

news release

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## Humana Reports Third Quarter 2024 Financial Results; Updates Full Year Adjusted 2024 Financial Guidance

- Reports 3Q24 earnings per share (EPS) of \$3.98 on a GAAP basis, Adjusted EPS of \$4.16; reports YTD 2024 EPS of \$15.72 on a GAAP basis, \$18.35 on an Adjusted basis
- Updates FY 2024 EPS guidance to 'at least \$12.89' on a GAAP basis, 'at least \$16.00' on an Adjusted basis; affirms FY 2024 Insurance segment benefit ratio of approximately 90 percent
- Raises 2024 individual Medicare Advantage annual membership growth by 40,000 to now anticipate annual growth of approximately 265,000, or approximately 5 percent
- Publishes prepared management remarks to Investor Relations page of [www.humana.com](http://www.humana.com) ahead of this morning's 9:00 a.m. ET question and answer session to discuss its financial results for the quarter and expectations for future earnings

**LOUISVILLE, KY (October 30, 2024)** – Humana Inc. (NYSE: HUM) today reported consolidated pretax results and diluted earnings per share (EPS) for the quarter ended September 30, 2024 (3Q24) versus the quarter ended September 30, 2023 (3Q23) and for the nine months ended September 30, 2024 (YTD 2024) versus the nine months ended September 30, 2023 (YTD 2023) as noted in the tables below.

Consolidated income before income taxes and equity in net earnings (pretax results) <i>In millions</i>	3Q24 (a)	3Q23 (a)	YTD 2024 (a)	YTD 2023 (a)
<b>Generally Accepted Accounting Principles (GAAP)</b>	<b>\$651</b>	<b>\$1,098</b>	<b>\$2,583</b>	<b>\$3,974</b>
Amortization associated with identifiable intangibles	15	17	46	51
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	(59)	35	141	141
Impact of exit of employer group commercial medical products business	17	51	77	15
Value creation initiatives	55	52	151	52
Transaction and integration costs	—	—	—	(47)
Accrued charge related to certain anticipated litigation expenses	—	15	—	105
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
<b>Adjusted (non-GAAP)</b>	<b>\$679</b>	<b>\$1,268</b>	<b>\$2,998</b>	<b>\$4,290</b>

Diluted earnings per share (EPS)	3Q24 (a)	3Q23 (a)	YTD 2024 (a)	YTD 2023 (a)
<b>GAAP</b>	<b>\$3.98</b>	<b>\$6.71</b>	<b>\$15.72</b>	<b>\$24.26</b>
Amortization associated with identifiable intangibles	0.13	0.14	0.37	0.41
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	(0.49)	0.28	1.17	1.13
Impact of exit of employer group commercial medical products business	0.14	0.42	0.64	0.12
Value creation initiatives	0.45	0.42	1.25	0.42
Transaction and integration costs	—	—	—	(0.38)
Accrued charge related to certain anticipated litigation expenses	—	0.12	—	0.84
Change in fair market value of publicly-traded equity securities	—	—	—	(0.01)
Cumulative net tax impact of non-GAAP adjustments	(0.05)	(0.31)	(0.80)	(0.69)
<b>Adjusted (non-GAAP)</b>	<b>\$4.16</b>	<b>\$7.78</b>	<b>\$18.35</b>	<b>\$26.10</b>

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

Please refer to the tables above, as well as the consolidated and segment highlight sections that follow for additional discussion of the factors impacting the year-over-year comparisons.

In addition, a summary of key consolidated and segment statistics comparing 3Q24 to 3Q23 and YTD 2024 to YTD 2023 follows.

<b>Humana Inc. Summary of Results</b> <i>(\$ in millions, except per share amounts)</i>	<b>3Q24 (a)</b>	<b>3Q23 (a)</b>	<b>YTD 2024 (a)</b>	<b>YTD 2023 (a)</b>
<b>CONSOLIDATED</b>				
Revenues	\$29,397	\$26,423	\$88,548	\$79,912
Revenues - Adjusted (non-GAAP)	\$29,300	\$25,526	\$88,011	\$76,911
Pretax results	\$651	\$1,098	\$2,583	\$3,974
Pretax results - Adjusted (non-GAAP)	\$679	\$1,268	\$2,998	\$4,290
EPS	\$3.98	\$6.71	\$15.72	\$24.26
EPS - Adjusted (non-GAAP)	\$4.16	\$7.78	\$18.35	\$26.10
Benefits expense ratio	89.9 %	86.6 %	89.2 %	86.2 %
Benefits expense ratio - Adjusted (non-GAAP)	89.8 %	86.4 %	89.2 %	86.1 %
Operating cost ratio	11.5 %	12.5 %	10.9 %	11.8 %
Operating cost ratio - Adjusted (non-GAAP)	11.3 %	12.0 %	10.7 %	11.3 %
Operating cash flows			\$3,494	\$11,115
Operating cash flows - Adjusted (non-GAAP) (b)			\$3,494	\$4,042
Parent company cash and short term investments			\$609	\$518
Debt-to-total capitalization			42.3 %	41.1 %
Days in Claims Payable (DCP)	40.7	43.1		
<b>INSURANCE SEGMENT</b>				
Revenues	\$28,370	\$25,511	\$85,594	\$77,289
Revenues - Adjusted (non-GAAP)	\$28,273	\$24,614	\$85,057	\$74,289
Benefits expense ratio	90.6 %	87.6 %	89.8 %	86.8 %
Benefits expense ratio - Adjusted (non-GAAP)	90.5 %	87.4 %	89.8 %	86.8 %
Operating cost ratio	9.2 %	10.4 %	8.6 %	9.9 %
Operating cost ratio - Adjusted (non-GAAP)	9.1 %	9.9 %	8.6 %	9.4 %
Income from operations	\$274	\$722	\$1,935	\$3,080
Income from operations - Adjusted (non-GAAP)	\$329	\$794	\$2,059	\$3,217
<b>CENTERWELL SEGMENT</b>				
Revenues	\$5,041	\$4,660	\$14,806	\$13,695
Operating cost ratio	91.3 %	90.3 %	92.1 %	91.5 %
Income from operations	\$382	\$400	\$1,002	\$1,017
Income from operations - Adjusted (non-GAAP) (c)	\$439	\$453	\$1,168	\$1,169

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

## **FY 2024 Earnings Guidance**

Humana updates its GAAP EPS guidance for the year ending December 31, 2024 (FY 2024) to 'at least \$12.89', or 'at least \$16.00' on an Adjusted basis.

Additional FY 2024 guidance points are included on page 15 of this earnings release.

