

CIGNA INVESTOR PRESENTATION

February 6, 2020



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 outlook for 2020, on a consolidated, per share, and segment basis; projected adjusted revenue outlook for 2020; projected adjusted margin outlook for 2020; projected global medical customer growth over year end 2019; projected client retention; projected growth beyond 2020; statements concerning our long-term projected adjusted income (loss) from operations and adjusted margin outlook; projected medical care and SG&A expense ratios and medical cost trends; projected adjusted pharmacy scripts; our projected consolidated adjusted tax rate; projected debt to capitalization ratio; projected cash flow from operations; projected interest expense; future financial or operating performance, including our ability to deliver affordable, personalized and innovative solutions for our customers and clients; 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, including the merger (“Merger”) with Express Scripts Holding Company and the sale of our Group, Disability and Life business; and other statements regarding Cigna's future beliefs, expectations, plans, intentions, 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 financial, strategic and operational plans or initiatives; our ability to predict and manage medical and pharmacy costs and price effectively; our ability to adapt to changes or trends in an evolving and rapidly changing industry; our ability to effectively differentiate our products and services from those of our competitors and maintain or increase market share; our ability to develop and maintain good relationships with physicians, hospitals, other health care providers, producers, consultants and pharmaceutical manufacturers; changes in the pharmacy provider marketplace or pharmacy networks; changes in drug pricing; the impact of modifications to our operations and processes; our ability to identify potential strategic transactions and realize the expected benefits (including anticipated synergies) of such transactions in full or within the anticipated time frame, including with respect to the Merger and the sale of our Group, Disability and Life business, as well as our ability to integrate or separate operations, resources and systems; 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; the outcome of litigation, regulatory audits, investigations, actions or guaranty fund assessments; uncertainties surrounding participation in government-sponsored programs such as Medicare; the effectiveness and security of our information technology and other business systems and those of our key suppliers or other third parties; the impact of our debt service obligations on the availability of funds for other business purposes; unfavorable industry, economic or political conditions, including foreign currency movements; acts of civil unrest, war, terrorism, natural disasters or pandemics; reinsurance credit risk; as well as more specific risks and uncertainties discussed in our most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of 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 “earnings” means adjusted income from operations and “earnings per share” or “EPS” means adjusted income from operations on a diluted per share basis. At the consolidated level, “adjusted income from operations” and “adjusted revenues” are not determined in accordance with accounting principles generally accepted in the United States (“GAAP”) and should not be viewed as a substitute for the most directly comparable GAAP measures, shareholders’ net income and total revenues, respectively.

Adjusted income (loss) from operations is defined as shareholders’ net income (loss) excluding the following adjustments: earnings contributions from transitioning pharmacy benefit management clients Anthem Inc. and Coventry Health Care, Inc. (the “transitioning clients”), net realized investment results, amortization of acquired intangible assets, and special items. Special items are items that management believes are not representative of the underlying results of operations due to the nature or size of these matters, such as integration and transaction related costs and litigation matters. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results. Adjusted income (loss) from operations is a 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 revenues is defined as total revenues excluding revenue contributions from transitioning clients, net realized investment results from equity method investments, and special items. We exclude these items from this measure because they are not indicative of past or future underlying performance of the business. Reconciliations of Cigna’s historic non-GAAP measures to their most directly comparable GAAP measure are also set forth in the appendix.

The appendix slide titled “Definitions of Key Financial and Business Terms” includes definitions of other financial or business metrics referenced in this presentation, including adjusted pharmacy scripts, medical cost trend, market segments, customer relationships, medical care ratio, SG&A expense ratio, adjusted tax rate, free cash flow yield and adjusted margin, pre-tax.

Note Regarding Outlook

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.

As previously disclosed, beginning in 2020, the Company will no longer exclude contributions from transitioning clients from its adjusted metrics, as the transition for those clients was substantially complete as of December 31, 2019.

The Company’s 2020 outlook excludes the impact of prior year reserve development of medical costs and the potential effects of any share repurchases or business combinations that may occur after the date of this presentation. Additionally, the Company’s 2020 outlook assumes a full year of contributions from Cigna’s Disability and Life business. The Company’s 2021 and long-term outlook includes the potential effects of capital deployment and includes contributions from Cigna’s Disability and Life business.

Note Regarding Share Repurchases

The timing and actual number of shares repurchased will depend on a variety of factors, including share price, general business and market conditions, and alternate uses of capital. Our share repurchase program may be effected through open market purchases or privately negotiated transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including through Rule 10b5-1 trading plans. The program may be suspended or discontinued at any time.



