

# growth with purpose

CIGNA INVESTOR PRESENTATION | AUGUST 5, 2021

# 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 with respect to information contained in 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 Cigna'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 (loss) from operations, on a consolidated, per share and segment basis; projected adjusted revenue on a consolidated and segment basis; projected adjusted margins on a consolidated and segment basis; projected customer growth; projected medical care and SG&A expense ratios; projected consolidated adjusted tax rate; projected debt to capitalization ratio; projected cash flow from operations; projected capital expenditures; projected future dividends; projected weighted average shares outstanding; projected market share and addressable market growth; projected capital deployment, including deployment to capital expenditures and surplus to fund growth, mergers and acquisitions, share repurchases and dividends; as well as statements concerning future financial or operating performance, including our ability to deliver affordable, predictable and simple solutions for our customers and clients, including in light of the challenges presented by the COVID-19 pandemic; future growth, business strategy, strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas; financing or capital deployment plans and amounts available for future deployment; our prospects for growth in the coming years; strategic transactions; and other statements regarding Cigna'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,” “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; the scale, scope and duration of the COVID-19 pandemic and its potential impact on our business, operating results, cash flows or financial condition; our ability to compete effectively, differentiate our products and services from those of our competitors and maintain or increase market share; price competition 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; political, legal, operational, regulatory, economic and other risks that could affect our multinational operations; risks related to strategic transactions and realization of the expected benefits of such transactions, as well as integration 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; our ability to invest in and properly maintain our information technology and other business systems; our ability to prevent or contain effects of a potential cyberattack or other privacy or data security incident; 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, 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, stock market or interest rate declines; 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; unfavorable industry, economic or political conditions; 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 available through the Investor Relations section of [www.cigna.com](http://www.cigna.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. Cigna 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

## 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 Cigna’s management because it presents the underlying results of operations of Cigna’s businesses and permits analysis of trends in underlying revenue, expenses and shareholders’ net income. Adjusted income from operations is defined as shareholders’ net income (or income before taxes for the segment metric) excluding net realized investment results, amortization of acquired intangible assets and special items. Cigna’s share of certain realized investment results of its joint ventures reported in the International Markets 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.

Adjusted revenues is used by Cigna’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 Cigna’s share of certain realized investment results of its joint ventures reported in the International Markets 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 Cigna’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 2021 outlook includes approximately \$2.50 per share in net unfavorable impacts of COVID-19. The Company’s 2021 and long-term outlook include future share repurchases and anticipated dividends and do not include the potential effects of any business combinations or divestitures that may occur after the date of this presentation, such as our recently announced planned divestiture of the Texas Medicaid business, which we expect to close in the second half of 2021.

Management is not able to provide a reconciliation of adjusted income from operations to shareholders’ net income (loss) or adjusted revenues to total revenues on a forward-looking basis because we are unable to predict 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.

Cigna 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 Cigna 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.

# Growth with purpose

- Purpose, mission and strategy
- Well-positioned growth platforms
- Durable growth framework
- 2021 guidance update
- Long-term targets

# Our purpose and mission

A global health service  
company dedicated to  
improving the **health,**  
**well-being** and **peace**  
**of mind** of those we serve.



# Our enterprise growth strategy

Champions for affordable, predictable and simple health care



## MAKING IT affordable

We build on our leading, differentiated position to lower the total cost of care.

## MAKING IT predictable

We take surprise out of the system and help people make informed health care choices.

## MAKING IT simple

We make it easier for the people we serve to get the care they need.