<b>Diluted earnings per share</b>	<b>FY 2024 Guidance</b>
<b>GAAP</b>	<b>at least \$12.89</b>
Amortization of identifiable intangibles	0.50
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments (d)	1.17
Impact of exit of employer group commercial medical products business	1.14
Value creation initiatives (d)	1.25
Cumulative net tax impact of non-GAAP adjustments	(0.95)
<b>Adjusted (non-GAAP) – FY 2024 projected</b>	<b>at least \$16.00</b>

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

## **Humana Consolidated Highlights**

<b>Humana Inc. Summary of Results</b> <i>(\$ in millions, except per share amounts)</i>	<b>3Q24 (a)</b>	<b>3Q23 (a)</b>	<b>YTD 2024 (a)</b>	<b>YTD 2023 (a)</b>
<b>CONSOLIDATED</b>				
Revenues	\$29,397	\$26,423	\$88,548	\$79,912
Revenues - Adjusted (non-GAAP)	\$29,300	\$25,526	\$88,011	\$76,911
Pretax results	\$651	\$1,098	\$2,583	\$3,974
Pretax results - Adjusted (non-GAAP)	\$679	\$1,268	\$2,998	\$4,290
EPS	\$3.98	\$6.71	\$15.72	\$24.26
EPS - Adjusted (non-GAAP)	\$4.16	\$7.78	\$18.35	\$26.10
Benefits expense ratio	89.9 %	86.6 %	89.2 %	86.2 %
Benefits expense ratio - Adjusted (non-GAAP)	89.8 %	86.4 %	89.2 %	86.1 %
Operating cost ratio	11.5 %	12.5 %	10.9 %	11.8 %
Operating cost ratio - Adjusted (non-GAAP)	11.3 %	12.0 %	10.7 %	11.3 %
Operating cash flows			\$3,494	\$11,115
Operating cash flows - Adjusted (non-GAAP) (b)			\$3,494	\$4,042
Parent company cash and short term investments			\$609	\$518
Debt-to-total capitalization			42.3 %	41.1 %
Days in Claims Payable (DCP)	40.7	43.1		

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

### **Consolidated Revenues**

The favorable year-over-year quarter and YTD GAAP consolidated revenues comparisons were primarily driven by the following factors:

- higher per member Medicare premiums, and
- Medicare Advantage and state-based contracts membership growth.

These factors were partially offset by the continued decline in the company's group commercial medical and stand-alone PDP membership.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated revenues for the respective periods.

### **Consolidated Benefit Ratio**

The year-over-year quarterly and YTD increases in the GAAP consolidated ratio primarily reflected the continued impact of elevated Medicare Advantage and state-based contracts medical cost trends in 3Q24 and YTD 2024.

The elevated medical cost trend was partially offset by the impact of the pricing and benefit design of the company's 2024 Medicare Advantage products, which included a reduction in benefits in response to the net impact of the 2024 final rate notice and the initial emergence of increased medical cost trends in 2023.

Furthermore, the year-over-year comparisons continue to reflect a shift in line of business mix, with growth in Medicare Advantage and state-based contracts and other membership, which can carry a higher benefit ratio.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated benefit ratios for the respective periods.

#### **Prior Period Medical Claims Reserve Development (Prior Period Development)**

<i>Consolidated Favorable Prior Period Development \$ in millions Basis points (bps)</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>YTD</b>
<b>Prior Period Development from prior years recognized in 2024 (e)</b>	<b>\$535</b>	<b>\$134</b>	<b>\$24</b>	<b>\$693</b>
<i>Decrease to GAAP benefit ratio</i>	(190 bps)	(50 bps)	(10 bps)	(80 bps)
<b>Prior Period Development from prior years recognized in 2023 (e)</b>	<b>\$522</b>	<b>\$232</b>	<b>\$4</b>	<b>\$758</b>
<i>Decrease to GAAP benefit ratio</i>	(200 bps)	(90 bps)	(0 bps)	(100 bps)

### **Consolidated Operating Cost Ratio**

The year-over-year quarterly and YTD decreases in the GAAP consolidated operating cost ratio from the respective 2023 periods primarily reflected the following:

- scale efficiencies associated with growth in the company's Medicare Advantage membership,
- administrative cost efficiencies resulting from the company's value creation initiatives,
- lower impact of commission expense for brokers in 2024 compared to 2023 as a result of the significant individual Medicare Advantage membership growth in 2023, and
- the impact of the accrued charge related to certain anticipated litigation expenses included in 3Q23 and YTD 2023 results.

These factors were partially offset by the impact of charges related to value creation initiatives in 3Q24 and YTD 2024. These charges were recorded at the corporate level and not allocated to the segments.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated operating cost ratios for the respective periods.

## **Balance sheet**

- Days in claims payable (DCP) of 40.7 days at September 30, 2024 represented a decrease of 0.9 from 41.6 days at June 30, 2024, and a decrease of 2.4 days from 43.1 days at September 30, 2023.

The 0.9 day sequential decrease was primarily driven by a decline in provider accruals, primarily related to the payout of the mid-year Medicare Risk Adjustment settlement.

The 2.4 days year-over-year decrease was primarily driven by lower reserve requirements in provider-capitation accruals due to lower performance-based payment expectations.

- Humana's debt-to-total capitalization at September 30, 2024 decreased 130 basis points to 42.3 percent from 43.6 percent at June 30, 2024 primarily driven by 3Q24 net earnings.

## **Operating cash flows**

The year-over-year decline in YTD GAAP operating cash flows primarily reflected the significant impact of the early receipt of the \$7.1 billion October 2023 premium payment from CMS in September 2023<sup>(b)</sup>, resulting in ten payments being received in YTD 2023 compared to only nine received in YTD 2024.

The year-over-year comparison in operating cash flows further reflected lower YTD earnings in 2024, partially offset by the favorable impact of working capital items in YTD 2024.

## **Share repurchases**

	YTD 2024
Total number of shares repurchased	1,949,838
Average price paid per share	\$ 384.65
Remaining repurchase authorization as of October 29, 2024	\$2.93 billion

## **Humana's Insurance Segment**

This segment is comprised of insurance products serving Medicare and state-based contract beneficiaries, as well as individuals and employers. The segment also includes the company's Pharmacy Benefit Manager, or PBM, business.

<b>Insurance Segment Results</b> <i>(\$ in millions)</i>	3Q24 (a)	3Q23 (a)	YTD 2024 (a)	YTD 2023 (a)
Revenues	\$28,370	\$25,511	\$85,594	\$77,289
Revenues - Adjusted (non-GAAP)	\$28,273	\$24,614	\$85,057	\$74,289
Benefits expense ratio	90.6 %	87.6 %	89.8 %	86.8 %
Benefits expense ratio - Adjusted (non-GAAP)	90.5 %	87.4 %	89.8 %	86.8 %
Operating cost ratio	9.2 %	10.4 %	8.6 %	9.9 %
Operating cost ratio - Adjusted (non-GAAP)	9.1 %	9.9 %	8.6 %	9.4 %
Income from operations	\$274	\$722	\$1,935	\$3,080
Income from operations - Adjusted (non-GAAP)	\$329	\$794	\$2,059	\$3,217

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as recalculations.

### **Insurance Segment Revenues**

The year-over-year quarter and YTD increases in GAAP segment revenues from the respective 2023 periods primarily reflected the following items:

- higher per member Medicare premiums, and
- Medicare Advantage and state-based contracts membership growth.

These factors were partially offset by the continued decline in the company's group commercial medical and stand-alone PDP membership.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment revenues for the respective periods.

### **Insurance Segment Benefit Ratio**

The year-over-year quarter and YTD increases in the GAAP segment ratio primarily reflected the continued impact of elevated Medicare Advantage and state-based contracts medical cost trends in 3Q24 and YTD 2024.

