

The Cigna Group

Quarterly Financial Supplement

September 30, 2024

This document is dated October 31, 2024. 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, 2024 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 facilitates analysis of trends in underlying revenue, expenses and shareholders’ net income. The Company defines adjusted income (loss) from operations as shareholders’ net income (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. 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 facilitates 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.

In January 2024, the Company entered into a definitive agreement whereby Health Care Service Corporation will acquire the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses (the “HCSC transaction”). Subject to receipt of applicable regulatory approvals and other customary closing conditions, we expect to complete this transaction in the first quarter of 2025. The Company classified the assets and liabilities of these businesses as held for sale as of both September 30, 2024 and December 31, 2023. For additional information, please refer to the Assets and Liabilities of Businesses Held For Sale footnote in the Company’s Form 10-Q for the period ended September 30, 2024, expected to be filed on October 31, 2024.

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,		
	2024	2023	% Change	2024	2023	% Change
Total revenues	\$ 63,694	\$ 49,048	30 %	\$ 181,472	\$ 144,151	26 %
Net realized investment results from certain equity method investments	(177)	30	N/M	(238)	22	N/M
Special item related to impairment of dividend receivable	182	—	N/M	182	—	N/M
Adjusted revenues	\$ 63,699	\$ 49,078	30 %	\$ 181,416	\$ 144,173	26 %
Shareholders' net income	\$ 739	\$ 1,408	(48) %	\$ 2,010	\$ 4,135	(51) %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth Health Services	\$ 1,876	\$ 1,716	9 %	\$ 4,855	\$ 4,552	7 %
Cigna Healthcare	1,174	1,222	(4)	3,718	3,509	6
Corporate and Other Operations	(431)	(409)	5	(1,273)	(1,202)	6
Adjusted income tax expense	(507)	(518)	(2)	(1,404)	(1,410)	—
Consolidated after-tax adjusted income from operations	\$ 2,112	\$ 2,011	5 %	\$ 5,896	\$ 5,449	8 %
Adjusted EBITDA⁽¹⁾	\$ 3,209	\$ 3,206	— %	\$ 9,266	\$ 8,847	5 %
Operating cash flow (see page 11)	\$ 46	\$ 2,826	(98) %	\$ 5,151	\$ 10,346	(50) %
SG&A expense ratio⁽²⁾	5.6 %	7.7 %	(210) bps	6.0 %	7.5 %	(150) bps
Adjusted SG&A expense ratio⁽²⁾	5.5 %	7.3 %	(180) bps	6.0 %	7.3 %	(130) bps
Weighted average shares (in thousands)	281,396	297,131		285,042	297,663	

	Three Months Ended September 30,				% Change	Nine Months Ended September 30,				% Change
	2024		2023			2024		2023		
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
Diluted earnings per share										
Shareholders' net income		\$ 2.63		\$ 4.74	(45) %		\$ 7.05		\$ 13.89	(49) %
Adjustments to reconcile to adjusted income from operations										
Net realized investment losses ⁽³⁾	\$ 2.64	2.63	\$ 0.15	0.14		\$ 9.00	8.93	\$ 0.22	0.19	
Amortization of acquired intangible assets	1.55	1.18	1.53	1.22		4.49	3.41	4.60	3.54	
Special items										
Impairment of dividend receivable	0.65	0.49	—	—		0.64	0.48	—	—	
Integration and transaction-related costs	0.27	0.21	0.04	0.03		0.62	0.48	0.07	0.05	
Loss on sale of businesses	0.31	0.22	0.07	0.06		0.37	0.07	0.07	0.06	
Deferred tax expenses, net	—	0.15	—	—		—	0.26	—	—	
Charges associated with litigation matters	—	—	0.68	0.58		—	—	0.67	0.58	
Total special items	\$ 1.23	1.07	\$ 0.79	0.67		\$ 1.63	1.29	\$ 0.81	0.69	
Adjusted income from operations	\$ 7.51		\$ 6.77		11 %	\$ 20.68		\$ 18.31		13 %

CUSTOMER RELATIONSHIPS

(Relationships and lives in thousands)

	As of September 30,			As of December 31,		
	2024	2023	% Change	2023	% Change	
Pharmacy	119,996	98,325	22 %	98,570	22 %	
Medical (see page 7)	19,048	19,607	(3)	19,780	(4)	
Behavioral Care	23,662	25,100	(6)	24,956	(5)	
Dental	18,251	18,593	(2)	18,543	(2)	
Medicare Part D	2,557	2,544	1	2,550	—	
Total customer relationships	183,514	164,169	12 %	164,399	12 %	

(1) 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.