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First year successes of Cigna and Express Scripts combination

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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 mission guides our strategy:

Go Deeper

To expand and deepen our customer, client and partner relationships, and create depth in targeted sub-segments and geographies

Go Local

To ensure our solution suite and services meet customer, client and partner needs at a local market level

Go Beyond

To innovate and further differentiate our businesses, the experiences we deliver, and overall social impact

And our strategy drives how we win:

**Address Whole
Person Health**

**Be the Undisputed
Partner of Choice**

Accelerate Innovation

**Affordable
Predictable
Simple**

**Greater
Customer
Value**



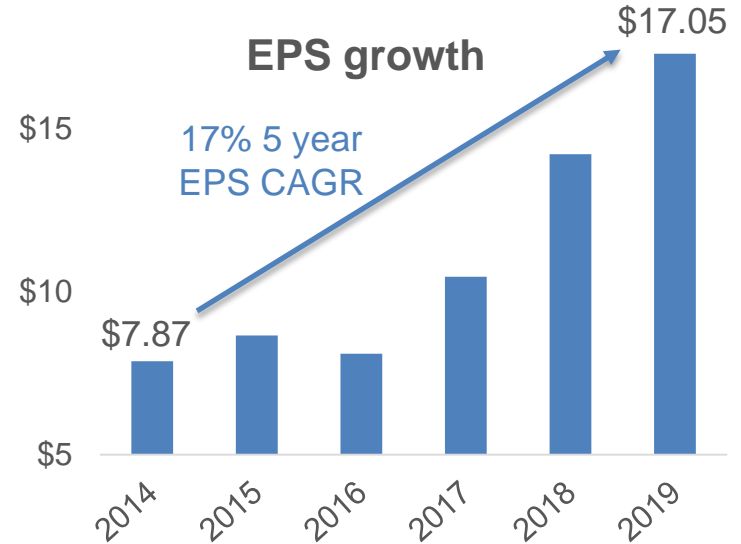
We grow from a strong track record of delivering value

Our focus on delivering affordability, predictability, and simplicity delivers meaningful customer value, and drives significant EPS growth

Industry leading
medical and pharmacy cost trend

10 consecutive years
of organic Commercial enrollment growth

650+ physician collaboratives



17% 5 year EPS CAGR



We brought our companies together to accelerate our strategy



Together we have:

Delivered on our commitments in the first year of our combination

Innovated, bringing new solutions to the market

Partnered, in new ways accessing new markets

...and we're **just getting started**, with four growth platforms well-positioned to deliver value and drive sustained growth



Strong integration progress in first year of Cigna and Express Script combination – delivering on promises

- ✓ Outstanding 1/1 execution for 2019 and 2020
- ✓ Very high employee and leadership retention and engagement levels
- ✓ Delivering shareholder synergies; on track for >\$600M run-rate in 2022
- ✓ Significant medical and pharmacy cost savings
- ✓ Bringing vision to life with ongoing innovation
- ✓ Insourced retail pharmacy volumes from OptumRx
- ✓ Transitioned all Cigna specialty pharmacy volumes to Accredo
- ✓ Reduced debt-to-cap ratio from 50.9% to 45.2% in 2019; on path to debt-to-cap ratio < 40% by end of 2020

20% EPS growth in 2019 with compelling outlook for growth in 2020 and longer term

Driving continuous market-leading innovation

Patient Assurance Program	Caps insulin copay at \$25 per 30-day script, creating a simple, affordable, and predictable solution
Embarc Benefit Protection	Provides protection for gene therapies, initially covering Zolgensma® and Luxterna®, giving payors predictability with a flat per member per month cost, and ensuring affordability for members with zero out of pocket costs
HealthConnect 360	Outcomes-based model of care that guarantees clinical targets and provides a holistic, 360-degree view of patients; connects health plans, providers, pharmacists and other clinical partners to ensure each person gets the personalized clinical care they need
Digital Health Formulary	Simplifies process for consumers and payors to navigate personal digital health technologies and interventions, while ensuring the safety, effectiveness and usability of these tools
SafeGuardRx Bronze	Tailored version for healthplan clients of SafeGuardRx solution for value-based payment strategies, addressing the most complex, costly conditions patients and payers face



Cigna is the partner of choice in health care

**Choice
Framework:**

Aligned to best
interests of
customers and
clients

Scope and
quality of
capabilities

**Collaboration
Consultation
Connection**

Innovative partner creating greater value with affordable, predictable, simple solutions



Cigna is the partner of choice in health care

Recently announced partnerships illustrate breadth of ability to partner



<https://www.cigna.com/newsroom/news-releases/2019/express-scripts-and-prime-therapeutics-collaborate-to-deliver-more-affordable-care-to-more-than-100-million-americans>

<https://www.cigna.com/newsroom/news-releases/2020/cigna-and-oscar-announce-strategic-partnership-to-offer-differentiated-health-solutions-to-small-businesses-in-select-us-markets>

