

CVS beats its earnings estimates for Q2 2022, pushes forward with its digital efforts

Article

The news: CVS Health released its Q2 2022 earnings report and announced plans to acquire a primary care company by the end of the year.

Here are the key results:

- CVS raised its **adjusted earnings per share (EPS)** for 2022 overall to between \$8.40 and \$8.60 compared with its previous estimate of between \$8.20 and \$8.40.
- CVS reported an **adjusted EPS of \$2.40 in Q2 2022**—2 cents lower than the Q2 2021. CVS' Q2 EPS is greater than the \$2.17 expected EPS for the quarter, per Refinitiv analysts.
- The pharmacy giant reported **\$80.6 billion in revenues**—an **11% increase from Q2 2021**.

Betting on digital health: CVS Health now serves more than 45 million unique digital customers, an increase of 1.5 million since Q1 2021.

- For context, last month CVS appointed **Tilak Mandadi** as its first chief data, digital, and technology officer.
- “We are expanding our digital health services and deepening engagement through personalization to drive convenience for customers,” said **Karen Lynch**, CVS' president and CEO.
- CVS has enrolled **6 million active users year to date on its health dashboard**, with an increase of 20% from Q1 2021. The health dashboard is part of CVS' “unified health” approach.
- MinuteClinics have handled more than **2.8 million patient visits year to date**, a 12% increase from the previous year. Plus, MinuteClinic experienced 20% growth as part of CVS' efforts to offer both in-person and digital services.
- CVS says it redesigned its CVS.com, implemented smart automation and invested in smart supply chain infrastructure.

Zooming out: In May, we predicted that CVS' next big move could be a major partnership or M&A deal with a primary care disrupter.

Although CVS hasn't announced a big deal in primary care yet, in today's earnings calls it confirmed plans to snatch one up or take a stake in a primary care company by the end of the year. The acquisition is part of the company's strategy to mix in-person and digital efforts, which includes **MinuteClinic**.

Trendspotting: Pharmacies like CVS are realizing that customers are comfortable visiting a pharmacy for health screenings and vaccines.

- Last month, **Amazon** bought primary care disrupter **One Medical** for close to **\$4 billion**.

- Primary care company **Homeward** is teaming up with **Rite Aid** to offer primary care services at 700 rural Rite Aid locations.

This makes sense, considering customers rely on pharmacies as a one-stop shop for not only medication but health screens—and they're loyal.

- **52% of customers who turn to pharmacies for health and wellness services plan to remain with that same pharmacy, per the J.D. Power 2022 U.S. Pharmacy Study.**

What's next? We expect an even more focused push into digital to build on the health dashboard's growth. An upcoming primary care partnership could add more personalization and choices for customers and tie in well with MinuteClinic and the company's digital approach.

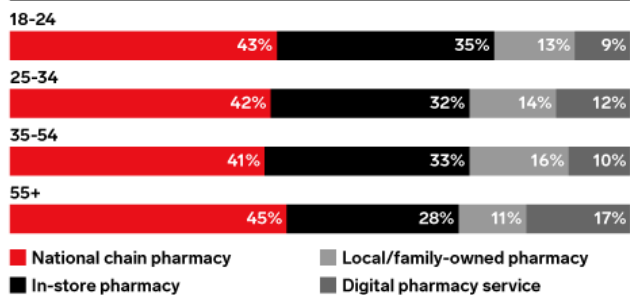
Go deeper: For more on how tech is transforming pharmacies, read our [Digital Pharmacies 2022 report](#).

*This article originally appeared in Insider Intelligence's **Digital Health Briefing**—a daily recap of top stories reshaping the healthcare industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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Where US Adults Purchase Their Prescription Drugs, by Age, July 2021

% of respondents in each group



Note: n=4,013; numbers may not add up to 100% due to rounding
Source: CivicScience as cited in company blog, Aug 18, 2021

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