

Cigna Corp. (CI)

\$278.35 (Stock Price as of 11/26/2025)

Price Target (6-12 Months): **\$220.00**

Long Term: 6-12 Months

Zacks Recommendation: Underperform

(Since: 11/03/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

5-Strong Sell

Zacks Style Scores:

VGM: C

Value: B

Growth: D

Momentum: A

Summary

Cigna Group's third quarter earnings beat estimates. However, it faces rising operational challenges, reflected in escalating expenses and margin pressure. Total benefits and expenses jumped 12% year over year in the first nine months of 2025, largely due to higher pharmacy and other services costs. In the first nine months of 2025, the company's medical care ratio deteriorated 160 basis points year over year. It expects medical care ratio to be in the range of 83.2-84.2% in 2025. Its ROA of 5% is below the industry average of 5.6%. Its high debt level is concerning. Long-term debt amounted to \$30.9 billion as of Sept. 30, 2025, higher than cash and cash equivalents of \$6 billion. Its total debt-to-equity ratio of 81% is higher than the industry average. Given these headwinds, CI is perceived as a risky bet that investors should exit.

Data Overview

52 Week High-Low	\$350.00 - \$239.51
20 Day Average Volume (sh)	3,051,739
Market Cap	\$74.4 B
YTD Price Change	0.8%
Beta	0.44
Dividend / Div Yld	\$6.04 / 2.2%
Industry	Medical - HMOs
Zacks Industry Rank	Bottom 12% (213 out of 243)

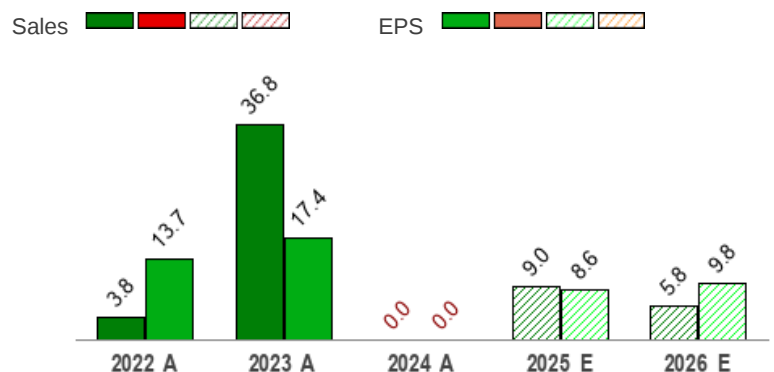
Last EPS Surprise	1.7%
Last Sales Surprise	3.6%
EPS F1 Est- 4 week change	-0.2%
Expected Report Date	01/29/2026
Earnings ESP	-0.4%

P/E TTM	9.8
P/E F1	9.4
PEG F1	1.0
P/S TTM	0.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	67,870 E	71,206 E	73,824 E	72,125 E	285,025 E
2025	65,452 A	67,134 A	69,570 A	69,145 E	269,447 E
2024	57,247 A	60,470 A	63,699 A	65,683 A	247,099 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	7.97 E	7.88 E	8.40 E	8.32 E	32.57 E
2025	6.74 A	7.20 A	7.83 A	7.96 E	29.67 E
2024	6.47 A	6.72 A	7.51 A	6.64 A	27.33 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 11/26/2025.

(2) The report's text and the price target are as of 11/04/2025.

Overview

Headquartered in Bloomfield, CT and formed in 1982, Cigna Corporation has rebranded itself as The Cigna Group. The company was formed as a result of a merger between Connecticut General Life Insurance Company and Insurance Company of North America. Cigna completed its combination with Express Scripts Holding Company by 2018-end. Shares of the new combined company trade on the NYSE under the stock ticker symbol "CI."

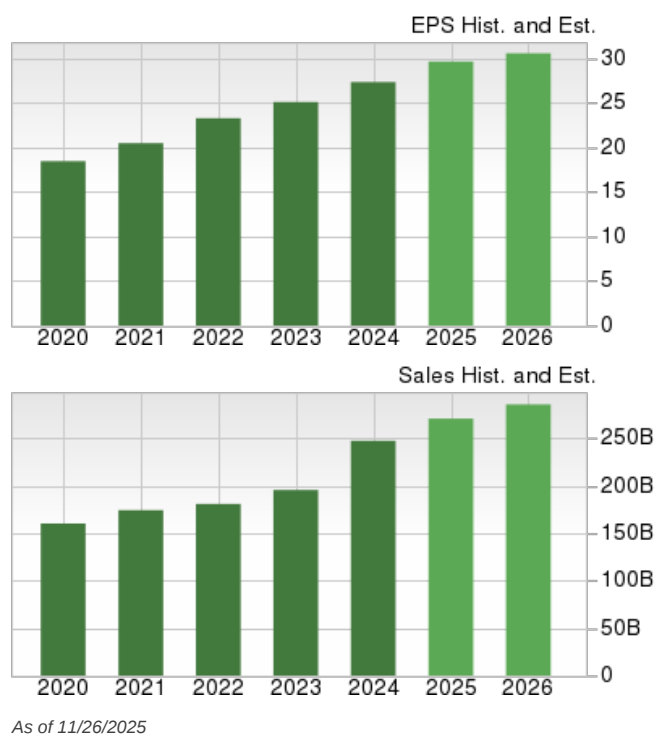
The global health company has also announced the rebranding of its segments, which are Cigna Healthcare and Evernorth Health Services.