(2) 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.

(3) Includes Net realized investment losses/gains 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.

The Cigna Group
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenues						
Pharmacy revenues	\$ 48,284	\$ 34,531	40 %	\$ 135,421	\$ 100,639	35 %
Premiums	11,436	10,998	4	34,493	33,062	4
Fees and other revenues	3,889	3,198	22	10,862	9,574	13
Net investment income ⁽¹⁾	85	321	(74)	696	876	(21)
Total revenues	63,694	49,048	30	181,472	144,151	26
Benefits and expenses						
Pharmacy and other service costs	47,565	33,639	41	133,488	98,540	35
Medical costs and other benefit expenses	9,527	8,927	7	28,482	27,007	5
Selling, general and administrative expenses excluding special items	3,513	3,574	(2)	10,802	10,539	2
Amortization of acquired intangible assets	436	454	(4)	1,279	1,368	(7)
Special items	77	214	(64)	177	221	(20)
Total benefits and expenses	61,118	46,808	31	174,228	137,675	27
Income from operations	2,576	2,240	15	7,244	6,476	12
Interest expense and other	(376)	(365)	3	(1,073)	(1,086)	(1)
Loss on sale of businesses	(87)	(21)	N/M	(106)	(21)	N/M
Net realized investment losses	(921)	(14)	N/M	(2,805)	(44)	N/M
Income before income taxes	1,192	1,840	(35)	3,260	5,325	(39)
Total income tax	367	391	(6)	1,018	1,060	(4)
Net income	825	1,449	(43)	2,242	4,265	(47)
Less: Net income attributable to noncontrolling interests	86	41	110	232	130	78
Shareholders' net income	\$ 739	\$ 1,408	(48) %	\$ 2,010	\$ 4,135	(51) %

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2024		2023		% Change	2024		2023		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
Shareholders' net income	\$ 739	\$ 739	\$ 1,408	\$ 1,408	(48) %	\$ 2,010	\$ 2,010	\$ 4,135	\$ 4,135	(51) %
Adjustments to reconcile adjusted income from operations										
Net realized investment losses ⁽²⁾	\$ 744	740	\$ 44	41		\$ 2,567	2,547	\$ 66	56	
Amortization of acquired intangible assets	436	333	454	363		1,279	972	1,368	1,053	
Special items										
Impairment of dividend receivable	182	138	—	—		182	138	—	—	
Integration and transaction-related costs	77	59	13	9		177	135	20	15	
Loss on sale of businesses	87	62	21	19		106	19	21	19	
Deferred tax expenses, net	—	41	—	—		—	75	—	—	
Charges associated with litigation matters	—	—	201	171		—	—	201	171	
Adjusted income from operations	\$ 2,112	\$ 2,112	\$ 2,011	\$ 2,011	5 %	\$ 5,896	\$ 5,896	\$ 5,449	\$ 5,449	8 %

(1) Net investment income includes the Special item related to impairment of dividend receivable for certain accrued dividends of \$182 million for the three and nine months ended September 30, 2024. Excluding this special item, Net investment income would have been \$267 million and \$878 million for the three and nine months ended September 30, 2024, respectively.

(2) Includes Net realized investment losses/gains 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.