The elevated medical cost trend was partially offset by the impact of the pricing and benefit design of the company's 2024 Medicare Advantage products, which included a reduction in benefits in response to the net impact of the 2024 final rate notice and the initial emergence of increased medical cost trends in 2023.

Furthermore, the year-over-year comparisons continue to reflect a shift in line of business mix, with growth in Medicare Advantage and state-based contracts and other membership, which can carry a higher benefit ratio.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment benefit ratios for the respective periods.

### **Insurance Segment Operating Cost Ratio**

The year-over-year quarter and YTD decreases in the GAAP segment operating cost ratio from the respective 2023 periods primarily related to the following:

- scale efficiencies associated with growth in the company's Medicare Advantage membership,
- administrative cost efficiencies resulting from the company's value creation initiatives,
- lower impact of commission expense for brokers in 2024 compared to 2023 as a result of the significant individual Medicare Advantage membership growth in 2023, and
- the impact of the accrued charge related to certain anticipated litigation expenses included in 3Q23 and YTD 2023 results.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment operating cost ratios for the respective periods.

### **Humana's CenterWell Segment**

This segment includes pharmacy (excluding the PBM operations), primary care, and home solutions. The segment also includes the impact of non-consolidating minority interest investments related to the company's strategic partnerships with Welsh, Carson, Anderson & Stowe (WCAS) to develop and operate senior-focused, payor-agnostic, primary care centers, as well as the Gentiva

(formerly Kindred) Hospice operations. Services offered by this segment are designed to enhance the overall healthcare experience. These services may lead to lower utilization associated with improved member health and/or lower drug costs.

<b>CenterWell Segment Results</b> (\$ in millions)	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
Revenues	<b>\$5,041</b>	\$4,660	<b>\$14,806</b>	\$13,695
Operating cost ratio	<b>91.3 %</b>	90.3 %	<b>92.1 %</b>	91.5 %
Income from operations	<b>\$382</b>	\$400	<b>\$1,002</b>	\$1,017
Income from operations - Adjusted (non-GAAP) (c)	<b>\$439</b>	\$453	<b>\$1,168</b>	\$1,169

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

### **CenterWell Segment Revenues**

The favorable year-over-year quarter and YTD CenterWell segment revenues comparisons were primarily impacted by the following factors:

- greater intersegment revenues associated with the Home Solutions business in 3Q24 and YTD 2024 as compared to respective periods in 2023 as a result of the expansion of the value-based home care model,
- an increase in Pharmacy Solutions revenues resulting from growth in the specialty pharmacy business, driven by increased penetration of Humana health plan members, as well as payor agnostic consumers, and
- higher revenues associated with growth in the company's Primary Care business, partially offset by the impact of the v28 risk model revision.

### **CenterWell Segment Operating Cost Ratio**

The year-over-year quarterly and YTD increases in the segment's operating cost ratio primarily resulted from the unfavorable impact of the v28 risk model revision to the company's Primary Care business.

This impact was partially offset by the following factors:

- administrative cost efficiencies resulting from the company's value creation initiatives, and
- positive prior period medical claims development within the Primary Care Organization.

See additional operational metrics for the CenterWell segment on pages S-13 through S-15 of the statistical supplement included in this earnings release.

### **Conference Call**

Humana will host a live question and answer session for analysts at 9:00 a.m. Eastern time today to discuss its financial results for the quarter and the company's expectations for future earnings. In advance of the question and answer session, Humana will post prepared management remarks to the Quarterly Results section of its Investor Relations page (<https://humana.gcs-web.com/financial-information/quarterly-results>).

To participate via phone, please register in advance at this link - <https://register.vevent.com/register/B166effa11b1e4494d907df29b87d7d237>.

Upon registration, telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number and a unique registrant ID that can be used to access the call.



A webcast of the 3Q24 earnings call may also be accessed via Humana’s Investor Relations page at humana.com. The company suggests participants for both the conference call and those listening via the web dial in or sign on at least 15 minutes in advance of the call.

For those unable to participate in the live event, the archive will be available in the Historical Webcasts and Presentations section of the Investor Relations page (<https://humana.gcs-web.com/events-and-presentations>), approximately two hours following the live webcast.

## **Footnotes**

The company has included financial measures throughout this earnings release that are not in accordance with GAAP. Management believes that these measures, when presented in conjunction with the corresponding GAAP measures, provide a comprehensive perspective to more accurately compare and analyze the company’s core operating performance over time. Consequently, management uses these non-GAAP (Adjusted) financial measures as consistent and uniform indicators of the company’s core business operations from period to period, as well as for planning and decision-making purposes and in determination of incentive compensation. Non-GAAP (Adjusted) financial measures should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. All financial measures in this earnings release are in accordance with GAAP unless otherwise indicated. Please refer to the footnotes for a detailed description of each item adjusted out of GAAP financial measures to arrive at non-GAAP (Adjusted) financial measures.

(a) For the periods covered in this earnings release, the following items are excluded from the non-GAAP financial measures described above, as applicable:

- **Amortization associated with identifiable intangibles** - Since amortization varies based on the size and timing of acquisition activity, management believes this exclusion provides a more consistent and uniform indicator of performance from period to period. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, EPS, and Insurance and CenterWell segments income from operations. The table below discloses respective period amortization expense for each segment:

	3Q24	3Q23	YTD 2024	YTD 2023
Insurance segment	\$4	\$6	\$13	\$17
CenterWell segment	\$11	\$11	\$33	\$34

- **Put/call valuation adjustments associated with the company’s non-consolidating minority interest investments** - These amounts are the result of fair value measurements associated with the company’s Primary Care Organization strategic partnership and are unrelated to the company’s core business operations. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results and EPS.
- **Impact of exit of employer group commercial medical products business** - These amounts relate to activity from the exit of the employer group commercial medical products business as announced by Humana on February 23, 2023. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, EPS, consolidated revenues, consolidated benefit ratio, consolidated operating cost ratio, Insurance segment revenues, Insurance segment benefit ratio, Insurance segment operating cost ratio, and Insurance segment income from operations.
- **Value creation initiatives** - These charges relate to the company’s ongoing initiative to drive additional value for the enterprise through cost saving, productivity initiatives, and value creation from previous investments, and primarily consist of asset impairment and severance charges. For all periods shown within this earnings release, GAAP measures affected in this release include consolidated pretax results, EPS, and the consolidated operating cost ratio.
- **Transaction and integration costs** - The transaction and integration costs primarily related to the acquisition of Kindred at Home in 2021 and the subsequent divestiture of majority ownership of Gentiva (formerly Kindred) Hospice in 2022. For YTD 2023, GAAP measures affected include consolidated pretax results, EPS, and the consolidated operating cost ratio.
- **Accrued charge related to certain anticipated litigation expenses** - This charge related to certain anticipated expenses the company accrued in connection with a legal matter. For 3Q23 and YTD 2023, GAAP measures affected include consolidated pretax results, EPS, the consolidated and Insurance segment operating cost ratios, and Insurance segment income from operations.
- **Change in fair market value of publicly-traded equity securities** - These gains and losses are a result of market and economic conditions that are unrelated to the company’s core business operations. For YTD 2023, GAAP measures affected include consolidated pretax results, EPS, and consolidated revenues (specifically investment income).

