

Elevance Health

1Q 2025 Earnings Presentation

April 22, 2025



The Value We Deliver

We advance whole health through innovative solutions that integrate physical, behavioral, and social care to achieve our purpose of improving the health of humanity



For Consumers

Simple, Affordable, and Accessible Health Care

1. **Simplifying** healthcare through enhanced digital capabilities that personalize member experiences
2. **Affordability** at the core of our innovative plan designs
3. **Accessibility** through advocacy and data driven solutions that elevate whole health



For Care Providers

Deepen Clinical and Business Partnerships

1. Differentiated **clinical partnerships** built on shared expertise and coordinated care
2. Advanced **clinical collaboration** and **value-based care**
3. Aligned **business partner** through digital tools that enhance information exchange and reduce administrative burden

Key Highlights

1 1Q 2025 Results

- **Elevance Health first quarter results were consistent with expectations**
- Operating revenue of \$48.8B grew more than 15%
- Medical loss ratio of 86.4% increased 80 bps
- Adjusted diluted EPS¹ of \$11.97 grew more than 10%
- **Returned \$1.3B to shareholders** through dividends and share repurchases

2 2025 Outlook

- **Reaffirm adjusted diluted EPS¹ to be in the range of \$34.15 – \$34.85**
- While early in the year, **utilization patterns have developed in line with our guidance ranges**
- Expect **slightly more than 60%** of adjusted diluted EPS to be realized in the first half of 2025

3 Strategic Focus Areas

- **Elevance Health has made significant investments to transform the healthcare experience** for the members, care providers, and communities we serve
- Our solutions, such as **patient advocacy**, **HealthOS**, and our **value-based oncology care model**, are delivering a more personalized experience, improved health outcomes, and lower costs
- **We are advancing our long-term strategy**, with progress on rate alignment in Medicaid, disciplined execution in Medicare Advantage, sustained Commercial momentum, and continued expansion in Carelon
- **Ensure long-term, sustainable growth** by leveraging the complementary strengths and diverse earnings capabilities of our enterprise portfolio



1. See “GAAP Reconciliation” on slides 12 and 13 herein.

1Q 2025 Results

Elevance Health	1Q 2025	1Q 2024	Change (%/bps)
Operating Revenue ¹	\$48.8B	\$42.3B	15.4%
Medical Loss Ratio	86.4%	85.6%	80 bps
Adjusted Operating Expense Ratio ^{1,2}	10.7%	11.3%	(60) bps
Adjusted Operating Gain ^{1,2}	\$3.3B	\$3.1B	4.1%
Adjusted Operating Margin ^{1,2}	6.7%	7.4%	(70) bps
Net Investment Income	\$590M	\$465M	26.9%
Adjusted Diluted EPS ²	\$11.97	\$10.83	10.5%
Operating Cash Flow	\$1.0B	\$2.0B	(\$1.0B)

Key Highlights

- **Elevance Health first quarter results were consistent with expectations**
- **Operating revenue** of \$48.8B grew 15.4%, attributable to higher premium yields in Health Benefits, acquisitions completed in 2024, increased Medicare Advantage and Individual ACA membership (partially offset by Medicaid membership attrition), and CarelonRx product revenue
- **Medical loss ratio** of 86.4% reflects higher Medicaid cost trends partly offset by out of period premium taxes
- **Adjusted operating expense** was 10.7%, an improvement of 60 bps, reflecting our ongoing commitment to disciplined cost management
- **Operating cash flow** of \$1.0B reflects timing-related working capital impacts

1Q 2025 Results

Health Benefits	1Q 2025	1Q 2024	Change (%/bps)
Operating Revenue ¹	\$41.4B	\$37.3B	11.2%
Adjusted Operating Gain ^{1,2}	\$2.2B	\$2.3B	(3.7%)
Adjusted Operating Margin ^{1,2}	5.4%	6.2%	(80) bps
Membership	45.8M	46.0M	(0.5%)

Key Highlights

- **Health Benefits first quarter results reflect strong revenue growth; while early in the year, utilization trends were consistent with our expectations**
- **Operating revenue** grew 11.2% year over year, driven by higher premium yields and growth in Medicare Advantage and Individual ACA membership
- **Adjusted operating margin** of 5.4% declined by 80 bps, due to higher Medicaid cost trend, partly offset by operating efficiencies
- **Membership of 45.8M** reflects Medicaid redeterminations, offset by targeted growth and higher retention rates in Medicare Advantage, and increases in Commercial risk-based membership



