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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2025 (February 11, 2025)

**Humana Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation)

**1-5975**  
(Commission File Number)

**61-0647538**  
(IRS Employer Identification No.)

**500 West Main Street Louisville, KY 40202**  
(Address of principal executive offices, including zip code)

**502-580-1000**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	HUM	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.****Item 7.01 Regulation FD Disclosure.**

Humana Inc. (the "Company") issued a press release this morning reporting financial results for the quarter ended December 31, 2024, and posted a detailed earnings release related to the same period to the Investor Relations portion of the Company's website at [www.humana.com](http://www.humana.com). A copy of each release is attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and each release is incorporated herein by reference. Additionally, a copy of management's prepared remarks on the Company's 2024 financial results and expectations for future earnings, is attached hereto as Exhibit 99.3, and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release</a>
99.2	<a href="#">Earnings Release and Statistical Pages</a>
99.3	<a href="#">Prepared Management Remarks</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

**HUMANA INC.**

**BY:** /s/ John-Paul W. Felter  
**John-Paul W. Felter**  
**Senior Vice President, Chief Accounting Officer & Controller**  
**(Principal Accounting Officer)**

Dated: February 11, 2025

FOR MORE INFORMATION CONTACT:

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Humana Corporate Communications  
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## Humana Reports Fourth Quarter 2024 Financial Results; Provides Full Year 2025 Financial Guidance

- Reports 4Q24 net loss per share of \$5.76 on a GAAP basis, Adjusted net loss per share of \$2.16; reports FY 2024 earnings per share (EPS) of \$9.98 on a GAAP basis, \$16.21 on an Adjusted basis
- 4Q24 Insurance segment Adjusted benefit ratio of 91.9 percent, which includes a 20-basis point increase related to incremental Star Ratings investments, was consistent with expectations
- Affirms previous commentary of Adjusted FY 2025 EPS guidance to be 'at least in line with 2024 results'; anticipating GAAP EPS of approximately \$15.88, or approximately \$16.25 on an Adjusted basis, inclusive of incremental investments to support operational excellence
- Expects individual Medicare Advantage annual membership decline of approximately 550,000, or approximately 10 percent, from 2024, inclusive of the company's decision to exit certain unprofitable plans and counties
- Continuing to advance Medicaid and CenterWell strategies; expected to drive increased earnings contribution over the mid and longer term
- Publishes prepared management remarks to Investor Relations page of [www.humana.com](http://www.humana.com) ahead of this morning's 9:00 a.m. ET question and answer session to discuss its financial results for the quarter and expectations for future earnings

**LOUISVILLE, KY (February 11, 2025)** – Humana Inc. (NYSE: HUM) today reported consolidated pretax results and net (loss) earnings per share for the quarter ended December 31, 2024 (4Q24) versus the quarter ended December 31, 2023 (4Q23) and for the year ended December 31, 2024 (FY 2024) versus the year ended December 31, 2023 (FY 2023) as noted in the tables below.

Consolidated (loss) income before income taxes and equity in net losses (pretax results) <i>In millions</i>	4Q24 (a)	4Q23 (a)	FY 2024 (a)	FY 2023 (a)
<b>Generally Accepted Accounting Principles (GAAP)</b>	<b>(\$862)</b>	<b>(\$591)</b>	<b>\$1,721</b>	<b>\$3,383</b>
Amortization associated with identifiable intangibles	14	15	60	67
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	155	179	296	320
Impact of exit of employer group commercial medical products business	67	1	144	16
Value creation initiatives	130	384	281	436
Impairment charges	200	91	200	91
Transaction and integration costs	—	—	—	(48)
Accrued charge related to certain anticipated litigation expenses	—	—	—	105
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
<b>Adjusted (non-GAAP)</b>	<b>(\$296)</b>	<b>\$79</b>	<b>\$2,702</b>	<b>\$4,369</b>

(Net loss per share) EPS	4Q24 (a)	4Q23 (a)	FY 2024 (a)	FY 2023 (a)
<b>GAAP</b>	<b>(\$5.76)</b>	<b>(\$4.42)</b>	<b>\$9.98</b>	<b>\$20.00</b>
Amortization associated with identifiable intangibles	0.12	0.13	0.50	0.54
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	1.29	1.46	2.45	2.57
Impact of exit of employer group commercial medical products business	0.55	0.01	1.19	0.13
Value creation initiatives	1.08	3.13	2.33	3.50
Impairment charges	1.66	0.74	1.65	0.73
Transaction and integration costs	—	—	—	(0.38)
Accrued charge related to certain anticipated litigation expenses	—	—	—	0.84
Change in fair market value of publicly-traded equity securities	—	—	—	(0.01)
Cumulative net tax impact of non-GAAP adjustments	(1.10)	(1.16)	(1.89)	(1.83)
<b>Adjusted (non-GAAP)</b>	<b>(\$2.16)</b>	<b>(\$0.11)</b>	<b>\$16.21</b>	<b>\$26.09</b>

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

Please refer to the tables above, as well as the consolidated and segment highlight sections in the detailed earnings release for additional discussion of the factors impacting the year-over-comparisons.

"We were pleased with Humana's solid finish to the year, while also reaffirming our outlook for 2025," said Jim Rehtin, Humana's President and Chief Executive Officer. "We are confident in our long-term strategy and 2025 will be a critical step in returning to compelling, normalized margins."

### **FY 2025 Earnings Guidance**

Humana provides its GAAP EPS guidance for the year ending December 31, 2025 (FY 2025) of approximately \$15.88, or approximately \$16.25 on an Adjusted basis.

Diluted earnings per share	FY 2025 Guidance	FY 2024 (a)
<b>GAAP</b>	<b>approximately \$15.88</b>	\$9.98
Amortization associated with identifiable intangibles	0.49	0.50
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	—	2.45
Impact of exit of employer group commercial medical products business	—	1.19
Value creation initiatives	—	2.33
Impairment charges	—	1.65
Cumulative net tax impact of non-GAAP adjustments	(0.12)	(1.89)
<b>Adjusted (non-GAAP) – FY 2025 projected (b); FY 2024 Reported</b>	<b>approximately \$16.25</b>	\$16.21

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

### **Detailed Press Release**

Humana's full earnings press release, including the statistical pages, has been posted to the company's Investor Relations site and may be accessed at <https://humana.gcs-web.com/> or via a current report on Form 8-K filed by the company with the Securities and Exchange Commission this morning (available at [www.sec.gov](http://www.sec.gov) or on the company's website).

### **Conference Call**

Humana will host a live question and answer session for analysts at 9:00 a.m. Eastern time today to discuss its financial results for the quarter and the company's expectations for future earnings. In advance of the question and answer session, Humana will post prepared management remarks to the Quarterly Results section of its Investor Relations page (<https://humana.gcs-web.com/financial-information/quarterly-results>).

To participate via phone, please register in advance at this link - <https://register.vevent.com/register/B1e3b4c275f3cf421383fa6ac8a142593b>.

Upon registration, telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number and a unique registrant ID that can be used to access the call.

A webcast of the 4Q24 earnings call may also be accessed via Humana's Investor Relations page at [humana.com](http://humana.com). The company suggests participants for both the conference call and those listening via the web dial in or sign on at least 15 minutes in advance of the call.

For those unable to participate in the live event, the archive will be available in the Historical Webcasts and Presentations section of the Investor Relations page (<https://humana.gcs-web.com/events-and-presentations>), approximately two hours following the live webcast.

### **Footnotes**

The company has included financial measures throughout this earnings release that are not in accordance with GAAP. Management believes that these measures, when presented in conjunction with the corresponding GAAP measures, provide a comprehensive perspective to more accurately compare and analyze the company's core operating performance over time. Consequently, management uses these non-GAAP (Adjusted) financial measures as consistent and uniform indicators of the company's core business operations from period to period, as well as for planning and decision-making purposes and in determination of incentive compensation. Non-GAAP (Adjusted) financial measures should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. All financial measures in this earnings release are in accordance with GAAP unless otherwise indicated. Please refer to the footnotes for a detailed description of each item adjusted out of GAAP financial measures to arrive at non-GAAP (Adjusted) financial measures.

(a) For the periods covered in this earnings release, the following items are excluded from the non-GAAP financial measures described above, as applicable:

- **Amortization associated with identifiable intangibles** - Since amortization varies based on the size and timing of acquisition activity, management believes this exclusion provides a more consistent and uniform indicator of performance from period to period. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and Insurance and CenterWell segments income from operations. The table below discloses respective period amortization expense for each segment:

	4Q24	4Q23	FY 2024	FY 2023
Insurance segment	\$4	\$4	\$17	\$22
CenterWell segment	\$10	\$11	\$43	\$45

- **Put/call valuation adjustments associated with the company's non-consolidating minority interest investments** - These amounts are the result of fair value measurements associated with the company's Primary Care Organization strategic partnership and are unrelated to the company's core business operations. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results and (net loss per share) EPS.
- **Impact of exit of employer group commercial medical products business** - These amounts relate to activity from the exit of the employer group commercial medical products business as announced by Humana on February 23, 2023. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, consolidated revenues, consolidated benefit ratio, consolidated operating cost ratio, Insurance segment revenues, Insurance segment benefit ratio, Insurance segment operating cost ratio, and Insurance segment income from operations.
- **Value creation initiatives** - These charges relate to the company's ongoing initiative to drive additional value for the enterprise through cost saving, productivity initiatives, and value creation from previous investments, and primarily consist of asset impairment and severance charges. These charges were recorded at the corporate level and not allocated to the segments. For all periods shown within this earnings release, GAAP measures affected in this release include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio.
- **Impairment charges** - The company recognized non-cash impairment charges in 4Q24 and 4Q23 related to certain indefinite-lived intangible assets based on the company's estimate of future financial performance in certain state markets. Additionally, in 4Q23 the company recognized non-cash impairment charges related to minority ownership investments that were deemed to be unrecoverable based on investment performance. These charges were recorded at the corporate level and not allocated to the segments. For all periods, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio. For 4Q23 and FY 2023, consolidated revenues (specifically investment income) were also affected.
- **Transaction and integration costs** - The transaction and integration costs primarily related to the acquisition of Kindred at Home in 2021 and the subsequent divestiture of majority ownership of Gentiva (formerly Kindred) Hospice in 2022. For FY 2023, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio.
- **Accrued charge related to certain anticipated litigation expenses** - This charge related to certain anticipated expenses the company accrued in connection with a legal matter. For FY 2023, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, the consolidated and Insurance segment operating cost ratios, and Insurance segment income from operations.
- **Change in fair market value of publicly-traded equity securities** - These gains are a result of market and economic conditions that are unrelated to the company's core business operations. For FY 2023, GAAP measures affected include consolidated pretax results, EPS, and consolidated revenues (specifically investment income).
- **Cumulative net tax impact of non-GAAP adjustments** - This adjustment represents the cumulative net impact of the corresponding tax benefit or expense related to the aforementioned items excluded from the applicable GAAP measures. For all periods presented in this earnings release, (net loss per share) EPS is the sole GAAP measure affected.