- **Cumulative net tax impact of non-GAAP adjustments** - This adjustment represents the cumulative net impact of the corresponding tax benefit or expense related to the aforementioned items excluded from the applicable GAAP measures. For all periods presented in this earnings release, EPS is the sole GAAP measure affected.

In addition to the reconciliations shown on page 2 of this release, the following are reconciliations of GAAP to Adjusted (non-GAAP) measures described above and disclosed within this earnings release:

## **Revenues**

<b>Revenues - CONSOLIDATED (in millions)</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>\$29,397</b>	\$26,423	<b>\$88,548</b>	\$79,912
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
Impact of exit of employer group commercial medical products business	(97)	(897)	(537)	(3,000)
<b>Adjusted (non-GAAP)</b>	<b>\$29,300</b>	\$25,526	<b>\$88,011</b>	\$76,911

<b>Revenues - INSURANCE SEGMENT (in millions)</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>\$28,370</b>	\$25,511	<b>\$85,594</b>	\$77,289
Impact of exit of employer group commercial medical products business	(97)	(897)	(537)	(3,000)
<b>Adjusted (non-GAAP)</b>	<b>\$28,273</b>	\$24,614	<b>\$85,057</b>	\$74,289

## **Benefit Ratio**

<b>Benefit ratio - CONSOLIDATED</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>89.9 %</b>	86.6 %	<b>89.2 %</b>	86.2 %
Impact of exit of employer group commercial medical products business	(0.1)%	(0.2)%	— %	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>89.8 %</b>	86.4 %	<b>89.2 %</b>	86.1 %

<b>Benefit ratio - INSURANCE SEGMENT</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>90.6 %</b>	87.6 %	<b>89.8 %</b>	86.8 %
Impact of exit of employer group commercial medical products business	(0.1)%	(0.2)%	— %	— %
<b>Adjusted (non-GAAP)</b>	<b>90.5 %</b>	87.4 %	<b>89.8 %</b>	86.8 %

## **Operating Cost Ratio**

<b>Operating cost ratio - CONSOLIDATED</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>11.5 %</b>	12.5 %	<b>10.9 %</b>	11.8 %
Impact of exit of employer group commercial medical products business	(0.1)%	(0.3)%	(0.1)%	(0.3)%
Value creation initiatives	(0.1)%	(0.2)%	(0.1)%	(0.1)%
Accrued charge related to certain anticipated litigation expenses	— %	— %	— %	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>11.3 %</b>	12.0 %	<b>10.7 %</b>	11.3 %

<b>Operating cost ratio - INSURANCE SEGMENT</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>9.2 %</b>	10.4 %	<b>8.6 %</b>	9.9 %
Impact of exit of employer group commercial medical products business	<b>(0.1)%</b>	(0.4)%	— %	(0.4)%
Accrued charge related to certain anticipated litigation expenses	— %	(0.1)%	— %	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>9.1 %</b>	9.9 %	<b>8.6 %</b>	9.4 %

### ***Income from Operations***

<b>Income from operations - INSURANCE SEGMENT (in millions)</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>\$274</b>	\$722	<b>\$1,935</b>	\$3,080
Amortization associated with identifiable intangibles	<b>4</b>	6	<b>13</b>	17
Impact of exit of employer group commercial medical products business	<b>51</b>	51	<b>111</b>	15
Accrued charge related to certain anticipated litigation expenses	—	15	—	105
<b>Adjusted (non-GAAP)</b>	<b>\$329</b>	\$794	<b>\$2,059</b>	\$3,217

(b) Generally, when the first day of a month falls on a weekend or holiday, with the exception of January 1 (New Year's Day), the company receives its monthly Medicare premium payment from CMS on the last business day of the previous month. On a GAAP basis, this can result in certain quarterly cash flows from operations including more or less than three monthly payments. Consequently, when this occurs, the company reports Adjusted cash flows from operations to reflect three payments in each quarter to match the related expenses.

<b>Net cash from operating activities (in millions)</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>\$3,494</b>	\$11,115
Timing of premium payment from CMS	—	(7,073)
<b>Adjusted (non-GAAP)</b>	<b>\$3,494</b>	\$4,042

(c) The CenterWell segment Adjusted income from operations includes an adjustment to add back depreciation and amortization expense to the segment's GAAP income from operations since such an adjustment is commonly utilized for valuation purposes within the healthcare delivery industry.

<b>Income from operations - CENTERWELL SEGMENT (in millions)</b>	<b>3Q24</b>	<b>3Q23</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
<b>GAAP</b>	<b>\$382</b>	\$400	<b>\$1,002</b>	\$1,017
Depreciation and amortization expense	<b>57</b>	53	<b>166</b>	152
<b>Adjusted (non-GAAP)</b>	<b>\$439</b>	\$453	<b>\$1,168</b>	\$1,169

(d) FY 2024 projected Adjusted results exclude the future impact of items that cannot be estimated at this time; YTD 2024 amounts shown.

(e) Prior Period Development related to the employer group commercial medical products business:

Favorable (Unfavorable) Prior Period Development	First Quarter	Second Quarter	Third Quarter	YTD
Prior Period Development from prior years recognized in 2024	\$34	(\$9)	(\$1)	\$24
Prior Period Development from prior years recognized in 2023	\$23	(\$20)	(\$2)	\$1

### **Cautionary Statement**

This news release includes forward-looking statements regarding Humana within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of Humana’s executive officers, the words or phrases like “expects,” “believes,” “anticipates,” “assumes,” “intends,” “likely will result,” “estimates,” “projects” or variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the “Risk Factors” section of the company’s SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana receives are insufficient to cover the cost of healthcare services delivered to its members, if the company is unable to implement clinical initiatives to provide a better healthcare experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefits expense are inadequate, Humana’s profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. The company continually reviews estimates of future payments relating to benefit expenses for services incurred in the current and prior periods and makes necessary adjustments to its reserves, including premium deficiency reserves, where appropriate. These estimates involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in claim payment patterns and medical cost trends. Accordingly, Humana’s reserves may be insufficient.
- If Humana fails to effectively implement its operational and strategic initiatives, including its Medicare initiatives, which are of particular importance given the concentration of the company’s revenues in these products, state-based contract strategy, the growth of its CenterWell business, and its integrated care delivery model, the company’s business may be materially adversely affected. In addition, there can be no assurances that the company will be successful in maintaining or improving its Star ratings in future years.
- The number of Humana’s Medicare Advantage plans rated 4-star or higher are expected to significantly decline in 2025. Humana has filed a lawsuit seeking to set aside and vacate the 2025 Star Ratings of its Medicare Advantage plans, but there is no assurance that the company will prevail in this lawsuit. If the company is not successful the decline in Star Ratings may negatively impact its 2026 quality bonus payments from CMS and may also significantly adversely affect the company’s revenues, operating results, and cash flows.
- If Humana, or the third-party service providers on which it relies, fails to properly maintain the integrity of its data, to strategically maintain existing or implement new information systems, to protect Humana’s proprietary rights to its systems, or to defend against cyber-security attacks, contain such attacks when they occur, or prevent other privacy or data security incidents that result in security breaches that disrupt the company’s operations or in the unintentional dissemination of sensitive personal information or proprietary or confidential information, the company’s business may be materially adversely affected.

