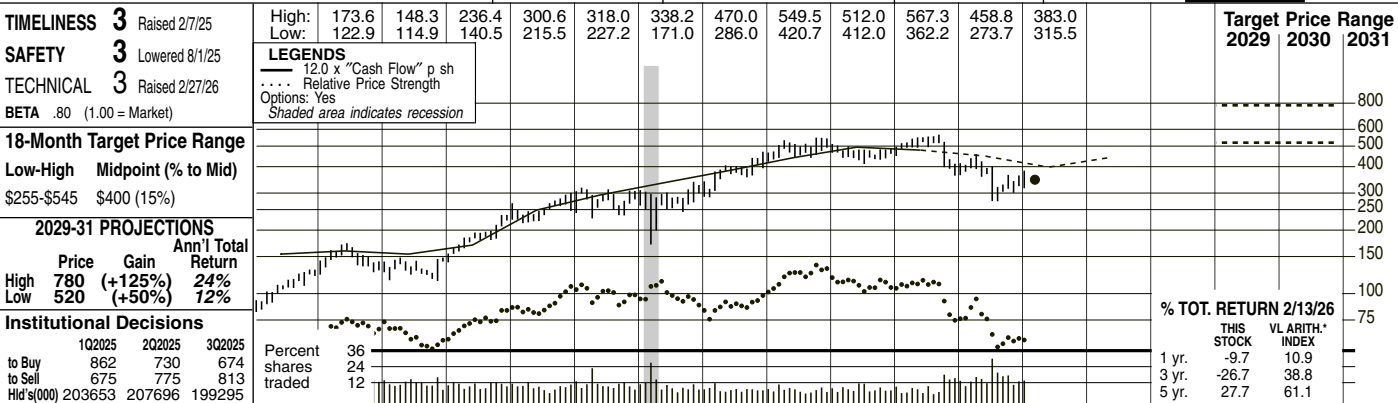


# ELEVANCE HEALTH NYSE-ELV

RECENT PRICE **346.80** P/E RATIO **13.3** (Trailing: 11.8; Median: 15.0) RELATIVE P/E RATIO **0.68** DIV'D YLD **2.1%**

**VALUE LINE**



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
154.04	178.89	202.52	251.45	276.90	303.01	321.76	352.10	357.83	407.80	492.29	566.42	654.15	730.29	770.20	<b>890.00</b>	<b>886.35</b>	<b>913.65</b>	Revenues per sh <sup>A</sup>	1128.55
9.29	9.68	11.15	12.03	12.82	13.27	12.82	14.18	20.71	24.48	28.00	31.90	36.70	41.25	39.95	<b>37.40</b>	<b>33.15</b>	<b>36.35</b>	"Cash Flow" per sh	54.55
6.94	7.25	8.18	8.20	8.98	9.38	9.21	10.21	15.89	19.44	22.48	25.98	29.07	33.14	33.04	<b>30.29</b>	<b>26.00</b>	<b>29.70</b>	Earnings per sh <sup>B</sup>	46.45
--	1.00	1.15	1.50	1.75	2.50	2.60	2.70	3.00	3.20	3.80	4.52	5.12	5.92	6.52	<b>6.84</b>	<b>7.14</b>	<b>7.60</b>	Div'ds Decl'd per sh <sup>C</sup>	9.00
1.20	1.53	1.79	2.29	2.68	2.44	2.21	3.13	4.69	4.26	4.16	4.50	4.84	5.56	5.52	<b>5.05</b>	<b>5.70</b>	<b>6.00</b>	Cap'l Spending per sh	6.20
63.41	68.62	78.11	87.68	90.90	88.21	95.17	103.64	110.88	125.45	135.28	149.15	152.58	168.64	181.62	<b>197.65</b>	<b>226.35</b>	<b>239.50</b>	Book Value per sh <sup>D</sup>	267.40
375.51	339.37	304.72	282.46	266.79	261.24	263.75	255.72	257.40	252.92	245.40	241.77	237.96	233.07	227.48	<b>222.00</b>	<b>220.00</b>	<b>220.00</b>	Common Shs Outst'g <sup>E</sup>	210.00
8.2	9.5	7.8	9.6	12.1	15.7	14.5	18.1	15.7	14.3	12.4	14.5	16.6	14.1	15.0	12.0	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	14.0
.52	.60	.50	.54	.64	.79	.76	.91	.85	.76	.64	.78	.96	.78	.78	.63			Relative P/E Ratio	.80
--	1.5%	1.8%	1.9%	1.6%	1.7%	2.0%	1.5%	1.2%	1.1%	1.4%	1.2%	1.1%	1.3%	1.9%			Avg Ann'l Div'd Yield	1.6%	

