

The Cigna Group

Quarterly Financial Supplement

June 30, 2023

This document is dated August 3, 2023. The data contained in this document may not be accurate after such date and The Cigna Group does not undertake to update or keep it accurate after such date.



The Cigna Group
June 30, 2023 Quarterly Financial Supplement
Table of Contents

Financial Highlights	1
Consolidated Income Statements	2
Evernorth Health Services Segment Analysis	3
Cigna Healthcare Segment Analysis	5
Corporate and Other Operations Analysis	9
Consolidated Balance Sheets	10
Condensed Consolidated Statements of Cash Flows	11

BASIS OF PRESENTATION:

All dollar amounts are in millions, unless otherwise noted.

The Cigna Group (the “Company” or “our”) measures its financial results on a consolidated basis using adjusted income from operations and adjusted revenues. Adjusted income from operations and adjusted revenues on a consolidated basis are not determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and should not be viewed as a substitute for the most directly comparable GAAP measures which are shareholders’ net income and total revenues. The Cigna Group also uses adjusted income (loss) from operations to measure the results of its segments, however the segment metric is determined before income taxes.

Adjusted income (loss) from operations is a principal financial measure of profitability used by The Cigna Group’s management because it presents the underlying results of operations of the Company’s businesses and permits analysis of trends in underlying revenue, expenses and shareholders’ net income. The Company defines adjusted income from operations as shareholders’ net income (or income before income taxes less pre-tax income (loss) attributable to noncontrolling interests for the segment metric) excluding net realized investment results, amortization of acquired intangible assets and special items. The Cigna Group’s share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting are also excluded. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results. Consolidated adjusted income (loss) from operations is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders’ net income. See the Financial Highlights page for a reconciliation of consolidated adjusted income from operations to shareholders’ net income.

Adjusted revenues is used by The Cigna Group’s management because it permits analysis of trends in underlying revenue. The Company defines adjusted revenues as total revenues excluding the following adjustments: special items and The Cigna Group’s share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business. Adjusted revenues is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, total revenues. See the Financial Highlights page for a reconciliation of consolidated adjusted revenues to total revenues.

Effective January 1, 2023, The Cigna Group adopted Accounting Standards Update (“ASU”) 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Accordingly, our consolidated income statements, consolidated balance sheet, condensed consolidated statement of cash flows and segment results for Cigna Healthcare and Corporate and Other Operations, including medical care and SG&A expense ratios, for prior periods presented have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. For more information about this guidance, please refer to the Summary of Significant Accounting Policies footnote in The Cigna Group’s Form 10-Q for the period ended June 30, 2023, expected to be filed on August 3, 2023, for additional details.

In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present “N/M” in place of the computed percentage.

The Cigna Group Financial Highlights (unaudited)

(Dollars in millions, except per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022 ⁽¹⁾	% Change	2023	2022 ⁽¹⁾	% Change
Total revenues	\$ 48,586	\$ 45,478	7 %	\$ 95,103	\$ 89,484	6 %
Net realized investment results from certain equity method investments	30	(49)	N/M	(8)	54	N/M
Adjusted revenues	\$ 48,616	\$ 45,429	7 %	\$ 95,095	\$ 89,538	6 %
Shareholders' net income	\$ 1,460	\$ 1,557	(6) %	\$ 2,727	\$ 2,754	(1) %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth Health Services	\$ 1,516	\$ 1,475	3 %	\$ 2,836	\$ 2,777	2 %
Cigna Healthcare	1,172	1,235	(5)	2,287	2,532	(10)
Corporate and Other Operations	(394)	(173)	(128)	(793)	(287)	(176)
Consolidated pre-tax adjusted income from operations	\$ 2,294	\$ 2,537	(10) %	\$ 4,330	\$ 5,022	(14) %
Adjusted income tax expense	474	564	(16)	892	1,101	(19)
Consolidated after-tax adjusted income from operations	\$ 1,820	\$ 1,973	(8) %	\$ 3,438	\$ 3,921	(12) %
Adjusted EBITDA⁽²⁾	\$ 2,957	\$ 3,096	(4) %	\$ 5,641	\$ 6,139	(8) %
Operating cash flow (see page 11)	\$ 2,492	\$ 1,244	100 %	\$ 7,520	\$ 3,274	130 %
SG&A expense ratio⁽³⁾	7.1 %	7.2 %	10 bps	7.3 %	7.3 %	— bps
Adjusted SG&A expense ratio⁽³⁾	7.1 %	7.1 %	— bps	7.3 %	7.2 %	(10) bps
Weighted average shares (in thousands)	296,879	318,304		297,936	319,784	