- Humana is involved in various legal actions, or disputes that could lead to legal actions (such as, among other things, provider contract disputes and qui tam litigation brought by individuals on behalf of the government), governmental and internal investigations, and routine internal review of business processes any of which, if resolved unfavorably to the company, could result in substantial monetary damages or changes in its business practices. Increased litigation and negative publicity could also increase the company's cost of doing business.
- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government healthcare programs including, among other things, loss of material government contracts; governmental audits and investigations; potential inadequacy of government determined payment rates; potential restrictions on profitability, including by comparison of profitability of the company's Medicare Advantage business to non-Medicare Advantage business; or other changes in the governmental programs in which Humana participates. Changes to the risk-adjustment model utilized by CMS to adjust premiums paid to Medicare Advantage plans or retrospective recovery by CMS of previously paid premiums as a result of the final rule related to the risk adjustment data validation audit methodology published by CMS on January 30, 2023 (Final RADV Rule), which Humana believes fails to address adequately the statutory requirement of actuarial equivalence and violates the Administrative Procedure Act due to its failure to include a "Fee for Service Adjuster" could have a material adverse effect on the company's operating results, financial position and cash flows.
- Humana's business activities are subject to substantial government regulation. New laws or regulations, or legislative, judicial, or regulatory changes in existing laws or regulations or their manner of application could increase the company's cost of doing business and have a material adverse effect on Humana's results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company's ability to expand into new markets, increasing the company's medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products, lowering the company's Medicare payment rates and increasing the company's expenses associated with a non-deductible health insurance industry fee and other assessments); the company's financial position (including the company's ability to maintain the value of its goodwill); and the company's cash flows.
- Humana's failure to manage acquisitions, divestitures and other significant transactions successfully may have a material adverse effect on the company's results of operations, financial position, and cash flows.
- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company's business may be adversely affected.
- Humana faces significant competition in attracting and retaining talented employees. Further, managing succession for, and retention of, key executives is critical to the Company's success, and its failure to do so could adversely affect the Company's businesses, operating results and/or future performance.
- Humana's pharmacy business is highly competitive and subjects it to regulations and supply chain risks in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana's financial performance.
- Humana's ability to obtain funds from certain of its licensed subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana's debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- Volatility or disruption in the securities and credit markets may significantly and adversely affect the value of our investment portfolio and the investment income that we derive from this portfolio.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2023;
- Form 10-Q for the quarter ended March 31, 2024 and June 30, 2024; and
- Form 8-Ks filed during 2024.

### **About Humana**

Humana Inc. is committed to putting health first – for our teammates, our customers, and our company. Through our Humana insurance services, and our CenterWell health care services, we make it easier for the millions of people we serve to achieve their best health – delivering the care and service they need, when they need it. These efforts are leading to a better quality of life for people with Medicare, Medicaid, families, individuals, military service personnel, and communities at large. Learn more about what we offer at [Humana.com](https://www.humana.com) and at [CenterWell.com](https://www.centerwell.com).

## Humana Inc. Full Year 2024 Projections - As of October 30, 2024

	<u>Current Guidance</u>	<u>Prior Guidance</u>	
<b><u>Diluted earnings per common share</u></b>			
	<b>GAAP:</b> at least \$12.89	<b>GAAP:</b> approximately \$12.81	
	<b>Non-GAAP:</b> at least \$16.00	<b>Non-GAAP:</b> approximately \$16.00	
<b><u>Total Revenues</u></b>			
Consolidated	no change	<b>GAAP:</b> approximately \$116 billion	
Insurance segment	no change	<b>GAAP:</b> approximately \$112 billion	Consolidated and segment level revenue projections include expected investment income. Segment level revenues include amounts that eliminate in consolidation.
CenterWell segment	no change	<b>GAAP:</b> approximately \$19 billion	
<b><u>Change in year-end medical membership from prior year-end</u></b>			
Individual Medicare Advantage	Growth of approximately 265,000	Growth of approximately 225,000	
Group Medicare Advantage	Growth of approximately 35,000	Growth of approximately 45,000	
Medicare stand-alone PDP	no change	Decline of approximately 600,000	
State-based contracts	Growth of approximately 200,000	Growth of approximately 250,000	State-based contracts guidance includes membership in Florida, Illinois, Indiana, Kentucky, Louisiana, Ohio, Oklahoma, South Carolina, and Wisconsin.
<b><u>Benefit Ratio</u></b>			
Insurance segment	no change	<b>GAAP:</b> approximately 90%	Ratio calculation: benefits expense as a percent of premiums revenues.
<b><u>Operating Cost Ratio</u></b>			
Consolidated	no change	<b>GAAP:</b> approximately 11.4%	Ratio calculation: operating costs excluding depreciation and amortization as a percent of revenues excluding investment income.
<b><u>Segment Results</u></b>			
Insurance segment income from operations	no change	<b>GAAP:</b> approximately \$1.1 billion <b>Non-GAAP:</b> approximately \$1.2 billion	Insurance segment Non-GAAP income from operations excludes the projected impact of the exit of employer group commercial medical products business and segment amortization.
CenterWell segment income from operations	no change	<b>GAAP:</b> approximately \$1.2 billion <b>Non-GAAP:</b> approximately \$1.4 billion	CenterWell segment Non-GAAP income from operations excludes the projected impact of segment depreciation and amortization.
<b><u>Effective Tax Rate</u></b>			
	no change	<b>GAAP:</b> approximately 25.2% <b>Non-GAAP:</b> approximately 25.0%	
<b><u>Weighted Avg. Share Count for Diluted EPS</u></b>			
	no change	approximately 121 million	
<b><u>Cash flows from operations</u></b>			
	<b>GAAP:</b> approximately \$2.75 billion	<b>GAAP:</b> approximately \$2 billion	
<b><u>Capital expenditures</u></b>			
	<b>GAAP:</b> approximately \$600 million	<b>GAAP:</b> approximately \$800 million	

Humana Inc.  
Statistical Schedules  
and  
Supplementary Information  
3Q24 Earnings Release



**Humana Inc.**  
**Statistical Schedules and Supplementary Information**  
**3Q24 Earnings Release**

(S-3)	Consolidated Statements of Income - Quarter and YTD
(S-4)	Consolidated Balance Sheets
(S-5)	Consolidated Statements of Cash Flows - YTD
(S-6) - (S-7)	Consolidating Statements of Income - Quarter
(S-8) - (S-9)	Consolidating Statements of Income - YTD
(S-10)	Membership Detail
(S-11) - (S-12)	Premiums and Services Revenue Detail
(S-13) - (S-15)	CenterWell Segment - Pharmacy Solutions, Primary Care, & Home Solutions
(S-16)	Footnotes

Humana Inc.