In addition to the reconciliations shown on page 2 of this release, the following are reconciliations of GAAP to Adjusted (non-GAAP) measures described above and disclosed within this earnings release:

## Revenues

Revenues - CONSOLIDATED (in millions)	4Q24	4Q23	FY 2024	FY 2023
<b>GAAP</b>	<b>\$29,213</b>	\$26,462	<b>\$117,761</b>	\$106,374
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
Impact of exit of employer group commercial medical products business	(14)	(764)	(551)	(3,764)
Impairment charges	—	36	—	36
<b>Adjusted (non-GAAP)</b>	<b>\$29,199</b>	\$25,734	<b>\$117,210</b>	\$102,645

Revenues - INSURANCE SEGMENT (in millions)	4Q24	4Q23	FY 2024	FY 2023
<b>GAAP</b>	<b>\$28,170</b>	\$25,565	<b>\$113,764</b>	\$102,854
Impact of exit of employer group commercial medical products business	(14)	(764)	(551)	(3,764)
<b>Adjusted (non-GAAP)</b>	<b>\$28,156</b>	\$24,801	<b>\$113,213</b>	\$99,090

## Benefit Ratio

Benefit ratio - CONSOLIDATED	4Q24	4Q23	FY 2024	FY 2023
<b>GAAP</b>	<b>91.5 %</b>	90.7 %	<b>89.8 %</b>	87.3 %
Impact of exit of employer group commercial medical products business	(0.2)%	(0.2)%	(0.1)%	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>91.3 %</b>	90.5 %	<b>89.7 %</b>	87.2 %

Benefit ratio - INSURANCE SEGMENT	4Q24	4Q23	FY 2024	FY 2023
<b>GAAP</b>	<b>92.1 %</b>	91.5 %	<b>90.4 %</b>	88.0 %
Impact of exit of employer group commercial medical products business	(0.2)%	(0.1)%	(0.1)%	— %
<b>Adjusted (non-GAAP)</b>	<b>91.9 %</b>	91.4 %	<b>90.3 %</b>	88.0 %

## Operating Cost Ratio

Operating cost ratio - CONSOLIDATED	4Q24	4Q23	FY 2024	FY 2023
<b>GAAP</b>	<b>14.4 %</b>	14.6 %	<b>11.8 %</b>	12.5 %
Impact of exit of employer group commercial medical products business	— %	— %	(0.1)%	(0.2)%
Value creation initiatives	(0.5)%	(1.5)%	(0.2)%	(0.4)%
Accrued charge related to certain anticipated litigation expenses	— %	— %	— %	(0.1)%
Impairment charges	(0.7)%	(0.2)%	(0.2)%	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>13.2 %</b>	12.9 %	<b>11.3 %</b>	11.7 %

Operating cost ratio - INSURANCE SEGMENT	4Q24	4Q23	FY 2024	FY 2023
GAAP	11.0 %	11.1 %	9.2 %	10.2 %
Impact of exit of employer group commercial medical products business	— %	(0.2)%	— %	(0.3)%
Accrued charge related to certain anticipated litigation expenses	— %	— %	— %	(0.1)%
<b>Adjusted (non-GAAP)</b>	<b>11.0 %</b>	<b>10.9 %</b>	<b>9.2 %</b>	<b>9.8 %</b>

### **Insurance Segment - (Loss) Income from Operations**

(Loss) income from operations - INSURANCE SEGMENT (in millions)	4Q24	4Q23	FY 2024	FY 2023
GAAP	(\$646)	(\$426)	\$1,289	\$2,654
Amortization associated with identifiable intangibles	4	4	17	22
Impact of exit of employer group commercial medical products business	67	61	177	116
Accrued charge related to certain anticipated litigation expenses	—	—	—	105
<b>Adjusted (non-GAAP)</b>	<b>(\$575)</b>	<b>(\$361)</b>	<b>\$1,483</b>	<b>\$2,897</b>

b) FY 2025 projected Adjusted results exclude the future impact of items that cannot be estimated at this time.

### **Cautionary Statement**

This news release includes forward-looking statements regarding Humana within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of Humana’s executive officers, the words or phrases like “expects,” “believes,” “anticipates,” “assumes,” “intends,” “likely will result,” “estimates,” “projects” or variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the “Risk Factors” section of the company’s SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana receives are insufficient to cover the cost of healthcare services delivered to its members, if the company is unable to implement clinical initiatives to provide a better healthcare experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefits expense are inadequate, Humana’s profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. The company continually reviews estimates of future payments relating to benefit expenses for services incurred in the current and prior periods and makes necessary adjustments to its reserves, including premium deficiency reserves, where appropriate. These estimates involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in claim payment patterns and medical cost trends. Accordingly, Humana’s reserves may be insufficient.
- If Humana fails to effectively implement its operational and strategic initiatives, including its Medicare initiatives, which are of particular importance given the concentration of the company’s revenues in these products, state-based contract strategy, the growth of its CenterWell business, and its integrated care delivery model, the company’s business may be materially adversely affected.

- The number of Humana's Medicare Advantage plans rated 4-star or higher will significantly decline in 2025. Humana has filed a lawsuit seeking to set aside and vacate the 2025 Star Ratings of its Medicare Advantage plans, but there is no assurance that the company will prevail in this lawsuit. If the company is not successful, the decline in Star Ratings will negatively impact its 2026 quality bonus payments from CMS and may also significantly adversely affect the company's revenues, operating results, and cash flows. In addition, there can be no assurances the company will be successful in maintaining or improving its Star Ratings in future years.
- If Humana, or the third-party service providers on which it relies, fails to properly maintain the integrity of its data, to strategically maintain existing or implement new information systems, to protect Humana's proprietary rights to its systems, or to defend against cyber-security attacks, contain such attacks when they occur, or prevent other privacy or data security incidents that result in security breaches that disrupt the company's operations or in the unintentional dissemination of sensitive personal information or proprietary or confidential information, the company's business may be materially adversely affected.
- Humana is involved in various legal actions, or disputes that could lead to legal actions (such as, among other things, provider contract disputes and qui tam litigation brought by individuals on behalf of the government), governmental and internal investigations, and routine internal review of business processes any of which, if resolved unfavorably to the company, could result in substantial monetary damages or changes in its business practices. Increased litigation and negative publicity could also increase the company's cost of doing business.
- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government healthcare programs including, among other things, loss of material government contracts; governmental audits and investigations; potential inadequacy of government determined payment rates; potential restrictions on profitability, including by comparison of profitability of the company's Medicare Advantage business to non-Medicare Advantage business; or other changes in the governmental programs in which Humana participates. Changes to the risk-adjustment model utilized by CMS to adjust premiums paid to Medicare Advantage plans or retrospective recovery by CMS of previously paid premiums as a result of the final rule related to the risk adjustment data validation audit methodology published by CMS on January 30, 2023 (Final RADV Rule), which Humana believes fails to address adequately the statutory requirement of actuarial equivalence and violates the Administrative Procedure Act due to its failure to include a "Fee for Service Adjuster" could have a material adverse effect on the company's operating results, financial position and cash flows.
- Humana's business activities are subject to substantial government regulation. New laws or regulations, or legislative, judicial, or regulatory changes in existing laws or regulations or their manner of application could increase the company's cost of doing business and have a material adverse effect on Humana's results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company's ability to expand into new markets, increasing the company's medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products, lowering the company's Medicare payment rates and increasing the company's expenses associated with a non-deductible health insurance industry fee and other assessments); the company's financial position (including the company's ability to maintain the value of its goodwill); and the company's cash flows.
- Humana's failure to manage acquisitions, divestitures and other significant transactions successfully may have a material adverse effect on the company's results of operations, financial position, and cash flows.
- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company's business may be adversely affected.
- Humana faces significant competition in attracting and retaining talented employees. Further, managing succession for, and retention of, key executives is critical to the Company's success, and its failure to do so could adversely affect the Company's businesses, operating results and/or future performance.
- Humana's pharmacy business is highly competitive and subjects it to regulations and supply chain risks in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana's financial performance.

- Humana’s ability to obtain funds from certain of its licensed subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana’s debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- Volatility or disruption in the securities and credit markets may significantly and adversely affect the value of our investment portfolio and the investment income that we derive from this portfolio.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2023;
- Form 10-Qs for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024; and
- Form 8-Ks filed during 2024 and 2025.

### **About Humana**

Humana Inc. is committed to putting health first – for our teammates, our customers, and our company. Through our Humana insurance services, and our CenterWell health care services, we make it easier for the millions of people we serve to achieve their best health – delivering the care and service they need, when they need it. These efforts are leading to a better quality of life for people with Medicare, Medicaid, families, individuals, military service personnel, and communities at large. Learn more about what we offer at [Humana.com](https://www.humana.com) and at [CenterWell.com](https://www.centerwell.com).

**Exhibit 99.2**

Humana Inc.  
500 West Main Street  
P.O. Box 1438  
Louisville, KY 40202  
<http://www.humana.com>

FOR MORE INFORMATION CONTACT:

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Humana Investor Relations  
(502) 580-2652  
e-mail: LStamper@humana.com

Mark Taylor  
Humana Corporate Communications  
(317) 753-0345  
e-mail: MTaylor108@humana.com



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Impairment charges	200	91	200	91
Transaction and integration costs	—	—	—	(48)
Accrued charge related to certain anticipated litigation expenses	—	—	—	105
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
<b>Adjusted (non-GAAP)</b>	<b>(\$296)</b>	<b>\$79</b>	<b>\$2,702</b>	<b>\$4,369</b>

(Net loss per share) EPS	4Q24 (a)	4Q23 (a)	FY 2024 (a)	FY 2023 (a)
<b>GAAP</b>	<b>(\$5.76)</b>	<b>(\$4.42)</b>	<b>\$9.98</b>	<b>\$20.00</b>
Amortization associated with identifiable intangibles	0.12	0.13	0.50	0.54
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	1.29	1.46	2.45	2.57
Impact of exit of employer group commercial medical products business	0.55	0.01	1.19	0.13
Value creation initiatives	1.08	3.13	2.33	3.50
Impairment charges	1.66	0.74	1.65	0.73
Transaction and integration costs	—	—	—	(0.38)
Accrued charge related to certain anticipated litigation expenses	—	—	—	0.84
Change in fair market value of publicly-traded equity securities	—	—	—	(0.01)
Cumulative net tax impact of non-GAAP adjustments	(1.10)	(1.16)	(1.89)	(1.83)
<b>Adjusted (non-GAAP)</b>	<b>(\$2.16)</b>	<b>(\$0.11)</b>	<b>\$16.21</b>	<b>\$26.09</b>

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

Please refer to the tables above, as well as the consolidated and segment highlight sections that follow for additional discussion of the factors impacting the year-over-year comparisons.

"We were pleased with Humana's solid finish to the year, while also reaffirming our outlook for 2025," said Jim Rehtin, Humana's President and Chief Executive Officer. "We are confident in our long-term strategy and 2025 will be a critical step in returning to compelling, normalized margins."

## **FY 2025 Earnings Guidance**

Humana provides its GAAP EPS guidance for the year ending December 31, 2025 (FY 2025) of approximately \$15.88, or approximately \$16.25 on an Adjusted basis.

Additional FY 2025 guidance points are included on page 14 of this earnings release.

Diluted earnings per share	FY 2025 Guidance	FY 2024 (a)
<b>GAAP</b>	<b>approximately \$15.88</b>	\$9.98
Amortization associated with identifiable intangibles	0.49	0.50
Put/call valuation adjustments associated with the company's non-consolidating minority interest investments	—	2.45
Impact of exit of employer group commercial medical products business	—	1.19
Value creation initiatives	—	2.33
Impairment charges	—	1.65
Cumulative net tax impact of non-GAAP adjustments	(0.12)	(1.89)
<b>Adjusted (non-GAAP) – FY 2025 projected (b); FY 2024 Reported</b>	<b>approximately \$16.25</b>	\$16.21

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as additional reconciliations.

## **Humana Consolidated Highlights**

Humana Inc. Summary of Results (\$ in millions, except per share amounts)	4Q24 (a)	4Q23 (a)	FY 2024 (a)	FY 2023 (a)
Revenues	<b>\$29,213</b>	\$26,462	<b>\$117,761</b>	\$106,374
Revenues - Adjusted (non-GAAP)	<b>\$29,199</b>	\$25,734	<b>\$117,210</b>	\$102,645
Pretax results	<b>(\$862)</b>	(\$591)	<b>\$1,721</b>	\$3,383
Pretax results - Adjusted (non-GAAP)	<b>(\$296)</b>	\$79	<b>\$2,702</b>	\$4,369
(Net loss per share) EPS	<b>(\$5.76)</b>	(\$4.42)	<b>\$9.98</b>	\$20.00
(Net loss per share) EPS - Adjusted (non-GAAP)	<b>(\$2.16)</b>	(\$0.11)	<b>\$16.21</b>	\$26.09
Benefits expense ratio	<b>91.5 %</b>	90.7 %	<b>89.8 %</b>	87.3 %
Benefits expense ratio - Adjusted (non-GAAP)	<b>91.3 %</b>	90.5 %	<b>89.7 %</b>	87.2 %
Operating cost ratio	<b>14.4 %</b>	14.6 %	<b>11.8 %</b>	12.5 %
Operating cost ratio - Adjusted (non-GAAP)	<b>13.2 %</b>	12.9 %	<b>11.3 %</b>	11.7 %
Operating cash flows			<b>\$2,966</b>	\$3,981
Parent company cash and short term investments			<b>\$562</b>	\$510
Debt-to-total capitalization			<b>41.9 %</b>	41.8 %
Days in Claims Payable (DCP)	<b>37.8</b>	41.4		

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

### **Consolidated Revenues**

The favorable year-over-year quarter and FY GAAP consolidated revenues comparisons were primarily driven by the following factors:

- higher per member Medicare premiums, and
- Medicare Advantage and state-based contracts membership growth.

These factors were partially offset by the continued decline in stand-alone PDP membership, as well as a decline in membership in the group commercial medical business as a result of the company's decision to exit the business.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated revenues for the respective periods.

### **Consolidated Benefit Ratio**

The year-over-year quarterly and FY increases in the GAAP consolidated benefit ratio primarily reflected the following items:

- continued impact of elevated Medicare Advantage and state-based contracts medical cost trends in 4Q24 and FY 2024, and
- lower favorable prior period medical claims reserve development.

These factors were partially offset by the impact of the pricing and benefit design of the company's 2024 Medicare Advantage products, which included a reduction in benefits in response to the net impact of the 2024 final rate notice and the initial emergence of increased medical cost trends in 2023.

