

# STNL Tenant Overview

Investment Profile  
CVS Pharmacy



## PREPARED BY

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# Company Overview

**INDUSTRY** Retail - Health Care

**OWNERSHIP** CVS Health

**HEADQUARTERS** Woonsocket, RI

**# OF LOCATIONS** 9,967 (2019)

**# OF EMPLOYEES** 300,000 (2020)

**AVERAGE BUILDING SF** 8,000 - 15,000

**AVERAGE SALE PRICE PER SF** \$306 - \$574

**TYPICAL LEASE TYPE** NNN fee simple

**TYPICAL NEW LEASE TERM** 25 Years

**AVERAGE CAP RATE** 5.10%

**ANNUAL REVENUE** \$268.706B (2020)

# Company Overview

SALES COMP	Location	Cap Rate	Sales Price	SF	Sales Date
	Wheaton, IL	6.35%	\$7,260,000	10,836	1/3/2021
	Greenville, SC	5%	\$3,890,900	10,125	1/16/2021
	Silsbee, TX	5%	\$4,100,000	9,830	3/31/2021
	Blakely, GA	5.02%	\$2,736,715	11,860	4/16/2021
	Dallas, TX	5.76%	\$8,098,377	13,225	5/11/2021
	Reading, PA	5.65%	\$7,200,000	13225	6/18/2021

## GROWTH PLANS

In their latest corporate social responsibility report, CVS Health Corporation set a goal to facilitate 65 billion healthcare interactions by 2030. Over the course of 2020, CVS administered roughly 15 million COVID-19 tests at approximately 4,800 drive-thru sites, making them the largest private provider of COVID-19 tests. The number of tests administered grew to over 23 million through April 2021, and CVS has administered over 17 million vaccine doses in addition to testing. The company plans to use the lessons learned and momentum gained through the pandemic to increase company operations and outreach. Following an influx in the company's customer base due to the pandemic, CVS opened 650 HealthHUB locations in 2020 and plan to open an additional 1,500 by the end of 2021.

## OPERATION

CVS Health Corporation is a leading pharmacy benefits manager with approximately 108 million plan members, over 9,900 retail locations, and roughly 1,100 walk-in medical clinics. In addition, the company services approximately 34 million individuals through health insurance products/services and more than one million patients per year through their senior pharmacy care business with plans to expand their specialty pharmacy services. As a multi-faceted company with multiple service segments, CVS strives to provide a means for improving general wellness and access to quality care while simultaneously reducing healthcare costs.

## OVERALL INVESTMENT OUTLOOK

CVS Health Corporation appears to be in strong financial condition following the COVID-19 pandemic. Total revenues increased 3.5% for the three months ended March 31, 2021 compared to the prior year driven by growth across all business segments. The company's Q1 2021 EPS beat Wall Street estimates despite a weaker cold and flu season. Operating expenses as a percentage of total revenues remained consistent, while interest expense decreased 10.4%. Net operating income for Q1 2021 increased 3.4%, resulting in generated cash flows from operations of \$2.9 billion. CVS has used the excess cash reserve for extensive repayment of long-term debt, increases in shareholder dividends, and increases in investing activities. The company still maintains a sufficient level of liquidity for short-term cash needs and remains optimistic for the duration of 2021.



# Let's talk.

*Interested in CVS Pharmacy for your next investment, or looking to sell a current asset? I put no small effort into researching and becoming the expert on any particular tenant.*

*Please consider our firm for your advisory and transactional services.*

**CONTACT ME**

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