

**The Cigna Group**

**Quarterly Financial Supplement**

**September 30, 2023**

*This document is dated November 2, 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**  
**September 30, 2023 Quarterly Financial Supplement**  
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**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 Company 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 Company 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 Company’s Form 10-Q for the period ended September 30, 2023, expected to be filed on November 2, 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 September 30,			Nine Months Ended September 30,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Total revenues</b>	\$ 49,048	\$ 45,281	8 %	\$ 144,151	\$ 134,765	7 %
Net realized investment results from certain equity method investments	30	80	(63)	22	134	(84)
<b>Adjusted revenues</b>	\$ 49,078	\$ 45,361	8 %	\$ 144,173	\$ 134,899	7 %
<b>Shareholders' net income</b>	\$ 1,408	\$ 2,757	(49) %	\$ 4,135	\$ 5,511	(25) %
<b>Pre-Tax Adjusted Income (Loss) From Operations by Segment</b>						
Evernorth Health Services	\$ 1,716	\$ 1,625	6 %	\$ 4,552	\$ 4,402	3 %
Cigna Healthcare	1,222	1,050	16	3,509	3,582	(2)
Corporate and Other Operations	(409)	(295)	(39)	(1,202)	(582)	(107)
Consolidated pre-tax adjusted income from operations	\$ 2,529	\$ 2,380	6 %	\$ 6,859	\$ 7,402	(7) %
Adjusted income tax expense	518	521	(1)	1,410	1,622	(13)
<b>Consolidated after-tax adjusted income from operations</b>	\$ 2,011	\$ 1,859	8 %	\$ 5,449	\$ 5,780	(6) %
<b>Adjusted EBITDA<sup>(2)</sup></b>	\$ 3,206	\$ 2,950	9 %	\$ 8,847	\$ 9,089	(3) %
<b>Operating cash flow (see page 11)</b>	\$ 2,826	\$ 3,283	(14) %	\$ 10,346	\$ 6,557	58 %
<b>SG&amp;A expense ratio<sup>(3)</sup></b>	7.7 %	7.0 %	(70) bps	7.5 %	7.2 %	(30) bps
<b>Adjusted SG&amp;A expense ratio<sup>(3)</sup></b>	7.3 %	6.9 %	(40) bps	7.3 %	7.1 %	(20) bps
<b>Weighted average shares (in thousands)</b>	297,131	307,517		297,663	315,647	

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2023		2022 <sup>(1)</sup>		% Change	2023		2022 <sup>(1)</sup>		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
<b>Diluted earnings per share</b>										
<b>Shareholders' net income</b>	\$ 4.74		\$ 8.97		(47) %	\$ 13.89		\$ 17.46		(20) %
Adjustments to reconcile to adjusted income from operations										
Net realized investment losses <sup>(4)</sup>	\$ 0.15	0.14	\$ 0.53	0.48		\$ 0.22	0.19	\$ 1.99	1.62	
Amortization of acquired intangible assets	1.53	1.22	1.50	1.05		4.60	3.54	4.50	3.36	
<b>Special items</b>										
Charges (benefits) associated with litigation matters	0.68	0.58	—	—		0.67	0.58	(0.09)	(0.06)	
Loss (gain) on sale of businesses	0.07	0.06	(5.64)	(4.52)		0.07	0.06	(5.49)	(4.39)	
Integration and transaction-related costs	0.04	0.03	0.08	0.07		0.07	0.05	0.35	0.27	
Charge for organizational efficiency plan	—	—	—	—		—	—	0.07	0.05	
<b>Total special items</b>	\$ 0.79	0.67	\$ (5.56)	(4.45)		\$ 0.81	0.69	\$ (5.16)	(4.13)	
<b>Adjusted income from operations</b>	\$ 6.77		\$ 6.05		12 %	\$ 18.31		\$ 18.31		— %

### CUSTOMER RELATIONSHIPS

(Relationships and lives in thousands)