	Three Months Ended June 30,					Six Months Ended June 30,				
	2023		2022 ⁽¹⁾		% Change	2023		2022 ⁽¹⁾		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
Diluted earnings per share										
Shareholders' net income	\$ 4.92		\$ 4.89		1 %	\$ 9.15		\$ 8.61		6 %
Adjustments to reconcile to adjusted income from operations										
Net realized investment losses ⁽⁴⁾	\$ 0.01	0.03	\$ 0.13	0.04		\$ 0.07	0.05	\$ 1.45	1.15	
Amortization of acquired intangible assets	1.53	1.17	1.57	1.20		3.07	2.32	3.00	2.31	
Special items										
Integration and transaction-related costs	0.02	0.01	0.11	0.08		0.02	0.02	0.28	0.20	
Charge for organizational efficiency plan	—	—	0.07	0.05		—	—	0.07	0.05	
(Benefits) associated with litigation matters	—	—	(0.09)	(0.06)		—	—	(0.09)	(0.06)	
Total special items	\$ 0.02	0.01	\$ 0.09	0.07		\$ 0.02	0.02	\$ 0.26	0.19	
Adjusted income from operations	\$ 6.13		\$ 6.20		(1) %	\$ 11.54		\$ 12.26		(6) %

CUSTOMER RELATIONSHIPS

(Relationships and lives in thousands)

	As of June 30,			As of December 31,		
	2023	2022	% Change	2022	% Change	
Pharmacy ⁽⁵⁾	98,638	94,731	4 %	93,905	5 %	
Medical (see page 7)	19,506	17,806	10	18,004	8	
Behavioral Care ⁽⁶⁾	26,383	44,145	(40)	44,841	(41)	
Dental	18,634	18,209	2	18,397	1	
Medicare Part D	2,542	2,884	(12)	2,874	(12)	
Total customer relationships ^{(5) (6)}	165,703	177,775	(7) %	178,021	(7) %	

(1) Effective January 1, 2023, The Cigna Group adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the pre-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(3) SG&A expense ratio is calculated as selling, general and administrative expenses including special items divided by total revenues. Adjusted SG&A expense ratio is calculated as selling, general and administrative expenses excluding special items divided by adjusted revenues.

(4) Includes The Cigna Group's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

(5) Effective January 1, 2023, Pharmacy customers and total customer relationships have been updated to reflect customer filled prescriptions through Inside Rx. Previously these customers had been estimated based on active customers over a period of time. Pharmacy customers and total customer relationships for prior periods have been restated to reflect this change.

(6) Behavioral care and total customer relationships as of June 30, 2023 were impacted by the non-renewal of a supplemental behavioral coverage contract with New York Life which was insignificant to Total revenues, Shareholders' net income and Adjusted income from operations. Behavioral care and total customer relationships as of December 31, 2022 excluding the impact of the supplemental behavioral coverage contract with New York Life were 24,696 and 157,876, respectively.

