aetna to its named executive officers in connection with the merger.

Date, Time and Location

Together with this joint proxy statement/prospectus, Aetna is also sending Aetna shareholders a notice of the Aetna special meeting and a form of proxy card that is solicited by Aetna s board of directors for use at the Aetna special meeting to be held on [ ], 2018, at the offices of Davis Polk & Wardwell LLP, located at 450 Lexington Avenue, New York, NY 10017, at [ ] Eastern Time, and any adjournments or postponements of the Aetna special meeting.

Only shareholders or their proxy holders may attend the Aetna special meeting. If you hold shares in your name at the record date and plan to attend the Aetna special meeting, because of security procedures, you will need to obtain an admission ticket in advance. In addition to obtaining an admission ticket in advance, you will be required to provide valid government-issued photo identification (e.g., a driver s license or a passport) to be admitted to the Aetna special meeting. You may apply for an admission ticket by mail to Office of the Corporate Secretary, 151 Farmington Avenue, RW61, Hartford, CT 06156 or by facsimile to (860) 293-1361. Ticket requests will not be accepted by phone or email. Aetna s Corporate Secretary must receive your request for an admission ticket on or before [ ], 2018.

If you are a beneficial owner of Aetna common shares held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on February 5, 2018), and you plan to attend the Aetna special meeting, in addition to following the security procedures described above, you will also need proof of beneficial ownership at the record date to obtain your admission ticket to the Aetna special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your Aetna common shares held in street name in person at the Aetna special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

Purpose

At the Aetna special meeting, Aetna shareholders will be asked to consider and vote on the following proposals:

- to approve and adopt the merger agreement;
- to approve the Aetna adjournment proposal; and
- to approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal.

Under Aetna s by-laws, the business to be conducted at the Aetna special meeting will be limited to the proposals set forth in the notice to Aetna shareholders provided with this joint proxy statement/prospectus.

Recommendations of the Aetna Board of Directors

Aetna s board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement (including the merger) are fair to and in the best interests of Aetna and its shareholders. Aetna s board of directors unanimously recommends that Aetna shareholders vote **FOR** the proposal to approve and adopt the merger agreement. Aetna s board of directors further unanimously recommends that Aetna shareholders vote **FOR** the Aetna adjournment proposal and **FOR** the Aetna compensation advisory proposal. See Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement beginning on page 101 of this joint proxy statement/prospectus for a more detailed discussion of the recommendation of Aetna s board of directors that Aetna shareholders approve and adopt the merger agreement. See Aetna Proposal II: Adjournment of the Aetna Special Meeting beginning on page 219 of this joint proxy statement/prospectus for a more detailed discussion of the Aetna adjournment proposal. See Aetna Proposal III: Advisory Vote On Merger-Related Executive Compensation Arrangements beginning on page 220 of this joint proxy statement/prospectus for a more detailed discussion of the Aetna compensation advisory proposal.

Aetna Record Date; Outstanding Shares; Shareholders Entitled to Vote

A committee of Aetna s board of directors has fixed the close of business on February 5, 2018, as the record date for the determination of the Aetna shareholders entitled to notice of and to vote at the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. Only Aetna shareholders of record at the record date are entitled to receive notice of, and to vote at, the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. As of the close of business on [ ], 2018, there were [ ] Aetna common shares outstanding and entitled to vote at the Aetna special meeting, held by approximately [ ] holders of record.

Quorum

The presence at the Aetna special meeting, in person or by proxy, of the holders of a majority of the outstanding Aetna common shares at the record date (the close of business on February 5, 2018) will constitute a quorum. Aetna common shares whose holders elect to abstain from voting will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and Aetna common shares with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the approval and adoption of the merger agreement and the vote on the Aetna compensation advisory proposal to be taken at the Aetna special meeting. Failure of a quorum to be present at the Aetna special meeting will necessitate an adjournment of the meeting and will subject Aetna to additional expense.

Required Vote

Pursuant to Aetna s articles, to approve and adopt the merger agreement, the affirmative vote of the holders of a majority of Aetna common shares outstanding and entitled to vote thereon is required. **Aetna cannot complete the merger and the merger consideration will not be paid unless its shareholders approve and adopt the merger agreement. Because approval and adoption of the merger agreement requires the affirmative vote of the holders of at least a majority of Aetna common shares outstanding and entitled to vote thereon, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement.**

To approve (i) the Aetna adjournment proposal (whether or not a quorum, as defined under Pennsylvania law, is present) and (ii) on an advisory (non-binding) basis, the Aetna compensation advisory proposal (assuming a quorum, as defined under Pennsylvania law, is present), the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares is required. For purposes of each of the Aetna adjournment proposal and the Aetna compensation advisory proposal, votes cast means votes for or against the applicable proposal. As a result, an Aetna shareholder s abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or any other failure of an Aetna shareholder to vote will have no effect on the outcome of any vote on the Aetna adjournment proposal or any vote to approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal.

Share Ownership of and Voting by Aetna Directors and Executive Officers

At the record date for the Aetna special meeting (the close of business on February 5, 2018), Aetna s directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate [ ] Aetna common shares at the Aetna special meeting, which represents approximately [ ]% of the Aetna common shares entitled to vote at the Aetna special meeting.

Each of Aetna s directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her Aetna common shares **FOR** the proposal to approve and adopt the merger agreement, **FOR** the Aetna adjournment proposal and **FOR** the Aetna compensation advisory proposal, although none of Aetna s directors or executive officers has entered into any agreement requiring them to do so.

Voting of Shares

Via the Internet or by Telephone

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote via the Internet at www.proxyvote.com or by telephone by calling (800) 690-6903 toll-free. In order to vote your shares via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Aetna shareholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone, 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on [ ], 2018.

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, you may provide voting instructions via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

By Mail

If you hold Aetna common shares directly in your name as a shareholder of record, in order to vote by mail, you may submit a proxy card. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on **[ ]**, 2018.

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record with these materials and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

In Person

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote in person at the Aetna special meeting. Shareholders of record also may be represented by another person at the Aetna special meeting by executing a proper proxy designating that person and having that proper proxy be presented to the judge of election with the applicable ballot at the Aetna special meeting.

When a shareholder of record submits a proxy via the Internet or by telephone, his or her proxy is recorded immediately. You are encouraged to register your vote via the Internet or telephone whenever possible. If you submit a proxy via the Internet or by telephone, please do not return your proxy card by mail. If you attend the Aetna special meeting, you may also vote in person, in which case any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by any vote that you cast at the Aetna special meeting. Your attendance at the Aetna special meeting alone will not revoke any proxy previously given.

By Participants in the Aetna 401(k) Plan

Participants in the Aetna 401(k) Plan who receive this joint proxy statement/prospectus in their capacity as participants in the Aetna 401(k) Plan will receive voting instruction cards instead of proxy cards. The voting instruction card directs the trustee of the Aetna 401(k) Plan to vote the Aetna common shares shown on the card as indicated on the card. Aetna common shares held through the Aetna 401(k) Plan may be voted by using the Internet, by calling a toll-free telephone number or by marking, signing and dating the voting instruction card and mailing it to the trustee of the Aetna 401(k) Plan in accordance with the trustee s instructions. Internet and telephone voting of shares held through the Aetna 401(k) Plan will be available until 11:59 p.m. Eastern time on [ ], 2018. Aetna common shares held through the Aetna 401(k) Plan for which no instructions are received will be voted by the trustee of the Aetna 401(k) Plan in the same percentage as the Aetna common shares held through the 401(k) Plan for which the trustee receives voting instructions unless contrary to ERISA. You may not vote the Aetna common shares you hold through the Aetna 401(k) Plan at the Aetna special meeting.

Generally

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the Aetna special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

If your Aetna common shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold Aetna common shares in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, each of the three proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on any of the three proposals to be considered at the Aetna special meeting.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the Aetna special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker, bank or other nominee holder of record does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the proposals to be considered at the Aetna special meeting as described in this

85

Table of Contents

joint proxy statement/prospectus, if a beneficial owner of Aetna common shares held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the Aetna special meeting. As a result, there will not be any broker non-votes in connection with any of the three proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus.

A beneficial owner s failure to instruct the broker, bank or other nominee holder of record how to vote Aetna common shares held in street name will therefore have the same effect as a vote **AGAINST** the approval and adoption of the merger agreement. A beneficial owner s failure to instruct the broker, bank or other nominee holder of record how to vote Aetna common shares held in street name will have no effect on the proposal to approve the Aetna adjournment proposal or the proposal to approve, on an advisory (non-binding) basis, the Aetna compensation advisory proposal.

All shares represented by each properly completed and valid proxy received before or at the Aetna special meeting will be voted in accordance with the instructions given in the proxy. If an Aetna shareholder signs a proxy card and returns it without giving instructions for voting on any proposal, the Aetna common shares represented by that proxy card will be voted **FOR** the proposal to approve and adopt the merger agreement, **FOR** the Aetna adjournment proposal and **FOR** the Aetna compensation advisory proposal.

Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Aetna special meeting in person, please vote or otherwise submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Aetna special meeting. If your Aetna common shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

Revocability of Proxies; Changing Your Vote

You may revoke your proxy or change your vote at any time before the closing of the polls at the Aetna special meeting. If you are an Aetna shareholder of record at the record date (the close of business on February 5, 2018), you can revoke your proxy or change your vote by:

- sending a signed notice stating that you revoke your proxy to Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood, NY 11717 or by fax at (631) 254-7733 that bears a date later than the date of the proxy you want to revoke and is received prior to the Aetna special meeting;

- submitting a valid, later-dated proxy via the Internet or telephone before 11:59 p.m. (Eastern Time) on [ ], 2018, or by mail that is received prior to the Aetna special meeting; or

- attending the Aetna special meeting (or, if the Aetna special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance at the Aetna special meeting alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your broker, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the Aetna special meeting.

Solicitation of Proxies; Expenses of Solicitation

This joint proxy statement/prospectus is being provided to holders of Aetna common shares in connection with the solicitation of proxies by Aetna s board of directors to be voted at the Aetna special meeting and at any adjournments or postponements thereof. Aetna will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the Aetna special meeting. Aetna has engaged Georgeson LLC to assist in the solicitation of proxies for the Aetna special meeting and will pay Georgeson LLC a fee of approximately $35,000, plus reimbursement of reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of Aetna or its subsidiaries may solicit proxies from shareholders by telephone, telegram, email, personal interview or other means. Aetna currently expects not to incur any costs beyond those customarily expended for a solicitation of proxies in connection with the approval and adoption of a merger agreement. Directors, officers and employees of Aetna will not receive additional compensation for their solicitation activities, but may be reimbursed for reasonable out-of-pocket expenses incurred by them in connection with the solicitation. Brokers, dealers, commercial banks, trust companies, fiduciaries, custodians and other nominees have been requested to forward proxy solicitation materials to their customers, and such nominees will be reimbursed for their reasonable out-of-pocket expenses.

Householding

The SEC has adopted a rule concerning the delivery of annual reports and proxy statements. It permits Aetna, with your permission, to send a single notice of meeting and, to the extent requested, a single copy of this joint proxy statement/prospectus to any household at which two or more shareholders reside if they appear to be members of the same family. This rule is called householding, and its purpose is to help reduce printing and mailing costs of proxy materials. In 2016, Aetna began householding for registered shareholders. If you are a registered shareholder, please check the appropriate box on your proxy card or select the householding option when you vote by Internet or phone if you would like to participate in Aetna s householding program. Shareholders who participate in householding will continue to receive separate proxy cards, and householding will not affect the mailing of account statements or special notices in any way.

A number of brokerage firms have instituted householding for shares held in street name. If you and members of your household have multiple accounts holding Aetna common shares, you may have received a householding notification from your broker. Please contact your broker directly if you have questions, require additional copies of this joint proxy statement/prospectus or wish to revoke your decision to household. These options are available to you at any time.

Adjournment

Aetna shareholders are being asked to approve a proposal that will give Aetna s board of directors authority to adjourn the Aetna special meeting one or more times for the purpose of soliciting additional proxies in favor of the approval and adoption of the merger agreement if there are not sufficient votes to approve and adopt the merger agreement at the time of the Aetna special meeting or any adjournment or postponement thereof. If the Aetna adjournment proposal is approved, the Aetna special meeting could be adjourned to any date. In addition, Aetna s board of directors, with or without shareholder approval, could postpone the Aetna special meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the Aetna special meeting is adjourned for the purpose of soliciting additional proxies, shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the approval and adoption of the merger agreement but do not indicate a choice on the Aetna adjournment proposal or the Aetna compensation advisory proposal, your shares will be voted in favor of the Aetna adjournment proposal and the Aetna compensation advisory proposal. But if you indicate that you wish to vote against the approval and adoption of the merger agreement, your shares will only be voted in favor of the Aetna adjournment proposal or the Aetna compensation advisory proposal if you indicate that you wish to vote in favor of that proposal.

Other Information

The matters to be considered at the Aetna special meeting are of great importance to the shareholders of Aetna. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by

Table of Contents

reference into this joint proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

Assistance

If you need assistance in completing your proxy card or have questions regarding the Aetna special meeting, please contact:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Telephone (Toll-Free): (888) 658-3624

International Callers: (781) 575-2137

Email: aetna@georgeson.com

or

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Attention: Investor Relations

Telephone: (860) 273-2402

Email: investorrelations@aetna.com

Table of Contents

AETNA PROPOSAL I: APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND

CVS HEALTH PROPOSAL I: APPROVAL OF THE STOCK ISSUANCE

General

This joint proxy statement/prospectus is being provided to holders of Aetna common shares in connection with the solicitation of proxies by the board of directors of Aetna to be voted at the Aetna special meeting and at any adjournments or postponements of the Aetna special meeting. At the Aetna special meeting, Aetna will ask its shareholders to vote on (i) a proposal to approve and adopt the merger agreement, (ii) the Aetna adjournment proposal and (iii) the Aetna compensation advisory proposal.

This joint proxy statement/prospectus is being provided to holders of shares of CVS Health common stock in connection with the solicitation of proxies by the board of directors of CVS Health to be voted at the CVS Health special meeting and at any adjournments or postponements of the CVS Health special meeting. At the CVS Health special meeting, CVS Health will ask its stockholders to vote on (i) a proposal to approve the stock issuance and (ii) the CVS Health adjournment proposal.

The merger agreement provides for the merger of Merger Sub with and into Aetna, with Aetna continuing as the surviving corporation and a wholly-owned subsidiary of CVS Health. **The merger will not be completed and the merger consideration will not be paid unless Aetna shareholders approve and adopt the merger agreement and CVS Health stockholders approve the stock issuance.** A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger. For additional information about the merger, see The Merger Agreement Structure of the Merger and The Merger Agreement Merger Consideration beginning on pages 177 and 178, respectively, of this joint proxy statement/prospectus.

Upon completion of the merger, each Aetna common share will be converted into the right to receive $145.00 in cash without interest thereon and 0.8378 of a share of CVS Health common stock. Based on the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding as of [ ], CVS Health expects to issue approximately [ ] shares of CVS Health common stock to Aetna shareholders and Aetna equity award holders pursuant to the merger. The actual number of shares of CVS Health common stock to be issued pursuant to the merger will be determined at completion of the merger based on the exchange ratio of 0.8378 and the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding at such time. Based on the number of Aetna common shares (including the number of shares underlying Aetna stock appreciation rights, Aetna RSUs, Aetna PSUs and unexercised rights under the Aetna employee stock purchase plan) outstanding as of [ ], and the number of shares of CVS Health common stock outstanding as of [ ], it is expected that, immediately after completion of the merger, former Aetna shareholders will own approximately [ ]% of the outstanding shares of CVS Health common stock.

Background of the Merger

As part of the ongoing review of their respective companies businesses, the boards of directors and management of each of CVS Health and Aetna regularly evaluate their respective companies historical performance, future growth prospects and overall strategic objectives and consider potential opportunities to enhance stockholder value. For each company, these reviews have included consideration of various potential strategic alternatives, including potential strategic partnerships, joint ventures and business combination transactions, including, in Aetna s case, its proposed acquisition of Humana Inc., which is referred to in this joint proxy/statement prospectus as Humana, announced in July 2015 and terminated in February 2017, and the potential benefits and risks of such transactions in light of, among other things, industry developments in the health care and retail industries, as applicable, and such company s competitive position in its respective industries.

Table of Contents

In addition, since 2010, Aetna and CVS Health have been party to a long-term agreement pursuant to which CVS Health provides certain pharmacy benefit management services to Aetna and certain of its customers and members, as more fully described below in the section Certain Relationships between CVS Health and Aetna beginning on page 100 of this joint proxy statement/prospectus. Throughout the term of this agreement, members of senior management of each of Aetna and CVS Health, including, from time to time, Mark T. Bertolini, Chairman and Chief Executive Officer of Aetna, and Larry J. Merlo, President and Chief Executive Officer of CVS Health, regularly discussed the companies relationship under their existing pharmacy benefit management agreement, opportunities to partner more effectively for their customers and members and industry developments in the health care industry.

During the course of the reviews by the Aetna board of directors described in the first paragraph of this section of this joint proxy statement/prospectus, at various meetings of the Aetna board of directors, the board of directors reviewed and discussed, among other things, conversations that Mr. Bertolini had, from time to time, with the chief executive officers of other companies in the health care industry, including Mr. Merlo. The topics of these conversations included, among other things, developments in the health care industry and potential industry consolidation and, from time to time, the prospect of Aetna entering into strategic partnerships, joint ventures, business combinations or other transactions. Starting in September 2016, members of Aetna s management also met from time to time with representatives of Aetna s financial advisors, Lazard and Allen & Company, to discuss Aetna s business and potential strategic opportunities, including potential opportunities with companies in the retail industry.

During the course of the reviews by the CVS Health board of directors described in the first paragraph of this section of this joint proxy statement/prospectus, at various meetings of the CVS Health board of directors, CVS Health management reviewed and discussed with the board of directors potential strategic opportunities with companies in the health care insurance and managed care industries, including Aetna, and the benefits that could be expected to be achieved therefrom, including reduced medical costs, a shift to lower-cost sites of health care services, improved quality of care, improved care management, synergies and other value-creation opportunities, as well as the feasibility of completing the relevant transactions. As part of these discussions, the CVS Health board of directors and management also reviewed and discussed existing proposed business combinations in the health care industry, including Aetna s proposed acquisition of Humana. Following the termination of Aetna s proposed acquisition of Humana in February 2017, CVS Health increased its focus on Aetna but CVS Health s management continued to have discussions with multiple managed care companies, including Aetna, regarding potential strategic partnerships, joint ventures, business combinations or other transactions.

In March 2017, members of senior management of Aetna and CVS Health had discussions, including an in-person meeting between Mr. Merlo and Mr. Bertolini on March 15, 2017 and a subsequent telephone call between Mr. Merlo and Mr. Bertolini on March 22, 2017, concerning certain publicly available business information regarding the companies and potential opportunities presented by the companies shared interest in a retail health operating model.

On April 4, 2017, members of Aetna and CVS Health senior management held in-person meetings to discuss the potential benefits of working more closely together, including a strategic partnership, joint venture or other opportunity.

On April 10, 2017, the Aetna board of directors held a regularly scheduled meeting at which, among other things, the board of directors received an update from Aetna management on these discussions with CVS Health.

On May 9 and 10, 2017, the CVS Health board of directors held a regularly scheduled meeting that was attended by members of CVS Health s senior management. At the meeting, management reviewed and discussed with the board of directors a number of alternative strategic partnerships, business combinations and other opportunities, including, in each case, potential synergies and future growth potential. Management also

discussed with the board of directors the outcome of proposed mergers of managed care companies, including the proposed acquisition of Humana by Aetna and the proposed acquisition of Cigna Corporation by Anthem, Inc. Following the discussions, the board of directors authorized CVS Health s management to further evaluate managed care companies for a potential acquisition.

Throughout May 2017, members of Aetna management had several telephonic conversations and meetings with members of management of CVS Health and two other retail and health care industry participants, which are referred to in this joint proxy statement/prospectus as Party X and Party Y, regarding potential strategic partnerships, joint ventures and other opportunities. Discussions with Party Y led to a pilot program beginning in this timeframe with respect to Aetna members visiting Party Y s retail health-service clinics in a particular state. Members of the management of Aetna and Party Y also discussed data analytics and a potential co-branded Medicare product.

On May 19, 2017, the Aetna board of directors held a regularly scheduled meeting at which, among other things, the board of directors received an update from Aetna management on the discussions with CVS Health, Party X and Party Y, and discussed potential value-creating opportunities with nontraditional partners in the retail and health care industries.

On May 23, 2017, representatives of Aetna management, including Mr. Bertolini and Shawn M. Guertin, Executive Vice President, Chief Financial Officer and Chief Enterprise Risk Officer, met with representatives of CVS Health management, including Mr. Merlo and David M. Denton, Executive Vice President and Chief Financial Officer, to discuss the potential benefits of working more closely together, including potential strategic partnerships, joint ventures, business combinations and other opportunities.

On May 25, 2017, representatives of CVS Health management sent representatives of Aetna management a draft mutual non-disclosure agreement.

On May 31, 2017, Mr. Merlo had a telephone conversation with Mr. Bertolini to advise him that at the meeting of the CVS Health board of directors on May 9 and 10, 2017, Mr. Merlo had discussed with the CVS Health board of directors potential strategic partnerships, business combinations and other opportunities between CVS Health and Aetna, and the desire to discuss such potential opportunities further. On June 6, 2017, Mr. Guertin had a telephone conversation with Mr. Denton to discuss such potential opportunities.

On June 7, 2017, after negotiation of the terms thereof, with, in Aetna s case, the assistance of Davis Polk & Wardwell LLP, which is referred to in this joint proxy statement/prospectus as Davis Polk, outside legal counsel to Aetna, Aetna and CVS Health executed a mutual non-disclosure agreement containing, among other terms, a mutual 12-month standstill provision (subject to customary exceptions).

On June 14, 2017, after negotiation of the terms thereof, with, in Aetna s case, the assistance of Davis Polk, Aetna also entered into a mutual non-disclosure agreement with Party X containing a nine-month standstill provision (subject to customary exceptions). This non-disclosure agreement does not currently restrict Party X from making a proposal to Aetna regarding a potential business combination transaction with Aetna.

Also on June 14, 2017, representatives of Aetna management met with representatives of Party X management to discuss certain business information regarding the companies and the potential benefits of working more closely together, including a potential strategic partnership, business combination or other opportunities.

On June 29, 2017, members of Aetna and CVS Health management held meetings to discuss certain information regarding the companies and the potential benefits of working more closely together, including a strategic partnership, joint venture, business combination or other opportunity.

Table of Contents

Throughout June 2017 through September 2017, members of Aetna management had telephonic conversations and meetings with members of management of CVS Health, Party X and Party Y regarding potential strategic partnerships, joint ventures and other opportunities and discussed, among other things, potential benefits and operating models with respect thereto. Mr. Guertin and Mr. Denton met on June 29, 2017 and had telephonic conversations on August 11, 2017 and September 21, 2017 regarding these matters.

On July 6, 2017, the CVS Health board of directors held a regularly scheduled meeting attended by members of CVS Health s senior management. The board of directors received an update on continued analysis and discussions that management had been having with three managed care companies, including Aetna, regarding various potential strategic opportunities. Management then reviewed and discussed with the board of directors the potential value creation opportunities presented by those potential strategic opportunities, including reduced medical costs, a shift to lower-cost sites of health care services, improved quality of care, improved care management and synergies.

On July 14, 2017, members of management of each of Aetna and Party Y had a telephone conversation to discuss a potential strategic partnership or joint venture between the parties regarding retail health services.

On July 20, 2017, the Aetna board of directors held a regularly scheduled meeting, which was attended by Aetna s senior management. At the meeting, among other things, Aetna management reviewed with the board of directors Aetna s strategic plan and a potential new integrated health care operating model.

On August 7, 2017, representatives of Aetna management met with representatives of Party X management to continue their previous discussions regarding potential benefits of working more closely together, including a potential strategic partnership, business combination or other opportunities.

On September 7, 2017, members of management of each of Aetna and Party Y met, or joined via teleconference, to discuss a potential strategic partnership or joint venture between the parties regarding retail health services.

On September 19 and 20, 2017, the CVS Health board of directors held a regularly scheduled meeting. At the meeting, the board of directors and members of CVS Health s senior management reviewed and discussed potential value creation opportunities that would be made possible by the acquisition of a managed care company, including reduced medical costs, a shift to lower-cost sites of health care services, improved quality of care, improved care management and synergies. The board of directors and management focused more closely on Aetna and another managed care company. At the meeting, Mr. Merlo discussed the risks and challenges of each potential acquisition, Mr. Denton presented certain preliminary financial analyses prepared by Barclays, CVS Health s regular financial advisor, related to each potential acquisition, and Thomas M. Moriarty, Executive Vice President, Chief Policy and External Affairs Officer and General Counsel of CVS Health, discussed the regulatory environment and approvals associated with a potential acquisition. Following these discussions, the CVS Health board of directors authorized management to continue to explore a potential acquisition of Aetna.

On September 25, 2017, Mr. Bertolini and Mr. Guertin met with Mr. Merlo and Mr. Denton to discuss a potential strategic partnership, joint venture, business combination or other opportunity. At this meeting, Mr. Merlo and Mr. Denton discussed the potential challenges of a strategic partnership or joint venture and indicated a potential desire on the part of CVS Health to move forward with a potential business combination with Aetna, subject to the approval of the Aetna and CVS Health boards of directors.

On September 29, 2017, the Aetna board of directors held a regularly scheduled meeting, which was attended by Aetna s senior management. At the meeting, the board of directors received an update from management on discussions with CVS Health and reviewed the potential new integrated health care operating model previously discussed with the board of directors at their meeting on July 20, 2017.

Table of Contents

On October 10, 2017, the CVS Health board of directors held a telephonic special meeting that was attended by members of CVS Health s senior management. At the meeting, Mr. Merlo provided the board of directors with an update on management s discussions with Aetna and Mr. Denton presented certain preliminary financial analyses related to Aetna and an analysis of precedent transactions in the health care industry. Mr. Denton also informed the board of directors that CVS Health planned to engage Goldman Sachs as an additional financial advisor in connection with the potential acquisition of Aetna. Also at the meeting, Mr. Moriarty informed the board of directors that Shearman & Sterling LLP, which is referred to in this joint proxy statement/prospectus as Shearman, had been retained as outside legal counsel to CVS Health in connection with the potential acquisition of Aetna. Mr. Moriarty then reviewed with the board of directors their fiduciary duties in connection with a potential acquisition of Aetna, as well as a preliminary antitrust and regulatory analysis and an overview of the regulatory approval process. Mr. Denton then reviewed with the board of directors potential terms of the proposed transaction, including the per share acquisition price and allocation of cash and shares of CVS Health common stock to be paid in the proposed transaction. Following further discussion of these matters, the board of directors authorized management to extend to Aetna a nonbinding written proposal for the acquisition of Aetna and to enter into negotiations with Aetna regarding such acquisition proposal.

On October 11, 2017, Mr. Bertolini received a letter from Mr. Merlo containing a non-binding indication of interest from CVS Health to acquire all of the outstanding Aetna common shares for an aggregate purchase price of $195.00 per share consisting of approximately 55% in cash and 45% in shares of CVS Health common stock. The letter indicated that CVS Health would be open to discussing representation for Aetna s directors on the board of directors of the combined company consistent with comparable precedent transactions, and that CVS Health expected there to be a significant opportunity for Aetna management to be part of the combined company, given Aetna s industry expertise. Aetna s management arranged for CVS Health s letter to be distributed to the Aetna board of directors on October 12, 2017.

On October 13, 2017, Mr. Bertolini and the chief executive officer of Party X had a telephonic conversation in which the chief executive officer of Party X indicated that, while Party X remained interested in a strategic partnership or joint venture with Aetna, Party X was not in a position to make a proposal to acquire Aetna at such time.

Also on October 13, 2017, Mr. Bertolini and other members of management of Aetna held a videoconference with the chief executive officer and other members of management of Party Y to discuss certain publicly available business information regarding the companies and a potential strategic partnership or joint venture between the parties regarding retail health services.

On October 15, 2017, the Aetna board of directors held a telephonic special meeting, which was attended by Aetna s senior management and representatives of Lazard, Allen & Company and Davis Polk. The board of directors discussed with management and Aetna s advisors CVS Health s letter and the terms of its indication of interest, potential next steps and information that would be needed in advance of responding to CVS Health s letter. The board of directors reviewed with management its prior discussions regarding potential industry consolidation and potential risks and merits of partnering with a company with a large retail footprint, including the potential for improving the health of Aetna s members, generating meaningful medical cost savings and making Aetna s products more competitive. Representatives of Davis Polk advised the board of directors regarding its fiduciary duties in the context of exploring potential business combination transactions and CVS Health s non-binding indication of interest. After discussion, with input from management and Aetna s advisors, the Aetna board of directors directed management to obtain from CVS Health additional information regarding CVS Health s proposed operating model for the combined company and regarding regulatory considerations so that the board of directors could better understand and evaluate CVS Health s proposal. The board of directors directed Aetna management to review these matters with the board of directors at its next regularly scheduled meeting on October 27, 2017, and also to review Aetna s stand-alone plan with the board of directors at that meeting. Consistent with its past practice (including on the Humana transaction), the board of directors determined to engage lawyers affiliated with Simpson Thacher & Bartlett LLP, which is referred to in this joint proxy statement/prospectus as Simpson Thacher, as outside legal counsel to the non-management members of the board of directors in connection with CVS Health s proposal.

On October 17, 2017, Mr. Bertolini had a telephonic conversation with Mr. Merlo to inform him regarding the meeting of the Aetna board of directors and the board of directors request for additional information on the proposed operating model for the combined company and regulatory considerations relating to the proposed transaction. Mr. Guertin had a telephonic conversation with Mr. Denton regarding the same subjects.

On October 18, 2017, Aetna and Party Y entered into a mutual non-disclosure agreement. This non-disclosure agreement does not restrict Party Y from making a proposal to Aetna regarding a potential business combination transaction with Aetna.

On October 20, 2017, Mr. Moriarty and a representative of Dechert LLP, outside antitrust counsel to CVS Health, which is referred to in this joint proxy statement/prospectus as Dechert, met with Thomas J. Sabatino, Jr., Executive Vice President and General Counsel of Aetna, and representatives of Davis Polk to discuss regulatory approvals that would be required for the proposed transaction.

On October 24, 2017, Mr. Guertin had a telephonic conversation with Mr. Denton regarding CVS Health s indication of interest and potential next steps.

During trading hours on October 26, 2017, the Wall Street Journal reported that there had been discussions between Aetna and CVS Health regarding a potential acquisition of Aetna by CVS Health.

On October 27, 2017, the Aetna board of directors held a regularly scheduled meeting, which was attended by Aetna s senior management, representatives of Lazard, Allen & Company and Davis Polk and a representative of Simpson Thacher and Charles I. Cogut, a retired partner of Simpson Thacher, acting in his individual capacity (the representative of Simpson Thacher and Mr. Cogut being referred to in this joint proxy statement/prospectus collectively as representatives of Simpson Thacher). The board of directors discussed (without Mr. Bertolini or other members of Aetna s management, Lazard, Allen & Company or Davis Polk present) CVS Health s indication of interest and the terms of its proposal, and representatives of Simpson Thacher advised the board of directors regarding its fiduciary duties in the context of exploring potential business combination transactions. Members of Aetna s management, Lazard, Allen & Company and Davis Polk then joined the meeting, and the board of directors discussed a potential combination with CVS Health versus other potential partners and other strategic alternatives, including remaining a stand-alone company, and the potential transactions under discussion with Party X and Party Y, as well as the unlikelihood that either Party X or Party Y would be interested in a potential business combination transaction with Aetna at such time. The board of directors reviewed with management how the proposed transaction with CVS Health would be consistent with Aetna s strategy of building local, community-based health care access points and that, based on preliminary conversations with CVS Health, it appeared that a retail-enabled strategy could drive meaningful synergies for the combined company. The board of directors reviewed with management materials provided by CVS Health regarding the combined company, and reviewed financial forecasts prepared by Aetna management that reflected developments in the business since the board of directors review of Aetna s strategic plan at its July 20, 2017 meeting. Representatives of Lazard and Allen & Company discussed with the board of directors Lazard s and Allen & Company s respective preliminary financial analyses regarding each of Aetna and CVS Health on a stand-alone basis based on information provided by Aetna s management and publicly available information and the evolving health care landscape, including the growth of new business models in the health care sector. Representatives of Davis Polk provided the board of directors with their antitrust analysis for the potential transaction. Representatives of Davis Polk also summarized for the board of directors information provided by Lazard and Allen & Company regarding their respective material relationships with CVS Health, Party X and Party Y. After discussion, the board of directors directed Aetna s management to conduct a due diligence review of CVS Health, including with respect to certain litigation and regulatory matters, in order to evaluate whether to pursue the proposed transaction, and determined to hold another meeting to continue its discussion of the proposed transaction following completion of that review. The board of directors also determined to engage a separate financial advisor for the sole purpose of advising the non-management members of the board of directors in connection with the proposed transaction, and Aetna subsequently engaged Evercore Group L.L.C., which is referred to in this joint proxy statement/prospectus as Evercore, in such capacity, after Aetna s lead director received from Simpson Thacher a summary of information provided by Evercore regarding its material relationships with CVS Health, Party X and Party Y.

On October 29, 2017, at the requests of the respective managements of Aetna and CVS Health, representatives of Lazard and Allen & Company had a telephonic conversation with representatives of Barclays and Goldman Sachs during which they discussed the nature of the business and financial information needed by each party and its advisors in connection with a proposed transaction. Aetna s financial advisors, consistent with Aetna s instructions, communicated that Aetna was not yet authorized to negotiate transaction terms and instead was focused on completing its due diligence review of CVS Health so that Aetna and its board of directors could better understand and evaluate the proposed transaction.

During the weeks of October 30, 2017 and November 6, 2017, members of management of Aetna and CVS Health met for due diligence meetings, during which their respective advisors were present. During this period, in furtherance of CVS Health s due diligence review of Aetna as well as Aetna s due diligence review of CVS Health, the two parties held numerous in-person and telephonic due diligence sessions attended by employees from each company, covering a variety of financial, legal and operational matters. During this timeframe, each of Aetna and CVS Health also made available to the other party and its advisors an electronic dataroom containing certain non-public financial, legal and other information of such party.

On November 1, 2017, Shearman delivered an initial draft merger agreement for the proposed transaction to Davis Polk.

Also on November 1, 2017 and again on November 6, 2017, at the requests of the respective managements of Aetna and CVS Health, representatives of Lazard, Allen & Company and Evercore had in-person and telephonic discussions with representatives of Barclays and Goldman Sachs regarding a number of topics relating to the proposed transaction and the financial information that Aetna and CVS Health had exchanged.

On November 7 and 8, 2017, the CVS Health board of directors held a regularly scheduled meeting that was attended by members of CVS Health s senior management and representatives of Barclays and Goldman Sachs. At the meeting, the board of directors received an update from management on its discussions with Aetna and the due diligence review of Aetna. Representatives of each of Barclays and Goldman Sachs reviewed with the board of directors their respective preliminary financial analyses of the proposed transaction, including the financial impact of differing levels of cash and stock in the proposed consideration. The board of directors further reviewed and discussed with management the strategic rationale for the proposed transaction and its expected value creation opportunities as well as certain terms of the proposed transaction. Although no specific negotiations of price had yet occurred with Aetna s representatives, CVS Health s management discussed with the board of directors an increase in the cash component of the consideration to provide greater certainty to Aetna and its shareholders of the ultimate value of the consideration.

On November 10, 2017, members of management of each of Aetna and Party Y met to discuss a potential strategic partnership or joint venture between the parties regarding retail health services.

On November 11, 2017, representatives of Aetna and CVS Health and their respective advisors met for a diligence presentation by Aetna management. At this meeting, Mr. Denton conveyed CVS Health s revised proposal to increase the cash component of the proposed purchase price to approximately 70%, with the remaining 30% to be paid in shares of CVS Health common stock.

Table of Contents

On November 14, 2017, the Aetna board of directors held a special meeting, which was attended by representatives of Evercore and Simpson Thacher. At the meeting, the board of directors continued its discussion (without Mr. Bertolini or representatives of Evercore present) of CVS Health s indication of interest and the terms of its proposal, including in the context of Aetna s stand-alone strategic plan. Representatives of Simpson Thacher advised the board of directors regarding its fiduciary duties in the context of exploring potential business combination transactions. Mr. Bertolini then joined the meeting and provided the board of directors with an update on the process and status of Aetna s due diligence review of CVS Health. Mr. Bertolini briefed the board of directors on CVS Health s revised proposal, including the increase in the cash component of the proposed purchase price to approximately 70%, with the remaining 30% to be paid in shares of CVS Health common stock. Mr. Bertolini discussed with the board of directors Aetna s stand-alone strategic plan as well as management s views on the potential operating model and potential synergies of the combined company. The board of directors discussed the advantages and disadvantages of Aetna exploring strategic alternatives with CVS Health or other companies with retail pharmacy operations as opposed to continuing to operate as a stand-alone company. Representatives of Evercore discussed with the board of directors their views on certain potential longer term risks that could affect the combined company. After discussion, the board of directors directed management to prepare a more detailed analysis of strategic alternatives potentially available to Aetna on a stand-alone basis, including alternatives involving acquisitions and building Aetna s own clinics. The board of directors also directed management to continue Aetna s due diligence review of CVS Health. Management was authorized by the board of directors to commence negotiations on the terms and conditions of the merger agreement, and to indicate to CVS Health and its advisors that CVS Health s proposed purchase price would need to be increased meaningfully. The board of directors determined to hold another meeting to continue its discussion of the proposed transaction and Aetna s stand-alone strategic plan.

On November 15, 2017, at the requests of the respective managements of Aetna and CVS Health, representatives of Lazard and Allen & Company had a telephonic conversation with representatives of Barclays and Goldman Sachs. During that call, consistent with Aetna s instructions, representatives of Lazard and Allen & Company communicated that CVS Health needed to increase its proposed purchase price meaningfully and that Aetna was focused on certainty of closing as well as the potential operating model of the combined company. CVS Health s financial advisors requested a specific proposal on price, which Aetna s financial advisors declined to provide.

On November 17, 2017, Davis Polk delivered a revised draft of the merger agreement to Shearman. Between November 17, 2017 and the execution of the merger agreement on December 3, 2017, representatives of Aetna, CVS Health, Davis Polk and Shearman had multiple meetings and telephone calls to negotiate the terms of the merger agreement, including with respect to the representations and warranties, interim operating covenants of the parties, the regulatory commitments of CVS Health, closing conditions, fiduciary and termination provisions, including termination fees, and the structure of the transaction, and exchanged numerous drafts of the merger agreement reflecting such discussions.

On November 19, 2017, the CVS Health board of directors held a telephonic special meeting that was attended by members of CVS Health s senior management. At the meeting, the board of directors received an update on the principal open issues in the revised draft of the merger agreement received from Davis Polk on November 17, 2017. The board of directors also reviewed and discussed with management preliminary financial analyses prepared by representatives of Barclays and Goldman Sachs and discussed the proposed organization and operating model of the combined company following the proposed acquisition of Aetna.

On November 20, 2017, the Aetna board of directors held a telephonic special meeting, which was attended by Aetna s senior management and representatives of Lazard, Allen & Company, Davis Polk, Evercore and Simpson Thacher. At the meeting, management provided the board of directors with an update on discussions with CVS Health. The board of directors discussed with members of Aetna management Aetna s stand-alone strategic plan as well as Aetna management s financial forecasts for Aetna and certain pro forma financial information relating to Aetna and CVS Health as a combined company. The board of directors reviewed with management certain strategic alternatives to a transaction with CVS Health potentially available to Aetna, including building its own clinics, collaborating with one or more national retailers to develop clinics and acquiring a retail pharmacy operator, and the potential benefits, risks and challenges of each alternative. Representatives of Lazard and Allen & Company then discussed with the board of directors Lazard s and Allen & Company s respective preliminary financial analyses regarding the proposed transaction with CVS Health and the financial advisors also discussed potential strategic alternatives identified by Aetna s management for Aetna as a stand-alone company. Representatives of Evercore then discussed with the board of directors their preliminary analyses regarding these strategic alternatives, including the relative value creation opportunity for each alternative and the proposed transaction with CVS Health. The board of directors also discussed with management potential synergies in a combination of Aetna and CVS Health. The board of directors discussed the advantages and disadvantages of Aetna exploring a business combination with CVS Health as opposed to continuing to operate as a stand-alone company. The board of directors directed management to continue Aetna s due diligence review of CVS Health and negotiation of the merger agreement, and determined to continue its discussions at the next regularly scheduled board of directors meeting to be held on December 1, 2017.

On November 22, 2017, Mr. Bertolini and Mr. Merlo had an in-person meeting to discuss the proposed transaction, including the proposed operating model for the combined company and the management of the health care benefits business of the combined company.

On November 27, 2017, the CVS Health board of directors held a telephonic special meeting that was attended by members of CVS Health s senior management and representatives of each of Barclays, Goldman Sachs and Shearman. At the meeting, Mr. Moriarty reviewed with the board of directors their fiduciary duties in connection with the proposed transaction. The board of directors and management then reviewed and discussed, among other things, summaries of the legal, financial and operational due diligence review of Aetna, the efforts to arrange the bridge financing for the proposed transaction, including feedback from ratings agencies, the antitrust and regulatory analysis and approval process, and the merger agreement and principal provisions still being negotiated therein. Representatives of Barclays and Goldman Sachs then reviewed with the board of directors their respective preliminary financial analyses of the proposed transaction. Members of CVS Health s management then reviewed and discussed with the board of directors a proposal, which is referred to in this joint proxy statement/prospectus as CVS Health s revised proposal, to (i) increase the consideration to be offered to Aetna shareholders to $203.00 per Aetna common share, which would be paid approximately 70% in cash and 30% in shares of CVS Health common stock, with the stock portion of the consideration to be based on a fixed exchange ratio to be agreed before signing of the merger agreement, (ii) a termination fee of $1.7 billion payable by CVS Health in the event the transaction does not close because of the failure to obtain required regulatory approvals (which termination fee is referred to in this joint proxy statement/prospectus as the regulatory termination fee) and (iii) the addition of two Aetna directors, including Mr. Bertolini, to the CVS Health board of directors upon the closing of the transaction.

Later in the evening on November 27, 2017, Mr. Merlo sent a letter to Mr. Bertolini setting forth the terms of CVS Health s revised proposal.

On November 28, 2017, the Aetna board of directors held a telephonic special meeting, which was attended by Aetna s senior management and representatives of Simpson Thacher. At the meeting, management briefed the board of directors on the terms of CVS Health s revised proposal. Management updated the board of directors on the status of negotiations with CVS Health on the terms and conditions of the merger agreement, including the regulatory termination fee, and discussions with CVS Health regarding the potential strategy and operating model for the combined company. The board of directors then discussed (without members of Aetna s management present) CVS Health s revised proposal. At the conclusion of the meeting, management was authorized to seek a higher purchase price from CVS Health.

Also on November 28, 2017, at the requests of the respective managements of Aetna and CVS Health, representatives of Lazard, Allen & Company and Evercore held an in-person discussion with representatives of Barclays and Goldman Sachs to address a number of topics related to timing and next steps.

Also on November 28, 2017, representatives of Aetna management and Davis Polk met with representatives of CVS Health and Shearman to discuss and negotiate the remaining open terms of the merger agreement for the proposed transaction. During the course of these negotiations, representatives of Aetna proposed a regulatory termination fee of $2.5 billion.

On November 29, 2017, Mr. Denton met with Mr. Guertin, and Mr. Guertin made a revised proposal, which included (i) a purchase price of $207.00 per Aetna common share, which would be paid approximately 70% in cash and 30% in shares of CVS Health common stock, with the stock portion of the consideration to be based on a fixed exchange ratio to be agreed before signing of the merger agreement, (ii) the previously proposed regulatory termination fee of $2.5 billion, (iii) the addition of three Aetna directors, including Mr. Bertolini, to the CVS Health board of directors upon the closing of the transaction and (iv) certain agreements as to the maintenance of the Aetna brand and Aetna Foundation, Inc. for specified periods of time following the closing of the transaction.

Later in the day on November 29, 2017, Mr. Denton had a telephone conversation with Mr. Guertin, and Mr. Denton made a revised proposal of a regulatory termination fee of $2.1 billion, and informed Mr. Guertin that CVS Health would be willing to accept the other terms of the proposal made by Mr. Guertin earlier in the day. Mr. Guertin also discussed with Mr. Denton Aetna s general expectations on the exchange ratio. Later in the day, at the direction of CVS Health management, a representative of Barclays advised a representative of Lazard that CVS Health s proposed purchase price of $207.00 per Aetna common share consisted of $145.00 in cash and $62.00 in shares of CVS Health common stock.

On November 30, 2017, at the requests of the respective managements of Aetna and CVS Health, representatives of Lazard, Allen & Company and Evercore had a series of telephonic conversations with representatives of Barclays and Goldman Sachs regarding the price per share of CVS Health common stock on which CVS Health s most recent proposal was based and the resulting exchange ratio for the stock portion of the purchase price. Also on November 30, 2017, Mr. Guertin and Mr. Denton had several telephonic conversations to discuss the exchange ratio, which was ultimately agreed, subject to the approval of Aetna s and CVS Health s respective boards of directors, to be 0.8378 shares of CVS Health common stock per Aetna common share.

In the evening of November 30, 2017, the CVS Health board of directors held a telephonic special meeting that was attended by members of CVS Health s senior management and representatives of each of Barclays, Goldman Sachs and Shearman. At the meeting, Mr. Merlo provided an update on the discussions with Aetna concerning the proposed transaction, including Mr. Merlo s discussions with Mr. Bertolini. Next, Mr. Denton, Mr. Moriarty and representatives of Shearman reviewed and discussed with the board of directors an update on the proposed terms of the bridge financing being arranged for the acquisition, including the syndication thereof and fees payable in connection therewith to Barclays, Goldman Sachs and Bank of America, N.A. Mr. Moriarty and representatives of Shearman then summarized for the board of directors information provided by Barclays and Goldman Sachs regarding their (and their respective affiliates) respective material relationships with CVS Health and Aetna. The board of directors also instructed CVS Health s management to engage a third independent financial advisor to CVS Health to evaluate the fairness to CVS Health of the consideration to be paid in the merger. Mr. Moriarty then reviewed and discussed with the board of directors a summary of the results of the parties negotiations with respect to the merger agreement as well as the remaining outstanding issues being negotiated, including with respect to employee compensation and benefits matters. Mr. Moriarty then provided an updated review of the required regulatory approvals and related approval process. Finally, representatives of each of Barclays and Goldman Sachs reviewed with the board of directors their respective preliminary financial analyses of the proposed transaction.