	As of September 30,			As of December 31,		
	2023	2022	% Change	2022	% Change	
Pharmacy <sup>(5)</sup>	98,325	94,846	4 %	93,905	5 %	
Medical (see page 7)	19,607	17,954	9	18,004	9	
Behavioral Care <sup>(6)</sup>	25,100	44,522	(44)	44,841	(44)	
Dental	18,593	18,380	1	18,397	1	
Medicare Part D	2,544	2,902	(12)	2,874	(11)	
<b>Total customer relationships<sup>(5) (6)</sup></b>	<b>164,169</b>	<b>178,604</b>	<b>(8) %</b>	<b>178,021</b>	<b>(8) %</b>	

(1) Effective January 1, 2023, the Company 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 Company'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 September 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 September 30,			Nine Months Ended September 30,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Revenues</b>						
Pharmacy revenues	\$ 34,531	\$ 32,762	5 %	\$ 100,639	\$ 95,431	5 %
Premiums	10,998	9,586	15	33,062	30,368	9
Fees and other revenues	3,198	2,729	17	9,574	8,023	19
Net investment income	321	204	57	876	943	(7)
Total revenues	49,048	45,281	8	144,151	134,765	7
<b>Benefits and expenses</b>						
Pharmacy and other service costs	33,639	31,777	6	98,540	92,740	6
Medical costs and other benefit expenses	8,927	7,751	15	27,007	24,215	12
Selling, general and administrative expenses excluding special items	3,574	3,127	14	10,539	9,584	10
Amortization of acquired intangible assets	454	460	(1)	1,368	1,419	(4)
Special items	214	24	N/M	221	106	108
Total benefits and expenses	46,808	43,139	9	137,675	128,064	8
<b>Income from operations</b>	2,240	2,142	5	6,476	6,701	(3)
Interest expense and other	(365)	(304)	(20)	(1,086)	(904)	(20)
(Loss) gain on sale of businesses	(21)	1,735	N/M	(21)	1,735	N/M
Net realized investment losses	(14)	(82)	83	(44)	(493)	91
<b>Income before income taxes</b>	1,840	3,491	(47)	5,325	7,039	(24)
Total income taxes	391	713	(45)	1,060	1,479	(28)
<b>Net income</b>	1,449	2,778	(48)	4,265	5,560	(23)
Less: Net income attributable to noncontrolling interests	41	21	95	130	49	165
<b>Shareholders' net income</b>	\$ 1,408	\$ 2,757	(49) %	\$ 4,135	\$ 5,511	(25) %

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2023		2022 <sup>(1)</sup>		% Change	2023		2022 <sup>(1)</sup>		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
<b>Shareholders' net income</b>	\$	1,408	\$	2,757	(49) %	\$	4,135	\$	5,511	(25) %
<b>Adjustments to reconcile adjusted income from operations</b>										
Net realized investment losses <sup>(2)</sup>	\$	44	\$	162		\$	66	\$	627	
Amortization of acquired intangible assets		454		460			1,368		1,419	
<b>Special items</b>										
Charges (benefits) associated with litigation matters		201		—			201		(28)	(20)
Loss (gain) on sale of businesses		21		(1,735)			21		(1,735)	(1,388)
Integration and transaction-related costs		13		24			20		112	86
Charge for organizational efficiency plan		—		—			—		22	17
<b>Adjusted income from operations</b>	\$	2,011	\$	1,859	8 %	\$	5,449	\$	5,780	(6) %

