

The Cigna Group Investor Presentation

May 2, 2024

Forward-looking statements

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation, and oral statements made in connection with this presentation, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on The Cigna Group's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning our projected adjusted income from operations outlook for 2024 on a consolidated, per share, and segment basis; projected adjusted revenue outlook for 2024; projected total medical customer growth over year end 2024; projected medical care and adjusted SG&A expense ratios; projected consolidated adjusted effective tax rate; projected cash flow from operations; future dividends, including projected shareholder dividends for 2024; projected weighted average shares outstanding; future financial or operating performance, including our ability to improve the health and vitality of those we serve; future growth, business strategy and strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas and the impact of the developing inflationary and interest rate pressures; capital deployment plans and amounts available for future deployment; our prospects for growth in the coming years; and other statements regarding The Cigna Group's future beliefs, expectations, plans, intentions, liquidity, cash flows, financial condition or performance. You may identify forward-looking statements by the use of words such as "believe," "expect," "project," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our strategic and operational initiatives; our ability to adapt to changes in an evolving and rapidly changing industry; our ability to compete effectively, differentiate our products and services from those of our competitors and maintain or increase market share; price competition, inflation and other pressures that could compress our margins or result in premiums that are insufficient to cover the cost of services delivered to our customers; the potential for actual claims to exceed our estimates related to expected medical claims; our ability to develop and maintain satisfactory relationships with physicians, hospitals, other health service providers and with producers and consultants; our ability to maintain relationships with one or more key pharmaceutical manufacturers or if payments made or discounts provided decline; changes in the pharmacy provider marketplace or pharmacy networks; changes in drug pricing or industry pricing benchmarks; our ability to invest in and properly maintain our information technology and other business systems; our ability to prevent or contain effects of potential cyberattack or other privacy or data security incidents; risks related to our use of artificial intelligence and machine learning; political, legal, operational, regulatory, economic and other risks that could affect our multinational operations, including currency exchange rates; risks related to strategic transactions and realization of the expected benefits of such transactions, as well as integration or separation difficulties or underperformance relative to expectations; dependence on success of relationships with third parties; risk of significant disruption within our operations or among key suppliers or third parties; potential liability in connection with managing medical practices and operating pharmacies, onsite clinics and other types of medical facilities; the substantial level of government regulation over our business and the potential effects of new laws or regulations or changes in existing laws or regulations; uncertainties surrounding participation in government-sponsored programs such as Medicare; the outcome of litigation, regulatory audits and investigations; compliance with applicable privacy, security and data laws, regulations and standards; potential failure of our prevention, detection and control systems; unfavorable economic and market conditions, the risk of a recession or other economic downturn and resulting impact on employment metrics, stock market or changes in interest rates and risks related to a downgrade in financial strength ratings of our insurance subsidiaries; the impact of our significant indebtedness and the potential for further indebtedness in the future; credit risk related to our reinsurers; as well as more specific risks and uncertainties discussed in our most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available through the Investor Relations section of www.thecignagroup.com. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results, and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. The Cigna Group undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

Non-GAAP measures and other key financial information

Throughout this presentation, the term “adjusted earnings” means adjusted income (loss) from operations, and “adjusted earnings per share” or “adjusted EPS” means adjusted income (loss) from operations on a diluted per share basis.

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 (loss). Adjusted income from operations is defined as shareholders’ net income (loss) (or income (loss) 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 (loss).

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. Additional definitions and relevant reconciliations of The Cigna Group’s non-GAAP measures to their most directly comparable GAAP measure are set forth in the appendix to these materials.

Note Regarding Outlook

The Company’s long-term outlooks include future share repurchases and anticipated dividends, but does not include the potential effects from other business combinations or divestitures that may occur after the date of this presentation.

Management is not able to provide a reconciliation of adjusted income from operations to shareholders’ net income (loss) (including on a per share basis), adjusted revenues to total revenues, adjusted SG&A expense ratio to SG&A expense ratio, or adjusted effective tax rate to effective tax rate on a forward-looking basis because we are unable to predict, without unreasonable effort, certain components thereof including (i) future net realized investment results (from equity method investments with respect to adjusted revenues) and (ii) future special items. These items are inherently uncertain and depend on various factors, many of which are beyond our control. As such, any associated estimate and its impact on shareholders’ net income and total revenues could vary materially.

