

# EARNINGS RELEASE



## ELEVANCE HEALTH REPORTS SECOND QUARTER 2025 RESULTS

- **2Q 2025 operating revenue of \$49.4 billion, up 14.3% from 2Q 2024**
- **2Q 2025 diluted EPS<sup>1</sup> of \$7.72; adjusted diluted EPS<sup>2</sup> of \$8.84**
- **Revising FY 2025 adjusted diluted EPS guidance to approximately \$30.00**
- **Returned \$2.0 billion of capital to shareholders year-to-date**

**Indianapolis, IN** - July 17, 2025 - Elevance Health, Inc. (NYSE: ELV) reported second quarter 2025 results.

"In the second quarter, Elevance Health made meaningful progress in delivering an experience that is simple and personal to those we serve, while advancing our efforts to enhance efficiency across the healthcare system. We are updating our outlook to reflect elevated medical cost trends in ACA and slower rate alignment in Medicaid. While the external environment continues to evolve, we are focused on the areas within our control - managing healthcare costs, deploying targeted investments in advanced technology and value-based care delivery, and reinforcing the operational foundation that supports long-term value creation. With the embedded earnings power of our diversified Health Benefits and Carelon businesses, we remain confident in achieving at least 12% average annual growth in adjusted diluted EPS over time."

Gail K. Boudreaux  
President and Chief Executive Officer

Given the ongoing and industry-wide impact of elevated cost trends in ACA and Medicaid, Elevance Health now expects 2025 GAAP net income per diluted share to be approximately \$24.10 and adjusted net income per diluted share to be approximately \$30.00.

1. Earnings per diluted share ("EPS").
2. Refer to GAAP reconciliation tables on pages 13 and 14 herein for reconciliation of GAAP to adjusted measures.



Elevance Health		
Consolidated Enterprise Highlights		
(Unaudited)		
(In billions)	Three Months Ended	
	June 30, 2025	June 30, 2024
Operating Revenue <sup>1</sup>	\$49.4	\$43.2
Operating Gain <sup>1,2</sup>	\$2.4	\$2.8
Adjusted Operating Gain <sup>1,3</sup>	\$2.5	\$2.9
Operating Margin <sup>1</sup>	4.9 %	6.4 %
Adjusted Operating Margin <sup>1,3</sup>	5.0 %	6.7 %

1. See "Basis of Presentation" on page 5 herein.
2. Operating Gain for the three months ended June 30, 2025, and June 30, 2024, include items that are excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.
3. Adjusted Operating Gain for the three months ended June 30, 2025, and June 30, 2024, exclude items that are excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.

Operating revenue was \$49.4 billion in the second quarter of 2025, an increase of \$6.2 billion, or 14 percent compared to the prior year quarter. This was driven by higher premium yields in our Health Benefits segment, recently closed acquisitions, and growth in our Medicare Advantage membership, partially offset by membership attrition in our Medicaid business.

The benefit expense ratio was 88.9 percent, an increase of 260 basis points year over year, reflecting higher medical cost trend primarily in our Medicaid business and ACA health plans. Days in Claims Payable stood at 43.9 days as of June 30, 2025, when adjusted for our acquisition of CareBridge. This represents a decrease of 0.1 days sequentially on a comparable basis.

The operating expense ratio was 10.1 percent, an improvement of 160 basis points. The adjusted operating expense ratio was 10.0 percent, an improvement of 140 basis points, primarily driven by expense leverage associated with growth in operating revenue and ongoing expense discipline as we prioritize investments to support our long-term strategy.

### Cash Flow & Balance Sheet

Operating cash flow was \$3.1 billion year-to-date, or 0.8 times GAAP net income, an increase of \$0.6 billion year over year. As of June 30, 2025, cash and investments at the parent company totaled approximately \$2.2 billion.