The Cigna Group
Evernorth Health Services
Segment Results (unaudited)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
<i>(Dollars in millions)</i>						
Revenues						
Pharmacy revenues	\$ 49,252	\$ 35,640	38 %	\$ 138,612	\$ 104,529	33 %
Fees and other revenues	3,345	2,893	16	9,635	8,276	16
Net investment (losses) income ⁽¹⁾	(142)	63	N/M	(18)	175	N/M
Total revenues	52,455	38,596	36	148,229	112,980	31
Benefits and expenses						
Pharmacy and other service costs	49,768	36,000	38	140,458	105,819	33
Gross profit	2,687	2,596	4	7,771	7,161	9
Selling, general and administrative expenses excluding special items	894	837	7	2,825	2,468	14
Amortization of acquired intangible assets	414	443	(7)	1,247	1,330	(6)
Special items	—	44	N/M	—	44	N/M
Income from operations	1,379	1,272	8	3,699	3,319	11
Interest expense and other	—	1	N/M	(2)	(1)	100
Net realized investment losses	(748)	(1)	N/M	(2,203)	—	N/M
Income before income taxes	631	1,272	(50)	1,494	3,318	(55)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(99)	(44)		(271)	(140)	
Net realized investment losses	748	1		2,203	—	
Amortization of acquired intangible assets	414	443		1,247	1,330	
Special items	182	44		182	44	
Pre-tax adjusted income from operations	\$ 1,876	\$ 1,716	9 %	\$ 4,855	\$ 4,552	7 %
Pre-tax adjusted margin	3.6 %	4.4 %	(80) bps	3.3 %	4.0 %	(70) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 52,455	\$ 38,596	36 %	\$ 148,229	\$ 112,980	31 %
Special item related to impairment of dividend receivable	182	—	N/M	182	—	N/M
Adjusted revenues	\$ 52,637	\$ 38,596	36 %	\$ 148,411	\$ 112,980	31 %

(1) Net investment (losses) income includes the Special item related to impairment of dividend receivable for certain accrued dividends of \$182 million for the three and nine months ended September 30, 2024. Excluding this special item, Net investment income would have been \$40 million and \$164 million for the three and nine months ended September 30, 2024, respectively.

The Cigna Group
Evernorth Health Services
Selected Financial Information (unaudited)

(Dollars and pharmacy scripts in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Total adjusted revenues						
Pharmacy Benefit Services	\$ 28,785	\$ 19,158	50 %	\$ 81,492	\$ 56,186	45 %
Specialty and Care Services	23,812	19,375	23	66,755	56,619	18
Net investment income ⁽¹⁾	40	63	(37)	164	175	(6)
Total adjusted revenues	<u>\$ 52,637</u>	<u>\$ 38,596</u>	36 %	<u>\$ 148,411</u>	<u>\$ 112,980</u>	31 %
Pre-tax adjusted income from operations						
Pharmacy Benefit Services	\$ 1,011	\$ 981	3 %	\$ 2,322	\$ 2,270	2 %
Specialty and Care Services	825	672	23	2,369	2,107	12
Net investment income ⁽¹⁾	40	63	(37)	164	175	(6)
Total pre-tax adjusted income from operations	<u>\$ 1,876</u>	<u>\$ 1,716</u>	9 %	<u>\$ 4,855</u>	<u>\$ 4,552</u>	7 %
Pharmacy claim volume ⁽²⁾	531	394	35 %	1,577	1,171	35 %

(1) Net investment income excludes the Special item related to impairment of dividend receivable for certain accrued dividends of \$182 million for the three and nine months ended September 30, 2024.

(2) Non-specialty network prescriptions filled through 90-day programs and home delivery prescriptions are counted as three claims. All other network and specialty prescriptions are counted as one claim.

The Cigna Group
Cigna Healthcare
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenues						
Premiums	\$ 11,296	\$ 10,911	4 %	\$ 34,135	\$ 32,786	4 %
Fees and other revenues	1,902	1,651	15	5,223	4,938	6
Net investment income	142	176	(19)	463	454	2
Total revenues	13,340	12,738	5	39,821	38,178	4
Benefits and expenses						
Medical costs	9,355	8,786	6	27,886	26,554	5
Selling, general and administrative expenses excluding special items	2,637	2,763	(5)	7,986	8,141	(2)
Amortization of acquired intangible assets	22	11	100	32	38	(16)
Special items	—	157	N/M	—	157	N/M
Total benefits and expenses	12,014	11,717	3	35,904	34,890	3
Income from operations	1,326	1,021	30	3,917	3,288	19
Interest expense and other	3	3	—	7	6	17
Loss on sale of businesses	(87)	—	N/M	(106)	—	N/M
Net realized investment losses	(169)	(5)	N/M	(597)	(42)	N/M
Income before income taxes	1,073	1,019	5	3,221	3,252	(1)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	—	—		—	(2)	
Net realized investment (gains) losses ⁽¹⁾	(8)	35		359	64	
Amortization of acquired intangible assets	22	11		32	38	
Special items	87	157		106	157	
Pre-tax adjusted income from operations	\$ 1,174	\$ 1,222	(4) %	\$ 3,718	\$ 3,509	6 %
Pre-tax adjusted margin	8.9 %	9.6 %	(70) bps	9.4 %	9.2 %	20 bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 13,340	\$ 12,738	5 %	\$ 39,821	\$ 38,178	4 %
Net realized investment results from certain equity method investments	(177)	30	N/M	(238)	22	N/M
Adjusted revenues	\$ 13,163	\$ 12,768	3 %	\$ 39,583	\$ 38,200	4 %