Note Regarding Share Repurchases and Dividends

The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternate uses of capital. The share repurchase program may be effected through open market purchases in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including through Rule 10b5-1 trading plans, or privately negotiated transactions. The program may be suspended or discontinued at any time.

The Cigna Group currently intends to pay regular quarterly dividends, with future declarations subject to approval by its Board of Directors and the Board’s determination that the declaration of dividends remains in the best interests of The Cigna Group and its shareholders. The decision of whether to pay future dividends and the amount of any such dividends will be based on the Company’s financial position, results of operations, cash flows, capital requirements, the requirements of applicable law and any other factors the Board of Directors may deem relevant.

**Our purpose
and mission**



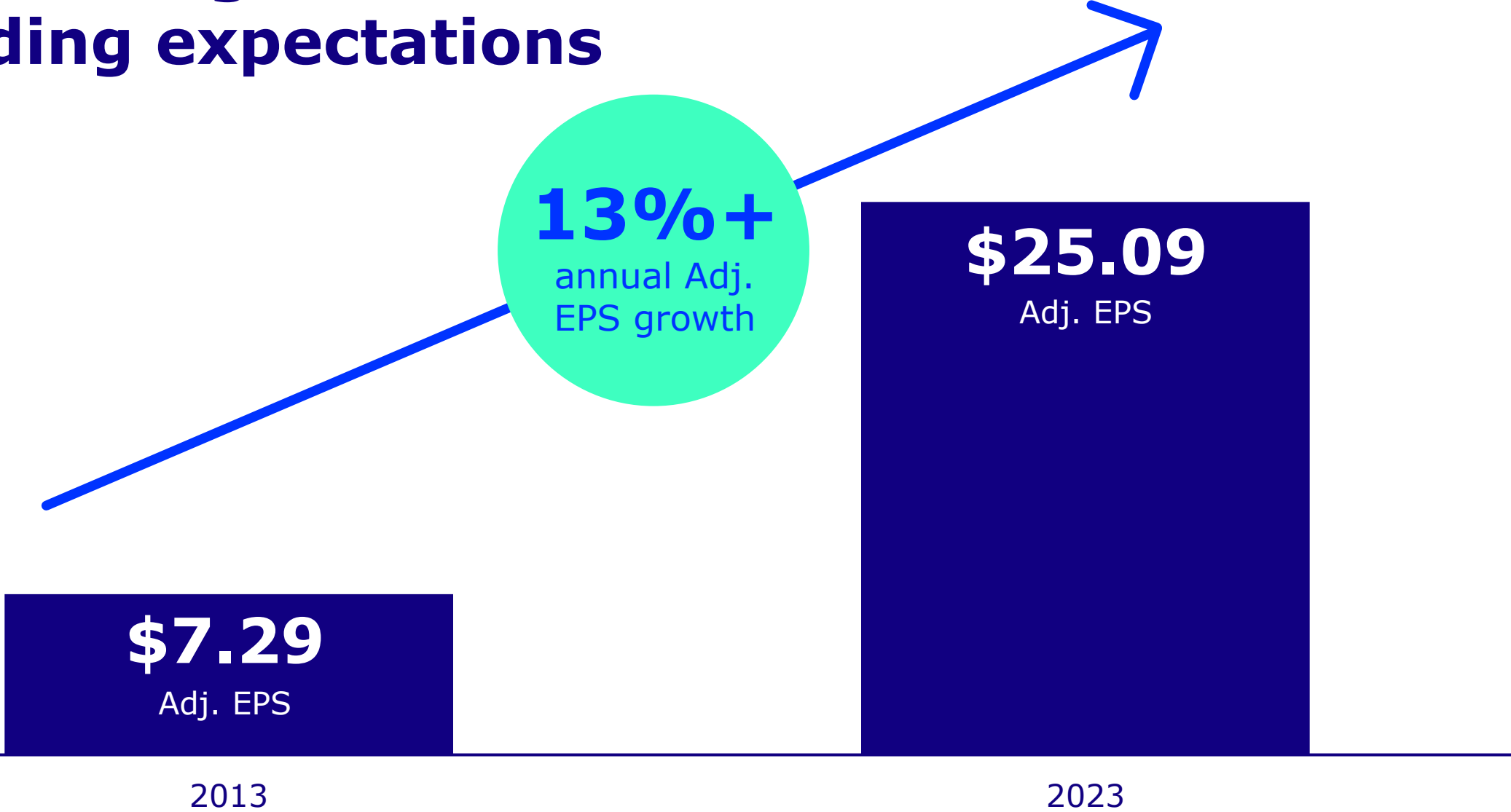
**To improve the
health and vitality
of those we serve**