1. See “Basis of Presentation” on slide 11 herein.
2. See “Reportable Segment Highlight Details” on slide 14 herein.

1Q 2025 Results

Carelon	1Q 2025	1Q 2024	Change (%/bps)
Operating Revenue ¹	\$16.7B	\$12.1B	37.9%
Adjusted Operating Gain ^{1,2}	\$1.1B	\$0.9B	27.5%
Adjusted Operating Margin ^{1,2}	6.6%	7.1%	(50) bps
Adjusted Scripts	83.9M	77.0M	9.0%
Consumers Served	99.5M	102.9M	(3.3%)

Key Highlights

- **Robust revenue growth driven by the scaling of innovative risk-based capabilities and integration of acquisitions, reinforcing our strategic focus on advancing our enterprise flywheel for growth**
- **CarelonRx** operating revenue includes growth in adjusted scripts and contribution from recent acquisitions in pharmacy services; adjusted operating margin consistent with our long-term target range
- **Carelon Services** operating revenue expansion of over 60% reflects the addition of CareBridge and the scaling of risk-based solutions; adjusted operating margin reflects the dilutive effect of CareBridge, offset by improved Carelon Health performance



1. See “Basis of Presentation” on slide 11 herein.
2. See “Reportable Segment Highlight Details” on slide 14 herein.

Flywheel Supports Our Long-Term Growth Algorithm

Health Benefits

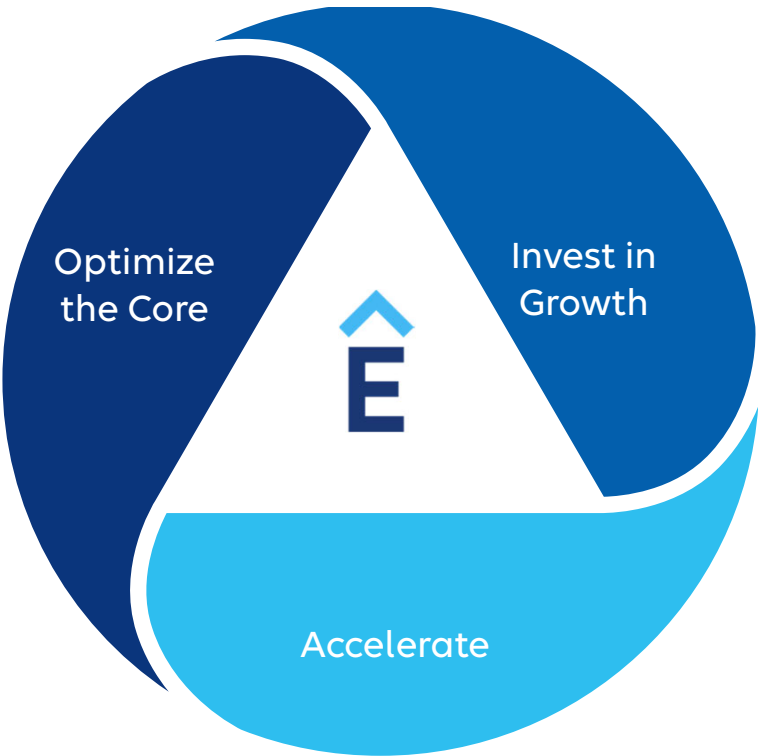


Approximately 46M medical members balanced across commercial, Medicaid and Medicare, leveraging the assets and capabilities of Carelon to accelerate growth

Health Services



As an integrated portfolio of whole health solutions serving approximately 100M consumers, Carelon connects care across physical, behavioral, social, home health, and pharmacy needs to bend the cost curve, enhance consumer experiences, and deliver whole health, affordably



Targeting at least 12% average annual growth in Adjusted Diluted Earnings Per Share