**CAPITAL STRUCTURE as of 9/30/25**  
 Total Debt \$33181 mill. Due in 5 Yrs \$5787 mill.  
 LT Debt \$31173 mill. LT Interest \$1225 mill.  
 (Total interest coverage: 7.7x) (40% of Cap'l)

**Leases, Uncapitalized** Annual rentals \$184 mill.  
**Pension Assets-12/24** \$1.734 bill. **Oblig.** \$1.26 bill.  
**Preferred Stock** None

**Common Stock** 222,238,763 shares as of 10/1/25  
**MARKET CAP: \$77.1 billion (Large Cap)**

84863	90039	92105	103141	120808	136943	155660	170209	175204	197584	<b>195000</b>	<b>201000</b>	Revenues (\$mill) <sup>A</sup>	237000
7.5%	6.7%	8.6%	7.0%	7.3%	6.6%	6.6%	7.6%	6.1%	<b>5.5%</b>	<b>5.0%</b>	<b>5.5%</b>	Operating Margin	6.5%
911.9	890.4	1132.0	1133.0	1154.0	1302.0	1675.0	1745.0	1393.0	1546.0	<b>1575</b>	<b>1600</b>	Depreciation (\$mill)	1750
2469.8	2734.5	4199.0	5059.0	5717.0	6411.0	7058.0	7868.0	7694.0	<b>6750</b>	<b>5725</b>	<b>6535</b>	Net Profit (\$mill)	9755
45.8%	31.0%	25.7%	20.0%	26.2%	23.3%	23.1%	23.0%	24.6%	<b>22.0%</b>	<b>22.0%</b>	<b>22.0%</b>	Income Tax Rate	22.0%
2.9%	3.0%	4.6%	4.9%	4.7%	4.7%	4.5%	4.6%	4.4%	<b>3.4%</b>	<b>2.9%</b>	<b>3.2%</b>	Net Profit Margin	4.1%
13021	12907	12356	15416	16298	16237	15921	51245	12892	<b>21965</b>	<b>22000</b>	<b>25250</b>	Working Cap'l (\$mill)	33620
14359	17382	17217	17787	19335	21157	22349	23246	29218	30979	<b>31000</b>	<b>31000</b>	Long-Term Debt (\$mill)	30000
25100	26503	28541	31278	33199	36060	36307	39306	41315	43882	<b>47810</b>	<b>49800</b>	Shr. Equity (\$mill)	56150
7.2%	7.1%	10.0%	11.0%	11.6%	11.9%	12.8%	13.4%	11.7%	9.0%	<b>7.0%</b>	<b>8.0%</b>	Return on Total Cap'l	11.5%
9.8%	10.3%	14.7%	15.9%	17.2%	17.8%	19.4%	20.0%	18.6%	15.4%	<b>12.0%</b>	<b>13.0%</b>	Return on Shr. Equity	17.5%
7.1%	7.7%	12.0%	13.4%	14.3%	14.7%	16.1%	16.5%	15.0%	<b>13.0%</b>	<b>10.0%</b>	<b>11.0%</b>	Retained to Com Eq	14.5%
28%	26%	18%	16%	17%	17%	17%	18%	20%	20%	<b>17%</b>	<b>20%</b>	All Div'ds to Net Prof	18%

**BUSINESS:** Elevance Health, formerly Anthem Health, is a health benefits company, serving 45.7 million medical members through its affiliated health plans (12/24). Offers network-based managed care plans to commercial, individual, and Medicaid and Medicare markets. Health Benefits was 73% of operating revenue and 68% of operating profits in 2023; CarelonRx (18%, 24%); Other (9%, 8%). Merged with WellChoice, 12/05. Has about 104,200 employees. Offs. & dirs. own less than 1% of stock; BlackRock, 9.0%; Vanguard 9.0%, (4/25 Proxy). Chair: Elizabeth Tallett. Pres. & CEO: Gail Boudreaux. Inc.: Delaware. Address: 220 Virginia Ave., Indianapolis, Indiana 46204. Telephone: 800-331-1476. Internet: www.elevancehealth.com.