# Three forces changing health care



Pharmacological  
innovations

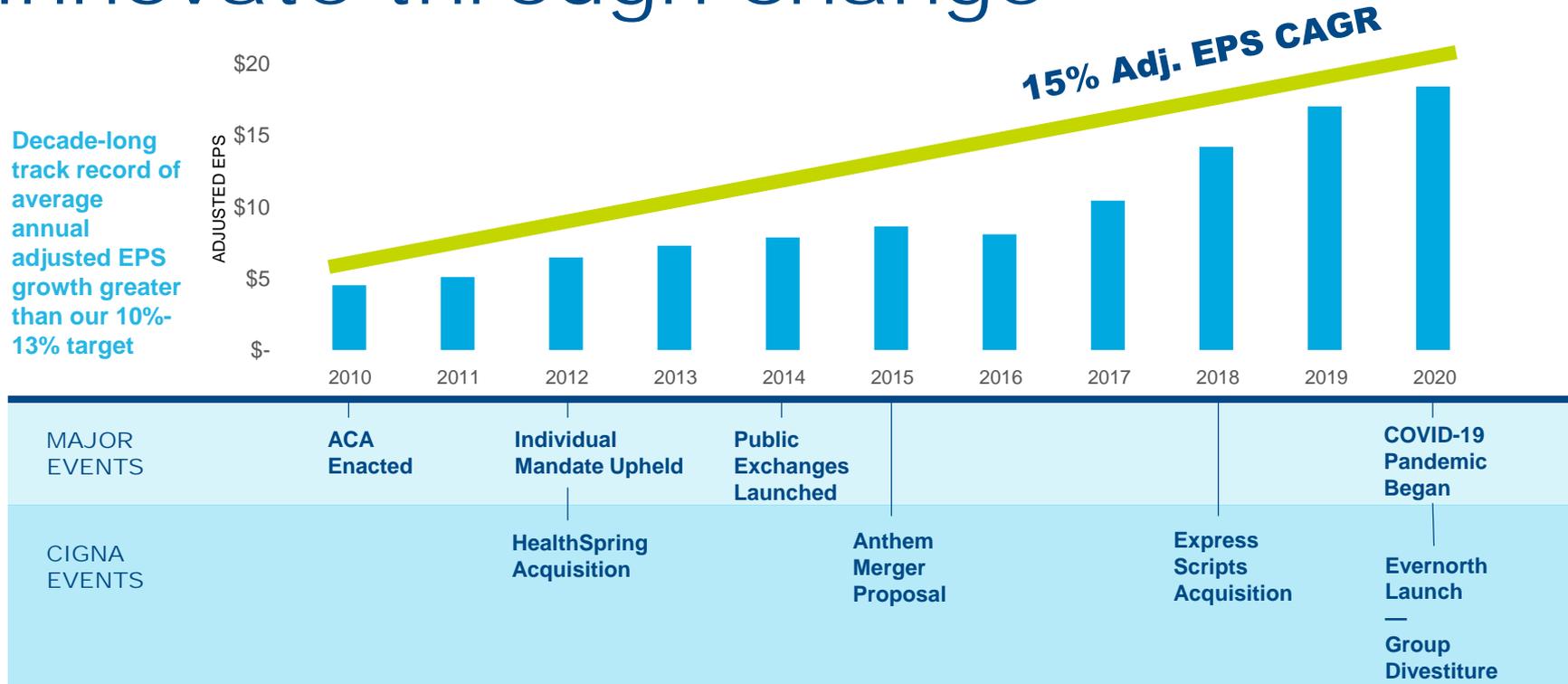


Mental and physical  
health connection



Access  
to care

# Proven ability to grow and innovate through change



# Our growth platforms



**EVERNORTH**



U.S. Medical  
Commercial and Government



International Markets

# Evernorth

By coordinating best-in-class services, programs and partnerships, Evernorth transforms them into comprehensive coordinated, integrated and point solutions that drive the most value for clients, customers and patients.

## Pharmacy

Proven pharmacy solutions across the spectrum, from general to complex conditions, delivering the expertise and care people deserve with personalized experiences and seamless coordination.



*accredo*

## Benefits management

Pharmacy and medical benefits management solutions that tackle rising costs by leveraging supply chain excellence and by optimizing medical services and medication usage.



*Embarc Benefit Protection*<sup>SM</sup>

## Care

Innovative and data-driven clinical, behavioral health and care-delivery solutions that address emerging issues and make whole-person health more accessible, affordable and simple.

*inMynd*<sup>SM</sup>

**MDLIVE**

*Healthy Ways to Work*<sup>SM</sup>

## Intelligence

Advanced analytics, predictive models, custom research and critical insights focused on helping to solve the industry's most complex challenges throughout the care journey.