Also in the evening of November 30, 2017, the Aetna board of directors held a special meeting, which was attended by representatives of Evercore and Simpson Thacher. Mr. Bertolini updated the board of directors on the status of negotiations with CVS Health of the terms of the proposed transaction, including with respect to price, the regulatory termination fee and CVS Health s agreement to the addition of three Aetna directors, including Mr. Bertolini, to the CVS Health board of directors upon the closing of the transaction. Representatives of Simpson Thacher advised the board of directors regarding its fiduciary duties in the context of exploring potential business combination transactions. Representatives of Evercore discussed with the board of directors their updated views on certain potential longer term risks that could affect the combined company. During the discussions of the board of directors at this meeting, Mr. Bertolini expressed his view that the proposed transaction with CVS Health was in the best interests of Aetna and its shareholders.

On December 1, 2017, CVS Health s management retained Centerview as an additional financial advisor to CVS Health to evaluate the fairness, from a financial point of view, to CVS Health of the consideration to be paid in the merger.

On December 1, 2017, the Aetna board of directors held a regularly scheduled meeting, which was attended by Aetna s senior management and representatives of Lazard, Allen & Company, Davis Polk, Evercore and Simpson Thacher. The board of directors discussed (without Mr. Bertolini or other members of Aetna s management, Lazard, Allen & Company, Davis Polk, Evercore or Simpson Thacher present) certain aspects of the proposed transaction with CVS Health and other matters. Aetna s management and representatives of Davis Polk and Simpson Thacher then joined the meeting, and the board of directors, management and their legal advisors discussed the key terms of the proposed transaction, including price and mix of consideration, the strategic and financial rationale of the proposed transaction, including synergy opportunities, the merits and considerations of potential strategic alternatives, including Aetna remaining a stand-alone company, and the impact of potential industry consolidation. Aetna management then reviewed with the board of directors the operational, financial and legal due diligence review of CVS Health conducted by Aetna, including with respect to certain litigation and regulatory matters. Representatives of Davis Polk provided the board of directors with a summary of the key terms of the merger agreement and updated their antitrust analysis for the potential transaction. The board of directors also reviewed certain proposed matters relating to communications and shareholder reaction in the event of the announcement of a potential transaction. Representatives of Lazard, Allen & Company and Evercore then joined the meeting, and representatives of Lazard and Allen & Company discussed with the board of directors Lazard s and Allen & Company s respective preliminary financial analyses. The board of directors directed management to continue to negotiate the terms of the potential transaction, and determined to hold another meeting to continue its discussion of the proposed transaction on December 3, 2017.

From December 1, 2017 through December 3, 2017, Davis Polk and Shearman held several telephonic discussions and continued to exchange drafts of the merger agreement and finalized the remaining terms of the merger agreement and related documents.

In the morning on December 3, 2017, the CVS Health board of directors held a telephonic special meeting that was attended by members of CVS Health s senior management and representatives of Centerview, Barclays, Goldman Sachs, Shearman and Dechert. At the meeting, members of CVS Health s senior management and representatives of Shearman reviewed and discussed with the board of directors the key terms of the merger agreement and the changes to such terms since the board of directors November 30, 2017 meeting. Next, members of management discussed with the board of directors CVS Health s and Aetna s limited contacts in the prior two years with Centerview, none of which had involved the payment of any fees to Centerview, following which the board of directors approved the engagement by CVS Health of Centerview as an additional financial advisor in connection with the proposed transaction. Representatives of Centerview then reviewed with the board of directors Centerview s financial analysis of the proposed transaction and rendered to the board of directors an oral opinion, which was subsequently confirmed by delivery of a written opinion dated December 3, 2017, that, as of such date and based upon and subject to various assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken in preparing its opinion, the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement was fair, from a financial point of view, to CVS Health. Representatives of each of Barclays and

Goldman Sachs then reviewed with the board of directors their respective financial analyses of the proposed transaction and rendered to the board of directors their respective oral opinions, which were subsequently confirmed by delivery of written

Table of Contents

opinions dated December 3, 2017, that as of such date and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the respective opinions, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health. Also at the meeting, the board of directors and management reviewed the final terms of the bridge financing that had been arranged for the acquisition. After discussion, including consideration of the factors described in the section CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus at this and prior meetings, the CVS Health board of directors unanimously (i) determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the stock issuance, are fair to and in the best interests of CVS Health and its stockholders, (ii) approved, adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger and the stock issuance, (iii) directed that the stock issuance be submitted to a vote at a meeting of CVS Health s stockholders and (iv) recommended the approval of the stock issuance by CVS Health s stockholders.

Later in the morning on December 3, 2017, the Aetna board of directors held a telephonic special meeting, which was attended by Aetna s senior management and representatives of Lazard, Allen & Company, Davis Polk, Evercore and Simpson Thacher. The board of directors, management and Aetna s advisors discussed the key terms of the merger agreement and the changes to such terms since the board of directors December 1, 2017 meeting. Also at this meeting, Lazard and Allen & Company reviewed with the Aetna board of directors their respective financial analyses of the merger consideration, and each separately rendered an oral opinion, confirmed by delivery by each of a written opinion dated December 3, 2017, to the Aetna board of directors to the effect that, as of that date and based on and subject to various assumptions, limitations and qualifications described in the opinion, the consideration to be paid to holders of Aetna common shares in the merger was fair, from a financial point of view, to such holders. After discussion, including consideration of the factors described in the section Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement beginning on page 101 of this joint proxy statement/prospectus at this and prior meetings, the Aetna board of directors unanimously (i) determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to and in the best interests of Aetna and its shareholders, (ii) approved, adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement (including the merger), (iii) directed that the merger agreement (including the merger) be submitted to a vote at a meeting of Aetna s shareholders and (iv) recommended the approval and adoption of the merger agreement (including the merger) by Aetna s shareholders.

That evening, following the Aetna and CVS Health board of directors meetings, Aetna and CVS Health entered into the merger agreement, and shortly thereafter issued a joint press release announcing the transaction.

Certain Relationships between CVS Health and Aetna

CVS Health, Aetna and their respective affiliates engage in transactions and enter into agreements with each other in the ordinary course of business, including certain agreements pursuant to which CVS Health or its subsidiaries provide pharmacy benefit management services to Aetna. Aetna is CVS Health s largest client. In 2016, Aetna accounted for approximately 11% of CVS Health s consolidated net revenues. Except as described in this joint proxy statement/prospectus, there are and have been no past, present or proposed material contracts, arrangements, understandings, relationships, negotiations or transactions during the current calendar year or the five immediately preceding calendar years, between CVS Health or its affiliates, on the one hand, and Aetna or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer for or other acquisition of securities, the election of directors, or the sale or other transfer of a material amount of assets.

Table of Contents

Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement

In evaluating the merger agreement and the merger, Aetna s board of directors consulted with Aetna s management and legal and financial advisors and, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger) and to recommend that Aetna s shareholders vote **FOR** the approval and adoption of the merger agreement (including the merger), Aetna s board of directors considered a variety of factors, including the following (which are not necessarily in order of relative importance):

Strategic Factors

Aetna believes that joining CVS Health and Aetna will improve the consumer health care experience by combining Aetna s health care benefits and services with CVS Health s 9,700 retail locations, 1,100 clinics and integrated pharmacy capabilities with the goal of becoming the new, trusted front door to health care in the U.S. The combination of Aetna s businesses with CVS Health s existing businesses is expected to result in a number of potential strategic benefits, including:

Enhanced consumer engagement. With nearly 70% of the U.S. population living within three miles of a CVS Health retail store, Aetna believes that its presence in CVS Health s retail locations will provide an opportunity to better understand Aetna s members health goals, guide them through the health care system and help them achieve their best health, and will provide a seamless connection for patients to their providers, to improve continuity of care. Aetna also believes its presence in retail locations will allow it to develop trusted relationships with consumers in their local communities, helping the combined company retain and grow membership, and, by doing so, enabling the combined company to improve patients access to convenient care, facilitating preemptive care, medication adherence, and early intervention.

Lower cost, higher quality care. Aetna believes that the combined company will be able to deliver care at lower cost to consumers and customers through CVS Health s in-store clinics, which are currently significantly less expensive than traditional health care delivery settings. In addition, Aetna believes the combined company will have the ability to complement the in-store clinics and traditional health care delivery systems through interventions when consumers, members and patients are not in the traditional delivery system, which will enhance access to care. The combination is also expected to align CVS Health s clinics and in-home services with Aetna s provider networks and care management expertise, which Aetna believes will allow the combined company to better address the social determinants that drive health care costs.

Integrated medical and pharmacy solutions. The integration of CVS Health s pharmacy and pharmacy benefit management services and Aetna s clinical data, analytics and care management capabilities is expected to improve medication adherence and care plan compliance while uncovering new ways to impact Aetna s members health. Aetna believes the combined solutions of CVS Health and Aetna can help offset the rising cost of prescription drugs.

Medicare leadership. The combination of Aetna s Medicare Advantage and Medicare Supplement assets with CVS Health s Medicare Part D excellence is expected to drive higher quality, lower costs and a better, more convenient experience for seniors.

Innovative Plan Designs. By combining CVS Health s care delivery capabilities with Aetna s traditional strengths in care management, Aetna believes that the combined company will be able to offer innovative plan designs, which will make it easier and cheaper for Aetna s members and plan sponsors to navigate the health care system.

Enhanced mobile capabilities. Combining Aetna s clinical data and digital assets with CVS Health s pharmacy data and mobile tools is expected to allow consumers to schedule appointments, manage medications, access their personal health data and communicate with health care professionals more

Table of Contents

conveniently and efficiently, which Aetna believes will improve health outcomes, including by helping consumers adhere to their care plans.

Increased operating efficiency. The merger is expected to create significant opportunities to increase the combined company s operating efficiency by simplifying processes and projected administrative and other cost synergies, which Aetna believes could be $2.4 billion per year by the fifth full year following completion of the merger, and which Aetna believes will further drive efficiencies and cost savings for consumers and customers.

Leadership and governance. CVS Health has stated that it plans for members of the Aetna management team to play significant roles in the combined company and for Aetna to operate as a stand-alone business unit within the combined company led by members of Aetna s current management team, and CVS Health has committed to maintain in accordance with the merger agreement the Aetna brand in the marketplace. Aetna believes these commitments will in each case help to build on Aetna s distinguished history and position the combined company for growth.

Medicaid. By utilizing CVS Health s pharmacy footprint and in-store clinics, Aetna believes that the combined company will be able to better serve the Medicaid population by improving their access to care at lower cost.

Other Factors

In addition to the strategic factors summarized above, Aetna s board of directors also considered the following factors in connection with its evaluation of the merger:

the respective businesses, operations, management, financial condition, earnings, market reputation, competitive pressures, regulatory constraints and prospects of Aetna and CVS Health;

the results of Aetna s due diligence investigation of CVS Health and the reputation, business practices and experience of CVS Health and its management;

the historical trading prices of shares of CVS Health common stock and Aetna common shares;

the review by Aetna s board of directors with the assistance of Aetna s management and legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement;

trends and competitive developments in the retail and health care industries (including the pharmacy industry), including potential new entrants into such industries;

the fact that CVS Health has obtained an executed debt commitment letter which provides for a bridge loan facility, the limited number and nature of the conditions to the debt financing and CVS Health s obligation under the merger agreement to use its reasonable best efforts to obtain the debt financing at completion of the merger;

the fact that Aetna s board of directors was unanimous in its determination to recommend the merger agreement for approval and adoption by Aetna s shareholders;

the risks and uncertainties regarding then-pending tax reform proposals in the United States, including the potential costs to each of Aetna and CVS Health, the potential benefits to Aetna on a stand-alone basis and the likelihood of any benefits being retained by Aetna in light of the competitive industries in which Aetna operates;

the fact that the merger agreement will be subject to the approval of Aetna s shareholders;

Price and Structure

the current and historical market prices for Aetna common shares, including the fact that the implied value of the merger consideration of $207.94 per share (as of December 1, 2017) represented an approximate premium of (i) 15% over the closing price per share of Aetna common shares on

December 1, 2017 (the last trading day prior to the announcement of the merger agreement), (ii) 30% over the closing price per share of Aetna common shares on October 25, 2017 (the last trading day prior to reports in the news media of rumors of a transaction involving Aetna), (iii) 32% over the volume-weighted average closing price per share of Aetna common shares over the 30 days ended October 25, 2017 and (iv) 62% over the closing price per share of Aetna common shares on February 15, 2017 (the trading day following the termination of Aetna s agreement to acquire Humana);

the fact that, because holders of outstanding Aetna common shares as of immediately prior to completion of the merger are expected to hold approximately [ ]% of the outstanding CVS Health common stock immediately after completion of the merger, Aetna shareholders are expected to have the opportunity to participate in the future performance of the combined company, including synergies;

the fact that approximately 70% of the merger consideration is payable in cash, which provides Aetna s shareholders with certainty of value upon completion of the merger;

the fact that because the exchange ratio under the merger agreement is fixed (and will not be adjusted for fluctuations in the market price of Aetna common shares or CVS Health common stock), Aetna shareholders have greater certainty as to the number of shares of CVS Health common stock to be received in the merger;

the fact that Aetna s board of directors had carefully considered, with the assistance of Aetna s management and legal and financial advisors, various potential strategic alternatives available to Aetna, including remaining an independent company or pursuing certain other alternative transactions, and had explored the possibility of potential strategic transactions with other companies (including Party X and Party Y), and the Aetna board of directors belief that the transaction with CVS Health presented a more favorable opportunity for Aetna s shareholders than the potential value that might result from other potential strategic alternatives available to Aetna;

the fact that Aetna s board of directors had carefully considered, with the assistance of Aetna s management and legal and financial advisors, the potential consequences for Aetna if CVS Health were to pursue certain strategic alternatives to the proposed transaction with Aetna, and the Aetna board of directors belief that Aetna s strategic alternatives may be more limited and less favorable in such circumstances;

the fact that, notwithstanding the publicity surrounding a potential transaction between Aetna and CVS Health over more than a month prior to December 3, 2017, Aetna had not received an acquisition proposal from any third party (other than CVS Health);

the view of Aetna s board of directors, after review by the board of directors with the assistance of Aetna s legal advisors of the potential regulatory considerations of the transaction, that CVS Health will successfully consummate the merger in a timely manner;

the terms of the debt commitment letter and the bridge loan facility thereunder, particularly in light of the then-current market for such commitments and facilities;

the fact that Aetna s management was assisted in negotiations by Aetna s legal and financial advisors and that Aetna s board of directors was provided directly and regularly with perspectives on the negotiations from Aetna s management and advisors;

the separate opinions, each dated December 3, 2017, of Lazard and Allen & Company to Aetna s board of directors as to the fairness, from a financial point of view and as of such date, of the consideration to be paid to holders of Aetna common shares in the merger, which opinions were based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, as more fully described in the section entitled Opinions of Aetna s Financial Advisors beginning on page 111 of this joint proxy statement/prospectus;

Table of Contents

Certain Terms of the Merger Agreement

the fact that CVS Health is required to take all actions necessary to obtain regulatory approvals for the transaction, including agreeing to divestitures if necessary, unless such actions would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or on Aetna, as more fully described in the section entitled Merger Agreement Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus;

the fact that, if the merger is not completed because CVS Health is unable to obtain certain regulatory approvals for the transaction, including the approval under the HSR Act or approval of state insurance and other regulators, CVS Health will be required to pay Aetna a termination fee of $2.1 billion;

the limited ability of CVS Health s board of directors to change its recommendation that CVS Health s stockholders approve the stock issuance, and the fact that CVS Health will be required to pay Aetna a termination fee of $2.1 billion if (i) Aetna terminates the merger agreement as a result of (a) an adverse change of CVS Health s board of directors recommendation that CVS Health s stockholders approve the stock issuance or (b) CVS Health s material breach of its no shop obligations or its obligation to call the CVS Health special meeting to approve the stock issuance, (ii) CVS Health terminates the merger agreement to enter into a definitive agreement providing for an acquisition of CVS Health that is superior to the merger or (iii) (a) either party terminates the merger agreement as a result of the failure of CVS Health s stockholders to approve the stock issuance, (b) a proposal for an acquisition of CVS Health was publicly announced and not withdrawn prior to the CVS Health special meeting and (c) CVS Health enters into or completes an alternative transaction within one year after such termination;

the absence of a financing condition, and CVS Health s representations, warranties and covenants related to obtaining the financing to complete the merger;

Aetna s ability, under certain circumstances, and subject to certain conditions, to furnish information to and to conduct negotiations with a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of Aetna that is reasonably likely to lead to a proposal that is superior to the merger;

the fact that Aetna s board of directors, subject to certain conditions, has the right to (i) change its recommendation of the transaction in response to a proposal to acquire Aetna that is superior to the merger or an intervening event with respect to Aetna or (ii) terminate the merger agreement to enter into a definitive agreement providing for an acquisition of Aetna that is superior to the merger, in each case, if Aetna s board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties to Aetna s shareholders;

Aetna s board of directors conclusion, after consultation with Aetna s advisors, that the deal protection provisions of the merger agreement were customary and reasonable for transactions of this type and should not preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal for Aetna following the announcement of a transaction with CVS Health;

the fact that the end date under the merger agreement of December 3, 2018 (which may be extended by either party to March 3, 2019 and by CVS Health to June 3, 2019 under certain circumstances) allows for sufficient time to complete the merger;

the fact that Aetna may seek specific performance of CVS Health s obligations under the merger agreement; and

the requirement under the merger agreement that (i) at completion of the merger, the CVS Health board of directors will be expanded by three directors to include Mr. Bertolini and two members of the board of directors of Aetna who are jointly designated by Aetna and CVS Health and who meet CVS Health s independence criteria prior to completion of the merger, (ii) for at least three years following

Table of Contents

completion of the merger, CVS Health will preserve Aetna Foundation, Inc. in a manner consistent in all material respects with the past practice of Aetna, including by maintaining its name and charitable mission, and (iii) for at least five years following completion of the merger, CVS Health will maintain Aetna as the primary brand for the insurance businesses of CVS Health and its subsidiaries.

Risks and Potentially Negative Factors

Aetna s board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger, including the following:

the fact that the exchange ratio with respect to the stock portion of the merger consideration is fixed, which could result in Aetna s shareholders being adversely affected by a decrease in the trading price of CVS Health common stock;

the risk that the merger may not be completed despite the parties efforts or that completion of the merger may be delayed, even if the requisite approvals are obtained from Aetna shareholders and CVS Health stockholders, including the possibility that conditions to the parties obligations to complete the merger may not be satisfied, and the potential resulting disruptions to Aetna s and CVS Health s respective businesses;

the fact that Aetna and CVS Health must obtain clearance under the HSR Act, as well as other approvals from state insurance and other regulators, in order to complete the merger, which approvals may not be obtained or may be subject to conditions that CVS Health is not required to comply with;

the challenges inherent in the combination of two companies, including the risk that integration of the two companies may take more time and be more costly than anticipated, the risk that the cost savings, synergies and other benefits expected to be obtained as a result of the merger might not be fully or timely realized, the risk that the combined company may not succeed in implementing a new retail health operating model or that consumers may not embrace the new model, the risk of front store retail sales revenue pressures from competitors, the risk of pharmacy revenue pressures from competitors, the risk of the loss of pharmacy benefit management revenues from other managed care companies and the risk of price/earnings multiple compression;

the amount of time it could take to complete the regulatory approval process and the merger, the potential for diversion of management focus for an extended period and employee attrition, the potential inability to hire new employees and the possible adverse effects of the announcement and pendency of the transaction on customers, providers, vendors, regulators and other business relationships, and the communities in which Aetna operates, in particular if the merger is not completed;

the restrictions under the terms of the merger agreement on the conduct of Aetna s business prior to completion of the merger, which could delay or prevent Aetna from undertaking material strategic opportunities that might arise pending completion of the merger to the detriment of Aetna s shareholders, in particular if the merger is not completed;

the risk that the financial performance of Aetna and CVS Health might not meet the expectations of their respective managements;

the limitations on Aetna s ability to solicit alternative proposals for an acquisition of Aetna;

the fact that CVS Health does not have to complete the merger if CVS Health and Aetna would be required to take actions to obtain regulatory approvals that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or on Aetna;

CVS Health s ability, under certain circumstances, and subject to certain conditions, to furnish information to and to conduct negotiations with a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of CVS Health that is reasonably likely to lead to a proposal that is superior to the merger;

the fact that CVS Health s board of directors, subject to certain conditions, has the right to (i) change its recommendation of the stock issuance in response to a proposal to acquire CVS Health that is superior to the merger or an intervening event with respect to CVS Health or (ii) terminate the merger agreement to enter into a definitive agreement providing for an acquisition of CVS Health that is superior to the merger, in each case, if CVS Health s board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties;

the fact that Aetna will be required to pay CVS Health a termination fee of $2.1 billion if the merger agreement is terminated under certain circumstances, including (i) a termination of the merger agreement by CVS Health as a result of a change of Aetna s board of directors recommendation or (ii) a termination of the merger agreement by Aetna to enter into a definitive agreement providing for an acquisition of Aetna that is superior to the merger;

the risk that the merger may not be completed, or that completion may be significantly delayed, for reasons beyond the control of Aetna, including the failure to satisfy certain conditions to closing, including (i) the failure of CVS Health s stockholders to approve the stock issuance and (ii) the failure to obtain the required regulatory approvals;

the fact that certain of Aetna s directors and executive officers may receive certain benefits that are different from, and in addition to, those of Aetna s other shareholders (see Interests of Aetna s Directors and Executive Officers in the Merger beginning on page 209 of this joint proxy statement/prospectus);

the risks and uncertainties inherent in CVS Health s business and operations and in the regulatory environment, including the health care regulatory environment;

the fact that the merger consideration will be taxable to Aetna s shareholders; and

the risks described in the section entitled Risk Factors beginning on page 62 of this joint proxy statement/prospectus.

The above discussion of the material factors considered by Aetna s board of directors in its consideration of the merger and the other transactions contemplated by the merger agreement is not intended to be exhaustive, but does set forth the principal factors considered by Aetna s board of directors. In light of the number and wide variety of factors considered in connection with the evaluation of the merger, and the complexity of these matters, Aetna s board of directors did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights or values to the specific factors it considered in reaching its final decision to approve the merger and the other transactions contemplated by the merger agreement. Aetna s board of directors viewed its decision as based on all of the information available to it and the factors presented to and considered by it, including its experience and history. In addition, individual directors may themselves have given different weight to different factors. The factors, potential risks and uncertainties contained in this explanation of Aetna s reasons for the merger and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 72 of this joint proxy statement/prospectus.

AETNA S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT AETNA SHAREHOLDERS VOTE FOR THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT.

CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance

In evaluating the merger agreement and the merger, CVS Health s board of directors consulted with CVS Health s management and legal and financial advisors and, in reaching its decision to approve the merger

Table of Contents

agreement and the transactions contemplated by the merger agreement, including the stock issuance, and to recommend that CVS Health s stockholders vote FOR the approval of the stock issuance, CVS Health s board of directors considered a variety of factors, including the following (which are not necessarily in order of relative importance):

Strategic Factors

CVS Health believes that the acquisition of Aetna will complement its competitive strategy, which is built on a diversified set of core and emerging businesses that enable it to better compete with more cost-effective products, pursue profitable growth across a range of opportunities and lead the transformation of the health care industry to a more consumer-focused marketplace. The acquisition of Aetna and the combination of Aetna s businesses with CVS Health s businesses is expected to result in a number of strategic benefits, including:

- creating a leading health care platform with an unmatched suite of services;
- providing high-touch connectivity to consumers as their primary health care resource in the community;
- improving quality of care through enhanced data integration and predictive analytics;
- lowering the cost of health care through an integrated model anchored by CVS Health s lower cost health care delivery settings and Aetna s provider networks and care management expertise;
- providing a higher quality, more convenient health care experience for seniors at a lower cost through the combined company s Medicare assets;
- producing highly diversified, strong and stable cash flows;
- providing potential synergies of $750 million in the second full year following closing and the potential for long-term opportunities for additional savings; and
- providing low- to mid-single digit accretion in the second full year following closing.

Other Factors

In addition to the strategic factors summarized above, CVS Health s board of directors also considered the following factors in connection with its evaluation of the merger:

the respective businesses, operations, management, financial condition, earnings, market reputation, competitive pressures, regulatory constraints and prospects of CVS Health and Aetna;

the results of CVS Health s due diligence investigation of Aetna and the reputation, business practices and experience of Aetna and its management;

the historical trading prices of shares of CVS Health common stock and Aetna common shares;

the review by CVS Health s board of directors, in consultation with its legal, financial and other advisors, of the structure of the merger and the financial and other terms of the merger agreement;

trends and competitive developments in the industries in which CVS Health and Aetna operate;

the fact that the stock issuance will be subject to the approval of CVS Health s stockholders;

the range of other strategic alternatives available to CVS Health and CVS Health s board of directors belief that the transaction with Aetna presented a more favorable opportunity for CVS Health s stockholders than the potential value that may result from other strategic alternatives available to CVS Health;

the fact that CVS Health s board of directors had carefully considered, after consulting with CVS Health s management and financial, legal and other advisors, the potential consequences for CVS

Health if Aetna were to pursue certain strategic alternatives to the proposed transaction with CVS Health, and the CVS Health board of directors belief that CVS Health s strategic alternatives may be more limited and less favorable in such circumstances;

Price and Structure

the fact that because the exchange ratio under the merger agreement is fixed (and will not be adjusted for fluctuations in the market price of shares of CVS Health common stock or Aetna common shares), CVS Health has greater certainty as to the number of shares of CVS Health common stock to be issued in the merger;

the respective financial analyses of Barclays and Goldman Sachs and the respective opinions of each of Barclays and Goldman Sachs, rendered orally on December 3, 2017 and subsequently confirmed in writing, to the CVS Health board of directors that, as of such date and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the respective opinions, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health. See Opinions of CVS Health s Financial Advisors Opinion of Barclays Capital Inc. beginning on page 128 of this joint proxy statement/prospectus and Opinions of CVS Health s Financial Advisors Opinion of Goldman Sachs & Co. LLC beginning on page 132 of this joint proxy statement/prospectus;

the analyses of Centerview and the opinion of Centerview rendered to the CVS Health board of directors on December 3, 2017, which was subsequently confirmed by delivery of a written opinion dated December 3, 2017, that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications limitations upon the review undertaken by Centerview in preparing its opinion, the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement was fair, from a financial point of view, to CVS Health. See Opinions of CVS Health s Financial Advisors Opinion of Centerview Partners LLC beginning on page 145 of this joint proxy statement/prospectus;

Certain Other Factors

the belief of the CVS Health board of directors, following consultation with CVS Health s management, and based in part upon the debt financing commitments that CVS Health obtained, that CVS Health will have the necessary financing to pay the aggregate cash portion of the merger consideration and that CVS Health, following the merger, will be able to repay, service or refinance any indebtedness that is expected to form the interim or permanent financing for the merger and, with respect to such indebtedness, to comply with applicable financial covenants, after its review and discussion of various factors, including (i) the terms of CVS Health s current indebtedness, (ii) the terms of Aetna s current indebtedness and (iii) the expected terms of the proposed interim and permanent financing for the merger (including covenants, fees and interest);

the belief of the CVS Health board of directors, following consultation with CVS Health s management, that the financing commitments it had obtained to finance the aggregate cash portion of the merger consideration were on attractive terms for CVS Health;

the belief of the CVS Health board of directors that CVS Health would maintain its investment grade credit rating after incurring the interim or permanent indebtedness necessary to finance the cash portion of the merger;

the experience of CVS Health s management in integrating acquired companies;

the expectation that members of Aetna s management team will play significant roles in the combined company;

Table of Contents

the fact that Larry J. Merlo, CVS Health s President and Chief Executive Officer, will continue to lead the combined company;

the requirement under the merger agreement that (i) for a period of at least five years following completion of the merger, CVS Health maintain Aetna as the primary brand for the insurance businesses of the combined company, (ii) for a period of at least three years following completion of the merger, CVS Health preserve Aetna Foundation, Inc. in a manner consistent in all material respects with past practice, including by maintaining its name and charitable mission, and (iii) at completion of the merger, the CVS Health board of directors will include three members of the board of directors of Aetna, including Mark T. Bertolini, Chairman and Chief Executive Officer of Aetna;

the fact that, while CVS Health is obligated to use its reasonable best efforts to complete the merger, CVS Health is not obligated to take any actions or agree to any terms, conditions or limitations as a condition to, or in connection with, obtaining any regulatory approvals required to complete the merger that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna;

CVS Health s ability, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written acquisition proposal;

the ability of CVS Health s board of directors, subject to certain conditions, to change its recommendation in favor of the stock issuance in response to a superior proposal or an intervening event other than a superior proposal, if CVS Health s board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties;

the ability of CVS Health s board of directors, subject to certain conditions, to terminate the merger agreement to enter into a definitive agreement providing for a superior proposal;

the limited ability of Aetna s board of directors to change its recommendation that Aetna shareholders approve and adopt the merger agreement;

the fact that Aetna is required to pay CVS Health a termination fee of $2.1 billion if the merger agreement is terminated under certain circumstances relating to an alternative acquisition proposal for Aetna; and

the fact that the end date under the merger agreement of December 3, 2018 (which may be extended by either party to March 3, 2019 and by CVS Health to June 3, 2019 under certain circumstances) allows for sufficient time to complete the merger.

CVS Health s board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger, including the following:

the risk that the merger may not be completed or may be delayed despite the parties efforts, including the possibility that conditions to the parties obligations to complete the merger may not be satisfied, and the potential resulting disruptions to CVS Health s and Aetna s businesses;

the potential length of the regulatory approval process and the period of time during which CVS Health may be subject to certain restrictions on the conduct of its businesses, which could prevent CVS Health from making certain acquisitions or divestitures or otherwise pursuing certain business opportunities;

the possibility that governmental authorities might seek to require certain actions of CVS Health or Aetna or impose certain terms, conditions or limitations on CVS Health s or Aetna s businesses in connection with granting approval of the merger or might otherwise seek to prevent or delay the merger;

the fact that CVS Health is required to pay Aetna a termination fee of $2.1 billion if the merger agreement is terminated under certain circumstances (i) due to the failure to obtain the required regulatory approvals for the merger or (ii) relating to an acquisition proposal for CVS Health;

the fact that CVS Health has incurred and will continue to incur significant transaction fees and expenses in connection with the merger, regardless of whether it is completed;

the challenges inherent in the combination of two businesses of the size, scope and complexity of CVS Health and Aetna, including the potential for unforeseen difficulties in integrating operations and systems and difficulties and costs of integrating or retaining employees;

the challenges for CVS Health in developing the operational expertise to efficiently run a national diversified health care benefits company;

the risk that the potential benefits of the merger may not be fully realized, including the possibility that expected synergies, cost savings and operating efficiencies expected to result from the merger may not be realized to the extent expected, or at all;

the risk of diverting CVS Health management focus and resources from other strategic opportunities and operational matters, and potential disruption of CVS Health management associated with the merger and integrating the companies;

Aetna s ability, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written acquisition proposal;

the ability of Aetna s board of directors, subject to certain conditions, to change its recommendation supporting the merger in response to a superior proposal or an intervening event other than a superior proposal, if Aetna s board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties;

the ability of Aetna s board of directors, subject to certain conditions, to terminate the merger agreement to enter into a definitive agreement providing for a superior proposal;

the absence of a financing condition in the merger agreement and Aetna s ability to specifically enforce CVS Health s obligations under the merger agreement whether or not CVS Health is able to maintain its committed financing for the acquisition;

the potential negative effects of the announcement and pendency of the merger on CVS Health s and Aetna s businesses, including stockholder and market reactions and relationships with employees, customers (including pharmacy benefits manager clients), patients, providers, vendors, regulators and the communities in which they operate, including the risk that certain key members of senior management of CVS Health or Aetna might not choose to remain with the combined company;

- the dilution of existing shares of CVS Health common stock associated with the stock issuance;

- the risk that the CVS Health stockholders do not approve the stock issuance proposal, which is a condition to completion of the merger;

- the risk of litigation related to the transaction;

- the risks and uncertainties regarding then-pending tax reform proposals in the United States, including the potential costs to each of Aetna and CVS Health, the potential benefits to CVS Health on a stand-alone basis and the likelihood of any benefits being retained by CVS Health in light of the competitive industries in which CVS Health operates;

- various other risks associated with the merger and the businesses of CVS Health, Aetna and the combined company described under Risk Factors, beginning on page 62 and the matters described under Cautionary Note Regarding Forward-Looking Statements beginning on page 72 of this joint proxy statement/prospectus.

During its consideration of the merger, CVS Health s board of directors was also aware that certain of Aetna s directors and executive officers may have interests in the merger that are different from or in addition to those of Aetna shareholders generally, as described in the section entitled Interests of Aetna s Directors and Executive Officers in the Merger beginning on page 209 of this joint proxy statement/prospectus.

The above discussion of the material factors considered by CVS Health s board of directors in its consideration of the merger and the other transactions contemplated by the merger agreement is not intended to be exhaustive, but does set forth the principal factors considered by CVS Health s board of directors. In light of the number and wide variety of factors considered in connection with the evaluation of the merger, CVS Health s board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its final decision. CVS Health s board of directors viewed its position as being based on all of the information available to it and the factors presented to and considered by it. However, some directors may themselves have given different weight to different factors. The factors, potential risks and uncertainties contained in this explanation of CVS Health s reasons for the merger and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 72 of this joint proxy statement/prospectus.

THE CVS HEALTH BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT

CVS HEALTH STOCKHOLDERS VOTE FOR THE STOCK ISSUANCE.

Opinions of Aetna s Financial Advisors

Opinion of Lazard Frères & Co. LLC

Aetna has engaged Lazard as a financial advisor in connection with the proposed merger. In connection with this engagement, Aetna requested that Lazard render an opinion to the Aetna board of directors as to the fairness, from a financial point of view, to the holders of Aetna common shares of the consideration to be paid to such holders in the merger. On December 3, 2017, at a meeting of the Aetna board of directors held to evaluate the merger, Lazard rendered an oral opinion, which was confirmed by delivery of a written opinion dated December 3, 2017, to the Aetna board of directors to the effect that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken described in such opinion, the consideration to be paid to holders of Aetna common shares in the merger was fair, from a financial point of view, to such holders.

The full text of Lazard s written opinion, dated December 3, 2017, which describes the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as Annex B and is incorporated by reference herein in its entirety. The description of Lazard s opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard s opinion. **Lazard s opinion was for the benefit of the Aetna board of directors (in its capacity as such) in connection with its evaluation of the merger and did not address any terms or other aspects (other than the merger consideration to the extent expressly specified in Lazard s opinion) of the merger. Lazard s opinion did not address the relative merits of the merger as compared to any other transaction or business strategy in which Aetna might engage or the merits of the underlying decision by Aetna to engage in the merger. Lazard s opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any matter relating thereto.**

In connection with its opinion, Lazard:

(i) reviewed the financial terms and conditions of a draft, dated December 2, 2017, of the merger agreement;

(ii) reviewed certain publicly available historical business and financial information relating to Aetna and CVS Health;

(iii) reviewed various financial forecasts and other data prepared by Aetna relating to the business of Aetna, financial forecasts and other data prepared by CVS Health and as extrapolated per Aetna relating to the business of CVS Health, and the projected synergies and other benefits, including the amount and timing thereof, anticipated by the respective managements of Aetna and CVS Health to be realized from the merger;

(iv) held discussions with members of the senior management of Aetna with respect to the businesses and prospects of Aetna and CVS Health, with members of the senior management of CVS Health with respect to the business and prospects of CVS Health, and with members of the senior managements of Aetna and CVS Health with respect to the projected synergies and other benefits, including the amount and timing thereof, anticipated by the respective managements to be realized from the merger;

(v) reviewed public information with respect to certain other companies in lines of business Lazard believed to be generally relevant in evaluating the businesses of Aetna and CVS Health, respectively;

(vi) reviewed the financial terms of certain business combinations involving companies in lines of business Lazard believed to be generally relevant in evaluating the business of Aetna;

(vii) reviewed historical stock prices of Aetna common shares and shares of CVS Health common stock;

(viii) reviewed the potential pro forma financial impact of the merger on CVS Health based on the financial forecasts referred to above relating to Aetna, CVS Health and the projected synergies and other benefits anticipated by the management of Aetna to be realized from the merger; and

(ix) conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. Lazard did not conduct any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Aetna or CVS Health or concerning the solvency or fair value of Aetna or CVS Health, and Lazard was not furnished with any such valuation or appraisal. Lazard is not an actuary and Lazard s services did not include any actuarial determination or evaluation by Lazard or any attempt to evaluate actuarial assumptions or allowances for losses, uncollectible accounts, claims or other matters and, accordingly, Lazard assumed, without independent analysis, the appropriateness of, and expressed no view or opinion as to, reserves. At Aetna s direction, for purposes of Lazard s analysis, Lazard utilized the projected synergies and other benefits anticipated to be realized from the merger that were prepared by Aetna. With respect to the financial forecasts utilized in Lazard s analyses, including those related to projected synergies and other benefits anticipated by the management of Aetna to be realized from the merger, Lazard assumed, with the consent of Aetna, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of Aetna and CVS Health, respectively, and such synergies and other benefits. In addition, Lazard assumed, with the consent of Aetna, that such financial forecasts and projected synergies and other benefits would be realized in the amounts and at the times contemplated thereby. Lazard assumed no responsibility for and expressed no view as to any such forecasts or the assumptions on which they were based.

Further, Lazard s opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of its opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of its opinion. Lazard did not express any opinion as to the prices at which Aetna common shares or shares of CVS Health common stock may trade at any time subsequent to the announcement of the merger. In connection with Lazard s engagement, Lazard was not authorized to, and it did not, solicit indications of interest from third parties regarding a potential transaction with Aetna.

In rendering its opinion, Lazard assumed, with the consent of Aetna, that the merger would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Representatives of Aetna advised Lazard, and Lazard assumed, that the merger agreement, when executed, would conform to the draft reviewed by Lazard in all material respects. Lazard also assumed, with the consent of Aetna, that obtaining the necessary governmental, regulatory or third party approvals and consents for the merger would not have an adverse effect on Aetna, CVS Health or the merger. Lazard did not express any opinion as to any tax or other consequences that might result from the merger, nor does Lazard s opinion address any legal, tax, regulatory, actuarial or accounting matters, including, without limitation, the potential impact of U.S. health care and tax laws, regulations and governmental and legislative policies on Aetna, CVS Health or the merger, as to which Lazard understood that Aetna obtained such advice as it deemed necessary from qualified professionals. Lazard expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified in Lazard s opinion) of the merger, including, without limitation, the form or structure of the merger or any agreements or arrangements entered into in connection with, or contemplated by, the merger. In addition, Lazard expressed no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the merger, or class of such persons, relative to the merger consideration or otherwise.

In connection with its opinion, Lazard performed a variety of financial and comparative analyses, including those described below. The summary of the analyses below and certain factors considered is not a comprehensive description of all analyses undertaken or factors considered by Lazard. The preparation of a financial opinion or analysis is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion and analyses are not readily susceptible to summary description. Lazard arrived at its opinion based on the results of all analyses undertaken and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Lazard believes that the analyses and factors summarized below must be considered as a whole and in context. Lazard further believes that selecting portions of the analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses and factors, could create a misleading or incomplete view of the processes underlying Lazard s analyses and opinion.

In performing its financial analyses, Lazard considered industry performance, general business and economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Aetna and CVS Health. No company, business or transaction reviewed is identical or directly comparable to Aetna, CVS Health or their respective businesses or the merger and an evaluation of these analyses is not entirely mathematical; rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading, acquisition or other values of the companies, businesses or transactions reviewed. The estimates of the future performance of Aetna and CVS Health in or underlying Lazard s analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by such analyses. These analyses were prepared solely as part of Lazard s analysis of the fairness, from a financial point of view, of the merger consideration and were provided to the Aetna board of directors in connection with the delivery of Lazard s opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the assumptions and estimates used in, and the ranges of valuations resulting from, any particular analysis described below are inherently subject to substantial uncertainty and should not be taken as the views of Lazard regarding the actual values of Aetna or CVS Health.

Lazard did not recommend that any specific consideration constituted the only appropriate consideration in the merger. The type and amount of consideration payable in the merger was determined through negotiations between Aetna and CVS Health, rather than by any financial advisor, and was approved by the Aetna board of directors. The decision to enter into the merger agreement was solely that of the Aetna board of directors and the CVS Health board of directors. Lazard s opinion and analyses were only one of many factors considered by the Aetna board of directors in its evaluation of the proposed merger and the merger consideration and should not be viewed as determinative of the views of the Aetna board of directors or management with respect to the merger or the consideration payable in the merger.

Table of Contents

Financial Analyses

The summary of the financial analyses described in this section entitled *Financial Analyses* is a summary of the material financial analyses provided by Lazard in connection with its opinion, dated December 3, 2017, to the Aetna board of directors. **The summary set forth below is not a comprehensive description of all analyses undertaken by Lazard in connection with its opinion, nor does the order of the analyses in the summary below indicate that any analysis was given greater weight than any other analysis. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by Lazard, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by Lazard. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Lazard. Future results may differ from those described and such differences may be material.**
For purposes of the financial analyses described below in this section of this joint proxy statement/prospectus, the term (i) implied per share merger consideration means approximately $207.94 per share, calculated as the (a) cash consideration of $145.00 per share and (b) implied value of the stock consideration of approximately $62.94 per share based on a 0.8378x per share exchange ratio and an illustrative reference closing price for shares of CVS Health common stock of $75.12 per share as of December 1, 2017, (ii) EBITDA means earnings before interest, income taxes, depreciation and amortization, excluding certain one-time non-recurring items, as applicable, and (iii) EPS means earnings per share, excluding certain one-time, non-recurring or non-cash items, as applicable. Financial data utilized for Aetna and CVS Health in the financial analyses described below, to the extent based on internal financial forecasts and estimates of management, were based on financial forecasts and other data prepared by Aetna relating to the business of Aetna and financial forecasts and other data prepared by CVS Health and as extrapolated per Aetna relating to the business of CVS Health, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna forecasts and the CVS Health forecasts, respectively. Financial data of Aetna, when utilizing Aetna s closing share price on December 1, 2017, were pro forma for Aetna s completed sale of its domestic group life insurance, group disability insurance and absence management businesses based on internal data provided by the management of Aetna. Implied per share equity value reference ranges of Aetna and CVS Health reflected in the summaries of the financial analyses described below were rounded to the nearest $1.

Aetna Financial Analyses

Discounted Cash Flow Analysis Perpetuity Growth Rate Methodology. Lazard performed a discounted cash flow analysis of Aetna by calculating, based on the Aetna forecasts, the estimated present value (as of December 31, 2017) of the stand-alone unlevered, after-tax free cash flows that Aetna was forecasted to generate during the fiscal year ending December 31, 2018 through the fiscal year ending December 31, 2022. For purposes of this analysis, stock-based compensation was treated as a cash expense. Lazard calculated a range of estimated terminal values for Aetna by applying a range of perpetuity growth rates of 2.0% to 3.0% to Aetna s stand-alone unlevered, after-tax free cash flows during the fiscal year ending December 31, 2022 (assuming, for purposes of the terminal year, growth in risk-based capital contributions commensurate with premium revenue growth), which range of perpetuity growth rates was selected based on Lazard s professional judgment and taking into account, among other things, the Aetna forecasts and trends in the overall economy generally and in the industries and sectors in which Aetna operates. The cash flows and range of terminal values were then discounted to present value (as of December 31, 2017) using a selected range of discount rates of 7.0% to 8.0% derived from a weighted average cost of capital calculation. This analysis indicated the following approximate implied per share equity value reference range for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Range	Implied Per Share Merger Consideration
\$152 \$233	\$207.94

114

[Table of Contents](#)

Discounted Cash Flow Analysis Exit Multiple Methodology. Lazard performed a discounted cash flow analysis of Aetna by calculating, based on the Aetna forecasts, the estimated present value (as of December 31, 2017) of the stand-alone unlevered, after-tax free cash flows that Aetna was forecasted to generate during the fiscal year ending December 31, 2018 through the fiscal year ending December 31, 2022. For purposes of this analysis, stock-based compensation was treated as a cash expense. Lazard calculated a range of estimated terminal values for Aetna by applying to Aetna s estimated EBITDA for the fiscal year ending December 31, 2022 a range of EBITDA multiples of 10.0x to 11.0x selected based on Lazard s professional judgment and taking into account, among other things, observed implied calendar year 2018 estimated EBITDA multiples for Aetna and the Aetna selected companies (as defined below under the heading *Selected Public Companies Analysis*) noting, in particular, the calendar year 2018 estimated EBITDA multiples derived for Anthem, Inc. and Cigna Corporation. The cash flows and range of terminal values were then discounted to present value (as of December 31, 2017) using a selected range of discount rates of 7.0% to 8.0% derived from a weighted average cost of capital calculation. This analysis indicated the following approximate implied per share equity value reference range for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Range	Implied Per Share Merger Consideration
$182 $208	$207.94

Selected Public Companies Analysis. Lazard reviewed publicly available financial and stock market information of Aetna and the following four selected large cap publicly traded managed care companies that, given business and financial characteristics, Lazard considered generally relevant for purposes of analysis, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna selected companies:

- Anthem, Inc.
- Cigna Corporation
- Humana Inc.
- UnitedHealth Group Incorporated

Lazard reviewed, among other information, closing stock prices as of, in the case of the Aetna selected companies, December 1, 2017 (the last trading day prior to the date of the merger agreement) and, in the case of Aetna, December 1, 2017 and October 25, 2017 (the last trading day prior to initial published reports regarding a potential acquisition of Aetna by CVS Health), as a multiple of calendar year 2018 estimated EPS. Lazard also reviewed enterprise values, calculated as fully diluted equity values based on closing stock prices as of, in the case of the Aetna selected companies, December 1, 2017 and, in the case of Aetna, December 1, 2017 and October 25, 2017, plus total debt, preferred stock and non-controlling interests (as applicable) and less unrestricted cash and cash equivalents and unconsolidated investments (as applicable), as a multiple of calendar year 2018 estimated EBITDA. Financial data of the Aetna selected companies were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information.

Lazard observed overall low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples for the Aetna selected companies based on closing stock prices on December 1, 2017 of 18.0x to 21.4x (with a mean and a median of 19.6x) and 10.2x to 12.7x (with a mean and a median of 11.4x), respectively, noting, in particular, the calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples derived for Anthem, Inc. of 18.0x and 11.9x, respectively, and the calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples derived for Cigna Corporation of 18.3x and 10.9x, respectively. Lazard also noted that, based on closing prices for Aetna common shares on December 1, 2017 and October 25, 2017 utilizing publicly available Wall Street research analysts estimates, the calendar year 2018 estimated EPS multiples observed for Aetna were 18.0x and 15.9x, respectively, and the calendar year 2018 estimated EBITDA multiples observed for Aetna were 10.7x and 9.8x, respectively.