Consolidated Statements of Income (Unaudited)

Dollars in millions, except per common share results

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Revenues:				
Premiums	\$ 27,951	\$ 25,099	\$ 84,354	\$ 76,144
Services	1,103	1,016	3,265	2,993
Investment income	343	308	929	775
<b>Total revenues</b>	<b>29,397</b>	26,423	<b>88,548</b>	79,912
Operating expenses:				
Benefits	25,120	21,745	75,283	65,612
Operating costs	3,339	3,271	9,529	9,361
Depreciation and amortization	210	201	631	578
<b>Total operating expenses</b>	<b>28,669</b>	25,217	<b>85,443</b>	75,551
<b>Income from operations</b>	<b>728</b>	1,206	<b>3,105</b>	4,361
Interest expense	169	114	496	347
Other (income) expense, net	(92)	(6)	26	40
<b>Income before income taxes and equity in net earnings</b>	<b>651</b>	1,098	<b>2,583</b>	3,974
Provision from income taxes	155	256	629	911
Equity in net losses (A)	(16)	(12)	(57)	(39)
<b>Net income</b>	<b>480</b>	830	<b>1,897</b>	3,024
Net loss attributable to noncontrolling interests	—	2	3	6
<b>Net income attributable to Humana</b>	<b>\$ 480</b>	\$ 832	<b>\$ 1,900</b>	\$ 3,030
Basic earnings per common share	\$ 3.99	\$ 6.74	\$ 15.76	\$ 24.37
<b>Diluted earnings per common share</b>	<b>\$ 3.98</b>	\$ 6.71	<b>\$ 15.72</b>	\$ 24.26
Shares used in computing basic earnings per common share (000's)	120,405	123,426	120,609	124,335
Shares used in computing diluted earnings per common share (000's)	120,764	123,983	120,899	124,885

Humana Inc.  
Consolidated Balance Sheets (Unaudited)

Dollars in millions, except share amounts

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,116	\$ 4,694
Investment securities	19,033	16,626
Receivables, net	2,144	2,035
Other current assets	6,633	6,631
Total current assets	32,926	29,986
Property and equipment, net	2,693	3,030
Long-term investment securities	400	382
Equity method investments	729	740
Goodwill	9,590	9,550
Other long-term assets	3,669	3,377
<b>Total assets</b>	<b>\$ 50,007</b>	<b>\$ 47,065</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Benefits payable	\$ 11,125	\$ 10,241
Trade accounts payable and accrued expenses	5,915	6,569
Book overdraft	356	353
Unearned revenues	195	266
Short-term debt	1,136	1,443
Total current liabilities	18,727	18,872
Long-term debt	11,886	10,213
Other long-term liabilities	1,770	1,662
<b>Total liabilities</b>	<b>32,383</b>	<b>30,747</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1 par; 10,000,000 shares authorized, none issued	—	—
Common stock, \$0.16 2/3 par; 300,000,000 shares authorized; 198,718,810 issued at September 30, 2024	33	33
Capital in excess of par value	3,471	3,346
Retained earnings	29,118	27,540
Accumulated other comprehensive loss	(653)	(999)
Treasury stock, at cost, 78,307,467 shares at September 30, 2024	(14,404)	(13,658)
<b>Total stockholders' equity</b>	<b>17,565</b>	<b>16,262</b>
Noncontrolling interests	59	56
<b>Total equity</b>	<b>17,624</b>	<b>16,318</b>
<b>Total liabilities and equity</b>	<b>\$ 50,007</b>	<b>\$ 47,065</b>
<b>Debt-to-total capitalization ratio</b>	<b>42.3 %</b>	<b>41.8 %</b>

Humana Inc.

Consolidated Statements of Cash Flows (Unaudited) *Dollars in millions*

	For the nine months ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$ 1,897	\$ 3,024
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gain) loss on investment securities, net	(10)	49
Equity in net losses	57	39
Stock-based compensation	153	142
Depreciation	682	628
Amortization	46	51
Impairment of property and equipment	129	31
Changes in operating assets and liabilities, net of effect of businesses acquired and disposed:		
Receivables	(109)	(126)
Other assets	258	(935)
Benefits payable	884	870
Other liabilities	(498)	39
Unearned revenues	(71)	7,250
Other, net	76	53
<b>Net cash provided by operating activities</b>	<b>3,494</b>	<b>11,115</b>
<b>Cash flows from investing activities</b>		
Acquisitions, net of cash and cash equivalents acquired	(37)	(223)
Purchases of property and equipment, net	(421)	(721)
Purchases of investment securities	(6,403)	(3,366)
Maturities of investment securities	2,214	885
Proceeds from sales of investment securities	1,758	815
<b>Net cash used in investing activities</b>	<b>(2,889)</b>	<b>(2,610)</b>
<b>Cash flows from financing activities</b>		
(Withdrawals) receipts from contract deposits, net	(638)	2,481
Proceeds from issuance of senior notes, net	2,232	1,215
Repayments of senior notes	(48)	(1,719)
(Repayments) issuance of commercial paper, net	(895)	1,618
Repayment of term loan	—	(500)
Debt issue costs	(7)	(4)
Change in book overdraft	3	(52)
Common stock repurchases	(768)	(1,002)
Dividends paid	(323)	(320)
Other	261	(135)
<b>Net cash (used in) provided by financing activities</b>	<b>(183)</b>	<b>1,582</b>
Increase in cash and cash equivalents	422	10,087
Cash and cash equivalents at beginning of period	4,694	5,061
<b>Cash and cash equivalents at end of period</b>	<b>\$ 5,116</b>	<b>\$ 15,148</b>

Humana Inc.

Consolidating Statements of Income—For the three months ended September 30, 2024 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers Premiums:</b>				
Individual Medicare Advantage	\$ 21,856	\$ —	\$ —	\$ 21,856
Group Medicare Advantage	1,913	—	—	1,913
Medicare stand-alone PDP	721	—	—	721
<b>Total Medicare</b>	<b>24,490</b>	<b>—</b>	<b>—</b>	<b>24,490</b>
State-based contracts and other	2,921	—	—	2,921
Commercial fully-insured	85	—	—	85
Specialty benefits	238	—	—	238
Medicare Supplement	217	—	—	217
<b>Total premiums</b>	<b>27,951</b>	<b>—</b>	<b>—</b>	<b>27,951</b>
<b>Services revenue:</b>				
Home solutions	—	326	—	326
Primary care	—	319	—	319
Pharmacy solutions	—	232	—	232
Military services and other	214	—	—	214
Commercial ASO	12	—	—	12
<b>Total services revenue</b>	<b>226</b>	<b>877</b>	<b>—</b>	<b>1,103</b>
<b>Total revenues—external customers</b>	<b>28,177</b>	<b>877</b>	<b>—</b>	<b>29,054</b>
Intersegment revenues	1	4,164	(4,165)	—
Investment income	192	—	151	343
<b>Total revenues</b>	<b>28,370</b>	<b>5,041</b>	<b>(4,014)</b>	<b>29,397</b>
<b>Operating expenses:</b>				
Benefits	25,319	—	(199)	25,120
Operating costs	2,595	4,602	(3,858)	3,339
Depreciation and amortization	182	57	(29)	210
<b>Total operating expenses</b>	<b>28,096</b>	<b>4,659</b>	<b>(4,086)</b>	<b>28,669</b>
<b>Income from operations</b>	<b>\$ 274</b>	<b>\$ 382</b>	<b>\$ 72</b>	<b>\$ 728</b>
<b>Benefit ratio</b>	90.6 %			89.9 %
<b>Operating cost ratio</b>	9.2 %	91.3 %		11.5 %

Humana Inc.