Furthermore, the year-over-year comparisons continue to reflect a shift in line of business mix, with growth in Medicare Advantage and state-based contracts and other membership, which can carry a higher benefit ratio.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated benefit ratios for the respective periods.

### **Prior Period Medical Claims Reserve Development (Prior Period Development)**

<i>Consolidated Favorable Prior Period Development</i> <i>\$ in millions</i> <i>Basis points (bps)</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY
<b>Prior Period Development from prior years recognized in 2024 (c)</b>	<b>\$535</b>	<b>\$134</b>	<b>\$24</b>	<b>\$8</b>	<b>\$701</b>
<i>Decrease to GAAP benefit ratio</i>	(190 bps)	(50 bps)	(10 bps)	(0 bps)	(60 bps)
<b>Prior Period Development from prior years recognized in 2023 (c)</b>	<b>\$522</b>	<b>\$232</b>	<b>\$4</b>	<b>\$114</b>	<b>\$872</b>
<i>Decrease to GAAP benefit ratio</i>	(200 bps)	(90 bps)	(0 bps)	(50 bps)	(90 bps)

### **Consolidated Operating Cost Ratio**

The year-over-year quarterly and FY decreases in the GAAP consolidated operating cost ratio from the respective 2023 periods primarily reflected the following:

- scale efficiencies associated with growth in the company's Medicare Advantage membership,
- administrative cost efficiencies resulting from the company's value creation initiatives,
- a lesser impact from commission expense for brokers in 2024 compared to 2023 as a result of the significant individual Medicare Advantage membership growth in 2023, and
- a lesser impact of value creation initiative charges in 4Q24 and FY 2024 compared to the prior year periods; these charges were recorded at the corporate level and not allocated to the segments.

The year-over-year FY comparison was further impacted by the accrued charge related to certain anticipated litigation expenses included in FY 2023 results.

These factors were partially offset by the following items:

- impact of significantly reduced compensation accruals in 4Q23 and FY 2023 related to the annual incentive plan offered to employees across all levels of the company as the company's 2023 performance was negatively impacted by higher-than-anticipated Medicare Advantage utilization trends, and
- higher impairment costs in 4Q24 and FY 2024.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) consolidated operating cost ratios for the respective periods.

### **Balance sheet**

- Days in claims payable (DCP) of 37.8 days at December 31, 2024 represented a decrease of 2.9 days from 40.7 days at September 30, 2024 and a decrease of 3.6 days from 41.4 days at December 31, 2023.

The 2.9 days sequential decrease was primarily driven by a 2.6-day impact related to a lesser processed claims inventory as of December 31, 2024 compared to September 30, 2024.

The 3.6 days year-over-year decrease was primarily driven by lower reserve requirements in provider-capitation accruals due to lower performance-based payment expectations and a lesser processed claims inventory.

- Humana's debt-to-total capitalization at December 31, 2024 decreased 40 basis points to 41.9 percent from 42.3 percent at September 30, 2024 primarily driven by repayment of senior note and commercial paper debt, partially offset by the impact of the 4Q24 net loss.

### **Operating cash flows**

The year-over-year decline in FY GAAP operating cash flows primarily reflected lower earnings in 2024, partially offset by the favorable impact of working capital items.

### **Humana's Insurance Segment**

This segment is comprised of insurance products serving Medicare and state-based contract beneficiaries, as well as individuals and employers. The segment also includes the company's Pharmacy Benefit Manager, or PBM, business.

<b>Insurance Segment Results</b> <i>(\$ in millions)</i>	<b>4Q24 (a)</b>	<b>4Q23 (a)</b>	<b>FY 2024 (a)</b>	<b>FY 2023 (a)</b>
Revenues	<b>\$28,170</b>	\$25,565	<b>\$113,764</b>	\$102,854
Revenues - Adjusted (non-GAAP)	<b>\$28,156</b>	\$24,801	<b>\$113,213</b>	\$99,090
Benefits expense ratio	<b>92.1 %</b>	91.5 %	<b>90.4 %</b>	88.0 %
Benefits expense ratio - Adjusted (non-GAAP)	<b>91.9 %</b>	91.4 %	<b>90.3 %</b>	88.0 %
Operating cost ratio	<b>11.0 %</b>	11.1 %	<b>9.2 %</b>	10.2 %
Operating cost ratio - Adjusted (non-GAAP)	<b>11.0 %</b>	10.9 %	<b>9.2 %</b>	9.8 %
(Loss) income from operations	<b>(\$646)</b>	(\$426)	<b>\$1,289</b>	\$2,654
(Loss) income from operations - Adjusted (non-GAAP)	<b>(\$575)</b>	(\$361)	<b>\$1,483</b>	\$2,897

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as recalculations.

### **Insurance Segment Revenues**

The year-over-year quarter and FY increases in GAAP segment revenues from the respective 2023 periods primarily reflected the following items:

- higher per member Medicare premiums, and
- Medicare Advantage and state-based contracts membership growth.

These factors were partially offset by the continued decline in stand-alone PDP membership, as well as a decline in membership in the group commercial medical business as a result of the company's decision to exit the business.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment revenues for the respective periods.

### **Insurance Segment Benefit Ratio**

The year-over-year quarter and FY increases in the GAAP segment benefit ratio primarily reflected the following items:

- continued impact of elevated Medicare Advantage and state-based contracts medical cost trends in 4Q24 and FY 2024, and
- lower favorable prior period medical claims reserve development.

These factors were partially offset by the impact of the pricing and benefit design of the company's 2024 Medicare Advantage products, which included a reduction in benefits in response to the net impact of the 2024 final rate notice and the initial emergence of increased medical cost trends in 2023.

Furthermore, the year-over-year comparisons continue to reflect a shift in line of business mix, with growth in Medicare Advantage and state-based contracts and other membership, which can carry a higher benefit ratio.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment benefit ratios for the respective periods.

### **Insurance Segment Operating Cost Ratio**

The year-over-year quarter and FY decreases in the GAAP segment operating cost ratio from the respective 2023 periods primarily related to the following:

- scale efficiencies associated with growth in the company's Medicare Advantage membership,
- administrative cost efficiencies resulting from the company's value creation initiatives, and
- a lesser impact from commission expense for brokers in 2024 compared to 2023 as a result of the significant individual Medicare Advantage membership growth in 2023.

The year-over-year FY comparison was further impacted by the accrued charge related to certain anticipated litigation expenses included in FY 2023 results.

These factors were partially offset by the impact of significantly reduced compensation accruals in 4Q23 and FY 2023.

Refer to the "Footnotes" section included herein for a reconciliation of GAAP to Adjusted (non-GAAP) Insurance segment operating cost ratios for the respective periods.

## **January 2025 Ending Membership**

January 2025 individual Medicare Advantage membership approximated 5,217,000, down approximately 444,800, or 8 percent, from December 31, 2024. The decrease reflects net membership losses during the recently completed 2025 Annual Election (AEP) period, inclusive of the company's decision to exit certain unprofitable plans and counties, which impacted approximately 560,000 members.

Included within the Individual Medicare Advantage membership are approximately 814,000 Dual Eligible Special Need Plans (D-SNP) members, a decrease of 123,100, or 13 percent, from December 31, 2024. The D-SNP membership decrease was driven in part by delayed redeterminations as a result of the Change Healthcare disruption in 2024.

January 2025 group Medicare Advantage membership approximated 576,000, up approximately 30,300, or 6 percent, from December 31, 2024, reflecting net membership additions during the 2025 selling season.

January 2025 stand-alone PDP membership approximated 2,465,000, up approximately 176,800, or 8 percent, from December 31, 2024, reflecting net membership additions during the recently completed 2025 AEP.

## **Humana's CenterWell Segment**

*This segment includes pharmacy (excluding the PBM operations), primary care, and home solutions. The segment also includes the impact of non-consolidating minority interest investments related to the company's strategic partnerships with Welsh, Carson, Anderson & Stowe (WCAS) to develop and operate senior-focused, payor-agnostic, primary care centers, as well as the Gentiva (formerly Kindred) Hospice operations. Services offered by this segment are designed to enhance the overall healthcare experience. These services may lead to lower utilization associated with improved member health and/or lower drug costs.*

<b>CenterWell Segment Results</b> (\$ in millions)	<b>4Q24</b>	<b>4Q23</b>	<b>FY 2024</b>	<b>FY 2023</b>
Revenues	\$5,130	\$4,710	\$19,936	\$18,405
Operating cost ratio	92.5 %	90.6 %	92.2 %	91.2 %
Income from operations	\$327	\$387	\$1,329	\$1,404
Income from operations - Adjusted (non-GAAP) (d)	\$385	\$445	\$1,553	\$1,614

Refer to the "Footnotes" section included herein for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

## **CenterWell Segment Revenues**

The favorable year-over-year quarter and FY CenterWell segment revenues comparisons were primarily impacted by the following factors:

- greater intersegment revenues associated with the Home Solutions business in 2024 as compared to respective periods in 2023 as a result of the expansion of services to Humana members under value-based contracts,
- an increase in Pharmacy Solutions revenues resulting from growth in the specialty pharmacy business, driven by increased penetration of Humana health plan members, as well as payor agnostic consumers, and
- higher revenues associated with growth in the company's Primary Care business, partially offset by the impact of the v28 risk model revision.

## **CenterWell Segment Operating Cost Ratio**

The year-over-year quarterly and FY increases in the segment's operating cost ratio primarily resulted from the following:

- unfavorable impact of the v28 risk model revision to the company's Primary Care business, and
- the impact of significantly reduced compensation accruals in 4Q23 and FY 2023.

This impact was partially offset by the following factors:

- administrative cost efficiencies resulting from the company's value creation initiatives, and
- positive prior period medical claims development within the Primary Care Organization.

See additional operational metrics for the CenterWell segment on pages S-13 through S-15 of the statistical supplement included in this earnings release.

### **Conference Call**

Humana will host a live question and answer session for analysts at 9:00 a.m. Eastern time today to discuss its financial results for the quarter and the company's expectations for future earnings. In advance of the question and answer session, Humana will post prepared management remarks to the Quarterly Results section of its Investor Relations page (<https://humana.gcs-web.com/financial-information/quarterly-results>).

To participate via phone, please register in advance at this link - <https://register.vevent.com/register/B1e3b4c275f3cf421383fa6ac8a142593b>.

Upon registration, telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number and a unique registrant ID that can be used to access the call.

A webcast of the 4Q24 earnings call may also be accessed via Humana's Investor Relations page at [humana.com](https://humana.com). The company suggests participants for both the conference call and those listening via the web dial in or sign on at least 15 minutes in advance of the call.

For those unable to participate in the live event, the archive will be available in the Historical Webcasts and Presentations section of the Investor Relations page (<https://humana.gcs-web.com/events-and-presentations>), approximately two hours following the live webcast.

### **Footnotes**

The company has included financial measures throughout this earnings release that are not in accordance with GAAP. Management believes that these measures, when presented in conjunction with the corresponding GAAP measures, provide a comprehensive perspective to more accurately compare and analyze the company's core operating performance over time. Consequently, management uses these non-GAAP (Adjusted) financial measures as consistent and uniform indicators of the company's core business operations from period to period, as well as for planning and decision-making purposes and in determination of incentive compensation. Non-GAAP (Adjusted) financial measures should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. All financial measures in this earnings release are in accordance with GAAP unless otherwise indicated. Please refer to the footnotes for a detailed description of each item adjusted out of GAAP financial measures to arrive at non-GAAP (Adjusted) financial measures.