Table of Contents

Lazard then applied selected ranges of calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples derived from the Aetna selected companies of 17.0x to 19.0x and 10.0x to 12.0x, respectively, to corresponding data of Aetna utilizing the Aetna forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Ranges Based on:		Implied Per Share Merger Consideration
Calendar Year 2018 Estimated EPS	Calendar Year 2018 Estimated EBITDA	
$170 $190	$163 $200	$207.94

Selected Precedent Transactions Analysis. Using publicly available information, Lazard reviewed financial information relating to the following seven selected transactions involving target managed care organizations that, given business and financial characteristics, Lazard considered generally relevant for purposes of analysis, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna selected transactions:

Announced	Acquiror	Target
September 2017	Centene Corporation	New York State Catholic Health Plan, Inc. D/B/A Fidelis Care New York
July 2015	Anthem, Inc.	Cigna Corporation
July 2015	Aetna Inc.	Humana Inc.
July 2015	Centene Corporation	Health Net, Inc.
August 2012	Aetna Inc.	Coventry Health Care Inc.
July 2012	WellPoint, Inc.	Amerigroup Corporation
October 2011	Cigna Corporation	HealthSpring, Inc.

Lazard reviewed, among other information, transaction values of the Aetna selected transactions, calculated as the enterprise values implied for the target companies based on the consideration paid or payable in the Aetna selected transactions, as a multiple, to the extent publicly available, of the target company s latest 12 months EBITDA as of the applicable announcement date of such transaction. Financial data for the Aetna selected transactions were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information.

Lazard observed overall low to high latest 12 months EBITDA multiples for the Aetna selected transactions of 8.0x to 16.2x (with a mean of 11.7x and a median of 12.6x and 25th and 75th percentile multiples of 9.2x and 12.6x, respectively) noting, in particular, the latest 12 months EBITDA multiples derived for the July 2015 Anthem, Inc./Cigna Corporation and the July 2015 Aetna Inc./Humana Inc. transactions of 12.5x and 12.6x, respectively. Lazard then applied a selected range of latest 12 months EBITDA multiples of 11.0x to 13.0x derived from the Aetna selected transactions to Aetna s calendar year 2017 estimated EBITDA utilizing the Aetna forecasts. This analysis indicated the following approximate implied per share equity value reference range for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value	Implied Per Share

Reference Range	Merger Consideration
$170 $205	$207.94

CVS Health Financial Analyses

Discounted Cash Flow Analysis. Lazard performed a discounted cash flow analysis of CVS Health by calculating, based on the CVS Health forecasts, the estimated present value (as of December 31, 2017) of the

116

stand-alone unlevered, after-tax free cash flows that CVS Health was forecasted to generate during the fiscal year ending December 31, 2018 through the fiscal year ending December 31, 2022. For purposes of this analysis, stock-based compensation was treated as a cash expense. Lazard calculated a range of estimated terminal values for CVS Health by applying to CVS Health s estimated EBITDA for the fiscal year ending December 31, 2022 a range of EBITDA multiples of 9.0x to 10.0x selected based on Lazard s professional judgment and taking into account, among other things, observed implied calendar year 2018 estimated EBITDA multiples for the CVS Health selected companies (as defined below under the heading *Selected Public Companies Analysis*) and CVS Health. The cash flows and range of terminal values were then discounted to present value (as of December 31, 2017) using a selected range of discount rates of 6.0% to 7.0% derived from a weighted average cost of capital calculation. This analysis indicated the following approximate implied per share equity value reference range for CVS Health, as compared to the per share closing price of CVS Health common stock on December 1, 2017:

Implied Per Share Equity Value Reference Range	Per Share Closing Price of CVS Health Common Stock on December 1, 2017
$105 $122	$75.12

Selected Public Companies Analysis. Lazard reviewed publicly available financial and stock market information of CVS Health and the following seven selected publicly traded drug store companies, pharmacy benefit management services companies and mass merchant companies that, given certain business and financial characteristics, Lazard considered generally relevant for purposes of analysis, consisting of two selected publicly traded drug store companies, which are referred to for purposes of this section of this joint proxy statement/prospectus as the selected drug store companies; one pharmacy benefit management services company, which is referred to for purposes of this section of this joint proxy statement/prospectus as the selected PBM company; and four mass merchant companies, which are referred to for purposes of this section of this joint proxy statement/prospectus as the selected mass merchant companies and, together with the selected drug store companies and the selected PBM company, as the CVS Health selected companies:

Selected Drug Store Companies	Selected PBM Company	Selected Mass Merchant Companies
Rite Aid Corporation	Express Scripts Holding Company	Costco Wholesale Corporation
Walgreens Boots Alliance, Inc.		The Kroger Co.
		Target Corporation
		Wal-Mart Stores, Inc.

Lazard reviewed, among other information, closing stock prices as of December 1, 2017 as a multiple, to the extent meaningful, of calendar year 2018 estimated EPS. Lazard also reviewed enterprise values, calculated as fully diluted equity values based on closing stock prices on December 1, 2017, plus total debt, preferred stock and non-controlling interests (as applicable) and less cash and cash equivalents and unconsolidated investments (as applicable), as a multiple of calendar year 2018 estimated EBITDA. Financial data of the CVS Health selected companies (pro forma for certain recent acquisitions or divestitures or the loss of certain commercial arrangements, as applicable) were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information and calendarized to a December 31 year-end when necessary. Financial data of CVS Health were pro forma for CVS Health s announced divestiture of RxCrossroads based on publicly available information.

Table of Contents

The overall low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples observed for the CVS Health selected companies were 8.5x to 28.1x and 6.5x to 13.9x, with overall low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples observed for the CVS Health selected companies as follows:

- selected drug store companies: low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples of not meaningful (less than zero) to 12.5x and 6.8x to 8.4x, respectively;

- selected PBM company: calendar year 2018 estimated EPS multiples utilizing publicly available Wall Street research analysts estimates both before and after taking into account the loss of a major commercial arrangement of 8.5x and 12.1x, respectively, and calendar year 2018 estimated EBITDA multiples utilizing publicly available Wall Street research analysts estimates both before and after taking into account the loss of such commercial arrangement of 6.5x and 9.0x, respectively; and

- selected mass merchant companies: low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples of 13.0x to 28.1x and 6.5x to 13.9x, respectively.

Lazard noted that the calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples observed for CVS Health, utilizing publicly available Wall Street research analysts estimates and based on CVS Health s closing stock price on December 1, 2017, were 11.8x and 7.7x, respectively.

Lazard then applied selected ranges of calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples derived from the CVS Health selected companies of 11.0x to 14.0x and 8.0x to 9.0x, respectively, to corresponding data of CVS Health utilizing the CVS Health forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for CVS Health, as compared to the per share closing price of CVS Health common stock on December 1, 2017:

Implied Per Share Equity Value Reference Ranges Based on: Calendar Year 2018 Estimated EPS	Calendar Year 2018 Estimated EBITDA	Per Share Closing Price of CVS Health Common Stock on December 1, 2017
$70 $89	$80 $92	$75.12

Certain Additional Information

Lazard observed certain additional information that was not considered part of its financial analyses for its opinion but was noted for informational reference, including the following:

undiscounted price targets for Aetna common shares and shares of CVS Health common stock as reflected in selected publicly available Wall Street research analysts reports prior to October 25, 2017 (in the case of Aetna) and prior to December 1, 2017 (in the case of CVS Health), which indicated an overall low to high target share price range of $150 to $185 per share for Aetna common shares and an overall low to high target stock price range of $73 to $97 per share for CVS Health common stock; and

historical trading prices of Aetna common shares and shares of CVS Health common stock during the 52-week period ended October 25, 2017 (in the case of Aetna) and during the 52-week period ended December 1, 2017 (in the case of CVS Health), which indicated during the relevant periods low and high closing prices for Aetna common shares of approximately $105 and $163 per share, respectively, and low and high closing prices for shares of CVS Health common stock of approximately $67 and $84, respectively.

Miscellaneous

Aetna selected Lazard as a financial advisor in connection with the merger based on, among other things, Lazard s reputation, experience and familiarity with Aetna and the industries in which Aetna and CVS Health

Table of Contents

operate. Lazard, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, private placements and related financings, bankruptcy reorganizations and similar recapitalizations, negotiated underwritings, secondary distributions of listed and unlisted securities, and valuations for corporate and other purposes. In the ordinary course, Lazard and its affiliates and employees may trade securities of Aetna, CVS Health and certain of their respective affiliates for their own accounts and for the accounts of their customers, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of Aetna, CVS Health and certain of their respective affiliates. The issuance of Lazard s opinion was approved by the Opinion Committee of Lazard.

For Lazard s financial advisory services, Aetna has agreed to pay Lazard an aggregate fee of $50 million, of which $5 million was payable upon delivery of Lazard s opinion and $45 million is contingent upon completion of the merger. Aetna also has agreed subject to certain limitations to reimburse Lazard s reasonable expenses and to indemnify Lazard and related parties against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Lazard in the past provided certain investment banking services to Aetna and/or certain of its affiliates unrelated to the merger, for which Lazard received compensation, including, during the two-year period prior to the date of its opinion, having acted as a financial advisor to Aetna in connection with its potential acquisition of Humana (which acquisition was not consummated), for which Lazard received from Aetna a fee of $5 million upon delivery of its opinion to the Aetna board of directors in connection with such transaction. The financial advisory business of Lazard and its affiliates did not provide services to CVS Health for which fees were received during the two-year period prior to December 3, 2017.

Opinion of Allen & Company LLC

Aetna also has engaged Allen & Company as a financial advisor in connection with the proposed merger. In connection with this engagement, Aetna requested that Allen & Company render an opinion to the Aetna board of directors as to the fairness, from a financial point of view, to the holders of Aetna common shares of the consideration to be received by such holders pursuant to the merger agreement. On December 3, 2017, at a meeting of the Aetna board of directors held to evaluate the merger, Allen & Company rendered an oral opinion, which was confirmed by delivery of a written opinion dated December 3, 2017, to the Aetna board of directors to the effect that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken described in such opinion, the consideration to be received by holders of Aetna common shares pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of Allen & Company s written opinion, dated December 3, 2017, which describes the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as Annex C and is incorporated by reference herein in its entirety. The description of Allen & Company s opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Allen & Company s opinion. **Allen & Company s opinion was intended for the benefit and use of the Aetna board of directors (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view and did not address any other terms, aspects or implications of the merger. Allen & Company s opinion did not constitute a recommendation as to the course of action that Aetna (or the Aetna board of directors) should pursue in connection with the merger or otherwise address the merits of the underlying decision by Aetna to engage in the merger, including in comparison to other strategies or transactions that might be available to Aetna or which Aetna might engage in or consider. Allen & Company s opinion does not constitute advice or a recommendation to any shareholder as to how such shareholder should vote or act on any matter relating to the merger or otherwise.**

Allen & Company s opinion reflected and gave effect to Allen & Company s general familiarity with Aetna and CVS Health as well as information that Allen & Company received during the course of its assignment, including information provided by the managements of Aetna and CVS Health in the course of discussions relating to the merger as more fully described below. In arriving at its opinion, Allen & Company neither conducted a physical inspection of the properties or facilities of Aetna, CVS Health or any other entity nor made or obtained any evaluations or appraisals of the assets or liabilities (contingent, accrued, derivative, off-balance sheet or otherwise) of Aetna, CVS Health or any other entity, or conducted any analysis concerning the solvency or fair value of Aetna, CVS Health or any other entity. Allen & Company is not an actuary and its services did not include any actuarial determination or evaluation by Allen & Company or any attempt to evaluate actuarial assumptions or allowances for losses, uncollectible accounts, claims or other matters and, accordingly, Allen & Company assumed, without independent analysis, the appropriateness of, and expressed no opinion or view as to, reserves.

In arriving at its opinion, Allen & Company, among other things:

(i) reviewed the financial terms and conditions of the merger as reflected in a draft, dated December 2, 2017, of the merger agreement;

(ii) reviewed certain publicly available historical business and financial information relating to Aetna and CVS Health, including public filings of Aetna and CVS Health and historical market prices for Aetna common shares and shares of CVS Health common stock;

(iii) reviewed certain financial information relating to Aetna provided to or discussed with Allen & Company by the management of Aetna, including certain internal financial forecasts, estimates and other financial and operating data relating to Aetna prepared by the management of Aetna, which forecasts are referred to in this section of this joint proxy statement/prospectus as the Aetna forecasts;

(iv) reviewed certain financial information relating to CVS Health provided to or discussed with Allen & Company by the managements of CVS Health and Aetna, including certain internal financial forecasts, estimates and other financial and operating data relating to CVS Health prepared by the management of CVS Health and as extrapolated per the management of Aetna, which forecasts, as extrapolated, are referred to in this section of this joint proxy statement/prospectus as the CVS Health forecasts;

(v) held discussions with the managements of Aetna and CVS Health relating to the past and current operations, financial condition and prospects of Aetna and CVS Health;

(vi) discussed with the managements of Aetna and CVS Health the strategic rationale for the merger and the potential synergies expected by such managements to result from the merger, including the timing and amount of, costs to achieve, and capital expenditures associated with, such synergies, which are, collectively, referred to in this section of this joint proxy statement/prospectus as the synergies, and certain potential pro forma financial effects of the merger;

(vii)

reviewed and analyzed certain publicly available information, including certain stock market data and financial information, relating to selected companies with businesses that Allen & Company deemed generally relevant in evaluating Aetna and CVS Health;

(viii) reviewed and analyzed certain publicly available financial information relating to selected transactions that Allen & Company deemed generally relevant in evaluating the merger; and

(ix) conducted such other financial analyses and investigations as Allen & Company deemed necessary or appropriate for purposes of its opinion.

In rendering its opinion, Allen & Company relied upon and assumed, with Aetna s consent and without independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting, actuarial and other information available to Allen & Company from public sources, provided to or discussed with Allen & Company by the managements and/or other representatives of Aetna and CVS Health or otherwise reviewed by Allen & Company. With respect to the Aetna forecasts and the synergies that Allen & Company was directed to utilize for purposes of its analyses, Allen & Company was advised by the management of Aetna, and Allen & Company assumed, at the direction of Aetna, that such financial forecasts, estimates and other financial and operating data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to, and were a reasonable basis upon which to evaluate, the future financial and operating performance of Aetna, such synergies and the other matters covered thereby. With respect to the CVS Health forecasts (including, without limitation, extrapolations therefrom) that Allen & Company was directed to utilize for purposes of its analyses, Allen & Company was advised by the managements of CVS Health and Aetna, as the case may be, and Allen & Company assumed, at the direction of Aetna, that such financial forecasts, estimates and other financial and operating data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the respective managements of CVS Health and Aetna as to, and were a reasonable basis upon which to evaluate, the future financial and operating performance of CVS Health and the other matters covered thereby. Allen & Company also assumed, with the consent of Aetna, that the financial results, including, without limitation, the synergies expected by the management of Aetna to result from the merger, reflected in the financial forecasts, estimates and other financial and operating data utilized in its analyses would be realized in the amounts and at the times projected. Allen & Company expressed no opinion or view as to any financial forecasts, estimates or other financial or operating data or the assumptions on which they were based.

Allen & Company relied, at the direction of Aetna, upon the assessments of the managements of Aetna and CVS Health, as the case may be, as to, among other things, (i) the potential impact on Aetna and CVS Health of certain market, cyclical, competitive and other trends and developments in and prospects for, and governmental, regulatory and legislative policies and matters relating to or otherwise affecting, the health care industry and health care benefits sector thereof and the retail, pharmacy and pharmacy services industries, including, without limitation, laws and regulations relating to government subsidized health care programs, capital requirements and reimbursement, (ii) existing and future contracts, agreements and arrangements relating to, and the ability to attract, retain and/or replace, key commercial relationships of, Aetna and CVS Health, and (iii) the ability of CVS Health to integrate the operations of Aetna and CVS Health. Allen & Company assumed, with the consent of Aetna, that there would be no developments with respect to any such matters that would have an adverse effect on Aetna, CVS Health or the merger (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to its analyses or opinion.

Further, Allen & Company s opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Allen & Company as of, the date of its opinion. It should be understood that subsequent developments may affect the conclusion expressed in Allen & Company s opinion and that Allen & Company assumed no responsibility for advising any person of any change in any matter affecting Allen & Company s opinion or for updating or revising its opinion based on circumstances or events occurring after the date of its opinion. As the Aetna board of directors was aware, the credit, financial and stock markets, and the industries in which Aetna and CVS Health operate, have experienced and continue to experience volatility and Allen & Company expressed no opinion or view as to any potential effects of such volatility on Aetna or CVS Health (or their respective businesses) or the merger (including the contemplated benefits thereof).

In connection with Allen & Company s engagement, Allen & Company was not requested to, and it did not, solicit third-party indications of interest with respect to the acquisition of all or a portion of Aetna. Allen & Company did not express any opinion as to the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation or other consideration payable to any officers, directors or employees of any party to the merger or any related entities, or any class of such persons or any other party, relative to the merger consideration or otherwise. Allen & Company expressed no opinion as to the actual value of shares of CVS Health common stock when issued in connection with the merger or the prices at which Aetna common shares or shares of CVS Health common stock (or any other securities) may trade or otherwise be transferable at any time. In addition, Allen & Company expressed no opinion or view as to any tax or other consequences that might result from the merger or otherwise, including, without limitation, the potential impact of changes in U.S. health care

Table of Contents

and tax laws, regulations and governmental and legislative policies on Aetna, CVS Health or the merger (or the contemplated benefits thereof), nor did Allen & Company express any opinion or view as to, and Allen & Company relied, at the direction of Aetna, upon the assessments of representatives of Aetna regarding, legal, regulatory, accounting, tax and actuarial matters relating to Aetna, CVS Health and the merger, as to which Allen & Company understood that Aetna obtained such advice as it deemed necessary from qualified professionals.

Allen & Company assumed, with the consent of Aetna, that the merger would be consummated in accordance with its terms and in compliance with all applicable laws, documents and other requirements, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary governmental, regulatory or third party approvals, consents, releases, waivers, decrees and agreements for the merger, no delay, limitation, restriction or condition, including any divestiture or other requirements or remedies, amendments or modifications, would be imposed or occur that would have an adverse effect on Aetna, CVS Health or the merger (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to its analyses or opinion. Allen & Company further assumed, with the consent of Aetna, that the final executed merger agreement would not differ from the draft reviewed by Allen & Company in any respect meaningful to Allen & Company s analyses or opinion.

Allen & Company s opinion was limited to the fairness, from a financial point of view and as of its date, of the merger consideration to be received by holders of Aetna common shares pursuant to the merger agreement, without regard to individual circumstances of holders of Aetna common shares that may distinguish such holders or the securities of Aetna held by such holders, and Allen & Company expressed no opinion or view with respect to any consideration received in connection with the merger by the holders of any other securities, creditors or other constituencies of any party. Allen & Company s opinion did not address any other terms, aspects or implications of the merger, including, without limitation, the form or structure of the merger or any terms, aspects or implications of any governance or other arrangements, agreements or understandings entered into in connection with, related to or contemplated by the merger or otherwise.

In connection with its opinion, Allen & Company performed a variety of financial and comparative analyses, including those described below. The summary of the analyses below and certain factors considered is not a comprehensive description of all analyses undertaken or factors considered by Allen & Company. The preparation of a financial opinion or analysis is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion and analyses are not readily susceptible to summary description. Allen & Company arrived at its opinion based on the results of all analyses undertaken and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Allen & Company believes that the analyses and factors summarized below must be considered as a whole and in context. Allen & Company further believes that selecting portions of the analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses and factors, could create a misleading or incomplete view of the processes underlying Allen & Company s analyses and opinion.

In performing its financial analyses, Allen & Company considered industry performance, general business and economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Aetna and CVS Health. No company, business or transaction reviewed is identical or directly comparable to Aetna, CVS Health or their respective businesses or the merger and an evaluation of these analyses is not entirely mathematical; rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading, acquisition or other values of the companies, businesses or transactions reviewed. The estimates of the future performance of Aetna and CVS Health in or underlying Allen & Company s analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by such analyses. These analyses were prepared solely as part of Allen &

Table of Contents

Company s analysis of the fairness, from a financial point of view, of the merger consideration and were provided to the Aetna board of directors in connection with the delivery of Allen & Company s opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the assumptions and estimates used in, and the ranges of valuations resulting from, any particular analysis described below are inherently subject to substantial uncertainty and should not be taken as the views of Allen & Company regarding the actual values of Aetna or CVS Health.

Allen & Company did not recommend that any specific consideration constituted the only appropriate consideration in the merger. The type and amount of consideration payable in the merger was determined through negotiations between Aetna and CVS Health, rather than by any financial advisor, and was approved by the Aetna board of directors. The decision to enter into the merger agreement was solely that of the Aetna board of directors and the CVS Health board of directors. Allen & Company s opinion and analyses were only one of many factors considered by the Aetna board of directors in its evaluation of the proposed merger and the merger consideration and should not be viewed as determinative of the views of the Aetna board of directors or management with respect to the merger or the consideration payable in the merger.

Financial Analyses

The summary of the financial analyses described in this section entitled *Financial Analyses* is a summary of the material financial analyses provided by Allen & Company in connection with its opinion, dated December 3, 2017, to the Aetna board of directors. **The summary set forth below is not a comprehensive description of all analyses undertaken by Allen & Company in connection with its opinion, nor does the order of the analyses in the summary below indicate that any analysis was given greater weight than any other analysis. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by Allen & Company, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by Allen & Company. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Allen & Company. Future results may differ from those described and such differences may be material.** For purposes of the financial analyses described below in this section of this joint proxy statement/prospectus, the term (i) implied per share merger consideration means approximately $207.94 per share, calculated as the (a) cash consideration of $145.00 per share and (b) implied value of the stock consideration of approximately $62.94 per share based on a 0.8378x per share exchange ratio and an illustrative reference closing price for CVS Health common stock of $75.12 per share as of December 1, 2017, (ii) EBITDA means earnings before interest, income taxes, depreciation and amortization, excluding certain one-time non-recurring items, as applicable, and (iii) EPS means earnings per share, excluding certain one-time, non-recurring or non-cash items, as applicable. Financial data of Aetna, when utilizing Aetna s closing share price on December 1, 2017, were pro forma for Aetna s completed sale of its domestic group life insurance, group disability insurance and absence management businesses based on internal data provided by the management of Aetna.

Aetna Financial Analyses

Discounted Cash Flow Analysis. Allen & Company performed a discounted cash flow analysis of Aetna by calculating, based on the Aetna forecasts, the estimated present value (as of December 1, 2017) of the stand-alone unlevered, after-tax free cash flows that Aetna was forecasted to generate during the month ending December 31, 2017 through the full fiscal year ending December 31, 2022. For purposes of this analysis, stock-based compensation was treated as a cash expense. Allen & Company calculated a range of estimated terminal values for Aetna by applying a range of perpetuity growth rates of 2.0% to 3.0% to Aetna s stand-alone unlevered, after-tax free cash flows during the fiscal year ending December 31, 2022 (assuming, for purposes of the terminal year, growth in risk-based capital contributions commensurate with premium revenue growth),

Table of Contents

which range of perpetuity growth rates was selected based on Allen & Company s professional judgment and taking into account, among other things, the Aetna forecasts and trends in the overall economy generally and in the industries and sectors in which Aetna operates. The cash flows and range of terminal values were then discounted to present value (as of December 1, 2017) using a selected range of discount rates of 7.0% to 8.5% derived from a weighted average cost of capital calculation. This analysis indicated the following approximate implied per share equity value reference range for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Range	Implied Per Share Merger Consideration
$137 $231	$207.94

Selected Public Companies Analysis. Allen & Company reviewed publicly available financial and stock market information of Aetna and the following four selected large cap publicly traded managed care companies that, given business and financial characteristics, Allen & Company considered generally relevant for purposes of analysis, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna selected companies:

Anthem, Inc.

Cigna Corporation

Humana Inc.

UnitedHealth Group Incorporated

Allen & Company reviewed, among other information, closing stock prices as of, in the case of the Aetna selected companies, December 1, 2017 (the last trading day prior to the date of the merger agreement) and, in the case of Aetna, October 25, 2017 (the last trading day prior to initial published reports regarding a potential acquisition of Aetna by CVS Health) and December 1, 2017, as a multiple of calendar year 2018 estimated EPS. Allen & Company also reviewed enterprise values, calculated as fully diluted equity values based on closing stock prices as of, in the case of the Aetna selected companies, December 1, 2017 and, in the case of Aetna, October 25, 2017 and December 1, 2017, plus total debt, preferred stock and non-controlling interests (as applicable) and less unrestricted cash and cash equivalents and unconsolidated investments (as applicable), as a multiple of calendar year 2018 estimated EBITDA. Financial data of the Aetna selected companies were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information.

The overall low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples observed for the Aetna selected companies based on closing stock prices on December 1, 2017 were 18.0x to 21.4x (with a mean and a median of 19.6x) and 10.2x to 12.8x (with a mean of 11.4x and a median of 11.3x), respectively. Allen & Company noted that the calendar year 2018 estimated EPS multiples observed for Aetna, utilizing publicly available Wall Street research analysts estimates and the Aetna forecasts, were 15.9x and 16.0x, respectively (based on Aetna s closing share price on October 25, 2017), and 18.0x and 18.1x, respectively (based on Aetna s closing share price on December 1, 2017). Allen & Company also noted that the calendar year 2018 estimated

EBITDA multiples observed for Aetna, utilizing publicly available Wall Street research analysts estimates and the Aetna forecasts, were 9.6x and 10.2x, respectively (based on Aetna s closing share price on October 25, 2017), and 10.6x and 11.0x, respectively (based on Aetna s closing share price on December 1, 2017).

Allen & Company then applied selected ranges of calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples derived from the Aetna selected companies of 18.0x to 20.0x and 10.0x to 12.0x, respectively, to corresponding data of Aetna utilizing the Aetna forecasts. This analysis indicated the following

Table of Contents

approximate implied per share equity value reference ranges for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Ranges Based on: Calendar Year 2018 Estimated EPS	Calendar Year 2018 Estimated EBITDA	Implied Per Share Merger Consideration
$180 $200	$162 $199	$207.94

Selected Precedent Transactions Analysis. Using publicly available information, Allen & Company reviewed financial information relating to the following seven selected transactions involving target managed care organizations that, given business and financial characteristics, Allen & Company considered generally relevant for purposes of analysis, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna selected transactions:

Announced	Acquiror	Target
September 2017	Centene Corporation	New York State Catholic Health Plan, Inc. D/B/A Fidelis Care New York
July 2015	Anthem, Inc.	Cigna Corporation
July 2015	Aetna Inc.	Humana Inc.
July 2015	Centene Corporation	Health Net, Inc.
August 2012	Aetna Inc.	Coventry Health Care Inc.
July 2012	WellPoint, Inc.	Amerigroup Corporation
October 2011	Cigna Corporation	HealthSpring, Inc.

Allen & Company reviewed, among other information, transaction values of the Aetna selected transactions, calculated as the enterprise values implied for the target companies based on the consideration paid or payable in the Aetna selected transactions, as a multiple, to the extent publicly available, of the target company s latest 12 months EBITDA and forward estimated EBITDA, as of the applicable announcement date of such transaction. Financial data for the Aetna selected transactions were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information.

The overall low to high latest 12 months EBITDA multiples and forward estimated EBITDA multiples observed for the Aetna selected transactions were 8.0x to 16.2x (with a mean of 11.7x and a median of 12.6x) and 7.2x to 12.3x (with a mean of 9.5x and a median of 9.8x), respectively. Allen & Company then applied a selected range of latest 12 months EBITDA multiples of 10.0x to 13.0x and forward estimated EBITDA multiples of 9.5x to 12.5x, in each case derived from the Aetna selected transactions, to Aetna s latest 12 months EBITDA (as of September 30, 2017) utilizing publicly available information and internal data provided by the management of Aetna and calendar year 2018 estimated EBITDA utilizing the Aetna forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for Aetna, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Ranges Based on: Implied Per Share

Latest 12 Months EBITDA		Calendar Year 2018 Estimated EBITDA		Merger Consideration
$167	$224	$153	$208	$207.94

Shortly following the December 3, 2017 meeting of the Aetna board of directors, Aetna discovered that in calculating its latest 12 months EBITDA (as of September 30, 2017) for its financial advisors, Aetna had inadvertently overstated the interest related to certain debt incurred in connection with the proposed Humana acquisition. Aetna confirmed that the impact of the inclusion of the additional interest was immaterial and did not

Table of Contents

affect any financial data provided to its financial advisors other than Aetna s latest 12 months EBITDA (as of September 30, 2017). Applying the selected range of latest 12 months EBITDA multiples referred to above to Aetna s corrected latest 12 months EBITDA (as of September 30, 2017) would have indicated a lower approximate implied per share equity value reference range for Aetna derived from the analysis described above of $161 to $216. The inclusion of the additional interest in the calculation of Aetna s latest 12 months EBITDA (as of September 30, 2017) had no other impact on the financial analyses described in this section of the joint proxy statement/prospectus.

CVS Health Financial Analyses

Discounted Cash Flow Analysis. Allen & Company performed a discounted cash flow analysis of CVS Health by calculating, based on the CVS Health forecasts, the estimated present value (as of December 1, 2017) of the stand-alone unlevered, after-tax free cash flows that CVS Health was forecasted to generate during the month ending December 31, 2017 through the full fiscal year ending December 31, 2022. For purposes of this analysis, stock-based compensation was treated as a cash expense. Allen & Company calculated a range of estimated terminal values for CVS Health by applying a range of perpetuity growth rates of 1.0% to 1.5% to CVS Health s stand-alone unlevered, after-tax free cash flows during the fiscal year ending December 31, 2022 (assuming, for purposes of the terminal year, normalized depreciation, amortization, capital expenditures and sale-leaseback proceeds), which range of perpetuity growth rates was selected based on Allen & Company s professional judgment and taking into account, among other things, the CVS Health forecasts and trends in the overall economy generally and in the industries and sectors in which CVS Health operates. The cash flows and range of terminal values were then discounted to present value (as of December 1, 2017) using a selected range of discount rates of 6.0% to 7.5% derived from a weighted average cost of capital calculation. This analysis indicated the following approximate implied per share equity value reference range for CVS Health, as compared to the per share closing price of CVS Health common stock on December 1, 2017:

Implied Per Share Equity Value Reference Range	Per Share Closing Price of CVS Health Common Stock on December 1, 2017
$99 $149	$75.12

Selected Public Companies Analysis. Allen & Company reviewed publicly available financial and stock market information of CVS Health and the following seven selected publicly traded drug store companies, pharmacy benefit management services companies and mass merchant companies that, given certain business and financial characteristics, Allen & Company considered generally relevant for purposes of analysis, which are referred to for purposes of this section of this joint proxy statement/prospectus as the CVS Health selected companies:

Costco Wholesale Corporation

Express Scripts Holding Company

- The Kroger Co.
- Rite Aid Corporation
- Target Corporation
- Walgreens Boots Alliance, Inc.
- Wal-Mart Stores, Inc.

Allen & Company reviewed, among other information, closing stock prices as of, in the case of the CVS Health selected companies, December 1, 2017 and, in the case of CVS Health, November 29, 2017 (the last trading day prior to additional published reports regarding a potential acquisition of Aetna by CVS Health) and

Table of Contents

December 1, 2017, as a multiple, to the extent meaningful, of calendar year 2018 estimated EPS. Allen & Company also reviewed enterprise values, calculated as fully diluted equity values based on closing stock prices as of, in the case of the CVS Health selected companies, December 1, 2017 and, in the case of CVS Health, November 29, 2017 and December 1, 2017, plus total debt, preferred stock and non-controlling interests (as applicable) and less cash and cash equivalents and unconsolidated investments (as applicable), as a multiple of calendar year 2018 estimated EBITDA. Financial data of the CVS Health selected companies (pro forma for certain recent acquisitions or divestitures or the loss of certain commercial arrangements, as applicable) were based on public filings, publicly available Wall Street research analysts estimates and other publicly available information and calendarized to a December 31 year-end when necessary. Financial data of CVS Health were pro forma for CVS Health s announced divestiture of RxCrossroads based on publicly available information.

The overall low to high calendar year 2018 estimated EPS multiples and calendar year 2018 estimated EBITDA multiples observed for the CVS Health selected companies based on closing stock prices as of December 1, 2017 were 12.5x to 27.8x (with a mean of 16.8x and a median of 13.5x) and 6.5x to 13.8x (with a mean of 8.7x and a median of 8.5x), respectively. Allen & Company noted that the calendar year 2018 estimated EPS multiples observed for CVS Health, utilizing publicly available Wall Street research analysts estimates and the CVS Health forecasts, were 11.6x and 11.6x, respectively (based on CVS Health s closing stock price on November 29, 2017), and 11.8x and 11.9x, respectively (based on CVS Health s closing stock price on December 1, 2017). Allen & Company also noted that the calendar year 2018 estimated EBITDA multiples observed for CVS Health, utilizing publicly available Wall Street research analysts estimates and the CVS Health forecasts, were 7.6x and 7.4x, respectively (based on CVS Health s closing stock price on November 29, 2017), and 7.7x and 7.6x, respectively (based on CVS Health s closing stock price on December 1, 2017).

Allen & Company then applied selected ranges of calendar year 2018 estimated EPS and calendar year 2018 estimated EBITDA multiples derived from the CVS Health selected companies of 11.0x to 14.0x and 8.0x to 9.0x, respectively, to corresponding data of CVS Health utilizing the CVS Health forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for CVS Health, as compared to the per share closing price of CVS Health common stock on December 1, 2017:

Implied Per Share Equity Value Reference Ranges Based on:		Per Share Closing Price of CVS Health Common Stock on December 1, 2017
Calendar Year 2018 Estimated EPS	Calendar Year 2018 Estimated EBITDA	
$70 $89	$81 $93	$75.12

Certain Additional Information

Allen & Company observed certain additional information that was not considered part of its financial analyses for its opinion but was noted for informational reference, including the following:

undiscounted price targets for Aetna common shares and shares of CVS Health common stock as reflected in selected publicly available Wall Street research analysts reports prior to October 25, 2017 (in the case of Aetna) and prior to December 1, 2017 (in the case of CVS Health), which indicated an overall low to high target share price range of $150 to $185 per share for Aetna common shares and an overall low to high target stock price range of $73 to $97 per share for CVS Health common stock; and

historical trading prices of Aetna common shares and shares of CVS Health common stock during the 52-week period ended October 25, 2017 (in the case of Aetna) and during the 52-week period ended December 1, 2017 (in the case of CVS Health), which indicated during the relevant periods low and high closing prices for Aetna common shares of approximately $105 and $163 per share, respectively, and low and high closing prices for shares of CVS Health common stock of approximately $67 and $84, respectively.

Table of Contents

Miscellaneous

Aetna selected Allen & Company as a financial advisor in connection with the merger based on, among other things, Allen & Company s reputation, experience and familiarity with Aetna and the industries in which Aetna and CVS Health operate. Allen & Company, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, private placements and related financings, bankruptcy reorganizations and similar recapitalizations, negotiated underwritings, secondary distributions of listed and unlisted securities, and valuations for corporate and other purposes. In the ordinary course, Allen & Company as a broker-dealer and certain of Allen & Company s affiliates (including a senior member of the team assisting in providing Allen & Company s financial advisory services to Aetna in connection with the merger) and/or related entities have invested or may invest, hold long or short positions and may trade, either on a discretionary or non-discretionary basis, for their own account or for those of Allen & Company s clients, in the debt and equity securities (or related derivative securities) of Aetna, CVS Health and/or their respective affiliates. The issuance of Allen & Company s opinion was approved by Allen & Company s fairness opinion committee.

For Allen & Company s financial advisory services, Aetna has agreed to pay Allen & Company an aggregate fee of $50 million, of which $5 million was payable upon delivery of Allen & Company s opinion and $45 million is contingent upon completion of the merger. Aetna also has agreed subject to certain limitations to reimburse Allen & Company s reasonable expenses and to indemnify Allen & Company and related parties against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

As the Aetna board of directors was aware, Allen & Company in the past has provided and in the future may provide, investment banking services to Aetna and/or its affiliates unrelated to the merger, for which services Allen & Company may receive compensation, including, during the two-year period prior to December 3, 2017, acting or having acted as financial advisor to Aetna in connection with certain potential transactions and strategic advisory matters, for which no fees were received. Allen & Company and its affiliates did not provide financial advisory services to CVS Health for which fees were received during the two-year period prior to December 3, 2017.

Opinions of CVS Health s Financial Advisors

Opinions of Barclays Capital Inc. and Goldman Sachs & Co. LLC

Opinion of Barclays Capital Inc.

CVS Health engaged Barclays to act as its financial advisor with respect to the merger pursuant to an engagement letter dated November 30, 2017. Barclays delivered its opinion to CVS Health s board of directors that, as of December 3, 2017 and based upon and subject to the qualifications, limitations, factors and assumptions set forth therein, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health.

The full text of Barclays written opinion, dated as of December 3, 2017, is attached as Annex D to this joint proxy statement/prospectus. **Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Barclays in connection with the opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.**

Barclays opinion, the issuance of which was approved by Barclays Valuation and Fairness Opinion Committee, is addressed to the board of directors of CVS Health, addresses only the fairness, from a financial point of view, of the merger consideration to be paid by CVS Health in the merger and does not constitute a recommendation to any stockholder of CVS Health as to how such stockholder should vote with respect to the

Table of Contents

merger or any other matter. Barclays was not requested to address, and its opinion does not in any manner address, CVS Health s underlying business decision to proceed with or effect the merger, the likelihood of completion of the merger, or the relative merits of the merger as compared to any other transaction in which CVS Health may engage. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the merger consideration to be paid by CVS Health in the merger. No limitations were imposed by CVS Health s board of directors upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things:

reviewed and analyzed the merger agreement and the specific terms of the merger;

reviewed and analyzed publicly available information concerning CVS Health and Aetna that Barclays believed to be relevant to its analysis, including their respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2016 and Quarterly Reports on Form 10-Q for the fiscal quarters ended September 30, June 30 and March 31, 2017;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of CVS Health, including certain financial analyses, forecasts and projections of CVS Health prepared by management of CVS Health, which are referred to for purposes of this section of this joint proxy statement/prospectus as the CVS Health forecasts, financial and operating information with respect to the business, operations and prospects of Aetna, including certain financial analyses, forecasts and projections of Aetna prepared by management of CVS Health, which are referred to for purposes of this section of this joint proxy statement/prospectus as the adjusted Aetna forecasts, and certain financial analyses, forecasts and projections of CVS Health on a pro forma basis giving effect to the merger prepared by the management of CVS Health, which are referred to for purposes of this section of this joint proxy statement/prospectus as the CVS Health pro forma forecasts, in each case, as approved for Barclays and Goldman Sachs use by CVS Health, and financial and operating information with respect to the business, operations and prospects of Aetna prepared by management of Aetna, which are referred to for purposes of this section of this joint proxy statement/prospectus as the Aetna forecasts;

reviewed and analyzed the pro forma impact of the merger on the future financial performance of the combined company, including (i) certain financial and operating information with respect to the business, operations and prospects of CVS Health on a pro forma basis giving effect to the merger, including the CVS Health pro forma forecasts and (ii) cost savings and operating synergies expected by the management of CVS Health to result from the merger, which are referred to for purposes of this section of this joint proxy statement/prospectus as the expected synergies, in each case, as prepared and furnished to Barclays and Goldman Sachs by CVS Health and approved for Barclays and Goldman Sachs use by CVS Health;

reviewed and analyzed the trading histories of shares of CVS Health common stock and Aetna common shares for the three years ending December 1, 2017 and a comparison of those trading histories with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the historical financial results and present financial condition of CVS Health and Aetna with each other and with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the financial terms of the merger as set forth in the merger agreement with the financial terms of certain other transactions that Barclays deemed relevant;

reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance and price targets of CVS Health and Aetna;

Table of Contents

had discussions with the managements of CVS Health and Aetna concerning Aetna s businesses, operations, assets, financial condition and prospects;

had discussions with the management of CVS Health concerning CVS Health s businesses, operations, assets, financial condition and prospects; and

undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and did not assume responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of the management of CVS Health that they were not aware of any facts or circumstances that would make such information inaccurate or misleading in any material respect. With respect to the CVS Health forecasts, upon the advice and at the instruction of CVS Health, Barclays assumed that such forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of CVS Health as to the future financial performance of CVS Health and that CVS Health would perform substantially in accordance with such forecasts. With respect to the Aetna forecasts, upon the advice and at the instruction of CVS Health, Barclays assumed that such forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Aetna as to the future financial performance of Aetna. With respect to the adjusted Aetna forecasts, upon the advice and at the instruction of CVS Health, Barclays assumed that such forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of CVS Health as to the future financial performance of Aetna and that Aetna would perform substantially in accordance with such forecasts. With respect to the CVS Health pro forma forecasts, upon the advice and at the instruction of CVS Health, Barclays assumed that such forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of CVS Health as to the future financial performance of CVS Health on a pro forma basis giving effect to the merger, and that the pro forma company would perform substantially in accordance with such CVS Health pro forma forecasts. Furthermore, upon the advice and at the instruction of CVS Health, Barclays assumed that the amounts and timing of the expected synergies were reasonable and that the expected synergies would be realized substantially in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such forecasts or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of CVS Health or Aetna and did not make or obtain any evaluations or appraisals of the assets or liabilities of CVS Health or Aetna. Barclays is not an actuary, its services did not include any actuarial determination or evaluation by Barclays or any attempt to evaluate actuarial assumptions and Barclays has relied on CVS Health s actuaries with respect to the adequacy of reserves for Aetna s insurance liabilities. Barclays opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, December 3, 2017. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after December 3, 2017. Barclays expressed no opinion as to the prices at which the Aetna common shares would trade following the announcement of the merger or the prices at which the shares of CVS Health common stock would trade following the announcement or completion of the merger.

Barclays assumed the accuracy of the representations and warranties contained in the merger agreement and all the agreements related thereto. Barclays also assumed, upon the advice and at the instruction of CVS Health, that all material governmental, regulatory and third party approvals, consents and releases for the merger would be obtained within the constraints contemplated by the merger agreement and that the merger will be consummated in accordance with the terms of the agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the merger, nor did Barclays opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood CVS Health had obtained such advice as it deemed necessary from qualified professionals.

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. CVS Health s board of directors selected Barclays because of its familiarity with CVS Health and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as its substantial experience in transactions comparable to the merger.

Barclays is acting as financial advisor to CVS Health in connection with the merger. As compensation for its services in connection with the merger, CVS Health has agreed to pay Barclays a transaction fee of $52 million, $5 million of which became payable upon the delivery of the Barclays opinion, and the remainder of which is contingent upon completion of the merger. The opinion fee was not contingent upon the conclusion of Barclays opinion or completion of the merger. In addition, CVS Health has agreed to reimburse Barclays for its reasonable out-of-pocket expenses incurred in connection with the merger and to indemnify Barclays for certain liabilities that may arise out of its engagement by CVS Health and the rendering of Barclays opinion. Barclays and its affiliates have performed various investment banking and financial services for CVS Health, Aetna and their respective affiliates in the past, and expect to perform such services in the future, and have received, and expect to receive, customary fees for such services. Specifically, in the past two years, Barclays and its affiliates have performed the following investment banking and financial services: (i) for CVS Health or its affiliates, (A) acting as exclusive financial advisor to CVS Health in connection with the pending sale of its RxCrossroads reporting unit, (B) having acted as Joint Placement Agent on a $243 million sale-leaseback private placement in August 2017, (C) having acted as Joint Bookrunner and Co-Syndication Agent on the refinancing of CVS Health s $1 billion existing five-year revolving credit facility, (D) having acted as Joint Bookrunner, Joint Lead Arranger and Co-Documentation Agent on the issuance of a new $1 billion revolving credit facility to CVS Health in May 2017, (E) having acted as Sole Bookrunner, Sole Lead Arranger and Administrative Agent in the creation of a $2.5 billion bilateral revolving credit facility for CVS Health in January 2017, (F) having acted as Sole Structuring Advisor and Joint Placement Agent on a $205 million sale-leaseback private placement by CVS Health in July 2016, (G) having acted as Joint Dealer Manager on a $3.1 billion tender offer by CVS Health for senior notes in May 2016, (H) having acted as Joint Active Bookrunner on a $3.5 billion senior notes offering by CVS Health in May 2016, (I) having acted as exclusive financial advisor to CVS Health in the $1.9 billion acquisition of Target Corporation s pharmacy and clinic businesses in December 2015 and (J) acting as a tier 1 lender under certain of CVS Health s revolving credit facilities; and (ii) for Aetna or its affiliates, (A) having acted as exclusive financial advisor to Aetna in connection with the sale of its domestic group life insurance, group disability insurance and absence management businesses to Hartford Life and Accident Insurance Company for $1.45 billion in November 2017, (B) having acted as Senior Co-Manager on a $1 billion bond offering by Aetna in August 2017, (C) having acted as Bridge Lender on a $13 billion bridge loan and $3.2 billion delayed-draw term loan to Aetna in June 2016, (D) having acted as Joint Book-Running Manager on a $13 billion bond offering by Aetna in June 2016 and (E) acting as a lender under Aetna s revolving credit facility. During the two-year period ended December 3, 2017, Barclays received compensation for investment banking and financial services provided by its investment banking division to CVS Health and/or its affiliates of $23 million. During the two-year period ended December 3, 2017, Barclays received compensation for investment banking and financial services provided by its investment banking division to Aetna and/or its affiliates of $28 million. In addition, at the request of CVS Health, an affiliate of Barclays (i) entered into financing commitments and agreements with other banks and financial institutions to provide CVS Health with a $49 billion 364-day senior unsecured bridge facility and (ii) entered into a first amendment to each of CVS Health s existing revolving credit facilities (consisting of (A) a $1.0 billion, 364-day unsecured credit facility expiring on May 17, 2018, (B) a $1.25 billion, five-year unsecured back-up credit facility expiring on July 24, 2019, (C) a $1.25 billion, five-year unsecured backup credit facility expiring on July 1, 2020 and (D) a $1.0 billion, five-year unsecured back-up credit facility expiring on May 18, 2022) with other banks and financial institutions party thereto. An affiliate of Barclays acted as joint lead arranger and joint bookrunner and acts as one of the lenders and administrative agent, in each case, on a senior unsecured term loan facility in an aggregate principal amount of $5.0 billion consisting of a $3.0 billion three-year tranche and a

$2.0 billion five-year tranche. An affiliate of Barclays may also act as active lead joint bookrunner with respect to a bond issuance by CVS Health. The actual amount of aggregate fees to be received by Barclays and its affiliates in connection with the debt financing for the merger will depend upon, among other things, the timing of reductions of the bridge loan commitments, the completion date of the merger, CVS Health s credit rating and the issuance costs for such debt financing. CVS Health estimates that Barclays and its affiliates will in aggregate receive approximately $142 million in fees in connection with the bridge loan facility, term loan facility and bond issuance. This estimate is based on various assumptions, including, without limitation, that CVS Health will incur permanent debt financing in connection with the proposed transaction and will receive an investment grade credit rating from Moody s and S&P. Also, Barclays and its affiliates have executed various share repurchase, hedging, derivative and other securities transactions and provided other risk management and equity origination services for CVS Health and its affiliates, as well as executed various hedging, derivative and other securities transactions and provided other risk management and equity origination services for Aetna and its affiliates.