<https://www.nib.com.au/docs/nib-establishes-health-services-joint-venture-with-cigna>



Our four growth platforms drive sustained value creation



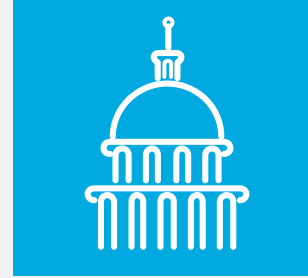
HEALTH SERVICES

- Increase pharmacy services for Cigna clients
- Offer Cigna services
- Accredo expansion



COMMERCIAL

- Select and Middle Market expansion and integration
- Go deeper
- Geographic expansion



GOVERNMENT

- New markets
- PPO product expansion
- Acceleration via Express Scripts



INTERNATIONAL

- Expansion in existing geographies
- Innovating new solutions
- New market entry

Health Services unique abilities deliver value

We serve health plans, governmental entities, employers, and risk-bearing provider groups to deliver the best pharmacy services cost and quality outcomes for patients and customers

Bringing innovative solutions to market

Driving best cost and quality outcomes

Best in class specialty and home delivery operations

Leveraging scale to deliver value to customers and clients

97%
retention
in 2020

Delivered industry leading commercial pharmacy trend
of **0.4%**
in 2018

Expect
20%-23%
adjusted pharmacy script growth in 2020

Driving innovative solutions and industry leading outcomes fueling growth



Health Services leading specialty pharmacy

Accredo is well-positioned to drive market-leading growth

Clinical excellence to improve health outcomes



Industry-leading specialization in
15 therapeutic classes

500 condition-focused pharmacists

350+ proprietary clinical protocols

Local and community support to drive engagement



Nurse educators help caregivers
provide critical care

200 trusted physician advisors

600+ field nurses providing in-home
care across the continental U.S.

Taking action to realize the full value of innovative medicines



Industry's broadest access to exclusive
and limited distribution drugs

Leveraging clinical expertise to improve
adherence and mitigate risk



Commercial differentiated value

Value proposition
whole person health

Highly **consultative** sales
and account teams

Partnership with **providers**
aligned on value-based care



**Organic customer growth
for ten years in a row**

**Strong
client retention**

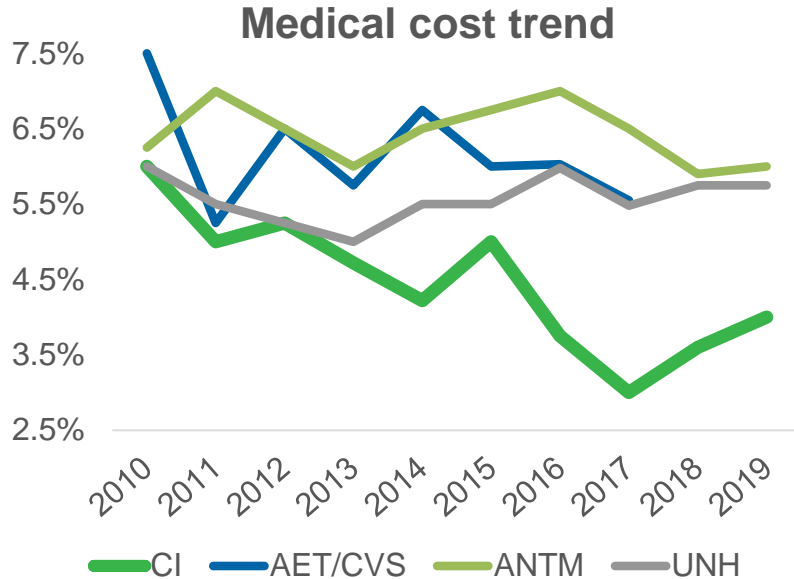
**Solution depth
and coordination**

**Best-in-class
medical trend**

Powered by technology, broad solution portfolio, and talent

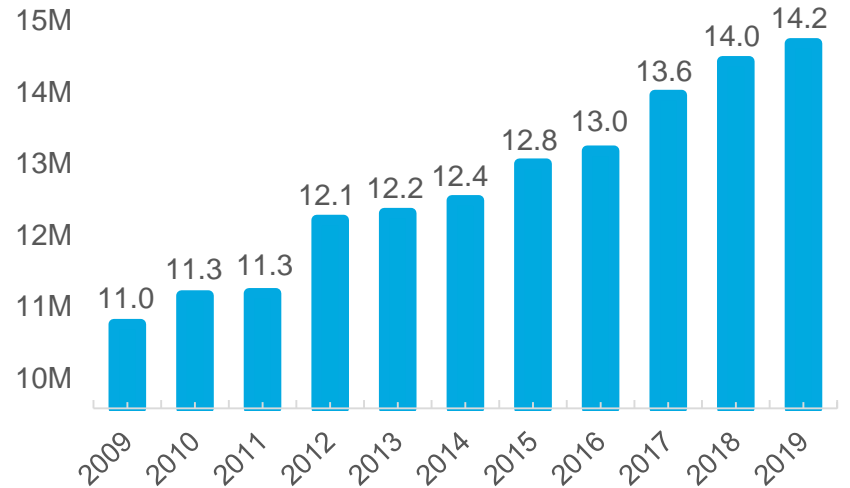


Commercial industry-leading medical cost trend



Cigna Commercial customer growth

(customers in millions)