(1) Effective January 1, 2023, the Company 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 Company'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 September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Revenues</b>						
Pharmacy revenues	\$ 35,640	\$ 33,796	5 %	\$ 104,529	\$ 98,780	6 %
Fees and other revenues	2,893	1,877	54	8,276	5,316	56
Net investment income	63	25	152	175	51	243
Total revenues <sup>(1)</sup>	38,596	35,698	8	112,980	104,147	8
<b>Benefits and expenses</b>						
Pharmacy and other service costs	36,000	33,338	8	105,819	97,625	8
Gross profit	2,596	2,360	10	7,161	6,522	10
Selling, general and administrative expenses excluding special items	837	718	17	2,468	2,078	19
Amortization of acquired intangible assets	443	442	—	1,330	1,329	—
Special items	44	—	N/M	44	—	N/M
<b>Income from operations</b>	1,272	1,200	6	3,319	3,115	7
Interest expense and other	1	—	N/M	(1)	(1)	—
Net realized investment (losses)	(1)	—	N/M	—	—	N/M
<b>Income before income taxes</b>	1,272	1,200	6	3,318	3,114	7
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	(44)	(17)		(140)	(41)	
Net realized investment losses	1	—		—	—	
Amortization of acquired intangible assets	443	442		1,330	1,329	
Special items	44	—		44	—	
<b>Pre-tax adjusted income from operations</b>	\$ 1,716	\$ 1,625	6 %	\$ 4,552	\$ 4,402	3 %
<b>Pre-tax adjusted margin</b>	4.4 %	4.6 %	(20) bps	4.0 %	4.2 %	(20) 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 September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Selected Financial Information</b>						
Adjusted EBITDA <sup>(1)</sup>	\$ 1,887	\$ 1,758	7 %	\$ 5,033	\$ 4,776	5 %
<b>Pharmacy revenue by distribution channel</b>						
Network revenues	\$ 16,926	\$ 16,583	2 %	\$ 49,080	\$ 48,221	2 %
Home delivery and specialty revenues	16,324	15,583	5	48,943	45,550	7
Other revenues	2,390	1,630	47	6,506	5,009	30
Total pharmacy revenues	\$ 35,640	\$ 33,796	5 %	\$ 104,529	\$ 98,780	6 %
<b>Pharmacy script volume</b>						
Adjusted network scripts <sup>(2)</sup>	331	325	2 %	978	963	2 %
Adjusted home delivery and specialty scripts <sup>(2)</sup>	63	71	(11)	193	210	(8)
Total adjusted scripts <sup>(2)</sup>	394	396	(1) %	1,171	1,173	— %
<b>Generic fill rate</b>						
Network	86.8 %	86.6 %	20 bps	87.7 %	87.1 %	60 bps
Home delivery	85.9 %	84.7 %	120 bps	85.1 %	85.3 %	(20) bps
Overall generic fill rate	86.7 %	86.4 %	30 bps	87.5 %	87.0 %	50 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 September 30,			Nine Months Ended September 30,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<i>(Dollars in millions)</i>						
<b>Revenues</b>						
Premiums	\$ 10,911	\$ 9,508	15 %	\$ 32,786	\$ 28,649	14 %
Fees and other revenues	1,651	1,488	11	4,938	4,577	8
Net investment income	176	101	74	454	545	(17)
Total revenues	12,738	11,097	15	38,178	33,771	13
<b>Benefits and expenses</b>						
Medical costs	8,786	7,681	14	26,554	23,203	14
Selling, general and administrative expenses excluding special items	2,763	2,449	13	8,141	7,126	14
Amortization of acquired intangible assets	11	17	(35)	38	89	(57)
Special items	157	—	N/M	157	—	N/M
Total benefits and expenses	11,717	10,147	15	34,890	30,418	15
<b>Income from operations</b>	1,021	950	7	3,288	3,353	(2)
Interest expense and other	3	4	(25)	6	8	(25)
Net realized investment (losses)	(5)	(78)	94	(42)	(408)	90
<b>Income before income taxes</b>	1,019	876	16	3,252	2,953	10
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	—	(1)		(2)	(2)	
Net realized investment losses <sup>(2)</sup>	35	158		64	542	
Amortization of acquired intangible assets	11	17		38	89	
Special items	157	—		157	—	
<b>Pre-tax adjusted income from operations</b>	\$ 1,222	\$ 1,050	16 %	\$ 3,509	\$ 3,582	(2) %
<b>Pre-tax adjusted margin</b>	9.6 %	9.4 %	20 bps	9.2 %	10.6 %	(140) bps
<b>Reconciliation of total revenues to adjusted revenues</b>						
Total revenues	\$ 12,738	\$ 11,097	15 %	\$ 38,178	\$ 33,771	13 %
Net realized investment results from certain equity method investments	30	80	(63)	22	134	(84)
Adjusted revenues	\$ 12,768	\$ 11,177	14 %	\$ 38,200	\$ 33,905	13 %