Barclays and its affiliates engage in a wide range of businesses, including investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of their businesses, Barclays and its affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of CVS Health and Aetna for their own accounts and for the accounts of their customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

As discussed under Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus, Barclays opinion to CVS Health s board of directors was one of many factors taken into consideration by the CVS Health board of directors in making its determination to approve the merger.

Opinion of Goldman Sachs & Co. LLC

Goldman Sachs delivered its opinion to CVS Health s board of directors that, as of December 3, 2017 and based upon and subject to the qualifications, limitations, factors and assumptions set forth therein, the merger consideration to be paid by CVS Health in the merger was fair, from a financial point of view, to CVS Health.

The full text of the written opinion of Goldman Sachs & Co. LLC, dated as of December 3, 2017, is attached as Annex E to this joint proxy statement/prospectus. **Goldman Sachs written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Goldman Sachs in connection with the opinion. Goldman Sachs provided advisory services and its opinion for the information and assistance of CVS Health s board of directors in connection with its consideration of the merger.** The Goldman Sachs opinion is not a recommendation as to how any holder of shares of CVS Health common stock or Aetna common shares should vote with respect to the merger or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the merger agreement;
- annual reports to shareholders and Annual Reports on Form 10-K of CVS Health and Aetna for each of the five years ended December 31, 2016;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of CVS Health and Aetna;

certain other communications from CVS Health and Aetna to their respective shareholders;

certain publicly available research analyst reports for CVS Health and Aetna;

Table of Contents

- the Aetna forecasts, the CVS Health forecasts, the adjusted Aetna forecasts and the CVS Health pro forma forecasts; and

- the expected synergies.

Goldman Sachs also held discussions with members of the senior managements of CVS Health and Aetna regarding their assessment of the past and current business operations, financial condition and future prospects of Aetna and with the members of senior management of CVS Health regarding their assessment of the past and current business operations, financial condition and future prospects of CVS Health and the strategic rationale for, and the potential benefits of, the merger; reviewed the reported price and trading activity for the shares of CVS Health common stock and the Aetna common shares; compared certain financial and stock market information for CVS Health and Aetna with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the health insurance industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering this opinion, Goldman Sachs, with CVS Health s consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with CVS Health s consent that the CVS Health forecasts, the adjusted Aetna forecasts, the CVS Health pro forma forecasts and the expected synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of CVS Health. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of CVS Health or Aetna or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs is not an actuary and its services did not include any actuarial determination or evaluation by Goldman Sachs or any attempt to evaluate actuarial assumptions, and Goldman Sachs has relied on CVS Health s actuaries with respect to reserve adequacy. In that regard, Goldman Sachs has made no analysis of, and expressed no opinion as to, the adequacy of the loss and loss adjustments expenses reserves, the future policy benefit reserves, the long-term business provision and claims outstanding or the embedded value of CVS Health and Aetna. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for completion of the merger will be obtained without any adverse effect on CVS Health or Aetna or on the expected benefits of the merger in any way meaningful to its analysis. Goldman Sachs has also assumed that the merger will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs opinion does not address the underlying business decision of CVS Health to engage in the merger or the relative merits of the merger as compared to any strategic alternatives that may be available to CVS Health; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs opinion addresses only the fairness from a financial point of view to CVS Health, as of the date of the opinion, of the merger consideration to be paid by CVS Health in the merger. Goldman Sachs opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the merger or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the merger, including the fairness of the merger to, or any consideration received in connection therewith by, the holders of any class of securities, creditors or other constituencies of CVS Health; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of CVS Health or Aetna, or any class of such persons in connection with the merger, whether relative to the merger consideration to be paid by CVS Health in the merger or otherwise. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions, as in effect on, and the information made available to it as of, the date of the opinion, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which shares

133

of CVS Health common stock will trade at any time or as to the impact of the merger on the solvency or viability of CVS Health or Aetna or the ability of CVS Health or Aetna to pay their respective obligations when they come due. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of CVS Health, Aetna and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the merger contemplated by the merger agreement for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as financial advisor to CVS Health in connection with, and participated in certain of the negotiations leading to, the merger. At the request of CVS Health, an affiliate of Goldman Sachs (i) entered into financing commitments and agreements with other banks and financial institutions to provide CVS Health with a $49 billion 364-day senior unsecured bridge facility and (ii) entered into a first amendment to each of CVS Health s existing revolving credit facilities (consisting of (A) a $1.0 billion, 364-day unsecured credit facility expiring on May 17, 2018, (B) a $1.25 billion, five-year unsecured back-up credit facility expiring on July 24, 2019, (C) a $1.25 billion, five-year unsecured back-up credit facility expiring on July 1, 2020 and (D) a $1.0 billion, five-year unsecured back-up credit facility expiring on May 18, 2022) with other banks and financial institutions party thereto. An affiliate of Goldman Sachs acted as joint lead arranger and joint bookrunner and acts as one of the lenders and administrative agent, in each case, on a senior unsecured term loan facility in an aggregate principal amount of $5.0 billion consisting of a $3.0 billion three-year tranche and a $2.0 billion five-year tranche. An affiliate of Goldman Sachs may also act as active lead joint bookrunner with respect to a bond issuance by CVS Health. The actual amount of aggregate fees to be received by Goldman Sachs and its affiliates in connection with the debt financing for the merger will depend upon, among other things, the timing of reductions of the bridge loan commitments, the completion date of the merger, CVS Health s credit rating and the issuance costs for such debt financing. CVS Health estimates that Goldman Sachs and its affiliates will in aggregate receive approximately $142 million in fees in connection with the bridge loan facility, term loan facility and bond issuance. This estimate is based on various assumptions, including, without limitation, that CVS Health will incur permanent debt financing in connection with the proposed transaction and will receive an investment grade credit rating from Moody s and S&P. Except as disclosed herein with respect to the contemplated transaction, during the two-year period ended December 3, 2017, the Investment Banking Division of Goldman Sachs has not been engaged by CVS Health or its affiliates to provide financial advisory or underwriting services for which Goldman Sachs has received compensation. Goldman Sachs has provided certain investment banking services to Aetna and its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as lead bookrunner in the structuring of catastrophe bonds (aggregate principal amount $200 million) by Vitality Re VII Limited, a vehicle linked to a portfolio of Aetna insurance products, in January 2016; as lead bookrunner in the structuring of catastrophe bonds (aggregate principal amount $200 million) by Vitality Re VIII Limited, a vehicle linked to a portfolio of Aetna insurance products, in January 2017; and as co-manager with respect to a $1 billion bond offering by Aetna in August 2017. During the two-year period ended December 3, 2017, Goldman Sachs received compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Aetna and/or its affiliates of less than $5 million. Goldman Sachs may also in the future provide investment banking services to CVS Health, Aetna and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

The board of directors of CVS Health selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement dated November 30, 2017, CVS Health engaged Goldman Sachs to act as its financial advisor in connection with the contemplated merger. Pursuant to an engagement letter between CVS Health and Goldman Sachs, CVS Health has agreed to pay Goldman Sachs a transaction fee of $52 million,

Table of Contents

$5 million of which became payable upon execution of the merger agreement, and the remainder of which is contingent upon completion of the merger. In addition, CVS Health has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

As discussed under Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus, Goldman Sachs opinion to CVS Health s board of directors was one of many factors taken into consideration by the CVS Health board of directors in making its determination to approve the merger.

Summary of Material Financial Analyses

The following is a summary of the material financial analyses used by Barclays and Goldman Sachs in preparing their respective opinions to CVS Health s board of directors. The following summary is not a complete description of the analyses and reviews underlying their opinions, nor does the order of analyses described represent relative importance or weight given to those analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In connection with rendering their respective opinions, Barclays and Goldman Sachs performed certain financial, comparative and other analyses as summarized below. In arriving at their respective opinions, Barclays and Goldman Sachs did not ascribe a specific range of values to Aetna common shares or shares of CVS Health common stock but rather made their determinations as to fairness, from a financial point of view, to CVS Health of the merger consideration to be paid by CVS Health in the merger on the basis of various financial and comparative analyses.

In arriving at their respective opinions, Barclays and Goldman Sachs did not attribute any particular weight to any single analysis or factor considered by them but rather made their determinations as to fairness on the basis of their experience and professional judgment after considering the results of all of their analyses and made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by them and in the context of the circumstances of the particular transaction. Accordingly, Barclays and Goldman Sachs believe that their respective analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying their respective opinions.

For the purposes of their analyses and reviews, Barclays and Goldman Sachs made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CVS Health, Aetna or any other parties to the merger. No company, business or transaction considered in Barclays or Goldman Sachs analyses and reviews is identical to CVS Health, Aetna or the proposed transaction, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions considered in Barclays and Goldman Sachs analyses and reviews. None of CVS Health, Aetna, Barclays, Goldman Sachs or any other person assumes responsibility if future results are materially different from those discussed. Any estimates or forecasts of future results contained in these analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of companies, businesses or securities do not purport to be appraisals or reflect the prices at which the companies,

Table of Contents

businesses or securities may actually be sold. Accordingly, the estimates used in, and the results derived from, Barclays and Goldman Sachs analyses and reviews are inherently subject to substantial uncertainty.

The summary of the financial analyses and reviews summarized below includes information presented in tabular format. In order to fully understand the financial analyses and reviews used by Barclays and Goldman Sachs, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Barclays and Goldman Sachs analyses and reviews. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 1, 2017, the last trading day before the public announcement of the transaction, and is not necessarily indicative of current market conditions.

The terms of the merger were determined through arm s-length negotiations between CVS Health and Aetna and were unanimously approved by CVS Health s board of directors. Barclays and Goldman Sachs provided advice to CVS Health during these negotiations. Barclays and Goldman Sachs did not recommend any specific form or amount of consideration to the board of directors of CVS Health or that any specific form or amount of consideration constituted the only appropriate consideration for the merger.

Selected Comparable Company Analysis

In order to assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per Aetna common share by reference to those companies, Barclays reviewed and compared specific financial and operating data relating to Aetna with selected companies that Barclays, based on its experience in the managed care industry, deemed comparable to Aetna. The selected comparable companies with respect to Aetna were:

- UnitedHealth Group Incorporated
- Anthem, Inc.
- Cigna Corporation
- Humana Inc.

Barclays calculated and compared various financial multiples and ratios of Aetna and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company s ratio of its stock price as of December 1, 2017 to its projected adjusted earnings per share, which is referred to for purposes of this section of this joint proxy statement/prospectus as a price to earnings ratio or P/E multiple. Where applicable, the P/E multiples were adjusted to account for certain events such as acquisitions and divestitures. All of these calculations were performed and based on publicly available financial data (including Wall Street research, FactSet data and SEC filings) and closing prices as of December 1, 2017, the last trading date prior to the delivery of Barclays opinion, and the adjusted Aetna forecasts. The selected comparable company analysis provides an illustrative valuation of Aetna and the selected comparable companies in a stand-alone context and not in a change-of-control context.

The high, mean, median and low adjusted P/E multiples for calendar year 2018 observed for the selected companies were as follows:

	2018E Adj. P/E Multiples
High	21.4
Mean	19.6
Median	19.6
Low	18.0

Barclays selected the comparable companies listed above because of similarities in one or more business or operating characteristics with Aetna. However, because of the inherent differences between the business, operations and prospects of Aetna and those of the selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Aetna and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Aetna and the companies included in the selected comparable company analysis.

Based upon these judgments and its experience, Barclays selected a range of 17.0x to 18.5x multiples of the projected 2018 adjusted earnings per share, which is referred to for purposes of this section of this joint proxy statement/prospectus as EPS, for Aetna and applied such range to the projected 2018 adjusted EPS of $10.01 based on the adjusted Aetna forecasts to calculate a range, rounded to the nearest $0.25, of implied equity values per Aetna common share as follows:

Selected Adj. P/E Multiples		Implied Equity Value Per Share Reference Range	
17.0x	18.5x	$170.25	$185.25

Selected Precedent Transaction Analysis

Barclays and Goldman Sachs reviewed and compared the purchase prices and financial multiples paid in selected other managed care transactions that Barclays and Goldman Sachs, based on their experience with merger and acquisition transactions, deemed relevant. Barclays and Goldman Sachs chose such transactions based on, among other things, the similarity of the applicable target companies to Aetna with respect to the characteristics of their businesses. The selected transactions were as follows:

Announce Date	Acquiror	Target
07/24/15	Anthem, Inc.	Cigna Corporation
07/03/15	Aetna Inc.	Humana Inc.
07/02/15	Centene Corporation	Health Net, Inc.
10/08/12	UnitedHealth Group Incorporated	Amil Participações S.A.
08/20/12	Aetna Inc.	Coventry Health Care, Inc.
07/09/12	WellPoint, Inc.	AMERIGROUP Corporation
10/24/11	Cigna Corporation	HealthSpring, Inc.
03/12/07	UnitedHealth Group Incorporated	Sierra Health Services, Inc.
09/27/05	WellPoint, Inc.	WellChoice, Inc.
07/06/05	UnitedHealth Group Incorporated	PacifiCare Health Systems, Inc.
10/14/04	Coventry Health Care, Inc.	First Health Group Corp.
04/26/04	UnitedHealth Group Incorporated	Oxford Health Plans, Inc.
10/27/03	UnitedHealth Group Incorporated	Mid Atlantic Medical Services, Inc.
10/27/03	Anthem, Inc.	Wellpoint Health Networks Inc.
04/29/02	Anthem, Inc.	Trigon Healthcare, Inc.

For each transaction, Barclays and Goldman Sachs calculated the next-twelve-months P/E multiples based on information they obtained from SEC filings, IBES estimates and FactSet data by comparing the transaction value per share at announcement to the target company s next-twelve-months EPS based on IBES consensus projections as of the one trading day prior to announcement or, where applicable, prior to rumor or leak. For the transactions which included a stock component as part of the merger consideration, the transaction value per share at announcement was calculated by Barclays and Goldman Sachs based upon the acquiror closing share price as of the one trading day prior to the date of announcement.

Table of Contents

The high, mean, median and low next-twelve-months P/E multiples observed for the selected companies were as follows:

High	44.3x
Mean	20.2
Median	20.3
Low	13.0

The 25th percentile and 75th percentile next-twelve-months P/E multiples, rounded to the nearest 0.5, observed for the selected companies were as follows:

25th Percentile	15.0
75th Percentile	21.5

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the businesses, operations, financial conditions and prospects of Aetna and the companies included in the selected precedent transaction analysis. Based upon their professional judgment and experience, Barclays selected a range of 19.0x to 22.0x next-twelve-months P/E multiples and applied such range to the projected next-twelve-months (as of December 1, 2017) adjusted EPS of $10.00 based on the adjusted Aetna forecasts, and Goldman Sachs selected a range of 15.0x to 21.5x next-twelve-months P/E multiples and applied such range to the projected next-twelve-months (as of September 30, 2017) adjusted EPS of $9.97 based on the adjusted Aetna forecasts, in each case, to calculate a range, rounded to the nearest $0.25, of implied equity values per Aetna common share as follows:

	Selected P/E Multiples		**Implied Equity Value Per Share Reference Range**	
Barclays	19.0x	22.0x	$190.00	$220.00
Goldman Sachs	15.0x	21.5x	$149.50	$214.25

Transaction Premium Analysis

Opinion of Barclays Capital Inc. and Goldman Sachs & Co. LLC

Barclays and Goldman Sachs reviewed and compared the premiums paid in selected other managed care transactions that Barclays and Goldman Sachs, based on their experience with merger and acquisition transactions, deemed relevant. Barclays and Goldman Sachs chose such transactions based on, among other things, the similarity of the applicable target companies to Aetna with respect to the characteristics of their businesses. The selected transactions were as follows:

Announce Date	**Acquiror**	**Target**
07/24/15	Anthem, Inc.	Cigna Corporation
07/03/15	Aetna Inc.	Humana Inc.
07/02/15	Centene Corporation	Health Net, Inc.

10/08/12	UnitedHealth Group Incorporated	Amil Participações S.A.
08/20/12	Aetna Inc.	Coventry Health Care, Inc.
07/09/12	WellPoint, Inc.	AMERIGROUP Corporation
10/24/11	Cigna Corporation	HealthSpring, Inc.
03/12/07	UnitedHealth Group Incorporated	Sierra Health Services, Inc.
09/27/05	WellPoint, Inc.	WellChoice, Inc.
07/06/05	UnitedHealth Group Incorporated	PacifiCare Health Systems, Inc.
10/14/04	Coventry Health Care, Inc.	First Health Group Corp.
04/26/04	UnitedHealth Group Incorporated	Oxford Health Plans, Inc.
10/27/03	UnitedHealth Group Incorporated	Mid Atlantic Medical Services, Inc.
10/27/03	Anthem, Inc.	Wellpoint Health Networks Inc.
04/29/02	Anthem, Inc.	Trigon Healthcare, Inc.

Table of Contents

For each transaction, Barclays and Goldman Sachs calculated the premium per share paid by the acquiror based on information they obtained from SEC filings, IBES estimates and FactSet data by comparing the transaction value per share at announcement to the target company s: (i) closing share price as of the one trading day prior to announcement or, where applicable, prior to rumor or leak and (ii) historical high closing share price during the 52-week period ending the one trading day prior to announcement or, where applicable, prior to rumor or leak. For the transactions which included a stock component as part of the merger consideration, the transaction value per share at announcement was calculated by Barclays and Goldman Sachs based upon the acquiror closing share price as of the one trading day prior to the date of announcement. The high, mean, median and low premiums observed for the selected transactions were as follows:

	Premiums	
	1-Day	**52-Week High**
High	43.0%	35.0%
Mean	23.1%	12.2%
Median	21.2%	13.7%
Low	9.4%	(25.1%)

Opinion of Goldman Sachs & Co. LLC

The reasons for and the circumstances surrounding each of the transactions analyzed in the transaction premium analysis were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Aetna and the companies included in the transaction premium analysis. Based upon its professional judgment and experience, Goldman Sachs selected a range of 18.0% to 27.0% premiums (based on the 25th and 75th percentiles from the above 1-Day analysis) to the closing price of Aetna common shares on the unaffected date to calculate a range, rounded to the nearest $0.25, of implied equity values per Aetna common share as follows:

Selected Premiums	Implied Equity Value Per Share Reference Range
18.0% 27.0%	$189.00 $203.25

Barclays did not calculate implied equity values per Aetna common share as part of its transaction premium analysis.

Large Transactions Premiums Analysis

Using Thomson Reuters data as of December 1, 2017, Goldman Sachs reviewed and analyzed the acquisition premiums for transactions announced during the time period from January 1, 2013 through December 1, 2017 involving a public company based in the United States as the target where the disclosed enterprise value for the transaction was greater than $25 billion. For the entire period, Goldman Sachs calculated the median, 25th percentile and 75th percentile premiums of the price paid in the 25 transactions relative to the target s closing stock price one day prior to original announcement of the transaction as determined by Thomson Reuters. This analysis indicated a median premium of 29.0% across the period. This analysis also indicated a 25th percentile premium of 18.2% and 75th percentile premium of 36.4% across the period. Using this analysis, Goldman Sachs applied a reference range of premiums of 18.0% to 36.5% to the undisturbed closing price per Aetna common share of $160.12 as of the unaffected date and calculated a range, rounded to the nearest $0.25, of implied equity values per Aetna common share as follows:

Selected Premiums		Implied Equity Value Per Share Reference Range	
18.0%	36.5%	$189.00	$218.50

Discounted Cash Flow Analysis

Opinion of Barclays Capital Inc.

In order to estimate the illustrative present values of shares of CVS Health common stock, Aetna common shares (excluding and including the expected synergies) and shares of the combined company, Barclays performed a discounted cash flow analysis of each of CVS Health, Aetna and the combined company. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of a company by calculating the present value of estimated future cash flows of the company. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

Discounted Cash Flow Analysis of Aetna

Barclays performed a discounted cash flow analysis of Aetna based on estimates of unlevered free cash flows of Aetna as reflected in the adjusted Aetna forecasts to derive a range of implied present values per Aetna common share as of September 30, 2017. Utilizing discount rates ranging from 6.5% to 7.5%, reflecting estimates of Aetna s weighted average cost of capital, Barclays derived a range of implied enterprise values for Aetna by discounting to present value as of September 30, 2017, (i) estimates of unlevered free cash flows of Aetna for the three months ending December 31, 2017, which were calculated using the adjusted Aetna forecasts and approved for Barclays use by CVS Health, and each of the fiscal years 2018 through 2022, as reflected in the adjusted Aetna forecasts, and (ii) a range of terminal values for Aetna derived by applying perpetuity growth rates ranging from 2.0% to 3.0% to the estimated terminal unlevered free cash flow for Aetna calculated based upon the adjusted Aetna forecasts. Barclays derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Barclays utilizing its professional judgment and experience, taking into account the adjusted Aetna forecasts and market expectations regarding long term real growth of gross domestic product and inflation. Barclays then added the present value of the terminal value to the present values of the unlevered free cash flows for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022 and subtracted the assumed amount of Aetna s net debt (as of September 30, 2017 and based on guidance from CVS Health management) to calculate a range of equity values for Aetna. Barclays then divided this range of equity values by the number of fully diluted Aetna common shares based on data provided by CVS Health management to derive a range, rounded to the nearest $0.25, of present values per Aetna common share as indicated in the table below.

Barclays also performed a discounted cash flow analysis of Aetna including the expected synergies based on estimates of unlevered free cash flows of Aetna as reflected in and calculated using the adjusted Aetna forecasts and approved for Barclays use by CVS Health, and as reflected in the expected synergies to derive a range of implied present values per Aetna common share including the expected synergies as of September 30, 2017. Utilizing discount rates ranging from 6.5% to 7.5%, reflecting estimates of Aetna s weighted average cost of capital, Barclays derived a range of implied values of the expected synergies by discounting to present value as of September 30, 2017, (i) the expected synergies for each of the fiscal years 2018 through 2022 and (ii) a terminal value for the expected synergies derived by applying a perpetuity growth rate of 1.5% to the estimated terminal year expected synergies. Barclays derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The perpetuity growth rate was estimated by Barclays utilizing its professional judgment and experience, taking into account the adjusted Aetna forecasts and market expectations regarding long term real growth of gross domestic product and inflation. Barclays then added the low end of the range of present value expected synergies to the low end of the range of present value equity values of Aetna calculated above and added the high end of the range of present value expected synergies to the high end of the range of present value equity values of Aetna calculated above to derive a present value equity value range including the expected synergies. Barclays calculated a range of implied equity values per Aetna common share using the same

Table of Contents

method described above. Barclays analysis implied a range, rounded to the nearest $0.25 and including the expected synergies, of present values per Aetna common share as indicated in the table below:

Implied Equity Value Per Share Reference Range	
(Excluding Expected Synergies)	(Including Expected Synergies)
$170.50 $263.00	$191.50 $288.75

Discounted Cash Flow Analysis of CVS Health

Barclays performed a discounted cash flow analysis of CVS Health based on estimates of unlevered free cash flows of CVS Health, which were calculated using the CVS Health forecasts and approved for Barclays use by CVS Health, to derive a range of implied present values per share of CVS Health common stock as of September 30, 2017. Utilizing discount rates ranging from 6.0% to 7.0%, reflecting estimates of CVS Health s weighted average cost of capital, Barclays derived a range of implied enterprise values for CVS Health by discounting to present value as of September 30, 2017, (i) estimates of unlevered free cash flows of CVS Health for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022, which were calculated using the CVS Health forecasts and approved for Barclays use by CVS Health, and (ii) a range of terminal values for CVS Health derived by applying a range of terminal value multiples based on EBITDA for the fiscal year ending December 31, 2022 of 6.5x to 9.5x to the estimated terminal EBITDA for CVS Health calculated based upon the CVS Health forecasts. Barclays derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. In selecting the range of terminal value multiples based on EBITDA for the fiscal year ending December 31, 2022, Barclays made qualitative judgments based on its experience and professional judgment. Barclays then added the present value of the terminal value to the present values of the unlevered free cash flows for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022, and subtracted the assumed amount of CVS Health s net debt and the book value of minority interests (each as of September 30, 2017 and based on guidance from CVS Health management) to calculate a range of equity values for CVS Health. Barclays then divided this range of equity values by the number of fully diluted shares of CVS Health common stock based on data provided by CVS Health management to derive a range of present values per share of CVS Health common stock as follows:

Implied Equity Value Per Share Reference Range
$75.10 $112.93

Illustrative Pro Forma Combined Company

To calculate the range of illustrative equity values of the combined company using the discounted cash flow method, Barclays (i) added the low and high estimates in the range of estimated equity values of CVS Health calculated above to the low and high estimates in the range of estimated equity values of Aetna (excluding the expected synergies) calculated above, respectively, (ii) calculated the range of illustrative values of the expected synergies using the same assumptions used for the expected synergies analysis above, except that Barclays used perpetuity growth rates ranging from 1.0% to 2.0%, and added the low and high estimates in the range of estimated values of the expected synergies to the low and high estimated combined equity values calculated in (i), (iii) subtracted from this range of equity values the amount of new debt expected from the transaction as based on guidance from CVS Health management, and finally, (iv) divided this range of equity values by the sum of the number of fully diluted shares of CVS Health common stock based on data provided by CVS Health management plus the number of new shares of CVS Health common stock expected to be issued as part of the transaction based on data provided by CVS Health management. The range of perpetuity growth rates used with respect to the expected synergies was estimated by Barclays utilizing its professional judgment and experience.

Table of Contents

Barclays analysis implied a range of equity values per share of the common shares of the combined company as follows:

Implied Equity Value Per Share Reference Range
$72.81 $128.31

Opinion of Goldman Sachs & Co. LLC

Discounted Cash Flow Analysis of Aetna

Goldman Sachs performed a discounted cash flow analysis of Aetna (excluding and including the expected synergies) based on estimates of unlevered free cash flows of Aetna as reflected in the adjusted Aetna forecasts and, as applicable, the expected synergies, to derive a range of implied present values per Aetna common share as of September 30, 2017. Utilizing discount rates ranging from 6.5% to 7.5%, reflecting estimates of Aetna s weighted average cost of capital, Goldman Sachs derived a range of implied enterprise values for Aetna by discounting to present value as of September 30, 2017, (i) estimates of unlevered free cash flows of Aetna for the three months ending December 31, 2017, which were calculated using the adjusted Aetna forecasts and approved for Goldman Sachs use by CVS Health, and each of the fiscal years 2018 through 2022, as reflected in the adjusted Aetna forecasts (each excluding and including the expected synergies), and (ii) a range of terminal values for Aetna (excluding and including the expected synergies) derived by applying perpetuity growth rates ranging from 1.5% to 2.5% to CVS Health s estimated terminal unlevered free cash flow for Aetna as reflected in the adjusted Aetna forecasts. Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the adjusted Aetna forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then added the present value of each terminal value to the present values of each of the unlevered free cash flows for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022 and subtracted the assumed amount of Aetna s net debt (as of September 30, 2017 and based on guidance from CVS Health management) to calculate a range of equity values for Aetna (excluding and including the expected synergies). Goldman Sachs then divided these ranges of equity values by the number of fully diluted Aetna common shares based on data provided by CVS Health management to derive ranges, rounded to the nearest $0.25, of present values per Aetna common share as follows:

Implied Equity Value Per Share Reference Range	
(Excluding Expected Synergies)	(Including Expected Synergies)
$159.50 $235.50	$180.50 $267.00

Discounted Cash Flow Analysis of CVS Health

Goldman Sachs performed a discounted cash flow analysis of CVS Health based on estimates of unlevered free cash flows of CVS Health, which were calculated using the CVS Health forecasts and approved for Goldman Sachs use by CVS Health, to derive a range of implied present values per share for CVS Health as of September 30, 2017. Utilizing discount rates ranging from 6.25% to 7.25%, reflecting estimates of CVS Health s weighted average cost of capital, Goldman Sachs derived a range of implied enterprise values for CVS Health by discounting to present value as of

September 30, 2017, (i) estimates of unlevered free cash flows of CVS Health for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022, which were calculated using the CVS Health forecasts and approved for Goldman Sachs use by CVS Health, and (ii) a range of terminal values for CVS Health derived by applying perpetuity growth rates ranging from 0.5% to 1.5% to the estimated terminal unlevered free cash flow for CVS Health, which were calculated using the CVS Health forecasts and approved for Goldman Sachs use by CVS Health. Goldman Sachs derived such discount rates by application of the

Table of Contents

Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the CVS Health forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then added the present value of the terminal value to the present values of the unlevered free cash flows for the three months ending December 31, 2017 and each of the fiscal years 2018 through 2022 and subtracted the assumed amount of CVS Health s net debt and the book value of minority interests (each as of September 30, 2017 and based on guidance from CVS Health management) to calculate a range of equity values for CVS Health. Goldman Sachs then divided this range of equity values by the number of fully diluted shares of CVS Health common stock based on data provided by CVS Health management to derive a range of present values per share of CVS Health common stock as follows:

Implied Equity Value Per Share Reference Range
$80.30 $118.84

Illustrative Pro Forma Combined Company

Goldman Sachs performed a discounted cash flow analysis of the combined company based on estimates of unlevered free cash flows of the combined company, which were calculated using the CVS Health pro forma forecasts and approved for Goldman Sachs use by CVS Health, and the expected synergies to derive a range of implied present values per share of the combined company as of September 30, 2017. Utilizing discount rates ranging from 6.25% to 7.25%, reflecting pro forma estimates of the weighted average cost of capital of the combined company following completion of the merger, Goldman Sachs derived a range of implied enterprise values for the combined company by discounting to present value as of September 30, 2018, (i) estimates of unlevered free cash flows and the expected synergies of the combined company for the three months ending December 31, 2018 and each of the fiscal years 2019 through 2022, which were calculated using the CVS Health pro forma forecasts and approved for Goldman Sachs use by CVS Health, and expected synergies and (ii) a range of terminal values for the combined company derived by applying perpetuity growth rates ranging from 1.0% to 2.0% to the estimated terminal unlevered free cash flow and the expected synergies for the combined company, which were calculated using the CVS Health pro forma forecasts and approved for Goldman Sachs use by CVS Health, and the expected synergies. Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company s target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the CVS Health forecasts and adjusted Aetna forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then (i) added the present value (as of September 30, 2018) of the terminal value to the present values (as of September 30, 2018) of the unlevered free cash flows and the expected synergies for the three months ending December 31, 2018 and each of the fiscal years 2019 through 2022, (ii) added the total CVS Health dividends and Aetna dividends expected to be paid between September 30, 2017 and September 30, 2018, as reflected in the CVS Health forecasts and the adjusted Aetna forecasts and (iii) subtracted the assumed amount of the combined company s net debt and the book value of minority interests (each based on guidance from CVS Health management) to calculate a range of equity values for the combined company. Goldman Sachs then divided this range of equity values by the number of pro forma fully diluted shares of common stock for the combined company based on data provided by CVS Health management. Goldman Sachs then discounted the equity values per share to September 30, 2017 based on a cost of equity of 7.8% to derive a range of present values per share of the common shares of the combined company as follows:

Implied Equity Value Per Share Reference Range
$76.40 $129.88

Table of Contents

Illustrative Future Share Price Analysis

Barclays and Goldman Sachs performed an illustrative analysis of the illustrative future value per share of CVS Health common stock, which is designed to provide an indication of the theoretical future value of a company s shares of common stock, both as a stand-alone entity and as the pro forma combined company, as a function of the stand-alone entity s and the pro forma combined company s respective financial multiples. Goldman Sachs then performed an illustrative analysis of the implied present value of the illustrative future value per share of CVS Health common stock, which is designed to provide an indication of the present value of a theoretical future value of a company s shares of common stock, both as a stand-alone entity and as the pro forma combined company. For the analysis of the illustrative future value per share of CVS Health common stock, Barclays and Goldman Sachs used the CVS Health forecasts for each of the fiscal years 2018 to 2022 and the CVS Health pro forma forecasts and the expected synergies for each of the fiscal years 2019 to 2022. Barclays and Goldman Sachs first calculated the implied future values per share of CVS Health common stock as of December 31 for each of the fiscal years 2017 to 2021, by applying next-twelve-months adjusted P/E multiples ranging from 11.60x to 14.00x to next-twelve-months adjusted EPS estimates for CVS Health as a stand-alone entity for each of the fiscal years 2017 to 2021, as reflected in the CVS Health forecasts. Barclays and Goldman Sachs then calculated the implied future values per share of the common stock of the combined company as of December 31 for each of the fiscal years 2018 to 2021, by applying next-twelve-months adjusted P/E multiples ranging from 11.60x to 15.00x to next-twelve-months adjusted EPS estimates for the combined company for each of the fiscal years 2018 to 2021, as reflected in the CVS Health pro forma forecasts and the expected synergies. This range of illustrative adjusted P/E multiples was derived by Barclays and Goldman Sachs utilizing their professional judgment and experience, taking into account current and historical trading data and the current adjusted P/E multiples for CVS Health and Aetna.

Utilizing a discount rate of 7.80%, reflecting an estimate of the cost of equity for each of CVS Health and the combined company and derived by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including a beta for the company, as well as certain financial metrics for the United States financial markets generally, Goldman Sachs then derived a range of implied present values per share for CVS Health as a stand-alone entity and for the combined company by discounting to present value as of December 1, 2017, (i) the implied values per share of CVS Health as a stand-alone entity and of the combined company and (ii) the values of the dividends per share projected to be paid by each of the respective entities for each of the calendar years 2018 to 2021. Goldman Sachs then added the present value of the implied values per share to the present values of the dividends to calculate the present value of the stock of each of CVS Health as a stand-alone entity and the pro forma combined company.

The following tables present the results of the analysis of the implied present value of the illustrative future value per share of CVS Health common stock:

Present Value as of December 1, 2017 of Stand-alone CVS Health Future Stock

	2017E	2021E
14.00 x NTM Adj. P/E	$ 87.82	$ 104.18
12.75 x NTM Adj. P/E	79.98	95.59
11.60 x NTM Adj. P/E	72.76	87.68

Present Value as of December 1, 2017 of Pro Forma Combined Company Future Stock

	2018E	2019E	2020E	2021E
15.00 x NTM Adj. P/E	$ 99.21	$ 100.87	$ 102.45	$ 101.98
13.75 x NTM Adj. P/E	91.10	92.76	94.34	94.03
12.50 x NTM Adj. P/E	82.99	84.65	86.24	86.09
11.60 x NTM Adj. P/E	77.14	78.81	80.40	80.36

Table of Contents

Opinion of Centerview Partners LLC

On December 3, 2017, Centerview rendered to the board of directors of CVS Health its oral opinion, subsequently confirmed in a written opinion dated such date, that, as of such date and based upon and subject to various assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement was fair, from a financial point of view, to CVS Health.

The full text of Centerview s written opinion, dated December 3, 2017, which describes the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, is attached as Annex F and is incorporated herein by reference. **The summary of the written opinion of Centerview set forth below is qualified in its entirety by the full text of Centerview s written opinion attached as Annex F. Centerview s financial advisory services and opinion were provided for the information and assistance of the board of directors of CVS Health (in their capacity as directors and not in any other capacity) in connection with and for purposes of its consideration of the transaction, and Centerview s opinion only addressed the fairness, from a financial point of view, as of the date of Centerview s written opinion, to CVS Health of the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement. Centerview s opinion did not address any other term or aspect of the merger agreement or the transaction and does not constitute a recommendation to any stockholder of CVS Health or any other person as to how such stockholder or other person should vote with respect to the merger or otherwise act with respect to the transaction or any other matter.**

The full text of Centerview s written opinion should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion.

In connection with rendering the opinion described above and performing its related financial analyses, Centerview reviewed, among other things:

- a draft of the merger agreement dated December 3, 2017, referred to in this summary of Centerview s opinion as the draft merger agreement ;

- Annual Reports on Form 10-K of each of Aetna and CVS Health for the years ended December 31, 2016, December 31, 2015 and December 31, 2014;

- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of each of Aetna and CVS Health;

- certain publicly available research analyst reports for each of Aetna and CVS Health;

- certain other communications from each of Aetna and CVS Health to their respective stockholders;

certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of Aetna furnished to Centerview by CVS Health for purposes of Centerview s analysis, which is referred to in this section of this joint proxy statement/prospectus as the Aetna internal data;

the adjusted Aetna projections (as defined in Unaudited Prospective Financial Information Adjusted Aetna Projections beginning on page 158 of this joint proxy statement/prospectus), as prepared by management of CVS Health and furnished to Centerview by CVS Health for purposes of Centerview s analysis;

certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of CVS Health, including the CVS Health management projections (as defined in Unaudited Prospective Financial Information CVS Health Management Projections beginning on page 159 of this joint proxy statement/prospectus) and the CVS Health combined company

Table of Contents

projections (as defined in Unaudited Prospective Financial Information CVS Health Combined Company Projections beginning on page 161 of this joint proxy statement/prospectus), prepared by management of CVS Health and furnished to Centerview by CVS Health for purposes of Centerview s analysis, which are collectively referred to in this section of this joint proxy statement/prospectus as the CVS Health internal data; and

certain cost savings and operating synergies projected by management of CVS Health to result from the transaction furnished to Centerview by CVS Health for purposes of Centerview s analysis, which are referred to in this section of this joint proxy statement/prospectus as the synergies.

Centerview also participated in discussions with members of the senior management and representatives of CVS Health regarding their assessment of the Aetna internal data, the adjusted Aetna projections, the CVS Health internal data (including, without limitation, the CVS Health management projections and the CVS Health combined company projections) and the synergies, and the strategic rationale for the transaction. In addition, Centerview reviewed publicly available financial and stock market data, including valuation multiples, for Aetna and CVS Health and compared that data with similar data for certain other companies, the securities of which are publicly traded, in lines of business that Centerview deemed relevant. Centerview also compared certain of the proposed financial terms of the transaction with the financial terms, to the extent publicly available, of certain other transactions that Centerview deemed relevant, and conducted such other financial studies and analyses and took into account such other information as Centerview deemed appropriate.

Centerview assumed, without independent verification or any responsibility therefor, the accuracy and completeness of the financial, legal, regulatory, tax, accounting and other information supplied to, discussed with, or reviewed by Centerview for purposes of its opinion and, with the consent of CVS Health, Centerview relied upon such information as being complete and accurate. In that regard, Centerview assumed, at the direction of CVS Health, that the Aetna internal data was reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Aetna as to the matters covered thereby and that the CVS Health internal data (including without limitation the, CVS Health management projections and the CVS Health combined company projections), the adjusted Aetna projections and the synergies were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CVS Health as to the matters covered thereby, and Centerview relied, at the direction of CVS Health, on the Aetna internal data, the adjusted Aetna projections, the CVS Health internal data (including, without limitation, the CVS Health management projections and CVS Health combined company projections) and the synergies for purposes of Centerview s analysis and opinion. Centerview expressed no view or opinion as to the Aetna internal data, the adjusted Aetna projections, the CVS Health internal data (including, without limitation, the CVS Health management projections and the CVS Health combined company projections), the synergies or the assumptions on which they were based. In addition, at the direction of CVS Health, Centerview did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet or otherwise) of Aetna or CVS Health, nor was Centerview furnished with any such evaluation or appraisal, and Centerview was not asked to conduct, and did not conduct, a physical inspection of the properties or assets of Aetna or CVS Health. Centerview is not an actuary and its services did not include any actuarial determination or evaluation by Centerview or any attempt to evaluate actuarial assumptions, and Centerview relied on the actuaries of CVS Health with respect to reserve adequacy. In that regard, Centerview made no analysis of, and expressed no opinion as to, the adequacy of the loss and loss adjustments expenses reserves, the future policy benefit reserves, the long-term business provision and claims outstanding or the embedded value of CVS Health and Aetna. Centerview assumed, at the direction of CVS Health, that the final executed merger agreement would not differ in any respect material to Centerview s analysis or opinion from the draft merger agreement reviewed by Centerview. Centerview also assumed, at the direction of CVS Health, that the transaction will be consummated on the terms set forth in the merger agreement and in accordance with all applicable laws and other relevant documents or requirements, without delay or the waiver, modification or amendment of any term, condition or agreement, the effect of which would be material to Centerview s analysis or Centerview s opinion, that the representations and warranties made by Aetna and CVS Health in the merger agreement were and would be true

Table of Contents

and correct in all respects material to Centerview s analysis and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the transaction, no delay, limitation, restriction, condition or other change, including any divestiture requirements or amendments or modifications, will be imposed, the effect of which would be material to Centerview s analysis or Centerview s opinion. Centerview did not evaluate and did not express any opinion as to the solvency or fair value of Aetna or CVS Health, or the ability of Aetna or CVS Health to pay their respective obligations when they come due, or as to the impact of the transaction on such matters, under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. Centerview is not a legal, regulatory, tax, actuarial or accounting advisor, and Centerview expressed no opinion as to any legal, regulatory, tax, actuarial or accounting matters.

Centerview s opinion expressed no view as to, and did not address, the underlying business decision of CVS Health to proceed with or effect the transaction, or the relative merits of the transaction as compared to any alternative business strategies or transactions that might be available to CVS Health or in which CVS Health might engage. Centerview s opinion was limited to and addressed only the fairness, from a financial point of view, as of the date of Centerview s written opinion, to CVS Health of the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement. For purposes of its opinion, Centerview was not asked to, and Centerview did not, express any view on, and its opinion did not address, any other term or aspect of the merger agreement or the transaction, including, without limitation, the structure or form of the transaction, or any other agreements or arrangements contemplated by the merger agreement or entered into in connection with or otherwise contemplated by the transaction, including, without limitation, the fairness of the transaction or any other term or aspect of the transaction to, or any consideration to be received in connection therewith by, or the impact of the transaction on, the holders of any other class of securities, creditors or other constituencies of CVS Health or any other party. In addition, Centerview expressed no view or opinion as to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to be paid or payable to any of the officers, directors or employees of CVS Health or any party, or class of such persons in connection with the transaction, whether relative to the merger consideration to be paid by CVS Health in the merger pursuant to the merger agreement or otherwise. Centerview s opinion related in part to the relative values of Aetna and CVS Health. Centerview s opinion was necessarily based on financial, economic, monetary, currency, market and other conditions and circumstances as in effect on, and the information made available to Centerview as of, the date of Centerview s written opinion, and Centerview does not have any obligation or responsibility to update, revise or reaffirm its opinion based on circumstances, developments or events occurring after the date of Centerview written opinion. Centerview s opinion expressed no view or opinion as to what the value of the shares of CVS Health common stock actually will be when issued pursuant to the transaction or the prices at which the Aetna common shares or the shares of CVS Health common stock will trade or otherwise be transferable at any time, including following the announcement or consummation of the transaction. Centerview s opinion does not constitute a recommendation to any stockholder of CVS Health or any other person as to how such stockholder or other person should vote with respect to the merger or otherwise act with respect to the transaction or any other matter. Centerview s financial advisory services and its written opinion were provided for the information and assistance of the board of directors of CVS Health (in their capacity as directors and not in any other capacity) in connection with and for purposes of its consideration of the transaction. The issuance of Centerview s opinion was approved by the Centerview Partners LLC Fairness Opinion Committee.

Summary of Centerview Financial Analysis

The following is a summary of the material financial analyses prepared and reviewed with the board of directors of CVS Health in connection with Centerview s opinion, dated December 3, 2017. **The summary set forth below does not purport to be a complete description of the financial analyses performed or factors considered by, and underlying the opinion of, Centerview, nor does the order of the financial analyses described represent the relative importance or weight given to those financial analyses by Centerview. Centerview may have deemed**

various assumptions more or less probable than other assumptions, so the reference ranges resulting from any particular portion of the analyses summarized below should not be

Table of Contents

taken to be Centerview s view of the actual value of Aetna or CVS Health. Some of the summaries of the financial analyses set forth below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses performed by Centerview. Considering the data in the tables below without considering all financial analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the processes underlying Centerview s financial analyses and its opinion. In performing its analyses, Centerview made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Aetna, CVS Health or any other parties to the transaction. None of Aetna, CVS Health, Merger Sub, Centerview or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of Aetna and CVS Health do not purport to be appraisals or reflect the prices at which Aetna or CVS Health may actually be sold. Accordingly, the assumptions and estimates used in, and the results derived from, the financial analyses are inherently subject to substantial uncertainty. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 1, 2017 (the last trading day before the public announcement of the transaction) and is not necessarily indicative of current market conditions.

Stand-alone Aetna Financial Analysis

Selected Comparable Public Company Analysis

Centerview reviewed and compared certain financial information, ratios and multiples for Aetna to corresponding financial information, ratios and multiples for publicly traded companies in the managed care industry that Centerview deemed comparable, based on its experience and professional judgment, to Aetna, which selected publicly traded companies are referred to in this section of this joint proxy statement/prospectus as the selected Aetna comparable companies. None of the companies that were selected based on these criteria were subsequently excluded in conducting this analysis.

The selected Aetna comparable companies consisted of:

Selected Aetna Comparable Companies
United Health
Anthem
Cigna
Humana

Although none of the selected Aetna comparable companies is directly comparable to Aetna, these companies were selected by Centerview, among other reasons, because they are publicly traded companies in the managed care industry with certain operational and financial characteristics, which, for purposes of its analyses, Centerview considered to be similar to those of Aetna.

Using publicly available information obtained from SEC filings, FactSet (a data source containing historical and estimated financial data), publicly available Wall Street research and closing stock prices as of December 1, 2017, as well as the adjusted Aetna projections, Centerview calculated, for each selected Aetna comparable company, and for Aetna (and in the case of Aetna, an unaffected calculation was also prepared based on a market closing stock price immediately prior to October 26, 2017, the first day on which news of the potential transaction was published), the following ratios and multiples: (1) enterprise value (calculated as the market value of common equity (determined using the fully diluted equity value) plus the book value of debt and noncontrolling interests, less cash and cash equivalents held at the parent company) as a multiple of 2017, 2018

Table of Contents

and 2019 calendar year estimated EBITDA, and (2) the price to earnings ratio for the 2017, 2018 and 2019 calendar years. Where applicable, the multiples were adjusted to account for certain events such as pending acquisitions and divestitures.