Industry-leading trend drives strong retention and customer growth

AET/CVS did not report 2018 medical cost trend; CVS 2019 medical cost trend assumed at midpoint of their guidance as of their third quarter 2019 earnings calls; UNH 2019 medical cost trend assumed at the midpoint of its guidance as of its December 2019 Investor Day.



Medicare Advantage leveraging a solid foundation for growth

Deep provider engagement and mature value-based models

Over **85%** of MA customers in value-based arrangements

Strong customer satisfaction

Achieved **top J.D. Power ranking** among national peers

Outstanding clinical quality and health outcomes

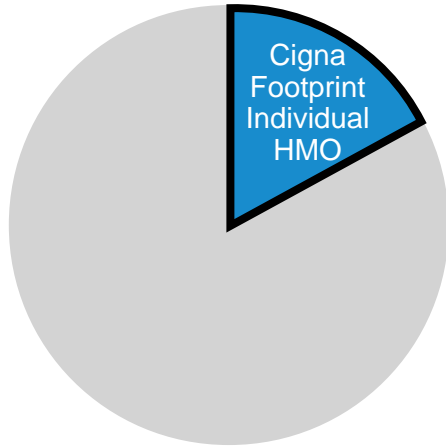
87% of Cigna customers will be in a **4-Star** or higher rated plan in 2021



Government Medicare Advantage growth path

2019

22 million MA enrollees



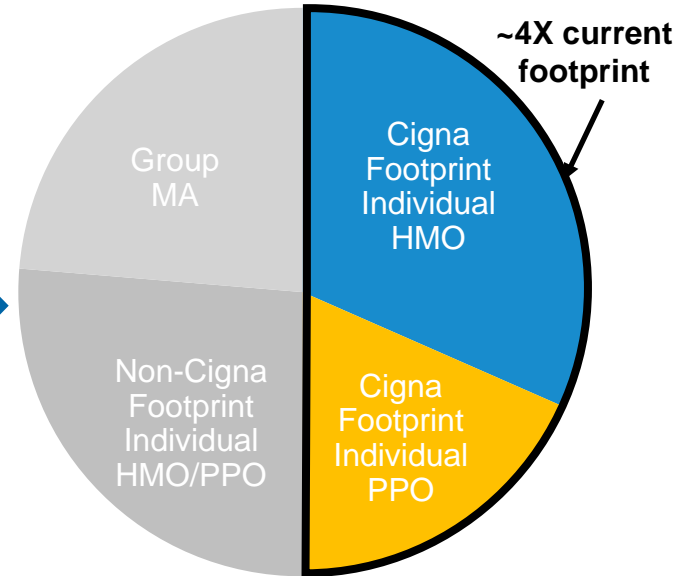
In 2019, Cigna competed for
~4 million MA purchasers

10% to 15%
average annual
customer growth
through 2025

In 2020, first year of
expansion, expect
13% to 16%
MA customer growth

2025

30 million MA enrollees



Cigna will compete for
~15 million MA purchasers



International Markets

We serve individuals, corporations, governments, intragovernmental organizations (IGO's) and non-governmental organizations (NGO's) with:



Deep customer insights



Local talent and operating model



Global provider network



Continuous innovation



Local license base

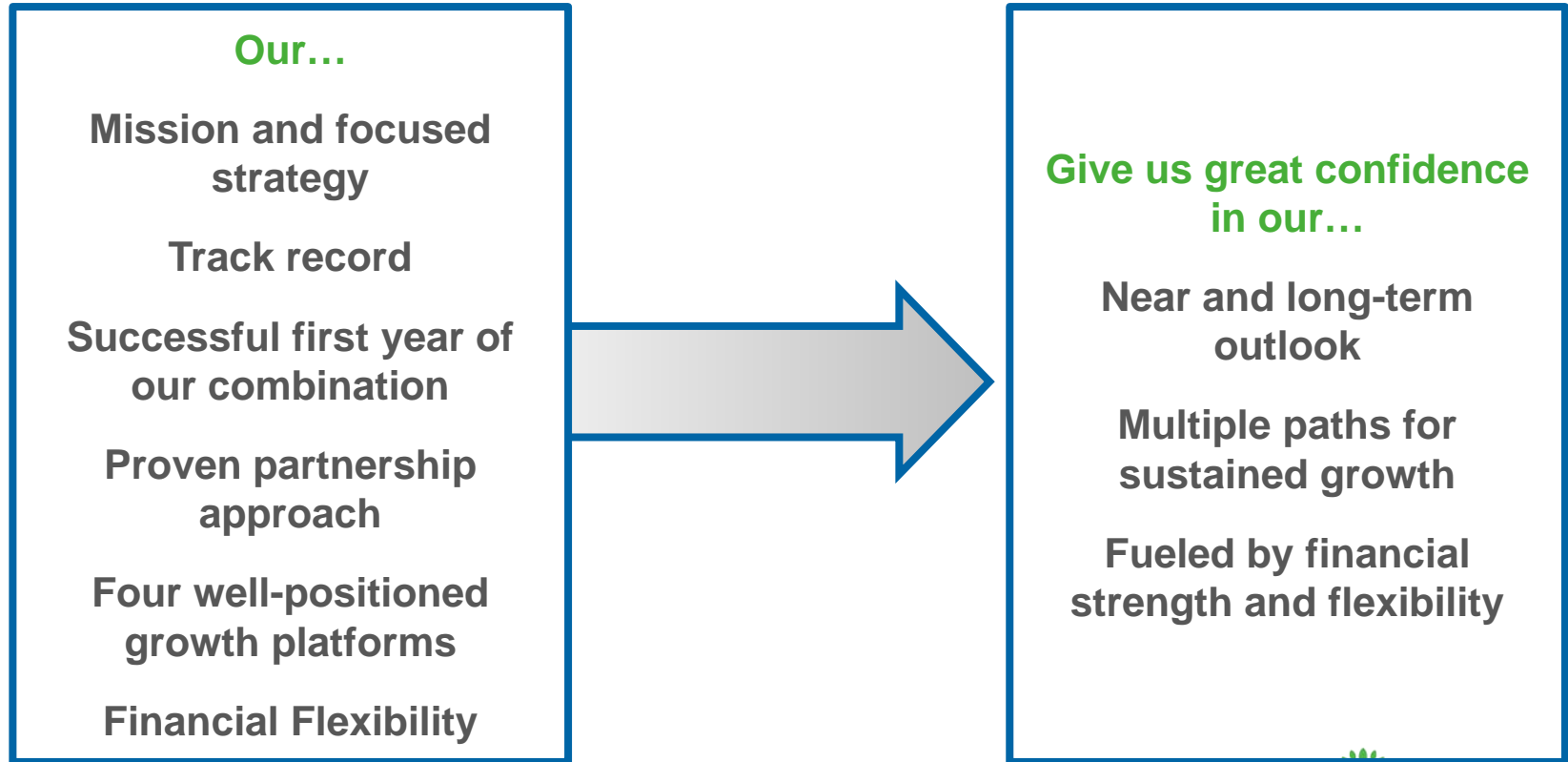
30+ COUNTRIES/
JURISDICTIONS

14+ MILLION
CUSTOMER RELATIONSHIPS

5,000+ EMPLOYER
CLIENTS

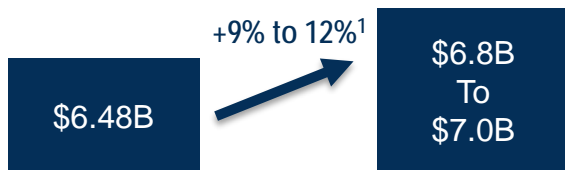


Strong foundation, strong momentum, strong outlook



2020 guidance – select metrics

Adjusted Income from Operations

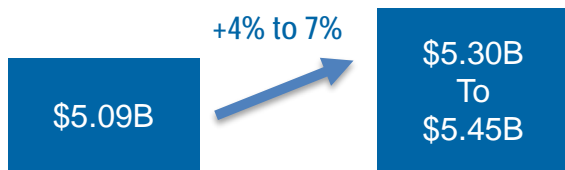


Enterprise

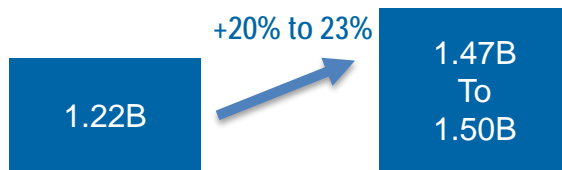
Additional Metrics



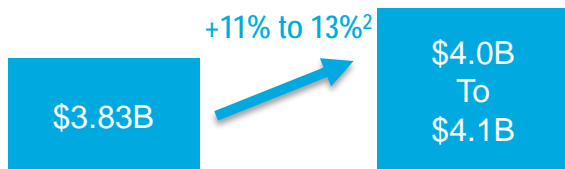
Adjusted Revenues - Enterprise



Health Services – pre-tax



Adjusted Pharmacy Scripts – Health Services



Integrated Medical – pre-tax



Medicare Advantage Customer Growth

Key Ratios

Medical cost trend:
3.5% to 4.5%

Medical care ratio:
80.2% to 81.2%

SG&A expense ratio:
8.6% to 9.1%

Adjusted tax rate:
23% to 24%



¹Growth reflects baseline adjustments to 2019 after-tax Enterprise Adjusted Income from Operations including: (\$45M) for the absence of favorable 2019 tax item, –(\$65M) after-tax for no assumption of recurrence of favorable PYD, and –(\$100M) after-tax for the timing impact of resumption of the HIF in 2020 and permanent suspension in 2021

²Growth reflects baseline adjustments to 2019 pre-tax Integrated Medical Adj. Income from Operations including: (\$85M) pre-tax for no assumption of recurrence of favorable PYD, and –(\$130M) pre-tax for the timing impact of the HIF