Consolidating Statements of Income—For the three months ended September 30, 2023 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers Premiums:</b>				
Individual Medicare Advantage	\$ 19,637	\$ —	\$ —	\$ 19,637
Group Medicare Advantage	1,695	—	—	1,695
Medicare stand-alone PDP	493	—	—	493
<b>Total Medicare</b>	<b>21,825</b>	<b>—</b>	<b>—</b>	<b>21,825</b>
State-based contracts and other	1,995	—	—	1,995
Commercial fully-insured	842	—	—	842
Specialty benefits	252	—	—	252
Medicare Supplement	185	—	—	185
<b>Total premiums</b>	<b>25,099</b>	<b>—</b>	<b>—</b>	<b>25,099</b>
<b>Services revenue:</b>				
Home solutions	—	342	—	342
Primary care	—	214	—	214
Pharmacy solutions	—	203	—	203
Military services and other	202	—	—	202
Commercial ASO	55	—	—	55
<b>Total services revenue</b>	<b>257</b>	<b>759</b>	<b>—</b>	<b>1,016</b>
<b>Total revenues—external customers</b>	<b>25,356</b>	<b>759</b>	<b>—</b>	<b>26,115</b>
Intersegment revenues	1	3,901	(3,902)	—
Investment income	154	—	154	308
<b>Total revenues</b>	<b>25,511</b>	<b>4,660</b>	<b>(3,748)</b>	<b>26,423</b>
<b>Operating expenses:</b>				
Benefits	21,976	—	(231)	21,745
Operating costs	2,634	4,207	(3,570)	3,271
Depreciation and amortization	179	53	(31)	201
<b>Total operating expenses</b>	<b>24,789</b>	<b>4,260</b>	<b>(3,832)</b>	<b>25,217</b>
<b>Income from operations</b>	<b>\$ 722</b>	<b>\$ 400</b>	<b>\$ 84</b>	<b>\$ 1,206</b>
<b>Benefit ratio</b>	<b>87.6 %</b>			<b>86.6 %</b>
<b>Operating cost ratio</b>	<b>10.4 %</b>	<b>90.3 %</b>		<b>12.5 %</b>

Humana Inc.

Consolidating Statements of Income—For the nine months ended September 30, 2024 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers Premiums:</b>				
Individual Medicare Advantage	\$ 66,519	\$ —	\$ —	\$ 66,519
Group Medicare Advantage	5,840	—	—	5,840
Medicare stand-alone PDP	2,409	—	—	2,409
<b>Total Medicare</b>	<b>74,768</b>	<b>—</b>	<b>—</b>	<b>74,768</b>
State-based contracts and other	7,756	—	—	7,756
Commercial fully-insured	493	—	—	493
Specialty	717	—	—	717
Medicare Supplement	620	—	—	620
<b>Total premiums</b>	<b>84,354</b>	<b>—</b>	<b>—</b>	<b>84,354</b>
<b>Services revenue:</b>				
Home solutions	—	996	—	996
Primary care	—	882	—	882
Pharmacy solutions	—	672	—	672
Military services and other	671	—	—	671
Commercial ASO	44	—	—	44
<b>Total services revenue</b>	<b>715</b>	<b>2,550</b>	<b>—</b>	<b>3,265</b>
<b>Total revenues—external customers</b>	<b>85,069</b>	<b>2,550</b>	<b>—</b>	<b>87,619</b>
Intersegment revenues	3	12,256	(12,259)	—
Investment income	522	—	407	929
<b>Total revenues</b>	<b>85,594</b>	<b>14,806</b>	<b>(11,852)</b>	<b>88,548</b>
<b>Operating expenses:</b>				
Benefits	75,752	—	(469)	75,283
Operating costs	7,354	13,638	(11,463)	9,529
Depreciation and amortization	553	166	(88)	631
<b>Total operating expenses</b>	<b>83,659</b>	<b>13,804</b>	<b>(12,020)</b>	<b>85,443</b>
<b>Income from operations</b>	<b>\$ 1,935</b>	<b>\$ 1,002</b>	<b>\$ 168</b>	<b>\$ 3,105</b>
<b>Benefit ratio</b>	<b>89.8 %</b>			<b>89.2 %</b>
<b>Operating cost ratio</b>	<b>8.6 %</b>	<b>92.1 %</b>		<b>10.9 %</b>

Humana Inc.

Consolidating Statements of Income—For the nine months ended September 30, 2023 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers Premiums:</b>				
Individual Medicare Advantage	\$ 59,195	\$ —	\$ —	\$ 59,195
Group Medicare Advantage	5,192	—	—	5,192
Medicare stand-alone PDP	1,677	—	—	1,677
<b>Total Medicare</b>	<b>66,064</b>	<b>—</b>	<b>—</b>	<b>66,064</b>
State-based contracts and other	5,966	—	—	5,966
Commercial fully-insured	2,810	—	—	2,810
Specialty	758	—	—	758
Medicare Supplement	546	—	—	546
<b>Total premiums</b>	<b>76,144</b>	<b>—</b>	<b>—</b>	<b>76,144</b>
<b>Services revenue:</b>				
Home solutions	—	997	—	997
Primary care	—	605	—	605
Pharmacy solutions	—	661	—	661
Military services and other	540	—	—	540
Commercial ASO	190	—	—	190
<b>Total services revenue</b>	<b>730</b>	<b>2,263</b>	<b>—</b>	<b>2,993</b>
<b>Total revenues—external customers</b>	<b>76,874</b>	<b>2,263</b>	<b>—</b>	<b>79,137</b>
Intersegment revenues	30	11,432	(11,462)	—
Investment income	385	—	390	775
<b>Total revenues</b>	<b>77,289</b>	<b>13,695</b>	<b>(11,072)</b>	<b>79,912</b>
<b>Operating expenses:</b>				
Benefits	66,096	—	(484)	65,612
Operating costs	7,597	12,526	(10,762)	9,361
Depreciation and amortization	516	152	(90)	578
<b>Total operating expenses</b>	<b>74,209</b>	<b>12,678</b>	<b>(11,336)</b>	<b>75,551</b>
<b>Income from operations</b>	<b>\$ 3,080</b>	<b>\$ 1,017</b>	<b>\$ 264</b>	<b>\$ 4,361</b>
<b>Benefit ratio</b>	<b>86.8 %</b>			<b>86.2 %</b>
<b>Operating cost ratio</b>	<b>9.9 %</b>	<b>91.5 %</b>		<b>11.8 %</b>





Humana Inc.