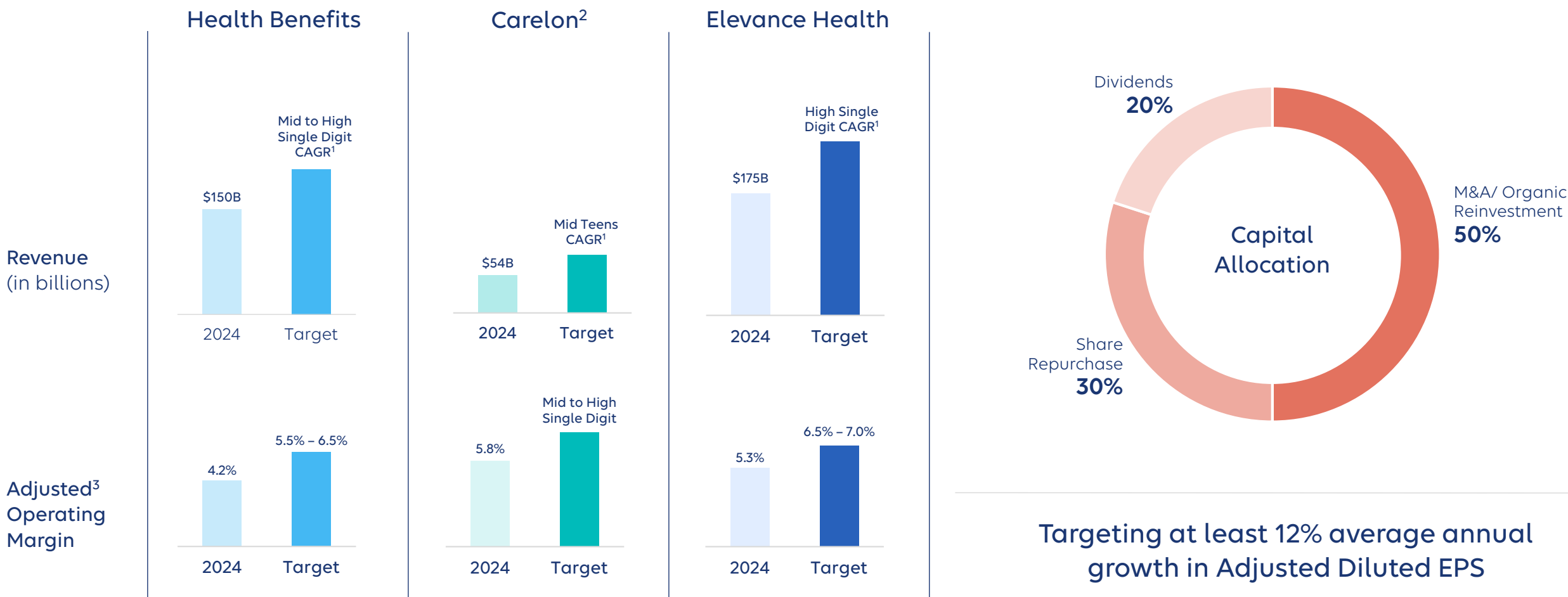
Long-Term Growth Algorithm

Targeting at least 12% average annual growth in Adjusted Diluted EPS



1. CAGR = Compound Annual Growth Rate Target.

Committed to Strong Growth Over the Long-Term



1. CAGR = Compound Annual Growth Rate Target.

2. The CAGR target for revenue and the operating margin target for Carelon includes: (i) a low double-digit revenue CAGR and 6.0% – 6.5% operating margin target for CarelonRx, and (ii) a high teens to low twenties revenue CAGR and mid to high single digit operating margin for Carelon Services.

