



2021  
Investor  
Conference

March 3, 2021



## **STEPHEN TANAL**

Vice President, Investor Relations

## Forward-Looking Statements:

This presentation contains estimates, projections, guidance and outlook that constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our views about future events and financial performance and are generally not historical facts. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Factors that could cause actual results to differ materially from expectations include, but are not limited to, the risks discussed in our SEC filings. Except to the extent required by federal securities laws, we do not undertake to update or revise these forward-looking statements to reflect events or circumstances after the date hereof.

## Non-GAAP Measures:

This presentation references certain Non-GAAP measures. These Non-GAAP measures are intended to aid investors when comparing our financial results among periods. Reconciliations of these Non-GAAP measure to the most directly comparable measures calculated in accordance with GAAP are available at [www.antheminc.com](http://www.antheminc.com)



# **GAIL BOUDREAUX**

President and Chief Executive Officer

**A LIFETIME,  
TRUSTED PARTNER  
IN HEALTH**

**OPERATING REVENUE  
GROWTH** (2018-2020 CAGR)

**15%**

**MEDICAL MEMBERSHIP  
GROWTH** (2018-2020 CUMULATIVE)

**7.5%**

**EARNINGS PER SHARE  
GROWTH** (2018-2020 CAGR)

**19%**

**EARNINGS  
PER SHARE  
GUIDANCE**

(2020-2025 CAGR)

**12-15%**



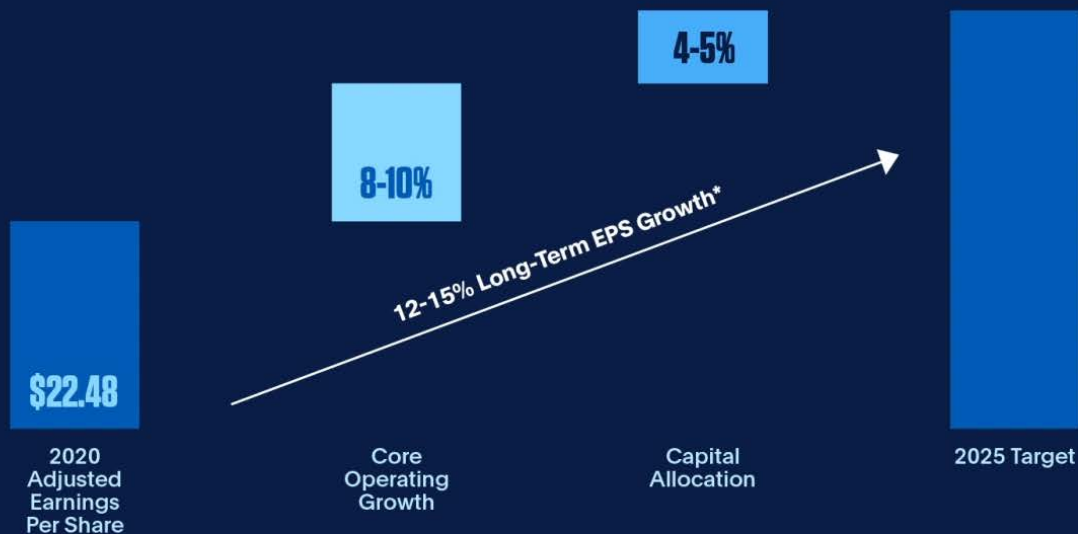
**4,000**

**WHOLE  
HEALTH  
PREDICTIONS**



# INDUSTRY LEADING GROWTH

## LONG-TERM EPS GROWTH: CORE BUSINESS DRIVES GROWTH



\*Anthem defines long-term in rolling 5-year increments.