**CURRENT POSITION** 2023 2024 9/30/25 (\$MILL)

Cash Assets	36369.0	36369.0	36216.0
Receivables	12460.0	13055.0	14657.0
Other	11200.0	9518.0	12915.0
Current Assets	60029.0	58942.0	63778.0
Accts Payable	5607.0	6910.0	6927.0
Debt Due	1675.0	2014.0	2008.0
Other	33206.0	31640.0	34548.0
Current Liab.	41791.0	40581.0	43834.0

**Elevance's fourth-quarter earnings exceeded our subdued expectations, but we have lowered our 2026 estimate again.** Adjusted diluted earnings per share came in \$0.13 above our call, despite contracting margins and lower net investment income. We have cut our earnings estimate for 2026 by \$1.00 per share, to \$26.00, closer to management's newly guided outlook of at least \$25.50.

**Management is trying to control the damage.** Pricing is reportedly firm and leadership is exiting certain unprofitable regions. Plus, Elevance plans to get out of the standalone prescription drug plan business soon.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '22-'24 to '29-'31

Revenues	11.5%	14.0%	6.5%
"Cash Flow"	12.5%	14.5%	5.0%
Earnings	14.0%	16.0%	5.5%
Dividends	15.0%	14.5%	6.5%
Book Value	7.0%	8.0%	5.5%

**A confluence of negative factors will weigh on profitability.** The elevated cost trends that have pressured the bottom line over the past six quarters may moderate a bit, as utilization rates plateau. Still, adverse legislation affecting the industry will also hurt Elevance. For one, the government recently proposed just a modest 0.09% reimbursement rate (this news crushed most stocks within the industry during the last week of January). Medicare Advantage accounts for about a quarter of all premiums. Meanwhile, the expiration of tax credits and changes in the Affordable Care Act will likely cause healthier enrollees to not renew coverage, leaving less healthy members in Elevance's plans. Finally, Medicaid fund-

ing shifts will likely result in the loss of just under one million members. **Our long-term growth forecast is intact after the roll out of another year of projections.** We currently assume mid-single-digit revenue growth and low-double-digit earnings growth annually out to the end of the decade. Management reiterated its long-term, low-teen earnings growth objective from the lower base carved out this year.

**QUARTERLY REVENUES (\$ mill.) <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	41898	43377	42480	42454	170209
2024	42273	43223	44719	44989	175204
2025	48765	49421	50087	49311	197584
2026	<b>48500</b>	<b>48600</b>	<b>49200</b>	<b>48700</b>	<b>195000</b>
2027	<b>49000</b>	<b>50000</b>	<b>50500</b>	<b>51500</b>	<b>201000</b>

**EARNINGS PER SHARE <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	9.46	9.04	8.99	5.62	33.14
2024	10.64	10.12	8.37	3.84	33.04
2025	11.97	8.84	6.03	3.39	30.29
2026	<b>10.40</b>	<b>6.75</b>	<b>5.45</b>	<b>3.40</b>	<b>26.00</b>
2027	<b>12.00</b>	<b>7.65</b>	<b>6.10</b>	<b>3.95</b>	<b>29.70</b>

**QUARTERLY DIVIDENDS PAID <sup>C</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.28	1.28	1.28	1.28	5.12
2023	1.48	1.48	1.48	1.48	5.92
2024	1.63	1.63	1.63	1.63	6.52
2025	1.71	1.71	1.71	1.71	6.84

**Risk-averse accounts should probably steer clear.** Although 3- to 5-year total return potential is intriguing, the stock price will probably remain vulnerable to fundamental and headline risks, as has been the case periodically over the past few quarters. Venturesome investors with a more-benign view of the current legislative landscape may want to initiate a stake at the current price.

**Charles C. Moran** February 27, 2026

(A) Beginning in '19, premiums, administrative fees, and other operating revenue only.  
 (B) Diluted earnings. Excludes nonrecurring items: '17, \$4.14; '18, (\$1.70); '19, (\$0.97); '20, (\$4.50); '21, (\$0.75); '22, (\$4.26); '23, (\$7.92). Quarterly figures may not sum to total due to changes in share count. Next earnings report due late Apr.  
 (C) Dividends historically paid in late March, June, September, and December.  
 (D) Includes intangibles. In '24: \$40.4 billion; \$177.98/share. (E) In millions.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	70
Earnings Predictability	90

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