The Cigna Group
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022 ⁽¹⁾	% Change	2023	2022 ⁽¹⁾	% Change
Revenues						
Pharmacy revenues	\$ 33,964	\$ 31,972	6 %	\$ 66,108	\$ 62,669	5 %
Premiums	11,039	10,426	6	22,064	20,782	6
Fees and other revenues	3,305	2,755	20	6,376	5,294	20
Net investment income	278	325	(14)	555	739	(25)
Total revenues	48,586	45,478	7	95,103	89,484	6
Benefits and expenses						
Pharmacy and other service costs	33,442	31,150	7	64,901	60,963	6
Medical costs and other benefit expenses	9,034	8,192	10	18,080	16,464	10
Selling, general and administrative expenses excluding special items	3,428	3,234	6	6,965	6,457	8
Amortization of acquired intangible assets	455	501	(9)	914	959	(5)
Special items	6	30	(80)	7	82	(91)
Total benefits and expenses	46,365	43,107	8	90,867	84,925	7
Income from operations						
	2,221	2,371	(6)	4,236	4,559	(7)
Interest expense and other	(363)	(301)	(21)	(721)	(600)	(20)
Net realized investment gains (losses)	26	(89)	N/M	(30)	(411)	93
Income before income taxes						
	1,884	1,981	(5)	3,485	3,548	(2)
Total income taxes	374	411	(9)	669	766	(13)
Net income						
	1,510	1,570	(4)	2,816	2,782	1
Less: Net income attributable to noncontrolling interests	50	13	285	89	28	218
Shareholders' net income	\$ 1,460	\$ 1,557	(6) %	\$ 2,727	\$ 2,754	(1) %

	Three Months Ended June 30,					Six Months Ended June 30,				
	2023		2022 ⁽¹⁾		% Change	2023		2022 ⁽¹⁾		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
Shareholders' net income	\$ 1,460	\$ 1,557	(6) %	\$ 2,727	\$ 2,754	(1) %				
Adjustments to reconcile adjusted income from operations										
Net realized investment losses ⁽²⁾	\$ 4	9	\$ 40	10	\$ 22	15	\$ 465	368		
Amortization of acquired intangible assets	455	346	501	383	914	690	959	739		
Special items										
Integration and transaction-related costs	6	5	36	26	7	6	88	63		
Charge for organizational efficiency plan	—	—	22	17	—	—	22	17		
(Benefits) associated with litigation matters	—	—	(28)	(20)	—	—	(28)	(20)		
Adjusted income from operations	\$ 1,820	\$ 1,973	(8) %	\$ 3,438	\$ 3,921	(12) %				

(1) Effective January 1, 2023, The Cigna Group adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes The Cigna Group's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

The Cigna Group
Evernorth Health Services
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Revenues						
Pharmacy revenues	\$ 35,249	\$ 33,042	7 %	\$ 68,889	\$ 64,984	6 %
Fees and other revenues	2,894	1,805	60	5,383	3,439	57
Net investment income	62	16	288	112	26	N/M
Total revenues ⁽¹⁾	38,205	34,863	10	74,384	68,449	9
Benefits and expenses						
Pharmacy and other service costs	35,846	32,712	10	69,819	64,287	9
Gross profit	2,359	2,151	10	4,565	4,162	10
Selling, general and administrative expenses	787	663	19	1,631	1,360	20
Amortization of acquired intangible assets	443	444	—	887	887	—
Income from operations	1,129	1,044	8	2,047	1,915	7
Interest expense and other	(2)	—	N/M	(2)	(1)	(100)
Net realized investment gains	1	—	N/M	1	—	N/M
Income before income taxes	1,128	1,044	8	2,046	1,914	7
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(54)	(13)		(96)	(24)	
Net realized investment gains	(1)	—		(1)	—	
Amortization of acquired intangible assets	443	444		887	887	
Pre-tax adjusted income from operations	\$ 1,516	\$ 1,475	3 %	\$ 2,836	\$ 2,777	2 %
Pre-tax adjusted margin	4.0 %	4.2 %	(20) bps	3.8 %	4.1 %	(30) bps

(1) Total revenues equal adjusted revenues as there were no special items in the periods presented.