(1) Includes Net realized investment losses/gains 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.

The Cigna Group
Cigna Healthcare⁽¹⁾

Premium Revenue and Medical Care Ratio (unaudited)

<i>(Dollars in millions)</i>	<u>Three Months Ended September 30,</u>			<u>Nine Months Ended September 30,</u>		
	2024	2023 ⁽²⁾	% Change	2024	2023 ⁽²⁾	% Change
Premiums:						
U.S. Healthcare						
Employer insured	\$ 4,382	\$ 4,144	6 %	\$ 13,125	\$ 12,315	7 %
Medicare Advantage	2,110	2,189	(4)	6,604	6,605	—
Stop loss	1,689	1,548	9	5,022	4,565	10
Individual and Family Plans	1,001	1,269	(21)	3,016	3,770	(20)
Other	1,203	927	30	3,681	3,091	19
Total U.S. Healthcare	10,385	10,077	3	31,448	30,346	4
International Health	911	834	9	2,687	2,440	10
Total premiums	\$ 11,296	\$ 10,911	4 %	\$ 34,135	\$ 32,786	4 %
Medical Care Ratio	82.8 %	80.5 %	230 bps	81.7 %	81.0 %	70 bps

(1) Cigna Healthcare includes the U.S. Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. During the fourth quarter of 2023, the U.S. Commercial and U.S. Government operating segments merged to form the U.S. Healthcare operating segment. Information presented for the three and nine months ended September 30, 2023 has been restated to conform to the new operating segment presentation.

(2) Prior year premium revenue for U.S. Healthcare has been reclassified to reflect current operating segment presentation discussed in note 1.

The Cigna Group
Cigna Healthcare ⁽¹⁾
Total Medical Customers (unaudited)

MEDICAL CUSTOMERS ⁽²⁾ BY FUNDING TYPE:	As of September 30,		% Change	As of December 31,		MEDICAL CUSTOMERS ⁽²⁾ BY MARKET SEGMENT: ⁽⁵⁾	As of September 30,		% Change	As of December 31,	
	2024	2023 ⁽⁶⁾		2023	% Change		2024	2023 ⁽⁶⁾		2023 ⁽⁶⁾	% Change
<i>(Lives in thousands)</i>						<i>(Lives in thousands)</i>					
U.S. Healthcare insured						U.S. Healthcare					
Employer insured	2,212	2,224	(1) %	2,233	(1) %	National Accounts	5,551	5,786	(4) %	5,782	(4) %
Medicare Advantage	586	599	(2)	601	(2)	Middle Market	7,175	7,319	(2)	7,381	(3)
Individual and Family Plans ⁽³⁾	550	898	(39)	976	(44)	Select	3,004	2,835	6	2,887	4
Other insured	485	468	4	470	3	Small	52	69	(25)	68	(24)
Total U.S. Healthcare insured	3,833	4,189	(8)	4,280	(10)	Medicare Advantage	586	599	(2)	601	(2)
International Health insured ⁽⁴⁾	1,209	1,198	1	1,184	2	Individual and Family Plans ⁽³⁾	550	898	(39)	976	(44)
						Other	488	473	3	475	3
U.S. Healthcare administrative services only	13,573	13,790	(2)	13,890	(2)	Total U.S. Healthcare	17,406	17,979	(3)	18,170	(4)
International Health administrative services only ⁽⁴⁾	433	430	1	426	2	International Health	1,642	1,628	1	1,610	2
Total medical customers	19,048	19,607	(3) %	19,780	(4) %	Total medical customers	19,048	19,607	(3) %	19,780	(4) %

(1) Cigna Healthcare includes the U.S. Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. During the fourth quarter of 2023, the U.S. Commercial and U.S. Government operating segments merged to form the U.S. Healthcare operating segment. Information presented as of September 30, 2023 has been restated to conform to the new operating segment presentation.