The results of this analysis for the Aetna comparable companies are summarized below:

	Minimum	Median	Average	Maximum
EV / 2017E EBITDA	10.5x	13.4x	13.1x	15.4x
EV / 2018E EBITDA	10.1x	11.4x	11.4x	12.8x
EV / 2019E EBITDA	9.1x	10.4x	10.3x	11.4x
2017E Price / Earnings	19.4x	21.2x	21.1x	22.5x
2018E Price / Earnings	18.0x	19.5x	19.6x	21.4x
2019E Price / Earnings	16.3x	17.3x	17.5x	18.9x

Based on its experience and professional judgment, for purposes of its analysis Centerview selected an enterprise value to estimated 2018 EBITDA multiple reference range of 10.0x to 12.5x and a price to estimated 2018 earnings ratio reference range of 16.0x to 21.0x. In selecting these reference ranges, Centerview made qualitative judgments based on its experience and professional judgment concerning differences between the business, financial and operating characteristics and prospects of Aetna and the selected Aetna comparable companies that could affect the public trading values in order to provide a context in which to consider the results of the quantitative analysis. Applying these reference ranges to the adjusted Aetna projections, Centerview calculated the following implied ranges of values per share, rounded to the nearest $1.00, of Aetna common stock: (1) based on Aetna s 2018 calendar year estimated adjusted EBITDA, Centerview calculated an implied range of approximately $159 to $206 per share of Aetna common stock and, (2) based on Aetna s 2018 calendar year estimated adjusted earnings per share, Centerview calculated an implied range of approximately $160 to $210 per share of Aetna common stock. Centerview then compared these ranges to the value of the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017.

Selected Transactions Analysis

Centerview analyzed certain information relating to selected transactions announced since 2000 for which publicly disclosed information is available in the managed care industry that Centerview deemed, based on its experience, expertise and knowledge of the managed care industry, to have operations, results, business mix or product profiles that, for purposes of analysis, are similar to certain operations, results, business mix or product profiles of Aetna.

None of the transactions that were selected based on these criteria were subsequently excluded in conducting this analysis. The selected transactions consisted of:

Announcement Date	Acquiror	Target
Jul-15	Anthem	Cigna (Terminated)
Jul-15	Aetna	Humana (Terminated)
Jul-15	Centene Corporation	Health Net
Oct-12	UnitedHealth Group	AMIL Participações
Aug-12	Aetna	Coventry Health Care
Jul-12	WellPoint Health Networks	Amerigroup

Oct-11	Cigna	HealthSpring
Mar-07	UnitedHealth Group	Sierra Health Services
Sep-05	WellPoint Health Networks	WellChoice
Sep-05	The Blackstone Group and others	HealthMarkets
Jul-05	UnitedHealth Group	Pacificare Health Systems
Oct-04	Coventry Health Care	First Health Group

Table of Contents

Announcement Date	Acquiror	Target
Sep-04	Pacificare Health Systems	American Medical Security Group
Apr-04	UnitedHealth Group	Oxford Health Plans
Oct-03	Anthem	WellPoint
Oct-03	UnitedHealth Group	Mid Atlantic Medical Services
Jun-03	WellPoint Health Networks	Cobalt Corporation
Apr-02	Anthem	Trigon Healthcare
Oct-01	WellPoint Health Networks	RightCHOICE Managed Care
Nov-00	WellPoint Health Networks	Cerulean Companies

No company or transaction used in this analysis is directly comparable to Aetna or CVS Health or the transaction. The companies included in the selected transactions are companies that were selected, among other reasons, because they have certain operational and financial characteristics that, for the purposes of its analysis, Centerview considered to be similar to those of Aetna. The reasons for and the circumstances surrounding each of the selected transactions analyzed were diverse, and there are inherent differences in the business, operations, financial conditions and prospects of Aetna, CVS Health and the companies included in the selected transactions.

The results of this analysis are summarized below:

	Median	Mean
EV / LTM EBITDA Multiple	12.0x	11.3x

Based on its analysis of the relevant metrics for each of the selected companies, Centerview selected an enterprise value to estimated LTM EBITDA multiple reference range of 11.0x to 13.5x. In selecting this reference range, Centerview made qualitative judgments based on its experience and professional judgment concerning differences between the business, financial and operating characteristics and prospects of Aetna and the companies included in the selected transactions and other factors that could affect the public trading, acquisition or other values of such companies or Aetna. Centerview applied this reference range to Aetna s estimated calendar year 2017 adjusted EBITDA, reflected in the adjusted Aetna projections, to calculate an illustrative range of implied values per share, rounded to the nearest $1.00, of Aetna common stock as of December 1, 2017 of approximately $166 to $210 per share of Aetna common stock. Centerview then compared the results of this analysis to the value of the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017.

Discounted Cash Flow Analysis

Centerview performed a discounted cash flow analysis of Aetna, which is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows and is obtained by discounting those future cash flows by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

In performing this analysis, Centerview calculated the estimated present value of the unlevered free cash flows of Aetna reflected in the adjusted Aetna projections for Q4 2017 and the years from 2018 through 2022. The terminal value of Aetna at the end of the forecast period was estimated by using perpetuity growth rates ranging from 2.0% to 3.0%. This range of perpetuity growth rates was estimated by Centerview utilizing its professional judgment and experience, taking into account the adjusted Aetna projections and market expectations regarding long term real growth of gross domestic product and inflation. The unlevered free cash flows and terminal values were then discounted to present value using discount rates ranging from 6.5% to 7.5%. This range of discount rates was determined based on Centerview s analysis of Aetna s weighted average cost of capital. Based on its analysis, Centerview calculated a range of implied values per share of Aetna common stock, rounded to the nearest $1.00, of $170 to $263 per share. Centerview then compared the results of this analysis to the value of the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017.

Centerview also performed a discounted cash flow analysis of Aetna inclusive of the synergies expected by CVS Health to be realized in connection with the transaction. In performing this analysis, Centerview calculated the estimated present value of the expected annual after-tax synergies, net of the costs to achieve such synergies, referred to in this section of this joint proxy statement/prospectus as net synergies, for the period from 2018 through 2022. The terminal value of the net synergies at the end of the forecast period was estimated by using perpetuity growth rates ranging from 2.0% to 3.0%, which range was selected using the methodologies and assumptions described above. The net synergies and terminal values were then discounted to present value using discount rates ranging from 6.5% to 7.5%, which range was selected using the methodologies and assumptions described above. Based on the discounted cash flow analyses Centerview performed on Aetna and the synergies, Centerview calculated implied values per share of Aetna common stock, including the synergies and rounded to the nearest $1.00, of $193 to $299 per share. Centerview then compared the results of this analysis to the value of the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017.

Other Factors

Centerview noted for the board of directors of CVS Health certain additional factors solely for informational purposes, including, among other things, the following:

Historical Stock Price Trading Analysis. Centerview reviewed the stock price performance of Aetna common stock for the 52-week period prior to December 1, 2017, the last trading day before the public announcement of the transaction. Centerview noted that the range, rounded to the nearest $1.00, of low and high closing prices of Aetna common stock during the prior 52-week period was $105.00 to $192.00, as compared to the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017. Centerview also noted that the highest closing price of Aetna common stock during the 52-week period prior to December 1, 2017 but prior to the first day on which speculation of the transaction was published was $165. Centerview also noted that historical trading price analysis is not a valuation methodology and that such analysis was presented for reference purposes only and not as a component of Centerview s fairness analyses.

Analyst Price Target Analysis. Centerview reviewed stock price targets for Aetna common stock reflected in publicly available Wall Street research analyst reports. Centerview noted that the range of stock price targets in such research analyst reports prior to the first day on which speculation of the transaction was published was between $150 and $185, and the range of stock price targets in such research analyst reports after the day on which speculation of the transaction was published was between $165 and $200, as compared to the merger consideration of $207.94 per share implied by the closing price of shares of CVS Health common stock on December 1, 2017. Centerview also noted that analyst price targets are not a valuation methodology and that such analysis was presented for reference purposes only and not as a component of Centerview s fairness analyses.

Stand-alone CVS Health Financial Analysis

Selected Comparable Public Company Analysis

Centerview also reviewed and compared certain financial information, ratios and multiples for CVS Health to corresponding financial information, ratios and multiples for publicly traded companies in the retail and pharmacy benefits management industries that Centerview deemed comparable, based on its experience and professional judgment, to CVS Health, which selected publicly traded companies are referred to in this section of this joint proxy statement/prospectus as the selected CVS Health comparable companies. None of the companies that were selected based on these criteria were subsequently excluded in conducting this analysis.

Table of Contents

The selected CVS Health comparable companies consisted of:

Selected CVS Health Comparable Companies
Walmart
Walgreens Boots Alliance
Express Scripts

Although none of the selected CVS Health comparable companies is directly comparable to CVS Health, these companies were selected, among other reasons, because they are publicly traded companies with certain operational and financial characteristics, which, for purposes of its analyses, Centerview considered to be similar to those of CVS Health.

Using publicly available information obtained from SEC filings, FactSet data, publicly available Wall Street research and closing stock prices as of December 1, 2017, Centerview calculated, for each selected CVS Health comparable company, and for CVS Health, the following ratios and multiples: (1) enterprise value (calculated as the market value of common equity (determined using the fully diluted equity value) plus the book value of debt and noncontrolling interests, less cash and cash equivalents) as a multiple of 2017, 2018 and 2019 calendar year estimated EBITDA, and (2) the price to earnings ratio for the 2017, 2018 and 2019 calendar years. Where applicable, the multiples were adjusted to account for certain events such as pending acquisitions and divestitures.

The results of this analysis for the CVS Health comparable companies are summarized below:

	Minimum	Median	Average	Maximum
EV / 2017E EBITDA	6.8x	9.3x	8.8x	10.2x
EV / 2018E EBITDA	6.7x	8.8x	8.5x	9.9x
EV / 2019E EBITDA	6.5x	8.5x	8.2x	9.6x
2017E Price / Earnings	8.9x	13.2x	14.7x	22.1x
2018E Price / Earnings	8.2x	12.4x	13.8x	20.9x
2019E Price / Earnings	7.4x	11.4x	12.8x	19.6x

Based on its experience and professional judgment, for purposes of its analysis Centerview selected an enterprise value to estimated calendar year 2018 EBITDA multiple reference range of 7.5x to 9.0x and a price to estimated calendar year 2018 earnings ratio reference range of 10.0x to 15.0x. In selecting these reference ranges, Centerview made qualitative judgments based on its experience and professional judgment concerning differences between the business, financial and operating characteristics and prospects of CVS Health and the selected CVS Health comparable companies that could affect the public trading values in order to provide a context in which to consider the results of the quantitative analysis. Applying these reference ranges to the CVS Health management projections, Centerview calculated the following implied ranges of values per share, rounded to the nearest $1.00, of CVS Health common stock: (1) based on CVS Health s 2018 calendar year estimated adjusted EBITDA, Centerview calculated an implied range of approximately $74 to $93 per share of CVS Health common stock, and, based on CVS Health s 2018 calendar year estimated adjusted earnings per share, Centerview calculated an implied range of approximately $63 to $95 per share of CVS Health common stock.

Discounted Cash Flow Analysis

Centerview also performed a discounted cash flow analysis of CVS Health.

In performing the discounted cash flow analysis, Centerview calculated the estimated present value of the unlevered free cash flows of CVS Health reflected in the CVS Health management projections for Q4 2017 and the years from 2018 through 2022. The terminal value of CVS Health at the end of the forecast period was estimated by using perpetuity growth rates ranging from 0.5% to 1.5%. This range of perpetuity growth rates was estimated by Centerview utilizing its professional judgment and experience, taking into account the CVS Health

Table of Contents

management projections and market expectations regarding long term real growth of gross domestic product and inflation. The unlevered free cash flows and terminal values were then discounted to present value using discount rates ranging from 6.25% to 7.25%. This range of discount rates was determined based on Centerview s analysis of CVS Health s weighted average cost of capital. Based on its analysis, Centerview calculated a range of implied values per share of CVS Health common stock, rounded to the nearest $1.00, of $80 to $119 per share.

Other Factors

Centerview noted for the board of directors of CVS Health certain additional factors solely for informational purposes, including, among other things, the following:

Historical Stock Price Trading Analysis. Centerview reviewed the stock price performance of CVS Health common stock for the 52-week period prior to December 1, 2017 and noted that the range, rounded to the nearest $1.00, of low and high closing prices during this period was $66 to $85, as compared to the closing price of shares of CVS Health common stock on December 1, 2017 of $75.12. Centerview also noted that historical trading price analysis is not a valuation methodology and that such analysis was presented for reference purposes only and not as a component of Centerview s fairness analyses.

Analyst Price Target Analysis. Centerview reviewed stock price targets for shares of CVS Health common stock reflected in publicly available Wall Street research analyst reports and noted that the range of stock price targets in such research analyst reports was between $73 and $97, as compared to the closing price of shares of CVS Health common stock on December 1, 2017 of $75.12. Centerview also noted that analyst price targets are not a valuation methodology and that such analysis was presented for reference purposes only and not as a component of Centerview s fairness analyses.

Relative Value Analysis

Based upon a comparison of the range of implied equity values for each of Aetna and CVS Health calculated pursuant to the selected comparable public companies analysis and discounted cash flow analysis described above, Centerview calculated ranges of implied exchange ratios for the transaction, on a cash adjusted basis with the Aetna equity value contribution reduced by cash consideration of $145 per share. Centerview calculated these ratios on bases exclusive and inclusive of expected synergies resulting from the transaction. With respect to any given range of exchange ratios, the higher ratio assumes the highest implied value per share of Aetna common stock divided by the highest implied value per share of CVS Health common stock, and the lower ratio assumes the lowest implied value per share of Aetna common stock divided by the lowest implied value per share of CVS Health common stock.

Centerview s analysis indicated the following implied ranges of exchange ratios on a basis exclusive of expected synergies and on a basis inclusive of expected synergies (based upon a present value of the near term synergies equal to $9.4 billion with 50-75% of the value of the synergies attributed to Aetna and the remainder to CVS Health):

Valuation Methodology	**Implied Cash Adjusted Exchange Ratio**
Without Synergies	
Selected Trading Comparables (EV / EBITDA)	0.1951x to 0.6527x
Selected Trading Comparables (2018E Price / Earnings)	0.2395x to 0.6868x

Discounted Cash Flow Analysis	0.3162x to 0.9929x
With Synergies	
Selected Trading Comparables (EV / EBITDA)	0.3637x to 0.8594x
Selected Trading Comparables (2018E Price / Earnings)	0.4317x to 0.8882x
Discounted Cash Flow Analysis	0.4655x to 1.1485x

153

Centerview compared the implied ranges of cash adjusted exchange ratios to the implied transaction exchange ratio of 0.8378 shares of CVS Health common stock per share of Aetna common stock.

General

The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. In arriving at its opinion, Centerview did not draw, in isolation, conclusions from or with regard to any factor or analysis that it considered. Rather, Centerview made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses.

Centerview s financial analyses and opinion were only one of many factors taken into consideration by the board of directors of CVS Health in its evaluation of the transaction. Consequently, the analyses described above should not be viewed as determinative of the views of the board of directors or management of CVS Health with respect to the merger consideration or as to whether the board of directors of CVS Health would have been willing to determine that a different consideration was fair. The consideration for the transaction was determined through arm s-length negotiations between CVS Health and Aetna and was approved by the board of directors of CVS Health. Centerview provided advice to CVS Health during these negotiations. Centerview did not, however recommend any specific amount of consideration to CVS Health or CVS Health s board of directors or that any specific amount of consideration constituted the only appropriate consideration for the transaction.

Centerview is a securities firm engaged directly and through affiliates and related persons in a number of investment banking, financial advisory and merchant banking activities. In the past two years, Centerview has not been engaged on a fee paying basis to provide financial advisory or other services to CVS Health or Aetna, and has not received any compensation from CVS Health or Aetna during such period. As was disclosed to the CVS Health board of directors prior to its approval of Centerview s engagement on the transaction, Centerview has from time to time in the past two years engaged in discussions with and provided certain advisory services to CVS Health with respect to various potential strategic alternatives. However Centerview did not enter into any engagement letters with, or receive any compensation from, CVS Health with respect to any such matters. As was disclosed to the CVS Health board of directors prior to its approval of Centerview s engagement on the transaction, Centerview has from time to time in the past two years engaged in discussions with and provided certain advisory services to Aetna with respect to various potential strategic alternatives. However, Centerview did not enter into any engagement letters with, or receive any compensation from, Aetna with respect to any such matters. Centerview may provide investment banking and other services to or with respect to CVS Health or Aetna or their respective affiliates in the future, for which Centerview may receive compensation. In addition, as was disclosed to the CVS Health board of directors prior to its approval of Centerview s engagement on the transaction, David W. Dorman, Chairman of the Board of Directors of CVS Health, is a partner in the ultimate general partner and the manager of Centerview Capital Technology Fund (Delaware), L.P. and Centerview Capital Technology Fund-A (Delaware), L.P., together with a related employee fund (collectively referred to as Centerview Capital Technology in this summary of Centerview s opinion), which are growth equity investment funds focused on the technology sector. Certain partners of Centerview Partners LLC (including the senior member of the Centerview team advising on the transaction) are partners (either directly or indirectly) in the ultimate general partner and the manager of Centerview Capital Technology and serve on Centerview Capital Technology s investment committee. Centerview Partners LLC provides certain back office support to Centerview Capital Technology. Mr. Dorman has no ownership interest in, and is not an employee of, Centerview Partners LLC.

Certain (i) of Centerview s and its affiliates directors, officers, members and employees, or family members of such persons, (ii) of Centerview s affiliates or related investment funds and (iii) investment funds or other persons in which any of the foregoing may have financial interests or with which they may co-invest, may at any time acquire, hold, sell or trade, in debt, equity and other securities or financial instruments (including derivatives, bank loans or other obligations) of, or investments in, CVS Health, Aetna or any of their respective affiliates, or any other party that may be involved in the transaction.

The board of directors of CVS Health selected Centerview as its financial advisor in connection with the transaction based on Centerview s reputation and experience in the managed care and insurance industries. Centerview is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction.

In connection with Centerview s services as the financial advisor to the board of directors of CVS Health, CVS Health paid Centerview an aggregate fee of $12 million upon the rendering of Centerview s opinion. In addition, CVS Health has agreed to reimburse certain of Centerview s expenses arising, and to indemnify Centerview against certain liabilities that may arise, out of Centerview s engagement.

Unaudited Prospective Financial Information

Neither CVS Health nor Aetna generally publishes its business plans and strategies or makes external disclosures of its anticipated financial position or results of operations due to, among other reasons, the uncertainty of the underlying assumptions and estimates, other than, in each case, providing, from time to time, estimated ranges of certain expected financial results and operational metrics for the current year and certain future years in their respective regular earnings press releases and other investor materials.

Aetna Projections

In connection with CVS Health s evaluation of the merger, Aetna made available on October 29, 2017 to CVS Health, Goldman Sachs and Barclays, and on December 1, 2017 to Centerview, certain financial forecasts and unaudited prospective financial information relating to Aetna on a stand-alone basis, assuming Aetna would continue as an independent company, which are referred to in this joint proxy statement/prospectus as the Aetna management projections. The Aetna management projections also were provided to each of Lazard, Allen & Company and Evercore for their use and reliance in connection with their respective financial analyses and, as applicable, opinions in connection with the merger. The Aetna board of directors also reviewed and considered the Aetna management projections at the meetings of the Aetna board of directors on October 27, 2017, November 14, 2017, November 20, 2017, December 1, 2017 and December 3, 2017.

The Aetna projections (as defined below) reflect numerous assumptions and estimates that Aetna made in good faith, including, without limitation, (i) with respect to the projections of Aetna adjusted earnings per share, that Aetna, as a stand-alone company, would continue to repurchase its common shares in the ordinary course of business; (ii) that macroeconomic conditions would remain stable, both in the U.S. and globally; (iii) that the Patient Protection and Affordable Care Act would not be repealed or defunded; (iv) that the interest rate environment would remain stable; (v) that competitor pricing would remain rational; (vi) that commercial medical cost trends would be in line with recent experience; (vii) that the Medicare Advantage and managed Medicaid rate environments would remain stable; (viii) that Medicare Advantage membership would grow in excess of industry growth and Medicaid membership would return to growth in 2019; (ix) that consumers would continue to take on greater decision-making and financial responsibility with respect to their health care; (x) that providers would remain receptive to partnering with Aetna on value-based contracting to reduce the cost of care, improve quality and provide consumers with better health care experiences; (xi) that the annual premium-based health insurer fee under the Patient Protection and Affordable Care Act (which is referred to in this joint proxy statement/prospectus as the HIF) returns in 2018 and applies to each year thereafter; (xii) that the tax laws, including corporate tax rates, remain unchanged relative to such laws (including such rates) as in effect on October 29, 2017; (xiii) that the sale of Aetna s domestic group life insurance, group disability insurance and absence management businesses occurred; and (xiv) certain other matters referred to below under "General" beginning on page 164 of this joint proxy statement/prospectus. The Aetna projections also assume that GAAP as in effect on October 29, 2017 applies throughout the projection period.

Table of Contents

The following table presents a summary of the Aetna management projections:

	Year Ending December 31,					
	2017P	2018P	2019P	2020P	2021P	2022P
	(dollars in billions, except for per share amounts)					
Aetna adjusted revenue (1)	$ 60.5	$ 60.7	$ 67.3	$ 73.7	$ 80.4	$ 87.8
Aetna adjusted earnings (2)	3.3	3.1	3.4	3.6	3.9	4.2
Aetna adjusted earnings per share (3)	9.84	10.01	11.13	12.38	13.85	15.36

(1) Aetna adjusted revenue means total revenue excluding net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance. Projected full-year 2017 Aetna adjusted revenue excludes from total revenue interest income on the proceeds of Aetna s June 2016 debt financing of $11 million pre-tax and net realized capital losses for the nine months ended September 30, 2017 of $262 million pre-tax. The interest income on the proceeds of Aetna s June 2016 debt financing was excluded from total revenue because it neither relates to the ordinary course of Aetna s business nor reflects Aetna s underlying business performance. Net realized capital gains and losses arise from various types of transactions, primarily in the course of managing a portfolio of assets that support the payment of liabilities. However, these transactions do not directly relate to the underwriting or servicing of products for customers and are not directly related to the core performance of Aetna s business operations. Aetna will experience net realized capital gains or net realized capital losses subsequent to September 30, 2017, however Aetna cannot project the amount of such future gains or losses. Therefore, Aetna has assumed no net realized capital gains or losses after September 30, 2017 for purposes of projecting total revenue, net income attributable to Aetna, which is referred to in this section of this joint proxy statement/prospectus as net income, and income before income taxes for the years ending December 31, 2017 to 2022. Aetna s annual net realized capital gains or losses ranged from a net realized capital loss of $65 million to a net realized capital gain of $86 million during calendar years 2014 through 2016.

(2) Aetna adjusted earnings means net income, excluding amortization of other acquired intangible assets, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance. Projected full-year 2017 Aetna adjusted earnings exclude from projected full-year 2017 net income the loss on early extinguishment of long-term debt of $246 million pre-tax, projected guaranty fund assessments related to the insolvency of Penn Treaty Network America Insurance Company and one of its affiliates, which are referred to in this joint proxy statement/prospectus as the projected Penn Treaty-related guaranty fund assessments, of $231 million pre-tax, transaction and integration-related costs (including termination costs) primarily related to the Humana transaction of $1.2 billion pre-tax, the reduction of Aetna s reserve for anticipated future losses on discontinued products of $(109) million pre-tax, estimated amortization of other acquired intangible assets of approximately $230 million pre-tax, net realized capital losses for the nine months ended September 30, 2017 of $262 million pre-tax, other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance and the corresponding income tax benefit related to the items excluded from net income discussed above of approximately $(800) million. Although the excluded items may recur, management believes that Aetna adjusted earnings and Aetna adjusted earnings per share provide a more useful comparison of Aetna s underlying business performance from period to period. Amortization of other acquired intangible assets relates to Aetna s acquisition activities, however this amortization does not directly relate to the underwriting or servicing of products for customers and is not directly related to the core performance of Aetna s business operations. Refer to note (1) above for a discussion of net realized capital gains and losses.

(3) Aetna adjusted earnings per share means (i) Aetna adjusted earnings, as described in note (2) above, divided by (ii) the projected number of weighted average diluted Aetna common shares. Projected full-year 2017 net income per share and Aetna adjusted earnings per share reflect a range of 334 million to 335 million weighted average diluted Aetna common shares.

Each of Aetna adjusted revenue, Aetna adjusted earnings and Aetna adjusted earnings per share, as presented above in the Aetna management projections, is a non-GAAP financial measure. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. Aetna prepared this information as part of its ordinary course internal business and strategic planning process, and not for external disclosure. Aetna cannot project either the amount of any other items excluded from net income or total revenue for the years ending December 31, 2018 through 2022 or the amount of future net realized capital gains or losses; therefore Aetna cannot reconcile Aetna adjusted revenue, Aetna adjusted earnings or Aetna adjusted earnings per share to the respective most directly comparable financial measure calculated and presented in accordance with GAAP for any of those periods. Projected amortization of other acquired intangible assets is approximately $200 million, $190 million, $180 million, $155 million and $155 million pre-tax, respectively, for the years ending December 31, 2018 through 2022.

Certain other unaudited prospective financial information relating to Aetna on a stand-alone basis, assuming Aetna would continue as an independent company, was calculated based on the Aetna management projections and provided to each of Lazard, Allen & Company and Evercore for their use and reliance in connection with their respective financial analyses and, as applicable, opinions in connection with the merger, including, in the case of the following unlevered free cash flow estimates, Lazard s and Allen & Company s respective discounted cash flow analyses as described under Opinions of Aetna s Financial Advisors Opinion of Lazard Frères & Co. LLC Aetna Financial Analyses Discounted Cash Flow Analysis and Opinions of Aetna s Financial Advisors Opinion of Allen & Company LLC Aetna Financial Analyses Discounted Cash Flow Analysis beginning on pages 114 and 123, respectively, of this joint proxy statement/prospectus. This information is referred to in this joint proxy statement/prospectus as the supplemental Aetna projections, and together with the Aetna management projections, the Aetna projections. The Aetna board of directors reviewed and considered the supplemental Aetna projections at the meetings of the Aetna board of directors on October 27, 2017, November 14, 2017, November 20, 2017, December 1, 2017 and December 3, 2017. On October 29, 2017, Aetna made available to CVS Health, Goldman Sachs and Barclays the supplemental Aetna projections.

The following table presents a summary of the supplemental Aetna projections:

	Year Ending December 31,					
	2017P	2018P	2019P	2020P	2021P	2022P
	(dollars in billions)					
Aetna adjusted EBITDA (1)	$ 5.9	$ 6.2	$ 6.6	$ 7.1	$ 7.7	$ 8.3
Aetna unlevered free cash flow (2)	3.4	3.5	2.8	2.5	2.8	3.0

(1) Aetna adjusted EBITDA means income before income taxes, excluding interest expense, depreciation and amortization, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance.

(2) Aetna unlevered free cash flow means net income, excluding: (i) net realized capital gains or losses, (ii) other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance as described above, (iii) the corresponding income tax benefit or expense related to net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance that are excluded from net income as described above; less (I) risk based capital contributions (distributions), (II) changes in Aetna Inc. s working capital, (III) after-tax pension plan contributions, (IV) after-tax debt retirement premiums, (V) acquisitions and investments and (VI) after-tax Humana related termination fees; plus (a) after-tax net interest, (b) other net cash flow adjustments and (c) capital projected to be released due to the sale of Aetna s domestic group life insurance, group disability

insurance and absence management businesses.

Each of Aetna adjusted EBITDA and Aetna unlevered free cash flow, as presented above in the supplemental Aetna projections, is a non-GAAP financial measure. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. Refer to the description above for a discussion of net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance that were excluded from the relevant GAAP metric.

Table of Contents

Projected full-year 2017 Aetna adjusted EBITDA excludes from projected full-year 2017 income before income taxes the loss on early extinguishment of long-term debt of $246 million pre-tax, the projected Penn Treaty-related guaranty fund assessments of $231 million pre-tax, transaction and integration-related costs (including termination costs) primarily related to the Humana transaction of $1.2 billion pre-tax, the reduction of Aetna s reserve for anticipated future losses on discontinued products of $(109) million pre-tax, net realized capital losses for the nine months ended September 30, 2017 of $262 million pre-tax, other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance, projected interest expense of approximately $360 million pre-tax and projected depreciation and amortization expense of approximately $655 million pre-tax. Projected interest expense is approximately $360 million, $380 million, $400 million, $420 million and $470 million pre-tax, respectively, for the years ending December 31, 2018 through 2022. Projected depreciation and amortization is approximately $610 million, $630 million, $635 million, $630 million and $650 million pre-tax, respectively, for the years ending December 31, 2018 through 2022. Aetna cannot project either the amount of any other items excluded from income before income taxes for the years ending December 31, 2018 through 2022 or the amount of future net realized capital gains or losses; therefore Aetna cannot reconcile Aetna adjusted EBITDA to the most directly comparable financial measure calculated and presented in accordance with GAAP for any of those periods.

Projected full-year 2017 Aetna unlevered free cash flow excludes from projected full-year 2017 net income the loss on early extinguishment of long-term debt of $246 million pre-tax, the projected Penn Treaty-related guaranty fund assessments of $231 million pre-tax, transaction and integration-related costs (including termination costs) primarily related to the Humana transaction of $1.2 billion pre-tax, the reduction of Aetna s reserve for anticipated future losses on discontinued products of $(109) million pre-tax, net realized capital losses for the nine months ended September 30, 2017 of $262 million pre-tax, other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance, the corresponding income tax benefit related to net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna s business nor reflect Aetna s underlying business performance that are excluded from net income of approximately $(700) million; less risk based capital contributions of approximately $60 million, changes in Aetna Inc. s working capital of approximately $(60) million, after-tax debt retirement premiums of approximately $(95) million, acquisitions and investments of approximately $(30) million and after-tax Humana related termination fees of approximately $(660) million; plus after-tax net interest of approximately $230 million, other net cash flow adjustments of approximately $(215) million and capital projected to be released due to the sale of Aetna s domestic group life insurance, group disability insurance and absence management businesses of approximately $975 million. Projected risk based capital contributions are approximately $(15) million, $(1.1) billion, $(1.1) billion, $(1.1) billion and $(1.2) billion, respectively, for the years ending December 31, 2018 through 2022. Projected changes in Aetna Inc. s working capital are approximately $(50) million for each of the years ending December 31, 2018 through 2022. Projected after-tax pension plan contributions are approximately $(40) million for each of the years ending December 31, 2018 through 2022. Projected after-tax net interest is approximately $235 million, $250 million, $260 million, $270 million and $310 million, respectively, for the years ending December 31, 2018 through 2022. Projected other net cash flow adjustments are approximately $(15) million, $190 million, $(80) million, $(100) million and $(120) million, respectively, for the years ending December 31, 2018 through 2022. Capital projected to be released due to the sale of Aetna s domestic group life insurance, group disability insurance and absence management businesses is approximately $400 million for each of the years ending December 31, 2018 and 2019. Aetna cannot project either the amount of any other items excluded from net income for the years ending December 31, 2018 through 2022 or the amount of future net realized capital gains or losses; therefore Aetna cannot reconcile Aetna unlevered free cash flow to the most directly comparable financial measure calculated and presented in accordance with GAAP for any of those periods.

Adjusted Aetna Projections

In connection with its evaluation of the merger and the preparation of the CVS Health combined company projections described below (see CVS Health Combined Company Projections beginning on page 161 of this joint proxy statement/prospectus), CVS Health made certain adjustments to the assumptions and estimates underlying the Aetna projections in light of, among other things, the due diligence CVS Health conducted on Aetna, the potential impact of the transaction pursuant to the terms of the merger agreement and other effects of the transaction, and certain macroeconomic and industry trends. CVS Health s adjusted version of the Aetna projections are referred to in this joint proxy statement/prospectus as the adjusted Aetna projections. The adjusted Aetna projections were made available by CVS Health to each of Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions. CVS Health directed each of Barclays, Goldman Sachs and Centerview to use and rely upon (and each of Barclays, Goldman Sachs and Centerview accordingly used and relied upon) the adjusted Aetna projections for purposes of their respective financial analyses and opinions (see Opinions of CVS Health s Financial Advisors beginning on page 128 of this joint proxy statement/prospectus). The CVS Health board of directors also reviewed and considered the adjusted Aetna projections in connection with its review of Barclays and Goldman Sachs respective financial analyses at the meeting of the CVS Health board of directors held on November 30, 2017 and Barclays , Goldman Sachs and Centerview s respective financial analyses and opinions at the meeting of the CVS Health board of directors held on December 3, 2017.

The following table presents a summary of the adjusted Aetna projections. While the adjusted Aetna projections reflect certain adjustments made by CVS Health s management to the assumptions and estimates underlying the Aetna projections, the aggregate effect of these adjustments to such projections was not significant.

	Year Ending December 31,					
	2017P	2018P	2019P	2020P	2021P	2022P
	(dollars in billions)					
Aetna adjusted revenue (1)	$ 60.5	$ 60.7	$ 67.3	$ 73.7	$ 80.4	$ 87.8
Aetna adjusted earnings (1)	3.3	3.1	3.4	3.6	3.9	4.2
Aetna adjusted EBITDA (1)	5.9	6.2	6.6	7.1	7.7	8.3
Aetna unlevered free cash flow (1)	3.4	3.2	2.8	2.5	2.8	3.0

(1) Each of Aetna adjusted revenue, Aetna adjusted earnings, Aetna adjusted EBITDA and Aetna unlevered free cash flow has the meaning set forth above under Aetna Projections beginning on page 155 of this joint proxy statement/prospectus. As further described above (see Aetna Projections beginning on page 155 of this joint proxy statement/prospectus), Aetna adjusted revenue, Aetna adjusted earnings, Aetna adjusted EBITDA and Aetna unlevered free cash flow, as presented above in the adjusted Aetna projections, are each a non-GAAP financial measure. As further described above, non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP, and these measures cannot be reconciled to the respective most directly comparable financial measure calculated and presented in accordance with GAAP for any of the periods presented.

The adjusted Aetna projections were not prepared with a view to public disclosure and are included in this joint proxy statement/prospectus only because such information was made available, in whole or in part, to Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions (see Opinions of CVS Health s Financial Advisors beginning on page 128 of this joint proxy statement/prospectus).

CVS Health Management Projections

In connection with Aetna s evaluation of the merger, CVS Health made available to each of Aetna, Lazard, Allen & Company and Evercore certain financial forecasts and unaudited prospective financial information relating to CVS

Health for the years ending December 31, 2017 through December 31, 2021 prepared by CVS Health management on a stand-alone basis, assuming CVS Health would continue as an independent company, without giving effect to the merger, which are referred to in this joint proxy statement/prospectus as the CVS Health management projections. The CVS Health management projections for the years ending December 31, 2017 through December 31, 2022 were provided to each of Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions (see Opinions of CVS Health s Financial Advisors beginning on page 128 of this joint proxy statement/prospectus). CVS Health directed each of Barclays, Goldman Sachs and Centerview to use and rely upon (and each of Barclays, Goldman Sachs and Centerview accordingly used and relied upon) the CVS Health management projections for purposes of their respective financial analyses and opinions. The CVS Health board of directors also reviewed and considered the CVS Health management projections at the meetings of the CVS Health board of directors held on November 30, 2017 and December 3, 2017.

The CVS Health management projections reflect numerous assumptions and estimates that CVS Health made in good faith, including, without limitation, (i) that macroeconomic conditions will remain stable, both in the U.S. and globally; (ii) that no major changes occur in U.S. policy, laws and regulations, including reform of the United States health care system and tax laws; (iii) that gross margins in the pharmacy benefit management, retail pharmacy and long-term care pharmacy industries remain stable; (iv) that no new regulatory and business changes occur relating to CVS Health s participation in Medicare Part D; (v) that no major changes in industry pricing benchmarks and drug pricing generally occur, (vi) that reimbursement pressure does not accelerate significantly; (vii) that the sale of CVS Health s RxCrossroads business occurred and (viii) certain other matters referred to below under General beginning on page 164 of this joint proxy statement/prospectus. The CVS Health management projections also assume that GAAP as in effect on November 7, 2017 applies throughout the projection period.

The following table presents a summary of the CVS Health management projections:

	Year Ending December 31,					
	2017P	**2018P**	**2019P**	**2020P**	**2021P**	**2022P (1)**
	(dollars in billions, except for per share amounts)					
CVS Health net revenue	$ 183.7	$ 191.2	$ 205.0	$ 217.4	$ 231.1	$ 245.6
CVS Health adjusted EBITDA (2)	12.5	13.1	13.6	14.3	15.1	15.5
CVS Health adjusted net income (3)(4)	6.0	6.3	6.5	6.9	7.3	7.5
CVS Health adjusted earnings per share (4)(5)	5.87	6.33	6.95	7.75	8.61	9.36

(1) The CVS Health management projections for 2022 were provided to each of Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions. The CVS Health management projections for 2022 were not provided to Aetna, Lazard, Allen & Company or Evercore. Accordingly, the CVS Health management projections, as such term is used in the section below entitled Calculated CVS Health Projections beginning on page 162 of this joint proxy statement/prospectus, do not include the prospective financial information set forth under the column labeled 2022P in the table above.

(2) CVS Health adjusted EBITDA is a non-GAAP financial measure defined as earnings before income tax provision, interest, depreciation and amortization (excluding the impact, when applicable, of acquisition-related transaction and integration costs, charges in connection with store rationalization, goodwill impairments, losses on settlements of defined benefit pension plans and other items, if any, that neither relate to the ordinary course of CVS Health s business nor reflect CVS Health s underlying business performance).

(3) CVS Health adjusted net income is a non-GAAP financial measure defined as income from continuing operations (excluding the impact, when applicable, of the amortization of intangible assets, acquisition-related transaction and integration costs, charges in connection with store rationalization, goodwill impairments, losses on settlements of defined benefit pension plans and other items, if any, that neither relate to the ordinary course of CVS Health s business nor reflect CVS Health s underlying business performance).

(4)

The respective financial analyses and opinions (see Opinion of Barclays Capital Inc. and Opinion of Goldman Sachs & Co. LLC beginning on pages 128 and 132, respectively, of this joint proxy statement/prospectus) of Barclays and Goldman Sachs utilized certain further adjustments to the CVS Health management projections set forth in the table above related to the sale of RxCrossroads, which further adjustments were approved by management of CVS Health. These further adjustments had the impact of reducing CVS Health adjusted earnings per share by $0.02 per share for each of the years ending December 31, 2018 through 2022. Accordingly, the CVS Health management projections for the sections entitled Opinion of Barclays Capital Inc. and Opinion of Goldman Sachs & Co. LLC beginning on pages 128 and 132, respectively, of this joint proxy statement/prospectus, utilize such further adjustments.

(5) CVS Health adjusted earnings per share is a non-GAAP financial measure defined as (i) CVS Health adjusted net income as described in note (3) above, divided by (ii) the projected number of weighted average diluted shares of CVS Health common stock.

CVS Health adjusted EBITDA, CVS Health adjusted net income and CVS Health adjusted earnings per share, as presented above, are each a non-GAAP financial measure. This information was not prepared for public disclosure. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. Additionally, non-GAAP financial measures as presented by CVS Health may not be comparable to similarly titled measures reported by other companies. In the view of CVS Health s management, the CVS Health management projections were prepared on a reasonable basis based on the information available to CVS Health s management at the time of their preparation.

CVS Health Combined Company Projections

In connection with its evaluation of the merger, CVS Health management made available to Barclays, Goldman Sachs and Centerview certain financial forecasts and unaudited prospective financial information relating to CVS Health and Aetna as a combined company, giving effect to the merger, which is referred to in this joint proxy statement/prospectus as the CVS Health combined company projections. The CVS Health combined company projections were provided to each of Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions. CVS Health directed each of Barclays, Goldman Sachs and Centerview to use and rely upon (and each of Barclays, Goldman Sachs and Centerview accordingly used and relied upon) the CVS Health combined company projections for purposes of their respective financial analyses and opinions (see Opinions of CVS Health s Financial Advisors beginning on page 128 of this joint proxy statement/prospectus). The CVS Health board of directors also reviewed and considered the CVS Health combined company projections at the meetings of the CVS Health board of directors held on November 30, 2017 and December 3, 2017.

The CVS Health combined company projections reflect numerous assumptions and estimates that CVS Health made in good faith in connection with the preparation of the adjusted Aetna projections and the CVS Health management projections as more fully described in Adjusted Aetna Projections and CVS Health Management Projections beginning on pages 158 and 159, respectively, of this joint proxy statement/prospectus. Additionally, the CVS Health combined company projections reflect estimated synergies of $750 million by the second full year following completion of the merger (which is assumed to be completed in the second half of 2018 for purposes of calculating the estimated synergies), which increase by 5% per year thereafter.

The following table presents a summary of the CVS Health combined company projections:

	Year Ending December 31,				
	2018P	**2019P**	**2020P**	**2021P**	**2022P**
	(dollars in billions)				
CVS Health combined company net revenue (1)(2)	$ 251.8	$ 272.3	$ 291.0	$ 311.5	$ 333.4
CVS Health combined company adjusted EBITDA (3)	19.3	20.5	22.2	23.5	24.6
CVS Health combined company adjusted net income (4)		9.0	10.1	10.9	11.6

(1) Does not include any intercompany revenue eliminations between CVS Health and Aetna.
(2) CVS Health combined company net revenue is a non-GAAP financial measure that reflects the combination of CVS Health net revenue, a GAAP measure, with Aetna adjusted revenue, a non-GAAP financial measure defined above under Aetna Projections beginning on page 155 of this joint proxy statement/prospectus.

(3) CVS Health combined company adjusted EBITDA is a non-GAAP financial measure defined as earnings before income tax provision, interest, depreciation and amortization (excluding the impact, when applicable, of acquisition-related transaction and integration costs, charges in connection with store rationalization, goodwill impairments, losses on settlements of defined benefit pension plans, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of the combined company s business nor reflect the combined company s underlying business performance). CVS Health combined company adjusted EBITDA reflects the estimated synergies of $750 million by the second full year following completion of the merger (which is assumed to be completed in the second half of 2018 for purposes of calculating the estimated synergies), which increase by 5% per year thereafter.

(4) CVS Health combined company adjusted net income is a non-GAAP financial measure defined as income from continuing operations (excluding the impact, when applicable, of the amortization of intangible assets, acquisition-related transaction and integration costs, charges in connection with store rationalization, goodwill impairments, losses on settlements of defined benefit pension plans, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of the combined company s business nor reflect the combined company s underlying business performance). CVS Health combined company adjusted net income reflects the estimated synergies of $750 million by the second full year following completion of the merger (which is assumed to be completed in the second half of 2018 for purposes of calculating the estimated synergies), which increase by 5% per year thereafter.

CVS Health combined company net revenue, CVS Health combined company adjusted EBITDA and CVS Health combined company adjusted net income, as presented above, are each a non-GAAP financial measure. This information was prepared for use by CVS Health and Barclays, Goldman Sachs and Centerview for purposes of their respective financial analyses and opinions and not for public disclosure. Net realized capital gains and losses arise from various types of transactions, primarily in the course of managing a portfolio of assets that support the payment of liabilities. However, these transactions do not directly relate to the core performance of CVS Health s business operations. CVS Health is not able to project the amount of future net realized capital gains or losses or any other items excluded from CVS Health combined company net revenue, CVS Health combined company adjusted EBITDA or CVS Health combined company adjusted net income as defined in the immediately preceding notes (2), (3) and (4), respectively (other than estimated amortization of other acquired intangible assets and projected transaction and integration-related costs), and CVS Health therefore cannot reconcile CVS Health combined company net revenue, CVS Health combined company adjusted EBITDA or CVS Health combined company adjusted net income to the respective most directly comparable financial measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. Additionally, non-GAAP financial measures as presented by CVS Health may not be comparable to similarly titled measures reported by other companies. In the view of CVS Health s management, the CVS Health combined company projections were prepared on a reasonable basis based on the information available to CVS Health s management at the time of their preparation.

Calculated CVS Health Projections

Certain other unaudited prospective financial information relating to CVS Health on a stand-alone basis, assuming CVS Health would continue as an independent company, was calculated by Aetna, based on the CVS Health management projections, and provided to each of Lazard, Allen & Company and Evercore for their use and reliance in connection with their respective financial analyses and, as applicable, opinions, in connection with the merger, including Lazard s and Allen & Company s respective discounted cash flow analyses as described under Opinions of Aetna s Financial Advisors Opinion of Lazard Frères & Co. LLC CVS Health Financial Analyses Discounted Cash Flow Analysis and Opinions of Aetna s Financial Advisors Opinion of Allen & Company LLC CVS Health Financial Analyses Discounted Cash Flow Analysis beginning on pages 116 and 126, respectively, of this joint proxy statement/prospectus. This information is referred to in this joint proxy statement/prospectus as the calculated CVS

Health projections and, together with the CVS Health management projections, the CVS Health projections. The Aetna board of directors reviewed

Table of Contents

and considered the calculated CVS Health projections at the meetings of the Aetna board of directors on November 14, 2017, December 1, 2017 and December 3, 2017.

The following table presents a summary of the calculated CVS Health projections:

	Year Ending December 31,				
	2017P	2018P	2019P	2020P	2021P
	(dollars in billions)				
CVS Health unlevered free cash flow (1)	$ 6.7	$ 6.7	$ 7.5	$ 6.3	$ 7.6

(1) CVS Health unlevered free cash flow means CVS Health adjusted EBITDA as defined above under CVS Health Management Projections beginning on page 159 of this joint proxy statement/prospectus, less unlevered cash taxes, plus/minus change in working capital, less capital expenditures, plus sale-leaseback proceeds.

CVS Health unlevered free cash flow, as presented above in the calculated CVS Health projections, is a non-GAAP financial measure. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP, and this measure cannot be reconciled to the most directly comparable financial measure calculated and presented in accordance with GAAP for any of the periods presented.

Extrapolated CVS Health Projections

As described in CVS Health Management Projections beginning on page 159 of this joint proxy statement/prospectus and Calculated CVS Health Projections beginning on page 162 of this joint proxy statement/prospectus, the CVS Health projections provided to Aetna, Lazard, Allen & Company and Evercore included projections only for years 2017 through 2021. In connection with its evaluation of the merger, Aetna extrapolated from the CVS Health projections, with reference to Wall Street research, an additional year of projections for CVS Health, referred to in this joint proxy statement/prospectus as the extrapolated CVS Health projections. Aetna directed each of Lazard, Allen & Company and Evercore to use and rely upon the extrapolated CVS Health projections for purposes of their respective financial analyses and, as applicable, opinions, in connection with the merger (see Opinions of Aetna s Financial Advisors beginning on page 111 of this joint proxy statement/prospectus). The Aetna board of directors also reviewed and considered the extrapolated CVS Health projections at the meetings of the Aetna board of directors on November 14, 2017, December 1, 2017 and December 3, 2017.