The Cigna Group
Evernorth Health Services
Key Metrics (unaudited)

(Dollars and adjusted scripts in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Selected Financial Information						
Adjusted EBITDA ⁽¹⁾	\$ 1,676	\$ 1,594	5 %	\$ 3,146	\$ 3,018	4 %
Pharmacy revenue by distribution channel						
Network revenues	\$ 16,406	\$ 16,107	2 %	\$ 32,154	\$ 31,638	2 %
Home delivery and specialty revenues	16,594	15,268	9	32,619	29,967	9
Other revenues	2,249	1,667	35	4,116	3,379	22
Total pharmacy revenues	\$ 35,249	\$ 33,042	7 %	\$ 68,889	\$ 64,984	6 %
Pharmacy script volume						
Adjusted network scripts ⁽²⁾	332	323	3 %	647	638	1 %
Adjusted home delivery and specialty scripts ⁽²⁾	64	69	(7)	130	139	(6)
Total adjusted scripts ⁽²⁾	396	392	1 %	777	777	— %
Generic fill rate						
Network	88.2 %	87.6 %	60 bps	88.2 %	87.4 %	80 bps
Home delivery	85.3 %	85.8 %	(50) bps	84.7 %	85.6 %	(90) bps
Overall generic fill rate	87.9 %	87.5 %	40 bps	87.8 %	87.2 %	60 bps

(1) Adjusted EBITDA is defined as Evernorth Health Services segment pre-tax adjusted income from operations excluding interest expense and depreciation and amortization, net of amortization of acquired intangible assets that is already excluded in segment pre-tax adjusted income from operations.

(2) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

The Cigna Group
Cigna Healthcare
Segment Results (unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022 ⁽¹⁾	% Change	2023	2022 ⁽¹⁾	% Change
Revenues						
Premiums	\$ 10,945	\$ 9,615	14 %	\$ 21,875	\$ 19,141	14 %
Fees and other revenues	1,604	1,591	1	3,287	3,089	6
Net investment income	135	178	(24)	278	444	(37)
Total revenues	12,684	11,384	11	25,440	22,674	12
Benefits and expenses						
Medical costs	8,885	7,757	15	17,768	15,522	14
Selling, general and administrative expenses	2,658	2,345	13	5,378	4,677	15
Amortization of acquired intangible assets	12	57	(79)	27	72	(63)
Total benefits and expenses	11,555	10,159	14	23,173	20,271	14
Income from operations						
Interest expense and other	2	2	—	3	4	(25)
Net realized investment gains (losses)	25	(27)	N/M	(37)	(330)	89
Income before income taxes	1,156	1,200	(4)	2,233	2,077	8
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(1)	—		(2)	(1)	
Net realized investment losses (gains) ⁽²⁾	5	(22)		29	384	
Amortization of acquired intangible assets	12	57		27	72	
Pre-tax adjusted income from operations	\$ 1,172	\$ 1,235	(5) %	\$ 2,287	\$ 2,532	(10) %
Pre-tax adjusted margin	9.2 %	10.9 %	(170) bps	9.0 %	11.1 %	(210) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 12,684	\$ 11,384	11 %	\$ 25,440	\$ 22,674	12 %
Net realized investment results from certain equity method investments	30	(49)	N/M	(8)	54	N/M
Adjusted revenues	\$ 12,714	\$ 11,335	12 %	\$ 25,432	\$ 22,728	12 %

(1) Effective January 1, 2023, The Cigna Group adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes The Cigna Group's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

The Cigna Group
Cigna Healthcare
Premium Revenue and Medical Care Ratio (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Premiums:						
U.S. Commercial						
Insured	\$ 4,091	\$ 3,771	8 %	\$ 8,171	\$ 7,491	9 %
Stop loss	1,514	1,344	13	3,017	2,669	13
Other	365	352	4	733	712	3
Total U.S. Commercial	<u>5,970</u>	<u>5,467</u>	9	<u>11,921</u>	<u>10,872</u>	10
U.S. Government						
Medicare Advantage	2,180	2,053	6	4,416	4,131	7
Medicare Part D	345	345	—	760	746	2
Other	1,630	1,038	57	3,172	1,978	60
Total U.S. Government	<u>4,155</u>	<u>3,436</u>	21	<u>8,348</u>	<u>6,855</u>	22
International Health	820	712	15	1,606	1,414	14
Total premiums	\$ 10,945	\$ 9,615	14 %	\$ 21,875	\$ 19,141	14 %
Medical Care Ratio	81.2 %	80.7 %	(50) bps	81.2 %	81.1 %	(10) bps

