

Elevance Health

4Q 2025 Earnings Presentation

January 28, 2026



Key Highlights

1 2025 Results

Elevance Health fourth quarter operational results consistent with expectations

- 4Q 2025 and full year adjusted diluted EPS¹ of \$3.33 and \$30.29, respectively
- 4Q 2025 benefit expense ratio of 93.5% in line with guidance
- Cost trend development consistent with expectations across major lines of business
- 4Q 2025 adjusted operating expense ratio of 10.8% included both actions to support and strengthen our workforce and the partial pull-forward of investments planned for 2026
- 2025 adjusted diluted EPS¹ includes ~\$3.75 of non-recurring favorable items, primarily tax-related benefits

2 2026 Guidance & 2027 Outlook

2026 adjusted diluted EPS¹ guidance of at least \$25.50

- Operating revenue to decline in the low single digit percentage range
- Benefit expense ratio of 90.2% +/- 50 basis points
- Adjusted operating gain¹ projected to be at least \$6.8 billion

2027 adjusted diluted EPS¹ to grow at least 12%, off our ending 2026 earnings baseline

3 Strategic Focus Areas

2026 is a year of execution and repositioning: Prioritizing Medicare margin improvement, navigating near-term Medicaid headwinds, and returning ACA to a more sustainable profile.

Focused strategy to improve affordability and experience: Scaling solutions to enhance outcomes and reduce costs while bringing innovative, AI-enabled solutions to members and care providers.

Efforts underway to improve consistency of performance through pricing discipline, enhanced analytics to anticipate cost trend, operational execution, targeted investments, and opportunistic capital deployment.



1. See "GAAP Reconciliation" on slides 13 and 14 herein.

Fourth Quarter & Full Year 2025 Results

Elevance Health	4Q 2025	4Q 2024	Change	2025	2024	Change
Operating Revenue ¹	\$49.3B	\$45.0B	9.6%	\$197.6B	\$175.2B	12.8%
Benefit Expense Ratio	93.5%	92.4%	110 bps	90.0%	88.5%	150 bps
Adjusted Operating Expense Ratio ²	10.8%	10.3%	50 bps	10.5%	10.6%	(10) bps
Adjusted Operating Gain ^{1,2}	\$0.4B	\$0.8B	(55.4%)	\$7.5B	\$9.3B	(20.0%)
Adjusted Operating Margin ^{1,2}	0.8%	1.9%	(110) bps	3.8%	5.3%	(150) bps
Net Investment Income	\$493M	\$527M	(6.5%)	\$2.2B	\$2.1B	7.0%
Adjusted Diluted EPS ²	\$3.33	\$3.23	3.1%	\$30.29	\$33.04	(8.3%)
Operating Cash Flow	\$0.1B	\$0.7B	(\$0.6B)	\$4.3B	\$5.8B	(\$1.5B)

Key Highlights

- **Elevance Health fourth quarter results were consistent with our outlook**
- **Operating revenue of \$197.6 billion** in 2025 grew 13% on improved premium yields in Health Benefits, contributions from acquisitions, and growth in Medicare Advantage membership, partly offset by Medicaid member attrition
- **Benefit expense ratio of 90.0%** for the year increased 150 bps, primarily reflected higher cost trends across all major lines of business
- **Adjusted operating expense ratio of 10.5%** in 2025 improved due to disciplined expense management, while investing concurrently to support and strengthen our workforce, scale Carelon, and accelerate technology adoption across the enterprise
- **Operating cash flow was \$4.3B**, or 0.8 times GAAP net income

2026 Outlook

Elevance Health	2026 Outlook	2025 Actual
Premium Revenue	Mid Single Digit Decline	\$164.6B
Product Revenue	Mid Single Digit Growth	\$24.5B
Service Fees	Mid Single Digit Growth	\$8.5B
Total Operating Revenue ¹	Low Single Digit Decline	\$197.6B
Benefit Expense Ratio	90.2% +/- 50 bps	90.0%
Adjusted Operating Expense Ratio ²	10.6% +/- 50 bps	10.5%
Adjusted Operating Gain ^{1,2}	At least \$6.8B	\$7.5B
Net Investment Income	~\$1.88B	\$2.19B
Interest Expense	~\$1.53B	\$1.40B
Adjusted Diluted EPS ²	At least \$25.50	\$30.29
Operating Cash Flow	At least \$5.5B	\$4.3B

Key Highlights

- **2026 guidance for adjusted diluted earnings per share of at least \$25.50**
- **Operating revenue** outlook reflects a low double digit decline in risk-based membership, partly offset by higher premium yields and growth in Carelon
- **Benefit expense ratio** expected to be up 20 bps at the midpoint, reflecting prudent view of cost trend
- **Adjusted operating expense ratio** expected to be 10 bps above 2025 levels at the midpoint due to incremental investments to scale Carelon, grow our digital and AI-enabled solutions, and simplify the member experience
- Expect to earn **approximately two-thirds of our adjusted EPS** in the first half of 2026

2025 Results | 2026 Outlook

Health Benefits	4Q 2025	4Q 2024	Change	2025	2024	Change
Operating Revenue ¹	\$41.8B	\$37.6B	11.3%	\$167.1B	\$150.3B	11.2%
Adjusted Operating Gain ^{1,2}	(\$0.2B)	\$0.2B	NM ³	\$4.2B	\$6.3B	(34.1%)
Adjusted Operating Margin ^{1,2}	(0.5%)	0.6%	(110) bps	2.5%	4.2%	(170) bps
Membership	45.2M	45.7M	(1.1%)			

Guidance

2026 Outlook

Operating Revenue Growth	Low Single Digit Decline
GAAP Operating Margin	(50) – (25) basis points over 2025
Fee-Based Membership	27.2M – 27.5M
Risk-Based Membership	16.0M – 16.4M
Total Membership	43.2M – 43.9M

Key Highlights

- **In Health Benefits, we navigated a dynamic operating environment**, principally in Medicaid and ACA, while Commercial Group and Medicare performance was robust
- **Operating revenue** grew 11% driven by higher premium yields, acquisitions, and growth in Medicare membership, offset by declines in Medicaid membership
- **Adjusted operating margin** was impacted by elevated cost trend in Medicaid and shifting member acuity in ACA
- **Guidance for operating revenue** growth reflects expected risk-based membership attrition offset by higher premium yields
- **Operating margin expectations** reflect continued pressure in Medicaid, partly offset by improved Medicare performance



1. See “Basis of Presentation” on slide 12 herein.
2. See “Reportable Segment & Health Benefits Revenue Details” on slide 15 herein.
3. “NM” = calculation not meaningful.

2025 Results | 2026 Outlook

Carelon	4Q 2025	4Q 2024	Change	2025	2024	Change
Operating Revenue ¹	\$18.7B	\$14.7B	26.5%	\$71.7B	\$53.9B	33.0%
Adjusted Operating Gain ^{1,2}	\$612M	\$642M	(4.7%)	\$3.4B	\$3.1B	10.1%
Adjusted Operating Margin ^{1,2}	3.3%	4.4%	(110) bps	4.8%	5.8%	(100) bps
Adjusted Scripts	88.5M	82.9M	6.8%	340.7M	318.4M	7.0%
Consumers Served	91.8M	101.1M	(9.2%)			

Guidance

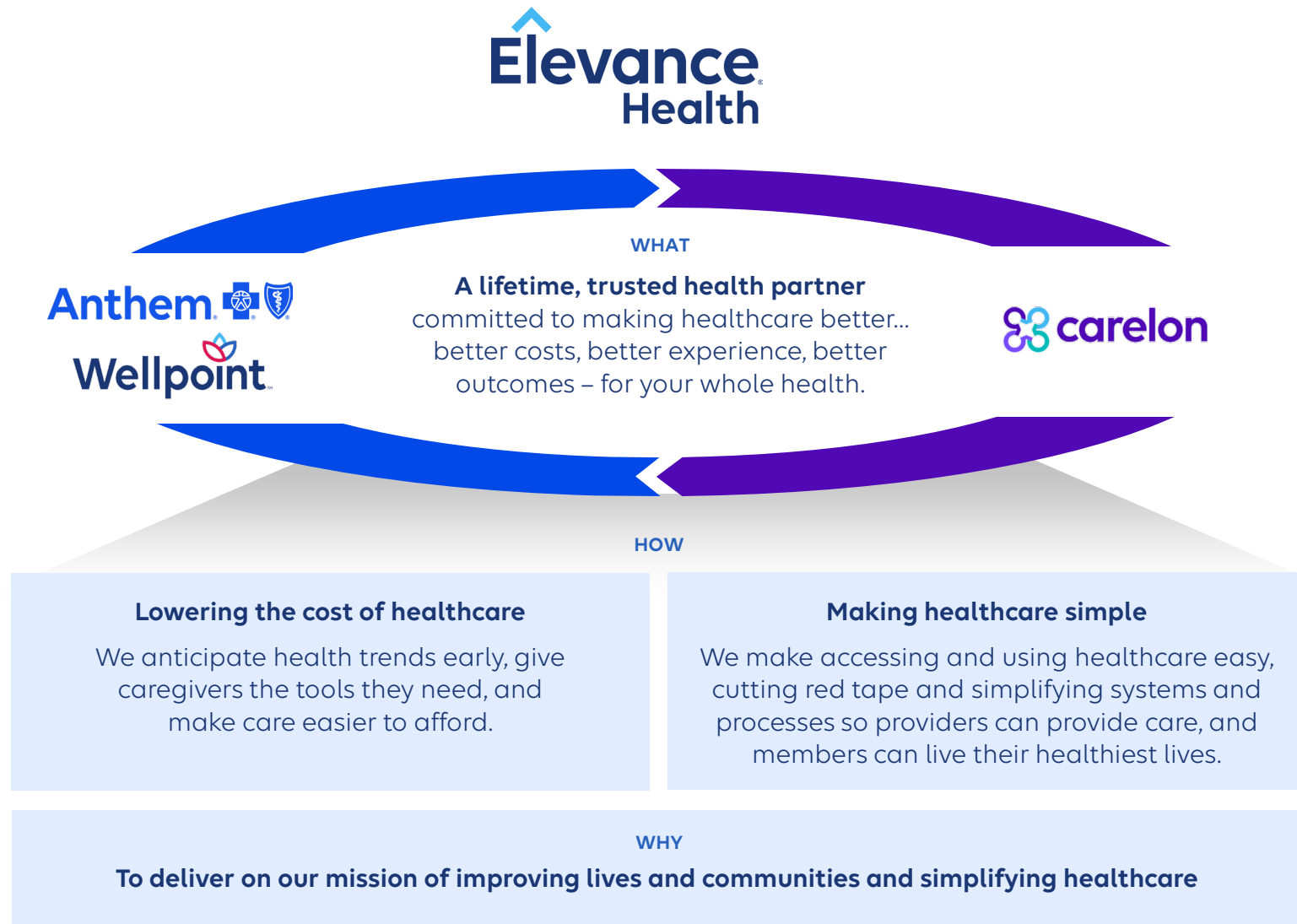
2026 Outlook

CarelonRx Operating Revenue Growth	Low Single Digit Growth
CarelonRx GAAP Operating Margin	(25) – 0 basis points over 2025
Carelon Services Operating Revenue Growth	Low Single Digit Growth
Carelon Services GAAP Operating Margin	0 – 25 basis points over 2025

Key Highlights

- **We are growing Carelon's capabilities to improve outcomes and reduce costs**
- **Carelon remains well positioned in 2026**, expanding its solutions and enhancing external relationships, even as it navigates membership headwinds
- **CarelonRx** fourth quarter operating revenue reflects robust script growth; operating margin ended in line with our revised expectations
- **Carelon Services** results were driven by the expansion of risk-based solutions and the acquisition of CareBridge

Elevance Health is a Lifetime, Trusted Health Partner



Flywheel Supports Our Long-Term Growth Algorithm

Health Benefits

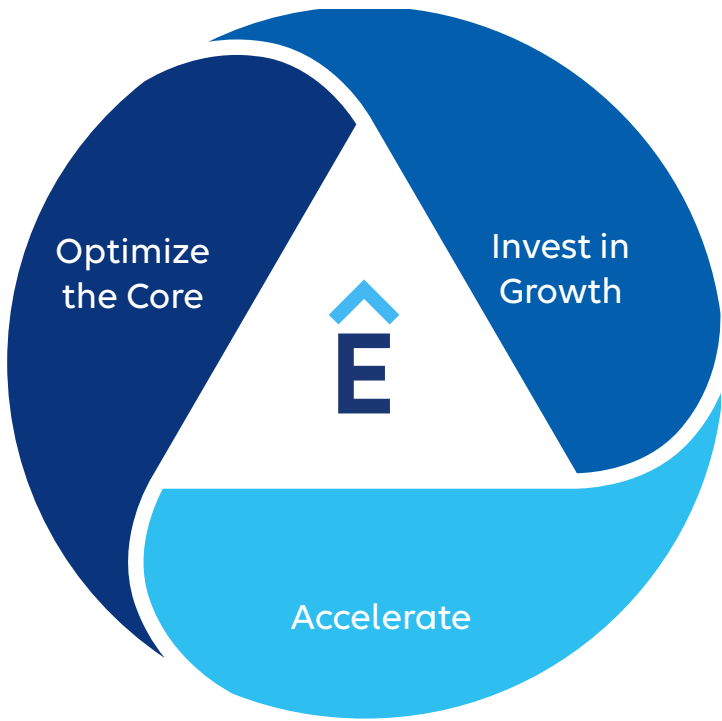


Over 45M medical members balanced across commercial, Medicaid, Medicare, and the Federal Employee Program, leveraging the assets and capabilities of Carelon to accelerate growth

Health Services



As an integrated portfolio of whole health solutions serving approximately 92M consumers, Carelon connects care across physical, behavioral, social, home health, and pharmacy needs to bend the cost curve, enhance consumer experiences, and deliver whole health, affordably

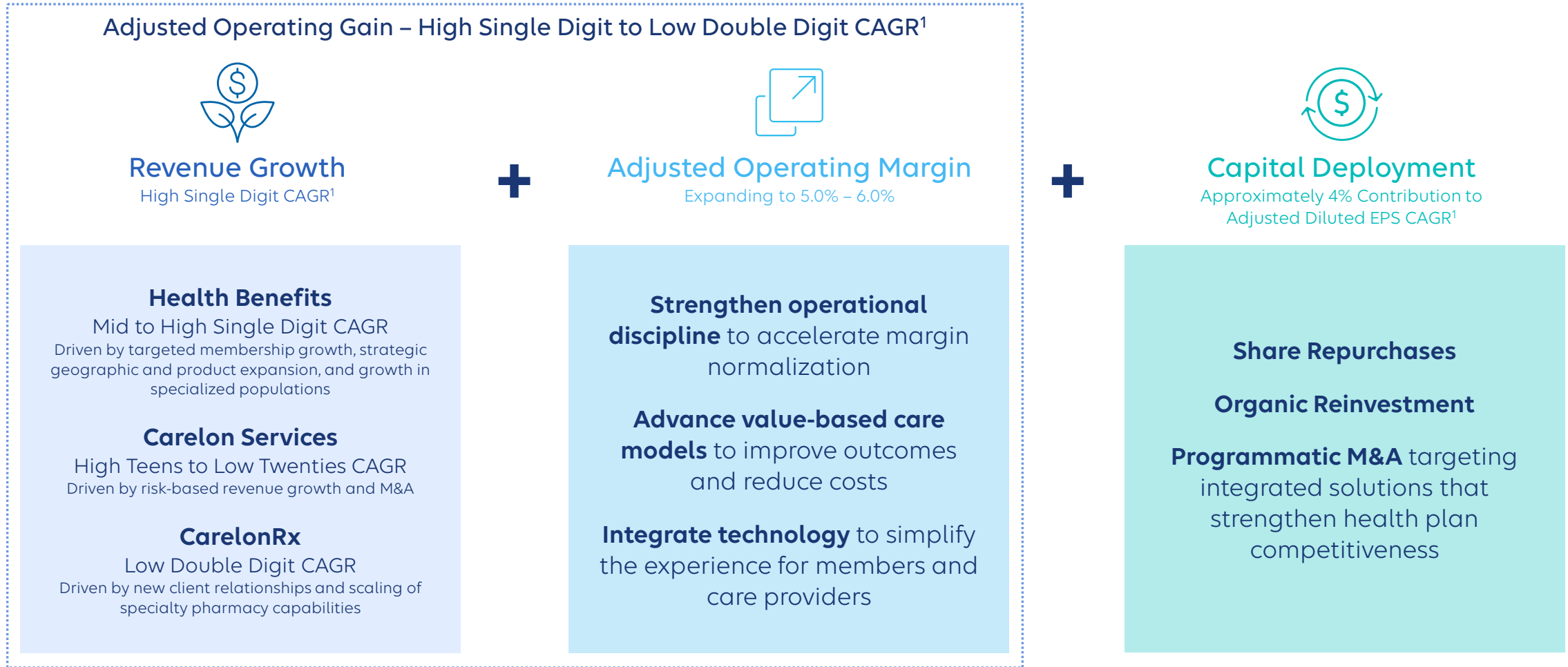


**Targeting at least 12% average annual growth in
Adjusted Diluted Earnings Per Share**



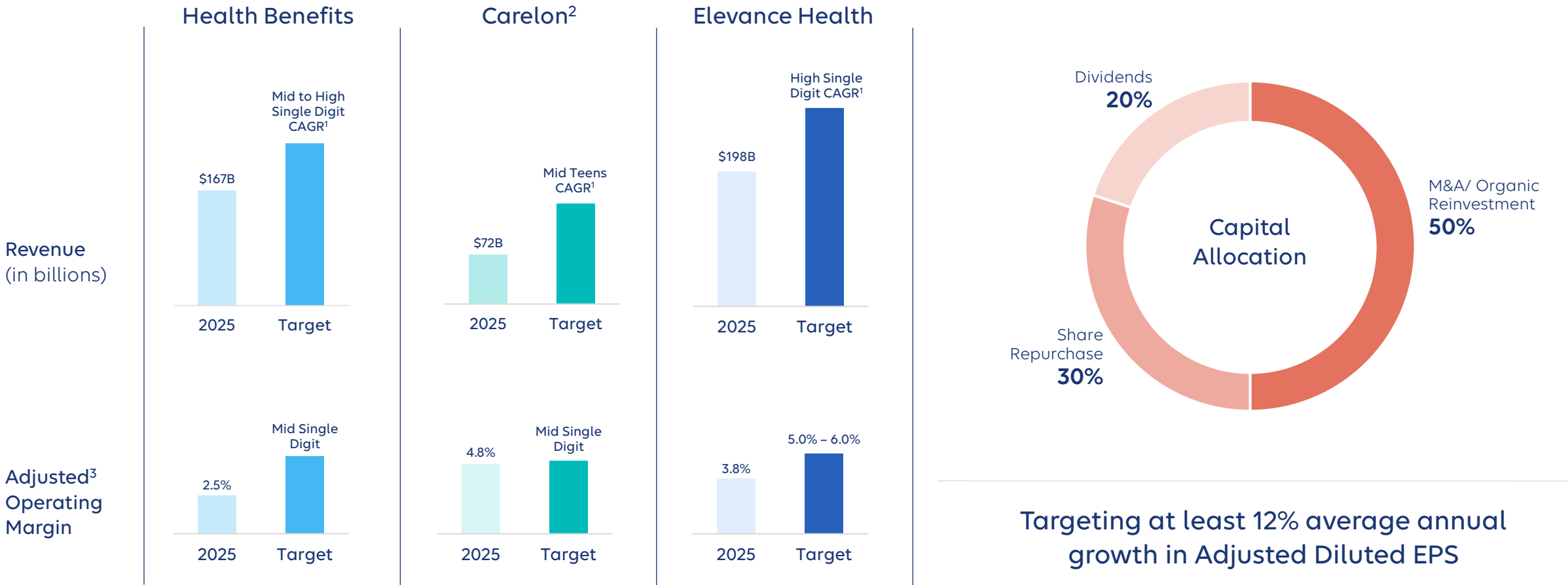
Long-Term Growth Algorithm


Reaffirming at least 12% average annual growth in Adjusted Diluted EPS, while recalibrating margin targets for the enterprise



Committed to Strong Growth Over the Long-Term

Recalibrating segment margin targets for our current portfolio and our strategic trajectory





1. CAGR = Compound Annual Growth Rate Target.

2. The CAGR target for revenue and the operating margin target for Carelon includes: (i) a low double digit revenue CAGR and mid single digit percentage operating margin for CarelonRx, and (ii) a high teens to low twenties revenue CAGR and mid to high single digit percentage operating margin for Carelon Services.

3. See “GAAP Reconciliation” on slides 13 and 14 herein.

Forward-Looking Statements

This document contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our views about future events and financial performance and are generally not historical facts. Words such as “expect,” “feel,” “believe,” “will,” “may,” “should,” “anticipate,” “intend,” “estimate,” “project,” “forecast,” “plan,” “potential,” “predict” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to: financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. You are also urged to carefully review and consider the various risks and other disclosures discussed in our reports filed with the U.S. Securities and Exchange Commission from time to time, which attempt to advise interested parties of the factors that affect our business. Except to the extent required by law, we do not update or revise any forward-looking statements to reflect events or circumstances occurring after the date hereof. These risks and uncertainties include, but are not limited to: trends in healthcare costs and utilization rates; reduced enrollment; our ability to secure and implement sufficient premium rates; the impact of large scale medical emergencies, such as public health epidemics and pandemics, and other catastrophes; the impact of new or changes in existing federal, state and international laws or regulations, including laws and regulations impacting healthcare, insurance, pharmacy services and other diversified products and services, or their enforcement or application; the impact of cyber-attacks or other privacy or data security incidents or our failure to comply with any privacy, data or security laws or regulations, including any investigations, claims or litigation related thereto; failure to effectively maintain and modernize our information systems, or failure of our information systems or technology, including artificial intelligence, to operate as intended; failure to effectively maintain the availability and integrity of our data; changes in economic and market conditions, as well as regulations that may negatively affect our liquidity and investment portfolios; competitive pressures and our ability to adapt to changes in the industry and develop and implement strategic growth opportunities; risks and uncertainties regarding Medicare and Medicaid programs, including those related to non-compliance with the complex regulations imposed thereon; our ability to maintain and achieve improvement in Centers for Medicare and Medicaid Services Star Ratings and other quality scores and funding risks with respect to revenue received from participation therein; a negative change in our healthcare product mix; costs and other liabilities associated with litigation, government investigations, audits or reviews; our ability to contract with providers on cost-effective and competitive terms; risks associated with providing healthcare, pharmacy and other diversified products and services, including medical malpractice or professional liability claims and non-compliance by any party with the pharmacy services agreement between us and CaremarkPCS Health, L.L.C.; the effects of any negative publicity or sentiment related to the health benefits industry in general or us in particular; risks associated with mergers, acquisitions, joint ventures and strategic alliances; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and other intangible assets; possible restrictions in the payment of dividends from our subsidiaries and increases in required minimum levels of capital; our ability to repurchase shares of our common stock and pay dividends on our common stock due to the adequacy of our cash flow and earnings and other considerations; the potential negative effect from our substantial amount of outstanding indebtedness and the risk that increased interest rates or market volatility could impact our access to or further increase the cost of financing; a downgrade in our financial strength ratings; events that may negatively affect our licenses with the Blue Cross and Blue Shield Association; intense competition to attract and retain employees; risks associated with our international operations; and various laws and provisions in our governing documents that may prevent or discourage takeovers and business combinations.

Non-GAAP Measures and Basis of Presentation

This document references non-GAAP measures. These non-GAAP measures are intended to aid investors when comparing Elevance Health's financial results among periods and are not intended to be alternatives to any measure calculated in accordance with GAAP. Reconciliations of these non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP are available on Slides 13-14 of this document.

Operating revenue and operating gain/loss are the key measures used by management to evaluate performance in each of its reporting segments, allocate resources, set incentive compensation targets and to forecast future operating performance. Operating gain/loss is calculated as total operating revenue less benefit expense, cost of products sold and operating expense. It does not include net investment income, net gains/losses on financial instruments, interest expense, amortization of other intangible assets and gains/losses on extinguishment of debt or income taxes, as these items are managed in a corporate shared service environment and are not the responsibility of operating segment management. Operating Margin is defined as operating gain divided by operating revenue. Each of these measures is provided to further aid investors in understanding and analyzing Elevance Health's operating and financial results.

Elevance Health GAAP Reconciliation — Shareholders' Net Income and Shareholders' Earnings Per Diluted Share

(In millions, except per share data)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Shareholders' net income	\$547	\$418	30.9%	\$5,662	\$5,980	(5.3%)
<i>Add / (Subtract):</i>						
Amortization of other intangible assets	164	180		628	580	
Net losses on financial instruments	57	74		653	445	
Transaction and integration related costs ¹	54	66		236	224	
Business dispositions and related items ²	41	90		41	281	
Litigation and settlement expenses ¹	5	12		24	692	
Gain on sale of business	—	—		—	(201)	
Business optimization charges ¹	(34)	—		(38)	268	
Tax impact of non-GAAP adjustments	(95)	(93)		(402)	(575)	
Net adjustment items	192	329		1,142	1,714	
Adjusted shareholders' net income	\$739	\$747	(1.1%)	\$6,804	\$7,694	(11.6%)
Shareholders' earnings per diluted share	\$2.47	\$1.81	36.5%	\$25.21	\$25.68	(1.8%)
<i>Add / (Subtract):</i>						
Amortization of other intangible assets	0.74	0.78		2.80	2.49	
Net losses on financial instruments	0.26	0.32		2.91	1.91	
Transaction and integration related costs ¹	0.24	0.29		1.05	0.96	
Business dispositions and related items ²	0.18	0.39		0.18	1.21	
Litigation and settlement expenses ¹	0.02	0.05		0.11	2.97	
Gain on sale of business	—	—		—	(0.86)	
Business optimization charges ¹	(0.15)	—		(0.17)	1.15	
Tax impact of non-GAAP adjustments	(0.43)	(0.40)		(1.79)	(2.47)	
Net adjustment items	0.86	1.42		5.08	7.36	
Adjusted shareholders' earnings per diluted share	\$3.33	\$3.23	3.1%	\$30.29	\$33.04	(8.3%)
(In millions)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Income before income tax expense	\$215	\$606	(64.5%)	\$6,710	\$7,904	(15.1%)
Net investment income	(493)	(527)		(2,194)	(2,051)	
Gain on sale of business	—	—		—	(201)	
Net losses on financial instruments	57	74		653	445	
Interest expense	366	340		1,402	1,185	
Amortization of other intangible assets	164	180		628	580	
Reportable segments operating gain	\$309	\$673	(54.1%)	\$7,199	\$7,862	(8.4%)

1. Adjustment item resides in the Corporate & Other reportable segment.
2. Adjustment item resides in the Health Benefits, CarelonRx, Carelon Services, and Corporate & Other reportable segments.
3. Totals may not foot due to rounding.

Elevance Health GAAP Reconciliation — Operating Gain, Operating Expense Ratio, and 2026 Outlook

(In millions)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Reportable segments operating gain	\$309	\$673	(54.1%)	\$7,199	\$7,862	(8.4%)
Add / (Subtract):						
Transaction and integration related costs ¹	54	66		236	224	
Business dispositions and related items ²	41	90		41	281	
Litigation and settlement expenses ¹	5	12		24	692	
Business optimization charges ¹	(34)	—		(38)	268	
Net adjustment items	66	168		263	1,465	
Reportable segments adjusted operating gain	\$375	\$841	(55.4%)	\$7,462	\$9,327	(20.0%)
(In millions)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Operating expense	\$5,415	\$4,804	12.7%	\$20,984	\$20,025	4.8%
Add / (Subtract):						
Transaction and integration related costs ¹	(54)	(66)		(236)	(224)	
Business dispositions and related items ²	(41)	(90)		(41)	(281)	
Litigation and settlement expenses ¹	(5)	(12)		(24)	(692)	
Business optimization charges ¹	34	—		38	(268)	
Net adjustment items	(66)	(168)		(263)	(1,465)	
Adjusted operating expense	\$5,349	\$4,636	15.4%	\$20,721	\$18,560	11.6%
Operating revenue	\$49,311	\$44,989	9.6%	\$197,584	\$175,204	12.8%
Operating expense ratio	11.0%	10.7%	30 bp	10.6%	11.4%	(80) bp
Adjusted operating expense ratio	10.8%	10.3%	50 bp	10.5%	10.6%	(10) bp

	Full Year 2026
	Outlook
Shareholders' earnings per diluted share	At least \$22.30
Add / (Subtract):	
Amortization of other intangible assets ³	\$2.00
Net losses on financial instruments ³	\$1.15
Transaction and integration related costs ^{1, 3}	\$0.90
Litigation and settlement expenses ^{1, 3}	\$0.10
Tax impact of non-GAAP adjustments ³	Approximately (\$0.95)
Net adjustment items	\$3.20
Adjusted shareholders' earnings per diluted share	At least \$25.50

1. Adjustment item resides in the Corporate & Other reportable segment.
2. Adjustment item resides in the Health Benefits, CarelonRx, Carelon Services, and Corporate & Other reportable segments.
3. Adjustment item represents the midpoint of a projected range and serves as the estimated full year adjustment amount.

Elevance Health

Reportable Segment & Health Benefits Revenue Details

Elevance Health has four reportable segments: Health Benefits (comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard®, Medicare, Medicaid, and Federal Employee Program businesses); CarelonRx; Carelon Services; and Corporate & Other (comprised of businesses that do not individually meet the quantitative thresholds for an operating division as well as corporate expenses not allocated to our other reportable segments).

(In millions, Unaudited)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Operating Revenue						
Health Benefits	\$41,835	\$37,580	11.3%	\$167,094	\$150,275	11.2%
CarelonRx	11,644	9,977	16.7%	43,400	35,961	20.7%
Carelon Services	7,015	4,769	47.1%	28,316	17,961	57.7%
Corporate & Other	(83)	(14)	NM ⁶	463	309	49.8%
Eliminations	(11,100)	(7,323)	NM ⁶	(41,689)	(29,302)	NM ⁶
Total Operating Revenue¹	\$49,311	\$44,989	9.6%	\$197,584	\$175,204	12.8%
Operating Gain (Loss)						
Health Benefits ²	(\$220)	\$207	NM ⁶	\$4,158	\$6,243	(33.4%)
CarelonRx ³	724	533	(35.8%)	2,418	2,172	11.3%
Carelon Services ^{2,3}	(150)	35	NM ⁶	960	717	33.9%
Corporate & Other ^{2,3}	(45)	(102)	NM ⁶	(337)	(1,270)	NM ⁶
Total Operating Gain^{1,4}	\$309	\$673	(54.1%)	\$7,199	\$7,862	(8.4%)
Operating Margin						
Health Benefits	(0.5%)	0.6%	(110) bp	2.5%	4.2%	(170) bp
CarelonRx	6.2%	5.3%	90 bp	5.6%	6.0%	(40) bp
Carelon Services	(2.1%)	0.7%	(280) bp	3.4%	4.0%	(60) bp
Total Operating Margin¹	0.6%	1.5%	(90) bp	3.6%	4.5%	(90) bp

(In millions, Unaudited)	Three Months Ended Dec 31		Change	Twelve Months Ended Dec 31		Change
	2025	2024		2025	2024	
Health Benefits Operating Revenue						
Commercial	\$12,747	\$11,851	7.6%	\$50,401	\$46,816	7.7%
Individual ⁵	2,248	2,117	6.2%	9,295	8,295	12.1%
Medicare	10,762	9,054	18.9%	44,752	36,795	21.6%
Medicaid	14,500	12,755	13.7%	56,620	51,937	9.0%
Federal Employee Program	3,826	3,920	(2.4%)	15,321	14,727	4.0%
Total Health Benefits Operating Revenue¹	\$41,835	\$37,580	11.3%	\$167,094	\$150,275	11.2%

- See "Basis of Presentation" on slide 12 herein.
- Operating Gain for the three and twelve months ended December 31, 2024 included \$90 and \$281 million, respectively, of 2024 business dispositions and related items; including \$74 and \$215 million, respectively, for the Carelon Services segment; and \$16 and \$66 million, respectively, for the Health Benefits segment. Operating Gain for the three and twelve months ended December 31, 2024 included \$66 and \$224 million, respectively, of transaction and integration related costs, \$12 and \$692 million, respectively, of litigation and settlement expenses, and \$0 and \$268 million, respectively, of business optimization charges, all of which reside in the Corporate & Other reportable segment.
- Operating Gain for the three and twelve months ended December 31, 2025 included \$41 million of 2025 business dispositions and related items; including \$45 million for the CarelonRx segment; (\$7) million for the Carelon Services segment; and \$3 million for the Corporate & Other segment. Operating Gain for the three and twelve months ended December 31, 2025 included \$54 and \$236 million, respectively, of transaction and integration related costs, \$5 and \$24 million, respectively, of litigation and settlement expenses, and (\$34) and (\$38) million, respectively, of business optimization charges, all of which reside in the Corporate & Other reportable segment.
- Operating Gain for the three and twelve months ended December 31, 2025, and December 31, 2024 included items excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.
- The Individual business, including ACA products, is reported as part of Commercial Operating Revenue.
- "NM" = calculation not meaningful.