## **RAJEEV RONANKI**

Senior Vice President and  
Chief Digital Officer

Anthem<sup>®</sup>

**DIGITIZE  
CARE  
DELIVERY**

**HUMAN-  
CENTERED  
ENGAGEMENT**

**BUSINESS  
MODEL  
INNOVATION**

**DIGITAL PLATFORM**



**CONSUMER**

**PROVIDER**

**STATES/  
EMPLOYER**

**COMMUNITIES**

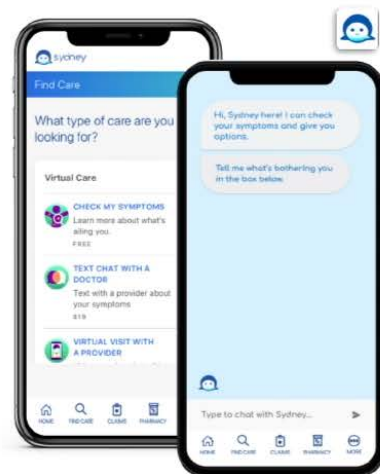
**CHOICE & AFFORDABILITY**

**PERSONALIZATION**

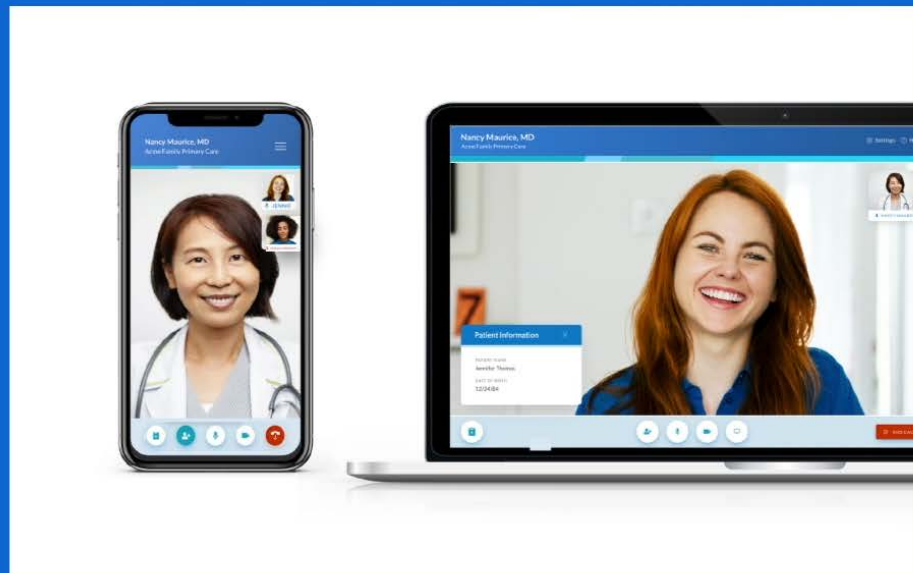
**ECOSYSTEMS & PARTNERSHIPS**

**TRUST & TRANSPARENCY**

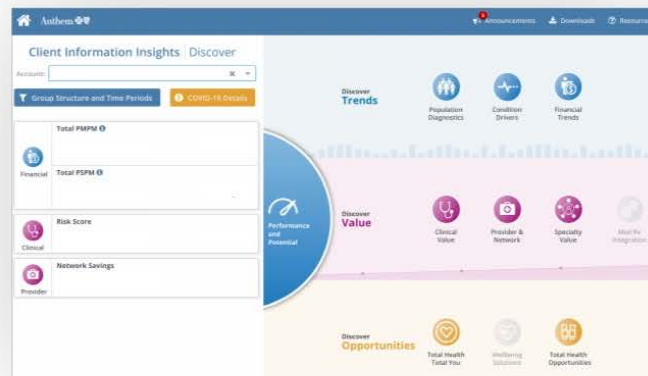
# CONSUMER



# PROVIDER

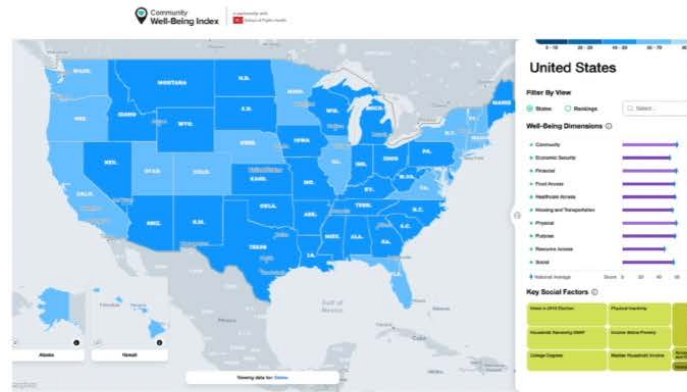


# STATES/EMPLOYER



# COMMUNITIES

## WHOLE HEALTH INDEX





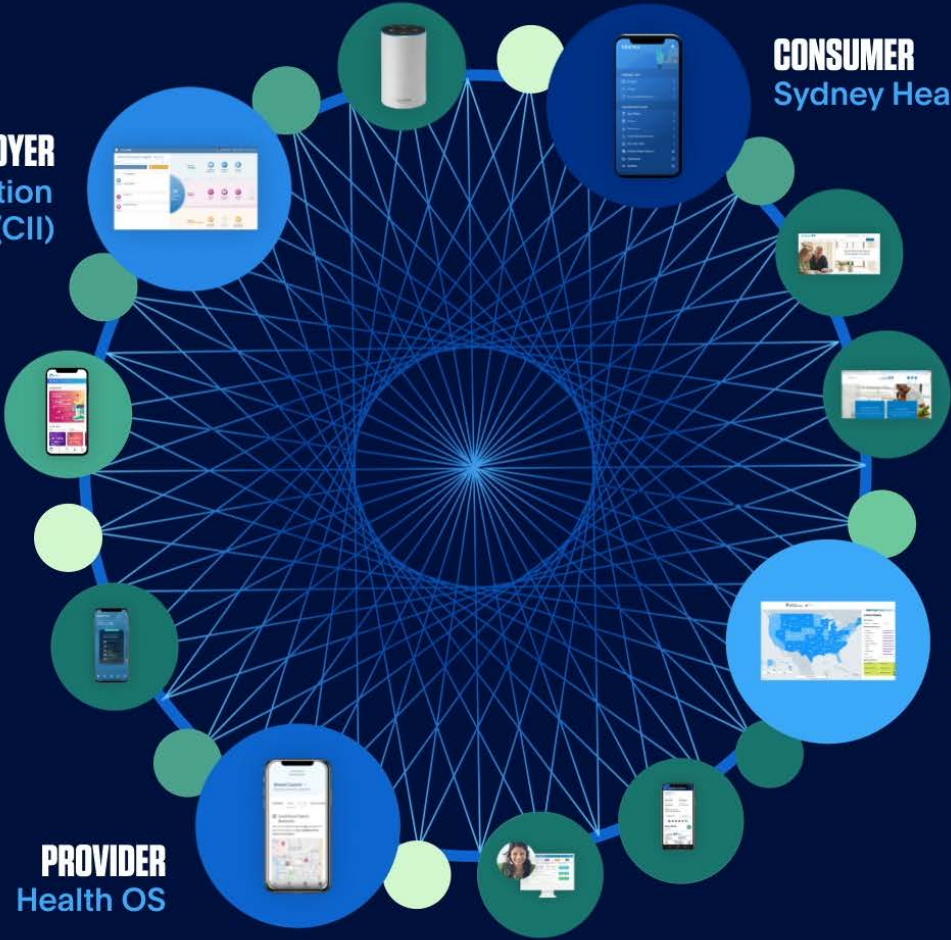


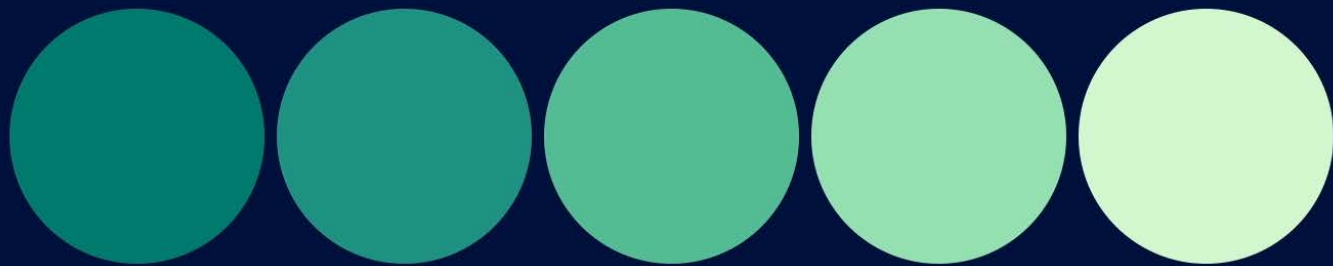
**STATES/EMPLOYER**  
Client Information  
Insights (CII)

**CONSUMER**  
Sydney Health

**COMMUNITY**  
Sydney Community

**PROVIDER**  
Health OS





**LEGACY PLATFORMS**

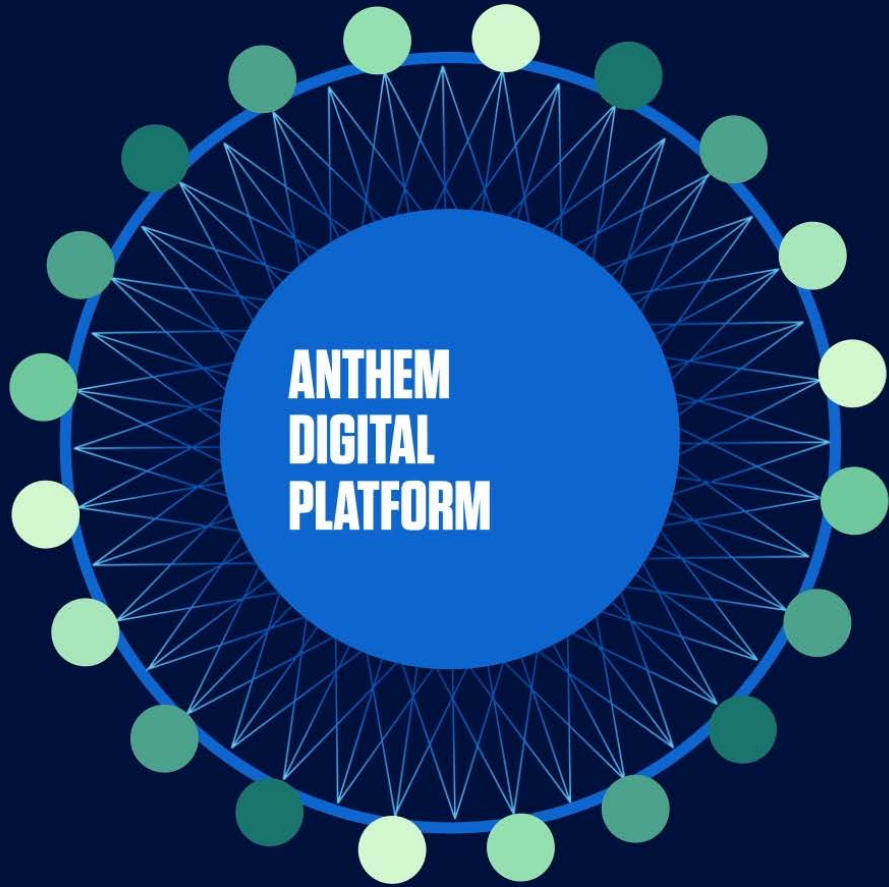
**DATA**

**INSIGHTS**

**MODERNIZED  
CORE  
PLATFORM**

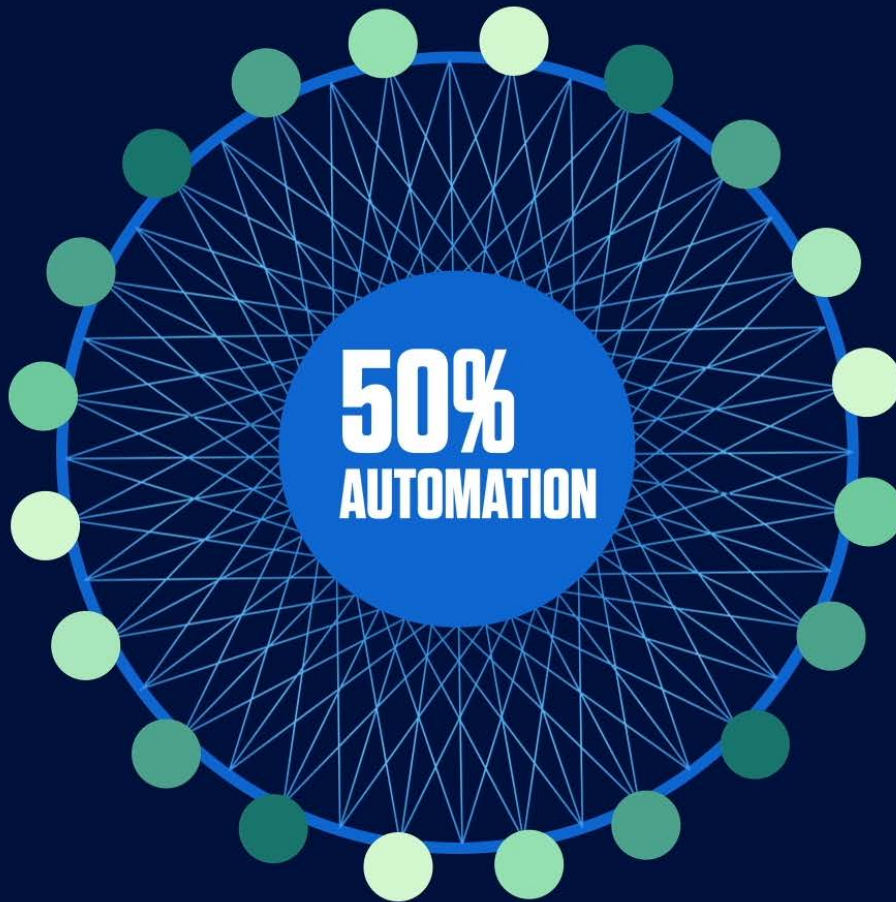
**ANALYTICS**

**EXPONENTIAL  
TECHNOLOGIES**



**ANTHEM  
DIGITAL  
PLATFORM**

Administrative  
Work



Advocacy  
& Delivering  
Better Health

The logo features a central blue circle with the text 'ANTHEM DIGITAL PLATFORM' in white. This central circle is surrounded by a ring of 24 smaller circles in various shades of green and blue. These outer circles are interconnected by a dense network of thin white lines, creating a complex web-like structure. The entire graphic is set against a dark blue background with scattered, faint green and blue dots.