The Cigna Group
Cigna Healthcare
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of June 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: ⁽⁴⁾	As of June 30,			As of December 31,	
	2023	2022	% Change	2022	% Change	2023		2022 ⁽⁵⁾	% Change	2022 ⁽⁵⁾	% Change	
<i>(Lives in thousands)</i>						<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾						Medical customers: ⁽¹⁾						
U.S. Commercial insured	2,215	2,187	1 %	2,238	(1) %	National Accounts	5,759	5,732	— %	5,754	— %	
U.S. Government insured						Middle Market	7,339	6,179	19	6,274	17	
Medicare Advantage	592	544	9	529	12	Select	2,832	2,694	5	2,760	3	
Individual ⁽²⁾	821	340	141	337	144	Small	69	47	47	64	8	
Medicare Supplement and Other	465	490	(5)	483	(4)	Total U.S. Commercial	15,999	14,652	9	14,852	8	
Total U.S. Government insured	1,878	1,374	37	1,349	39	U.S. Government	1,883	1,379	37	1,354	39	
International Health insured ⁽³⁾	1,180	1,144	3	1,169	1	International Health ⁽³⁾	1,624	1,775	(9)	1,798	(10)	
U.S. Commercial services only	13,784	12,465	11	12,614	9							
U.S. Government services only	5	5	—	5	—							
International Health services only ⁽³⁾	444	631	(30)	629	(29)							
Total medical customers	19,506	17,806	10 %	18,004	8 %	Total medical customers	19,506	17,806	10 %	18,004	8 %	

(1) Includes individuals in our Cigna Healthcare segment who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or service agreement issued by Cigna Healthcare; have access to Cigna Healthcare's provider network for covered services under their medical plan; or have medical claims and services that are administered by Cigna Healthcare.

(2) As of June 30, 2023, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (807,000 customers) and off-exchange ACA business (14,000 customers).

(3) International Health excludes medical customers served by less than 100% owned subsidiaries, as well as certain customers served by our third-party administrator. International Health customers as of June 30, 2023 reflect the transition of certain runoff business to Other Operations beginning January 1, 2023.

(4) Market Segments are defined as follows:

~ the National Accounts market segment includes employers with 3,000 or more eligible employees;

~ the Middle Market segment includes employers with 500 to 2,999 eligible employees, solutions for third party payers, Taft Hartley plans, and other groups;

~ the Select market segment includes employers with 51 to 499 eligible employees;

~ the Small market segment includes employers with 2 to 50 eligible employees;

~ the U.S. Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program and Medicare Supplement as managed care alternatives to publicly funded health care programs. The segment also offers individual health insurance coverage both on and off the public exchanges.

~ the International Health market segment is focused on health care coverage in our international markets, as well as health care benefits for globally mobile individuals and employees of multinational organizations.

(5) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 4.

The Cigna Group
Cigna Healthcare
Unpaid Claims Liability (unaudited)

(Dollars in millions)

	Six Months Ended June 30,		Year Ended
	2023	2022	December 31, 2022
Beginning balance	\$ 4,176	\$ 4,261	\$ 4,261
Less: Reinsurance and other amounts recoverable	221	261	261
Beginning balance, net	3,955	4,000	4,000
Incurred costs related to:			
Current year	17,974	15,751	31,342
Prior years	(202)	(268)	(259)
Total incurred	17,772	15,483	31,083
Paid costs related to:			
Current year	13,408	11,900	27,583
Prior years	3,199	3,290	3,545
Total paid	16,607	15,190	31,128
Ending balance, net	5,120	4,293	3,955
Add: Reinsurance and other amounts recoverable	216	197	221
Ending balance ⁽¹⁾	\$ 5,336	\$ 4,490	\$ 4,176

(1) The ending balance is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets. For additional information regarding this liability, see the Insurance and Contractholder Liabilities footnote in The Cigna Group's Form 10-Q for the period ended June 30, 2023, expected to be filed on August 3, 2023.