(1) Effective January 1, 2023, the Company 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 Company'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 September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Premiums:</b>						
<b>U.S. Commercial</b>						
Insured	\$ 4,144	\$ 3,821	8 %	\$ 12,315	\$ 11,312	9 %
Stop loss	1,548	1,384	12	4,565	4,053	13
Other	362	353	3	1,095	1,065	3
Total U.S. Commercial	<u>6,054</u>	<u>5,558</u>	9	<u>17,975</u>	<u>16,430</u>	9
<b>U.S. Government</b>						
Medicare Advantage	2,189	1,949	12	6,605	6,080	9
Medicare Part D	224	240	(7)	984	986	—
Other	1,610	1,029	56	4,782	3,007	59
Total U.S. Government	<u>4,023</u>	<u>3,218</u>	25	<u>12,371</u>	<u>10,073</u>	23
<b>International Health</b>	834	732	14	2,440	2,146	14
<b>Total premiums</b>	<b>\$ 10,911</b>	<b>\$ 9,508</b>	<b>15 %</b>	<b>\$ 32,786</b>	<b>\$ 28,649</b>	<b>14 %</b>
<b>Medical Care Ratio</b>	<b>80.5 %</b>	<b>80.8 %</b>	<b>30 bps</b>	<b>81.0 %</b>	<b>81.0 %</b>	<b>— bps</b>



**The Cigna Group**  
**Cigna Healthcare**  
**Total Medical Customers (unaudited)**

COVERED LIVES BY FUNDING TYPE:	As of September 30,			As of December 31,		COVERED LIVES BY MARKET SEGMENT: <sup>(4)</sup>	As of September 30,			As of December 31,	
	2023	2022	% Change	2022	% Change		2023	2022 <sup>(5)</sup>	% Change	2022 <sup>(5)</sup>	% Change
<i>(Lives in thousands)</i>						<i>(Lives in thousands)</i>					
<b>Medical customers:<sup>(1)</sup></b>						<b>Medical customers:<sup>(1)</sup></b>					
U.S. Commercial insured	2,224	2,205	1 %	2,238	(1) %	National Accounts	5,731	5,742	— %	5,754	— %
U.S. Government insured						Middle Market	7,338	6,244	18	6,274	17
Medicare Advantage	599	541	11	529	13	Select	2,871	2,721	6	2,760	4
Individual <sup>(2)</sup>	898	348	158	337	166	Small	69	54	28	64	8
Medicare Supplement and Other	468	487	(4)	483	(3)	Total U.S. Commercial	16,009	14,761	8	14,852	8
Total U.S. Government insured	1,965	1,376	43	1,349	46	U.S. Government	1,970	1,381	43	1,354	45
International Health insured <sup>(3)</sup>	1,198	1,179	2	1,169	2	International Health <sup>(3)</sup>	1,628	1,812	(10)	1,798	(9)
U.S. Commercial services only	13,785	12,556	10	12,614	9						
U.S. Government services only	5	5	—	5	—						
International Health services only <sup>(3)</sup>	430	633	(32)	629	(32)						
<b>Total medical customers</b>	<b>19,607</b>	<b>17,954</b>	<b>9 %</b>	<b>18,004</b>	<b>9 %</b>	<b>Total medical customers</b>	<b>19,607</b>	<b>17,954</b>	<b>9 %</b>	<b>18,004</b>	<b>9 %</b>

(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 September 30, 2023, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (884,000 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 September 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)*