**ANTHEM  
DIGITAL  
PLATFORM**

**7 OF THE 10 MOST VALUABLE  
COMPANIES TODAY ARE  
PLATFORM BUSINESSES**





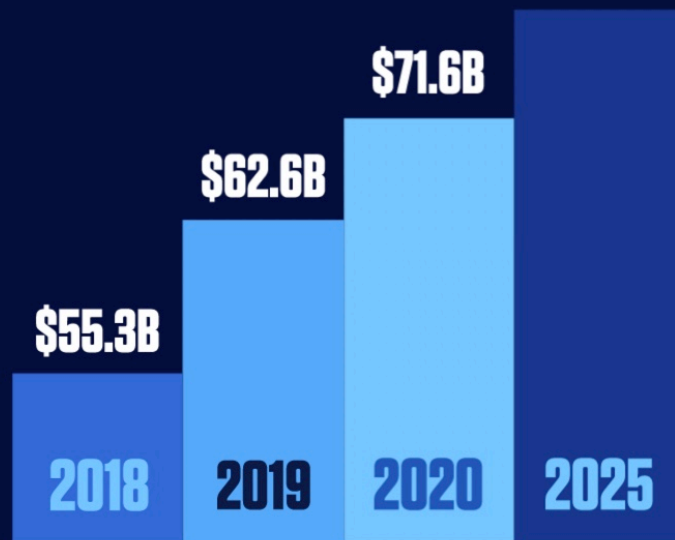


## **FELICIA NORWOOD**

Executive Vice President and  
President, Government Business Division

**GOVERNMENT BUSINESS  
OPERATING  
REVENUE**

**UPPER-SINGLE  
TO LOW-DOUBLE  
DIGIT CAGR**



**Revenue Growth**



# **MEDICARE GROWTH DRIVERS**

**CAPTURE  
MARKET  
SHARE**

**STARS  
PERFORMANCE**

**TIMELY &  
ACTIONABLE  
INSIGHTS**

**PROVIDER  
PARTNERSHIPS**





# **MEDICAID GROWTH DRIVERS**

**COMMUNITY  
HEALTH FOCUS**

**COMPLEX  
POPULATION  
MANAGEMENT**

**PARTNERSHIPS**

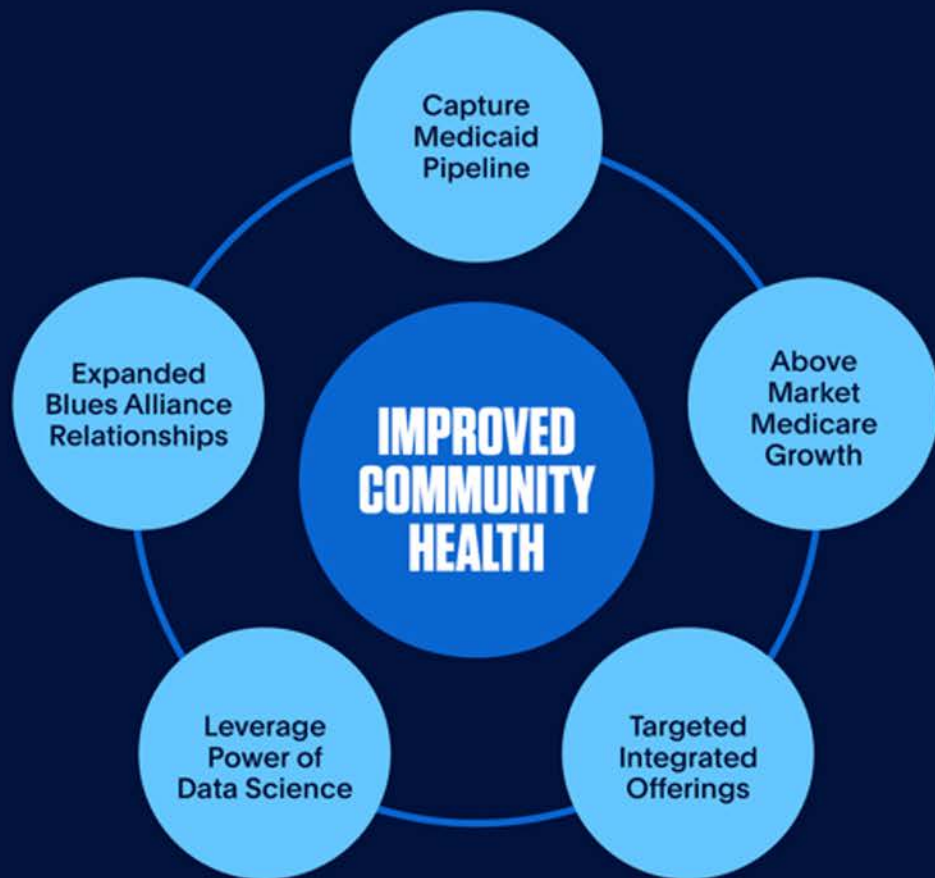
## **\$82B PIPELINE**

**\$49B Specialized Populations**

**\$26B Core**

**\$7B ACA Expansion**







## **PETER HAYTAIAN**

Executive Vice President and President,  
Commercial and Specialty Business Division

# COMMERCIAL & SPECIALTY OPERATING REVENUE



**PROGRESS ON IMPROVING  
FEE-BASED EARNINGS**

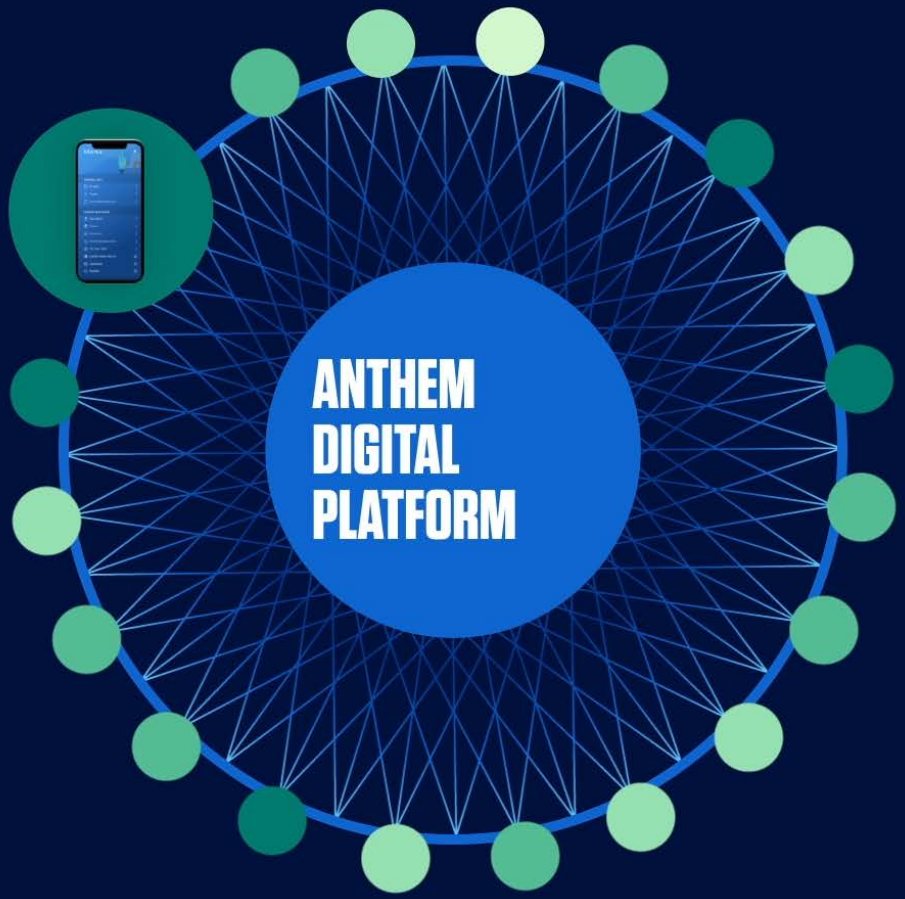
**LARGE GROUP RISK-BASED:  
NET SALES GROWTH IN 7 OF THE LAST 8  
QUARTERS**

**NATIONAL ACCOUNTS**  
**2019 & 2020 SELLING SEASONS**  
**HIGHEST BID ACTIVITY**  
**IN 5 YEARS**

**80%**

**WIN RATE  
ON EMPLOYERS  
THAT SWITCHED  
INSURANCE CARRIERS**

Consumer  
Sydney Health



# MARKET GROWTH

**1% GROWTH IN SHARE IS EQUAL TO \$2B IN INCREMENTAL REVENUE**

## INDIVIDUAL

ACA Footprint expansion  
Lowering Cost:

- Value-based networks
- Dedicated cost of care teams

## SMALL GROUP

Affordability and  
Choice driving:

- Alternative Product Expansion
- ACA market growth

## LARGE GROUP

Strong sales and  
retention delivering  
growth

Incremental growth via  
sub-segments:

- PEOs
- Student
- Labor
- TPAs



## IMPROVED PENETRATION

**RISK-BASED TO  
FEE-BASED RATIO  
IMPROVING  
FROM 5:1 TO 3:1**

**Stop Loss**

**Vision**

**Dental**

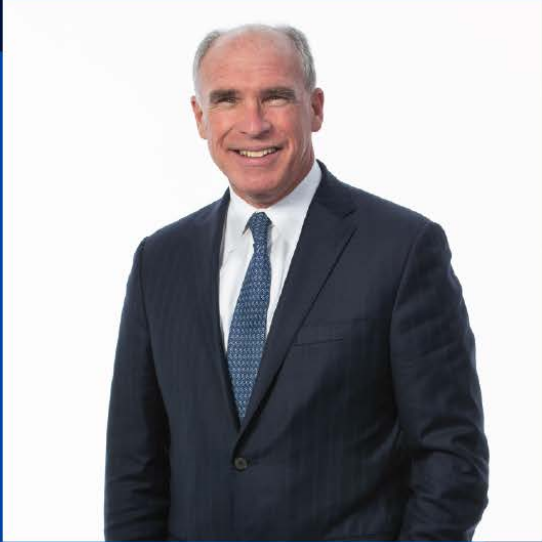
**Program Integrity**

**Clinical Programs**

**Pharmacy**

**Baseline Medical Services**

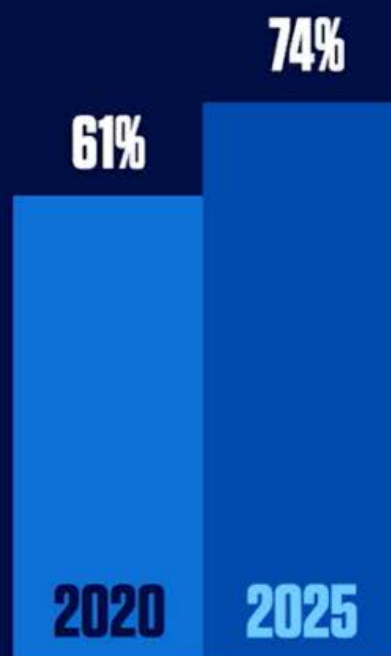
**Fee-Based  
PMPM  
Contribution**

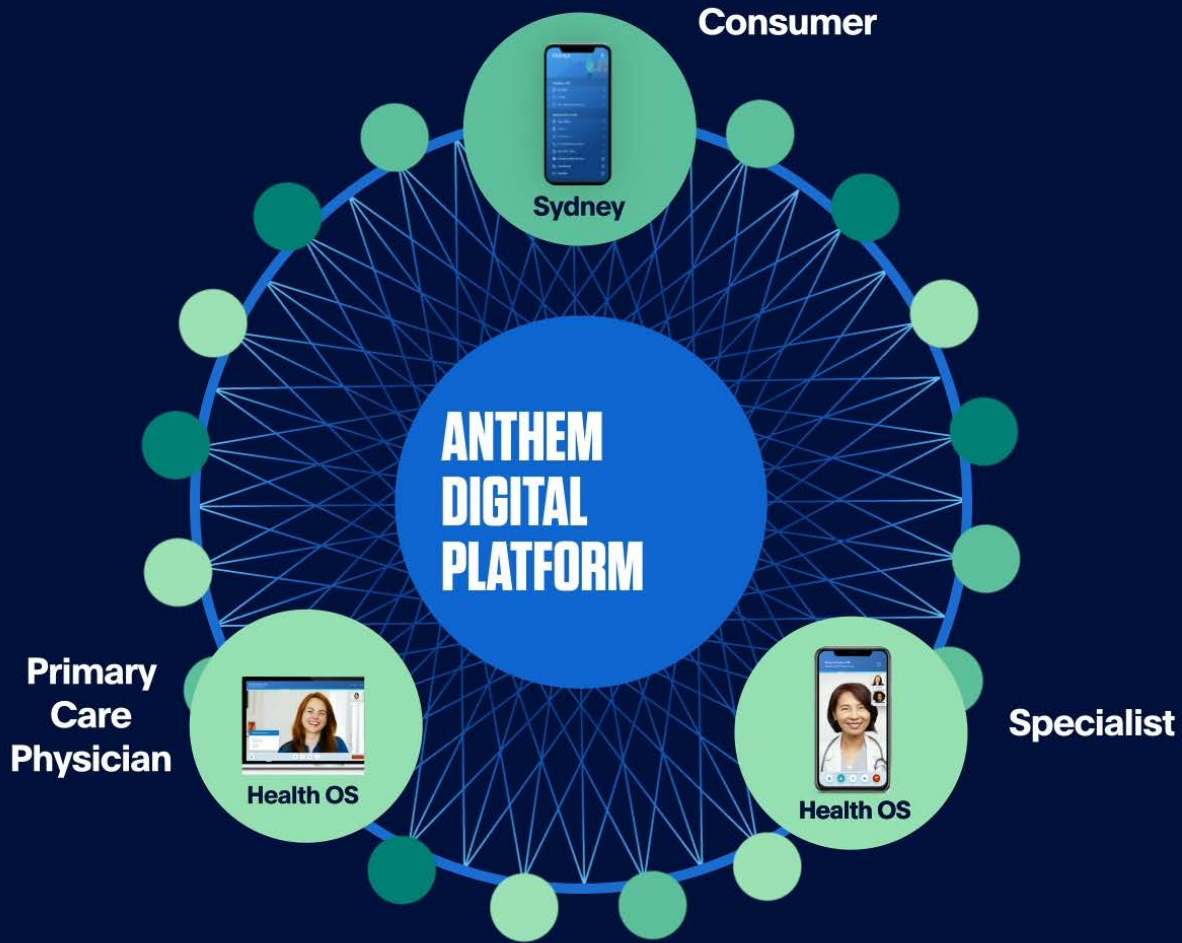


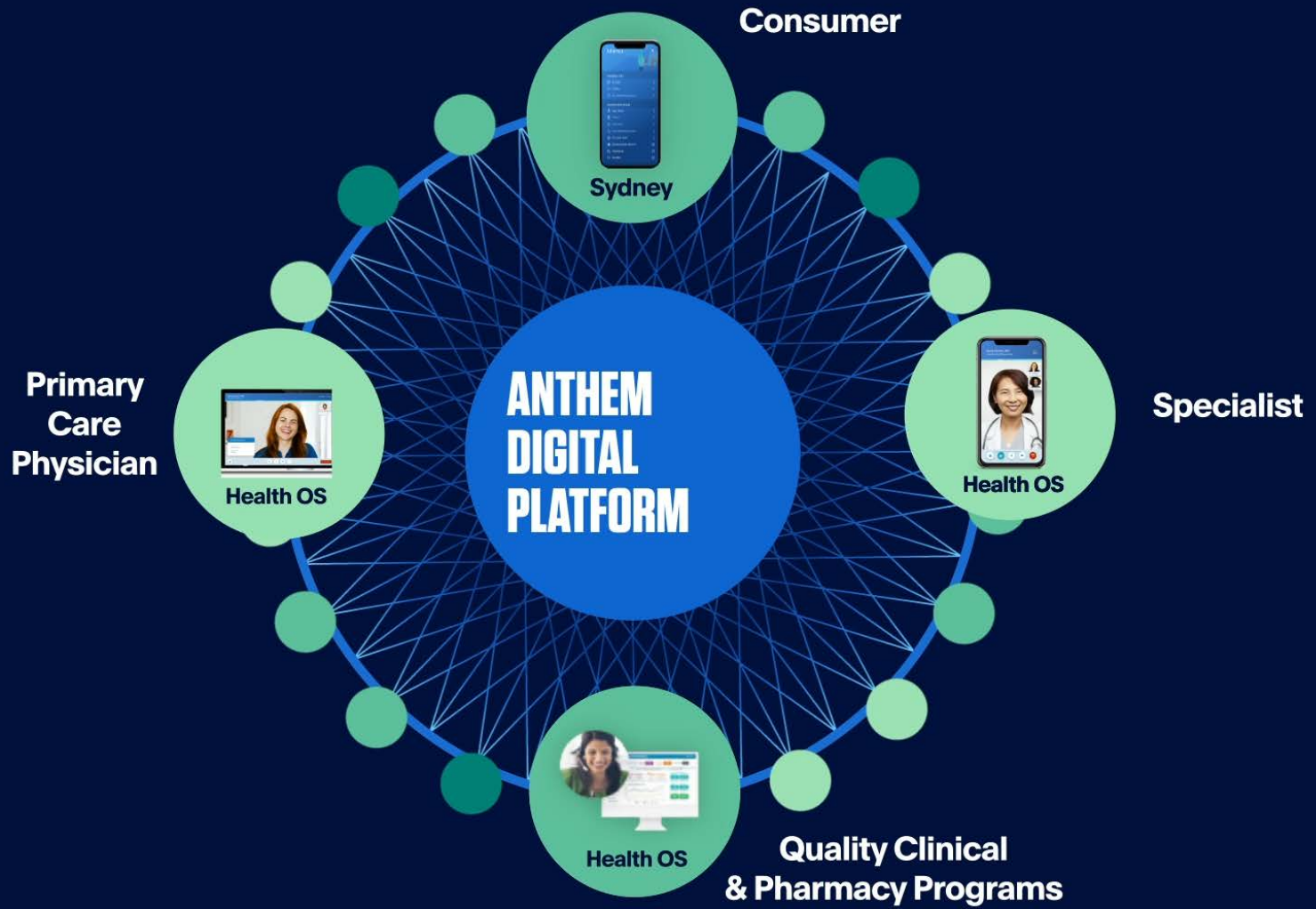
## **JEFF ALTER**

Executive Vice President IngenioRx &  
Anthem Health Solutions

## VALUE BASED CARE MARKET POSITION





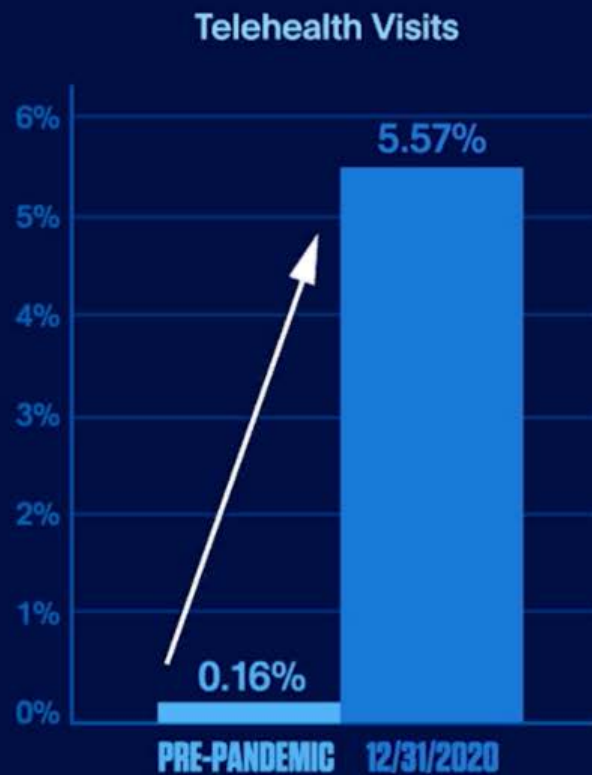