(a) For the periods covered in this earnings release, the following items are excluded from the non-GAAP financial measures described above, as applicable:

- **Amortization associated with identifiable intangibles** - Since amortization varies based on the size and timing of acquisition activity, management believes this exclusion provides a more consistent and uniform indicator of performance from period to period. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and Insurance and CenterWell segments income from operations. The table below discloses respective period amortization expense for each segment:

	4Q24	4Q23	FY 2024	FY 2023
Insurance segment	\$4	\$4	\$17	\$22
CenterWell segment	\$10	\$11	\$43	\$45

- **Put/call valuation adjustments associated with the company's non-consolidating minority interest investments** - These amounts are the result of fair value measurements associated with the company's Primary Care Organization strategic partnership and are unrelated to the company's core business operations. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results and (net loss per share) EPS.
- **Impact of exit of employer group commercial medical products business** - These amounts relate to activity from the exit of the employer group commercial medical products business as announced by Humana on February 23, 2023. For all periods shown within this earnings release, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, consolidated revenues, consolidated benefit ratio, consolidated operating cost ratio, Insurance segment revenues, Insurance segment benefit ratio, Insurance segment operating cost ratio, and Insurance segment income from operations.
- **Value creation initiatives** - These charges relate to the company's ongoing initiative to drive additional value for the enterprise through cost saving, productivity initiatives, and value creation from previous investments, and primarily consist of asset impairment and severance charges. These charges were recorded at the corporate level and not allocated to the segments. For all periods shown within this earnings release, GAAP measures affected in this release include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio.
- **Impairment charges** - The company recognized non-cash impairment charges in 4Q24 and 4Q23 related to certain indefinite-lived intangible assets based on the company's estimate of future financial performance in certain state markets. Additionally, in 4Q23 the company recognized non-cash impairment charges related to minority ownership investments that were deemed to be unrecoverable based on investment performance. These charges were recorded at the corporate level and not allocated to the segments. For all periods, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio. For 4Q23 and FY 2023, consolidated revenues (specifically investment income) were also affected.
- **Transaction and integration costs** - The transaction and integration costs primarily related to the acquisition of Kindred at Home in 2021 and the subsequent divestiture of majority ownership of Gentiva (formerly Kindred) Hospice in 2022. For FY 2023, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, and the consolidated operating cost ratio.
- **Accrued charge related to certain anticipated litigation expenses** - This charge related to certain anticipated expenses the company accrued in connection with a legal matter. For FY 2023, GAAP measures affected include consolidated pretax results, (net loss per share) EPS, the consolidated and Insurance segment operating cost ratios, and Insurance segment income from operations.
- **Change in fair market value of publicly-traded equity securities** - These gains are a result of market and economic conditions that are unrelated to the company's core business operations. For FY 2023, GAAP measures affected include consolidated pretax results, EPS, and consolidated revenues (specifically investment income).
- **Cumulative net tax impact of non-GAAP adjustments** - This adjustment represents the cumulative net impact of the corresponding tax benefit or expense related to the aforementioned items excluded from the applicable GAAP measures. For all periods presented in this earnings release, (net loss per share) EPS is the sole GAAP measure affected.

In addition to the reconciliations shown on page 2 of this release, the following are reconciliations of GAAP to Adjusted (non-GAAP) measures described above and disclosed within this earnings release:

## Revenues

Revenues - CONSOLIDATED (in millions)	4Q24	4Q23	FY 2024	FY 2023
GAAP	\$29,213	\$26,462	\$117,761	\$106,374
Change in fair market value of publicly-traded equity securities	—	—	—	(1)
Impact of exit of employer group commercial medical products business	(14)	(764)	(551)	(3,764)
Impairment charges	—	36	—	36
<b>Adjusted (non-GAAP)</b>	<b>\$29,199</b>	<b>\$25,734</b>	<b>\$117,210</b>	<b>\$102,645</b>

Revenues - INSURANCE SEGMENT (in millions)	4Q24	4Q23	FY 2024	FY 2023
GAAP	\$28,170	\$25,565	\$113,764	\$102,854
Impact of exit of employer group commercial medical products business	(14)	(764)	(551)	(3,764)
Adjusted (non-GAAP)	\$28,156	\$24,801	\$113,213	\$99,090

### **Benefit Ratio**

Benefit ratio - CONSOLIDATED	4Q24	4Q23	FY 2024	FY 2023
GAAP	91.5 %	90.7 %	89.8 %	87.3 %
Impact of exit of employer group commercial medical products business	(0.2)%	(0.2)%	(0.1)%	(0.1)%
Adjusted (non-GAAP)	91.3 %	90.5 %	89.7 %	87.2 %

Benefit ratio - INSURANCE SEGMENT	4Q24	4Q23	FY 2024	FY 2023
GAAP	92.1 %	91.5 %	90.4 %	88.0 %
Impact of exit of employer group commercial medical products business	(0.2)%	(0.1)%	(0.1)%	— %
Adjusted (non-GAAP)	91.9 %	91.4 %	90.3 %	88.0 %

### **Operating Cost Ratio**

Operating cost ratio - CONSOLIDATED	4Q24	4Q23	FY 2024	FY 2023
GAAP	14.4 %	14.6 %	11.8 %	12.5 %
Impact of exit of employer group commercial medical products business	— %	— %	(0.1)%	(0.2)%
Value creation initiatives	(0.5)%	(1.5)%	(0.2)%	(0.4)%
Accrued charge related to certain anticipated litigation expenses	— %	— %	— %	(0.1)%
Impairment charges	(0.7)%	(0.2)%	(0.2)%	(0.1)%
Adjusted (non-GAAP)	13.2 %	12.9 %	11.3 %	11.7 %

Operating cost ratio - INSURANCE SEGMENT	4Q24	4Q23	FY 2024	FY 2023
GAAP	11.0 %	11.1 %	9.2 %	10.2 %
Impact of exit of employer group commercial medical products business	— %	(0.2)%	— %	(0.3)%
Accrued charge related to certain anticipated litigation expenses	— %	— %	— %	(0.1)%
Adjusted (non-GAAP)	11.0 %	10.9 %	9.2 %	9.8 %

## **Insurance Segment - (Loss) Income from Operations**

<b>(Loss) income from operations - INSURANCE SEGMENT (in millions)</b>	<b>4Q24</b>	<b>4Q23</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>GAAP</b>	<b>(\$646)</b>	<b>(\$426)</b>	<b>\$1,289</b>	<b>\$2,654</b>
Amortization associated with identifiable intangibles	4	4	17	22
Impact of exit of employer group commercial medical products business	67	61	177	116
Accrued charge related to certain anticipated litigation expenses	—	—	—	105
<b>Adjusted (non-GAAP)</b>	<b>(\$575)</b>	<b>(\$361)</b>	<b>\$1,483</b>	<b>\$2,897</b>

b) FY 2025 projected Adjusted results exclude the future impact of items that cannot be estimated at this time.

(c) Prior Period Development related to the employer group commercial medical products business:

<b>Favorable (Unfavorable) Prior Period Development</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>FY</b>
<b>Prior Period Development from prior years recognized in 2024</b>	<b>\$34</b>	<b>(\$9)</b>	<b>(\$1)</b>	<b>(\$3)</b>	<b>\$21</b>
Prior Period Development from prior years recognized in 2023	\$23	(\$20)	(\$2)	\$—	\$1

(d) The CenterWell segment Adjusted income from operations includes an adjustment to add back depreciation and amortization expense to the segment's GAAP income from operations since such an adjustment is commonly utilized for valuation purposes within the healthcare delivery industry.

<b>Income from operations - CENTERWELL SEGMENT (in millions)</b>	<b>4Q24</b>	<b>4Q23</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>GAAP</b>	<b>\$327</b>	<b>\$387</b>	<b>\$1,329</b>	<b>\$1,404</b>
Depreciation and amortization expense	58	58	224	210
<b>Adjusted (non-GAAP)</b>	<b>\$385</b>	<b>\$445</b>	<b>\$1,553</b>	<b>\$1,614</b>

### **Cautionary Statement**

This news release includes forward-looking statements regarding Humana within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of Humana's executive officers, the words or phrases like "expects," "believes," "anticipates," "assumes," "intends," "likely will result," "estimates," "projects" or variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the "Risk Factors" section of the company's SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana receives are insufficient to cover the cost of healthcare services delivered to its members, if the company is unable to implement clinical initiatives to provide a better healthcare experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefits expense are inadequate, Humana's profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. The company continually reviews estimates of future payments relating to benefit

expenses for services incurred in the current and prior periods and makes necessary adjustments to its reserves, including premium deficiency reserves, where appropriate. These estimates involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in claim payment patterns and medical cost trends. Accordingly, Humana's reserves may be insufficient.

- If Humana fails to effectively implement its operational and strategic initiatives, including its Medicare initiatives, which are of particular importance given the concentration of the company's revenues in these products, state-based contract strategy, the growth of its CenterWell business, and its integrated care delivery model, the company's business may be materially adversely affected.
- The number of Humana's Medicare Advantage plans rated 4-star or higher will significantly decline in 2025. Humana has filed a lawsuit seeking to set aside and vacate the 2025 Star Ratings of its Medicare Advantage plans, but there is no assurance that the company will prevail in this lawsuit. If the company is not successful, the decline in Star Ratings will negatively impact its 2026 quality bonus payments from CMS and may also significantly adversely affect the company's revenues, operating results, and cash flows. In addition, there can be no assurances the company will be successful in maintaining or improving its Star Ratings in future years.
- If Humana, or the third-party service providers on which it relies, fails to properly maintain the integrity of its data, to strategically maintain existing or implement new information systems, to protect Humana's proprietary rights to its systems, or to defend against cyber-security attacks, contain such attacks when they occur, or prevent other privacy or data security incidents that result in security breaches that disrupt the company's operations or in the unintentional dissemination of sensitive personal information or proprietary or confidential information, the company's business may be materially adversely affected.
- Humana is involved in various legal actions, or disputes that could lead to legal actions (such as, among other things, provider contract disputes and qui tam litigation brought by individuals on behalf of the government), governmental and internal investigations, and routine internal review of business processes any of which, if resolved unfavorably to the company, could result in substantial monetary damages or changes in its business practices. Increased litigation and negative publicity could also increase the company's cost of doing business.
- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government healthcare programs including, among other things, loss of material government contracts; governmental audits and investigations; potential inadequacy of government determined payment rates; potential restrictions on profitability, including by comparison of profitability of the company's Medicare Advantage business to non-Medicare Advantage business; or other changes in the governmental programs in which Humana participates. Changes to the risk-adjustment model utilized by CMS to adjust premiums paid to Medicare Advantage plans or retrospective recovery by CMS of previously paid premiums as a result of the final rule related to the risk adjustment data validation audit methodology published by CMS on January 30, 2023 (Final RADV Rule), which Humana believes fails to address adequately the statutory requirement of actuarial equivalence and violates the Administrative Procedure Act due to its failure to include a "Fee for Service Adjuster" could have a material adverse effect on the company's operating results, financial position and cash flows.
- Humana's business activities are subject to substantial government regulation. New laws or regulations, or legislative, judicial, or regulatory changes in existing laws or regulations or their manner of application could increase the company's cost of doing business and have a material adverse effect on Humana's results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company's ability to expand into new markets, increasing the company's medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products, lowering the company's Medicare payment rates and increasing the company's expenses associated with a non-deductible health insurance industry fee and other assessments); the company's financial position (including the company's ability to maintain the value of its goodwill); and the company's cash flows.
- Humana's failure to manage acquisitions, divestitures and other significant transactions successfully may have a material adverse effect on the company's results of operations, financial position, and cash flows.

- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company's business may be adversely affected.
- Humana faces significant competition in attracting and retaining talented employees. Further, managing succession for, and retention of, key executives is critical to the Company's success, and its failure to do so could adversely affect the Company's businesses, operating results and/or future performance.
- Humana's pharmacy business is highly competitive and subjects it to regulations and supply chain risks in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana's financial performance.
- Humana's ability to obtain funds from certain of its licensed subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana's debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- Volatility or disruption in the securities and credit markets may significantly and adversely affect the value of our investment portfolio and the investment income that we derive from this portfolio.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2023;
- Form 10-Qs for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024; and
- Form 8-Ks filed during 2024 and 2025.

## **About Humana**

Humana Inc. is committed to putting health first – for our teammates, our customers, and our company. Through our Humana insurance services, and our CenterWell health care services, we make it easier for the millions of people we serve to achieve their best health – delivering the care and service they need, when they need it. These efforts are leading to a better quality of life for people with Medicare, Medicaid, families, individuals, military service personnel, and communities at large. Learn more about what we offer at [Humana.com](https://www.humana.com) and at [CenterWell.com](https://www.centerwell.com).

## Humana Inc. Full Year 2025 Projections - As of February 11, 2025

### Diluted earnings per common share

**GAAP:** approximately \$15.88

**Non-GAAP:** approximately \$16.25

### Total Revenues

Consolidated	<b>GAAP:</b> \$126 billion to \$128 billion
Insurance segment	<b>GAAP:</b> \$121 billion to \$123 billion
CenterWell segment	<b>GAAP:</b> \$20.5 billion to \$21.5 billion

Consolidated and segment level revenue projections include expected investment income. Segment level revenues include amounts that eliminate in consolidation.

### Change in year-end medical membership from prior year-end

Individual Medicare Advantage	Decline of approximately 550,000
Group Medicare Advantage	Relatively flat
Medicare stand-alone PDP	Growth of approximately 200,000
State-based contracts	Growth within 175,000 to 250,000 range

State-based contracts guidance includes membership in Florida, Illinois, Indiana, Kentucky, Louisiana, Ohio, Oklahoma, South Carolina, Virginia, and Wisconsin.

### Benefit Ratio

Insurance segment	<b>GAAP:</b> 90.1% to 90.5%
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Ratio calculation: benefits expense as a percent of premiums revenues.

### Operating Cost Ratio Consolidated

**GAAP:** 11.3% to 11.7%

Ratio calculation: operating costs excluding depreciation and amortization as a percent of revenues excluding investment income.

### Segment Results

Insurance segment income from operations	<b>GAAP:</b> \$1.5 billion to \$2.0 billion
CenterWell segment income from operations	<b>GAAP:</b> \$1.0 billion to \$1.5 billion <b>Non-GAAP:</b> \$1.2 billion to \$1.7 billion

CenterWell segment Non-GAAP income from operations excludes the projected impact of segment depreciation and amortization.

### Effective Tax Rate

**GAAP:** approximately 25.0%

### Weighted Avg. Share Count for Diluted EPS

approximately 121.5 million

### Cash flows from operations

**GAAP:** \$2.4 billion to \$2.9 billion

### Capital expenditures

approximately \$650 million

**Humana Inc.  
Statistical Schedules  
and  
Supplementary Information  
4Q24 Earnings Release**

**Humana Inc.**  
**Statistical Schedules and Supplementary Information**  
**4Q24 Earnings Release**

(S-3)	Summary of Results - Consolidated and Segment Quarter and FY
(S-4)	Consolidated Statements of Income - Quarter and FY
(S-5)	Consolidated Balance Sheets
(S-6)	Consolidated Statements of Cash Flows - FY
(S-7) - (S-8)	Consolidating Statements of Income - Quarter
(S-9) - (S-10)	Consolidating Statements of Income - FY
(S-11)	Membership Detail
(S-12)	Premiums and Services Revenue Detail
(S-13) - (S-15)	CenterWell Segment - Pharmacy Solutions, Primary Care, & Home Solutions
(S-16)	Footnotes

<b>Humana Inc. Summary of Results</b> <i>(\$ in millions, except per share amounts)</i>	<b>4Q24 (a)</b>	<b>4Q23 (a)</b>	<b>FY 2024 (a)</b>	<b>FY 2023 (a)</b>
<b>CONSOLIDATED</b>				
Revenues	<b>\$29,213</b>	\$26,462	<b>\$117,761</b>	\$106,374
Revenues - Adjusted (non-GAAP)	<b>\$29,199</b>	\$25,734	<b>\$117,210</b>	\$102,645
Pretax results	<b>(\$862)</b>	(\$591)	<b>\$1,721</b>	\$3,383
Pretax results - Adjusted (non-GAAP)	<b>(\$296)</b>	\$79	<b>\$2,702</b>	\$4,369
(Net loss per share) EPS	<b>(\$5.76)</b>	(\$4.42)	<b>\$9.98</b>	\$20.00
(Net loss per share) EPS - Adjusted (non-GAAP)	<b>(\$2.16)</b>	(\$0.11)	<b>\$16.21</b>	\$26.09
Benefits expense ratio	<b>91.5 %</b>	90.7 %	<b>89.8 %</b>	87.3 %
Benefits expense ratio - Adjusted (non-GAAP)	<b>91.3 %</b>	90.5 %	<b>89.7 %</b>	87.2 %
Operating cost ratio	<b>14.4 %</b>	14.6 %	<b>11.8 %</b>	12.5 %
Operating cost ratio - Adjusted (non-GAAP)	<b>13.2 %</b>	12.9 %	<b>11.3 %</b>	11.7 %
Operating cash flows			<b>\$2,966</b>	\$3,981
Parent company cash and short term investments			<b>\$562</b>	\$510
Debt-to-total capitalization			<b>41.9 %</b>	41.8 %
Days in Claims Payable (DCP)	<b>37.8</b>	41.4		
<b>INSURANCE SEGMENT</b>				
Revenues	<b>\$28,170</b>	\$25,565	<b>\$113,764</b>	\$102,854
Revenues - Adjusted (non-GAAP)	<b>\$28,156</b>	\$24,801	<b>\$113,213</b>	\$99,090
Benefits expense ratio	<b>92.1 %</b>	91.5 %	<b>90.4 %</b>	88.0 %
Benefits expense ratio - Adjusted (non-GAAP)	<b>91.9 %</b>	91.4 %	<b>90.3 %</b>	88.0 %
Operating cost ratio	<b>11.0 %</b>	11.1 %	<b>9.2 %</b>	10.2 %
Operating cost ratio - Adjusted (non-GAAP)	<b>11.0 %</b>	10.9 %	<b>9.2 %</b>	9.8 %
(Loss) income from operations	<b>(\$646)</b>	(\$426)	<b>\$1,289</b>	\$2,654
(Loss) income from operations - Adjusted (non-GAAP)	<b>(\$575)</b>	(\$361)	<b>\$1,483</b>	\$2,897
<b>CENTERWELL SEGMENT</b>				
Revenues	<b>\$5,130</b>	\$4,710	<b>\$19,936</b>	\$18,405
Operating cost ratio	<b>92.5 %</b>	90.6 %	<b>92.2 %</b>	91.2 %
Income from operations	<b>\$327</b>	\$387	<b>\$1,329</b>	\$1,404
Income from operations - Adjusted (non-GAAP) (d)	<b>\$385</b>	\$445	<b>\$1,553</b>	\$1,614

Refer to the "Footnotes" section included in the previous narrative portion of this release (beginning on page 8) for further explanation of disclosures for Adjusted (non-GAAP) financial measures, as well as reconciliations.

Humana Inc.

Consolidated Statements of Income (Unaudited)

Dollars in millions, except per common share results

	For the three months ended December 31,		For the year ended December 31,	
	2024	2023	2024	2023
Revenues:				
Premiums	\$ 27,750	\$ 25,128	\$ 112,104	\$ 101,272
Services	1,166	1,040	4,431	4,033
Investment income	297	294	1,226	1,069
<b>Total revenues</b>	<b>29,213</b>	<b>26,462</b>	<b>117,761</b>	<b>106,374</b>
Operating expenses:				
Benefits	25,381	22,782	100,664	88,394
Operating costs	4,167	3,827	13,696	13,188
Depreciation and amortization	208	201	839	779
<b>Total operating expenses</b>	<b>29,756</b>	<b>26,810</b>	<b>115,199</b>	<b>102,361</b>
<b>(Loss) income from operations</b>	<b>(543)</b>	<b>(348)</b>	<b>2,562</b>	<b>4,013</b>
Interest expense	164	146	660	493
Other expense, net	155	97	181	137
<b>(Loss) income before income taxes and equity in net losses</b>	<b>(862)</b>	<b>(591)</b>	<b>1,721</b>	<b>3,383</b>
(Benefit) provision from income taxes	(216)	(75)	413	836
Equity in net losses (A)	(37)	(24)	(94)	(63)
<b>Net (loss) income</b>	<b>(683)</b>	<b>(540)</b>	<b>1,214</b>	<b>2,484</b>
Net (income) loss attributable to noncontrolling interests	(10)	(1)	(7)	5
<b>Net (loss) income attributable to Humana</b>	<b>\$ (693)</b>	<b>\$ (541)</b>	<b>\$ 1,207</b>	<b>\$ 2,489</b>
Basic (loss) earnings per common share	\$ (5.76)	\$ (4.42)	\$ 10.01	\$ 20.09
<b>Diluted (loss) earnings per common share</b>	<b>\$ (5.76)</b>	<b>\$ (4.42)</b>	<b>\$ 9.98</b>	<b>\$ 20.00</b>
Shares used in computing basic earnings per common share (000's)	120,455	122,461	120,571	123,866
Shares used in computing diluted earnings (loss) per common share (000's)	120,455	122,461	120,869	124,441

Humana Inc.  
Consolidated Balance Sheets (Unaudited)  
Dollars in millions, except share amounts

	December 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,221	\$ 4,694
Investment securities	18,214	16,626
Receivables, net	2,704	2,035
Other current assets	6,676	6,631
Total current assets	29,815	29,986
Property and equipment, net	2,532	3,030
Long-term investment securities	421	382
Equity method investments	697	740
Goodwill	9,631	9,550
Other long-term assets	3,383	3,377
<b>Total assets</b>	<b>\$ 46,479</b>	<b>\$ 47,065</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Benefits payable	\$ 10,440	\$ 10,241
Trade accounts payable and accrued expenses	5,259	6,569
Book overdraft	403	353
Unearned revenues	260	266
Short-term debt	577	1,443
Total current liabilities	16,939	18,872
Long-term debt	11,144	10,213
Other long-term liabilities	1,951	1,662
<b>Total liabilities</b>	<b>30,034</b>	<b>30,747</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1 par; 10,000,000 shares authorized, none issued	—	—
Common stock, \$0.16 2/3 par; 300,000,000 shares authorized; 198,718,810 issued at December 31, 2024	33	33
Capital in excess of par value	3,463	3,346
Retained earnings	28,317	27,540
Accumulated other comprehensive loss	(1,067)	(999)
Treasury stock, at cost, 78,077,195 shares at December 31, 2024	(14,371)	(13,658)
<b>Total stockholders' equity</b>	<b>16,375</b>	<b>16,262</b>
Noncontrolling interests	70	56
<b>Total equity</b>	<b>16,445</b>	<b>16,318</b>
<b>Total liabilities and equity</b>	<b>\$ 46,479</b>	<b>\$ 47,065</b>
<b>Debt-to-total capitalization ratio</b>	<b>41.9 %</b>	<b>41.8 %</b>

	For the year ended December 31,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$1,214	\$2,484
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gain) loss on investment securities, net	(24)	54
Equity in net losses	94	63
Stock-based compensation	207	175
Impairment of indefinite-lived intangible assets	200	55
Depreciation	908	850
Amortization	60	67
Impairment of property and equipment	237	206
Deferred income taxes	(192)	(167)
Changes in operating assets and liabilities, net of effect of businesses acquired and disposed:		
Receivables	(669)	(337)
Other assets	1,003	(1,318)
Benefits payable	199	915
Other liabilities	(373)	841
Unearned revenues	(6)	(20)
Other, net	108	113
<b>Net cash provided by operating activities</b>	<b>2,966</b>	<b>3,981</b>
<b>Cash flows from investing activities</b>		
Acquisitions, net of cash and cash equivalents acquired	(89)	(233)
Purchases of property and equipment	(575)	(1,004)
Proceeds from sale of property and equipment	7	210
Changes in securities lending collateral receivable	(418)	—
Purchases of investment securities	(8,185)	(7,552)
Maturities of investment securities	2,982	1,292
Proceeds from sales of investment securities	3,376	3,795
Other	(50)	—
<b>Net cash used in investing activities</b>	<b>(2,952)</b>	<b>(3,492)</b>
<b>Cash flows from financing activities</b>		
(Payments) receipts from contract deposits, net	(1,933)	828
Proceeds from issuance of senior notes, net	2,232	2,544
Repayments of senior notes	(1,107)	(1,832)
(Repayments) proceeds from issuance of commercial paper, net	(907)	211
Proceeds from short-term borrowings	—	100
Repayments of short-term borrowings	—	(100)
Repayment of term loan	—	(500)
Debt issue costs	(7)	(7)
Change in book overdraft	50	55
Common stock repurchases	(817)	(1,573)
Dividends paid	(431)	(431)
Change in securities lending payable	418	—
Change in rebate factor payable	123	—
Other, net	(108)	(151)
<b>Net cash used in financing activities</b>	<b>(2,487)</b>	<b>(856)</b>
Decrease in cash and cash equivalents	(2,473)	(367)
Cash and cash equivalents at beginning of period	4,694	5,061
<b>Cash and cash equivalents at end of period</b>	<b>\$2,221</b>	<b>\$4,694</b>

Humana Inc.

Consolidating Statements of Income—For the three months ended December 31, 2024 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers</b>				
<b>Premiums:</b>				
Individual Medicare Advantage	\$ 21,500	\$ —	\$ —	\$ 21,500
Group Medicare Advantage	1,891	—	—	1,891
Medicare stand-alone PDP	728	—	—	728
<b>Total Medicare</b>	<b>24,119</b>	<b>—</b>	<b>—</b>	<b>24,119</b>
State-based contracts and other	3,159	—	—	3,159
Commercial fully-insured	8	—	—	8
Specialty benefits	238	—	—	238
Medicare Supplement	226	—	—	226
<b>Total premiums</b>	<b>27,750</b>	<b>—</b>	<b>—</b>	<b>27,750</b>
<b>Services revenue:</b>				
Home solutions	—	317	—	317
Primary care	—	366	—	366
Pharmacy solutions	—	232	—	232
Military services and other	245	—	—	245
Commercial ASO	6	—	—	6
<b>Total services revenue</b>	<b>251</b>	<b>915</b>	<b>—</b>	<b>1,166</b>
<b>Total revenues—external customers</b>	<b>28,001</b>	<b>915</b>	<b>—</b>	<b>28,916</b>
Intersegment revenues	1	4,215	(4,216)	—
Investment income	168	—	129	297
<b>Total revenues</b>	<b>28,170</b>	<b>5,130</b>	<b>(4,087)</b>	<b>29,213</b>
<b>Operating expenses:</b>				
Benefits	25,547	—	(166)	25,381
Operating costs	3,089	4,745	(3,667)	4,167
Depreciation and amortization	180	58	(30)	208
<b>Total operating expenses</b>	<b>28,816</b>	<b>4,803</b>	<b>(3,863)</b>	<b>29,756</b>
<b>(Loss) income from operations</b>	<b>\$ (646)</b>	<b>\$ 327</b>	<b>\$ (224)</b>	<b>\$ (543)</b>
<b>Benefit ratio</b>	<b>92.1 %</b>			<b>91.5 %</b>
<b>Operating cost ratio</b>	<b>11.0 %</b>	<b>92.5 %</b>		<b>14.4 %</b>

Humana Inc.

Consolidating Statements of Income—For the three months ended December 31, 2023 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers Premiums:</b>				
Individual Medicare Advantage	\$ 19,642	\$ —	\$ —	\$ 19,642
Group Medicare Advantage	1,677	—	—	1,677
Medicare stand-alone PDP	512	—	—	512
<b>Total Medicare</b>	<b>21,831</b>	<b>—</b>	<b>—</b>	<b>21,831</b>
State-based contracts and other	2,142	—	—	2,142
Commercial fully-insured	717	—	—	717
Specialty benefits	249	—	—	249
Medicare Supplement	189	—	—	189
<b>Total premiums</b>	<b>25,128</b>	<b>—</b>	<b>—</b>	<b>25,128</b>
<b>Services revenue:</b>				
Home solutions	—	345	—	345
Primary care	—	237	—	237
Pharmacy solutions	—	188	—	188
Military services and other	223	—	—	223
Commercial ASO	47	—	—	47
<b>Total services revenue</b>	<b>270</b>	<b>770</b>	<b>—</b>	<b>1,040</b>
<b>Total revenues—external customers</b>	<b>25,398</b>	<b>770</b>	<b>—</b>	<b>26,168</b>
Intersegment revenues	1	3,940	(3,941)	—
Investment income	166	—	128	294
<b>Total revenues</b>	<b>25,565</b>	<b>4,710</b>	<b>(3,813)</b>	<b>26,462</b>
<b>Operating expenses:</b>				
Benefits	23,004	—	(222)	22,782
Operating costs	2,811	4,265	(3,249)	3,827
Depreciation and amortization	176	58	(33)	201
<b>Total operating expenses</b>	<b>25,991</b>	<b>4,323</b>	<b>(3,504)</b>	<b>26,810</b>
<b>(Loss) income from operations</b>	<b>\$ (426)</b>	<b>\$ 387</b>	<b>\$ (309)</b>	<b>\$ (348)</b>
<b>Benefit ratio</b>	<b>91.5 %</b>			<b>90.7 %</b>
<b>Operating cost ratio</b>	<b>11.1 %</b>	<b>90.6 %</b>		<b>14.6 %</b>

Humana Inc.

Consolidating Statements of Income—For the year ended December 31, 2024 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers</b>				
<b>Premiums:</b>				
Individual Medicare Advantage	\$ 88,019	\$ —	\$ —	\$ 88,019
Group Medicare Advantage	7,731	—	—	7,731
Medicare stand-alone PDP	3,137	—	—	3,137
<b>Total Medicare</b>	<b>98,887</b>	<b>—</b>	<b>—</b>	<b>98,887</b>
State-based contracts and other	10,915	—	—	10,915
Commercial fully-insured	501	—	—	501
Specialty benefits	955	—	—	955
Medicare Supplement	846	—	—	846
<b>Total premiums</b>	<b>112,104</b>	<b>—</b>	<b>—</b>	<b>112,104</b>
<b>Services revenue:</b>				
Home solutions	—	1,313	—	1,313
Primary care	—	1,248	—	1,248
Pharmacy solutions	—	904	—	904
Military services and other	916	—	—	916
Commercial ASO	50	—	—	50
<b>Total services revenue</b>	<b>966</b>	<b>3,465</b>	<b>—</b>	<b>4,431</b>
<b>Total revenues—external customers</b>	<b>113,070</b>	<b>3,465</b>	<b>—</b>	<b>116,535</b>
Intersegment revenues	4	16,471	(16,475)	—
Investment income	690	—	536	1,226
<b>Total revenues</b>	<b>113,764</b>	<b>19,936</b>	<b>(15,939)</b>	<b>117,761</b>
<b>Operating expenses:</b>				
Benefits	101,299	—	(635)	100,664
Operating costs	10,443	18,383	(15,130)	13,696
Depreciation and amortization	733	224	(118)	839
<b>Total operating expenses</b>	<b>112,475</b>	<b>18,607</b>	<b>(15,883)</b>	<b>115,199</b>
<b>Income (loss) from operations</b>	<b>\$ 1,289</b>	<b>\$ 1,329</b>	<b>\$ (56)</b>	<b>\$ 2,562</b>
<b>Benefit ratio</b>	90.4 %			89.8 %
<b>Operating cost ratio</b>	9.2 %	92.2 %		11.8 %

Humana Inc.

Consolidating Statements of Income—For the year ended December 31, 2023 (Unaudited)

In millions

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
<b>Revenues—external customers</b>				
<b>Premiums:</b>				
Individual Medicare Advantage	\$ 78,837	\$ —	\$ —	\$ 78,837
Group Medicare Advantage	6,869	—	—	6,869
Medicare stand-alone PDP	2,189	—	—	2,189
<b>Total Medicare</b>	<u>87,895</u>	<u>—</u>	<u>—</u>	<u>87,895</u>
State-based contracts and other	8,108	—	—	8,108
Commercial fully-insured	3,527	—	—	3,527
Specialty benefits	1,007	—	—	1,007
Medicare Supplement	735	—	—	735
<b>Total premiums</b>	<u>101,272</u>	<u>—</u>	<u>—</u>	<u>101,272</u>
<b>Services revenue:</b>				
Home solutions	—	1,342	—	1,342
Primary care	—	842	—	842
Pharmacy solutions	—	849	—	849
Military services and other	763	—	—	763
Commercial ASO	237	—	—	237
<b>Total services revenue</b>	<u>1,000</u>	<u>3,033</u>	<u>—</u>	<u>4,033</u>
<b>Total revenues—external customers</b>	<u>102,272</u>	<u>3,033</u>	<u>—</u>	<u>105,305</u>
Intersegment revenues	31	15,372	(15,403)	—
Investment income	551	—	518	1,069
<b>Total revenues</b>	<u>102,854</u>	<u>18,405</u>	<u>(14,885)</u>	<u>106,374</u>
<b>Operating expenses:</b>				
Benefits	89,100	—	(706)	88,394
Operating costs	10,408	16,791	(14,011)	13,188
Depreciation and amortization	692	210	(123)	779
<b>Total operating expenses</b>	<u>100,200</u>	<u>17,001</u>	<u>(14,840)</u>	<u>102,361</u>
<b>Income (loss) from operations</b>	<u>\$ 2,654</u>	<u>\$ 1,404</u>	<u>\$ (45)</u>	<u>\$ 4,013</u>
<b>Benefit ratio</b>	88.0 %			87.3 %
<b>Operating cost ratio</b>	10.2 %	91.2 %		12.5 %

Humana Inc.  
Membership Detail (Unaudited)

In thousands

	December 31, 2024	Average 4Q24	December 31, 2023	September 30, 2024
<b>Medical Membership:</b>				
Individual Medicare Advantage*	5,661.8	5,670.2	5,408.9	5,659.2
Group Medicare Advantage	545.7	546.1	509.6	546.7
Total Medicare Advantage	6,207.5	6,216.3	5,918.5	6,205.9
Medicare stand-alone PDP	2,288.2	2,297.5	2,849.1	2,315.7
Total Medicare	8,495.7	8,513.8	8,767.6	8,521.6
Medicare Supplement	377.3	370.2	307.2	357.3
State-based contracts and other	1,459.9	1,455.1	1,228.8	1,446.1
Military services	6,009.1	5,995.3	5,960.2	5,984.8
Total excluding employer group commercial medical	16,342.0	16,334.4	16,263.8	16,309.8
Fully-insured commercial medical	0.3	5.8	338.7	25.9
ASO commercial	4.8	7.2	255.3	22.4
Total employer group commercial medical	5.1	13.0	594.0	48.3
<b>Total Medical Membership</b>	<b>16,347.1</b>	<b>16,347.4</b>	<b>16,857.8</b>	<b>16,358.1</b>
<b>Specialty Membership:</b>				
Dental—fully-insured (B)	2,054.5	2,058.1	2,205.0	2,070.6
Dental—ASO	301.3	301.2	307.0	291.3
Total Dental	2,355.8	2,359.3	2,512.0	2,361.9
Vision	1,843.6	1,842.0	1,971.4	1,846.5
Other supplemental benefits	362.6	360.4	384.9	358.4
<b>Total Specialty Membership</b>	<b>4,562.0</b>	<b>4,561.7</b>	<b>4,868.3</b>	<b>4,566.8</b>
	December 31, 2024	Member Mix December 31, 2024	December 31, 2023	Member Mix December 31, 2023
<b>Individual Medicare Advantage Membership</b>				
HMO	2,857.7	50 %	2,853.0	53 %
PPO/PFFS	2,804.1	50 %	2,555.9	47 %
<b>Total Individual Medicare Advantage</b>	<b>5,661.8</b>	<b>100 %</b>	<b>5,408.9</b>	<b>100 %</b>
<b>Individual Medicare Advantage Membership</b>				
Shared Risk (C)	2,114.9	38 %	1,917.3	36 %
Path to Risk (D)	1,879.4	33 %	1,847.0	34 %
Total Value-based	3,994.3	71 %	3,764.3	70 %
Other	1,667.5	29 %	1,644.6	30 %
<b>Total Individual Medicare Advantage</b>	<b>5,661.8</b>	<b>100 %</b>	<b>5,408.9</b>	<b>100 %</b>

\*Individual Medicare Advantage membership includes 937,100 Dual Eligible Special Need Plans (D-SNP) members as of December 31, 2024, a net increase of 65,800, or 8 percent, from 871,300 as of December 31, 2023, and down 2,500, or less than 1 percent, from 939,600 as of September 30, 2024

Humana Inc.

Premiums and Services Revenue Detail (Unaudited)

Dollars in millions, except per member per month; includes intersegment revenues

	For the three months ended December 31,		For the year ended December 31,		Per Member per Month (I) For the three months ended December 31,		Per Member per Month (I) For the year ended December 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Insurance</b>								
Individual Medicare Advantage	\$ 21,500	\$ 19,642	\$ 88,019	\$ 78,837	\$ 1,264	\$ 1,210	\$ 1,307	\$ 1,246
Group Medicare Advantage	1,891	1,677	7,731	6,869	1,154	1,096	1,176	1,121
Medicare stand-alone PDP	728	512	3,137	2,189	106	60	112	63
State-based contracts and other (E)	3,159	2,142	10,915	8,108	699	560	627	496
Commercial fully-insured (F)	8	717	501	3,527	345	570	563	556
Specialty benefits (G)	238	249	955	1,007	19	18	18	18
Medicare Supplement	226	189	846	735	203	207	205	206
Military and other (H)	246	224	920	794				
Commercial ASO	6	47	50	237				
<b>Total</b>	<b>28,002</b>	<b>25,399</b>	<b>113,074</b>	<b>102,303</b>				
<b>CenterWell</b>								
Pharmacy solutions	2,993	2,791	11,628	11,300				
Primary care	1,279	1,073	4,945	4,174				
Home solutions	858	846	3,363	2,931				
<b>Total</b>	<b>5,130</b>	<b>4,710</b>	<b>19,936</b>	<b>18,405</b>				

Humana Inc.  
CenterWell Segment - Pharmacy Solutions (Unaudited)

	For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the three months ended September 30, 2024
<b><u>Generic Dispense Rate</u></b>			
<b>Total Medicare</b>	<b>90.9 %</b>	91.8 %	90.8 %
<b><u>Mail-Order Penetration</u></b>			
<b>Total Medicare</b>	<b>27.6 %</b>	29.0 %	28.1 %

	For the year ended December 31, 2024	For the year ended December 31, 2023
<b><u>Generic Dispense Rate</u></b>		
<b>Total Medicare</b>	<b>91.0 %</b>	91.4 %
<b><u>Mail-Order Penetration</u></b>		
<b>Total Medicare</b>	<b>28.3 %</b>	29.7 %

Humana Inc.  
CenterWell Segment - Primary Care (J) (Unaudited)

	As of December 31, 2024			As of December 31, 2023			Year-over-Year Growth		
	Primary			Primary			Primary		
	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served
De novo	133	327	79,400	108	274	43,100	23.1 %	19.3 %	84.2 %
Wholly-owned	211	675	246,500	188	617	189,600	12.2 %	9.4 %	30.0 %
Independent Physician Associations			64,600			61,500			5.0 %
	344	1,002	390,500	296	891	294,200	16.2 %	12.5 %	32.7 %

	As of September 30, 2024			Sequential Growth		
	Primary			Primary		
	Center Count	Care Providers	Patients Served (K)	Center Count	Care Providers	Patients Served
De novo	120	295	64,100	10.8 %	10.8 %	23.9 %
Wholly-owned	181	658	217,300	16.6 %	2.6 %	13.4 %
Independent Physician Associations			62,800			2.9 %
	301	953	344,200	14.3 %	5.1 %	13.5 %

Humana Inc.

CenterWell Segment - Home Solutions (Unaudited)

	<b>For the three months ended December 31, 2024</b>	<b>For the three months ended December 31, 2023</b>	<b>Year-over-Year Growth</b>
<b>Episodic Admissions (L)</b>	77,429	75,921	2.0 %
<b>Total Admissions - Same Store (M)</b>	100,580	97,363	3.3 %

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>	<b>Year-over-Year Growth</b>
<b>Episodic Admissions (L)</b>	321,862	301,642	6.7 %
<b>Total Admissions - Same Store (M)</b>	416,133	384,552	8.2 %

**Humana Inc.**  
**Footnotes to Statistical Schedules and Supplementary Information**  
**4Q24 Earnings Release**

- A. Net losses associated with the company's non-consolidated minority interest investments.
- B. Fully-insured dental membership as reported does not include Humana members that have a Medicare Advantage plan that includes an embedded dental benefit.
- C. In certain circumstances, the company contracts with providers to accept financial risk for a defined set of Medicare Advantage membership. For these Downside Risk arrangements, the provider is measured against a medical expense ratio target and the company may share savings from reduction to the total cost of care of the defined membership. The result is a high level of engagement on the part of the provider. Under these arrangements, the company may contract with providers to accept partial, full, or global financial risk. In certain instances (capitated shared risk) of these arrangements, the company may choose to prepay these providers a monthly fixed-fee per member to coordinate substantially all of the medical care for their Medicare Advantage members assigned or attributed to their provider panel, including some health benefit administrative functions and claims processing.
- D. A Path to Risk provider is one who has a high level of engagement and has contracted with the company to participate in an Upside Only/Shared Savings total cost of care arrangement and/or in one of Humana's Quality Bonus programs (Model Practice), through which the company rewards the provider for achieving quality and utilization targets. Providers who are contracted in an Upside Only/Shared Savings arrangement may receive a portion of achieved surpluses when the actual cost of the medical services provided to patients assigned or attributed to their panel is less than the agreed upon medical expense targets. These contracts may also include a Downside Risk trigger (future date or membership threshold) which has not yet been met.
- E. Per Member per Month (PMPM) shown reflects only Medicaid premiums and average Medicaid membership for the period; includes impact of dual eligible demonstration members.
- F. Fully-insured commercial medical premiums also include stop-loss premiums associated with the commercial ASO product; for purposes of the PMPM metric, the commercial ASO stop-loss premiums have been excluded.
- G. Specialty per member per month is computed based on reported specialty premiums and average fully-insured specialty membership for the period.
- H. The amounts primarily reflect services revenues under the TRICARE East Region contract that generally are contracted on a per-member basis.
- I. Computed based on average membership for the period (i.e. monthly ending membership during the period divided by the number of months in the period).
- J. *De novo* refers to all new centers opened or acquired since 2020 under a WCAS joint venture. *Wholly-owned* refers to all centers outside a WCAS joint venture.
- K. Represents Medicare Advantage (MA) risk, MA path to risk, MA value-based, Direct Contracting Entity, and Accountable Care Organization patients.
- L. Reflects patient admissions under the Patient Driven Groupings Model (PDGM) payment model.
- M. Reflects all patient admissions regardless of reimbursement model. Same store is defined as care centers that have been owned and operated at least the last twelve months and startups that are an expansion of a same store care center.



Please view these remarks in conjunction with our 4Q 2024 earnings release that can be found on our website at [www.humana.com](http://www.humana.com) under the Investors section, or via the following link: <https://humana.gcs-web.com/financial-information/quarterly-results>.

We also invite you to listen to our live question and answer webcast with our President and Chief Executive Officer, Jim Rehtin, Chief Financial Officer, Celeste Mellet, and President of Insurance, George Renaudin, which will begin today at 9:00 a.m. Eastern Time and will be available at via the following link: <https://humana.gcs-web.com/events-and-presentations/upcoming-events>. For those unable to listen to the live event, the archive will be available in the Historical Webcasts and Presentations section of the Investor Relations page via the following link: <https://humana.gcs-web.com/events-and-presentations>.

**Cautionary Statement**

Certain of the matters discussed in these prepared remarks are forward-looking and are subject to a number of risks, uncertainties and assumptions. Actual results could differ materially.

Investors are advised to read the detailed risk factors discussed in our latest Form 10-K, our other filings with the Securities and Exchange Commission, and our 4Q 2024 earnings release as they relate to forward-looking statements along with other risks discussed in our SEC filings. We undertake no obligation to publicly address or update any forward-looking statements in future filings or communications regarding our business or results.

Today's release, our historical financial news releases and our filings with the SEC are all also available on our Investor Relations site.

These remarks include financial measures that are not in accordance with generally accepted accounting principles, or GAAP.

Management's explanation for the use of these non-GAAP measures and reconciliations of GAAP to non-GAAP financial measures are included in today's release which can be found via the following link: <https://humana.gcs-web.com/financial-information/quarterly-results>.

Finally, any references to earnings per share or EPS made within these remarks refer to diluted earnings per common share.

**Key Messages**

- **Achieved 2024 Adjusted EPS of \$16.21, in line with our guidance, and reaffirmed 2025 outlook of ‘at least in line with 2024 results’**
  - **2025 Adjusted EPS guidance of ‘approximately \$16.25’, inclusive of incremental investments to support operational excellence as we prioritize sustainable, long-term value creation**
- **Solid finish to 2024, reporting 4Q Adjusted net loss per share of \$2.16, in line with expectations and inclusive of incremental investments in Stars**
  - **4Q Insurance segment Adjusted benefit ratio of 91.9%, which includes a 20-basis point increase related to incremental Stars investments, was consistent with expectations**
  - **Grew individual Medicare Advantage (MA) membership over 250,000 or approximately 5% in 2024, while taking incremental pricing action to mitigate reimbursement pressure**
- **Committed to achieving individual MA pretax margin of ‘at least 3%’ over time**
  - **Intend to improve underlying margins annually** through operational improvements and pricing strategies, including targeted Stars mitigation actions
  - **Acknowledge risk in achieving ‘at least 3%’ by 2027** driven by uncertainty in pace of Stars recovery
- **2025 represents a critical step on our margin expansion journey, with a focus on:**
  - **Resetting MA pricing and membership to improve underlying margins**
    - Remain **confident in our expectation that MA pricing will drive the intended underlying margin improvement**
    - Anticipate full year Individual MA membership losses of approximately 550,000**, inclusive of impact of exiting certain unprofitable plans and counties
      - Remain **confident in our pricing strategy as we prioritize membership that is expected to drive sustainable, long-term value creation**
  - **Continue efforts to strengthen our Stars program** with initiatives expected to impact across key measures as we focus on a return to an industry leading position
    - Acknowledge that risk remains regarding our overall 2026 Star results (payment year 2027) given the limited timeframe to impact results post receipt of the 2025 Star results (payment year 2026)
  - **Investing to improve member and patient outcomes and support operational excellence, positioning the company for long-term success**
  - **Continue to advance Medicaid and CenterWell strategies**, which are expected to drive increased earnings contribution over the mid and longer term as they mature through their respective J curves
    - Expanded Medicaid footprint, which now spans 13 states, including the recent intents to award in Georgia and Texas (subject to clearing state protest process); executed a Virginia contract with implementation expected in 2025
      - Medicaid progress is important for our long-term strategy given linkage of Medicare and Medicaid programs for dually eligible populations (D-SNP), and is emerging as a strong, scaled business with meaningful earnings potential
    - Solid growth expected in CenterWell Primary Care through center adds and expansion of our Independent Physician Association (IPA) model, adding 20 to 30 clinics and 30,000 to 50,000 patients
- We have conviction that **the strong core fundamentals and growth outlook** for MA and value-based care **remain intact**
  - Believe that **Humana’s platform, unique focus on MA, and expanding CenterWell and Medicaid capabilities** will allow us to **compete effectively, drive better outcomes for members and patients, and deliver compelling shareholder value over the long-term**

### **Fourth Quarter and Full Year 2024 Results**

Today, Humana reported fourth quarter Adjusted net loss per share of \$2.16, consistent with expectations. Our results were underpinned by solid performance across the Insurance and CenterWell segments and are inclusive of additional investments in Stars to support long term value creation, as previously disclosed. The fourth quarter Insurance segment Adjusted benefit ratio of 91.9%, which includes a 20-basis point increase from incremental Stars investments, was consistent with expectations.

We are pleased to deliver full year 2024 Adjusted EPS and Insurance segment benefit ratio results in line with our initial guidance while also making incremental investments to position the company for long term success. In addition, we grew our individual MA membership over 250,000, or approximately 5%, while taking incremental pricing action to mitigate reimbursement pressure, and further expanded our Medicaid footprint which now covers 13 states. Finally, we advanced our integrated health strategy during 2024 with further expansion of our CenterWell platform, including the addition of 48 centers and nearly 100,000 patients in our Primary Care business representing growth of approximately 16% and 33%, respectively.

### **2025 Outlook**

2025 represents a critical step on our margin expansion journey. Our 2025 MA pricing strategy was focused on resetting pricing and membership to more accurately reflect the funding and medical cost trend environment, improving underlying margins. We assessed the needs and benefit preferences of various consumer segments, the current and expected profitability of our offerings and greatest opportunities for attractive membership growth, making targeted plan and county exits if we did not see a path to sustainable profitability over a reasonable timeframe. Importantly, we remain confident in our expectation that our 2025 MA pricing will drive the intended underlying margin improvement contemplated in bids. From a membership perspective, we now anticipate full year Individual MA membership losses of approximately 550,000, inclusive of plan and county exits. See additional discussion of our 2025 MA membership expectations below.

The path to achieving compelling margins in individual MA is a multi-year process. We are investing in the near term to improve member outcomes and support operational excellence which, when combined with disciplined pricing, is expected to lead to high quality membership growth that will drive compelling returns for our shareholders over the long term. As previously discussed, we are planning to invest in 2025 to further strengthen our operating performance in areas including Stars, supporting clinical excellence and operating efficiencies, among others. These investments, while limiting margin expansion and earnings growth in the near term, position us for structural operational improvement, profitable growth and long-term value creation. Currently, we anticipate incremental investments of 'a few hundred million' dollars in these key drivers of the business in 2025. We will be disciplined and data driven in our investment decisions. As a result, the actual level of and timing of investments will be informed by early returns achieved and therefore may be adjusted throughout the year.

Accordingly, today we provided Adjusted EPS guidance for 2025 of 'approximately \$16.25', inclusive of the investments described above, which is consistent with our previous commentary of 'at least in line with 2024 results'. Our guidance assumes consolidated revenue in a range of \$126 to \$128 billion, reflecting approximately 8% year over year growth at the midpoint. Expected 2025 consolidated revenue growth is impacted by anticipated high single digit premium yield in our individual MA business, driven in large part by an increased direct subsidy due to the IRA, along with growth in Medicaid, Stand-Alone Part D (PDP), and agnostic activity in our CenterWell segment. These increases are partially offset by the expected reduction in individual MA membership, reimbursement headwinds in our Primary Care business, and a reduction in investment income.

With respect to medical costs, we anticipate a full year 2025 Insurance Segment benefit ratio in a range of 90.1% to 90.5% compared to the 2024 Adjusted ratio of 90.3%. Individual MA is expected to see an improving benefit ratio year over year, with plan exits, benefit changes, and favorable workday impacts more than offsetting the impact of IRA, our assumption of claims trend, the funding environment and incremental investments. In PDP, we expect the benefit ratio to increase several hundred basis points year over year driven by IRA changes. In addition, business mix puts upward pressure on the Insurance segment benefit ratio due to reductions in individual MA membership and growth in PDP and Medicaid. (see Appendix A) Finally, we anticipate our consolidated benefit ratio will be in line with the Insurance benefit ratio for the full year.

We anticipate the consolidated operating cost ratio to be in a range of 11.3% to 11.7% for 2025, an increase of 20 basis points at the mid-point from the Adjusted operating cost ratio of 11.3% in 2024. This increase is primarily driven by business mix changes, including within our CenterWell segment which runs a significantly higher operating cost ratio than our Insurance segment, along with the incremental investments described above, a portion of which is expected to impact operating expenses. These increases are partially offset by the impact of the IRA, as well as our ongoing focus on driving sustainable value creation from productivity and operating efficiencies. (see Appendix A)

Turning to earnings seasonality. As discussed above, the actual level of and timing of incremental investments will be informed by early returns achieved and therefore may be adjusted throughout the year. At this time, we expect first quarter earnings to be approximately 60% to 65% of expected full year 2025 Adjusted earnings and anticipate that the first quarter Insurance segment benefit ratio will be approximately 87.5%. The higher than historical earnings contribution expected in the first quarter is primarily driven by the impacts of the IRA, benefit changes (including the addition of deductibles), and favorable year over year workday seasonality.

#### **Individual MA Membership**

Turning to MA membership growth. We expect full-year individual MA membership losses of approximately 550,000 in 2025, compared to our previous commentary of 'down a few hundred thousand members'. Membership losses are driven in part by our decision to exit certain unprofitable plans and counties, which impacted approximately 560,000 members. The greater than previously anticipated full year membership loss is expected to be largely driven by a slightly lower recapture rate for members affected by plan exits, along with higher than expected D-SNP attrition. Given the

change in special election period (SEP) rules for D-SNP members in 2025, there is more uncertainty in the rest of year membership activity than is typical. We believe we have been prudent in the assumptions utilized in our full year membership outlook and will monitor actual experience closely.

As we focus our efforts on driving high quality membership growth, we have been pleased to see strong year to date performance in markets with a concentration of our best performing value-based partners including Florida, Illinois and Texas (excluding plan exits). Further, we are seeing a higher than historical percentage of our non-DSNP sales coming from individuals switching from peer MA plans. This activity reflects the strength of Humana's value proposition, which goes beyond benefit value and includes our best-in-class customer service and integrated health strategy oriented to driving better health outcomes.

Importantly, we remain confident in our pricing strategy as we prioritize serving membership which will drive sustainable, long-term value creation.

### **Group MA**

We expect group MA membership to be relatively flat year over year as we maintain pricing discipline in a competitive market. Given the group MA pricing cycles, we anticipate continued margin pressure in 2025. We remain focused on improving Group MA margins through renewal cycles to reflect the current reimbursement levels and cost trends, with the opportunity to significantly improve performance through pricing action in 2026 and beyond.

### **Stand Alone Part D (PDP)**

We were disciplined in the pricing and design of our PDP products for 2025 recognizing increased plan liability due to the IRA changes. Further, we are participating in the PDP Premium Stabilization Demonstration which limits the maximum amount of member premium increase, while narrowing the risk corridors and increasing the direct subsidy paid to plan sponsors.

We now expect net PDP membership growth of approximately 200,000 versus our previous expectation of largely flat membership. The improved expectations are largely driven by shifting competitive dynamics.

Turning to our PDP margin outlook, while we priced for positive margins in 2025, we are taking a conservative approach to guidance given the magnitude of IRA changes implemented this year. We will closely monitor PDP performance over the course of the year and adjust expectations as appropriate based on performance.

Finally, we are enhancing enterprise value from our PDP plans by driving increased mail order pharmacy usage and conversions to MA.

### **Medicaid**

In our Medicaid business, we are successfully expanding our footprint organically, including our recent "intent to award" wins in Georgia and Texas (subject to clearing state protest process), which brought our total awarded footprint to 13 states. We look forward to begin serving members in Virginia later this year, bringing our total Medicaid active

footprint to 10 states, with the Michigan Fully Integrated Dual Eligible (FIDE) contract on track to be implemented in January of 2026 driving our total to 11 active states. While the Texas and Georgia awards remain under protest, we are optimistic that these programs will move forward in 2026. Further, we have a bid outstanding in Illinois and are investing in our business development capabilities. We are pursuing priority states and advancing our Medicaid capabilities and growth prospects – leaning into enterprise innovation, existing community presence, and best practices. For context, our recent organic growth is unprecedented within the Medicaid industry, where incumbent MCOs have historically had a strong advantage over new entrants. In the last two years, Humana has launched or been awarded Medicaid plans in eight new states.

From a membership perspective, we currently anticipate growth of 175,000 to 250,000 members in 2025, representing an increase of approximately 16% at the midpoint, largely driven by the expected implementation of the Virginia contract and an additional membership allocation in Kentucky.

While we are excited about our historical and prospective growth opportunities, we are also focused on ensuring both operational and financial discipline. Notably, six of our ten active states have been operating less than 3 years with this cohort comprising approximately 45% of our 2025 Medicaid revenue; typically, it takes a newly added state a few years to reach break-even and eventually industry-standard margins. Florida is our most mature contract and has margins consistent with industry standards. We expect margin progression to align with industry levels as our business mix matures. In addition, we are working closely with our state and industry partners to ensure 1) rates reflect the acuity level of members maintaining coverage, and 2) rates in newly implemented states are updated to reflect recent trend experience. States have been generally receptive and collaborative. All in, we anticipate modest improvement in our Medicaid margin in 2025.

#### **Tricare**

Humana Military successfully transitioned to the new T-5 contract, which went live on January 1st, 2025. We are meeting or exceeding contract expectations in critical areas such as access to care, beneficiary service, enrollment, billing, and referrals. We are pleased with our ongoing collaborative partnership with the Defense Health Agency and honored to be able to serve approximately 4.6 million active-duty military, families, and retirees in the TRICARE East Region in 2025.

#### **CenterWell**

##### ***Primary Care***

Our multi payer Primary Care platform is key to our integrated value-based care strategy, creating value for our members and patients, and is expected to meaningfully contribute to enterprise earnings over time. We intend to continue to scale our platform through a combination of new center adds, patient growth and expansion of our IPA business, as we look to strategically grow our IPA affiliate footprint in additional states where we already operate centers.

Our IPA business allows the Primary Care Organization (PCO) to support affiliate practices through a multi payer portfolio of senior value-based contracts, enabling these practices to succeed in value-based care by leveraging our data and analytics infrastructure, clinical programs, and engagement model. Further, the current regulatory and funding environment has created opportunities as certain smaller provider groups have challenges adapting to the dynamic environment. We have been opportunistic, focusing on high value transactions in 2024, as evidenced by our lease agreement with Walmart to take over certain Walmart Health locations, as well as the addition of 41 centers in the fourth quarter through multiple highly attractive acquisitions. We anticipate exploring similar opportunities in 2025. All in, we expect to add approximately 20 to 30 centers in 2025, with a focus on scaling our Primary Care portfolio in key geographies.

From a patient panel perspective, we expect 2025 net patient growth of 30,000 to 50,000, reflecting approximately 10% growth at the midpoint, driven by organic growth, M&A, and additional growth with Original Medicare as a part of our ACO Reach program. We are excited about the recent launch of a new patient onboarding experience where new PCO patients that are also Humana health plan members have a more simplified onboarding experience – both prior to and during their visit to a center, eliminating paperwork and friction for both the patient and the provider. This is one example of our broader efforts to create a simpler experience through our integrated health strategy, contributing to 120 basis point improvement in voluntary termination rate (VTR) for Humana health plan members who are seen by the PCO across all markets.

Year-over-year we anticipate largely flat margins in our PCO business. The headwinds created by the continued phase in of v28 and addition of centers at various stages of maturation are expected to be offset by (1) advancement of our ongoing v28 mitigation activities, and (2) further maturation of our centers which are progressing through the J curve. We still anticipate we will largely mitigate the ultimate impact of the risk model changes over the three-year phase in through a multi-pronged plan including numerous operational efficiencies such as centralizing and streamlining administrative functions, standardizing the clinic operating model, and improving clinician productivity to increase capacity.

### ***Home***

In the Home, we expect further expansion of our value-based home care models. During 2025, OneHome will continue to pursue novel value-based home health care with the expectation of growing members in some form of value-based home health model by greater than 15% through innovative payment models and additional expansion of our CenterWell partnerships. These arrangements align incentives between the health plan and the home health provider, driving better coordination, lower cost, and a better experience and health outcomes for the patient. As an example, through OneHome's collaborative value-based model with CenterWell Primary Care in Florida and Texas in 2024, CenterWell Home Health successfully drove a relative reduction in length of stay of greater than 15% and an absolute decrease in recertification rates by greater than 10% versus baseline while maintaining consistent clinical outcomes performance, such as 60-day admission rates.

Within our CenterWell Home Health fee for service business, we anticipate a 'mid to high' single digit increase in home health admissions year over year. Further, we continue our comprehensive initiative to drive productivity and efficiency within our home operating model to offset reimbursement pressure. Our efforts are aimed at reducing overhead both through simplifying our home health organizational structure and centralizing and streamlining key functions. Examples of this important work include consolidating branch locations to reduce operating expense while maintaining broad geographic coverage, introducing technology to simplify the referral process, and the launching of AI solutions to improve clinical documentation and reduce administrative tasks for our clinicians.

### ***Pharmacy***

Our CenterWell Pharmacy business expects to sustain industry leading mail order penetration for Humana health plan members in 2025. In addition, we are focused on expanding our agnostic client base and anticipate strong growth in our agnostic volume this year driven by new and existing client growth.

Within Humana Pharmacy Solutions, our Pharmacy Benefit Manager (PBM) business, we remain focused on providing convenient and affordable access to medications for Humana health plan members. As a reminder, our PBM fees are not linked to drug prices. Further, our PBM activity is intercompany and is reported and eliminated within our Insurance segment.

### **Net Investment Income**

In 2025, we anticipate a high single digit percentage reduction in investment income driven by the cumulative impact of rate cuts in 2024 and further rate reductions expected throughout this year. In addition, we expect interest expense to be largely consistent year over year. Collectively, net investment income is expected to be down approximately \$100 million year over year.

### **Capital Deployment**

We will remain prudent in our near-term capital deployment approach as we fully assess our Stars mitigation plans and until we have better visibility into the final 2026 MA funding environment and our MA pricing strategy. As a result, our current 2025 outlook does not contemplate share repurchase activity. We will re-evaluate our capital deployment plans throughout the year, taking a balanced approach to evaluating capital investments and returns.

Further, we are evaluating optimal timing to execute on the call option for the first cohort of 18 clinics built in 2020 as part of the WCAS joint venture. The call period begins June 30, 2025, and continues for one year.

Finally, we intend to maintain our dividend flat year over year on a per share basis throughout 2025.

### **Stars Program**

As previously shared, we are focused on returning to an industry leading Stars position as quickly as possible and have initiatives underway to improve performance for measures that have not kept pace with the industry. Areas of

focus include enhancing member and provider engagement strategies and incentive programs, improving customer experience, optimizing vendor relationships, and strengthening technology integrations to support operational excellence.

2026 Stars (payment year 2027) results will be released by CMS in October 2025, with calendar year 2024 as the measurement period for most measures. As you know, our overall 2026 Star ratings will be determined by (1) our performance and (2) peer performance and the resulting industry cut points. With respect to our performance, given the higher than anticipated industry cut points for 2025 Stars (payment year 2026), we invested in the final months of 2024 to accelerate our performance on impactable 2026 Star measures through year end and were pleased to see our efforts yield positive results. However, the industry cut points remain unknown and we had a limited timeframe to impact results post receipt of the 2025 Star results. As a result, risk remains regarding our overall 2026 Star results.

Looking ahead to 2027 Stars (payment year 2028), the measurement period is calendar year 2025 for most measures. We set our targets with the goal of having an appropriate buffer between our performance and the expected industry cut points to provide increased confidence in our ability to recover to an industry leading position. We are working to ensure we achieve the performance targets set for all 2027 Stars measures, and we have enhanced our internal governance and performance reporting to increase visibility across the enterprise.

### **Closing**

We had a solid finish to 2024 in a dynamic environment and were pleased to provide initial 2025 Adjusted EPS guidance consistent with our previous commentary. Looking forward, we remain committed to returning to industry leading Stars performance and achieving individual MA pretax margin of 'at least 3%'. 2025 represents a critical step on this margin expansion journey. We reset our MA pricing and membership to improve underlying margins and are investing to improve member outcomes and support operational excellence, positioning the company for long-term success. In addition, we are advancing our Medicaid and CenterWell strategies which are expected to drive increased earnings contribution over the mid and longer term as they mature through their respective J curves.

We have conviction that the strong core fundamentals and growth outlook for MA and value-based care remain intact and that Humana's platform, unique focus on MA, and expanding CenterWell and Medicaid capabilities will allow us to compete effectively, drive better outcomes for our members and patients, and deliver compelling shareholder value over the long term.

We appreciate your ongoing support and look forward to providing further updates in the coming months.

Jim Rehtin, President and Chief Executive Officer

Celeste Mellet, Chief Financial Officer

## Appendix A