The following table presents a summary of the extrapolated CVS Health projections:

	Year Ending December 31, 2022P (dollars in billions, except for per share amounts)
CVS Health net revenue	$ 240.3
CVS Health adjusted earnings per share (1)	9.42

CVS Health adjusted EBITDA (1)	15.7
CVS Health unlevered free cash flow (2)	8.2

(1) Each of CVS Health adjusted earnings per share and CVS Health adjusted EBITDA has the meaning set forth above under CVS Health Management Projections beginning on page 159 of this joint proxy statement/prospectus.

(2) CVS Health unlevered free cash flow has the meaning set forth above under Calculated CVS Health Projections beginning on page 162 of this joint proxy statement/prospectus.

Table of Contents

As further described above (see CVS Health Management Projections and Calculated CVS Health Projections beginning on pages 159 and 162, respectively, of this joint proxy statement/prospectus), CVS Health adjusted earnings per share, CVS Health adjusted EBITDA and CVS Health unlevered free cash flow, as presented above in the extrapolated CVS Health projections, are each a non-GAAP financial measure. As further described above, non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP, and these measures cannot be reconciled to the respective most directly comparable financial measure calculated and presented in accordance with GAAP for any of the periods presented.

General

The summaries of the parties respective projections included above are provided to give CVS Health s stockholders and Aetna s shareholders access to certain non-public information that was made available to CVS Health, Aetna and their respective boards of directors and financial advisors in connection with the parties evaluation of the merger. The parties projections were, in general, prepared solely for internal use and are subjective in many respects and thus subject to interpretation. While presented with numerical specificity, the parties projections reflect numerous assumptions and estimates that the parties preparing such projections made in good faith at the time such projections were prepared with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the applicable party. These assumptions are inherently uncertain, were made as of the date the parties projections were prepared, and may not be reflective of actual results, either since the date such projections were prepared, now or in the future, in light of changed circumstances, economic conditions, or other developments. Some or all of the assumptions that have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date the parties projections were prepared. For example, in December 2017 the Tax Cuts and Jobs Act of 2017 (which is referred to in this joint proxy statement/prospectus as the TCJA) became effective, and in January 2018 the HIF was suspended for 2019. The parties projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of CVS Health or Aetna, as applicable.

Important factors that may affect actual results and cause the parties projections not to be achieved include risks and uncertainties relating to CVS Health s and Aetna s businesses (including their abilities to achieve their respective strategic goals, objectives and targets over applicable periods; industry conditions; the regulatory environment; general business and economic conditions; and other factors described under Risk Factors and Cautionary Statement Regarding Forward-Looking Statements beginning on pages 62 and 72, respectively, of this joint proxy statement/prospectus, as well as the risk factors with respect to CVS Health s and Aetna s respective businesses contained in their most recent SEC filings, which readers are urged to review, which may be found as described under Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus). In addition, the parties projections cover multiple future years, and such information by its nature is less reliable in predicting each successive year. The parties projections also do not take into account any circumstances or events occurring after the date on which they were prepared, and do not give effect to the transactions contemplated by the merger agreement, including the merger, except that, as described above, the CVS Health combined company projections give effect to the completion of the merger. For example, the parties projections do not take into account the TCJA or the suspension of the HIF for 2019. The parties projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the parties projections. Accordingly, there can be no assurance that the parties projections will be realized or that actual results will not be significantly lower than projected.

The parties projections were not prepared with a view toward complying with GAAP (including because certain metrics are non-GAAP measures as discussed above), the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither CVS Health s nor Aetna s independent

Table of Contents

registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to either party s projections, nor has any of them expressed any opinion or any other form of assurance on either party s projections or the achievability of the results reflected in either party s projections, and none of them assumes any responsibility for, and each of them disclaims any association with, either party s projections. The reports of CVS Health s and Aetna s independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to CVS Health s and Aetna s historical financial information, respectively, and no such report extends to either party s projections or should be read to do so.

The inclusion of the parties respective projections in this joint proxy statement/prospectus should not be regarded as an indication that any of CVS Health, Aetna or their respective affiliates, officers, directors, employees, advisors or other representatives considered either party s projections to be predictive of actual future events, and the parties respective projections should not be relied on as such. None of CVS Health, Aetna or their respective affiliates, officers, employees, directors, advisors or other representatives can give you any assurance that actual results will not differ from the parties respective projections, and none of CVS Health, Aetna or their respective affiliates, officers, employees or directors undertakes any obligation to update or otherwise revise or reconcile either party s projections to reflect circumstances existing after the date the parties respective projections were prepared or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the parties respective projections are not realized. Neither CVS Health nor Aetna intends to publicly update or make any other revision to either party s projections. None of CVS Health, Aetna or any of their respective affiliates, officers, employees, directors, advisors or other representatives has made or makes any representation to any CVS Health stockholder, Aetna shareholder or any other person regarding CVS Health s or Aetna s ultimate performance compared to either party s projections or that the results reflected therein will be achieved. Neither CVS Health nor Aetna has made any representation to the other, in the merger agreement or otherwise, concerning the parties respective projections. For the reasons described above, readers of this joint proxy statement/prospectus are cautioned not to place undue, if any, reliance on either party s projections.

Regulatory Approvals Required for the Merger

General

CVS Health and Aetna have agreed to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the merger, which reasonable best efforts include contesting any proceeding brought by a governmental authority seeking to prohibit completion of the merger or seeking damages or to impose any terms or conditions in connection with the merger. In using its reasonable best efforts, under the terms of the merger agreement, CVS Health is required to take all actions and do all things necessary, proper or advisable to complete the merger in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, except that CVS Health is not required to take any action or agree to any term, condition or limitation in connection with those matters if that action, term, condition or limitation would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or on Aetna. See The Merger Agreement Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus. In addition, in connection with obtaining the regulatory approvals required to complete the merger, (x) neither CVS Health nor Aetna is required to take any action that is not conditioned upon completion of the merger and (y) Aetna is not permitted to take any action or agree to any term or condition without CVS Health s consent.

The obligation of each of CVS Health, Aetna and Merger Sub to effect the merger is conditioned upon, among other things, the expiration or early termination of the applicable waiting period under the HSR Act and the required governmental authorizations having been made or obtained and being in full force and effect. See

The Merger Agreement Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus.

Department of Justice, Federal Trade Commission and Other U.S. Antitrust Authorities

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the FTC and the Antitrust Division of the DOJ. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties filings of their respective HSR Act notification forms or the early termination of that waiting period. The merger is being reviewed by the DOJ. If the DOJ issues a Request for Additional Information and Documentary Material prior to the expiration of the initial waiting period, the parties must observe a second 30-calendar-day waiting period, which would begin to run only after both parties have substantially complied with the request for additional information, unless the waiting period is terminated earlier.

Each of CVS Health and Aetna filed its respective HSR Act notification and report with respect to the merger on January 2, 2018. On February 1, 2018, CVS Health and Aetna each received a request for additional information, which is referred to in this joint proxy statement/prospectus as the second request, from the DOJ in connection with the DOJ s review of the transactions contemplated by the merger agreement. Issuance of the second request extends the waiting period under the HSR Act until 30 days after both CVS Health and Aetna have substantially complied with the second request or such later time as the parties may agree with the DOJ, unless the waiting period is terminated earlier by the DOJ. CVS Health and Aetna have been cooperating with the DOJ staff since shortly after the announcement of the merger agreement and are continuing to cooperate with the DOJ staff in its review of the transactions contemplated by the merger agreement.

At any time before or after the merger is completed, the DOJ could take action under the antitrust laws in opposition to the merger, including seeking to enjoin completion of the merger, condition approval of the merger upon the divestiture of assets of CVS Health, Aetna or their respective subsidiaries or impose restrictions on CVS Health s post-merger operations. In addition, U.S. state attorneys general could take such action under the antitrust laws as they deem necessary or desirable in the public interest including, without limitation, seeking to enjoin completion of the merger or permitting completion subject to regulatory concessions or conditions. Private parties also may seek to take legal action under the antitrust laws under some circumstances.

Federal, State and Foreign Regulatory Approvals

Pursuant to federal health care laws and regulations and, in some instances, the health care and insurance laws and regulations of certain states, and pursuant to certain licenses and contracts of certain of Aetna s subsidiaries, applicable federal and state regulatory and governmental authorities must approve, or be notified of, CVS Health s acquisition of control of Aetna s health maintenance organizations, insurance companies, pharmacy businesses and other regulated businesses or entities. To obtain these approvals and provide such notices, CVS Health, or the applicable CVS Health subsidiary, and in some instances Aetna, or the applicable Aetna regulated entity, as the case may be, has filed and/or will file acquisition of control and/or material modification or other statements, notices or applications, as required by federal health care law or regulation and the insurance and health care laws and regulations of each applicable state and country or the Aetna regulated entities licenses and contracts. In addition, certain non-U.S. governmental authorities must approve, or be notified of, the merger, and CVS Health and/or Aetna and/or their respective subsidiaries will file all such statements, notices, or applications, as are required by the laws of applicable non-U.S. governmental authorities.

Other Governmental Approvals

Neither CVS Health nor Aetna is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.

Timing; Challenges by Governmental and Other Entities

There can be no assurance that any of the regulatory approvals described above will be obtained and, if obtained, there can be no assurance as to the timing of any approvals, the ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. In addition, there can be no assurance that any of the governmental or other entities described above, including the DOJ, U.S. state attorneys general, state insurance regulators and private parties, will not challenge the merger on antitrust or competition grounds and, if such a challenge is made, there can be no assurance as to its result.

Subject to certain conditions, if the merger is not completed on or before the end date, either CVS Health or Aetna may terminate the merger agreement. See The Merger Agreement Termination of the Merger Agreement beginning on page 203 of this joint proxy statement/prospectus.

No Appraisal or Dissenters Rights for Aetna Shareholders

Pursuant to Section 1571(b) of the PBCL, Aetna shareholders will not be entitled to appraisal or dissenters rights in connection with the merger.

Material U.S. Federal Income Tax Consequences

General

The following summary discusses the material U.S. federal income tax consequences of the merger to holders of Aetna common shares. This discussion is based on the Internal Revenue Code of 1986, as amended, which is referred to in this joint proxy statement/prospectus as the Code, applicable Treasury regulations promulgated under the Code, administrative interpretations, and judicial decisions as in effect as of the date of this joint proxy statement/prospectus, all of which may change, possibly with retroactive effect.

This discussion addresses only the consequences of the exchange of Aetna common shares held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). It does not address all aspects of U.S. federal income taxation that may be important to an Aetna shareholder in light of the Aetna shareholder s particular circumstances, or to an Aetna shareholder that is subject to special rules, such as:

- a financial institution or insurance company;
- a tax-exempt organization;
- a dealer or broker in securities;
- a person whose functional currency is not the U.S. dollar;
- a former citizen or former long-term resident of the United States;
- a real estate investment trust;

- an Aetna shareholder that holds its Aetna common shares through individual retirement or other tax-deferred accounts;

- an Aetna shareholder that holds Aetna common shares as part of a hedge, appreciated financial position, straddle, or conversion or integrated transaction; or

- an Aetna shareholder that acquired Aetna common shares through the exercise of compensatory options or stock purchase plans or otherwise as compensation.

For purposes of this discussion, a U.S. holder is a beneficial owner of Aetna common shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any state therein or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

Table of Contents

a trust (i) that is subject to the primary supervision of a court within the United States and all the substantial decisions of which are controlled by one or more U.S. persons or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

A non-U.S. holder is a beneficial owner of Aetna common shares that is neither a U.S. holder nor a partnership for U.S. federal income tax purposes.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Aetna common shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding Aetna common shares should consult its tax advisors.

This discussion of material U.S. federal income tax consequences is not a complete description of all potential U.S. federal income tax consequences of the merger. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any alternative minimum tax, any non-income tax or any non-U.S., state or local tax consequences of the merger or the potential application of the Medicare contribution tax on net investment income. **Accordingly, each Aetna shareholder should consult its tax advisor to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences to it of the merger.**

U.S. Federal Income Tax Consequences to U.S. Holders

The receipt of the merger consideration by U.S. holders pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. In general, for U.S. federal income tax purposes, a U.S. holder will recognize taxable capital gain or loss in an amount equal to the difference, if any, between (i) the sum of (x) the amount of cash, including cash received in lieu of fractional shares, received in the merger, and (y) the fair market value of the shares of CVS Health common stock received in the merger and (ii) such U.S. holder s adjusted tax basis in its Aetna common shares exchanged therefor.

If a U.S. holder s holding period in the Aetna common shares surrendered in the merger is greater than one year as of the date of the merger, the capital gain or loss will be long-term capital gain or loss. Long-term capital gains of certain non-corporate holders, including individuals, are generally subject to U.S. federal income tax at preferential rates. The deductibility of a capital loss recognized in connection with the merger is subject to limitations under the Code. If a U.S. holder acquired different blocks of Aetna common shares at different times or different prices, such U.S. holder must determine its adjusted tax basis and holding period separately with respect to each block of Aetna common shares that it holds.

A U.S. holder s aggregate tax basis in CVS Health common stock received in the merger will equal the fair market value of the CVS Health common stock as of the date of the merger. The holding period of the CVS Health common stock received in the merger will begin on the day after the merger.

U.S. Federal Income Tax Consequences to non-U.S. Holders

The receipt of the merger consideration by a non-U.S. holder pursuant to the merger will not be subject to U.S. federal income tax unless:

the gain, if any, recognized by the non-U.S. holder is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to the non-U.S. holder s permanent establishment in the United States);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met; or the non-U.S. holder owned, directly or under certain constructive ownership rules of the Code, more than 5% of the Aetna common shares at any time during the five-year period preceding the merger, and Aetna is or has been a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the Code for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding the merger or the period that the non-U.S. holder held the Aetna common shares.

Gain described in the first bullet point above will be subject to tax on a net income basis in the same manner as if the non-U.S. holder were a U.S. holder (unless an applicable income tax treaty provides otherwise). Additionally, any gain described in the first bullet point above of a non-U.S. holder that is a corporation also may be subject to an additional branch profits tax at a 30% rate (or lower rate provided by an applicable income tax treaty). A non-U.S. holder described in the second bullet point above will be subject to tax at a rate of 30% (or a lower rate provided by an applicable income tax treaty) on any capital gain realized, which may be offset by U.S.-source capital losses recognized in the same taxable year. If the third bullet point above applies to a non-U.S. holder, capital gain recognized by such holder will be subject to tax at generally applicable U.S. federal income tax rates. Aetna believes that it has not been a U.S. real property holding corporation for U.S. federal income tax purposes at any time during the five-year period preceding the merger.

Backup Withholding and Information Reporting

Payments made in exchange for Aetna common shares (including cash paid in lieu of fractional shares) pursuant to the merger may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 24%). To avoid backup withholding, a U.S. holder that does not otherwise establish an exemption should complete and return an IRS Form W-9, certifying under penalties of perjury that such U.S. holder is a United States person (within the meaning of the Code), that the taxpayer identification number provided is correct and that such U.S. holder is not subject to backup withholding.

A non-U.S. holder may be subject to information reporting and backup withholding (currently at a rate of 24%) on the merger consideration (including cash paid in lieu of fractional shares) received in exchange for Aetna common shares unless the non-U.S. Holder establishes an exemption, for example, by completing the appropriate IRS Form W-8 for the non-U.S. holder, in accordance with the instructions thereto.

Any amount withheld under the backup withholding rules will be allowed as a refund or credit against the U.S. federal income tax liability of an Aetna shareholder, provided the required information is timely furnished to the IRS. The IRS may impose a penalty upon an Aetna shareholder that fails to provide the correct taxpayer identification number.

Accounting Treatment

The merger will be accounted for as an acquisition of a business. CVS Health will record assets acquired and liabilities assumed from Aetna primarily at their respective fair values at the date of completion of the merger. Any excess of the purchase price (as described under *Note 4. Estimate of Consideration Expected to be Transferred* under CVS Health and Aetna Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 49 of this joint proxy statement/prospectus) over the net fair value of such assets and liabilities will be recorded as goodwill.

The financial condition and results of operations of CVS Health after completion of the merger will reflect Aetna s balances and results after completion of the merger but will not be restated retroactively to reflect the historical financial condition or results of operations of Aetna. The earnings of CVS Health following completion of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets and liabilities on interest expense and amortization expense. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually, and all assets

including goodwill will be tested for impairment when certain indicators are present. If, in the future, CVS Health determines that tangible or intangible assets (including goodwill) are impaired, CVS Health will record an impairment charge at that time.

Listing of CVS Health Common Stock; Delisting and Deregistration of Aetna Common Shares

Application will be made to have the shares of CVS Health common stock to be issued in the merger approved for listing on the NYSE, where shares of CVS Health common stock are currently traded. If the merger is completed, Aetna common shares will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

Description of Debt Financing

Overview

In connection with the merger, CVS Health has entered into a bridge facility commitment letter with the initial bridge commitment parties and Merrill Lynch, Pierce, Fenner & Smith Incorporated (solely in its capacity as an arranger) pursuant to which the initial bridge commitment parties have agreed to provide a 364-day senior unsecured bridge loan facility in an aggregate principal amount of up to $49.0 billion. A copy of the bridge facility commitment letter is filed as an exhibit to the Current Report on Form 8-K filed by CVS Health on December 5, 2017, which is incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus. You are urged to read the bridge facility commitment letter in its entirety. On December 15, 2017, CVS Health, the initial bridge commitment parties and Merrill Lynch, Pierce, Fenner & Smith Incorporated entered into the bridge joinder agreement with the additional bridge commitment parties. The bridge joinder agreement amends the bridge facility commitment letter and reallocates the commitments of the initial bridge commitment parties to fund loans under the bridge facility among the initial bridge commitment parties and the additional bridge commitment parties. A copy of the bridge joinder agreement is filed as an exhibit to the Current Report on Form 8-K filed by CVS Health on December 19, 2017, which is incorporated by reference into this joint proxy statement/prospectus. You are urged to read the bridge joinder agreement in its entirety. The bridge commitment parties obligation to fund the bridge facility is subject to several limited conditions as set forth in the bridge facility commitment letter, including, among others, completion of the merger, the non-occurrence of a material adverse effect (as defined in the bridge facility commitment letter) on Aetna, the accuracy in all material respects of certain representations and warranties related to both CVS Health and Aetna, the absence of certain defaults by CVS Health, the delivery of certain financial statements of CVS Health and Aetna and other customary conditions to completion.

In connection with the merger, CVS Health also has entered into the term loan agreement with the term lenders pursuant to which the term lenders have agreed to provide a senior unsecured term loan facility in an aggregate principal amount of $5.0 billion consisting of a $3.0 billion three-year tranche and a $2.0 billion five-year tranche. A copy of the term loan agreement is filed as an exhibit to the Current Report on Form 8-K filed by CVS Health on December 19, 2017, which is incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus. You are urged to read the term loan agreement in its entirety.

In connection with the merger, CVS Health also has entered into a first amendment to each of its revolving credit agreements with the revolving lenders pursuant to which the revolving lenders have agreed to (w) amend the net tangible assets test included in the covenant restricting the incurrence of debt by CVS Health s subsidiaries by (a) excluding any Aetna existing indebtedness from indebtedness for purposes of determining compliance with the net tangible assets test, and (b) restricting the indebtedness that may be incurred by all of CVS Health s subsidiaries (excluding the Aetna existing indebtedness and other indebtedness under capital leases incurred in connection with a sale and leaseback transaction) to an amount not exceeding $900.0 million in the aggregate, in each case, on and following completion of the merger until the date that CVS Health is in compliance with the net tangible assets test without giving effect to the exclusion set forth in clause (a) above, (x) expressly permit completion of the merger under the acquisition covenant, (y) amend the financial covenant by (a) increasing the consolidated indebtedness to total capitalization ratio from 0.60:1.00 to 0.65:1.00 from completion of the merger through and including the fiscal quarter ending September 30, 2019, and (b) excluding unsecured indebtedness in an aggregate principal amount not exceeding $49.0 billion incurred by CVS Health for the purpose of financing the merger (including all of the transaction costs, fees, commissions and expenses in connection therewith) and which is redeemable or prepayable if the merger is not consummated, from the calculation of consolidated indebtedness and total capitalization, until the earliest of the occurrence of completion of the merger, the date that is 30 days following the termination of the merger agreement in accordance with its terms and August 31, 2019, and (z) increase the threshold amount of specified events of default to (a) prior to the later of (i) the termination or other expiration of the bridge facility commitment letter in accordance with its terms and (ii) the termination or other expiration of the bridge facility if it is entered into, $250.0 million, and (b) at all other times, $200.0 million. Copies of the first amendments to the revolving credit agreements are filed as exhibits to the Current Report on Form 8-K filed by CVS Health on December 19, 2017, which is incorporated by reference into this joint proxy statement/prospectus. A summary of the terms of the revolving credit agreements may be found in CVS Health s Current Reports on Form 10-Q filed on August 5, 2014, August 4, 2015 and August 8, 2017, which summary is incorporated herein by reference. See Where You Can Find More Information beginning on page 254 of this joint proxy statement/prospectus. You are urged to read the revolving credit agreements, as amended by their respective first amendments, in their entirety.

Bridge Loan

Pursuant to the terms of the bridge facility commitment letter, the proceeds of the loans under the bridge facility will be available upon the satisfaction of several limited conditions precedent on completion of the merger and, if drawn, will be used to finance, in part, the cash component of the merger consideration and to pay fees, commissions and expenses incurred in connection with the merger. The loans under the bridge facility will mature on the 364th day after funding thereof.

Conditions Precedent

The bridge commitment parties obligation to fund the loans under the bridge facility is subject to several limited conditions, including completion of the merger, the non-occurrence of a material adverse effect (as such term is defined in the bridge facility commitment letter) on Aetna, the accuracy in all material respects of certain representations and warranties related to both CVS Health and Aetna, the absence of certain defaults by CVS Health, the delivery of certain financial statements of CVS Health and Aetna and other customary conditions to completion more fully set forth in the bridge facility commitment letter.

Interest

At the option of CVS Health, borrowings under the bridge facility will bear interest at either a base rate or at the reserve adjusted Eurodollar rate, plus, in each case, an applicable margin. The applicable margin will range initially from 0.00-0.75% with respect to base rate borrowings, and 0.875-1.75% with respect to the reserve adjusted Eurodollar rate borrowings, based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money, and subject to increase every 90-day period by 0.25%, beginning on the 90th day after the closing of, and funding of the loans under, the bridge facility (but subject to a 0.125% increase in the case of base rate borrowings for days 90 through 179 after such closing and funding in the event that the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money is equal to or greater than A2 by Moody s and A by S&P), based on how long the loans under the bridge facility are outstanding.

Base Rate Option

Interest will be at the base rate plus an applicable margin based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days and payable quarterly in arrears. The base rate will be, for any day, a fluctuating rate per annum equal to the highest of (i) the rate last quoted by *The Wall Street Journal* as the prime rate or, if *The Wall Street Journal* ceases to quote such rate, the highest rate per annum published by the Federal Reserve Board as the bank prime loan rate or, if such rate is no longer quoted, any similar release by the Federal Reserve Board, (ii) the Federal Funds effective rate plus ½ of 1.0% and (iii) the one-month reserve adjusted Eurodollar Rate plus 1.0% (provided, that the reserve adjusted Eurodollar Rate shall not be less than zero).

Eurodollar Rate Option

Interest will be determined based on interest periods to be selected by CVS Health of one, two, three or six months or (if agreed by all relevant lenders under the bridge facility) less than one month or twelve months and for each interest period will be at an annual rate equal to the London Interbank Offered Rate, which is referred to in this joint proxy statement/prospectus as LIBOR, for deposits with a term equivalent to such interest period in U.S. dollars adjusted for applicable reserve requirements (such rate as so adjusted is referred to in this joint proxy statement/prospectus as the reserve adjusted Eurodollar rate), plus the applicable margin based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money. Interest will be paid at the end of each interest period (and at the end of every three months, in the case of interest periods longer than three months) and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

Covenants and Events of Default

The bridge facility commitment letter provides that the definitive financing agreement documenting the bridge facility (if any), which is referred to in this joint proxy statement/prospectus as the bridge credit agreement, shall contain covenants substantially similar to the covenants in the 2017 five-year revolving credit facility, which relate to the following subjects:

- legal existence;
- payment of taxes;
- maintenance of insurance;
- performance of obligations;
- condition of property;
- observance of legal requirements;

delivery of financial statements and other information;

records;

maintenance of authorizations;

limitations on liens;

limitations on acquisitions and dispositions;

limitations on mergers and consolidations;

limitations on restricted payments;

limitation on upstream dividends by subsidiaries; and

limitation on negative pledges.

Table of Contents

In addition, the bridge facility commitment letter provides that the bridge credit agreement (if executed and delivered) shall include (x) a financial covenant requiring the ratio of consolidated indebtedness to total capitalization at each quarter-end not to exceed 0.65:1.00 (defined and calculated in a manner consistent with the 2017 five-year revolving credit facility), but with an exclusion for any indebtedness incurred by CVS Health to finance the merger until the earlier of (i) the closing date under the bridge facility and (ii) 30 days following the termination of the merger agreement (in each case to the extent that such indebtedness is redeemable if the merger is not consummated), and (y) a covenant restricting the incurrence of debt by CVS Health s subsidiaries to up to 15% of net tangible assets. In determining compliance with such test, (i) any Aetna existing indebtedness shall be excluded from indebtedness, and (ii) indebtedness that may be incurred by all of CVS Health s subsidiaries (excluding the Aetna existing indebtedness and other indebtedness under capital leases incurred in connection with a sale and leaseback transaction) may not exceed $900.0 million in the aggregate, in each case, on and following completion of the merger until such date as CVS Health shall be in compliance with such test without giving effect to the exclusion in clause (i) of this sentence.

The bridge facility commitment letter also provides that the bridge credit agreement (if executed and delivered) shall contain events of default substantially similar to the events of default in the 2017 five-year revolving credit facility, limited to nonpayment of principal when due; nonpayment of interest or fees within five business days of due date; violation of covenants (subject to a grace period of 30 days in the case of certain affirmative covenants); inaccuracy of representations and warranties in any material respect when made; payment default or default resulting in or permitting acceleration in respect of indebtedness of $250.0 million or more; bankruptcy or insolvency events; change in control; undischarged judgments in excess of $250.0 million; and certain events under the Employee Retirement Income Security Act of 1974, as amended, which is referred to in this joint proxy statement/prospectus as ERISA, with a threshold amount of $250.0 million. In the event that any of the thresholds in the 2017 five-year revolving credit facility is, as of the closing date of, and funding of the loans under, the bridge facility, less favorable to CVS Health, then the aforementioned $250.0 million thresholds shall be deemed amended to match the thresholds in the 2017 five-year revolving credit facility.

Term Loan

Pursuant to the terms of the term loan agreement, the proceeds of the term loans will be available upon the satisfaction of several limited conditions precedent on completion of the merger and, if drawn, will be used to finance, in part, the cash component of the merger consideration and to pay fees, commissions and expenses incurred in connection with the merger. Borrowings under the term loan agreement will be unsecured. The term loans are pre-payable without premium or penalty (but subject to breakage costs, if applicable). The term loans under the $3.0 billion three-year tranche do not amortize. The term loans under the $2.0 billion five-year tranche amortize in equal quarterly amounts equal to the percentage per three calendar months period of the aggregate principal amount of the five-year tranche loans made on the date on which the term lenders are obligated to make loans under the term loan agreement, which is referred to in this joint proxy statement/prospectus as the term loan closing date, as follows: (i) 0% for each quarterly payment date occurring after the term loan closing date, to, and including, the first anniversary of the term loan closing date, (ii) 1.25% for each quarterly payment date occurring after the first anniversary of the term loan closing date to, and including, the third anniversary of the term loan closing date and (iii) 2.5% for each quarterly payment date occurring after the third anniversary of the term loan closing date to, and including, the fifth anniversary of the term loan closing date. The $3.0 billion tranche of the term loan facility will mature and be payable on the third anniversary of the term loan closing date. The $2.0 billion tranche of the term loan facility will mature and be payable (to the extent not amortized) on the fifth anniversary of the term loan closing date.

Conditions Precedent

The term lenders obligation to fund the term loans is subject to several limited conditions, including completion of the merger, the non-occurrence of a material adverse effect (as such term is defined in the term loan agreement) on Aetna, the accuracy in all material respects of certain representations and warranties related to both CVS Health and Aetna, the absence of certain defaults by CVS Health, the delivery of certain financial statements of CVS Health and Aetna and other customary conditions to completion more fully set forth in the term loan agreement.

Interest

At the option of CVS Health, borrowings under the term loan agreement will bear interest at either a base rate or at the Eurodollar rate, plus, in each case, an applicable margin. The applicable margin will range from 0.00-0.875% with respect to base rate borrowings, and 0.875-1.875% with respect to Eurodollar rate borrowings, based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money.

Base Rate Option

Interest will be at the base rate plus an applicable margin based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days and payable quarterly in arrears. The base rate will be, for any day, a fluctuating rate per annum equal to the highest of (i) the rate last quoted by *The Wall Street Journal* as the prime rate or, if *The Wall Street Journal* ceases to quote such rate, the highest rate per annum published by the Federal Reserve Board as the bank prime loan rate or, if such rate is no longer quoted, any similar release by the Federal Reserve Board, (ii) the Federal Funds effective rate plus 0.5% and (iii) the one-month LIBOR rate plus 1.0%, provided that the LIBOR rate shall never be less than zero.

Eurodollar Rate Option

Interest will be determined based on interest periods to be selected by CVS Health of one, two, three or six months or (if agreed by all term lenders) less than one month or twelve months and will be at an annual rate equal to LIBOR for deposits with a term equivalent to such interest period in U.S. dollars multiplied by the statutory reserve rate, plus the applicable margin based on the public ratings of CVS Health s senior unsecured non-credit enhanced long-term indebtedness for borrowed money. Interest will be paid at the end of each interest period (and at the end of every three months, in the case of interest periods longer than three months) and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

Covenants and Events of Default

The term loan agreement contains covenants relating to the following subjects:

- legal existence;
- payment of taxes;
- maintenance of insurance;
- performance of obligations;

condition of property;

observance of legal requirements;

delivery of financial statements and other information;

records;

maintenance of authorizations;

limitations on liens;

limitations on acquisitions and dispositions;

Table of Contents

- limitations on mergers and consolidations;
- limitations on restricted payments;
- limitation on upstream dividends by subsidiaries; and
- limitation on negative pledges.

In addition, the term loan agreement includes (x) a financial covenant requiring the ratio of consolidated indebtedness to total capitalization (defined as the sum of consolidated indebtedness and shareholders equity determined in accordance with GAAP) at each quarter-end not to exceed 0.60:1.00; provided that (a) from the term loan closing date through and including the fiscal quarter ending September 30, 2019, CVS Health will not permit its ratio of consolidated indebtedness to total capitalization at the end of any fiscal quarter to exceed 0.65:1.00, and (b) until the earlier of (i) the occurrence of the term loan closing date and (ii) the date that is 30 days following the termination of the merger agreement in accordance with its terms, consolidated indebtedness and total capitalization shall each be calculated exclusive of any unsecured indebtedness not exceeding $49.0 billion issued or borrowed by CVS Health for the purpose of financing the merger (including all of the transaction costs, fees, commissions and expenses in connection therewith) and which is redeemable or prepayable if the merger is not consummated, and (y) a covenant restricting the incurrence of debt by CVS Health s subsidiaries to up to 15% of net tangible assets. In determining compliance with such net tangible assets test, (i) any Aetna existing indebtedness shall be excluded from indebtedness, and (ii) indebtedness that may be incurred by all of CVS Health s subsidiaries (excluding the Aetna existing indebtedness and other indebtedness under capital leases incurred in connection with a sale and leaseback transaction) may not exceed $900.0 million in the aggregate, in each case, on and following completion of the merger until such date as CVS Health shall be in compliance with such test without giving effect to the exclusion in clause (i) of this sentence.

The term loan agreement also contains certain events of default, limited to nonpayment of principal when due; nonpayment of interest or fees within five business days of due date; violation of covenants (subject to a grace period of 30 days in the case of certain affirmative covenants); inaccuracy of representations and warranties in any material respect when made; payment default or default resulting in or permitting acceleration in respect of indebtedness of $250.0 million or more; bankruptcy or insolvency events; change in control; undischarged judgments in excess of $250.0 million; and certain events under ERISA with a threshold amount of $250.0 million. The aforementioned threshold amounts of $250.0 million shall be applicable at all times prior to the later of (x) the termination or other expiration of the bridge facility commitment letter in accordance with its terms and (y) the termination or other expiration of the bridge facility if it is entered into. At all other times, the aforementioned threshold amounts of $250.0 million shall be reduced to $200.0 million.

Revolving Credit Agreements

Pursuant to the first amendments to each of the revolving credit agreements, the revolving lenders agreed to (w) amend the net tangible assets test included in the covenant restricting the incurrence of debt by CVS Health s subsidiaries by (a) excluding any Aetna existing indebtedness from indebtedness for purposes of determining compliance with the net tangible assets test, and (b) restricting the indebtedness that may be incurred by all of CVS Health s subsidiaries (excluding the Aetna existing indebtedness and other indebtedness under capital leases incurred in connection with a sale and leaseback transaction) to an amount not exceeding $900.0 million in the aggregate, in each case, on and following completion of the merger until the date that CVS Health is in compliance with the net tangible assets test without giving effect to the exclusion set forth in clause (a) above, (x) expressly permit completion of the merger under the acquisition covenant, (y) amend the financial covenant by (a) increasing the consolidated indebtedness to total capitalization ratio from 0.60:1.00 to 0.65:1.00 from completion of the merger through and including the fiscal quarter ending September 30, 2019, and (b) excluding unsecured indebtedness in an aggregate principal amount not exceeding $49.0 billion incurred by CVS Health for the purpose of financing the merger (including all of the transaction costs, fees, commissions and expenses in connection therewith) and which is redeemable or prepayable if the merger is not consummated, from the calculation of consolidated indebtedness and total capitalization, until the earliest of the occurrence of completion of the merger, the date that is 30 days following the termination of the merger agreement in accordance with its terms and August 31, 2019, and (z) increase the threshold amount of specified events of default to (a) prior to the later of (i) the termination or other expiration of the bridge facility commitment letter in accordance with its terms and (ii) the termination or other expiration of the bridge facility if it is entered into, \$250.0 million, and (b) at all other times, \$200.0 million.

Conditions Precedent

The first amendments to each of the revolving credit agreements became effective on December 15, 2017. The effectiveness of such amendments was subject only to the execution and delivery of such amendments by CVS Health, the applicable administrative agent and the required lenders under each of the revolving credit agreements.

Litigation Relating to the Merger

As of February 2, 2018, six complaints had been filed by purported Aetna shareholders challenging the merger. The first, a putative class action complaint, was filed by Olivier Miramond in the United States District Court for the District of Connecticut and is captioned *Miramond v. Aetna, Inc., et al.*, case number 3:18-cv-00083. The second complaint, filed in the United States District Court for the District of Connecticut by Shiva Stein individually, is captioned *Stein v. Aetna, Inc., et al.*, case number 3:18-cv-00136. The third complaint, a putative class action, was filed by Robert Freedman in the United States District Court for the Eastern District of Pennsylvania and is captioned *Freedman v. Aetna, Inc., et al.*, case number 2:18-cv-00323. The fourth complaint, filed in the United States District Court for the District of Connecticut by Luan Pham individually, is captioned *Pham v. Aetna, Inc., et al.*, case number 3:18-cv-00154. The fifth complaint, filed in the United States District Court for the Eastern District of Pennsylvania by Vladimir Gusinsky Rev. Trust individually, is captioned *Vladimir Gusinsky Rev. Trust v. Aetna Inc. et al.*, case number No. 2:18-cv-00361. The sixth complaint, a putative class action complaint, was filed by Dr. Eli Inzlicht-Sprei in the United States District Court for the District of Connecticut and is captioned *Inzlicht-Sprei v. Aetna, Inc., et al.*, case number No. 3:18-cv-00176. The complaints name as defendants Aetna and each member of Aetna s board of directors. In addition, the *Vladimir Gusinsky Rev. Trust* complaint names CVS Health and Merger Sub as defendants. The complaints generally allege, among other things, that the merger consideration in the proposed transaction is unfair, inadequate and undervalues Aetna; that the defendants failed to conduct a fair and reasonable sales process; that the merger agreement s deal protection provisions improperly deter other suitors from submitting a superior offer for Aetna; and that the defendants authorized the filing of a materially incomplete and misleading registration statement. Among other remedies, the complaints seek to enjoin the Aetna special meeting and the closing of the merger, as well as costs and attorneys fees. Defendants believe that the complaints are without merit.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of the material terms and conditions of the merger agreement. This summary may not contain all the information about the merger agreement that is important to you. This summary is qualified in its entirety by reference to the merger agreement attached as Annex A to, and incorporated by reference into, this joint proxy statement/prospectus. You are encouraged to read the merger agreement in its entirety because it is the legal document that governs the merger.

Explanatory Note

The merger agreement and the summary of its terms in this joint proxy statement/prospectus have been included to provide information about the terms and conditions of the merger agreement. The representations, warranties, covenants and agreements contained in the merger agreement were made by CVS Health, Aetna and Merger Sub as of specific dates and were qualified and subject to certain limitations and exceptions agreed to by CVS Health, Aetna and Merger Sub in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated for the purpose of allocating contractual risk among the parties to the merger agreement rather than to establish matters as facts. The representations and warranties also may be subject to a contractual standard of materiality or material adverse effect that is different from what may be viewed as material by stockholders or shareholders, as applicable, or other investors and from the materiality standard applicable to reports and documents filed with the SEC and in some cases may be qualified by disclosures made by one party to the other, which are not reflected in the merger agreement. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this joint proxy statement/prospectus, may have changed since the date of the merger agreement.

For the foregoing reasons, the representations, warranties, covenants and agreements and any descriptions of those provisions should be read only in conjunction with the other information provided elsewhere in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus.

Structure of the Merger

The merger agreement provides for the merger, in which Merger Sub will be merged with and into Aetna, with Aetna surviving the merger as a wholly-owned subsidiary of CVS Health.

After completion of the merger, the articles of incorporation set forth as Exhibit A to the merger agreement and the by-laws of Merger Sub in effect immediately prior to completion of the merger will be the articles of incorporation and by-laws, respectively, of Aetna, as the surviving corporation in the merger, in each case, until amended in accordance with applicable law and the articles of incorporation and by-laws, as applicable. After completion of the merger, the directors of Merger Sub and the officers of Aetna immediately prior to completion of the merger will be the directors and officers, respectively, of Aetna, as the surviving corporation in the merger, in each case, until their successors are duly elected or appointed and qualified in accordance with the surviving corporation s articles of incorporation, by-laws and applicable law.

Completion and Effectiveness of the Merger

The merger will be completed and become effective at such time as the statement of merger for the merger is duly filed with the Pennsylvania Department of State (or at such later time as agreed to by Aetna and CVS Health and specified in the statement of merger for the merger). Unless another date and time are agreed to by CVS Health and

Aetna, completion of the merger will occur on the third business day following satisfaction or, to the extent permitted by applicable law, waiver, of the conditions to completion of the merger (other than those conditions that by their nature are to be satisfied at completion of the merger, but subject to the satisfaction or, to the extent permitted by applicable law, waiver of such conditions at the time of completion) described under Conditions to Completion of the Merger beginning on page 181 of this joint proxy statement/prospectus.

As of the date of this joint proxy statement/prospectus, CVS Health and Aetna expect that the merger will be completed in the second half of 2018. However, completion of the merger is subject to the satisfaction or, to the extent permitted by applicable law, waiver of the conditions to completion of the merger, which are summarized below. There can be no assurances as to when, or if, the merger will occur. If the merger is not completed on or before the initial end date of December 3, 2018, either CVS Health or Aetna may terminate the merger agreement, unless all conditions to completion of the merger have been satisfied or waived on the initial end date other than the regulatory approvals condition, and either CVS Health or Aetna elects to extend the initial end date to March 3, 2019, in which case, if the merger is not completed on or before March 3, 2019, either CVS Health or Aetna may terminate the merger agreement, unless all conditions to completion of the merger have been satisfied or waived on the extended end date other than the regulatory approvals condition, and CVS Health elects to extend the extended end date to June 3, 2019, in which case, if the merger is not completed on or before June 3, 2019, either CVS Health or Aetna may terminate the merger agreement. The right to terminate the merger agreement after the end date, or to extend the initial end date or extended end date, will not be available to CVS Health or Aetna, as applicable, if that party s breach of any provision of the merger agreement resulted in the failure of the merger to be completed by the end date. See Conditions to Completion of the Merger and Termination of the Merger Agreement beginning on pages 181 and 203, respectively, of this joint proxy statement/prospectus.

Merger Consideration

At completion of the merger, each Aetna common share outstanding immediately prior to completion of the merger, except for shares held by Aetna as treasury stock or shares owned by CVS Health or by any subsidiary of Aetna or CVS Health, will be converted into the right to receive $145.00 in cash without interest thereon and 0.8378 of a share of CVS Health common stock (with cash payable in lieu of any fractional shares as described under Fractional Shares beginning on page 178 of this joint proxy statement/prospectus).

If, between the date of the merger agreement and completion of the merger, any change in the outstanding shares of capital stock of Aetna or CVS Health occurs as a result of any reclassification, recapitalization, stock split (including reverse stock split), merger, combination, exchange or readjustment of shares, subdivision or other similar transaction, or any stock dividend thereon with a record date during such period, the merger consideration and any other amounts payable pursuant to the merger agreement will be appropriately adjusted to eliminate the effect of such event thereon.

Fractional Shares

No fractional shares of CVS Health common stock will be issued to any holder of Aetna common shares upon completion of the merger. Instead, all fractional shares of CVS Health common stock that a holder of Aetna common shares would otherwise be entitled to receive as a result of the merger will be aggregated and, if a fractional share results from that aggregation, the holder will be entitled to receive cash in an amount determined by multiplying that fraction by the CVS Health closing price in lieu of that fractional share. No interest will be paid or accrued on cash payable in lieu of fractional shares of CVS Health common stock.

No Appraisal or Dissenters Rights for Aetna Shareholders

Pursuant to Section 1571(b) of the PBCL, holders of Aetna common shares will not be entitled to appraisal or dissenters rights in connection with the merger.

Table of Contents

Procedures for Surrendering Aetna Share Certificates

The conversion of Aetna common shares into the right to receive the merger consideration will occur automatically at completion of the merger. Prior to completion of the merger, CVS Health will appoint an exchange agent reasonably acceptable to Aetna and enter into an exchange agent agreement with the exchange agent reasonably acceptable to Aetna providing for the exchange agent to handle the exchange of certificates or book-entry shares representing Aetna common shares for the merger consideration. As of completion of the merger, CVS Health will deposit or make available as needed the cash and shares of CVS Health common stock comprising the merger consideration payable in respect of Aetna common shares. Promptly (but not later than two business days) after completion of the merger, CVS Health will, or will cause the exchange agent to, send a letter of transmittal to each person who is a record holder of Aetna common shares at completion of the merger for use in the exchange and instructions explaining how to surrender Aetna share certificates or transfer uncertificated Aetna common shares to the exchange agent.

Aetna shareholders who submit a properly completed letter of transmittal, together with their share certificates (in the case of certificated shares) or other evidence of transfer requested by the exchange agent (in the case of book-entry shares), will receive the merger consideration into which the Aetna common shares were converted in the merger. The shares of CVS Health common stock constituting part of the merger consideration will be delivered to Aetna shareholders in book-entry form unless a physical certificate is requested by an Aetna shareholder or otherwise required under applicable law. After completion of the merger, each certificate that previously represented Aetna common shares and each uncertificated Aetna common share that previously was registered to a holder on Aetna s stock transfer books, except for shares held by Aetna as treasury stock or shares owned by CVS Health or by any subsidiary of Aetna or CVS Health, will only represent the right to receive the merger consideration into which those Aetna common shares have been converted (and cash in lieu of any fractional shares of CVS Health common stock as described under Fractional Shares beginning on page 178 of this joint proxy statement/prospectus, and any dividends on the shares of CVS Health common stock into which such Aetna shares have been converted as described below under Procedures for Surrendering Aetna Share Certificates).

Neither CVS Health nor Aetna will be responsible for transfer or other similar taxes and fees incurred by holders of Aetna common shares in connection with the merger. Those taxes and fees, if any, will be the sole responsibility of such holders. In addition, if there is a transfer of ownership of Aetna common shares that is not registered in the records of Aetna s transfer agent, payment of the merger consideration as described above (and cash in lieu of any fractional shares of CVS Health common stock as described under Fractional Shares beginning on page 178 of this joint proxy statement/prospectus, and any dividends on the shares of CVS Health common stock into which such Aetna shares have been converted as described below under Procedures for Surrendering Aetna Share Certificates) will be made to a person other than the person in whose name the certificate or uncertificated share so surrendered is registered only if the certificate is properly endorsed or otherwise is in proper form for transfer or the uncertificated share is properly transferred, and the person requesting the payment must pay to the exchange agent any transfer or other similar taxes required as a result of such payment or satisfy the exchange agent that any transfer or other similar taxes have been paid or that no payment of those taxes is necessary.

After completion of the merger, CVS Health will not pay dividends with a record date on or after completion of the merger to any holder of any Aetna share certificates or uncertificated Aetna common shares on the shares of CVS Health common stock into which such Aetna shares have been converted until such holder surrenders the Aetna share certificates or transfers the uncertificated Aetna common shares as described above. However, once those certificates or uncertificated Aetna common shares are surrendered or transferred, as applicable, CVS Health will pay to such holder, without interest, any dividends on the shares of CVS Health common stock into which such Aetna shares have been converted with a record date on or after completion of the merger that have been paid prior to such surrender or transfer, as applicable.

179

Table of Contents

Treatment of Aetna Equity Awards

Aetna Stock Appreciation Rights

As of completion of the merger, each outstanding vested Aetna stock appreciation right (including those Aetna stock appreciation rights that vest by their terms as of completion of the merger), will be cancelled and converted into the right to receive an amount in cash, without interest, equal to the excess, if any, of the equity award cash consideration over the applicable per share exercise price of such Aetna stock appreciation right multiplied by the total number of Aetna common shares subject to such Aetna stock appreciation right.

Each Aetna stock appreciation right that is not vested as of completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), at completion of the merger, will be assumed by CVS Health and will become an assumed stock appreciation right representing the right to receive a payment in shares of CVS Health common stock on the same terms and conditions, except that the number of shares of CVS Health common stock subject to the assumed stock appreciation right will equal the product of the number of Aetna common shares that were subject to such Aetna stock appreciation right immediately prior to completion of the merger multiplied by the equity award exchange ratio, with such product rounded down to the nearest whole share of CVS Health common stock. The per share exercise price for each assumed stock appreciation right will equal the exercise price per share of such Aetna stock appreciation right immediately prior to completion of the merger divided by the equity award exchange ratio, rounded up to the nearest whole cent.