**1 IN 10 BIRTHS  
IN THIS COUNTRY  
IS WELCOMED INTO  
THE ANTHEM FAMILY**

**COORDINATED,  
COMPREHENSIVE  
MATERNAL & CHILD  
HEALTH STRATEGY**

# TELEHEALTH AS A PERCENTAGE OF TOTAL VISITS

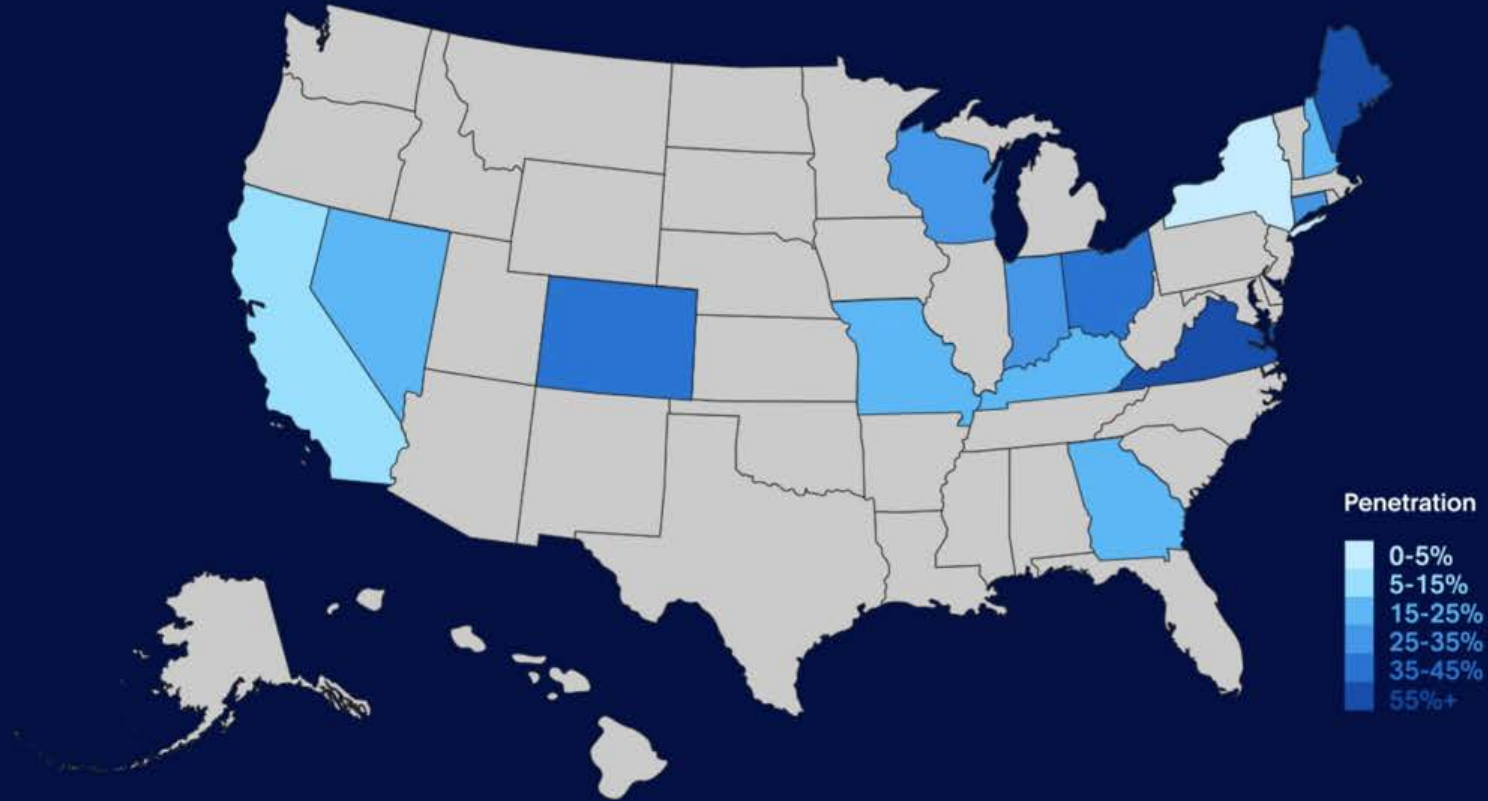


ingenioRx<sup>SM</sup>





# INGENIORX MARKET PENETRATION AND OPPORTUNITY



**OPPORTUNITY:**

**NATIONAL ACCOUNTS  
PENETRATION 10% TODAY,  
90% GROWTH OPPORTUNITY**

## **CHALLENGE**

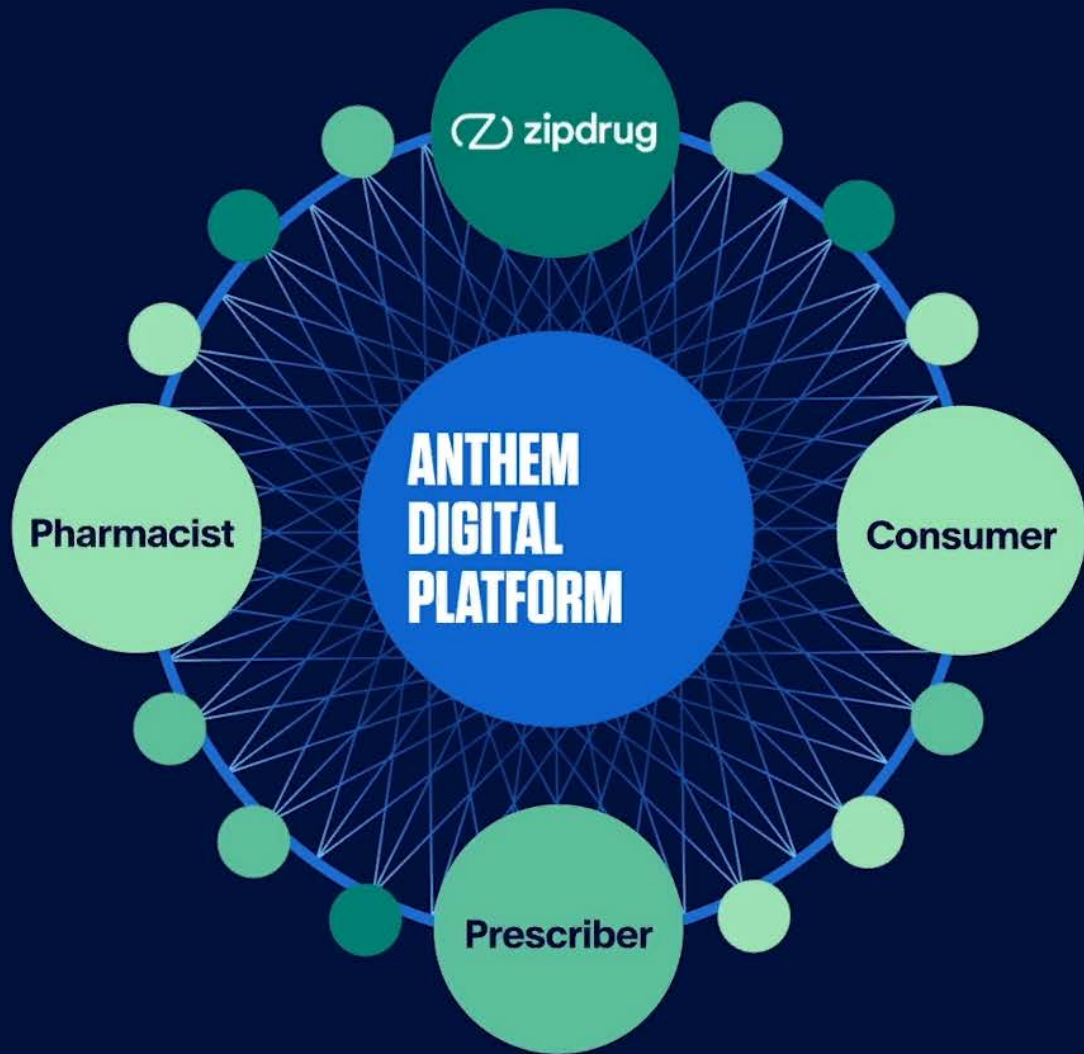
Specialty Pharmacy costs continue to increase and now represent over 40% of pharmacy spend.

## **SOLUTION**

Specialty Condition Management  
(\$330 savings per engaged member per month)

One Clinical Policy Approach

Chat with a Pharmacist





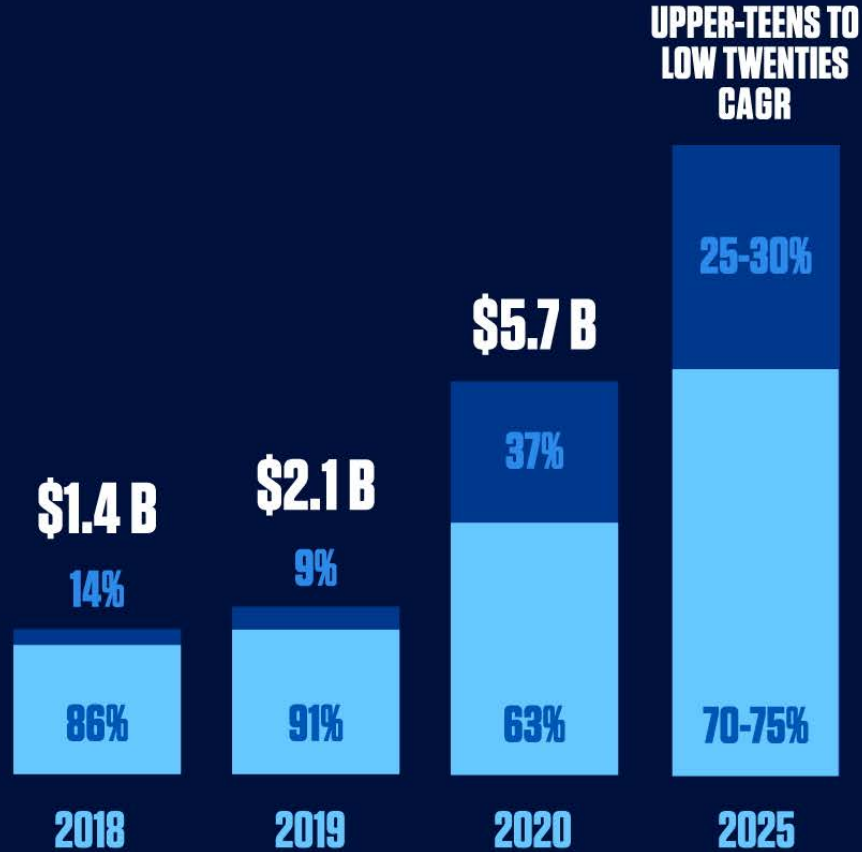
## **DR. PRAKASH PATEL**

Executive Vice President and  
President, Diversified Business Group

**20% OF THE POPULATION  
ACCOUNTS FOR 80% OF THE  
MEDICAL EXPENSES**