During the second quarter of 2025, the Company repurchased 0.9 million shares of its common stock for \$379 million, at a weighted average price of \$410.05, and paid a quarterly dividend of \$1.71 per share, representing a distribution of cash totaling \$385 million. As of June 30, 2025, the Company had approximately \$8.0 billion of Board approved share repurchase authorization remaining.



**Health Benefits** is comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard<sup>®</sup>, Medicare, Medicaid, and Federal Employee Program businesses.

<b>Health Benefits</b>		
<b>Reportable Segment Highlights</b>		
(Unaudited)		
(In billions)	Three Months Ended	
	June 30, 2025	June 30, 2024
Operating Revenue <sup>1</sup>	\$41.6	\$37.2
Operating Gain <sup>1,2</sup>	\$1.6	\$2.1
Adjusted Operating Gain <sup>1,3</sup>	\$1.6	\$2.2
Operating Margin <sup>1</sup>	3.8 %	5.8 %
Adjusted Operating Margin <sup>1</sup>	3.8 %	5.8 %

1. See "Basis of Presentation" on page 5 herein.

2. Operating Gain for the three months ended June 30, 2024, includes items that are excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.

3. Adjusted Operating Gain for the three months ended June 30, 2024, excludes \$15 million of 2024 business dispositions and related items adjusted out of adjusted shareholders' net income for the Health Benefits segment.

Health Benefits segment operating revenue was \$41.6 billion in the second quarter of 2025, an increase of \$4.4 billion, or 12 percent compared to the prior year quarter, driven primarily by higher premium yields, recently closed acquisitions, and growth in our Medicare Advantage membership, partially offset by lower Medicaid membership.

Operating gain totaled \$1.6 billion, impacted principally by higher medical cost trend in our Medicaid business and ACA health plans.

Medical membership totaled approximately 45.6 million as of June 30, 2025, a decline of 212 thousand from the first quarter of 2025, driven by lower Medicaid membership and attrition resulting from lower effectuation rates in our Individual ACA business.



**Carelon** is comprised of CarelonRx and Carelon Services.

<b>Carelon</b>		
<b>Reportable Segment Highlights</b>		
(Unaudited)		
(In billions)	Three Months Ended	
	June 30, 2025	June 30, 2024
Operating Revenue <sup>1,2</sup>	\$18.1	\$13.3
Operating Gain <sup>1,3</sup>	\$0.9	\$0.7
Adjusted Operating Gain <sup>1,4</sup>	\$0.9	\$0.7
Operating Margin <sup>1</sup>	5.2 %	5.3 %
Adjusted Operating Margin <sup>1</sup>	5.2 %	5.6 %

1. See "Basis of Presentation" on page 5 herein.
2. Operating Revenue for the three months ended June 30, 2024, includes \$0.2 billion of revenue related to 2024 business dispositions and related items that have been excluded from adjusted operating gain.
3. Operating Gain for the three months ended June 30, 2024, includes items that are excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.
4. Adjusted Operating Gain for the three months ended June 30, 2024, excludes \$44 million of 2024 business dispositions and related items adjusted out of adjusted shareholders' net income for the Carelon segment.

Operating revenue for Carelon was \$18.1 billion in the second quarter of 2025, an increase of \$4.8 billion, or 36 percent compared to the prior year quarter. This was driven by recent acquisitions in home health and pharmacy services, growth in CarelonRx product revenue, and the scaling of innovative risk-based capabilities in Carelon Services.

Operating gain for Carelon totaled \$0.9 billion, an increase of \$0.2 billion, or 33 percent, primarily driven by improved Carelon Health performance and higher CarelonRx product revenue.

## Quarterly Dividend

On July 16, 2025, the Audit Committee of the Company's Board of Directors declared a third quarter 2025 dividend to shareholders of \$1.71 per share. The third quarter dividend is payable on September 25, 2025, to shareholders of record at the close of business on September 10, 2025.