*Express Scripts Lab*

# U.S. Medical

## U.S. Commercial

- Medical
- Pharmacy
- Behavioral
- Dental & Vision
- Other Health Services



Providing comprehensive medical and coordinated solutions to clients and customers to support whole-person health needs.

## U.S. Government

- Medicare Advantage
- Individual and Family Plans (ACA)
- Other Government Solutions

# International Markets

Serving individuals, corporations, governments, intergovernmental organizations (IGOs) and non-governmental organizations (NGOs) through a broad range of health- and protection-related solutions

30+

Countries/  
jurisdictions

7K+

Employer  
clients

~14M

Customer  
relationships



Africa

Asia Pacific

Australia

China

Europe

India

Middle East

New Zealand

North America

South Korea

Turkey



CENTRAL Group



# Our growth framework



## Deliver differentiated value

- Addition, retention and expansion of customer and client relationships



## Partner and innovate

- New innovations that create more value
- Partnerships that accelerate innovation or expand addressable markets



## Expand our addressable markets

- Geographies, buying groups and offerings

# Intensified affordability approach



**1** High-performing providers



**2** Lowering of drug costs



**3** Effective sites of care



**4** End-to-end clinical solutions

Clinical programs  
Whole-person health  
Alternative care delivery capabilities



# How differentiated value drives our growth

EVERNORTH

**Growth driven across pharmacy, benefits management, care solutions and intelligence which also feed U.S. Medical & International Markets**

*accredo*<sup>®</sup>

End-to-end clinical solutions  
Value-based programs  
Digital therapeutics



U.S. MEDICAL  
COMMERCIAL

**Growth driven through integrated offerings, enhanced by Evernorth point solutions for employers of all sizes**

- Networks that guide to right providers, sites of care
- Virtual, digital, in-home capabilities
- Enhanced pharmacy, end-to-end clinical solutions
- Accelerated trend reduction

U.S. MEDICAL  
GOVERNMENT

**Growth driven through integrated offerings, enhanced by Evernorth point solutions for customers**

- Superior clinical quality, Stars ratings
- Value-based provider partner of choice
- PPO, HMO, supplemental benefits
- Strengthened by affordable Commercial networks, Evernorth pharmacy solutions

INTERNATIONAL  
MARKETS

**Growth driven through supplemental, integrated and coordinated offerings, enhanced by enterprise capabilities**

Peace of mind solutions



Targeted health solutions



Access to care capabilities

The examples above are not all-inclusive of each growth platform.

# Partnership and innovation fuel our growth with purpose



**Accelerate the pace  
of innovation**

Driving the future  
of virtual care

**MDLIVE**

- Gave customers access to virtual urgent care services
- Includes virtual behavioral health and primary care services
- Deployed clinical colleagues to help meet demand



**Create  
mutual value**

Expanding our reach  
through an innovative  
partnership

**oscar**

- Opportunities to offer commercial solutions to small businesses
- Well positioned for continued market expansion



**Rapidly expand our  
addressable market**

Expanding our reach in  
an important region

**NAS** | **neuron**  
نيورون

- Provides market-leading scale in the Middle East, helping to drive better and more-affordable outcomes



# Expanding our addressable market

	 <b>GEOGRAPHIC</b>	 <b>PRODUCTS + SOLUTIONS</b>	 <b>NEW BUYER GROUPS</b>
<b>EVERNORTH</b>	 <b>Expansion of post-acute and in-home capabilities</b>	 <b>Expanded services and offerings: virtual capabilities and behavioral services</b>	 <b>All entities</b>
<b>U.S. MEDICAL COMMERCIAL</b>	 <b>Expansion of competitive footprint by 25% to win in more geographies by 2025</b>	 <b>Evernorth and coordinated services</b>	 <b>Small group – Oscar partnership</b>
<b>U.S. MEDICAL GOVERNMENT</b>	 <b>Continued expansion to address 50% of Medicare eligibles by 2025</b>  <b>Double IFP markets to 20 states, which will expand our addressable market from 20% to 40% by 2025</b>	 <b>New products (e.g., PPO)</b>	 <b>Employer market</b>
<b>INTERNATIONAL MARKETS</b>	 <b>Growth in Middle East and Australia</b>	 <b>Growth in Honeysuckle Health</b>	 <b>New partnerships</b>