Aetna Restricted Stock Units and Performance Stock Units

Immediately prior to completion of the merger, each outstanding Aetna RSU and each outstanding Aetna PSU that provides for accelerated vesting upon completion of the merger will vest and will be converted into the right to receive, with respect to each Aetna common share underlying the Aetna RSU or Aetna PSU, the merger consideration, less applicable tax withholdings.

Each Aetna RSU or Aetna PSU that is not converted into a right to receive the merger consideration or is granted after the date of the merger agreement (to the extent permitted under the merger agreement) will be assumed by CVS Health and will be converted into a time-based restricted stock unit award covering the number of whole shares of CVS Health common stock equal to the product of the number of Aetna common shares underlying such assumed Aetna RSU or Aetna PSU immediately prior to completion of the merger (with the performance of each Aetna PSU to be determined based on the applicable award agreement relating to such Aetna PSU) multiplied by the equity award exchange ratio with such product rounded down to the nearest whole share of CVS Health common stock. Except as provided in the immediately preceding sentence, each assumed Aetna RSU or Aetna PSU will continue to have, and be subject to, the same terms and conditions as applied to the corresponding Aetna RSU or Aetna PSU immediately prior to completion of the merger (including any terms and conditions relating to accelerated vesting upon a termination of the holder s employment in connection with or following the merger).

Listing of CVS Health Common Stock

The merger agreement obligates CVS Health to use its reasonable best efforts to cause the shares of CVS Health common stock to be issued in the merger to be listed on the NYSE, subject to official notice of issuance, prior to completion of the merger. Approval for listing on the NYSE of the shares of CVS Health common stock issuable to Aetna shareholders in the merger, subject to official notice of issuance, is a condition to the obligations of CVS Health and Aetna to complete the merger.

Governance and Social Matters Following Completion of the Merger

Board of Directors of CVS Health. CVS Health will take all necessary corporate action to cause, effective at completion of the merger, the size of the board of directors of CVS Health to be increased by three and the

180

Table of Contents

vacancies created thereby to be filled by Mark T. Bertolini, the Chairman and Chief Executive Officer of Aetna, and two other individuals who are serving on the board of directors of Aetna immediately prior to completion of the merger who meet CVS Health s independence criteria as in effect as of such time and who will be jointly designated by Aetna and CVS Health prior to completion of the merger.

Aetna Foundation. The merger agreement provides that, for at least three years following completion of the merger, CVS Health will preserve Aetna Foundation, Inc. in a manner consistent in all material respects with the past practice of Aetna, including by maintaining its name and charitable mission.

Aetna Brand. The merger agreement provides that, for at least five years following completion of the merger, CVS Health will maintain Aetna as the primary brand for the insurance businesses of CVS Health and its subsidiaries (including Aetna and its subsidiaries).

Conditions to Completion of the Merger

Mutual Conditions to Completion. The obligation of each of CVS Health, Aetna and Merger Sub to complete the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions:

- approval and adoption of the merger agreement by the affirmative vote of the holders of a majority of the outstanding Aetna common shares in accordance with Aetna s articles and the PBCL;

- approval of the stock issuance by a majority of all votes cast by holders of outstanding shares of CVS Health common stock in accordance with the rules of the NYSE;

- the absence of any applicable law or order enacted, adopted or promulgated after the date of the merger agreement being in effect in the U.S. that enjoins, prevents or prohibits completion of the merger;

- the effectiveness of the registration statement for the shares of CVS Health common stock to be issued in the merger (of which this joint proxy statement/prospectus forms a part) and the absence of any stop order suspending that effectiveness or any proceedings for that purpose pending before the SEC; and

- approval for listing on the NYSE of the shares of CVS Health common stock to be issued in the merger, subject to official notice of issuance.

Additional Conditions to Completion for the Benefit of CVS Health and Merger Sub. In addition to the conditions to all parties obligations, the obligation of each of CVS Health and Merger Sub to complete the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions:

- both (i) the expiration or early termination of any applicable waiting period relating to the merger under the HSR Act and (ii) the required governmental authorizations having been made or obtained and being in full force and effect, in each case in this bullet, without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna (see Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus for the definition of regulatory material adverse effect);

the absence since the date of the merger agreement of any event, change, effect, development or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Aetna (see Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus for the definition of material adverse effect);

the accuracy (subject only to *de minimis* exceptions) as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specific date, as of that date) of certain representations and warranties made in the merger agreement by Aetna regarding its capitalization;

Table of Contents

the accuracy in all material respects as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specific date, as of that date) of certain representations and warranties made in the merger agreement by Aetna regarding, among other matters, its corporate existence, its corporate authority relative to the merger agreement and the merger, fees payable to its financial advisors in connection with the merger, its ownership of its subsidiaries, the receipt of opinions from its financial advisors and the inapplicability of certain antitakeover laws;

the accuracy of all other representations and warranties made in the merger agreement by Aetna (disregarding all qualifications and exceptions contained in such representations and warranties relating to materiality or material adverse effect) as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specified date, as of that date), except for any inaccuracies in such representations and warranties that have not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Aetna;

performance (or cure of any non-performance) in all material respects by Aetna of the covenants and agreements required to be performed by it prior to completion of the merger; and

receipt of a certificate from an executive officer of Aetna confirming the satisfaction of the conditions described in the preceding five bullets.

Additional Conditions to Completion for the Benefit of Aetna. In addition to the conditions to all parties obligations, the obligation of Aetna to complete the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions:

the expiration or early termination of any applicable waiting period relating to the merger under the HSR Act to the extent required under applicable law to complete the transactions contemplated by the merger agreement;

the required governmental authorizations having been made or obtained and being in full force and effect to the extent required under applicable law to complete the transactions contemplated by the merger agreement (this condition, together with the preceding bullet, the corresponding conditions for the benefit of CVS Health and Merger Sub, and the condition for the benefit of Aetna, CVS Health and Merger Sub relating to the absence of any applicable law or order enjoining, preventing or prohibiting completion of the merger, with respect to any applicable law or order relating to the governmental authorizations referred to in this condition, in the preceding bullet and in the corresponding conditions for the benefit of CVS Health and Merger Sub, is referred to in this joint proxy statement/prospectus as the regulatory approvals condition);

the absence since the date of the merger agreement of any event, change, effect, development or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on CVS Health (see Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus for the definition of material adverse effect);

the accuracy (subject only to *de minimis* exceptions) as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specific date, as of that date) of certain representations and warranties made in the merger agreement by CVS Health regarding its capitalization;

the accuracy in all material respects as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specific date, as of that date) of certain representations and warranties made in the merger agreement by CVS Health regarding, among other matters, its corporate existence, its corporate authority relative to the merger agreement and the merger, fees payable to its financial advisors in connection with the merger, its ownership of its subsidiaries, the opinions of its financial advisors and the inapplicability of certain antitakeover laws;

- the accuracy of all other representations and warranties made in the merger agreement by CVS Health (disregarding all qualifications and exceptions contained in such representations and warranties relating to materiality or material adverse effect) as of the date of the merger agreement and as of completion of the merger (or, in the case of representations and warranties given as of another specified date, as of that date), except for any inaccuracies in such representations and warranties that have not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on CVS Health;

- performance (or cure of any non-performance) in all material respects by CVS Health and Merger Sub of the covenants and agreements required to be performed by them prior to completion of the merger; and

- receipt of a certificate from an executive officer of CVS Health confirming the satisfaction of the conditions described in the preceding five bullets.

Representations and Warranties

The merger agreement contains a number of representations and warranties made by both CVS Health and Aetna that are subject in some cases to exceptions and qualifications (including exceptions that are not material to the party making the representations and warranties and its subsidiaries, taken as a whole, and exceptions that do not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the party making the representations and warranties). See Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus for the definition of material adverse effect. The representations and warranties in the merger agreement relate to, among other things:

- corporate existence, good standing and qualification to conduct business;

- due authorization, execution and validity of the merger agreement;

- governmental and third-party consents necessary to complete the merger;

- absence of any conflict with or violation or breach of organizational documents or any conflict with or violation or breach of agreements, laws or regulations as a result of the execution, delivery or performance of the merger agreement and completion of the merger;

- capitalization;

- subsidiaries;

- SEC filings, the absence of material misstatements or omissions from such filings and compliance with the Sarbanes-Oxley Act of 2002;

financial statements;

information provided by the applicable party for inclusion in disclosure documents to be filed with the SEC in connection with the merger;

conduct of business in the ordinary course of business consistent with past practices and absence of changes that have had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the applicable party, in each case since December 31, 2016;

absence of undisclosed material liabilities;

litigation;

compliance with laws, court orders and permits;

tax matters;

employees, employee benefit plans and labor matters;

- intellectual property matters;
- environmental matters;
- inapplicability of antitakeover statutes;
- receipt of opinions from such party s financial advisors;
- fees payable to financial advisors in connection with the merger;
- no ownership of the other party s common stock; and
- no other representations and warranties.

Aetna also makes representations and warranties relating to, among other things, statutory financial statements, loss reserves, capital or surplus maintenance of regulated subsidiaries, material contracts, properties, insurance matters and transactions with affiliates.

CVS Health also makes representations and warranties relating to, among other things, matters with respect to the debt commitment letter regarding the financing for the merger.

The representations and warranties in the merger agreement do not survive completion of the merger.

See Explanatory Note Regarding the Merger Agreement and the Summary of the Merger Agreement: Representations, Warranties and Covenants in the Merger Agreement Are Not Intended to Function or Be Relied on as Public Disclosures beginning on page 177 of this joint proxy statement/prospectus.

Definition of Material Adverse Effect

Many of the representations and warranties in the merger agreement are qualified by material adverse effect on the party making such representations and warranties.

For purposes of the merger agreement, material adverse effect means, with respect to CVS Health or Aetna, as the case may be, a material adverse effect on the financial condition, business or results of operations of that party and its subsidiaries, taken as a whole, except that no effect to the extent resulting from any of the following events, changes, developments or occurrences will be taken into account in determining whether there has been a material adverse effect, or whether a material adverse effect would reasonably be expected to occur:

- any changes in general United States or global economic conditions;

any changes in conditions generally affecting the industry in which that party or any of its subsidiaries operate, including, in the case of Aetna, the health insurance or managed care industry (including, in the case of Aetna, the Medicare Advantage managed care industry);

any decline, in and of itself, in the market price or trading volume of that party s common stock (but not any facts or occurrences giving rise to or contributing to that decline that are not otherwise excluded from the definition of material adverse effect);

any changes in regulatory, legislative or political conditions or in securities, credit, financial, debt or other capital markets, in each case in the United States or any foreign jurisdiction;

any failure, in and of itself, by that party to meet any internal or published projections, forecasts, estimates or predictions in respect of enrollments, revenues, earnings or other financial or operating metrics for any period (but not any facts or occurrences giving rise to or contributing to that failure that are not otherwise excluded from the definition of material adverse effect);

the execution and delivery of the merger agreement, the public announcement or pendency of the merger agreement or the merger, the taking of any action required or expressly contemplated by the

Table of Contents

merger agreement or the identity of, or any facts or circumstances relating to any other party to the merger agreement or that other party s subsidiaries, including the impact of any of the foregoing on the relationships, contractual or otherwise, of that party or any of its subsidiaries with governmental authorities, customers, providers, suppliers, partners, officers or employees (except with respect to any representation or warranty that is intended to address the consequences of the execution, delivery or performance of the merger agreement or completion of the transactions contemplated by the merger agreement);

any adoption, implementation, promulgation, repeal, modification, amendment, authoritative interpretation, change or proposal of any applicable law of or by any governmental authority;

any changes in United States generally accepted accounting principles or, in the case of Aetna, statutory accounting principles or actuarial standards of practice (or, in any of such cases, authoritative interpretations thereof);

any changes in geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage, cyberattack or terrorism, or any escalation or worsening of any acts of war, sabotage, cyberattack or terrorism threatened or underway as of the date of the merger agreement;

any taking of any action at the written request of or with the consent of any other party to the merger agreement (but not any facts or occurrences resulting from that action that are not otherwise excluded from the definition of material adverse effect);

any reduction in the credit rating of that party or any of its subsidiaries (but not any facts or occurrences giving rise to or contributing to that reduction that are not otherwise excluded from the definition of material adverse effect);

any epidemic, plague, pandemic or other outbreak of illness or public health event, hurricane, earthquake, flood or other natural disasters, acts of God or any change resulting from weather conditions;

any changes to reimbursement rates or in methods or procedures for determining those rates, any changes to eligibility requirements or any other programmatic changes by any governmental authority, in each case whether such changes are applicable nationally or to only certain geographic areas; or

any claims, actions, suits or proceedings arising from allegations of a breach of fiduciary duty or violation of applicable law relating to the merger agreement or the merger;

except, in the case of the events, changes, developments or occurrences referred to in the first, second, fourth, seventh, eighth and thirteenth bullets in the immediately preceding list, to the extent that those events, changes, developments or occurrences have a materially disproportionate adverse effect on that party and its subsidiaries, taken as a whole, relative to the adverse effect those changes, developments or occurrences have on other companies operating in the industries in which that party or any of its subsidiaries operate (except that any such disproportionate effect on that party and its subsidiaries to the extent resulting from the greater concentration of the businesses of that party and its subsidiaries in any particular industry or geography relative to other companies operating in the industries in which that party or any of its subsidiaries operate will not be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect on that party and its subsidiaries).

Conduct of Business Pending the Merger

In general, except (i) as required or expressly contemplated by the merger agreement, (ii) as required or prohibited by applicable law or (iii) as set forth in the confidential disclosure schedules delivered to the other party concurrently with the execution of the merger agreement, unless the other party otherwise consents (which consent may not be unreasonably withheld, conditioned or delayed), Aetna, CVS Health and their respective subsidiaries are required to conduct their business in the ordinary course of business consistent with past practice and to use commercially reasonable efforts to preserve intact their respective business organizations and relationships with third parties and to keep available the services of their present officers and employees.

Without limiting the generality of the foregoing, except (i) as required or expressly contemplated by the merger agreement, (ii) as required or prohibited by applicable law or (iii) as set forth in Aetna s confidential disclosure schedule delivered to CVS Health concurrently with the execution of the merger agreement, unless CVS Health otherwise consents (which consent generally may not be unreasonably withheld, conditioned or delayed) and subject to certain exceptions and qualifications described in the merger agreement, each of Aetna and each of its subsidiaries is not permitted to, among other things:

amend its organizational documents;

merge or consolidate with any other entity;

acquire any assets, other than (i) acquisitions in an amount not to exceed $100.0 million individually or $200.0 million in the aggregate, taking into account the acquisitions set forth in Aetna s confidential disclosure schedule delivered to CVS Health concurrently with the execution of the merger agreement, together with all capital contributions permitted under clause (ii) of the tenth bullet point in this list below, (ii) securities under Aetna s investment portfolio consistent with Aetna s investment policy in effect as of the date of the merger agreement and (iii) certain intracompany transactions;

adopt a plan of complete or partial liquidation, dissolution, recapitalization or restructuring;

(i) split, combine or reclassify any shares of its capital stock, (ii) amend any term of any of its outstanding equity securities, (iii) declare or pay any dividend or make any other distribution in respect of any shares of its capital stock or other securities, other than, in the case of Aetna, regular cash dividends in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per Aetna common share per quarter (appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events), and in the case of Aetna s subsidiaries, any dividends or other distributions to Aetna or any other wholly-owned subsidiary thereof, or (iv) redeem, repurchase, cancel or otherwise acquire any securities of Aetna or any of its subsidiaries, other than certain repurchases in connection with the exercise of Aetna stock appreciation rights or the vesting and settlement of Aetna RSUs or PSUs, in each case that are outstanding as of the date of the merger agreement or are granted after the date of the merger agreement to the extent permitted by the merger agreement;

issue, deliver or sell any shares of its capital stock or any securities convertible into or exercisable for, or any rights to acquire, any such capital stock or any such convertible securities, other than (i) the issuance of Aetna common shares upon the exercise of Aetna stock appreciation rights or the vesting or settlement of Aetna RSUs or PSUs, in each case that are outstanding as of the date of the merger agreement in accordance with their then current terms or granted after the date of the merger agreement to the extent permitted by the merger agreement, (ii) in connection with the exercise of rights to purchase Aetna common shares under

Aetna s stock purchase plan in the offering period for which participant payroll deductions commence during December 2017 to the extent permitted by the merger agreement (iii) in connection with certain intracompany transactions, (iv) the grant of Aetna equity awards to Aetna employees in connection with Aetna s annual equity grant procedures or in connection with promotions or new hires, in each case, conducted in the ordinary course of business and consistent with past practice, including with respect to timing, and subject to the limitations set forth in the merger agreement or (v) the grant of Aetna equity awards to non-employee directors in the ordinary course of business consistent with past practice;

incur any capital expenditures, other than as set forth in Aetna s confidential disclosure schedule delivered to CVS Health concurrently with the execution of the merger agreement;

sell, lease, license or otherwise dispose of any assets, other than (i) in the ordinary course of business consistent with past practice for fair market value in an amount not to exceed $30.0 million in the aggregate, (ii) dispositions of securities under Aetna s investment portfolio consistent with Aetna s investment policy in effect as of the date of the merger agreement or (iii) certain intracompany transactions;

sell, assign, license, sublicense, abandon, allow to lapse, transfer or otherwise dispose of, or create or incur any lien (other than certain permitted liens) on, any intellectual property, other than in the ordinary course of business (i) pursuant to non-exclusive licenses or (ii) for the purpose of disposing of obsolete or worthless assets;

make any material loans, advances or capital contributions, other than (i) certain intracompany transactions, (ii) capital contributions required under the terms of contracts in effect as of the date of the merger agreement in an amount not to exceed $200.0 million in the aggregate, together with all acquisitions permitted under clause (i) of the third bullet point in this list above, (iii) extensions of loans or advances to providers in the ordinary course of business consistent with past practice or (iv) extensions of loans or advances to business associates other than providers in the ordinary course of business consistent with past practice, so long as the amount of such loans or advances to business associates other than providers outstanding at any time does not exceed $20.0 million in the aggregate;

incur, assume, guarantee or repurchase any indebtedness for borrowed money, other than additional borrowings under Aetna s facilities set forth in Aetna s confidential disclosure schedule delivered to CVS Health concurrently with the execution of the merger agreement;

create or incur any lien (except for certain permitted liens) on any material asset;

enter into, terminate, renew, extend or materially amend any material contract or waive any material right thereunder, other than in the ordinary course of business consistent with past practice;

terminate, suspend or amend (i) any certificate of authority to conduct business as an insurance company or health maintenance organization issued by the applicable insurance or health regulatory governmental authority or (ii) any other material permit, in each case in a manner material and adverse to Aetna and its subsidiaries, taken as a whole;

except as required by applicable law or Aetna employee benefit plans or other contracts as in effect on the date of the merger agreement, (i) grant any change in control, severance or termination pay to (or amend any existing arrangement with) any of Aetna s current or former directors, officers, employees or individual independent contractors other than severance or termination pay in the ordinary course of business consistent with past practice for terminated employees in exchange for a general release of claims or other customary covenants, (ii) enter into any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any of Aetna s current or former directors, executive officers, employees or individual independent contractors, other than offer letters (and related compensation arrangements set forth in such offer letters) with any newly hired directors, employees or individual independent contractors who are not considered to be executive officers and who are not members of the executive leadership team that are entered into in the ordinary course of business consistent with past practice, (iii) establish, adopt or amend any Aetna employee plan or labor agreement, other than in the ordinary course of business consistent with past practice (other than paying cash incentive awards for any fiscal years of Aetna ending prior to completion of the merger and establishing cash incentive program terms for any fiscal years of Aetna commencing prior to completion of the merger under Aetna s existing incentive plans and arrangements in the ordinary course of business consistent with past practice, subject to the limitations set forth in clause (iv)) or any immaterial amendment that would not increase the cost to Aetna of maintaining an employee plan, or (iv) increase the compensation, bonus opportunity or other benefits payable to any of Aetna s or its subsidiaries current or former directors, officers, employees or individual independent contractors, other than (A) increases in base compensation and bonus opportunity to current directors, individual independent contractors or employees who are not considered to be executive officers and who are not members of the executive leadership team in the ordinary course of business (1) consistent with past

187

Table of Contents

practice or (2) in connection with a promotion or change in role and (B) increases in employee welfare benefits in the ordinary course of business consistent with past practice for employees generally; *provided* that any base compensation increases will not in the aggregate exceed 3.0% of the aggregate base compensation levels of Aetna s directors and employees who are not considered to be executive officers and who are not members of the executive leadership team (with base salary increases that had been approved by Aetna but not yet implemented and were disclosed to CVS Health as of the date of the merger agreement being excluded from the foregoing limitation);

make any material change in any method, principles or practice of financial or statutory accounting, except for any such change required by reason of, or advisable under, a change in United States generally accepted accounting principles, statutory accounting principles, actuarial standards of practice or Regulation S-X under the Exchange Act;

make any material change in investment, hedging, underwriting or claims administration principles or practices or in methodologies for estimating and providing for medical costs and other liabilities, in each case with respect to Aetna or certain of its material subsidiaries, except for any such change required by reason of a change in United States generally accepted accounting principles, applicable statutory accounting principles, actuarial standards of practice or Regulation S-X under the Exchange Act;

(i) make or change any material tax election; (ii) change any annual tax accounting period; (iii) adopt or change any material method of tax accounting; (iv) enter into any material closing agreement with respect to taxes; (v) settle or surrender any material tax claim, audit or assessment; or (vi) enter into any intercompany transaction within the meaning of Treasury Regulations Section 1.1502-13 that (x) is outside the ordinary course of business and (y) results in a material amount of deferred income or gain that would be taken into account pursuant to Treasury Regulations Section 1.1502-13(d) as a result of the merger;

settle or compromise any proceeding, other than settlements or compromises (i) in the ordinary course of business consistent with past practice, including in connection with the processing and paying of claims to members or providers or risk sharing arrangements with providers (it being understood and agreed that any individual settlement or compromise or any series of related settlements or compromises involving payments in excess of $25.0 million, other than any such settlements or compromises with providers that do not relate to sequestration matters, will not be deemed to be in the ordinary course of business) and (ii) involving only a monetary payment in an amount not to exceed $10.0 million individually or $30.0 million in the aggregate;

reduce in any material respect the budget or scope of Aetna s and its subsidiaries program for, or otherwise reduce in any material respect the resources or efforts specifically dedicated by Aetna and its subsidiaries to the maintenance and improvement of their respective Medicare star ratings; or

agree, commit or propose to do any of the foregoing.

Without limiting the generality of the first paragraph of this section (under Conduct of Business Pending the Merger), except (i) as required or expressly contemplated by the merger agreement, (ii) as required or prohibited by applicable law or (iii) as set forth in CVS Health s confidential disclosure schedule delivered to Aetna concurrently with the execution of the merger agreement, unless Aetna otherwise consents (which consent may not be unreasonably withheld, conditioned or delayed) and subject to certain exceptions and qualifications described in the merger agreement, each of CVS Health and each of its subsidiaries is not permitted to:

amend CVS Health s organizational documents in a manner materially adverse to Aetna shareholders;

acquire any assets, other than (i) acquisitions in an amount not to exceed $2.0 billion individually or $5.0 billion in the aggregate, (ii) acquisitions of securities under CVS Health s investment portfolio consistent with CVS Health s investment policy and (iii) certain intracompany transactions;

adopt a plan of complete or partial liquidation or dissolution with respect to CVS Health or Merger Sub;

(i) split, combine or reclassify any shares of its capital stock, (ii) amend any term of any of its outstanding equity securities, (iii) declare or pay any dividend or make any other distribution in respect of any shares of its capital stock or other securities, other than, in the case of CVS Health, regular cash dividends in the ordinary course of business consistent with past practice in an amount not to exceed $0.50 per share of CVS Health common stock per quarter (appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events), and in the case of CVS Health s subsidiaries, any dividends or other distributions to CVS Health or a wholly-owned subsidiary thereof, or (iv) redeem, repurchase, cancel or otherwise acquire any securities of CVS Health or any of its subsidiaries, other than in the ordinary course of business consistent with past practice, including repurchases (A) pursuant to accelerated share repurchase programs or agreements in the ordinary course of business consistent with past practice, and (B) in connection with the exercise or the vesting and settlement of CVS Health equity awards, in each case in this clause (B) that are outstanding as of the date of the merger agreement or are granted after the date of the merger agreement;

issue, deliver or sell any shares of its capital stock or any securities convertible into or exercisable for, or any rights to acquire, any such capital stock or any such convertible securities, other than (i) the issuance of shares of CVS Health common stock upon the exercise of CVS Health equity awards or other equity and equity-linked awards that are outstanding as of the date of the merger agreement or are granted after the date of the merger agreement, (ii) in connection with certain intracompany transactions, (iii) the grant of CVS Health equity awards to employees, directors or individual independent contractors pursuant to CVS Health s equity compensation plans or (iv) the stock issuance;

sell, lease, license or otherwise dispose of any assets, other than (i) dispositions in an amount not to exceed $3.0 billion individually or $6.0 billion in the aggregate, (ii) dispositions of securities under CVS Health s investment portfolio consistent with CVS Health s investment policy or (iii) certain intracompany transactions; or

agree, commit or propose to do any of the foregoing.

Obligations to Call Shareholders and Stockholders Meetings

As promptly as practicable after the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, each of Aetna and CVS Health has agreed to, in consultation with the other party, establish a record date for, duly call and give notice of a meeting of its shareholders or stockholders, respectively, at which Aetna will seek the vote of its shareholders required to approve and adopt the merger agreement, and CVS Health will seek the vote of its stockholders required to approve the stock issuance. The record date for the meeting of Aetna shareholders must be no later than ten days after the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, and the record date for the meeting of CVS Health stockholders must be the same as the record date for the meeting of Aetna shareholders.

In addition, as promptly as practicable after the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, each of Aetna and CVS Health has agreed to duly convene and hold the meeting of its shareholders or stockholders, respectively. The meeting of Aetna shareholders must be held no later than 40 days after the record date for that meeting, and the meeting of CVS Health stockholders must be held on the same date and time as the meeting of Aetna shareholders. Subject to the rights of the Aetna and CVS Health boards of directors to make an adverse recommendation change, as discussed under No Solicitation beginning on page 190 of this joint proxy statement/prospectus, each of Aetna and CVS Health has agreed to use its reasonable best efforts to cause the required vote of its shareholders or stockholders, respectively, in connection with the merger to be received at the meeting of its shareholders or stockholders, respectively, and will comply with all legal requirements applicable to such meeting.

Table of Contents

Neither Aetna nor CVS Health may adjourn, postpone or otherwise delay the meeting of its shareholders or stockholders, respectively, without the prior written consent of the other party. However, each party may, without the prior written consent of the other party, adjourn or postpone the meeting of its shareholders or stockholders, respectively, after consultation with the other party, if that party believes in good faith that such adjournment or postponement is reasonably necessary to allow reasonable additional time to (i) solicit additional proxies necessary to obtain the required vote of its shareholders or stockholders, respectively, in connection with the merger at such meeting, or (ii) distribute any supplement or amendment to this joint proxy statement/prospectus that its board of directors has determined in good faith after consultation with outside legal counsel is necessary under applicable law and for such supplement or amendment to be reviewed by its shareholders or stockholders, as applicable, prior to such meeting.

Unless the merger agreement is earlier terminated, Aetna s board of directors must submit the merger agreement for adoption at the meeting of its shareholders called for such purpose, even if it changes its recommendation with respect to the merger agreement. Similarly, unless the merger agreement is earlier terminated in accordance with its terms, CVS Health s board of directors must submit the stock issuance for approval at the meeting of its stockholders called for such purpose, even if it changes its recommendation with respect to the stock issuance.

Obligations to Recommend the Approval and Adoption of the Merger Agreement and the Approval of the Stock Issuance

As discussed under Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance Aetna s Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve and Adopt the Merger Agreement beginning on page 101 of this joint proxy statement/prospectus, Aetna s board of directors unanimously recommends that Aetna shareholders vote **FOR** the approval and adoption of the merger agreement. Aetna s board of directors, however, may (i) withdraw or qualify, amend or modify in a manner adverse to CVS Health its recommendation that Aetna shareholders approve and adopt the merger agreement or (ii) recommend, adopt or approve an alternative acquisition proposal for Aetna, in each case, under specified circumstances as discussed under No Solicitation beginning on page 190 of this joint proxy statement/prospectus.

Similarly, as discussed under Aetna Proposal I: Approval and Adoption of the Merger Agreement and CVS Health Proposal I: Approval of the Stock Issuance CVS Health s Reasons for the Merger; Recommendation of the CVS Health Board of Directors that CVS Health Stockholders Approve the Stock Issuance beginning on page 106 of this joint proxy statement/prospectus, CVS Health s board of directors unanimously recommends that CVS Health stockholders vote **FOR** the stock issuance. CVS Health s board of directors, however, may (i) withdraw or qualify, amend or modify in a manner adverse to Aetna its recommendation that CVS Health stockholders approve the stock issuance or (ii) recommend, adopt or approve an alternative acquisition proposal for CVS Health, in each case, under specified circumstances as discussed under No Solicitation beginning on page 190 of this joint proxy statement/prospectus.

However, unless the merger agreement has previously been terminated in accordance with its terms, the merger agreement must be submitted to Aetna shareholders for adoption (even if Aetna s board of directors has made an adverse recommendation change, or if an acquisition proposal for Aetna has been publicly proposed or announced or otherwise submitted). Similarly, unless the merger agreement has previously been terminated in accordance with its terms, the stock issuance must be submitted to CVS Health stockholders for approval (even if CVS Health s board of directors has made an adverse recommendation change, or if an acquisition proposal for CVS Health has been publicly proposed or announced or otherwise submitted).

No Solicitation

Subject to the exceptions described below, each of Aetna and CVS Health has agreed not to, and to cause its subsidiaries not to, and to use its reasonable best efforts to cause its and its subsidiaries officers, directors,

Table of Contents

employees, investment bankers, attorneys, accountants, consultants and other agents, advisors and representatives, which are collectively referred to in this joint proxy statement/prospectus as representatives, not to, directly or indirectly, among other things: (i) solicit, initiate or take any action to knowingly facilitate or knowingly encourage the submission of any acquisition proposal (as defined below), (ii) enter into or participate in any discussions or negotiations with, furnish any information relating to that party or any of its subsidiaries or afford access to the business, properties, assets, books or records of that party or any of its subsidiaries to, otherwise cooperate in any way with, or knowingly assist, participate in, knowingly facilitate or knowingly encourage any effort by, any third party that such party knows is seeking to make, or has made, an acquisition proposal, (iii)(A) fail to make or withdraw or qualify, amend or modify in a manner adverse to the other party (or fail to include in this joint proxy statement/prospectus) the recommendation of that party s board of directors that such party s shareholders vote in favor of the approval and adoption of the merger agreement or such party s stockholders vote in favor of the approval of the stock issuance, as applicable, or (B) recommend, adopt or approve an acquisition proposal for such party (any of the actions described in this clause (iii) are referred to in this joint proxy statement/prospectus as an adverse recommendation change), (iv) take any action to make any antitakeover laws and regulations of the Commonwealth of Pennsylvania, including Subchapter F of Chapter 25 of the PBCL, in the case of Aetna, or of the State of Delaware, including Section 203 of the Delaware General Corporation Law (which is referred to in this joint proxy statement/prospectus as the DGCL), in the case of CVS Health, inapplicable to any third party or acquisition proposal, (v) in the case of CVS Health, approve any transaction (other than the transactions contemplated by the merger agreement) under, or any person becoming a Related Person under Article Fifth of CVS Health s certificate of incorporation as in effect on the date of the merger agreement or take any other action to make any other antitakeover provision in CVS Health s certificate of incorporation inapplicable to any third party or any acquisition proposal or (vi) fail to enforce or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of that party or any of its subsidiaries unless that party s board of directors determines after consulting with its outside legal counsel that the failure to waive such provision would be inconsistent with its fiduciary duties under applicable law (except that the obligation not to fail to enforce any such standstill or similar agreement under this clause (vi) will apply with respect to known breaches of such agreements only).

However, if at any time prior to the approval and adoption of the merger agreement by Aetna shareholders, in the case of Aetna, or at any time prior to the approval of the stock issuance by CVS Health stockholders, in the case of CVS Health, Aetna or CVS Health, as applicable, receives a written acquisition proposal made after the date of the merger agreement which has not resulted from a violation of the solicitation restrictions described in the first paragraph of this section (under No Solicitation), the board of directors of that party is permitted to, directly or indirectly through its representatives, and subject to certain exceptions and qualifications described in the merger agreement:

- contact the third party that has made such acquisition proposal in order to ascertain facts or clarify terms for the sole purpose of Aetna s or CVS Health s board of directors, as applicable, informing itself about such acquisition proposal and such third party;

- (i) engage in negotiations or discussions with any third party that, subject to Aetna s or CVS Health s compliance, as applicable, with the solicitation restrictions described in the first paragraph of this section (under No Solicitation), has made after the date of the merger agreement a superior proposal (as defined below in this section) or an unsolicited written acquisition proposal that Aetna s or CVS Health s board of directors, as applicable, determines is reasonably likely to lead to a superior proposal, (ii) furnish to such third party and its representatives and financing sources nonpublic information relating to Aetna or CVS Health, as applicable, or any of its subsidiaries pursuant to a confidentiality agreement between Aetna or CVS Health, as applicable, and such third party in existence on or prior to the date of the merger agreement, or a confidentiality agreement with confidentiality terms in the aggregate no less favorable to Aetna or CVS Health, as applicable, than those contained in the confidentiality agreement between Aetna and CVS Health, so long as all such nonpublic information (to the extent not previously provided or made available to the other party) is provided or made available to the other party substantially concurrently with the time it is provided or made available to such third party and (iii) following receipt of a superior proposal after the date of the merger agreement, make an adverse recommendation change and/or terminate the merger agreement to enter into a definitive agreement providing for such superior proposal and pay concurrently a termination fee to the other party (See The Merger Agreement Termination of the Merger Agreement beginning on page 203 of this joint proxy statement/prospectus); and

make an adverse recommendation change involving or relating to an intervening event (as defined below).

Aetna or CVS Health, as applicable, is only permitted to take the actions described in the second or third bullets above if that party s board of directors determines in good faith, after consultation with that party s outside legal counsel and, in the case of the actions described in the second bullet above, financial advisor, that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law.

In addition, Aetna s or CVS Health s board of directors, as applicable, is not permitted to take any of the actions described in the second bullet above unless that party has delivered to the other party written notice advising the other party that it intends to take such action, and Aetna or CVS Health, as applicable, continues to advise the other party, on a current basis, after taking that action of the status and material terms of any discussions and negotiations with the applicable third party. Aetna or CVS Health, as applicable, must also notify the other party promptly (but in no event later than 24 hours) after receipt by Aetna or CVS Health, as applicable (or any of its representatives), of any acquisition proposal, any indication that a third party is considering making an acquisition proposal or any request for information relating to Aetna or CVS Health, as applicable, or any of its subsidiaries or for access to the business, properties, assets, books or records of Aetna or CVS Health, as applicable, or any of its subsidiaries by any third party that, to the knowledge of Aetna or CVS Health, as applicable, or any member of its board of directors, is considering making, is reasonably likely to make or has made, an acquisition proposal. Aetna or CVS Health, as applicable, must also keep the other party fully informed, on a current basis, of the status and details of any such acquisition proposal, indication or request (including any changes thereto) and must promptly (but in no event later than 24 hours after receipt) provide to the other party copies of all material correspondence and written materials sent or provided to Aetna or CVS Health, as applicable, or any of its subsidiaries that describes any terms or conditions of any acquisition proposal (as well as written summaries of any material oral communications addressing such matters).

In addition, Aetna s or CVS Health s board of directors, as applicable, is not permitted to make an adverse recommendation change involving or relating to a superior proposal or terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal, unless (i) Aetna or CVS Health, as applicable, promptly notifies the other party, in writing at least three business days before taking that action, that it intends to take that action, attaching the most current version of any proposed agreement (or a detailed summary of all material terms and the identity of the offeror), (ii) if requested by the other party, during such three business day period, Aetna or CVS Health, as applicable, and its representatives have discussed and negotiated in good faith with the other party regarding any proposal by the other party to amend the terms of the merger agreement in response to such superior proposal and (iii) after such three business day period, Aetna s or CVS Health s board of directors, as applicable, determines in good faith, taking into account any proposal by the other party to amend the terms of the merger agreement, that such acquisition proposal continues to constitute a superior proposal. Any amendment to the financial terms or other material terms of such superior proposal will require a new written notification from Aetna or CVS Health, as applicable, to the other party and will commence a new notice period under the preceding sentence, except that such new notice period will be for two business days rather than three business days.

Aetna s or CVS Health s board of directors, as applicable, is not permitted to make an adverse recommendation change involving or relating to an intervening event unless (i) Aetna or CVS Health, as applicable, has promptly notified the other party in writing of its intention to take such action, (ii) Aetna or CVS

192

Table of Contents

Health, as applicable, negotiates with the other party for three business days following such notice regarding revisions to the terms of the merger agreement proposed by the other party and (iii) after such three business day period, Aetna s or CVS Health s board of directors, as applicable, determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law.

Acquisition proposal means, with respect to Aetna or CVS Health, any indication of interest, proposal or offer from any person or group (as defined in Section 13(d) of the Exchange Act), other than the other party and its subsidiaries, relating to any (i) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of assets of Aetna or CVS Health, as applicable, or its subsidiaries (including securities of subsidiaries) equal to 20% or more of that party s consolidated assets, or to which 20% or more of that party s revenues or earnings on a consolidated basis are attributable, (ii) direct or indirect acquisition or issuance (whether in a single transaction or a series of related transactions) of 20% or more of any class of equity or voting securities of Aetna or CVS Health, as applicable, (iii) tender offer or exchange offer that, if completed, would result in any person or group (as defined in Section 13(d) of the Exchange Act), other than the other party and its subsidiaries, beneficially owning 20% or more of any class of equity or voting securities of Aetna or CVS Health, as applicable, or (iv) merger, consolidation, share exchange, business combination, joint venture, reorganization, recapitalization, liquidation, dissolution or similar transaction involving Aetna or CVS Health, as applicable, under which any person or group (as defined in Section 13(d) of the Exchange Act), other than the other party and its subsidiaries, would acquire, directly or indirectly, (A) assets equal to 20% or more of CVS Health s or Aetna s consolidated assets, as applicable, or to which 20% or more of that party s revenues or earnings on a consolidated basis are attributable or (B) beneficial ownership of 20% or more of any class of equity or voting securities of that party.

Intervening event means, with respect to Aetna or CVS Health, any material event, change, effect, development or occurrence occurring or arising after the date of the merger agreement that (i) was not known or reasonably foreseeable, or the material consequences of which were not known or reasonably foreseeable, in each case to that party s board of directors or executive officers as of or prior to the date of the merger agreement and (ii) does not relate to or involve an acquisition proposal. However, in no event will any action taken by either party pursuant to the affirmative obligations described under Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus, or the consequences of any such action, or any event, change, effect, development or occurrence that would fall within any of the exceptions to the definition of material adverse effect , as such definition relates to the other party, as described under Definition of Material Adverse Effect beginning on page 184 of this joint proxy statement/prospectus, be taken into account in determining whether there has been an intervening event.

Superior proposal means, with respect to Aetna or CVS Health, any written acquisition proposal which has not resulted from a violation of the solicitation restrictions described in the first paragraph of this section (under No Solicitation) (with all references to 20% in the definition of acquisition proposal being deemed to be references to 50%) on terms that such party s board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, and taking into account all the terms and conditions of the acquisition proposal that such party s board of directors considers to be appropriate (including the identity of the third party making the acquisition proposal, the expected timing and likelihood of completion, any governmental or other approval requirements (including divestitures and entry into other commitments and limitations),break-up fees, expense reimbursement provisions, conditions to completion and availability of necessary financing), would result in a transaction (i) that if completed, is more favorable to that party s shareholders or stockholders, respectively, from a financial point of view than the merger (taking into account any proposal by the other party to amend the terms of the merger agreement), (ii) that is reasonably capable of being completed on the terms proposed, taking into account the identity of the person making the acquisition proposal, any approval requirements and all other financial, regulatory, legal and other aspects of such acquisition proposal and (iii) for which financing, if a cash transaction (whether in whole or in part), is then fully

193

Table of Contents

committed in a manner comparable to CVS Health s and Merger Sub s financing (or which is reasonably determined to be available by that party s board of directors).

Each of Aetna and CVS Health has agreed to, to cause its subsidiaries to, and to use its reasonable best efforts to cause its and its subsidiaries respective representatives to, terminate any and all existing activities, discussions or negotiations, if any, with any third parties conducted prior to the date of the merger agreement with respect to any acquisition proposal, and to use its reasonable best efforts to cause any such party (or its agents or advisors) in possession of confidential information about Aetna or CVS Health, as applicable, that was furnished by or on behalf of that party to return or destroy all such information.

Unless the merger agreement has previously been terminated in accordance with its terms, in no event may Aetna or CVS Health, as applicable, or any of its subsidiaries (i) enter into any agreement in principle, letter of intent, term sheet, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar instrument constituting or relating to an acquisition proposal (other than a confidentiality agreement), (ii) except as required by applicable law or permitted under the merger agreement as described under this section, make, facilitate or provide information in connection with any SEC or other filing in connection with the transactions contemplated by any acquisition proposal or (iii) seek any consents in connection with the transactions contemplated by any acquisition proposal (even if Aetna s or CVS Health s board of directors, as applicable, has made an adverse recommendation change, or if an acquisition proposal for that party has been made).

Reasonable Best Efforts Covenant

CVS Health and Aetna have agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to complete the merger and other transactions contemplated by the merger agreement as promptly as practicable, including preparing and filing as promptly as practicable all necessary governmental or third-party filings, notices and other documents and obtaining as promptly as practicable and thereafter maintaining all consents, approvals, waivers, licenses, permits, variances, exemptions, franchises, clearances, authorizations, acknowledgments, orders or other confirmations required to be obtained from any governmental authority or other third party that are necessary, proper or advisable to complete the merger, and complying with the terms and conditions of each consent and approval and cooperating to the extent reasonable with the other parties to the merger agreement in their efforts to comply with their obligations under the merger agreement, including in seeking to obtain as promptly as practicable any required consents and approvals.

CVS Health s and Aetna s obligation to use their respective reasonable best efforts includes contesting (which includes contesting by litigation) any (i) action, suit, investigation or proceeding brought by any governmental authority in a federal, state or administrative court seeking to enjoin, restrain, prevent, prohibit or make illegal completion of the merger or seeking damages or to impose any terms or conditions in connection with the merger or (ii) order that has been entered by a federal, state or administrative court that enjoins, restrains, prevents, prohibits or makes illegal completion of the merger or imposes any damages, terms or conditions in connection with the merger. CVS Health s obligation to use its reasonable best efforts includes taking all actions and doing all things necessary, proper or advisable under applicable law (including divestitures, hold separate arrangements, the termination, assignment, novation or modification of contracts (or portions thereof) or other business relationships, the acceptance of restrictions on business operations, and the entry into other commitments and limitations) to obtain the following governmental approvals and authorizations required to complete the merger, so long as such actions would not have and would not reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna: (i) the expiration or early termination of any applicable waiting period relating to the merger under the HSR Act, (ii) approvals in connection with any other applicable law that is designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or (iii) the required governmental authorizations or any other approval from a governmental authority or otherwise (the matters described in clauses

Table of Contents

(i) through (iii) are referred to in this joint proxy statement/prospectus as the specified regulatory matters). In no event are CVS Health or any of its subsidiaries required by the merger agreement to take or cause to be taken any action (or refrain or cause to refrain from taking any action) or agree or cause to agree to any term, condition or limitation as a condition to, or in connection with the specified regulatory matters, if such action (or refraining from such action), term, condition or limitation would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on CVS Health or Aetna. Regulatory material adverse effect means, with respect to CVS Health or Aetna, a material adverse effect on the financial condition, business, revenue or EBITDA (as defined in the merger agreement) of that party and its subsidiaries, taken as a whole. For purposes of determining whether any action, term or condition would have or would reasonably be expected to have a regulatory material adverse effect on Aetna, Aetna and its subsidiaries will collectively be deemed to be a company the size of (and with revenue and EBITDA equal to those of) CVS Health and its subsidiaries, taken as a whole (excluding, for the avoidance of doubt, Aetna and its subsidiaries). For purposes of determining whether any action, term or condition would have or would reasonably be expected to have a regulatory material adverse effect on CVS Health or Aetna, impacts on CVS Health, Aetna or any of their respective subsidiaries will be aggregated.

CVS Health will have principal responsibility for directing, devising, and implementing the strategy for obtaining any necessary approval of, for responding to any request from, inquiry by, or investigation by (including directing the timing, nature, and substance of all such responses), and for leading all meetings and communications with any governmental authority that has authority to enforce any antitrust law.

In furtherance of the foregoing, each of Aetna and CVS Health has agreed to, as promptly as practicable following the date of the merger agreement, make all filings with all governmental authorities that may be or may become reasonably necessary, proper or advisable under the merger agreement or applicable law to complete the merger and the other transactions contemplated by the merger agreement, including: (i) not later than 30 business days after the date of the merger agreement, CVS Health filing, or causing to be filed, Form A Statements or similar change of control applications, with the insurance commissioners or regulators or departments of health or other governmental authorities in each jurisdiction where required by applicable law seeking approval of CVS Health s acquisition of control of each of Aetna s regulated subsidiaries that would result from the merger; (ii) as promptly as practicable after the date of the merger agreement, CVS Health filing, or causing to be filed, any pre-acquisition notifications on Form E or similar market share notifications to be filed in each jurisdiction where required by applicable laws with respect to the merger and the other transactions contemplated by the merger agreement; (iii) not later than 20 business days after the date of the merger agreement (unless the parties otherwise agree to another date), each of Aetna and CVS Health filing its respective notification and report with the FTC and the DOJ with respect to the merger and the other transactions contemplated by the merger agreement and requesting early termination of the waiting period under the HSR Act, (iv) not later than 30 business days after the date of the merger agreement, Aetna and CVS Health filing any required notices to the U.S. Centers for Medicare & Medicaid Services, referred to in this joint proxy statement/prospectus as CMS, with a separate notice to the CMS Medicare Drug Benefit Group and Central and/or Regional Office Medicare Advantage and/or Part D plan manager, if applicable; and (v) promptly following the date of the merger agreement make any other filing that may be required under any applicable law or by any governmental authority with jurisdiction over enforcement of any of the foregoing.