(2) Includes individuals who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or administrative services 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.

(3) As of September 30, 2024, Individual and Family Plans include on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (536 thousand customers) and off-exchange ACA business (14 thousand customers).

(4) International Health excludes medical customers served by less than 100% owned subsidiaries, as well as certain customers served by our third-party administrator.

(5) 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 Medicare Advantage market segment includes individuals who are Medicare-eligible customers, as well as employer group sponsored post-65 retirees;

~ the Individual and Family Plans market segment offers individual health insurance coverage both on and off the public exchanges;

~ Other largely comprises Medicare Supplement;

~ 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.

(6) Prior year lives have been reclassified to reflect current operating segment presentation discussed in note 1 and to reflect current market segment presentation according to the definitions discussed in note 5.

The Cigna Group
Cigna Healthcare
Unpaid Claims Liability (unaudited)

(Dollars in millions)

	Nine Months Ended September 30,		Year Ended
	2024 ⁽¹⁾	2023	December 31, 2023 ⁽¹⁾
Beginning balance	\$ 5,092	\$ 4,176	\$ 4,176
Less: Reinsurance and other amounts recoverable	236	221	221
Beginning balance, net	4,856	3,955	3,955
Incurred costs related to:			
Current year	28,314	26,788	35,953
Prior years	(422)	(237)	(279)
Total incurred	27,892	26,551	35,674
Paid costs related to:			
Current year	23,761	22,053	31,322
Prior years	4,059	3,362	3,451
Total paid	27,820	25,415	34,773
Ending balance, net	4,928	5,091	4,856
Add: Reinsurance and other amounts recoverable	160	226	236
Ending balance ⁽¹⁾	\$ 5,088	\$ 5,317	\$ 5,092

(1) Unpaid claims liability is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets, except \$937 million and \$823 million classified as liabilities of businesses held for sale as of September 30, 2024 and December 31, 2023, respectively. 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, 2024, expected to be filed on October 31, 2024.

The Cigna Group
Corporate and Other Operations
Results (unaudited)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
<i>(Dollars in millions)</i>						
Revenues						
Total revenues and eliminations ⁽¹⁾	\$ (2,101)	\$ (2,286)	(8) %	\$ (6,578)	\$ (7,007)	(6) %
Expenses						
Total expenses and eliminations excluding special items ⁽¹⁾	(2,049)	(2,246)	(9)	(6,383)	(6,896)	(7)
Special items	77	13	N/M	177	20	N/M
Total expenses and eliminations ⁽¹⁾	<u>(1,972)</u>	<u>(2,233)</u>	(12)	<u>(6,206)</u>	<u>(6,876)</u>	(10)
Loss from operations	(129)	(53)	143	(372)	(131)	184
Interest expense and other	(379)	(369)	3	(1,078)	(1,091)	(1)
Loss on sale of businesses	—	(21)	N/M	—	(21)	N/M
Net realized investment losses	(4)	(8)	(50)	(5)	(2)	150
Loss before income taxes	(512)	(451)	14	(1,455)	(1,245)	17
Pre-tax adjustments required to reconcile adjusted income (loss) from operations						
Net realized investment losses	4	8		5	2	
Special items	77	34		177	41	
Pre-tax adjusted loss from operations	\$ (431)	\$ (409)	5 %	\$ (1,273)	\$ (1,202)	6 %

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

The Cigna Group
Consolidated Balance Sheets (unaudited)

(Dollars in millions)