# Outlook and long-term targets

- Reaffirming 2021 EPS guidance
- Well positioned to deliver in 2021 and 2022
- Long-term average annual adjusted EPS growth of 10%–13% while paying a meaningful dividend

# 2021 Outlook

## Adjusted EPS

at least \$20.20\*

## Additional Metrics

Adjusted Revenues: at least \$170B

Total Medical Customer Growth:  
at least 350,000 customers

## Key Ratios

Medical Care Ratio: 83% to 84%

SG&A Expense Ratio: ~7.5%

Adjusted Tax Rate: 22.5% to 23.0%

## Adjusted Income from Operations

Enterprise, After Tax: at least \$6.96B

Evernorth, Pre-tax: at least \$5.8B

U.S. Medical, Pre-tax: at least \$3.5B

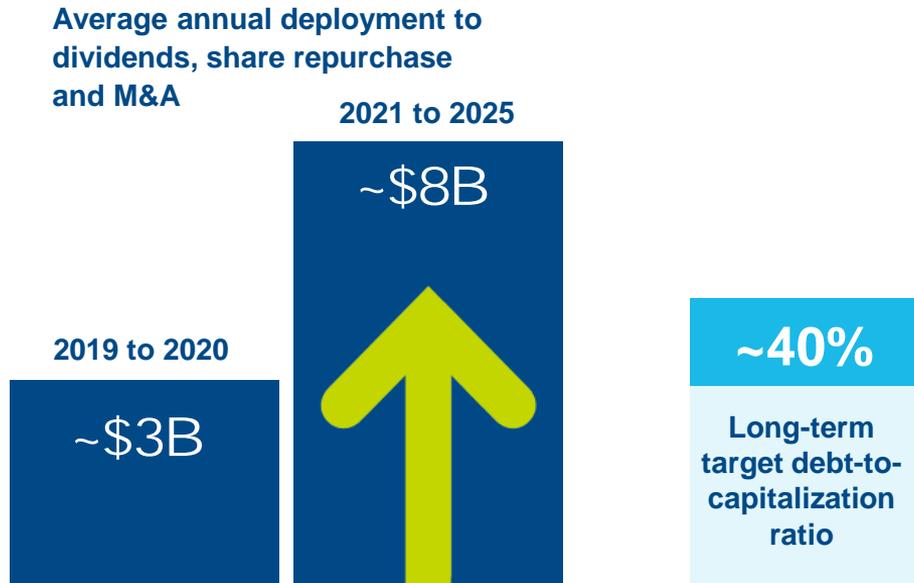
## Capital Deployment

Cash Flow from Operations: at least \$7.5B

Weighted Average Shares Outstanding: 344M to 345M

\*This outlook includes approximately \$2.50 per share in net unfavorable impacts of COVID-19.