Premiums and Services Revenue Detail (Unaudited)

Dollars in millions, except per member per month; includes intersegment revenues

	<u>For the three months ended September 30,</u>				<u>Per Member per Month (I)</u> <u>For the three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>Dollar</u> <u>Change</u>	<u>Percentage</u> <u>Change</u>	<u>2024</u>	<u>2023</u>
<b>Insurance</b>						
Individual Medicare Advantage	\$ 21,856	\$ 19,637	\$ 2,219	11.3%	\$ 1,291	\$ 1,226
Group Medicare Advantage	1,913	1,695	218	12.9%	1,166	1,108
Medicare stand-alone PDP	721	493	228	46.2%	103	57
State-based contracts and other (E)	2,921	1,995	926	46.4%	653	493
Commercial fully-insured (F)	85	842	(757)	-89.9%	640	564
Specialty (G)	238	252	(14)	-5.6%	19	18
Medicare Supplement	217	185	32	17.3%	206	207
Military and other (H)	215	203	12	5.9%		
Commercial ASO	12	55	(43)	-78.2%		
<b>Total</b>	<b>28,178</b>	<b>25,357</b>	<b>2,821</b>	<b>11.1%</b>		
<b>CenterWell</b>						
Pharmacy solutions	2,933	2,797	136	4.9%		
Primary care	1,257	1,068	189	17.7%		
Home solutions	851	795	56	7.0%		
<b>Total</b>	<b>5,041</b>	<b>4,660</b>	<b>381</b>	<b>8.2%</b>		

# Humana Inc.

## Premiums and Services Revenue Detail (Unaudited)

Dollars in millions, except per member per month; includes intersegment revenues

	For the nine months ended September 30,				Per Member per Month (I) For the nine months ended September 30,	
	2024	2023	Dollar Change	Percentage Change	2024	2023
<b>Insurance</b>						
Individual Medicare Advantage	\$ 66,519	\$ 59,195	\$ 7,324	12.4 %	\$ 1,322	\$ 1,259
Group Medicare Advantage	5,840	5,192	648	12.5 %	1,183	1,129
Medicare stand-alone PDP	2,409	1,677	732	43.6 %	114	63
State-based contracts and other (E)	7,756	5,966	1,790	30.0 %	602	476
Commercial fully-insured (F)	493	2,810	(2,317)	-82.5 %	569	552
Specialty (G)	717	758	(41)	-5.4 %	18	18
Medicare Supplement	620	546	74	13.6 %	206	205
Military services and other (H)	674	570	104	18.2 %		
Commercial ASO	44	190	(146)	-76.8 %		
<b>Total</b>	<b>85,072</b>	<b>76,904</b>	<b>8,168</b>	<b>10.6 %</b>		
<b>CenterWell</b>						
Pharmacy solutions	8,635	8,509	126	1.5 %		
Primary care	3,666	3,101	565	18.2 %		
Home solutions	2,505	2,085	420	20.1 %		
<b>Total</b>	<b>14,806</b>	<b>13,695</b>	<b>1,111</b>	<b>8.1 %</b>		

Humana Inc.  
CenterWell Segment - Pharmacy Solutions (Unaudited)

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the three months ended June 30, 2024
<b><u>Generic Dispense Rate</u></b>			
<b>Total Medicare</b>	<b>90.8 %</b>	91.8 %	90.9 %
<b><u>Mail-Order Penetration</u></b>			
<b>Total Medicare</b>	<b>28.1 %</b>	29.6 %	28.4 %

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
<b><u>Generic Dispense Rate</u></b>		
<b>Total Medicare</b>	<b>91.0 %</b>	91.4 %
<b><u>Mail-Order Penetration</u></b>		
<b>Total Medicare</b>	<b>28.5 %</b>	30.0 %

Humana Inc.  
CenterWell Segment - Primary Care (J) (Unaudited)

	As of September 30, 2024			As of September 30, 2023			Year-over-Year Growth		
	Primary			Primary			Primary		
	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served
De novo	120	295	64,100	100	268	36,400	20.0 %	10.1 %	76.1 %
Wholly-owned	181	658	217,300	196	614	187,200	(7.7)%	7.2 %	16.1 %
Independent Physician Associations			62,800			61,100			2.8 %
	301	953	344,200	296	882	284,700	1.7 %	8.0 %	20.9 %

	As of December 31, 2023			YTD Growth		
	Primary			Primary		
	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served
De novo	108	274	43,100	11.1 %	7.7 %	48.7 %
Wholly-owned	188	617	189,600	(3.7)%	6.6 %	14.6 %
Independent Physician Associations			61,500			2.1 %
	296	891	294,200	1.7 %	7.0 %	17.0 %

Humana Inc.

CenterWell Segment - Home Solutions (Unaudited)

	<b>For the three months ended September 30, 2024</b>	<b>For the three months ended September 30, 2023</b>	<b>Year-over-Year Growth</b>
<b>Episodic Admissions (L)</b>	79,149	76,270	3.8 %
<b>Total Admissions - Same Store (M)</b>	102,978	97,593	5.5 %

	<b>For the nine months ended September 30, 2024</b>	<b>For the nine months ended September 30, 2023</b>	<b>Year-over-Year Growth</b>
<b>Episodic Admissions (L)</b>	244,433	225,721	8.3 %
<b>Total Admissions - Same Store (M)</b>	317,482	289,892	9.5 %

**Humana Inc.**

**Footnotes to Statistical Schedules and Supplementary Information**

**3Q24 Earnings Release**

- A. Net losses associated with the company's non-consolidated minority interest investments.
- B. Fully-insured dental membership as reported does not include Humana members that have a Medicare Advantage plan that includes an embedded dental benefit.
- C. In certain circumstances, the company contracts with providers to accept financial risk for a defined set of Medicare Advantage membership. For these Downside Risk arrangements, the provider is measured against a medical expense ratio target and the company may share savings from reduction to the total cost of care of the defined membership. The result is a high level of engagement on the part of the provider. Under these arrangements, the company may contract with providers to accept partial, full, or global financial risk. In certain instances (capitated shared risk) of these arrangements, the company may choose to prepay these providers a monthly fixed-fee per member to coordinate substantially all of the medical care for their Medicare Advantage members assigned or attributed to their provider panel, including some health benefit administrative functions and claims processing.
- D. A Path to Risk provider is one who has a high level of engagement and has contracted with the company to participate in an Upside Only/Shared Savings total cost of care arrangement and/or in one of Humana's Quality Bonus programs (Model Practice), through which the company rewards the provider for achieving quality and utilization targets. Providers who are contracted in an Upside Only/Shared Savings arrangement may receive a portion of achieved surpluses when the actual cost of the medical services provided to patients assigned or attributed to their panel is less than the agreed upon medical expense targets. These contracts may also include a Downside Risk trigger (future date or membership threshold) which has not yet been met.
- E. Per Member per Month (PMPM) shown reflects only Medicaid premiums and average Medicaid membership for the period; includes impact of dual eligible demonstration members.
- F. Fully-insured commercial medical premiums also include stop-loss premiums associated with the commercial ASO product; for purposes of the PMPM metric, the commercial ASO stop-loss premiums have been excluded.
- G. Specialty per member per month is computed based on reported specialty premiums and average fully-insured specialty membership for the period.
- H. The amounts primarily reflect services revenues under the TRICARE East Region contract that generally are contracted on a per-member basis.
- I. Computed based on average membership for the period (i.e. monthly ending membership during the period divided by the number of months in the period).
- J. *De novo* refers to all new centers opened or acquired since 2020 under a WCAS joint venture. *Wholly-owned* refers to all centers outside a WCAS joint venture.
- K. Represents Medicare Advantage (MA) risk, MA path to risk, MA value-based, Direct Contracting Entity, and Accountable Care Organization patients.
- L. Reflects patient admissions under the Patient Driven Groupings Model (PDGM) payment model.
- M. Reflects all patient admissions regardless of reimbursement model. Same store is defined as care centers that have been owned and operated at least the last twelve months and startups that are an expansion of a same store care center.