3. See “GAAP Reconciliation” on slides 12 and 13 herein.



Forward-Looking Statements

This document contains certain 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. Words such as “expect,” “feel,” “believe,” “will,” “may,” “should,” “anticipate,” “intend,” “estimate,” “project,” “forecast,” “plan” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to: financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond our control, 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 that speak only as of the date hereof. You are also urged to carefully review and consider the various risks and other disclosures discussed in our reports filed with the U.S. Securities and Exchange Commission from time to time, which attempt to advise interested parties of the factors that affect our business. Except to the extent required by law, we do not update or revise any forward-looking statements to reflect events or circumstances occurring after the date hereof. These risks and uncertainties include, but are not limited to: trends in healthcare costs and utilization rates; reduced enrollment; our ability to secure and implement sufficient premium rates; the impact of large scale medical emergencies, such as public health epidemics and pandemics, and other catastrophes; the impact of new or changes in existing federal, state and international laws or regulations, including laws and regulations impacting healthcare, insurance, pharmacy services and other diversified products and services, or their enforcement or application; the impact of cyber-attacks or other privacy or data security incidents or our failure to comply with any privacy, data or security laws or regulations, including any investigations, claims or litigation related thereto; failure to effectively maintain and modernize our information systems, or failure of our information systems or technology, including artificial intelligence, to operate as intended; failure to effectively maintain the availability and integrity of our data; changes in economic and market conditions, as well as regulations that may negatively affect our liquidity and investment portfolios; competitive pressures and our ability to adapt to changes in the industry and develop and implement strategic growth opportunities; risks and uncertainties regarding Medicare and Medicaid programs, including those related to non-compliance with the complex regulations imposed thereon; our ability to maintain and achieve improvement in Centers for Medicare and Medicaid Services Star Ratings and other quality scores and funding risks with respect to revenue received from participation therein; a negative change in our healthcare product mix; costs and other liabilities associated with litigation, government investigations, audits or reviews; our ability to contract with providers on cost-effective and competitive terms; risks associated with providing healthcare, pharmacy and other diversified products and services, including medical malpractice or professional liability claims and non-compliance by any party with the pharmacy services agreement between us and CaremarkPCS Health, L.L.C.; the effects of any negative publicity related to the health benefits industry in general or us in particular; risks associated with mergers, acquisitions, joint ventures and strategic alliances; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and other intangible assets; possible restrictions in the payment of dividends from our subsidiaries and increases in required minimum levels of capital; our ability to repurchase shares of our common stock and pay dividends on our common stock due to the adequacy of our cash flow and earnings and other considerations; the potential negative effect from our substantial amount of outstanding indebtedness and the risk that increased interest rates or market volatility could impact our access to or further increase the cost of financing; a downgrade in our financial strength ratings; events that may negatively affect our licenses with the Blue Cross and Blue Shield Association; intense competition to attract and retain employees; risks associated with our international operations; and various laws and provisions in our governing documents that may prevent or discourage takeovers and business combinations.



Non-GAAP Measures and Basis of Presentation

This document references non-GAAP measures. These non-GAAP measures are intended to aid investors when comparing Elevance Health's financial results among periods and are not intended to be alternatives to any measure calculated in accordance with GAAP. Reconciliations of these non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP are available on the last slide of this document.

Operating revenue and operating gain/loss are the key measures used by management to evaluate performance in each of its reporting segments, allocate resources, set incentive compensation targets and to forecast future operating performance. Operating gain/loss is calculated as total operating revenue less benefit expense, cost of products sold and operating expense. It does not include net investment income, net gains/losses on financial instruments, interest expense, amortization of other intangible assets and gains/losses on extinguishment of debt or income taxes, as these items are managed in a corporate shared service environment and are not the responsibility of operating segment management. Operating Margin is defined as operating gain divided by operating revenue. Each of these measures is provided to further aid investors in understanding and analyzing Elevance Health's operating and financial results.

Elevance Health GAAP Reconciliation — Shareholders’ Net Income and Shareholders’ Earnings Per Diluted Share

	Three Months Ended Mar 31		Change
	2025	2024	
<i>(In millions, except per share data)</i>			
Shareholders' net income	\$2,183	\$2,246	(2.8)%
Add / (Subtract):			
Net losses on financial instruments	464	161	
Amortization of other intangible assets	155	116	
Transaction and integration related costs ¹	80	52	
Litigation and settlement expenses ¹	5	2	
Business dispositions and related items ²	—	60	
Business optimization charges ¹	—	(4)	
Tax impact of non-GAAP adjustments	(168)	(96)	
Net adjustment items	536	291	
Adjusted shareholders' net income	\$2,719	\$2,537	7.2%

Shareholders' earnings per diluted share	\$9.61	\$9.59	0.2%
Add / (Subtract):			
Net losses on financial instruments	\$2.04	\$0.69	
Amortization of other intangible assets	0.68	0.50	
Transaction and integration related costs ¹	0.35	0.22	
Litigation and settlement expenses ¹	0.02	0.01	
Business dispositions and related items ²	—	0.26	
Business optimization charges ¹	—	(0.02)	
Tax impact of non-GAAP adjustments	(0.74)	(0.41)	
Net adjustment items	\$2.36	1.24	
Adjusted shareholders' earnings per diluted share	\$11.97	\$10.83	10.5%

	Three Months Ended Mar 31		Change
	2025	2024	
<i>(In millions)</i>			
Income before income tax expense	\$2,797	\$2,939	(4.8)%
Net investment income	(590)	(465)	
Net losses on financial instruments	464	161	
Interest expense	344	265	
Amortization of other intangible assets	155	116	
Reportable segments operating gain	\$3,170	\$3,016	5.1%

1. Adjustment item resides in the Corporate & Other reportable segment.
2. Adjustment item resides in the Health Benefits and Carelon Services reportable segments.
3. Totals may not foot due to rounding.

