



Edition –8th

Date – August 2025

Portfolio – Value Stocks

CVS Health Corp - [HSY]

CVS CVS Health Corp. NYSE + BATS © StockCharts.com
4-Aug-2025 10:36 am Open 62.02 High 62.35 Low 61.56 Last 61.93 Volume 1.2M Chg -0.54 (-0.86%)



CVS Stock Breakdown

Dividend Yield*	4.30%
Sector	Health Care
Industry	Pharmaceuticals
EWM Initial Buy	7/22/2025
Closing Price on 7/22/2025	\$61.08
EWM Price Target	\$77

*As of 8/1/2025

CVS Synopsis

Economic Influence

As macroeconomics remain uncertain, health care firms like CVS could see their demand remain elevated as consumers prioritize health compared to other discretionary industries.

Fundamental Factors

CVS remains committed to decreasing company debt and paying dividends to shareholders of over 4% annually.

Technical Support

The chart above displays an area of support from the Feb 2025 earnings announcement. This price zone tells us that investors see upside potential in the stock as buyers have repeatedly entered in around \$59/shr.



Industry Indicators

The pharmacy benefit manager (PBM) industry was under pressure in late 2024 based on stricter regulations. Congress has since backed off which could act as a positive catalyst to CVS's stock.

Did you know?

- The acronym CVS stands for Consumer Value Stores.
- CVS Health Corporation is the largest pharmacy health care provider in the U.S.
- Over three-fourths of the US population lives within 5 miles of a CVS Pharmacy.

Company Profile

- The company was founded in 1963.
- Headquartered in Woonsocket, Rhode Island.
- CVS has over 300,000 employees across the U.S.

See page 2 to read the FULL STORY

CVS Health – Full Story

CVS is one of the most well-known health care providers in the U.S. with one of the largest footprints from a brick-and-mortar standpoint. As the health care industry has changed since 2020, CVS's stock has been under pressure and dropped more than 50% from its highest price in 2022 down to the low in late 2024.

Whenever large U.S. companies see steep selloffs in their stock price, the EWM Asset Management Team wants to understand two things before considering it as an investment opportunity:

1. *Is the magnitude of this stock's move justified by an event or the company's future earnings path?*
2. *When is the stock's price likely to reverse its course and head higher?*

CVS's stock dropped as consumers moved to online platforms for their pharmacy needs, the health care industry faced regulatory challenges, and they took on too many projects that deviated from their core growth principles. After establishing the "investor rationale" behind the move lower, we look to the charts to paint us a "turnaround" picture.

In the chart below, you noticed a **black line** displaying the downtrend of the stock from Oct through Dec of 2024. That move ended in a "capitulation selloff" that was driven by the announcement of legislation involving pharmacy benefit managers (PBM) in Dec 2024. These moves are more psychological than anything as investors throw in the towel and everyone looks to sell their shares because they have "had enough". Historically, these types of moves have been the end of a downtrend and signaled a reversal. Since that bottom in Dec 2024, CVS has moved 40% higher and is now showing a **strong support area** on the price charts. We will look for this area to hold as CVS has appointed a new CEO that is poised to turn the company around and focus on profitability and shareholder value.



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