Two high-performing growth platforms



Cross-enterprise leverage is mutually beneficial.

A decade of growth exceeding expectations



Long-term average annual adjusted earnings growth algorithm

SPECIALTY AND CARE SERVICES

~30% OF EARNINGS
8–12% GROWTH

PHARMACY BENEFIT SERVICES

~30% OF EARNINGS
2–4% GROWTH



CIGNA HEALTHCARE

~40% OF EARNINGS
7–10% GROWTH

**Capital
deployment:
4–5%**
EPS growth



~20–25%
CAPITAL EXPENDITURES
AND SURPLUS TO
FUND GROWTH

~15%
DIVIDEND

~60–65%
STRATEGIC M&A,
SHARE REPURCHASE,
REPAY DEBT

Strong long-term shareholder value

LONG-TERM AVERAGE ANNUAL
ADJUSTED INCOME GROWTH

6–9%

+

LONG-TERM AVERAGE
ANNUAL CONTRIBUTION
FROM CAPITAL DEPLOYMENT

4–5%

ENTERPRISE

10–14%

long-term average annual adjusted EPS growth outlook

PLUS AN ATTRACTIVE DIVIDEND

1–2%

1Q24 results – Consolidated

(Dollars in millions, except where noted and per-share amounts)

	1Q24	1Q23	Change
Adjusted revenues			
Adjusted revenues ⁽¹⁾	\$57,247	\$46,479	23%
Adjusted income from operations			
Evernorth Health Services, pre-tax	\$1,360	\$1,320	3%
Cigna Healthcare, pre-tax	\$1,340	\$1,115	20%
Corporate and other operations, pre-tax	(\$391)	(\$399)	(2)%
Consolidated, pre-tax	\$2,309	\$2,036	13%
Consolidated, after-tax ⁽¹⁾	\$1,875	\$1,618	16%
Weighted average shares outstanding ⁽²⁾	289.7M	299.0M	(3)%
Adjusted EPS ⁽¹⁾	\$6.47	\$5.41	20%
Key ratios and metrics			
Adjusted SG&A expense ratio ⁽¹⁾	6.4%	7.6%	(120) bps
Cash flow from operations	\$4,840	\$5,028	(4)%
Debt-to-capitalization ratio	44.3%	42.2%	210 bps

(1) See the Appendix for a reconciliation of adjusted EPS, consolidated adjusted income from operations, adjusted revenues and adjusted SG&A expense ratio to diluted EPS, shareholders' net income (loss), total revenues, and SG&A expense ratio, respectively.

(2) The calculation of weighted average shares includes the impact of potentially dilutive securities for the calculation of Adjusted income from operations per share.