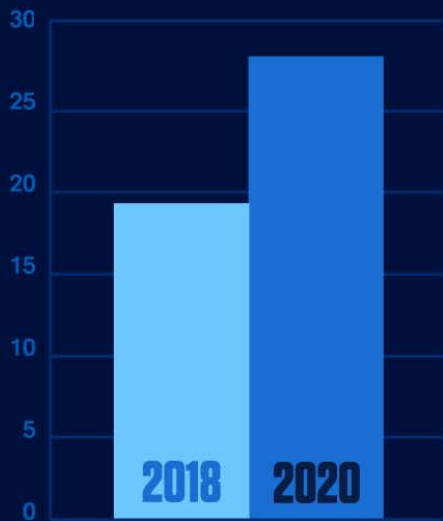
# DBG GROWTH

- Affiliated Revenue
- Unaffiliated Revenue\*

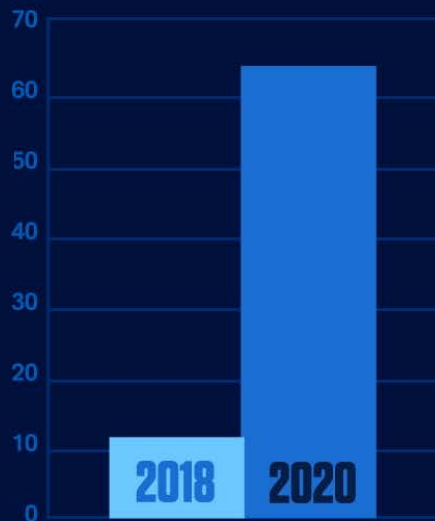


\*Unaffiliated revenue represents revenue from external customers outside of the health plans we own

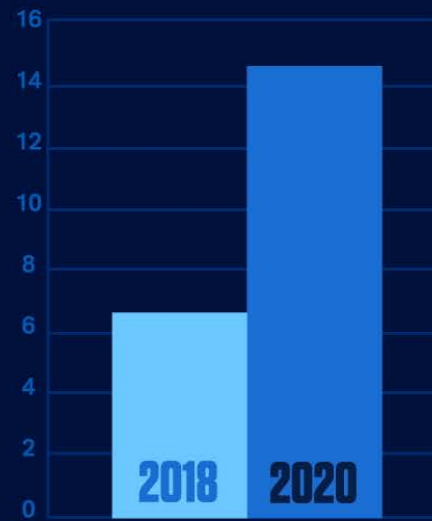
## DBG MARKET COVERAGE



Blue Plans



Non-Blue Plans



Customers with >1 Solutions



# BEHAVIORAL HEALTH

45 million members

# ADVANCED ANALYTICS & SERVICES

60 million members

# COMPLEX & CHRONIC CARE

300 thousand members

# ADVANCED ANALYTICS & SERVICES

## Enterprise Scale

**80%** Blues Plan Penetration

**60M+** Covered Lives

**50** States Served

## Enterprise Performance

**\$10B+** Cost of Care Savings

**90%+** Provider Satisfaction

**80 NPS** Compared to <20 NPS  
for average health plan

\*Cost of care savings represents 2020 savings for Program Integrity and AIM Specialty Health

\*\*2020 AIM Specialty Health Annual Provider Satisfaction Survey

# COMPLEX & CHRONIC CARE

## CareMore

**17%**

Fewer Inpatient Admissions

**34%**

Fewer Bed Days

**23%**

Fewer CHF Readmits

**34%**

Fewer ESRD Readmits

## Aspire

**67%**

Fewer Inpatient Admissions

**31%**

Greater Completion  
of Advance Care Plans

**1.5X**

Greater Median LOS  
in Hospice



Digital Care Center

**ANTHEM  
DIGITAL  
PLATFORM**



Joseph's Home



 CareMore  
HEALTH

SOCIAL DRIVERS OF HEALTH

Care  
Center

Home

Virtual



Hospital

Skilled  
Nursing  
Facility

MEMBER NAVIGATION

CARE COORDINATION

INTEGRATED CARE

## **STRATEGIC GROWTH PRIORITIES**

**STRATEGIC  
PARTNERSHIPS**

**CLINICAL  
& PAYMENT  
MANAGEMENT  
CAPABILITIES**

**ACQUISITIONS  
OF STRATEGIC  
ASSETS**

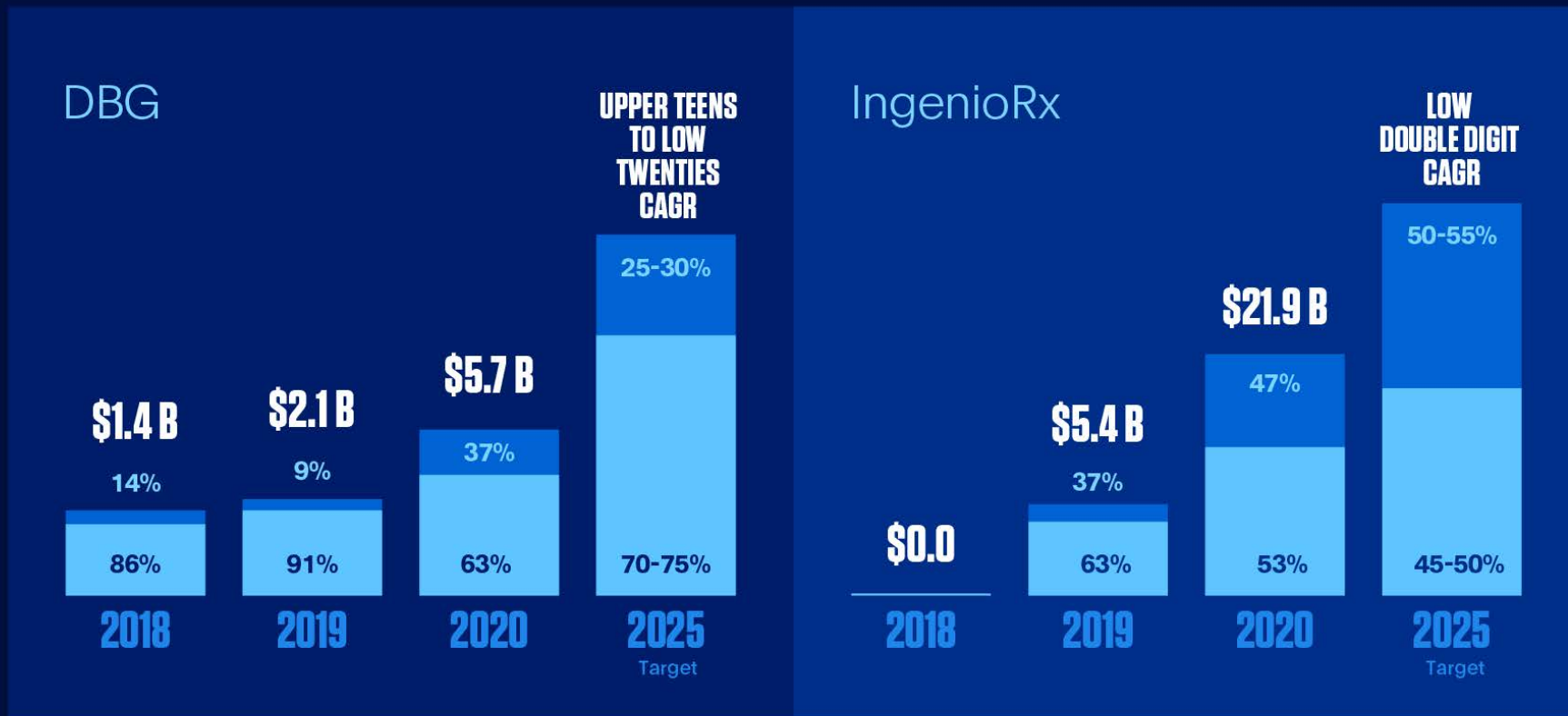


## **JOHN GALLINA**

Executive Vice President and  
Chief Financial Officer

# DBG & INGENIORX REVENUE GROWTH

■ Affiliated Revenue  
■ Unaffiliated Revenue\*



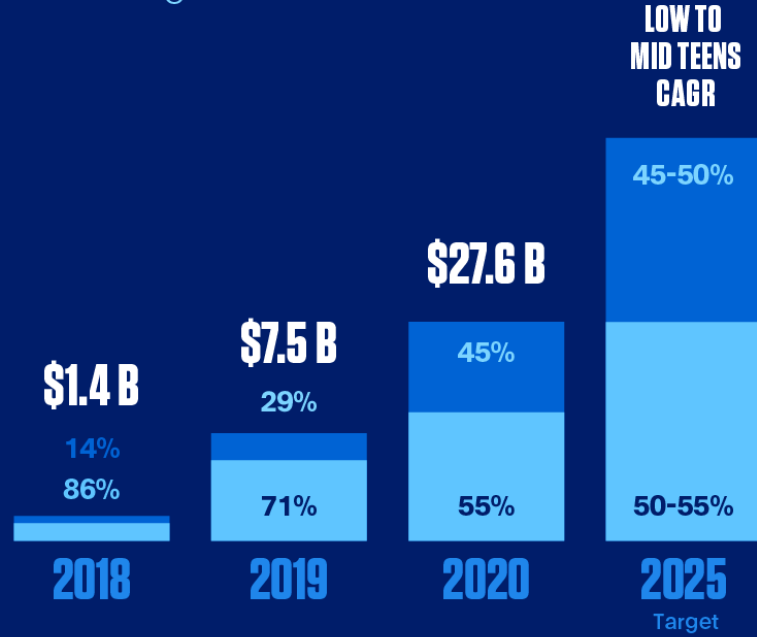
\*DBG unaffiliated revenue represents revenue from external customers outside of the health plans we own. IngenioRx unaffiliated revenue represents revenue from our fee-based groups that contract with IngenioRx for PBM services and external customers outside of the health plans we own. It also includes Ingredient costs (net of any rebates or discounts), including co-payments made by or on behalf of the customer, and administrative fees.



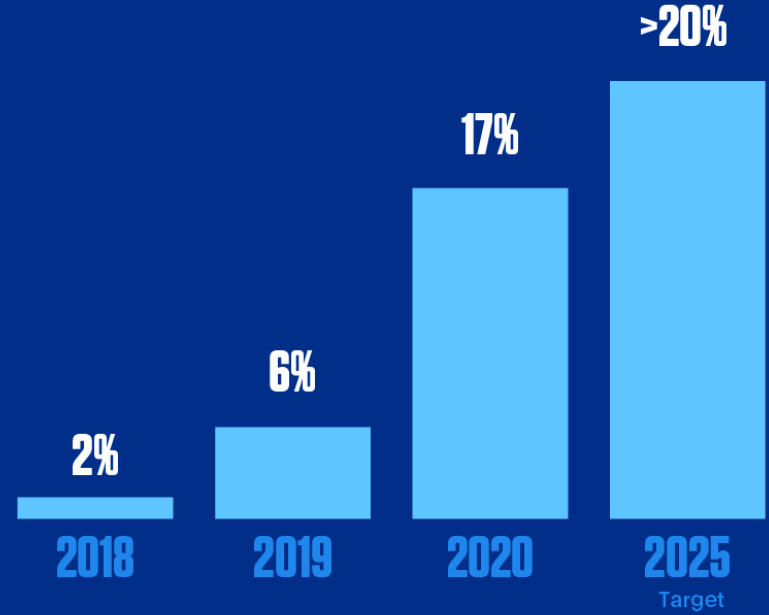
# DBG & INGENIORX REVENUE GROWTH & BENEFIT EXPENSE PENETRATION

█ Affiliated Revenue  
█ Unaffiliated Revenue\*

## DBG & IngenioRx Revenue



## Affiliated Revenue as a % of Benefit Expense



\*DBG unaffiliated revenue represents revenue from external customers outside of the health plans we own. IngenioRx unaffiliated revenue represents revenue from our fee-based groups that contract with IngenioRx for PBM services and external customers outside of the health plans we own. It also includes Ingredient costs (net of any rebates or discounts), including co-payments made by or on behalf of the customer, and administrative fees.

## CAPITAL DEPLOYMENT

# 2020 SHARE BUYBACK ACTIVITY

**\$286.35**

Average Price

**3.7%**

Of 2019 Year-End  
Shares Outstanding

**>\$5.5B**

Share Repurchase  
Authorization

**IN-LINE**

With Long-Term  
FCF Target

# LONG-TERM TARGETS

**50%** Flexible  
Deployment

**30%** Share  
Repurchase

**20%** Dividends

## 2021 FINANCIAL GUIDANCE

Adjusted Earnings  
Per Share

**>\$24.50**

>9.0% increase over 2020

MLR

**87.5%-88.5%**

190 bps\* increase over 2020 at  
midpoint

SG&A Ratio

**10.3%-11.3%**

150 bps\* decrease over 2020  
at midpoint

\*After adjusting for the impact of the Health Insurer Fee.