	As of September 30, 2024	As of December 31, 2023		As of September 30, 2024	As of December 31, 2023
Assets			Liabilities		
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 5,888	\$ 7,822	Current insurance and contractholder liabilities	\$ 5,477	\$ 5,514
Investments	864	925	Pharmacy and other service costs payable	28,801	19,815
Accounts receivable, net	27,846	17,722	Accounts payable	8,515	8,553
Inventories	5,083	5,645	Accrued expenses and other liabilities	8,920	9,955
Other current assets	2,667	2,169	Short-term debt	2,572	2,775
Assets of businesses held for sale ⁽¹⁾	<u>6,874</u>	<u>3,068</u>	Liabilities of businesses held for sale ⁽¹⁾	<u>2,775</u>	<u>2,104</u>
Total current assets	49,222	37,351	Total current liabilities	57,060	48,716
Long-term investments	15,270	17,985	Non-current insurance and contractholder liabilities	10,573	10,904
Reinsurance recoverables ⁽²⁾	4,557	4,835	Deferred tax liabilities, net	6,794	7,173
Property and equipment	3,594	3,695	Other non-current liabilities	3,033	3,441
Goodwill	44,374	44,259	Long-term debt	30,230	28,155
Other intangible assets	29,791	30,863	Separate account liabilities	7,651	7,430
Other assets	3,180	3,421	Liabilities of businesses held for sale, non-current ⁽¹⁾	<u>—</u>	<u>591</u>
Separate account assets	7,651	7,430	Total liabilities	<u>115,341</u>	<u>106,410</u>
Assets of businesses held for sale, non-current ⁽¹⁾	—	2,922	Redeemable noncontrolling interests	—	107
			Shareholders' Equity		
			Common stock	4	4
			Additional paid-in capital	31,186	30,669
			Accumulated other comprehensive loss	(2,163)	(1,864)
			Retained earnings	42,480	41,652
			Less: treasury stock, at cost	<u>(29,412)</u>	<u>(24,238)</u>
			Total shareholders' equity	42,095	46,223
			Other noncontrolling interests	<u>203</u>	<u>21</u>
			Total equity	42,298	46,244
Total assets	\$ 157,639	\$ 152,761	Total liabilities and equity	\$ 157,639	\$ 152,761

(1) The assets and liabilities in the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses to be sold pursuant to the HCSC transaction have been classified as held for sale as of September 30, 2024 and December 31, 2023. For additional information regarding the sale of these businesses, see the Assets and Liabilities of Businesses Held For Sale footnote in the Company's Form 10-Q for the period ended September 30, 2024, expected to be filed on October 31, 2024.

(2) Includes \$4.11 billion as of September 30, 2024 and \$4.33 billion as of December 31, 2023 related to: 1) the sale of our Individual Life & Annuity business in 1998 and our Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; 2) the reinsurance transaction with Berkshire in 2013; and 3) the sale of our Group Disability and Life business to New York Life in 2020. Corresponding liabilities are primarily reported in Insurance and contractholder liabilities.

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

(Dollars in millions)

	Nine Months Ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,242	\$ 4,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,129	2,270
Realized investment losses, net	2,805	44
Deferred income tax benefit	(351)	(303)
Loss on sale of businesses	106	21
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable, net	(10,600)	(1,916)
Inventories	577	360
Reinsurance recoverable and Other assets	(358)	281
Insurance liabilities	(214)	1,482
Pharmacy and other service costs payable	8,979	2,250
Accounts payable and accrued expenses and other liabilities	(819)	1,337
Other, net	655	255
Net cash provided by operating activities	5,151	10,346
Net cash used in investing activities	(1,911)	(4,734)
Net cash used in financing activities⁽¹⁾	(4,399)	(3,044)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	6	2
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,153)	2,570
Cash, cash equivalents and restricted cash January 1, ⁽²⁾	8,337	5,976
Cash, cash equivalents and restricted cash September 30, ⁽³⁾	\$ 7,184	\$ 8,546
Cash and cash equivalents reclassified to assets of businesses held for sale	(1,249)	—
Cash, cash equivalents and restricted cash September 30, per Consolidated Balance Sheets ⁽³⁾	\$ 5,935	\$ 8,546

(1) Includes \$5.0 billion for stock repurchases in the nine months ended September 30, 2024.

(2) Includes restricted cash of \$48 million reported in other long-term investments as well as cash and cash equivalents of \$467 million reported in assets of businesses held for sale as of January 1, 2024.

(3) Includes restricted cash of \$47 million reported in other long-term investments as of September 30, 2024.