# Cash flow generation and capital deployment framework



# Long-term growth framework

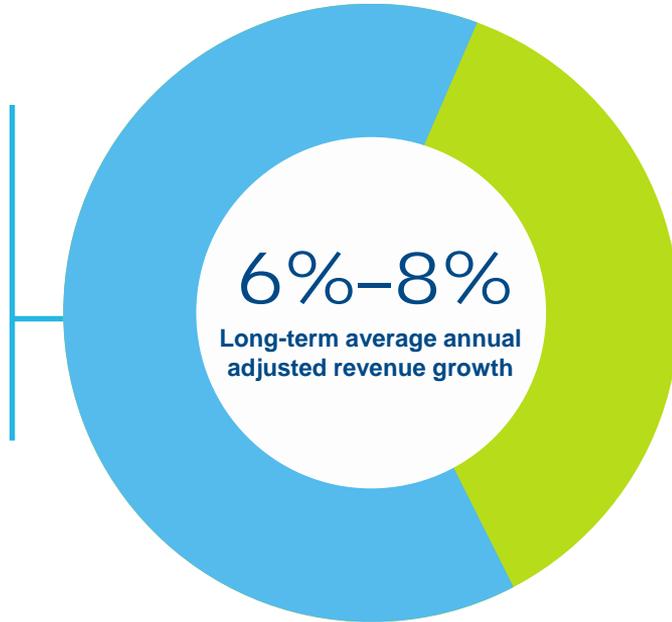
6%–8%

Long-term average annual adjusted revenue growth

6%–8%

Long-term average annual adjusted earnings growth

APPROX.  
**2/3**  
Delivering differentiated value



APPROX.  
**1/3**  
Partnering and innovating + Expanding addressable markets

# Long-term financial targets by growth platform

Growth platform	Annual adjusted revenue growth	Annual adjusted earnings growth	Adjusted margins
Enterprise	6%–8%	6%–8%	4%–5%
Evernorth	4%–6%	4%–6%	4.5%–5.5%
U.S. Medical	9%–12%	8%–11%	9.0%–10.5%
U.S. Commercial	8%–10%	8%–10%	12%–14%
U.S. Government	12%–15%	12%–15%	4%–5%
International	8%–10%	8%–10%	11%–13%

After tax

Pre-tax

# Strong long-term shareholder value

6%–8%

Long-term average annual adjusted earnings growth

+

4%–5%

Long-term average annual contribution from accretive capital deployment

=

10%–13%

Long-term average annual adjusted EPS growth



Meaningful dividend



# appendix

# Appendix

## Definitions of Key Financial and Business Terms

**Adjusted margin**, pre-tax, is calculated by dividing adjusted income (loss) from operations, pre-tax, by adjusted revenues for each segment. Adjusted margin, after tax, is calculated by dividing consolidated adjusted income (loss) from operations by consolidated adjusted revenues.

**Medical care ratio** represents medical costs as a percentage of premiums for all U.S. Commercial risk products, including medical, pharmacy, dental, stop loss and behavioral products provided through guaranteed cost or experience-rated funding arrangements, as well as Medicare Advantage, Medicare Part D, Medicare Supplement, Medicaid, and individual on-and off-exchange products, within our U.S. Medical segment.

**SG&A expense ratio** represents enterprise selling, general and administrative expenses excluding special items, and expenses from transitioning clients as a percentage of adjusted revenue at a consolidated level.

**Adjusted 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 tax rate as the consolidated income tax rate applicable to the Company’s pre-tax income excluding net realized investment results, amortization of acquired intangible assets, and special items. 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 in Cigna's U.S. Medical and International Markets segments who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; or have medical claims and services that are administered by Cigna. **International Markets medical customers** excludes medical customers served by less than 100% owned subsidiaries.

# Reconciliation of GAAP to non-GAAP financial measures

## Diluted earnings per share

Year Ended December 31	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Shareholders' net income (loss)	\$22.96	\$13.44	\$10.54	\$8.77	\$7.19	\$8.04	\$7.83	\$5.18	\$5.61	\$4.59	\$4.65
After-tax adjustments to reconcile to adjusted income from operations:											
Net realized investment (gains) losses*	\$(0.66)	\$(0.50)	\$0.42	\$(0.61)	\$(0.42)	\$(0.15)	\$(0.40)	\$(0.49)	\$(0.11)	\$(0.15)	\$(0.18)
Amortization of other acquired intangible assets, net	\$3.88	\$5.92	\$0.71	\$0.26	\$0.36	\$0.30	\$0.44	\$0.50	\$0.50	\$0.15	\$0.13
Results of guaranteed minimum income benefits business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(0.09)	\$(0.10)	\$0.49	\$0.09
Adjustment for transitioning clients		\$(3.46)	\$(0.19)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special items	\$(7.73)	\$1.65	\$2.74	\$2.04	\$0.97	\$0.47	\$ -	\$2.19	\$0.59	\$0.03	\$(0.16)
<b>Adjusted income (loss) from operations</b>	<b>\$18.45</b>	<b>\$17.05</b>	<b>\$14.22</b>	<b>\$10.46</b>	<b>\$8.10</b>	<b>\$8.66</b>	<b>\$7.87</b>	<b>\$7.29</b>	<b>\$6.49</b>	<b>\$5.11</b>	<b>\$4.53</b>

\*Includes the Company's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting.