

Cigna Corporation

Quarterly Financial Supplement

June 30, 2021

This document is dated August 5, 2021. The data contained in this document may not be accurate after such date and Cigna does not undertake to update or keep it accurate after such date.



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June 30, 2021 Quarterly Financial Supplement
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BASIS OF PRESENTATION:

All dollar amounts are in millions, unless otherwise noted.

Cigna 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. Cigna also uses adjusted income 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 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. The Company defines adjusted income from operations 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. See the Financial Highlights page for a reconciliation of consolidated adjusted income from operations to 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. See the Financial Highlights page for a reconciliation of consolidated adjusted revenues to total revenues.

Beginning first quarter 2021, "Corporate and Other Operations" in this Quarterly Financial Supplement combines the results previously reported as "Corporate" and the segment previously reported as "Group Disability and Other". This change to simplify reporting was enabled by the sale of the Group Disability and Life business during the fourth quarter of 2020.

As of the third quarter 2020, the segment previously reported as Health Services is reported as Evernorth and the segment previously reported as Integrated Medical is reported as U.S. Medical. There are no changes to the underlying businesses reported in either segment.

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.

Cigna Corporation

Financial Highlights (unaudited)

(Dollars in millions, except per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Total revenues	\$ 43,131	\$ 39,265	10 %	\$ 84,102	\$ 77,734	8 %
Net realized investment results from certain equity method investments	(24)	(60)	60	(10)	(50)	80
Special item related to contractual adjustment for a former client	—	—	N/M	—	(87)	N/M
Adjusted revenues	\$ 43,107	\$ 39,205	10 %	\$ 84,092	\$ 77,597	8 %
Shareholders' net income	\$ 1,467	\$ 1,754	(16)	\$ 2,628	\$ 2,935	(10) %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth	\$ 1,413	\$ 1,249	13 %	\$ 2,636	\$ 2,331	13 %
U.S. Medical	1,017	1,523	(33)	2,004	2,722	(26)
International Markets	234	319	(27)	496	601	(17)
Corporate and Other Operations	(331)	(268)	(24)	(661)	(596)	(11)
Consolidated pre-tax adjusted income from operations	\$ 2,333	\$ 2,823	(17) %	\$ 4,475	\$ 5,058	(12) %
Adjusted income tax expense	525	671	(22)	1,003	1,148	(13)
Consolidated after-tax adjusted income from operations	\$ 1,808	\$ 2,152	(16) %	\$ 3,472	\$ 3,910	(11) %
Diluted earnings per share						
Shareholders' net income	\$ 4.25	\$ 4.73	(10) %	\$ 7.54	\$ 7.88	(4) %
After-tax adjustments to reconcile to adjusted income from operations						
Net realized investment (gains) losses ⁽¹⁾	(0.20)	(0.24)		(0.16)	(0.03)	
Amortization of acquired intangible assets	1.12	1.02		2.22	1.84	
Special items						
Debt extinguishment costs	0.03	0.03		0.32	0.41	
Integration and transaction-related costs	0.04	0.27		0.10	0.46	
Charges associated with litigation matters	—	—		(0.06)	0.05	
Charge for organizational efficiency plan	—	—		—	0.06	
Contractual adjustment for a former client	—	—		—	(0.18)	
Total special items	0.07	0.30		0.36	0.80	
Adjusted income from operations	\$ 5.24	\$ 5.81	(10) %	\$ 9.96	\$ 10.49	(5) %
Weighted average shares (in thousands)	344,929	370,697		348,434	372,668	
Adjusted EBITDA ⁽²⁾	\$ 2,861	\$ 3,397	(16) %	\$ 5,539	\$ 6,219	(11) %
Operating cash flow (see page 12)	(296)	3,274	N/M	797	5,161	(85)
SG&A expense ratio ⁽³⁾	6.9 %	8.4 %	150 bps	7.4 %	8.4 %	100 bps

CUSTOMER RELATIONSHIPS

(Relationships, lives and policies in thousands)

	As of June 30,			As of December 31,	
	2021	2020	% Change	2020	% Change
Pharmacy ⁽⁴⁾	101,929	97,076	5 %	98,850	3 %
Medical (see page 7)	16,952	17,083	(1)	16,673	2
Behavioral Care	39,110	37,061	6	36,908	6
Dental	17,725	17,850	(1)	17,542	1
Medicare Part D	3,177	3,300	(4)	3,291	(3)
International Markets policies	12,218	12,098	1	12,111	1
Total customer relationships ⁽⁵⁾	191,111	184,468	4 %	185,375	3 %

(1) 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.

(2) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(3) SG&A expense ratio is calculated as follows: Cigna's total selling, general and administrative expenses excluding special items divided by Cigna's consolidated adjusted revenues

(4) Effective January 1, 2021, Pharmacy lives have been updated to reflect actual eligibility data for benefits provided to Prime Therapeutics. Previously these lives had been estimated based on prescriptions filled during the period. Pharmacy lives for prior periods have been restated to reflect this change.

(5) Covered lives associated with the Group Disability and Life business that was sold on December 31, 2020 have been excluded from this table.

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Revenues						
Pharmacy revenues	\$ 30,047	\$ 26,564	13 %	\$ 58,072	\$ 51,662	12 %
Premiums	10,323	10,406	(1)	20,537	21,246	(3)
Fees and other revenues	2,451	2,072	18	4,792	4,250	13
Net investment income	310	223	39	701	576	22
Total revenues	43,131	39,265	10	84,102	77,734	8
Benefits and expenses						
Pharmacy and other service costs	29,001	25,611	13	56,236	49,801	13
Medical costs and other benefit expenses	8,484	7,112	19	16,489	15,434	7
Selling, general and administrative expenses excluding special items	2,980	3,277	(9)	6,257	6,522	(4)
Amortization of acquired intangible assets	503	496	1	998	994	—
Special items	16	130	(88)	18	283	(94)
Total benefits and expenses	40,984	36,626	12	79,998	73,034	10
Income from operations	2,147	2,639	(19)	4,104	4,700	(13)
Interest expense and other	(298)	(374)	20	(612)	(765)	20
Debt extinguishment costs	(10)	(14)	29	(141)	(199)	29
Net realized investment gains (losses)	59	38	55	60	(50)	N/M
Income before income taxes	1,898	2,289	(17)	3,411	3,686	(7)
Total income taxes	422	529	(20)	764	737	4
Net income	1,476	1,760	(16)	2,647	2,949	(10)
Less: Net income attributable to noncontrolling interests	9	6	50	19	14	36
Shareholders' net income	1,467	1,754	(16)	2,628	2,935	(10)
After-tax adjustments to reconcile adjusted income from operations						
Net realized investment (gains) losses ⁽¹⁾	(70)	(88)		(57)	(11)	
Amortization of acquired intangible assets	388	376		776	685	
Special items						
Debt extinguishment costs	9	11		110	151	
Integration and transaction-related costs	14	99		36	173	
Charges associated with litigation matters	—	—		(21)	19	
Charge for organizational efficiency plan	—	—		—	24	
Contractual adjustment for a former client	—	—		—	(66)	
Adjusted income from operations	\$ 1,808	\$ 2,152	(16) %	\$ 3,472	\$ 3,910	(11) %

(1) 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.

Cigna Corporation
Evernorth
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Revenues						
Pharmacy revenues	\$ 31,126	\$ 27,565	13 %	\$ 60,426	\$ 53,690	13 %
Fees and other revenues	1,461	1,034	41	2,778	2,139	30
Net investment income	5	3	67	8	28	(71)
Total revenues	32,592	28,602	14	63,212	55,857	13
Benefits and expenses						
Pharmacy and other service costs	30,517	26,821	14	59,294	52,375	13
Gross profit	2,075	1,781	17	3,918	3,482	13
Selling, general and administrative expenses	655	528	24	1,270	1,056	20
Amortization of acquired intangible assets	488	481	1	965	960	1
Income from operations	932	772	21	1,683	1,466	15
Interest expense and other	(1)	(1)	—	(1)	(1)	—
Net realized investment gains (losses)	(2)	—	N/M	(4)	—	N/M
Income before income taxes	929	771	20	1,678	1,465	15
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(6)	(3)		(11)	(7)	
Net realized investment (gains) losses	2	—		4	—	
Amortization of acquired intangible assets	488	481		965	960	
Special items	—	—		—	(87)	
Pre-tax adjusted income from operations	\$ 1,413	\$ 1,249	13 %	\$ 2,636	\$ 2,331	13 %
Pre-tax adjusted margin	4.3 %	4.4 %	(10) bps	4.2 %	4.2 %	— bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 32,592	\$ 28,602	14 %	\$ 63,212	\$ 55,857	13 %
Special item related to contractual adjustment for a former client	—	—	N/M	—	(87)	N/M
Adjusted revenues	\$ 32,592	\$ 28,602	14 %	\$ 63,212	\$ 55,770	13 %

Cigna Corporation
Evernorth
Key Metrics (unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
<i>(Dollars and adjusted scripts in millions)</i>						
Selected Financial Information ⁽¹⁾						
Adjusted EBITDA ⁽²⁾	\$ 1,505	\$ 1,327	13 %	\$ 2,813	\$ 2,485	13 %
Pharmacy revenue by distribution channel ⁽¹⁾						
Adjusted network revenues	\$ 16,166	\$ 13,866	17	\$ 31,304	\$ 26,657	17
Adjusted home delivery and specialty revenues	13,341	12,407	8	26,115	24,412	7
Other revenues	1,619	1,292	25	3,007	2,534	19
Total adjusted pharmacy revenues	\$ 31,126	\$ 27,565	13	\$ 60,426	\$ 53,603	13
Pharmacy script volume						
Adjusted network scripts ⁽³⁾	339	293	16	662	581	14
Adjusted home delivery and specialty scripts ⁽³⁾	71	71	—	141	143	(1)
Total adjusted scripts ⁽³⁾	410	364	13 %	803	724	11 %
Generic fill rate						
Network	85.3 %	88.4 %		86.3 %	88.3 %	
Home delivery	85.7 %	85.1 %		85.8 %	85.0 %	
Overall generic fill rate	85.4 %	88.0 %		86.2 %	87.9 %	

(1) Evernorth segment metrics on this page are presented excluding special items.

(2) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(3) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

Cigna Corporation
U.S. Medical
Segment Results (unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
<i>(Dollars in millions)</i>						
Revenues						
Premiums	\$ 8,833	\$ 7,912	12 %	\$ 17,540	\$ 16,232	8 %
Fees and other revenues	1,451	1,276	14	2,856	2,690	6
Net investment income	172	49	251	422	175	141
Total revenues ⁽¹⁾	<u>10,456</u>	<u>9,237</u>	13	<u>20,818</u>	<u>19,097</u>	9
Benefits and expenses						
Medical costs	7,544	5,580	35	14,669	12,094	21
Selling, general and administrative expenses	1,895	2,134	(11)	4,145	4,281	(3)
Amortization of acquired intangible assets	<u>6</u>	<u>6</u>	—	<u>14</u>	<u>17</u>	(18)
Total benefits and expenses	<u>9,445</u>	<u>7,720</u>	22	<u>18,828</u>	<u>16,392</u>	15
Income from operations	<u>1,011</u>	<u>1,517</u>	(33)	<u>1,990</u>	<u>2,705</u>	(26)
Net realized investment gains (losses)	49	26	88	79	(22)	N/M
Income before income taxes	<u>1,060</u>	<u>1,543</u>	(31)	<u>2,069</u>	<u>2,683</u>	(23)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Net realized investment (gains) losses	(49)	(26)		(79)	22	
Amortization of acquired intangible assets	6	6		14	17	
Pre-tax adjusted income from operations	<u>\$ 1,017</u>	<u>\$ 1,523</u>	(33) %	<u>\$ 2,004</u>	<u>\$ 2,722</u>	(26) %
Pre-tax adjusted margin	9.7 %	16.5 %	(680) bps	9.6 %	14.3 %	(470) bps

(1) Total revenues were equal to adjusted revenues in the U.S. Medical segment for the periods presented.

Cigna Corporation
U.S. Medical
Revenue and Medical Care Ratio (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Premiums:						
U.S. Commercial Premiums						
Risk	\$ 3,578	\$ 3,090	16 %	\$ 7,101	\$ 6,551	8 %
Stop loss	1,194	1,152	4	2,388	2,313	3
Other	308	283	9	618	572	8
Total U.S. Commercial premiums	<u>5,080</u>	<u>4,525</u>	12	<u>10,107</u>	<u>9,436</u>	7
U.S. Government Premiums						
Medicare Advantage	2,116	1,904	11	4,208	3,785	11
Medicare Part D	410	420	(2)	860	882	(2)
Other	1,227	1,063	15	2,365	2,129	11
Total U.S. Government premiums	<u>3,753</u>	<u>3,387</u>	11	<u>7,433</u>	<u>6,796</u>	9
Total premiums	8,833	7,912	12	17,540	16,232	8
Fees and other revenues	1,451	1,276	14	2,856	2,690	6
Net investment income	172	49	251	422	175	141
Total revenues	\$ 10,456	\$ 9,237	13 %	\$ 20,818	\$ 19,097	9 %
Medical Care Ratio	85.4 %	70.5 %	(1,490) bps	83.6 %	74.5 %	(910) bps