1Q24 results – Evernorth Health Services

(Dollars in millions, except where noted)

	1Q24	1Q23	Change
Adjusted revenues			
Pharmacy Benefit Services	\$26,095	\$18,209	43%
Specialty and Care Services	\$20,072	\$17,920	12%
Net investment income	\$59	\$50	18%
Total adjusted revenues	\$46,226	\$36,179	28%
Adjusted income from operations, pre-tax			
Pharmacy Benefit Services	\$513	\$512	0%
Specialty and Care Services	\$788	\$758	4%
Net investment income	\$59	\$50	18%
Total adjusted income from operations, pre-tax	\$1,360	\$1,320	3%
Key ratios and metrics			
Pharmacy Benefit Services	2.0%	2.8%	(80) bps
Specialty and Care Services	3.9%	4.2%	(30) bps
Total adjusted margin, pre-tax	2.9%	3.6%	(70) bps
Adjusted SG&A expense ratio	2.1%	2.3%	(20) bps

1Q24 results – Cigna Healthcare

(Dollars in millions, except where noted)

	1Q24	1Q23	Change
Adjusted revenues			
Total adjusted revenues	\$13,277	\$12,718	4%
Adjusted income from operations, pre-tax			
Total adjusted income from operations, pre-tax	\$1,340	\$1,115	20%
Key ratios			
Total adjusted margin, pre-tax	10.1%	8.8%	130 bps
Medical care ratio	79.9%	81.3%	(140) bps
Adjusted SG&A expense ratio	20.5%	21.4%	(90) bps
Medical customers (lives in thousands)			
U.S. Healthcare administrative services only (ASO)	13,615	13,814	(1)%
U.S. Healthcare insured	3,947	4,055	(3)%
International Health	1,622	1,604	1%
Total medical customers	19,184	19,473	(1)%

FY2024 guidance

(Dollars in millions, except where noted and per-share amounts)

Updated 2024 Guidance
(updated in May 2024)

Prior 2024 Guidance
(updated in February 2024)

Change

Adjusted revenue

Adjusted revenues

at least \$235,000

at least \$235,000

Adjusted income from operations

Consolidated, after-tax

at least \$8,065

at least \$8,025

+\$40

Evernorth Health Services, pre-tax

at least \$7,000

at least \$7,000

Cigna Healthcare, pre-tax

at least \$4,775

at least \$4,750

+\$25

Adjusted EPS

at least \$28.40

at least \$28.25

+\$0.15

Key ratios and metrics

Medical care ratio

81.7–82.5%

81.7–82.7%

-10 bps at the midpoint

Adjusted SG&A expense ratio

~6.1%

~6.1%

Adjusted effective tax rate

20.5–21.0%

20.5–21.0%

Cash flow from operations

at least \$11,000

at least \$11,000

Total medical customers

~19.3M

~19.3M

Weighted average shares outstanding

282M–286M

282M–286M

Appendix

Definitions of key financial and business terms

Medical care ratio represents medical costs as a percentage of premiums for all Cigna Healthcare risk products provided through guaranteed cost or experience-rated funding arrangements.

SG&A expense ratio for first quarter 2024 on a GAAP basis represents enterprise selling, general and administrative expenses of \$3,705 million as a percentage of total revenue of \$57.3 billion at a consolidated level. SG&A expense ratio on a GAAP basis for the first quarter 2023 represents enterprise selling, general and administrative expenses of \$3,538 million as a percentage of total revenue of \$46.5 billion at a consolidated level.

Adjusted SG&A expense ratio for first quarter 2024 represents enterprise selling, general and administrative expenses of \$3,668 million excluding special items of \$37 million as a percentage of adjusted revenue at a consolidated level. Adjusted SG&A expense ratio for the first quarter 2023 represents enterprise selling, general and administrative expenses of \$3,537 million excluding special items of \$1 million as a percentage of adjusted revenue at a consolidated level.

Adjusted effective tax rate is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, "consolidated effective tax rate". We define adjusted effective tax rate as the consolidated income tax rate applicable to the Company's pre-tax income excluding pre-tax income (loss) attributable to noncontrolling interests, 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. Management is not able to provide a reconciliation to the consolidated effective tax rate on a forward-looking basis because we are unable to predict, without unreasonable effort, certain components thereof including (i) future net realized investment results and (ii) future special items.

Total medical customers includes individuals 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 that are administered by Cigna Healthcare.