Subject to applicable laws relating to the sharing of information, each of Aetna and CVS Health has agreed to, and to cause its subsidiaries to: (i)(A) as far in advance as practicable, notify the other party of and consult the other party with respect to any filing or material or substantive communication or inquiry it or any of its affiliates intends to make with any governmental authority relating to the merger agreement, (B) prior to submitting any such filing or making any such communication or inquiry, provide the other party and its counsel a reasonable opportunity to review, and consider in good faith the comments of the other party in connection with, any such filing, communication or inquiry, and (C) promptly after the submission of such filing or making of such communication or inquiry, provide the other party and its counsel with a copy of any such filing, communication or inquiry or, if such communication or inquiry is made in oral form, a summary of any such oral communication or inquiry; (ii) as promptly as practicable after receipt, furnish the other party with a copy of any filing or material or substantive communication or inquiry it or any of its affiliates receives from any governmental authority relating to the merger agreement; (iii) coordinate and cooperate fully with the other party in exchanging such information and providing such assistance as the other party may reasonably request in connection with the obligations described in this section; and (iv) consult with the other party in connection with any inquiry, hearing, investigation or litigation by, or negotiations with, any governmental authority relating to the merger or any filings with respect thereto under applicable law. Each of Aetna and CVS Health has agreed that neither it nor any of its representatives will participate in any material or substantive meeting or conference (including by telephone) with any governmental authority, or any member of the staff of any governmental authority, in respect of any filing, proceeding, investigation (including the settlement of any investigation), litigation, or other inquiry regarding the merger unless that party consults with the other party in advance and, to the extent permitted by such governmental authority, allows the other party to participate.

CVS Health and Aetna have agreed not to, and to cause their respective subsidiaries not to, directly or indirectly, acquire, purchase, lease or license (or agree to acquire, purchase, lease or license) any business, corporation, partnership, association or other business organization or division or part thereof, or any securities or collection of assets, if doing so would reasonably be expected to: (i) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any consent or approval of any governmental authority necessary to complete the merger or any of the other transactions contemplated by the merger agreement or the expiration or early termination of any applicable waiting period; (ii) materially increase the risk of any governmental authority entering an order prohibiting completion of the merger or any of the other transactions contemplated by the merger agreement; (iii) materially increase the risk of not being able to remove any such order on appeal or otherwise; or (iv) otherwise prevent or materially delay completion of the merger or any of the other transactions contemplated by the merger agreement.

Notwithstanding anything to the contrary in this section, (i) CVS Health, Aetna and their respective affiliates are not required to take any action that is not conditioned upon completion of the merger and (ii) Aetna and its affiliates are not permitted to agree to any obligation or other action relating to the consents or approvals required in connection with the merger without CVS Health s prior consent (which consent may not be withheld, delayed or conditioned if doing so would be inconsistent with CVS Health s obligations described under this section). In addition, Aetna will not voluntarily extend the waiting period under the HSR Act relating to the merger or enter into any agreement with a third party to not complete the merger without the consent of CVS Health.

Financing

CVS Health Obligations to Obtain Financing

Each of CVS Health and Merger Sub has agreed to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to complete and obtain the debt financing for the merger, which is referred to in this joint proxy statement/prospectus as the debt financing, on substantially the terms and conditions described in the debt commitment letter, including (i) negotiating and entering into definitive financing agreements on the terms and conditions contemplated by the debt commitment letter, which are referred to in this joint proxy statement/prospectus as the definitive financing agreements, (or on other terms and conditions agreed by CVS Health, Aetna and CVS Health s financing sources, which are referred to in this joint proxy statement/prospectus as the financing sources) by completion of the merger and (ii) satisfying or causing to be satisfied (or, if determined advisable by CVS Health, obtaining the waiver of) on a timely basis all conditions to obtaining the debt financing within CVS Health s control and complying or causing to be complied with all of its obligations pursuant to the debt commitment letter and any of the definitive financing agreements to the extent the failure to comply with such obligations would adversely impact the timing of completion of the merger or the availability at completion of the merger of sufficient aggregate proceeds of the debt financing to complete the transactions contemplated by the merger agreement. Upon satisfaction of all conditions to funding contained in the debt commitment letter, each of CVS Health and Merger Sub has agreed to use its reasonable best efforts to (i) cause the financing sources that are party to the debt commitment letter and the definitive financing agreements, which are referred to in this joint proxy statement/prospectus as the financing sources, to fund the debt financing required to consummate the transactions contemplated by the merger agreement and to pay related fees and expenses at completion of the merger (including by taking enforcement action to cause the financing sources to provide the debt financing) and (ii) enforce all of its rights under the debt commitment letter.

If any portion of the financing contemplated by the debt commitment letter becomes unavailable and such portion is necessary to complete the transactions contemplated by the merger agreement (except in accordance with the express terms set forth in the debt commitment letter or unless concurrently replaced on a dollar-for-dollar basis by commitments subject to substantially the same conditions as those set forth in the debt commitment letter from other financing sources or from proceeds of other sources of financing or cash), CVS Health and Merger Sub must (i) use their reasonable best efforts to obtain alternative debt financing as promptly as practicable in an amount that will enable CVS Health and Merger Sub to consummate the transactions contemplated by the merger agreement and that does not contain additional (or changes to the) conditions set forth in the debt commitment letter delivered to Aetna on or prior to the date of the merger agreement that, in each case, could reasonably be expected to adversely affect the ability of CVS Health or Merger Sub to timely complete the transactions contemplated by the merger agreement and (ii) promptly notify Aetna of such unavailability and the reason for such unavailability.

CVS Health has agreed to give Aetna prompt notice of, among other things, (i) any material breach by any party to the debt commitment letter or any of the definitive financing agreements of which it has become aware,

(ii) any termination of the debt commitment letter or any of the definitive financing agreements and (iii) the receipt of any notice or other communication from any financing source with respect to such financing source s failure or anticipated failure to fund its commitments under the debt commitment letter or any of the definitive financing agreements, in the case of clauses (i) and (ii) above, to the extent such breach or termination could reasonably be expected to prevent or materially delay completion of the merger or otherwise result in sufficient proceeds of the debt financing to consummate the transactions contemplated by the merger agreement not being available at completion of the merger. CVS Health has also agreed to keep Aetna reasonably informed on a current basis of the status of its efforts to consummate the debt financing.

CVS Health and Merger Sub may not, without Aetna s prior written consent, permit any amendment or modification to, or any waiver of any provision or remedy under, the debt commitment letter or any of the definitive financing agreements unless the terms of the debt commitment letter or definitive financing agreements, in each case as so amended, modified or waived, are substantially similar to those in the debt commitment letter or definitive financing agreement prior to giving effect to such amendment, modification or waiver (other than economic terms, which must be as good as or better for CVS Health and Merger Sub as those in the debt commitment letter or applicable definitive financing agreement(s) prior to giving effect to such amendment, modification or waiver). However, in the case of amendments or modifications of the debt commitment letter or any of the definitive financing agreements, the foregoing will only apply if such amendment or modification (i) could reasonably be expected to (A) adversely affect the ability or likelihood of CVS Health or Merger Sub timely consummating the transactions contemplated by the merger agreement or (B) make the timely funding of the debt financing or the satisfaction of the conditions to obtaining the debt financing less likely to occur, (ii) reduces the aggregate amount of the debt financing or (iii) materially and adversely affects the ability of CVS Health or Merger Sub to enforce their rights against other parties to the debt commitment letter. In any event, CVS Health may amend the debt commitment letter or any of the definitive financing agreements to (x) add lenders, arrangers, bookrunners, agents, managers or similar entities that have not executed the debt commitment letter as of the date of the merger agreement and consent to the assignment after the date of the merger agreement of lending commitments under the debt commitment letter to other lenders, or

(y) increase the aggregate amount of the debt financing.

Table of Contents

Cooperation of Aetna

Aetna has agreed to, and to cause its subsidiaries to use its and their commercially reasonable efforts to provide such cooperation as may be reasonably requested by CVS Health in connection with the arrangement of the debt financing (including any of the permanent financing referred to in the debt commitment letter), so long as such requested cooperation does not unreasonably interfere with the ongoing operations of Aetna and its subsidiaries, including using commercially reasonable efforts to:

as promptly as reasonably practicable, provide information (financial or otherwise) relating to Aetna to CVS Health and to the financing sources to the extent reasonably requested by CVS Health in connection with CVS Health s preparation of customary offering or information documents to be used for completion of the debt financing;

cooperate and assist with the due diligence, rating agency process and marketing efforts of CVS Health, its representatives and the financing sources, including by participating in a reasonable number of meetings, due diligence sessions and road shows, at times and at locations reasonably acceptable to Aetna;

reasonably assist CVS Health in the preparation of customary offering memoranda, rating agency presentations, lender and investor presentations, confidential information memoranda, financial statements, private placement memoranda, prospectuses, filings with the SEC and other similar documents, including by delivering and consenting to the inclusion or incorporation in any SEC filing related to the debt financing or alternative financing of certain financial statements of Aetna and providing all other historical financial and other information regarding Aetna reasonably necessary to permit CVS Health to prepare pro forma financial statements customary for the bank financing and the debt securities offering contemplated by the debt financing or alternative financing;

make available, on a customary and reasonable basis and upon reasonable notice, appropriate personnel, including representatives of Aetna and its subsidiaries, documents and information relating to Aetna and its subsidiaries, in each case, as may be reasonably requested by CVS Health or the financing sources or as may be requested by the SEC in connection with completion of the financing;

provide to CVS Health and the financing sources promptly, and in any event at least five business days prior to completion of the merger, all documentation and other information about Aetna and its affiliates required by the financing sources or regulatory authorities with respect to the debt financing under applicable know your customer and anti-money laundering rules and regulations, including the PATRIOT Act, that is required under the debt commitment letter to the extent such documentation and other information is requested in writing to Aetna at least 10 business days prior to completion of the merger;

obtain any necessary consents from Aetna s independent public accounting firm in connection with any filings with the SEC;

in connection with any securities offering contemplated as part of the debt financing or the alternative financing, (i) obtain customary comfort letters from Aetna s independent public accounting firm, (ii) cause Aetna s independent public accounting firm to consent to the inclusion or incorporation of their audit reports with respect to the financial statements of Aetna provided in accordance with the obligation set forth in the third bullet in the list above in any filing or registration statement of CVS Health with the SEC or any prospectus, offering memoranda, private placement memoranda, marketing material or similar documentation, including by providing customary representation letters and (iii) cause Aetna s independent public accounting firm to cooperate with CVS Health and its representatives, including by participating in accounting due diligence sessions at times and at locations reasonably acceptable to Aetna and its independent accounting firm;

subject to customary confidentiality provisions, provide customary authorization letters to the financing sources authorizing the distribution of information to prospective lenders or investors;

Table of Contents

deliver notices of prepayment and/or notices for termination of commitments within the time periods required by Aetna s existing credit facility and obtain customary payoff letters and instruments of discharge to be delivered at completion of the merger to allow for the payoff, discharge and termination in full on such date of Aetna s existing credit facility;

reasonably assist with the preparation of the definitive documentation for the debt financing, including by providing information reasonably necessary for completion of any schedules thereto, in each case to the extent, and solely to the extent, such materials relate to information concerning Aetna and its subsidiaries;

provide or cause to be provided any customary certificates, or other customary closing documents as may reasonably be requested in connection with the debt financing and the alternative financing; and

consent to the use of the trademarks, service marks and logos of Aetna or any of its subsidiaries in connection with the debt financing, so long as such trademarks, service marks and logos are used solely in a manner that is not intended to or is reasonably likely to harm or disparage Aetna or any of its subsidiaries.

Notwithstanding the foregoing, (i) neither Aetna nor any of its subsidiaries will be required to pay any commitment or other similar fee or incur prior to completion of the merger any other liability or obligation in connection with the debt financing, unless CVS Health reimburses or is required to reimburse or indemnify Aetna and its subsidiaries pursuant to the merger agreement or otherwise agrees to do so, (ii) none of Aetna, its subsidiaries or their respective officers, directors or employees will be required to execute or enter into or perform any agreement with respect to the debt financing that is not contingent upon completion of the merger or that would be effective prior to completion of the merger (other than the authorization letters contemplated by the eighth bullet in the list above) and for the avoidance of doubt, the boards of directors or other equivalent governing bodies of CVS Health, Merger Sub, and/or Aetna, as the surviving corporation in the merger, shall enter into or provide any resolutions, consents, approvals or other closing arrangements on behalf of Aetna and its subsidiaries as may be required by the financing sources pursuant to the bridge facility commitment letter at, or as of, completion of the merger, and (iii) nothing will obligate Aetna or any of its subsidiaries to provide, or cause to be provided, any legal opinion by its counsel, or to provide, or cause to be provided, any information or take, or cause to be taken, any action to the extent it would reasonably be expected, in the reasonable judgment of Aetna, to result in a violation of applicable law or loss of any privilege.

The merger agreement provides that CVS Health will, promptly upon written request by Aetna, reimburse Aetna for all reasonable and documented out-of-pocket costs and expenses (including reasonable attorneys fees) incurred by Aetna or any of its subsidiaries in satisfying its obligations described above in this section. CVS Health and Merger Sub have also agreed to, on a joint and several basis, indemnify and hold harmless Aetna, its subsidiaries and their respective representatives from and against any and all losses, claims, damages, liabilities, costs, reasonable attorneys fees, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of any thereof) suffered or incurred in connection with any action taken by Aetna, any of or its subsidiaries or any of their respective representatives pursuant to the obligations described above (other than the use of any information provided by Aetna, any of its subsidiaries or any of their respective representatives in writing for use in connection with the debt financing), except in the event such losses, claims, damages, liabilities, costs, reasonable attorneys fees, judgments, fines, penalties and amounts paid in settlement are determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen out of, or resulted from, the gross negligence or willful misconduct of Aetna, any of its subsidiaries or any of their respective representatives.

Compliance with Aetna s Existing Indentures

Aetna has agreed to use its reasonable best efforts to timely provide or cause to be provided, in accordance with the provisions of each indenture governing its outstanding notes, to the trustee under each such indenture, any notices, announcements, certificates or legal opinions required by each such indenture to be provided in connection with the merger prior to completion of the merger.

Proxy Statement and Registration Statement Covenant

As promptly as practicable after the date of the merger agreement, (i) Aetna and CVS Health have agreed to prepare and file with the SEC this joint proxy statement/prospectus, and (ii) CVS Health has agreed to prepare and file with the SEC the registration statement of which this joint proxy statement/prospectus forms a part. Aetna and CVS Health have agreed that this joint proxy statement/prospectus and the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, will comply as to form in all material respects with the applicable provisions of the Exchange Act, the Securities Act and other applicable law.

Each of Aetna and CVS Health will use its reasonable best efforts to have this joint proxy statement/prospectus cleared by the SEC as promptly as practicable after its filing, and CVS Health will use its reasonable best efforts to have the registration statement of which this joint proxy statement/prospectus forms a part declared effective under the Securities Act as promptly as practicable after its filing and to keep the registration statement effective for so long as is necessary to complete the merger. Each of Aetna and CVS Health will, as promptly as practicable after the receipt thereof, provide the other party with copies of any written comments and advise the other party of any oral comments with respect to this joint proxy statement/prospectus or the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, received by such party from the SEC, and provide the other with copies of all substantive correspondence between it and its representatives, on the one hand, and the SEC, on the other hand. Prior to filing the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, mailing this joint proxy statement/prospectus or responding to any comments of the SEC with respect thereto, each of Aetna and CVS Health will provide the other party and its counsel a reasonable opportunity to review such document or response and consider in good faith the comments of the other party in connection with any such document or response.

If at any time prior to the later of the approval and adoption of the merger agreement by Aetna s shareholders and the approval of the stock issuance by CVS Health s stockholders, any information relating to Aetna or CVS Health, or any of their respective affiliates, officers or directors, is discovered by Aetna or CVS Health that should be set forth in an amendment or supplement to either this joint proxy statement/prospectus or the registration statement of which it forms a part, so that either of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information has agreed to promptly notify the other parties to the merger agreement and the parties have agreed that an appropriate amendment or supplement describing such information will be promptly prepared and filed with the SEC and, to the extent required under applicable law, disseminated to the shareholders of Aetna and the stockholders of CVS Health.

As promptly as practicable after the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, each of Aetna and CVS Health has agreed to cause this joint proxy statement/prospectus to be mailed to its shareholders or stockholders, respectively. Except to the extent that Aetna s board of directors makes an adverse recommendation change as described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus, this joint proxy statement/prospectus will contain the recommendation of Aetna s board of directors that Aetna shareholders vote in favor of the approval and adoption of the merger agreement. Similarly, except to the extent that the CVS Health board of directors makes an adverse recommendation change as described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus, this joint proxy statement/prospectus will contain the recommendation of CVS Health s board of directors that CVS Health stockholders vote in favor of approval of the stock issuance.

200

Table of Contents

Indemnification and Insurance

The merger agreement provides that, from and after completion of the merger, CVS Health will (and CVS Health will cause Aetna, as the surviving corporation in the merger, to), to the fullest extent authorized or permitted by applicable law, (i) indemnify and hold harmless each present or former director, officer or employee of Aetna or any of its subsidiaries and each present or former director, trustee, officer or employee of any other entity or benefit plan serving at the request or for the benefit of Aetna or any of its subsidiaries (which individuals are collectively referred to in this joint proxy statement/prospectus as indemnified persons) from and against any losses, claims, damages, liabilities, costs, expenses (including reasonable attorneys fees and all other reasonable, out-of-pocket costs and expenses), judgments, fines, penalties and amounts paid in settlement in connection with any threatened, asserted, pending or completed claim, action, suit, proceeding, inquiry or investigation arising out of or pertaining to such indemnified person s duties or services as a director, officer or employee of Aetna or any of its subsidiaries, or a director, trustee, officer or employee of any other entity or benefit plan serving at the request or for the benefit of Aetna or any of its subsidiaries at or prior to completion of the merger, and (ii) subject to certain conditions, promptly pay or advance to such indemnified person any such expenses incurred by such indemnified person in defending, serving as a witness in or otherwise participating in any such claim, action, suit, proceeding, inquiry or investigation in advance of its final disposition.

The merger agreement also provides that, for a period of six years after completion of the merger, the organizational documents of Aetna, as the surviving corporation in the merger, and its subsidiaries must contain provisions no less favorable with respect to indemnification, advancement of expenses and limitations on liability of directors and officers than were set forth in the organizational documents of Aetna as of the date of the merger agreement. Such provisions may not be amended, repealed or otherwise modified for a period of six years after completion of the merger in any manner that would adversely affect the rights thereunder of individuals who, at or prior to completion of the merger, were directors, officers or employees of Aetna or any of its subsidiaries, except to the extent any such modification is required by applicable law.

The merger agreement provides that, at Aetna s option and expense, prior to completion of the merger, Aetna may purchase and prepay the premium for a six-year tail insurance policy of at least the same coverage and amounts and containing other terms and conditions that are no less favorable to the directors, officers, employees, agents and fiduciaries of Aetna and its subsidiaries as Aetna s directors and officers insurance coverage existing as of the date of the merger agreement, with a claims period of six years after completion of the merger for claims, actions, suits, proceedings, inquiries and investigations arising from facts, acts, events or omissions that occurred at or prior to completion of the merger. However, the premium for such tail policy may not exceed 300% of the annual premium paid by Aetna for its directors and officers insurance coverage existing as of the date of the merger agreement. If Aetna does not obtain such a tail policy prior to completion of the merger, CVS Health or Aetna, as the surviving corporation in the merger, must obtain such a policy, except that the premium for such tail policy may not exceed the maximum premium referred to in the immediately preceding sentence. If the premium for such tail policy would exceed such maximum premium, CVS Health or Aetna, as applicable, will only be required to obtain as much directors and officers insurance coverage as can be obtained by paying such maximum premium. CVS Health and Aetna, as the surviving corporation in the merger, will cause any such tail policy to be maintained in full force and effect for its full term, and CVS Health will cause Aetna, as the surviving corporation in the merger, to honor its obligations thereunder.

Employee Matters

From completion of the merger through the later of the first anniversary of completion of the merger and May 31, 2019, which period is referred to in this joint proxy statement/prospectus as the benefits continuation period, CVS

Health will provide to employees of Aetna and its subsidiaries who continue employment with Aetna (as the surviving corporation in the merger), CVS Health or any of CVS Health s subsidiaries, which employees are referred to as continuing employees, base salary, bonus and other cash incentive compensation opportunities that are no less favorable than the base salary, bonus and other cash incentive compensation opportunities provided to such continuing employees immediately prior to completion of the merger, employee benefits (excluding equity compensation, defined benefit pension plan benefits, retention or change in control payments or awards or any similar compensation or benefit) that are no less favorable in the aggregate than the employee benefits provided to such continuing employees immediately prior to completion of the merger, and equity incentive awards with a target value no less favorable than the target value of the equity incentive awards provided to such continuing employees immediately prior to completion of the merger. Until the second anniversary of the completion of the merger, CVS Health will provide the continuing employees with severance benefits in amounts and on terms and conditions that are no less favorable than those provided to such individuals immediately prior to completion of the merger, as set forth in Aetna s severance pay plan.

With respect to each employee benefit plan maintained by CVS Health or any of its subsidiaries in which continuing employees become eligible to participate, CVS Health will waive all preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements, recognize continuing employees service accrued (to the extent credited by Aetna or its subsidiaries) prior to completion of the merger for all purposes under such plans (except for the purposes of benefit accrual under any defined benefit pension plan) and if applicable, cause to be credited, in any new Aetna plan that is a health plan in which continuing employees participate, any deductibles or out-of-pocket expenses incurred by the continuing employees and their beneficiaries and dependents during the portion of the calendar year in which completion of the merger occur prior to their participation in CVS Health s health plans to avoid any double counting during the year in which the merger is completed of such deductibles or out-of-pocket expenses.

With respect to specified Aetna annual cash incentive plans, CVS Health will provide each participant who remains employed with the surviving corporation through the end of the year during which the merger is completed, with an annual cash incentive award for the year during which the merger is completed. The amount of such annual cash incentive award will be determined as the sum of the following: (i) a pro-rated portion of the bonus with respect to the pre-closing portion of the year the merger is completed, which will be determined based upon actual performance through the date the merger is completed, as determined by Aetna in accordance with the applicable annual cash incentive plan plus (ii) a pro-rated portion of the bonus with respect to the post-closing portion of the year during which the merger is completed, which bonus will be payable at the applicable annual cash incentive plan participant s target incentive level under such annual cash incentive plan. If a participant s employment is terminated by CVS Health or the surviving corporation for any reason following the date on which the merger is completed and through the end of the year during which the merger is completed other than for cause (or any voluntary termination of employment), the participant will be entitled to the prorated payment set forth in clause (i), plus an amount equal to the participant s target value pro-rated by a ratio equal to the quotient of the number of days worked between completion of the merger and the participant s termination date divided by 365.

Aetna is permitted to establish a cash-based retention program providing for retention payments in an aggregate amount of up to $70 million, with the individual retention bonuses to be determined by the Chief Executive Officer of Aetna (in consultation with CVS Health). Certain retention bonus payments will be made upon completion of the merger and the remaining payments will be made between the three- and twelve-month period following the date of completion of the merger, subject to the participant s continued employment with Aetna or its subsidiaries (or upon an earlier involuntary termination under certain circumstances). Executive officers and members of the Aetna executive leadership team are excluded from participating in this retention program.

Table of Contents

Other Agreements

The merger agreement contains certain other covenants and agreements, including covenants and agreements requiring, among other things, and subject to certain exceptions and qualifications described in the merger agreement:

- each of Aetna and CVS Health to provide the other party and its representatives with reasonable access to such party s properties, books, contracts, records and information concerning its businesses, properties and personnel;
- each of Aetna and CVS Health to notify the other of any shareholder litigation against it or any of its directors or officers relating to the merger agreement or the merger, to give the other party the opportunity to consult with it regarding the defense or settlement of any such shareholder litigation and, in the case of Aetna, not to settle any such shareholder litigation without CVS Health s prior consent (which consent may not be unreasonably withheld or delayed);
- each of Aetna and CVS Health to coordinate the declaration, record dates for and payment of dividends in respect of their respective shares in order that holders of shares of CVS Health common stock and Aetna common shares do not receive two dividends or fail to receive one dividend for any quarter in respect of Aetna common shares, on the one hand, and the shares of CVS Health common stock to be issued in the merger, on the other hand;
- each of Aetna and CVS Health to consult with each other before issuing any press release, making any public statement or making certain other public communications, in each case with respect to the merger agreement or the merger;
- each of Aetna and CVS Health to cooperate with the other in taking all actions necessary to delist Aetna common shares from the NYSE and terminate its registration under the Exchange Act, in each case effective upon completion of the merger; and
- each of Aetna and CVS Health to notify the other of certain events.

Termination of the Merger Agreement

The merger agreement may be terminated at any time before completion of the merger, whether before or after Aetna shareholders have approved and adopted the merger agreement or CVS Health stockholders have approved the stock issuance, in any of the following ways:

- by mutual written consent of CVS Health and Aetna; or by either CVS Health or Aetna, if:

the merger has not been completed on or before the initial end date of December 3, 2018, unless all conditions to completion of the merger have been satisfied or waived on the initial end date other than the regulatory approvals condition, and either CVS Health or Aetna elects to extend the initial end date to March 3, 2019, in which case the merger agreement may be terminated by either CVS Health or Aetna if the merger has not been completed on or before March 3, 2019, unless all conditions to completion of the merger have been satisfied or waived on the extended end date other than the regulatory approvals condition, and CVS Health elects to extend the extended end date to June 3, 2019, in which case the merger agreement may be terminated by either CVS Health or Aetna if the merger has not been completed on or before June 3, 2019; provided, however, that the right to terminate the merger agreement after the end date, or to extend the initial end date to March 3, 2019 or extended end date to June 3, 2019, will not be available to CVS Health or Aetna, as applicable, if that party s breach of any provision of the merger agreement resulted in the failure of the merger to be completed by the end date;

there is in effect any applicable law or order enacted, adopted or promulgated after the date of the merger agreement in the U.S. that enjoins, prevents or prohibits completion of the merger and, in the case of any order, that order has become final and non-appealable. However, the right to terminate the merger agreement in respect of any such applicable law will not be available to any party that has failed to perform its obligations described under Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus;

Aetna shareholders fail to approve and adopt the merger agreement upon a vote taken on a proposal to approve and adopt the merger agreement at the Aetna special meeting;

CVS Health stockholders fail to approve the stock issuance upon a vote taken on a proposal to approve and adopt the merger agreement at the CVS Health special meeting; or

there has been a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the other party that would cause the other party to fail to satisfy the applicable condition to completion of the merger related to accuracy of representations and warranties or performance of covenants and agreements, as applicable, and such breach or failure to perform either (i) is incapable of being cured by the end date or (ii) has not been cured within 45 days following notice from the non-breaching party of such breach or failure to perform. However, the right to terminate the merger agreement in respect of the inaccuracy of any representation or warranty or the failure to perform any covenant or agreement will not be available to the other party if such party is then in breach of its representations, warranties, covenants or agreements as would cause the applicable condition to completion of the merger related to accuracy of its representations and warranties or performance of its covenants and agreements not to be satisfied; or

by CVS Health:

if Aetna s board of directors makes an adverse recommendation change or fails to publicly confirm its recommendation to Aetna shareholders in favor of adopting the merger agreement within seven business days after a written request by CVS Health to do so;

if Aetna has breached in any material respect any of its obligations described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its shareholders for purposes of approving and adopting the merger agreement described under Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus (except where the breach is the result of an isolated action by a representative (other than a director or officer) of Aetna, the breach is not caused by or within the knowledge of, Aetna, Aetna has taken appropriate action to remedy the breach and CVS Health is not significantly harmed by the breach); or

prior to the approval of the stock issuance by CVS Health stockholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement), provided that CVS Health concurrently pays to Aetna the applicable termination fee; or

by Aetna:

if CVS Health s board of directors makes an adverse recommendation change or fails to publicly confirm its recommendation to CVS Health stockholders in favor of approving the stock issuance within seven business days after a written request by Aetna to do so;

if CVS Health has breached in any material respect any of its obligations described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its stockholders for purposes of approving the stock issuance described under Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus (except where the breach is the result of an isolated action by a representative (other than a director or officer) of CVS Health, the breach is not caused by or

Table of Contents

within the knowledge of, CVS Health, CVS Health has taken appropriate action to remedy the breach and Aetna is not significantly harmed by the breach);

prior to the approval and adoption of the merger agreement by Aetna shareholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement) provided that Aetna concurrently pays to CVS Health the applicable termination fee; or

if (i) there is in effect any order in respect of the specified regulatory matters that has not become final and non-appealable and enjoins, prevents or prohibits completion of the merger, (ii) within 30 days after the order taking effect, CVS Health has not instituted appropriate proceedings seeking to have the order terminated and (iii) CVS Health s failure to institute appropriate proceedings has not been cured within 10 days following irrevocable written notice to CVS Health from Aetna of Aetna s intent to terminate the merger agreement in respect of such failure (which notice may not be given prior to the expiration of such 30-day period and will not be effective if CVS Health institutes appropriate proceedings within such 10-day period).

If the merger agreement is validly terminated, the merger agreement will become void and of no effect without liability of any party (or any shareholder, stockholder or representative of any party) to any other party, except that certain designated provisions, including the provisions regarding termination fees, will survive termination. However, subject to the provisions described under Exclusive Remedy beginning on page 207 of this joint proxy statement/prospectus, none of the parties to the merger agreement will be relieved or released from any liabilities or damages resulting from any fraud by any party or any willful breach of any representation, warranty, covenant or agreement set forth in the merger agreement. For purposes of the merger agreement, the failure of CVS Health, for any reason, other than any material breach of the merger agreement by Aetna, to pay the cash component of the merger consideration at completion of the merger will be deemed to constitute a willful breach of the merger agreement.

Termination Fees and Expenses

Termination Fee Payable by Aetna

Aetna has agreed to pay CVS Health a termination fee of $2.1 billion if:

CVS Health terminates the merger agreement because Aetna s board of directors makes an adverse recommendation change or fails to publicly confirm its recommendation to Aetna shareholders in favor of approving and adopting the merger agreement within seven business days after a written request by CVS Health to do so;

CVS Health terminates the merger agreement due to Aetna s breach in any material respect of any of its obligations described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its shareholders for purposes of approving and adopting the merger agreement described under Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus (in each case, except where the breach is the result of an isolated action by a representative (other than a director or officer) of Aetna, the breach is not caused by or within the knowledge of, Aetna, Aetna has taken appropriate action to remedy the breach and CVS Health is not significantly harmed by the breach);

Aetna terminates the merger agreement prior to the approval and adoption of the merger agreement by Aetna shareholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement); or

CVS Health or Aetna terminates the merger agreement due to Aetna shareholders failure to approve and adopt the merger agreement upon a vote taken on a proposal to approve and adopt the merger agreement at the Aetna special meeting, and at or prior to the Aetna special meeting an acquisition proposal for Aetna (substituting references to 20% with references to 50% in the definition of acquisition proposal) is publicly disclosed or announced, and on or prior to the first anniversary of such termination Aetna enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for Aetna.

Termination Fee Payable by CVS Health

CVS Health has agreed to pay Aetna a termination fee of $2.1 billion if:

Aetna terminates the merger agreement because CVS Health s board of directors makes an adverse recommendation change or fails to publicly confirm its recommendation to CVS Health stockholders in favor of approving the stock issuance within seven business days after a written request by Aetna to do so;

Aetna terminates the merger agreement due to CVS Health s breach in any material respect of any of its obligations described under No Solicitation beginning on page 190 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its stockholders for purposes of approving the stock issuance described under Obligations to Call Shareholders and Stockholders Meetings beginning on page 189 of this joint proxy statement/prospectus (in each case, except where the breach is the result of an isolated action by a representative (other than a director or officer) of CVS Health, the breach is not caused by or within the knowledge of, CVS Health, CVS Health has taken appropriate action to remedy the breach and Aetna is not significantly harmed by the breach);

CVS Health terminates the merger agreement prior to obtaining the approval of the stock issuance by CVS Health stockholders, in order to enter into a definitive agreement providing for a superior proposal (which definitive agreement must be entered into concurrently with, or immediately following, the termination of the merger agreement); or

Aetna or CVS Health terminates the merger agreement due to CVS Health stockholders failure to approve the stock issuance upon a vote taken on a proposal to approve the stock issuance at the CVS Health special meeting, and at or prior to the CVS Health special meeting an acquisition proposal for CVS Health (substituting references to 20% with references to 50% in the definition of acquisition proposal) is publicly disclosed or announced, and on or prior to the first anniversary of such termination CVS Health enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for CVS Health.

In addition, CVS Health has agreed to pay Aetna a termination fee of $2.1 billion if both (x) the merger agreement is terminated:

by Aetna or CVS Health because the merger has not been completed on or before the end date;

by Aetna or CVS Health because there is in effect any applicable law or final and non-appealable order enacted, adopted or promulgated after the date of the merger agreement in respect of the specified regulatory matters in the U.S. that enjoins, prevents or prohibits completion of the merger; or

by Aetna because (i) there is in effect any order in respect of the specified regulatory matters that has not become final and non-appealable and enjoins, prevents or prohibits completion of the merger, (ii) within 30 days after the order taking effect, CVS Health has not instituted appropriate proceedings seeking to have the order terminated and (iii) CVS Health s failure to institute appropriate proceedings has not been cured within 10 days following irrevocable written notice to CVS Health from Aetna of Aetna s intent to terminate the merger agreement (which notice may not be given prior to the expiration of such 30-day period and will not be effective if CVS Health institutes appropriate proceedings within such 10-day period);

and (y) at the time of termination of the merger agreement, all of the conditions to CVS Health s and Merger Sub s obligation to complete the merger are satisfied or waived other than (i) the regulatory approvals condition, (ii) the condition requiring the absence of any applicable law or order being in effect in the U.S. that enjoins, prevents or prohibits completion of the merger (but only if that condition is not satisfied solely due to any applicable law or order in respect of the specified regulatory matters) and (iii) those conditions that, by their nature, cannot be satisfied until the date on which the merger is completed, but which conditions would be satisfied if completion of the merger were to occur on the date of termination.

However, CVS Health will have no obligation to pay the $2.1 billion termination fee referred to above if the failure of the regulatory approvals condition to be satisfied is caused by Aetna s willful breach of its obligations described under Reasonable Best Efforts Covenant beginning on page 194 of this joint proxy statement/prospectus.

Exclusive Remedy

Except in the case of fraud, if either party receives a termination fee in accordance with the provisions of the merger agreement, the receipt of the termination fee (together with any applicable amounts referred to in the immediately following paragraph) will be the receiving party s sole and exclusive remedy against the paying party and its subsidiaries and their respective former, current or future partners, shareholders, stockholders, managers, members, affiliates and representatives, and none of the paying party, any of its subsidiaries or any of their respective former, current or future partners, shareholders, stockholders, managers, members, affiliates or representatives will have any further liability or obligation, in each case relating to or arising out of the merger agreement or the transactions contemplated by the merger agreement.

To the extent that a termination fee is not promptly paid by any party when due, the party failing to pay the termination fee is also required to pay any costs and expenses (including reasonable legal fees and expenses) incurred by the other party in connection with legal action taken to enforce the merger agreement that results in a judgment for such amount against the party failing to promptly pay such amount, together with interest on the unpaid fee.

Other Expenses

Except as described above, the merger agreement provides that each of CVS Health and Aetna will pay its own costs and expenses in connection with the transactions contemplated by the merger agreement.

Specific Performance

The parties to the merger agreement are entitled to an injunction or injunctions to prevent breaches of the merger agreement and to specifically enforce the terms and provisions of the merger agreement.

Third-Party Beneficiaries

The merger agreement is not intended to and does not confer upon any person other than the parties to the merger agreement any legal or equitable rights or remedies, except:

- from and after completion of the merger, the right of Aetna shareholders to receive the merger consideration and the right of holders of Aetna stock appreciation rights, Aetna RSUs and Aetna PSUs to receive the assumed awards or other consideration described under the respective subsections under Treatment of Aetna

Equity Awards beginning on page 180 of this joint proxy statement/prospectus;

the right of Aetna, on behalf of its shareholders, to seek equitable relief or pursue damages suffered by Aetna and its shareholders in the event of CVS Health s or Merger Sub s wrongful termination or willful breach of the merger agreement;

Table of Contents

the right of the indemnified persons to enforce the obligations described under Indemnification and Insurance beginning on page 201 of this joint proxy statement/prospectus; and

the right of each of the financing sources to enforce certain provisions of the merger agreement relating to liability of the financing sources to Aetna and its affiliates prior to completion of the merger, the law governing the merger agreement, the jurisdiction and venue for resolution of disputes involving the financing sources arising under the merger agreement, the waiver of jury trial by the parties to the merger agreements and amendments of those provisions.

Amendments; Waivers

Any provision of the merger agreement may be amended or waived before completion of the merger if the amendment or waiver is in writing and signed, in the case of an amendment, by each party to the merger agreement or, in the case of a waiver, by each party against whom the waiver is to be effective, except that after approval and adoption of the merger agreement by Aetna shareholders or approval of the stock issuance by CVS Health stockholders, the parties may not amend or waive any provision of the merger agreement if such amendment or waiver would require further approval of Aetna shareholders or CVS Health stockholders under applicable law unless such approval has first been obtained.

Table of Contents

INTERESTS OF AETNA S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER

In considering the recommendation of the Aetna board of directors to approve and adopt the merger agreement, Aetna shareholders should be aware that Aetna s directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Aetna shareholders generally. Aetna s board of directors was aware of these interests and considered them, among other matters, in evaluating and negotiating the merger agreement, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger), and in recommending to Aetna shareholders that the merger agreement be approved and adopted. These interests include those described below.

Completion of the transactions contemplated by the merger agreement will constitute a change in control of Aetna under all of the Aetna agreements and arrangements described below.

Continuing Board Service

At completion of the merger, the size of the board of directors of CVS Health will be increased by three and the vacancies created thereby will be filled by Mark T. Bertolini, the Chairman and Chief Executive Officer of Aetna, and two other individuals who are serving on the board of directors of Aetna immediately prior to completion of the merger who meet CVS Health s independence criteria as in effect as of such time and who will be jointly designated by Aetna and CVS Health prior to completion of the merger.

As of the date of this joint proxy statement/prospectus, CVS Health and Aetna have not made a determination as to which two additional members of the board of directors of Aetna will be designated to CVS Health s board of directors at completion of the merger.

Treatment of Outstanding Aetna Equity Awards

If the merger is consummated, any then outstanding equity awards (including Aetna stock appreciation rights, Aetna RSUs and Aetna PSUs) granted by Aetna to executive officers will be treated as described under The Merger Agreement Treatment of Aetna Equity Awards beginning on page 180 of this joint proxy statement/prospectus. If the merger is consummated, any Aetna RSUs held by Aetna s non-employee directors, including RSUs granted annually and any deferred stock units, will be settled in cash at a value equal to the fair market value of Aetna common shares on the effective date of the merger pursuant to the terms of Aetna s 2010 Non-Employee Director Compensation Plan.

Vested Equity Interests of Aetna s Directors and Executive Officers

Each of Aetna s executive officers and non-employee directors currently holds equity awards that have either vested or that are scheduled to vest before completion of the merger, assuming that completion of the merger occurs on December 3, 2018, which is referred to in this section of this joint proxy statement/prospectus as the assumed completion date of the merger. Aetna PSUs held by Aetna s executive officers that are based on 2015 2017 performance will be earned at the actual performance level of 120% of target, and any other Aetna PSUs held by Aetna s executive officers that are scheduled to vest before the completion of the merger will be earned in accordance with the terms of the applicable award agreements. For purposes of the quantifications in this section, the number of Aetna common shares acquired by Aetna s executive officers for Aetna PSUs that are based on 2015 2017 performance has been determined at a performance level of 120% of the target value, representing the actual performance for these units, and the number of Aetna common shares acquired by Aetna s executive officers through the vesting of all other Aetna PSUs between the execution of the merger agreement and the assumed completion date of the merger has been determined assuming that all such other Aetna PSUs vest at target level.

The estimated values of the Aetna common shares held by Aetna s non-employee directors and executive officers and outstanding Aetna equity awards that are vested or scheduled to vest before the assumed completion date of the merger are quantified below. As previously described in this joint proxy statement/prospectus, the exchange ratio is fixed, which means that it will not change between now and the date of completion of the merger, regardless of whether the market price of either shares of CVS Health common stock or Aetna common shares changes. Therefore, the value of the stock component of the merger consideration will depend on the market price of shares of CVS Health common stock at the time Aetna shareholders receive shares of CVS Health common stock in the merger. For purposes of quantifying the estimated values in this section, the calculations were done using a value per Aetna common share of $205.03, which is calculated based on the price of a share of CVS Health common stock of $71.65, which (consistent with the rules set forth for Item 402(t) of Regulation S-K) is the average closing price of a share of CVS Health common stock over the five-business-day-period following the first public announcement of the merger agreement.

For each of Aetna s non-employee directors, the respective estimated value of the Aetna common shares (whether held directly or indirectly), vested deferred stock units (as described below) and unvested annual Aetna RSUs that are scheduled to vest before the assumed completion date of the merger is: Mr. Aguirre ($4,460,939); Mr. Clark ($8,691,684); Mrs. Cohen ($28,718,593); Dr. Coye ($4,966,393); Mr. Farah ($12,303,508); Mr. Garten ($7,599,232); Mrs. Hancock ($31,984,852); Mr. Harrington ($10,055,340); Mr. Ludwig ($11,918,714); Dr. Newhouse ($17,061,070); and Senator Snowe ($855,673).

For each of Aetna s executive officers, the respective estimated value of the Aetna common shares (whether held directly or indirectly) and Aetna equity awards that are currently vested or scheduled to vest before the assumed completion date of the merger (with the value of each vested Aetna stock appreciation right calculated based on $205.03 minus the applicable per share exercise price for the Aetna stock appreciation right), and, in the case of Messrs. Bertolini and Soistman and Ms. McCarthy, vested deferred stock units (as described below) is: Mr. Bertolini ($479,694,488); Mr. Guertin ($20,355,924); Mr. Loveman ($22,512,574); Ms. Lynch ($38,181,591); Mr. Sabatino ($10,317,584); Mr. Jelinek ($12,008,732); Ms. McCarthy ($42,293,601); Dr. Paz ($13,468,703); and Mr. Soistman ($26,510,383).

On January 25, 2018, Aetna announced that Mr. Loveman will be leaving the company. Because Mr. Loveman s last day of employment and the terms of any additional agreement between him and Aetna have not been agreed upon as of the date of this joint proxy statement/prospectus, the values of Mr. Loveman s equity interests and severance benefits have been calculated based on the terms of his arrangements as in effect as of the date of this joint proxy statement/prospectus in the same manner as Aetna s other named executive officers.

Unvested Equity Interests of Aetna s Directors and Executive Officers

As discussed under the heading The Merger Agreement Treatment of Aetna Equity Awards, beginning on page 180 of this joint proxy statement/prospectus, certain outstanding unvested Aetna equity awards, by their terms, automatically vest either immediately upon completion of the merger or upon an involuntary termination of employment (other than for cause) in connection with completion of the merger. Aetna PSUs held by Aetna s executive officers will be earned either at target or higher actual performance as of the date of completion of the merger, depending on the applicable terms and the ability of Aetna to determine actual performance as of completion of the merger. For purposes of the quantifications in this section, the number of Aetna common shares acquired by Aetna s executive officers through the vesting of Aetna PSUs upon completion of the merger or upon an involuntary termination of employment (other than for cause) in connection with completion of the merger has been determined assuming that all Aetna PSUs vest at target level.

With respect to Aetna s named executive officers, for the quantification of the equity awards that are expected to vest as of the assumed completion date of the merger, including as a result of an assumed involuntary termination of employment (other than for cause) in connection with completion of the merger on that date (without taking into account any potential grants in the ordinary course of business to the extent permitted under the merger agreement between the filing of this joint proxy statement/prospectus and the assumed completion date of the merger), see Quantification of Potential Payments to Aetna Named Executive Officers in Connection with the Merger beginning on page 216 of this joint proxy statement/prospectus.

Table of Contents

For the four Aetna executive officers who are not named executive officers, the estimated values of the unvested equity awards (including Aetna stock appreciation rights, Aetna RSUs and Aetna PSUs) held by each such executive officer that are expected to vest as of the assumed completion date of the merger, including as a result of an assumed involuntary termination of employment (other than for cause) in connection with completion of the merger on that date (without taking into account any potential grants in the ordinary course of business to the extent permitted under the merger agreement between the filing of this joint proxy statement/prospectus and the assumed completion date of the merger) (with the value of each unvested Aetna stock appreciation right calculated based on $205.03 minus the applicable per share exercise price for the Aetna stock appreciation right) is as follows: Mr. Jelinek ($11,410,692); Ms. McCarthy ($2,181,439); Dr. Paz ($1,185,174) and Mr. Soistman ($2,566,842). For Ms. McCarthy, Dr. Paz and Mr. Soistman, the amounts exclude the portion of awards the executive is entitled to receive as a result of reaching retirement eligibility under the award terms, regardless of the merger.

All of the unvested Aetna RSUs held by Aetna s non-employee directors as of the date of this joint proxy statement/prospectus will vest and be settled prior to the assumed completion date of the merger, and the value of these awards is included for each non-employee director under Vested Equity Interests of Aetna s Directors and Executive Officers above. As of [ ], 2018, the most recent practicable date for which such information was available, each of Aetna s non-employee directors held Aetna RSUs with respect to 1,203 Aetna common shares.

Deferred Compensation Programs

Aetna maintains nonqualified deferred compensation arrangements for its non-employee directors. Such directors may defer all or any portion of their compensation for a given plan year. In the event of a change in control, a participating director will be entitled to a lump-sum cash payout of the entire cash and stock balances, with the cash payout of the stock balance determined using Aetna s fair market value on the effective date of the merger.

Aetna also permits executives to defer up to 100% of their annual bonus and such amounts may be invested in either an interest account or a stock unit account, at the executive s election. The arrangement pays out on a date selected by the executive at the time of deferral. Executives may also elect to defer vested RSU and PSU awards, and such amounts pay out according to the award terms at the time of deferral.

The value of the vested deferred stock units for each non-employee director and Messrs. Bertolini and Soistman and Ms. McCarthy is included in the applicable amounts disclosed under Vested Equity Interests of Aetna s Directors and Executive Officers above. No other executive officer has deferred amounts under this arrangement.

Arrangements with CVS Health

As of the date of this joint proxy statement/prospectus, none of Aetna s executive officers has entered into any agreement with CVS Health or any of its affiliates regarding employment or other compensation arrangements with the surviving corporation or one or more of its affiliates. Prior to or following completion of the merger, however, some or all of Aetna s executive officers may discu