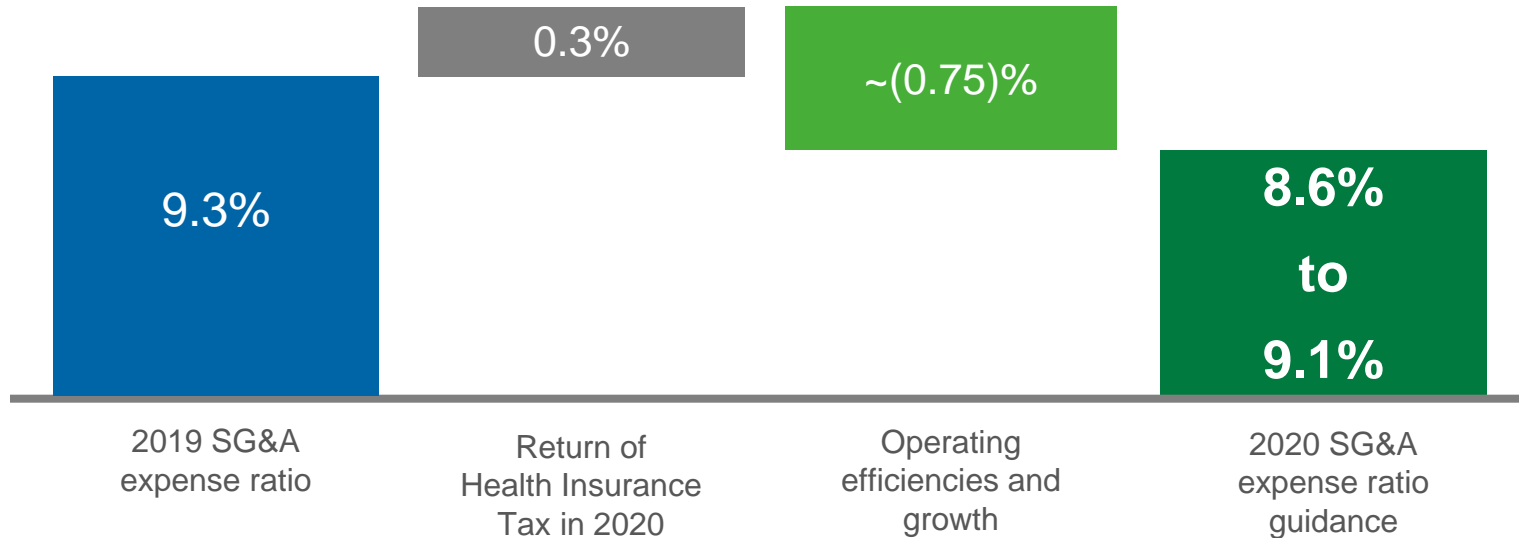
2020 EPS



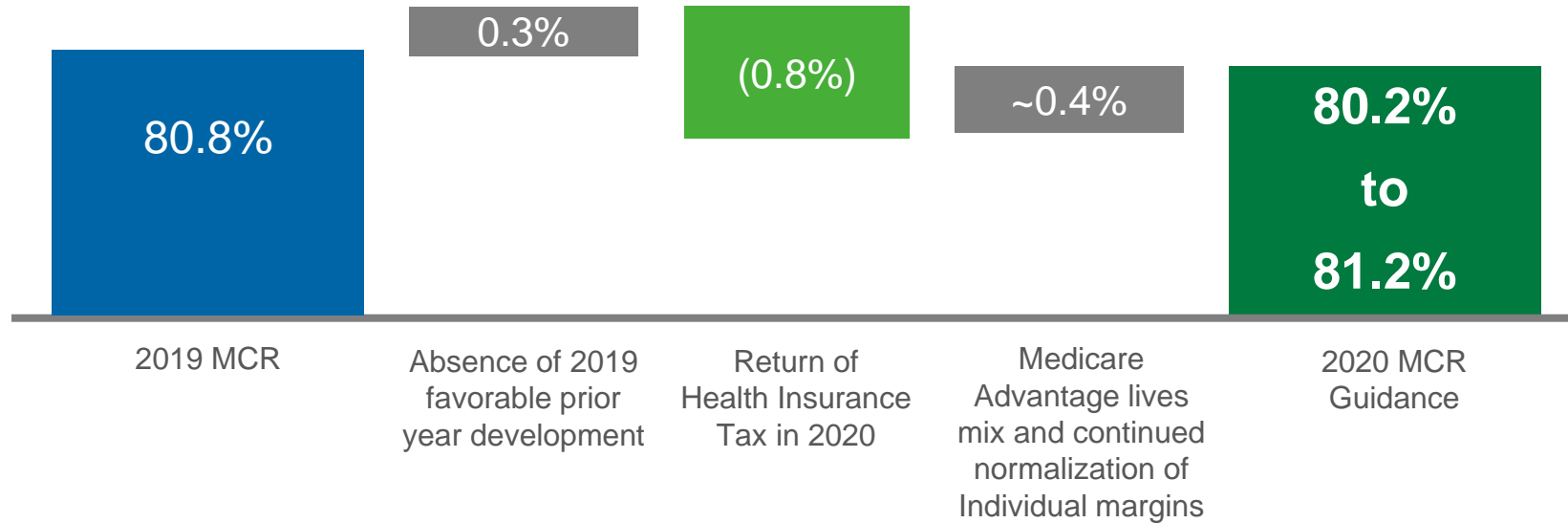
Baseline adjustments to 2019 EPS include: (\$0.12) for the absence of favorable 2Q19 tax item, (\$0.18) for no assumption of recurrence of favorable PYD, and (\$0.25) for the timing impact of resumption of the HIF in 2020 and permanent suspension in 2021



2020 SG&A



2020 medical care ratio (MCR)



Capital deployment priorities

Near term:

Deleveraging to debt-to-capitalization ratio < 40% by end of 2020

Ongoing:

Reinvestment in businesses

Strategic M&A

Return capital to shareholders¹

Significant financial flexibility

¹ Approximately \$3.7B of remaining share repurchase authority as of February 5, 2020