Cigna Corporation
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of June 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: ⁽⁵⁾	As of June 30,			As of December 31,		
	2021	2020	% Change	2020	% Change			2021	2020 ⁽⁶⁾	% Change	2020 ⁽⁶⁾	% Change	
<i>(Lives in thousands)</i>							<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾							Medical customers: ⁽¹⁾						
U.S. Commercial risk	2,128	2,123	— %	2,141	(1) %		National Accounts	3,280	3,489	(6) %	3,392	(3) %	
U.S. Government risk							Middle Market	7,952	8,105	(2)	7,778	2	
Medicare Advantage	567	516	10	525	8		Select	2,523	2,405	5	2,454	3	
Individual ⁽²⁾	348	280	24	258	35		Small	5	1	N/M	2	150	
Other ⁽³⁾	569	619	(8)	604	(6)		Total U.S. Commercial	13,760	14,000	(2)	13,626	1	
Total U.S. Government risk	1,484	1,415	5	1,387	7		Total U.S. Government	1,484	1,415	5	1,387	7	
Services only customers - U.S. Medical	11,632	11,877	(2)	11,485	1		Total U.S. Medical	15,244	15,415	(1)	15,013	2	
Total U.S. Medical	15,244	15,415	(1)	15,013	2		International Markets	1,708	1,668	2	1,660	3	
International Markets ⁽⁴⁾	1,708	1,668	2	1,660	3								
Total medical customers	16,952	17,083	(1) %	16,673	2 %		Total medical customers	16,952	17,083	(1) %	16,673	2 %	

- (1) Includes individuals in our 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.
- (2) As of June 30, 2021, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (337,000 customers) and off-exchange ACA business (11,000 customers). We exited the off-exchange non-ACA business effective January 1, 2021.
- (3) Includes Medicaid and Medicare Supplement customers.
- (4) International Markets medical customers excludes medical customers served by less than 100% owned subsidiaries.
- (5) Market Segments are defined as follows:
~ the National Accounts market segment includes multi-state employers with more than 5,000 U.S. based, full-time employees in more than one state
~ the Middle Market segment includes employers with more than 500 but fewer than 5,000 U.S. based, full-time employees, single-site employers with more than 5,000 employees, Taft Hartley plans, and other third party payers;
~ the Select market segment includes employers with more than 50 but fewer than 500 eligible employees;
~ the Small market segment includes employers with 2-50 employees.
~ the U.S. Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program, Medicare Supplement and Medicaid products as managed care alternatives to publicly funded healthcare programs. The segment also offers individual health insurance coverage both on and off the public exchanges.
~ the International Markets segment is focused on health care and supplemental products and services to meet the needs of local and multinational individuals and organizations and their local and globally mobile employees and dependents.
- (6) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 5.

Cigna Corporation
U.S. Medical
Unpaid Claims Liability (unaudited)

(Dollars in millions)

	Six Months Ended June 30,		Year Ended
	2021	2020	December 31, 2020
Beginning balance	\$ 3,184	\$ 2,892	\$ 2,892
Less: Reinsurance and other amounts recoverable	224	303	303
Beginning balance, net	2,960	2,589	2,589
Incurred costs related to:			
Current year	14,796	12,212	25,889
Prior years	(181)	(130)	(115)
Total incurred	14,615	12,082	25,774
Paid costs related to:			
Current year	11,451	9,585	23,005
Prior years	2,572	2,284	2,398
Total paid	14,023	11,869	25,403
Ending balance, net	3,552	2,802	2,960
Add: Reinsurance and other amounts recoverable	193	157	224
Ending balance ⁽¹⁾	\$ 3,745	\$ 2,959	\$ 3,184

(1) The ending balance is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets. For additional information regarding this liability, see the Insurance and Contractholder Liabilities footnote in Cigna's Form 10-Q for the period ended June 30, 2021, expected to be filed on August 5, 2021.

Cigna Corporation
International Markets
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Revenues						
Premiums	\$ 1,442	\$ 1,344	7 %	\$ 2,892	\$ 2,719	6 %
Fees and other revenues	85	122	(30)	134	167	(20)
Net investment income	55	26	112	114	66	73
Total revenues	1,582	1,492	6	3,140	2,952	6
Benefits and expenses						
Medical costs and other benefit expenses	865	671	29	1,720	1,466	17
Selling, general and administrative expenses ⁽¹⁾	457	441	4	908	831	9
Amortization of acquired intangible assets	9	7	29	19	14	36
Total benefits and expenses	1,331	1,119	19	2,647	2,311	15
Income from operations	251	373	(33)	493	641	(23)
Interest expense and other	3	4	(25)	6	6	—
Net realized investment gains (losses)	6	13	(54)	(13)	(23)	43
Income before income taxes	260	390	(33)	486	624	(22)
Pre-tax adjustments required to reconcile adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(5)	(5)		(12)	(10)	
Net realized investment (gains) losses	(30)	(73)		3	(27)	
Amortization of acquired intangible assets	9	7		19	14	
Pre-tax adjusted income from operations	\$ 234	\$ 319	(27) %	\$ 496	\$ 601	(17) %
Pre-tax adjusted margin	15.0 %	22.3 %	(730) bps	15.8 %	20.7 %	(490) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 1,582	\$ 1,492	6 %	\$ 3,140	\$ 2,952	6 %
Net realized investment results from certain equity method investments	(24)	(60)	60	(10)	(50)	80
Adjusted revenues	\$ 1,558	\$ 1,432	9 %	\$ 3,130	\$ 2,902	8 %