Elevance Health GAAP Reconciliation — Operating Gain, Operating Expense Ratio, and 2025 Outlook

	Three Months Ended Mar 31		
(In millions)	2025	2024	Change
Reportable segments operating gain	\$3,170	\$3,016	5.1%
Add / (Subtract):			
Transaction and integration related costs ¹	80	52	
Litigation and settlement expenses ¹	5	2	
Business dispositions and related items ²	—	60	
Business optimization charges ¹	—	(4)	
Net adjustment Items	85	110	
Reportable segments adjusted operating gain	\$3,255	\$3,126	4.1%
	Three Months Ended Mar 31		
(In millions)	2025	2024	Change
Operating expense	\$5,300	\$4,886	8.5%
Add / (Subtract):			
Transaction and integration related costs ¹	(80)	(52)	
Litigation and settlement expenses ¹	(5)	(2)	
Business dispositions and related items ²	—	(60)	
Business optimization charges ¹	—	4	
Net adjustment Items	(85)	(110)	
Adjusted operating expense	\$5,215	\$4,776	9.2%
Operating revenue	\$48,765	\$42,273	15.4%
Operating expense ratio	10.9%	11.6%	(70) bp
Adjusted operating expense ratio	10.7%	11.3%	(60) bp
	Full Year 2025		
	Outlook		
Shareholders' earnings per diluted share	\$28.30 to \$29.00		
Add / (Subtract):			
Net losses on financial instruments ³	\$3.21		
Amortization of other intangible assets ³	\$2.98		
Transaction and integration related costs ^{1, 3}	\$1.35		
Litigation and settlement expenses ^{1, 3}	\$0.06		
Tax impact of non-GAAP adjustments ³	Approximately (\$1.75)		
Net adjustment items	\$5.85		
Adjusted shareholders' earnings per diluted share	\$34.15 to \$34.85		

1. Adjustment item resides in the Corporate & Other reportable segment.
2. Adjustment item resides in the Health Benefits and Carelon Services reportable segments.
3. Adjustment item represents the midpoint of a projected range and serves as the estimated full year adjustment amount.



Elevance Health

Reportable Segment Highlight Details

Elevance Health has four reportable segments: Health Benefits (comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard®, Medicare, Medicaid, and Federal Employee Program businesses); CarelonRx; Carelon Services; and Corporate & Other (comprised of businesses that do not individually meet the quantitative thresholds for an operating division as well as corporate expenses not allocated to our other reportable segments).

(In millions, Unaudited)	Three Months Ended Mar 31		Change
	2025	2024	
Operating Revenue			
Health Benefits	\$41,431	\$37,258	11.2%
CarelonRx	10,116	8,067	25.4%
Carelon Services	6,536	4,009	63.0%
Corporate & Other	165	127	29.9%
Eliminations	(9,483)	(7,188)	NM ⁵
Total Operating Revenue¹	\$48,765	\$42,273	15.4%
Operating Gain (Loss)			
Health Benefits ²	\$2,217	\$2,287	(3.1)%
CarelonRx	602	523	15.1%
Carelon Services ²	491	290	69.3%
Corporate & Other ^{2,3}	(140)	(84)	NM ⁵
Total Operating Gain^{1,4}	\$3,170	\$3,016	5.1%
Operating Margin			
Health Benefits	5.4%	6.1%	(70) bp
CarelonRx	6.0%	6.5%	(50) bp
Carelon Services	7.5%	7.2%	30 bp
Total Operating Margin¹	6.5%	7.1%	(60) bp

1.

See "Basis of Presentation" on slide 11 herein.

2.

Operating Gain for the three months ended March 31, 2024, included \$60 million of 2024 business dispositions and related items; including \$44 million for the Carelon Services segment; and \$16 million for the Health Benefits segment. Operating Gain for the three months ended March 31, 2024, included \$52 million of transaction and integration related costs, \$2 million of litigation and settlement expenses, and (\$4) million of business optimization charges, all of which reside in the Corporate & Other reportable segment.

3.

Operating Gain for the three months ended March 31, 2025, included \$80 million of transaction and integration related costs and \$5 million of litigation and settlement expenses, which reside in the Corporate & Other reportable segment.

4.

Operating Gain for the three months ended March 31, 2025, and March 31, 2024, included items excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on slides 12 and 13 herein.

5.

"NM" = calculation not meaningful.