Strategic M&A priorities



Global footprint



Seniors capabilities



Care coordination and facilitation



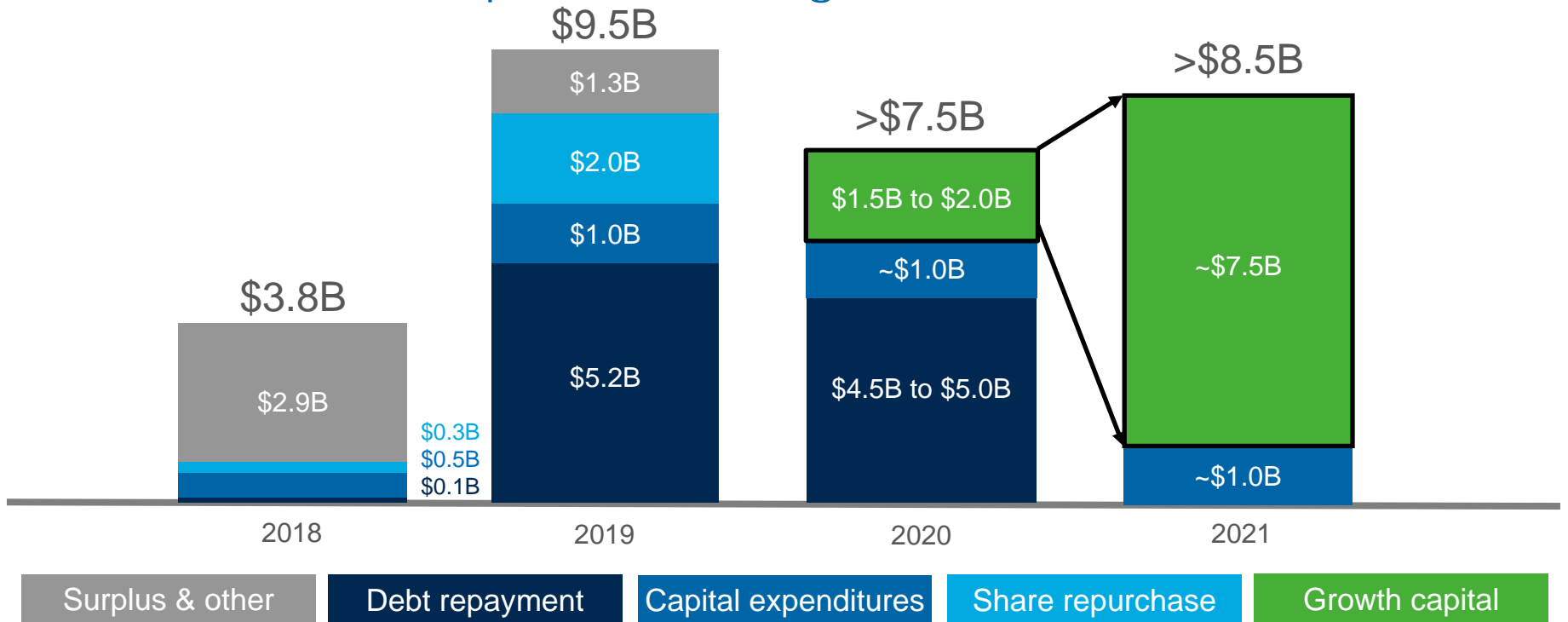
Data analytics and digital capabilities



State-based high-risk program capabilities



Cash flow from operations targets



Very Attractive Cash Flow from Operations Yield of 10%

Does not include proceeds from the pending sale of the Group Disability and Life business.
Decline from 2019 to 2020 due to termination of transitioning client relationship.



Long-term target margins, earnings growth and revenue growth

Business	Long-term adjusted before-tax margins	Long-term earnings growth	Long-term adjusted revenue growth
Enterprise	5.5% to 6.5%	6% to 8%	6% to 8%
Health Services	4.5% to 5.5%	3% to 5%	3% to 5%
Commercial	12% to 14%	8% to 10%	8% to 10%
Government	4% to 5%	11% to 14%	12% to 15%
International	11% to 13%	9% to 11%	8% to 10%

Earnings growth target is after-tax for the Enterprise and before-tax for segments.
Corporate revenue eliminations are a partial offset to revenue growth for the Enterprise.



EPS growth targets

\$20 to \$21
of EPS in 2021

Earnings contribution

**Long-term
EPS outlook**

6% to 8%

**Accretive capital
deployment**

4% to 5%

Earnings per share

10% to 13%

Key differentiators



Health Services

Commercial

Government

International Markets

Competitively attractive long-term growth

APPENDIX

Appendix

Definitions of Key Financial and Business Terms

As previously disclosed, beginning in 2020, the Company will no longer exclude contributions from transitioning clients from its adjusted metrics, as the transition for those clients was substantially complete as of December 31, 2019.

For Health Services' **adjusted pharmacy scripts**, 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. For 2019, adjusted pharmacy scripts do not include script volumes associated with transitioning clients .

Cigna's **medical cost trend** includes all U.S. commercial employer funding arrangements.