(1) Selling, general and administrative expenses include policy acquisition expenses of \$172 million for the three months ended and \$345 million for the six months ended June 30, 2021 and \$168 million for the three months ended and \$302 million for the six months ended June 30, 2020.

Cigna Corporation
Corporate and Other Operations
Results (unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
<i>(Dollars in millions)</i>						
Revenues						
Total revenues and eliminations ⁽¹⁾	\$ (1,499)	\$ (66)	N/M %	\$ (3,068)	\$ (172)	N/M %
Expenses						
Total expenses and eliminations excluding special items	(1,468)	(173)	N/M	(3,024)	(343)	N/M
Special items	16	130	(88)	18	283	(94)
Total expenses and eliminations	<u>(1,452)</u>	<u>(43)</u>	N/M	<u>(3,006)</u>	<u>(60)</u>	N/M
Loss from operations	(47)	(23)	(104)	(62)	(112)	45
Interest expense and other	(300)	(377)	20	(617)	(770)	20
Debt extinguishment costs	(10)	(14)	29	(141)	(199)	29
Net realized investment gains (losses)	6	(1)	N/M	(2)	(5)	60
Loss before income taxes	(351)	(415)	15	(822)	(1,086)	24
Pre-tax adjustments required to reconcile adjusted income (loss) from operations						
Net realized investment (gains) losses	(6)	1		2	5	
Amortization of acquired intangible assets	—	2		—	3	
Special items	26	144		159	482	
Pre-tax adjusted loss from operations	\$ (331)	\$ (268)	(24) %	\$ (661)	\$ (596)	(11) %

Beginning first quarter 2021, "Corporate and Other Operations" in this Quarterly Financial Supplement combines the results previously reported as "Corporate" and the segment previously reported as "Group Disability and Other". This change to simplify reporting was enabled by the sale of the Group Disability and Life business during the fourth quarter of 2020.

(1) Includes amounts for elimination of intercompany revenues and expenses. Total revenues were equal to adjusted revenues in Corporate and Other Operations for the periods presented.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Six Months Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,647	\$ 2,949
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,446	1,387
Realized investment (gains) losses, net	(60)	50
Deferred income tax (benefit)	(80)	(259)
Debt extinguishment costs	141	199
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	(3,233)	(2,121)
Inventories	124	(50)
Deferred policy acquisition costs	(117)	(177)
Reinsurance recoverable and other assets	(416)	28
Insurance liabilities	677	483
Pharmacy costs and other service costs payable	1,123	1,655
Accounts payable and accrued expenses and other liabilities	(1,643)	630
Other, net	188	387
Net cash provided by operating activities	<u>797</u>	<u>5,161</u>
Net cash (used in) investing activities	(3,024)	(506)
Net cash (used in) financing activities⁽¹⁾	(4,113)	(2,130)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	(27)	(15)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,367)	2,510
Cash, cash equivalents, and restricted cash January 1, ⁽²⁾	10,245	5,411
Cash, cash equivalents and restricted cash June 30,	\$ 3,878	\$ 7,921
Cash reclassified to assets held for sale	—	(418)
Cash, cash equivalents, and restricted cash June 30, per Consolidated Balance Sheets⁽³⁾	<u>\$ 3,878</u>	<u>\$ 7,503</u>

(1) Includes \$3.7 billion for stock repurchases, \$4.2 billion for the repayment and extinguishment of long term debt and borrowing of commercial paper, offset by \$4.3 billion for the issuance of long term debt for the six months ended June 30, 2021.

(2) Includes restricted cash of \$26 million reported in Other noncurrent assets and \$23 million reported in Long-term investments, and \$743 million cash reported in Assets held for sale as of January 1, 2020.

(3) Includes restricted cash of \$57 million reported in Long-term investments as of June 30, 2021.