Reconciliation of GAAP to non-GAAP financial measures

Shareholders' net (loss) and diluted earnings per share

Three Months Ended March 31, 2024	Dollars in millions		Diluted earnings per share	
	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Shareholders' net (loss) ⁽¹⁾		(\$277)		(\$0.97)
Adjustments to reconcile to adjusted income from operations:				
Net realized investment losses ⁽²⁾	\$1,828	\$1,827	\$6.31	\$6.31
Amortization of acquired intangible assets	\$423	\$322	\$1.46	\$1.10
Special items				
Integration and transaction-related costs	\$37	\$29	\$0.12	\$0.10
Loss (gain) on sale of businesses	\$19	(\$43)	\$0.07	(\$0.15)
Deferred tax expenses, net		\$17		\$0.06
Adjusted income from operations ⁽³⁾		\$1,875		\$6.47

(1) For the three months ended March 31, 2024, due to the anti-dilutive effect resulting from the Shareholders' net loss for the period, the impact of potentially dilutive securities has been excluded from the calculation of weighted average shares for the calculation of diluted Shareholders' net loss per share. Weighted average shares used to calculate diluted Shareholders' net loss per share for the three months ended March 31, 2024 were 286,465 thousand.

(2) Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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, which are presented within Fees and other revenues in our Consolidated Statements of Income.

(3) The calculation of weighted average shares includes the impact of potentially dilutive securities for the calculation of Adjusted income from operations per share.

Reconciliation of GAAP to non-GAAP financial measures

Shareholders' net income and diluted earnings per share

Three Months Ended March 31, 2023	Dollars in millions		Diluted earnings per share	
	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Shareholders' net income		\$1,267		\$4.24
Adjustments to reconcile to adjusted income from operations:				
Net realized investment losses ⁽¹⁾	\$18	\$6	\$0.06	\$0.02
Amortization of acquired intangible assets	\$459	\$344	\$1.54	\$1.15
Special items				
Integration and transaction-related costs	\$1	\$1		
Adjusted income from operations		\$1,618		\$5.41

(1) Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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, which are presented within Fees and other revenues in our Consolidated Statements of Income.

Reconciliation of GAAP to non-GAAP financial measures

Adjusted Revenues

Three Months Ended March 31	2024	2023
Total Revenues	\$57,255	\$46,517
Net realized investment results from certain equity method investments	(\$8)	(\$38)
Adjusted Revenues	\$57,247	\$46,479

Three Months Ended March 31	2024	2023
Adjusted Revenues by Segment		
Evernorth Health Services	\$46,226	\$36,179
Cigna Healthcare	\$13,277	\$12,718
Corporate & Other Operations	(\$2,256)	(\$2,418)
Adjusted Revenues	\$57,247	\$46,479

Reconciliation of GAAP to non-GAAP financial measures

Shareholders' net income and diluted earnings per share

Year Ended December 31	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Shareholders' net income	\$17.39	\$21.41	\$15.75	\$22.96	\$13.44	\$10.54	\$8.77	\$7.19	\$8.04	\$7.83	\$5.18
Adjustments to reconcile to adjusted income from operations:											
Net realized investment losses (gains) ⁽¹⁾	\$0.38	\$1.59	(\$0.47)	(\$0.66)	(\$0.50)	(\$0.42)	(\$0.61)	(\$0.42)	(\$0.15)	(\$0.40)	(\$0.49)
Amortization of acquired intangible assets, net	\$4.77	\$4.30	\$4.38	\$3.88	\$5.92	\$0.71	\$0.26	\$0.36	\$0.30	\$0.44	\$0.50
Results of guaranteed minimum income benefits business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$0.09)
Adjustment for transitioning clients	\$ -	\$ -	\$ -	\$ -	(\$3.46)	(\$0.19)	\$ -	\$ -	\$ -	\$ -	\$ -
Special items	\$2.55	(\$3.94)	\$0.82	(\$7.73)	\$1.65	\$2.74	\$2.04	\$0.97	\$0.47	\$ -	\$2.19
Adjusted income from operations	\$25.09	\$23.36	\$20.48	\$18.45	\$17.05	\$14.22	\$10.46	\$8.10	\$8.66	\$7.87	\$7.29

(1) Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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, which are presented within Fees and other revenues in our Consolidated Statements of Income.