## 2021 FINANCIAL GUIDANCE

Operating  
Revenue

~**\$135.1B**

13.5% increase  
over 2020\*

Medical  
Membership\*\*

**44.1M - 44.7M**

3.4% increase over 2020  
at midpoint

Risk-Based

**18.6M - 19.0M**

8.7% increase over 2020 at midpoint

Fee-Based

**25.5M - 25.7M**

0.1% decrease over 2020 at midpoint

\*After adjusting for the Impact of the Health Insurer Fee.

\*\*Membership target excludes MMM acquisition.

## 2019 INVESTOR DAY TARGETS

Earnings Per Share Growth

Operating Revenue Growth

Value Driven By IngenioRx

SG&A Ratio

Back-End Systems Reduction

### STATUS

**19%**

(2018-2020 CAGR)

**> 15%**

(2018-2020 CAGR)

**> \$900M**

**12.3%\***

(2020 Actual)

**3**

(With Line of Sight to 2 by '22)

### TARGETS

**12-15%**

**10-12%**

**> \$800M**

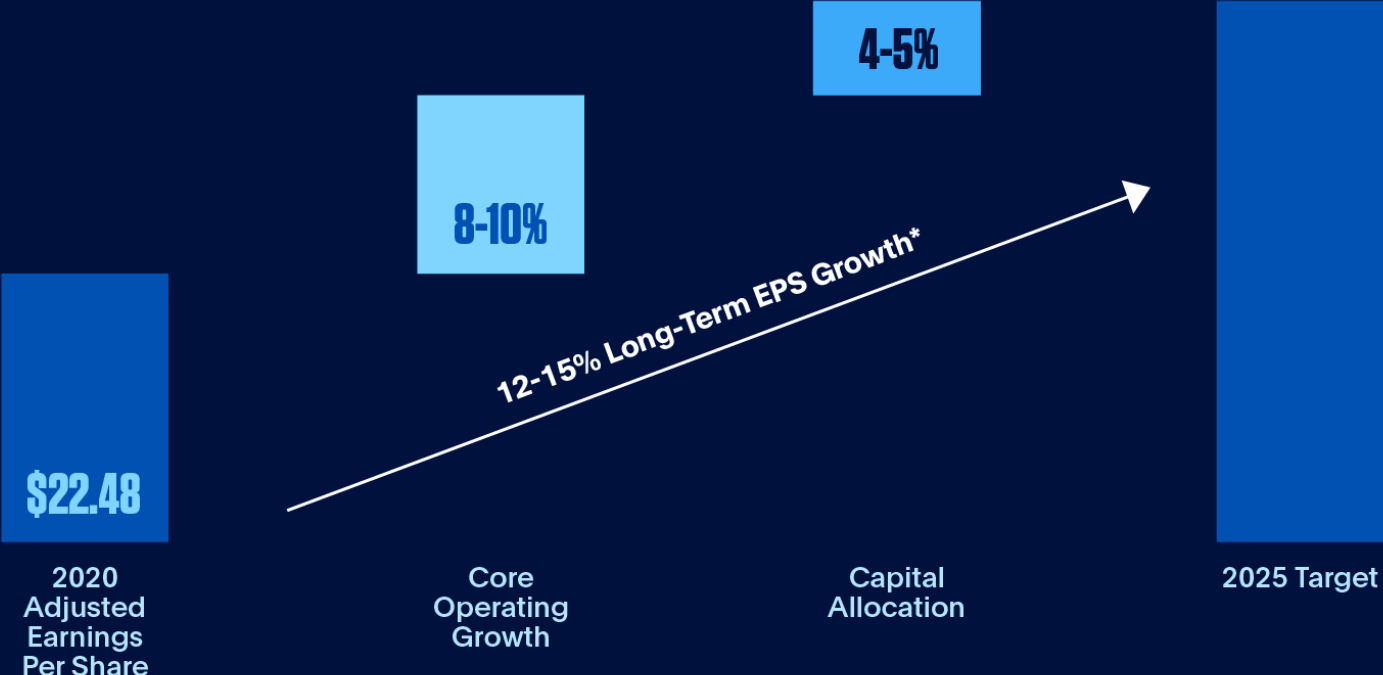
**11-12%**

(In 2023)

**2 BY 2022**

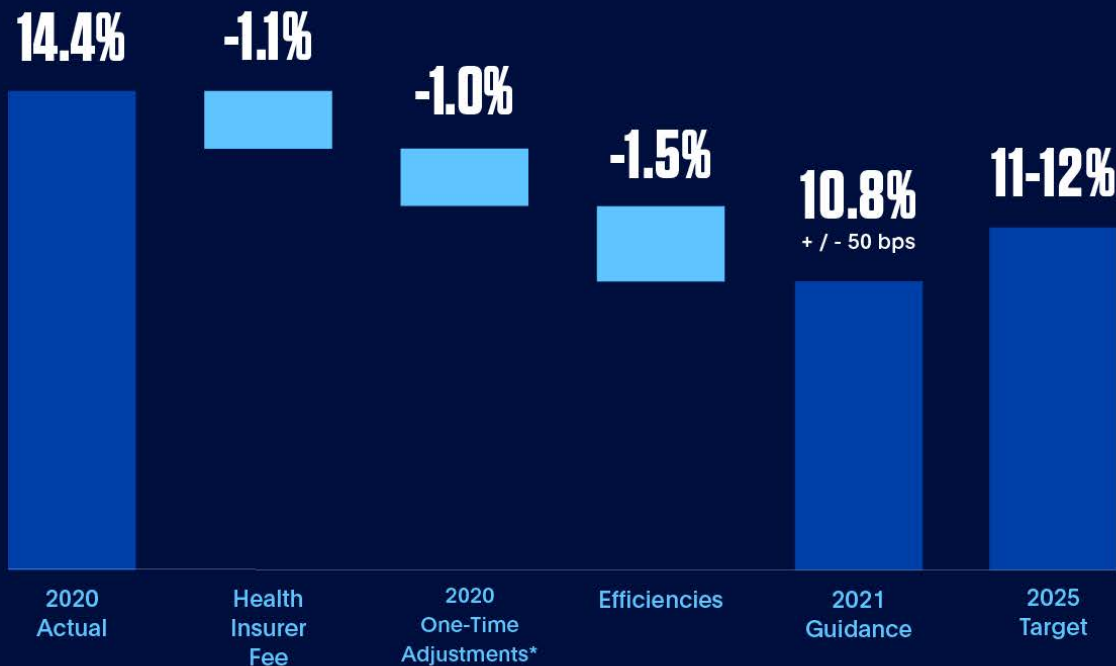
\*After adjusting for the impact of the Health Insurer Fee and non-recurring charges incurred in 2020.

# LONG-TERM EPS GROWTH: CORE BUSINESS DRIVES GROWTH



\*Anthem defines long-term in rolling 5-year increments.

## LONG-TERM SG&A RATIO



### Factors Impacting Long-Term SG&A

- ↓ Permanent Removal of HIF
- ↓ Operating Efficiencies
  - Embedding Digital & AI
  - Back-end Systems Reduction
- ↓ Operating Revenue Growth
- ↑ Offset by growth in non-insurance businesses that may run at higher SG&A, often with higher operating margin

\*Represents the impact non-recurring charges incurred in 2020.

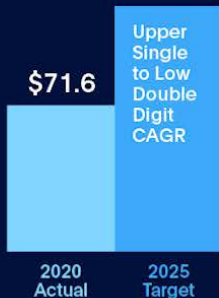
# OPERATING GROWTH 2020 - 2025

## Revenue (\$Billions)

Commercial  
& Specialty



Government



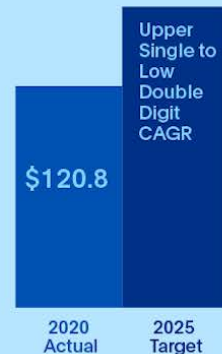
Diversified  
Business Group



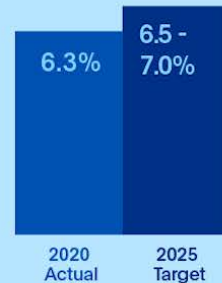
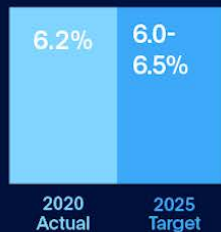
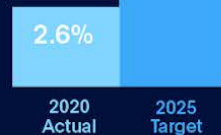
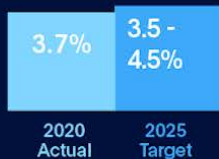
ingenio<sup>Rx</sup>



Anthem



## Operating Margin\*



\*After adjusting for the impact of non-recurring charges incurred in 2020.