	Nine Months Ended September 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
<b>Incurred costs related to:</b>			
Current year	26,788	23,431	31,342
Prior years	(237)	(278)	(259)
Total incurred	26,551	23,153	31,083
<b>Paid costs related to:</b>			
Current year	22,053	19,655	27,583
Prior years	3,362	3,450	3,545
Total paid	25,415	23,105	31,128
Ending balance, net	5,091	4,048	3,955
Add: Reinsurance and other amounts recoverable	226	202	221
Ending balance <sup>(1)</sup>	\$ 5,317	\$ 4,250	\$ 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 Company's Form 10-Q for the period ended September 30, 2023, expected to be filed on November 2, 2023.

**The Cigna Group**  
**Corporate and Other Operations**  
**Results (unaudited)**

<i>(Dollars in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Revenues</b>						
Total revenues and eliminations <sup>(2)</sup>	\$ (2,286)	\$ (1,514)	(51) %	\$ (7,007)	\$ (3,153)	(122) %
<b>Expenses</b>						
Total expenses and eliminations excluding special items <sup>(2)</sup>	(2,246)	(1,530)	(47)	(6,896)	(3,492)	(97)
Special items	13	24	(46)	20	106	(81)
Total expenses and eliminations <sup>(2)</sup>	<u>(2,233)</u>	<u>(1,506)</u>	(48)	<u>(6,876)</u>	<u>(3,386)</u>	(103)
<b>(Loss) income from operations</b>	(53)	(8)	N/M	(131)	233	N/M
Interest expense and other	(369)	(308)	(20)	(1,091)	(911)	(20)
(Loss) gain on sale of businesses	(21)	1,735	N/M	(21)	1,735	N/M
Net realized investment (losses)	(8)	(4)	(100)	(2)	(85)	98
<b>(Loss) Income before income taxes</b>	(451)	1,415	N/M	(1,245)	972	N/M
<b>Pre-tax adjustments required to reconcile adjusted income (loss) from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	—	(4)		—	(11)	
Net realized investment losses	8	4		2	85	
Amortization of acquired intangible assets	—	1		—	1	
Special items	34	(1,711)		41	(1,629)	
<b>Pre-tax adjusted loss from operations</b>	\$ (409)	\$ (295)	(39) %	\$ (1,202)	\$ (582)	(107) %

(1) Effective January 1, 2023, the Company 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)

	Nine Months Ended September 30,	
	2023	2022 <sup>(1)</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 4,265	\$ 5,560
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,270	2,202
Realized investment losses, net	44	493
Deferred income tax benefit	(303)	(298)
Loss (gain) on sale of businesses	21	(1,735)
<b>Net changes in assets and liabilities, net of non-operating effects:</b>		
Accounts receivable, net	(1,916)	(2,339)
Inventories	360	(296)
Reinsurance recoverable and other assets	281	734
Insurance liabilities	1,482	408
Pharmacy and other service costs payable	2,250	1,368
Accounts payable and accrued expenses and other liabilities	1,337	380
Other, net	255	80
<b>Net cash provided by operating activities</b>	<u>10,346</u>	<u>6,557</u>
<b>Net cash (used in) provided by investing activities <sup>(2)</sup></b>	(4,734)	3,714
<b>Net cash used in financing activities <sup>(3)</sup></b>	(3,044)	(8,604)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	2	(98)
<b>Net increase in cash, cash equivalents and restricted cash</b>	2,570	1,569
Cash, cash equivalents and restricted cash January 1, <sup>(4)</sup>	5,976	5,548
<b>Cash, cash equivalents and restricted cash September 30, <sup>(5)</sup></b>	<u>\$ 8,546</u>	<u>\$ 7,117</u>

(1) Effective January 1, 2023, the Company 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 nine months ended September 30, 2023.

(3) Includes \$1.7 billion for stock repurchases for the nine months ended September 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 \$49 million reported in other long-term investments as of September 30, 2023.