The Cigna Group
Corporate and Other Operations
Results (unaudited)

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022 ⁽¹⁾	% Change	2023	2022 ⁽¹⁾	% Change
Revenues						
Total revenues and eliminations ⁽²⁾	\$ (2,303)	\$ (769)	(199) %	\$ (4,721)	\$ (1,639)	(188) %
Expenses						
Total expenses and eliminations excluding special items ⁽²⁾	(2,272)	(901)	(152)	(4,650)	(1,962)	(137)
Special items	6	30	(80)	7	82	(91)
Total expenses and eliminations ⁽²⁾	<u>(2,266)</u>	<u>(871)</u>	(160)	<u>(4,643)</u>	<u>(1,880)</u>	(147)
(Loss) income from operations	(37)	102	N/M	(78)	241	N/M
Interest expense and other	(363)	(303)	(20)	(722)	(603)	(20)
Net realized investment (losses) gains	—	(62)	N/M	6	(81)	N/M
(Loss) Income before income taxes	<u>(400)</u>	<u>(263)</u>	(52)	<u>(794)</u>	<u>(443)</u>	(79)
Pre-tax adjustments required to reconcile adjusted income (loss) from operations						
Pre-tax (income) attributable to noncontrolling interests	—	(2)		—	(7)	
Net realized investment losses (gains)	—	62		(6)	81	
Special items	6	30		7	82	
Pre-tax adjusted loss from operations	<u>\$ (394)</u>	<u>\$ (173)</u>	(128) %	<u>\$ (793)</u>	<u>\$ (287)</u>	(176) %

(1) Effective January 1, 2023, The Cigna Group adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes amounts for elimination of intercompany revenues and expenses.

The Cigna Group
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Six Months Ended June 30,	
	2023	2022 ⁽¹⁾
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,816	\$ 2,782
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,504	1,476
Realized investment losses, net	30	411
Deferred income tax benefit	(207)	(164)
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable, net	(1,144)	(2,769)
Inventories	263	(59)
Reinsurance recoverable and other assets	109	530
Insurance liabilities	1,727	(8)
Pharmacy and other service costs payable	1,547	1,124
Accounts payable and accrued expenses and other liabilities	638	(34)
Other, net	237	(15)
Net cash provided by operating activities	<u>7,520</u>	<u>3,274</u>
Net cash used in investing activities ⁽²⁾	(3,397)	(732)
Net cash used in financing activities ⁽³⁾	(472)	(3,087)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	9	(80)
Net increase (decrease) in cash, cash equivalents and restricted cash	3,660	(625)
Cash, cash equivalents and restricted cash January 1, ⁽⁴⁾	5,976	5,548
Cash, cash equivalents and restricted cash June 30,	\$ 9,636	\$ 4,923
Cash and cash equivalents reclassified to Assets of businesses held for sale	—	(455)
Cash, cash equivalents and restricted cash June 30, per Consolidated Balance Sheets ⁽⁵⁾	<u>\$ 9,636</u>	<u>\$ 4,468</u>

(1) Effective January 1, 2023, The Cigna Group adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes \$2.7 billion of investment in VillageMD for the six months ended June 30, 2023.

(3) Includes \$1.5 billion for the issuance of long term debt partially offset by \$1.1 billion for stock repurchases for the six months ended June 30, 2023.

(4) Includes restricted cash of \$19 million reported in Other assets and \$23 million reported in other long-term investments, and cash and cash equivalents of \$425 million reported in Assets of businesses held for sale as of January 1, 2022.

(5) Includes restricted cash of \$51 million reported in other long-term investments as of June 30, 2023.