## About Elevance Health

Elevance Health is a lifetime, trusted health partner whose purpose is to improve the health of humanity. The company supports consumers, families, and communities across the entire healthcare journey – connecting them to the care, support, and resources they need to lead better lives. Elevance Health's companies serve over 109 million consumers through a diverse portfolio of industry-leading medical, pharmacy, behavioral, clinical, home health, and complex care solutions. For more information, please visit [www.elevancehealth.com](http://www.elevancehealth.com) or follow us @ElevanceHealth on X and Elevance Health on LinkedIn.

## Conference Call and Webcast

Management will host a conference call and webcast today at 8:30 a.m. Eastern Daylight Time ("EDT") to discuss the company's second quarter results and outlook. The conference call should be accessed at least 15 minutes prior to the start of the call with the following numbers:

888-947-9963 (Domestic)	866-511-1890 (Domestic Replay)
312-470-0178 (International)	203-369-1945 (International Replay)

The access code for today's conference call is 3972058. There is no access code for the replay. The replay will be available from 11:30 a.m. EDT today, until the end of the day on August 15, 2025. The call will also be available through a live webcast at [www.elevancehealth.com](http://www.elevancehealth.com) under the "Investors" link. A webcast replay will be available following the call.

## Basis of Presentation

1. 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, 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. Refer to pages 13 and 14 for the GAAP reconciliation tables.
2. Operating margin is defined as operating gain divided by operating revenue.

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## **Elevance Health**

### **Earnings Release Financial Schedules and Supplementary Information Quarter & Year-to-Date Ended June 30, 2025**

- **Membership and Other Metrics**
- **Quarterly & Year-to-Date Consolidated Statements of Income**
- **Condensed Consolidated Balance Sheet**
- **Condensed Consolidated Statement of Cash Flows**
- **Supplemental Financial Information - Reportable Segments**
- **Supplemental Financial Information - Reconciliation of Medical Claims Payable**
- **Reconciliation of Non-GAAP Financial Measures**

**Elevance Health**  
**Membership and Other Metrics**  
(Unaudited)

				Change from	
	June 30, 2025	June 30, 2024	March 31, 2025	June 30, 2024	March 31, 2025
<b><u>Medical Membership (in thousands)</u></b>					
Individual .....	1,348	1,281	1,423	5.2 %	(5.3) %
Employer Group Risk-Based .....	3,615	3,648	3,638	(0.9) %	(0.6) %
Commercial Risk-Based .....	4,963	4,929	5,061	0.7 %	(1.9) %
BlueCard® .....	6,570	6,692	6,608	(1.8) %	(0.6) %
Employer Group Fee-Based .....	20,584	20,542	20,522	0.2 %	0.3 %
Commercial Fee-Based .....	27,154	27,234	27,130	(0.3) %	0.1 %
Medicare Advantage .....	2,255	2,031	2,255	11.0 %	— %
Medicare Supplement .....	874	894	876	(2.2) %	(0.2) %
Total Medicare .....	3,129	2,925	3,131	7.0 %	(0.1) %
Medicaid .....	8,733	9,028	8,862	(3.3) %	(1.5) %
Federal Employee Program .....	1,642	1,660	1,649	(1.1) %	(0.4) %
<b>Total Medical Membership .....</b>	<b>45,621</b>	<b>45,776</b>	<b>45,833</b>	<b>(0.3)%</b>	<b>(0.5)%</b>
<b><u>Other Metrics (in millions)</u></b>					
CarelonRx Quarterly Adjusted Scripts .....	83.3	78.2	83.9	6.5 %	(0.7) %
Carelon Services Consumers Served .....	97.3	102.3	99.5	(4.9) %	(2.2) %

**Elevance Health**  
**Consolidated Statements of Income**  
(Unaudited)

(In millions, except per share data)

	Three Months Ended June 30			Six Months Ended June 30		
	2025	2024	Change	2025	2024	Change
<b>Revenues</b>						
Premiums	\$ 41,271	\$ 35,416	16.5%	\$ 82,158	\$ 71,112	15.5%
Product revenue	6,042	5,530	9.3%	11,851	10,029	18.2%
Service fees	2,108	2,277	(7.4)%	4,177	4,355	(4.1)%
<b>Total operating revenue</b>	<b>49,421</b>	<b>43,223</b>	<b>14.3%</b>	<b>98,186</b>	<b>85,496</b>	<b>14.8%</b>
Net investment income	486	508	(4.3)%	1,076	973	10.6%
Net losses on financial instruments	(131)	(85)	NM	(595)	(246)	NM
Gain on sale of business	—	240	NM	—	240	NM
<b>Total revenues</b>	<b>49,776</b>	<b>43,886</b>	<b>13.4%</b>	<b>98,667</b>	<b>86,463</b>	<b>14.1%</b>
<b>Expenses</b>						
Benefit expense	36,706	30,572	20.1%	72,018	61,118	17.8%
Cost of products sold	5,293	4,820	9.8%	10,276	8,645	18.9%
Operating expense	4,997	5,066	(1.4)%	10,297	9,952	3.5%
Interest expense	341	280	21.8%	685	545	25.7%
Amortization of other intangible assets	147	162	(9.3)%	302	278	8.6%
<b>Total expenses</b>	<b>47,484</b>	<b>40,900</b>	<b>16.1%</b>	<b>93,578</b>	<b>80,538</b>	<b>16.2%</b>
Income before income tax expense	2,292	2,986	(23.2)%	5,089	5,925	(14.1)%
Income tax expense	548	685	(20.0)%	1,161	1,375	(15.6)%
<b>Net income</b>	<b>1,744</b>	<b>2,301</b>	<b>(24.2)%</b>	<b>3,928</b>	<b>4,550</b>	<b>(13.7)%</b>
<b>Net income attributable to noncontrolling interests</b>	<b>(1)</b>	<b>(1)</b>	<b>NM</b>	<b>(2)</b>	<b>(4)</b>	<b>NM</b>
<b>Shareholders' net income</b>	<b>\$ 1,743</b>	<b>\$ 2,300</b>	<b>(24.2)%</b>	<b>\$ 3,926</b>	<b>\$ 4,546</b>	<b>(13.6)%</b>
<b>Shareholders' earnings per diluted share</b>	<b>\$ 7.72</b>	<b>\$ 9.85</b>	<b>(21.6)%</b>	<b>\$ 17.33</b>	<b>\$ 19.44</b>	<b>(10.9)%</b>
Diluted shares	225.8	233.4	(3.3)%	226.5	233.8	(3.1)%
Benefit expense as a percentage of premiums	88.9 %	86.3 %	260 bp	87.7 %	85.9 %	180 bp
Operating expense as a percentage of total operating revenue	10.1 %	11.7 %	(160)bp	10.5 %	11.6 %	(110)bp
Income before income tax expense as a percentage of total revenue	4.6 %	6.8 %	(220)bp	5.2 %	6.9 %	(170)bp

"NM" = calculation not meaningful



**Elevance Health**  
**Condensed Consolidated Balance Sheet**

(In millions)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents . . . . .	\$8,560	\$8,288
Fixed maturity and equity securities . . . . .	26,232	26,393
Premium and other receivables . . . . .	23,125	19,071
Other current assets . . . . .	5,407	4,700
Assets held for sale . . . . .	—	490
<b>Total current assets . . . . .</b>	<b>63,324</b>	<b>58,942</b>
Long-term investments . . . . .	11,553	10,784
Property and equipment, net . . . . .	4,641	4,652
Goodwill and other intangible assets . . . . .	39,858	40,371
Other noncurrent assets . . . . .	2,562	2,140
<b>Total assets . . . . .</b>	<b>\$121,938</b>	<b>\$116,889</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Medical claims payable . . . . .	\$17,155	\$15,746
Short-term borrowings . . . . .	360	365
Current portion of long-term debt . . . . .	1,648	1,649
Other current liabilities . . . . .	24,671	22,668
Liabilities held for sale . . . . .	—	153
<b>Total current liabilities . . . . .</b>	<b>43,834</b>	<b>40,581</b>
Long-term debt, less current portion . . . . .	28,178	29,218
Other noncurrent liabilities . . . . .	6,075	5,664
<b>Total liabilities . . . . .</b>	<b>78,087</b>	<b>75,463</b>
<b>Total shareholders' equity . . . . .</b>	<b>43,722</b>	<b>41,315</b>
Noncontrolling interests . . . . .	129	111
<b>Total equity . . . . .</b>	<b>43,851</b>	<b>41,426</b>
<b>Total liabilities and equity . . . . .</b>	<b>\$121,938</b>	<b>\$116,889</b>

**Elevance Health**  
**Condensed Consolidated Statement of Cash Flows**  
(Unaudited)

(In millions)

	Six Months Ended June 30	
	2025	2024
<b>Operating activities</b>		
Net income	\$3,928	\$4,550
Depreciation and amortization	753	666
Share-based compensation	162	154
Changes in operating assets and liabilities	(2,003)	(2,943)
Other non-cash items	231	(2)
<b>Net cash provided by operating activities</b>	<b>3,071</b>	<b>2,425</b>
<b>Investing activities</b>		
Proceeds from (purchases of) investments, net of sales and maturities	329	(1,415)
Purchases of subsidiaries, net of cash acquired/sold	54	(725)
Purchases of property and equipment	(463)	(602)
Other, net	(504)	(386)
<b>Net cash used in investing activities</b>	<b>(584)</b>	<b>(3,128)</b>
<b>Financing activities</b>		
Net change in short-term and long-term borrowings	(1,255)	2,580
Repurchase and retirement of common stock	(1,258)	(1,029)
Cash dividends	(771)	(757)
Other, net	1,067	(94)
<b>Net cash (used in) provided by financing activities</b>	<b>(2,217)</b>	<b>700</b>
Effect of foreign exchange rates on cash and cash equivalents	2	(5)
<b>Change in cash and cash equivalents</b>	<b>272</b>	<b>(8)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,288</b>	<b>6,526</b>
<b>Cash and equivalents included in assets held for sale at end of period</b>	<b>—</b>	<b>(21)</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$8,560</b>	<b>\$6,497</b>

## REPORTABLE SEGMENTS

Elevance Health has four reportable segments: Health Benefits (comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard<sup>®</sup>, 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).

**Elevance Health**  
**Reportable Segment Highlight Details**  
(Unaudited)

(In millions)

	Three Months Ended June 30			Six Months Ended June 30		
	2025	2024	Change	2025	2024	Change
<b>Operating Revenue</b>						
Health Benefits	\$41,582	\$37,159	11.9 %	\$83,013	\$74,417	11.6 %
CarelonRx	10,643	8,774	21.3 %	20,759	16,841	23.3 %
Carelon Services	7,441	4,545	63.7 %	13,977	8,554	63.4 %
Corporate & Other	232	122	90.2 %	397	249	59.4 %
Eliminations	(10,477)	(7,377)	NM <sup>5</sup>	(19,960)	(14,565)	NM <sup>5</sup>
Total Operating Revenue <sup>1</sup>	<u>\$49,421</u>	<u>\$43,223</u>	<u>14.3 %</u>	<u>\$98,186</u>	<u>\$85,496</u>	<u>14.8 %</u>
<b>Operating Gain (Loss)</b>						
Health Benefits <sup>2</sup>	\$1,560	\$2,145	(27.3)%	\$3,777	\$4,432	(14.8)%
CarelonRx	536	497	7.8 %	1,138	1,020	11.6 %
Carelon Services <sup>2</sup>	400	208	92.3 %	891	498	78.9 %
Corporate & Other <sup>2,3</sup>	(71)	(85)	NM <sup>5</sup>	(211)	(169)	NM <sup>5</sup>
Total Operating Gain <sup>1,4</sup>	<u>\$2,425</u>	<u>\$2,765</u>	<u>(12.3)%</u>	<u>\$5,595</u>	<u>\$5,781</u>	<u>(3.2)%</u>
<b>Operating Margin</b>						
Health Benefits	3.8 %	5.8 %	(200) bp	4.5 %	6.0 %	(150) bp
CarelonRx	5.0 %	5.7 %	(70) bp	5.5 %	6.1 %	(60) bp
Carelon Services	5.4 %	4.6 %	80 bp	6.4 %	5.8 %	60 bp
Total Operating Margin <sup>1</sup>	<u>4.9 %</u>	<u>6.4 %</u>	<u>(150) bp</u>	<u>5.7 %</u>	<u>6.8 %</u>	<u>(110) bp</u>

1. See "Basis of Presentation" on page 5 herein.

2. Operating Gain for the three and six months ended June 30, 2024, included \$59 and \$119 million, respectively, of 2024 business dispositions and related items; including \$44 and \$88 million, respectively, for the Carelon Services segment; and \$15 and \$31 million, respectively, for the Health Benefits segment. Operating Gain for the three and six months ended June 30, 2024, included \$64 and \$116 million, respectively, of transaction and integration related costs, \$9 and \$11 million, respectively, of litigation and settlement expenses, and \$4 and \$0 million, respectively, of business optimization charges, all of which reside in the Corporate & Other reportable segment.

3. Operating Gain for the three and six months ended June 30, 2025, included \$53 and \$133 million, respectively, of transaction and integration related costs and \$10 and \$15 million, respectively, of litigation and settlement expenses, which reside in the Corporate & Other reportable segment.

4. Operating Gain for the three and six months ended June 30, 2025, and June 30, 2024, included items excluded from adjusted shareholders' net income. See "GAAP Reconciliation" on pages 13 and 14 herein.

5. "NM" = calculation not meaningful.

**Elevance Health**  
**Reconciliation of Medical Claims Payable**

	Six Months Ended June 30		Years Ended December 31		
	2025	2024	2024	2023	2022
<i>(In millions)</i>	(Unaudited)	(Unaudited)			
Gross medical claims payable, beginning of period	\$ 15,580	\$ 15,865	\$ 15,865	\$ 15,348	\$ 13,282
Ceded medical claims payable, beginning of period	(13)	(7)	(7)	(6)	(21)
Net medical claims payable, beginning of period	15,567	15,858	15,858	15,342	13,261
Business combinations and purchase adjustments	182	—	143	—	133
Net incurred medical claims:					
Current year	71,090	60,551	125,370	121,798	113,414
Prior years redundancies <sup>1</sup>	(1,065)	(1,473)	(1,731)	(1,571)	(869)
Total net incurred medical claims	70,025	59,078	123,639	120,227	112,545
Net payments attributable to:					
Current year medical claims	57,117	48,297	110,930	107,146	98,997
Prior years medical claims	11,802	11,584	13,143	12,565	11,600
Total net payments	68,919	59,881	124,073	119,711	110,597
Net medical claims payable, end of period	16,855	15,055	15,567	15,858	15,342
Ceded medical claims payable, end of period	16	12	13	7	6
Gross medical claims payable, end of period <sup>2</sup>	\$ 16,871	\$ 15,067	\$ 15,580	\$ 15,865	\$ 15,348
Current year medical claims paid as a percentage of current year net incurred medical claims	80.3 %	79.8 %	88.5 %	88.0 %	87.3 %
Prior year redundancies in the current year as a percentage of prior year net medical claims payable less prior year redundancies in the current year	7.3 %	10.2 %	12.3 %	11.4 %	7.0 %
Prior year redundancies in the current year as a percentage of prior year net incurred medical claims	0.9 %	1.3 %	1.4 %	1.4 %	0.9 %

1. Negative amounts reported for net incurred medical claims related to prior years result from claims being settled for amounts less than originally estimated.
2. Excludes insurance lines other than short duration.

**Elevance Health**  
**GAAP Reconciliation**  
(Unaudited)

This document references non-GAAP measures, including “Adjusted Shareholders’ Net Income,” “Adjusted Shareholders’ Net Income Per Share,” “Adjusted EPS,” “Adjusted Operating Gain,” “Adjusted Operating Expense” and “Adjusted Operating Expense Ratio,” which are 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 below. In addition to these non-GAAP measures, references are made to the measures “Operating Revenue” and “Operating Gain/Loss,” “Operating Margin” and “Adjusted EPS”. Operating revenue and operating gain/loss are the key measures used by management to evaluate performance in each of its reportable 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. Each of these measures is provided to further aid investors in understanding and analyzing Elevance Health’s operating and financial results. A reconciliation of Operating Revenue to Total Revenue is set forth in the Consolidated Statements of Income herein. A reconciliation of the non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP, together with a reconciliation of reportable segments operating gain to income before income tax expense, is provided below. Prior amounts may be grouped differently to conform to the current presentation. Net adjustment items per share may not sum due to rounding. A reconciliation of Operating Revenue to Total Revenue is set forth in the Consolidated Statements of Income herein.

	Three Months Ended June 30		Change	Six Months Ended June 30		Change
	2025	2024		2025	2024	
<i>(In millions, except per share data)</i>						
<b>Shareholders' net income</b>	<b>\$ 1,743</b>	<b>\$ 2,300</b>	(24.2)%	<b>\$ 3,926</b>	<b>\$ 4,546</b>	(13.6)%
Add / (Subtract):						
Amortization of other intangible assets	147	162		302	278	
Net losses on financial instruments	131	85		595	246	
Transaction and integration related costs <sup>1</sup>	53	64		133	116	
Litigation and settlement expenses <sup>1</sup>	10	9		15	11	
Business dispositions and related items <sup>2</sup>	—	59		—	119	
Business optimization charges <sup>1</sup>	—	4		—	—	
Gain on sale of business	—	(240)		—	(240)	
Tax impact of non-GAAP adjustments	(87)	(38)		(255)	(134)	
Net adjustment items	254	105		790	396	
<b>Adjusted shareholders' net income</b>	<b>\$ 1,997</b>	<b>\$ 2,405</b>	(17.0)%	<b>\$ 4,716</b>	<b>\$ 4,942</b>	(4.6)%
<b>Shareholders' earnings per diluted share</b>	<b>\$ 7.72</b>	<b>\$ 9.85</b>	(21.6)%	<b>\$ 17.33</b>	<b>\$ 19.44</b>	(10.9)%
Add / (Subtract):						
Amortization of other intangible assets	0.65	0.69		1.33	1.19	
Net losses on financial instruments	0.58	0.36		2.63	1.05	
Transaction and integration related costs <sup>1</sup>	0.23	0.27		0.59	0.50	
Litigation and settlement expenses <sup>1</sup>	0.04	0.04		0.07	0.05	
Business dispositions and related items <sup>2</sup>	—	0.25		—	0.51	
Business optimization charges <sup>1</sup>	—	0.02		—	—	
Gain on sale of business	—	(1.03)		—	(1.03)	
Tax impact of non-GAAP adjustments	(0.39)	(0.16)		(1.13)	(0.57)	
Net adjustment items	1.12	0.45		3.49	1.70	
<b>Adjusted shareholders' earnings per diluted share</b>	<b>\$ 8.84</b>	<b>\$ 10.30</b>	(14.2)%	<b>\$ 20.82</b>	<b>\$ 21.14</b>	(1.5)%
	Three Months Ended June 30		Change	Six Months Ended June 30		Change
	2025	2024		2025	2024	
<i>(In millions)</i>						
<b>Income before income tax expense</b>	<b>\$ 2,292</b>	<b>\$ 2,986</b>	(23.2)%	<b>\$ 5,089</b>	<b>\$ 5,925</b>	(14.1)%
Net investment income	(486)	(508)		(1,076)	(973)	
Gain on sale of business	—	(240)		—	(240)	
Net losses on financial instruments	131	85		595	246	
Interest expense	341	280		685	545	
Amortization of other intangible assets	147	162		302	278	
<b>Reportable segments operating gain</b>	<b>\$ 2,425</b>	<b>\$ 2,765</b>	(12.3)%	<b>\$ 5,595</b>	<b>\$ 5,781</b>	(3.2)%

1. Adjustment item resides in the Corporate & Other reportable segment.

2. Adjustment item resides in the Health Benefits and Carelon Services reportable segments.

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<i>(In millions)</i>	<b>Three Months Ended June 30</b>		<b>Change</b>	<b>Six Months Ended June 30</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>		<b>2025</b>	<b>2024</b>	
<b>Reportable segments operating gain</b>	<b>\$ 2,425</b>	<b>\$ 2,765</b>	(12.3)%	<b>\$ 5,595</b>	<b>\$ 5,781</b>	(3.2)%
Add / (Subtract):						
Transaction and integration related costs <sup>1</sup>	53	64		133	116	
Litigation and settlement expenses <sup>1</sup>	10	9		15	11	
Business dispositions and related items <sup>2</sup>	—	59		—	119	
Business optimization charges <sup>1</sup>	—	4		—	—	
Net adjustment items	63	136		148	246	
<b>Reportable segments adjusted operating gain</b>	<b>\$ 2,488</b>	<b>\$ 2,901</b>	(14.2)%	<b>\$ 5,743</b>	<b>\$ 6,027</b>	(4.7)%

<i>(In millions)</i>	<b>Three Months Ended June 30</b>		<b>Change</b>	<b>Six Months Ended June 30</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>		<b>2025</b>	<b>2024</b>	
<b>Operating expense</b>	<b>\$ 4,997</b>	<b>\$ 5,066</b>	(1.4)%	<b>\$ 10,297</b>	<b>\$ 9,952</b>	3.5 %
Add / (Subtract):						
Transaction and integration related costs <sup>1</sup>	(53)	(64)		(133)	(116)	
Litigation and settlement expenses <sup>1</sup>	(10)	(9)		(15)	(11)	
Business dispositions and related items <sup>2</sup>	—	(59)		—	(119)	
Business optimization charges <sup>1</sup>	—	(4)		—	—	
Net adjustment items	(63)	(136)		(148)	(246)	
<b>Adjusted operating expense</b>	<b>\$ 4,934</b>	<b>\$ 4,930</b>	0.1 %	<b>\$ 10,149</b>	<b>\$ 9,706</b>	4.6 %
Operating revenue	\$ 49,421	\$ 43,223	14.3 %	\$ 98,186	\$ 85,496	14.8 %
Operating expense ratio	10.1 %	11.7 %	(160) bp	10.5 %	11.6 %	(110) bp
Adjusted operating expense ratio	10.0 %	11.4 %	(140) bp	10.3 %	11.4 %	(110) bp

	<b>Full Year 2025 Outlook</b>
<b>Shareholders' earnings per diluted share</b>	<b>Approximately \$24.10</b>
Add / (Subtract):	
Net losses on financial instruments <sup>3</sup>	\$3.28
Amortization of other intangible assets <sup>3</sup>	\$2.98
Transaction and integration related costs <sup>1,3</sup>	\$1.35
Litigation and settlement expenses <sup>1,3</sup>	\$0.10
Tax impact of non-GAAP adjustments <sup>3</sup>	Approximately \$(1.81)
Net adjustment items	\$5.90
<b>Adjusted shareholders' earnings per diluted share</b>	<b>Approximately \$30.00</b>

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

## 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” 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 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.*