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 Integrated 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 defined as the consolidated income tax rate applicable to the Company's pre-tax income excluding net realized investment results, amortization of acquired intangible assets, special items, and transitioning clients. 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." 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.



Cash flow from operations yield is defined as 2020 projected cash flow from operations divided by the Company's market capitalization as of the close of the market on February 5, 2020.

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

International Markets Customer Relationships include International Markets medical customers and International Markets policies.



Appendix

Reconciliation of GAAP to non-GAAP Financial Measures (dollars in millions except per share data)

EPS (Diluted)	Year Ended					
	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Shareholders' net income	\$7.83	\$8.04	\$7.19	\$8.77	\$10.54	\$13.44
Adjustment for transitioning clients	-	-	-	-	(\$0.19)	(\$3.46)
Net realized investment (gains) losses	(\$0.40)	(\$0.15)	(\$0.42)	(\$0.61)	\$0.42	(\$0.50)
Amortization of acquired intangible assets	\$0.44	\$0.30	\$0.36	\$0.26	\$0.71	\$5.92
Special items	-	\$0.47	\$0.97	\$2.04	\$2.74	\$1.65
Adjusted income from operations	<u>\$7.87</u>	<u>\$8.66</u>	<u>\$8.10</u>	<u>\$10.46</u>	<u>\$14.22</u>	<u>\$17.05</u>

Adjusted income from operations	Year Ended <u>12/31/2019</u>	Revenue	Year Ended <u>12/31/2019</u>
Shareholders' net income	\$5,104	Total revenues	\$153,566
Adjustment for transitioning clients	(\$1,316)	Revenue contributions from transitioning clients	(\$13,347)
Net realized investment (gains) losses	(\$190)	Net realized investment results from certain equity method investments	(\$44)
Amortization of acquired intangible assets	\$2,248	Adjusted revenues	<u>\$140,175</u>
Special items	<u>\$630</u>		
Adjusted income from operations	<u>\$6,476</u>		