Cigna Healthcare will take care of the health benefits function, catering to customers and clients through its U.S. Commercial, U.S. Government and International Health businesses. Meanwhile, the newly named Evernorth Health Services will operate as the pharmacy, care and benefits solutions provider.

In 2024 end, the company's reportable segments were as follows:

Evernorth Health Services (constitutes 79% of adjusted total segment revenues in 2024) includes a broad range of coordinated and point solution health services, including pharmacy services, benefits management, care solutions and data and analytics, which are provided to health plans, employers, government organizations, and health care providers.

Cigna Healthcare (21%): The segment comprises Cigna's U.S. Commercial, U.S. Government, and International Health businesses that provide comprehensive medical and coordinated solutions to clients and customers.



Reasons To Sell:

- ▼ **High Leverage:** The company carries a debt-laden balance sheet, which induces an increase in interest expenses. The stock carries a high leverage ratio. Its total debt-to-equity ratio of 81% at the third-quarter end remains higher than the industry average of 73.4%. At the third-quarter end, it had cash and cash equivalents of only \$6 billion. The long-term debt was a whopping \$30.9 billion. This can restrict its financial flexibility. Hence, it must service its debt uninterrupted, or else its creditworthiness could be dented.
- ▼ **Increase in Expenses:** Expenses have been increasing primarily due to pharmacy and other service costs, and medical costs and other benefit expenses. Total benefits and expenses escalated 9% year over year in 2023. The metric increased 4% year over year in 2024 and 12% year over year to \$195.6 billion in the first nine months of 2025. Going further, we expect expenses to remain elevated as the company continues to invest in growth and innovation. This will affect its bottom line.
- ▼ **Increase in Medical Costs:** The company experiences significant headwinds from increased medical costs due to a rise in normalized non-COVID utilization, partly offset by reduced COVID-19-linked testing and treatment costs. Medical care ratio for 2024 came in at 83.2% and for the first nine months of 2025, it came in at 83.3% deteriorating 160 bps year over year. For 2025, the company projects a medical care ratio of 83.2-84.2%.
- ▼ **Low ROA:** Cigna's return on assets (ROA) of 5% is below the industry average of 5.6%, suggesting that the company is less efficient in generating profit from its assets relative to its industry peers. It pursues divestitures of less profitable assets and improves returns. Given its ROA, the company has room to improve operational efficiency and optimize assets.

Escalating operating expenses and high medical cost ratio are some of the headwinds facing the company.

Risks⁽²⁾ (to the Underperform recommendation)

- The company's revenues have been increasing consistently since 2010. Adjusted revenues improved 8% year over year in 2023, courtesy of the company's well-performing businesses. The metric grew 26.5% year over year in 2024 and 11% year over year in the first nine months of 2025. The consistent top-line growth has been driven by several acquisitions, the company's superior operating performance, plus the provision of quality products and services. Adjusted revenues are forecasted at a minimum of \$252 billion for 2025, which indicates an improvement of at least 2% year over year. The company expects adjusted EPS to be at least \$29.60 in 2025, which indicates growth of at least 8.3% from the 2024 figure of \$27.33.
 - Cigna's strong financial position, substantiated by solid cash reserves and robust cash flows, has backed it to return capital to shareholders via share repurchases and dividend payouts. It has made share buybacks of around \$2.3 billion in 2023. Cigna bought back 20.9 million shares for around \$7 billion in 2024. In the first nine months of 2025, it repurchased a total of 8.2 million shares for \$2.6 billion. It paid dividends worth \$1.2 billion in the first nine months of 2025.
 - The company divested its life, accident and supplemental benefits businesses to insurer Chubb and received net after-tax proceeds of around \$5.1 billion. The move is in sync with Cigna's efforts to focus more on its global health services portfolio. The company also divested its non-health insurance unit, Group Life and Disability insurance business to New York Life, America's largest mutual life insurer. This move is in line with the company's efforts to reduce its debt level, which increased after the buyout of Express Scripts. The company completed the divestiture of its Medicare business to HCSC. It is expected to make further "value-enhancing divestitures" in the coming days.
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Last Earnings Report

Cigna Q3 Earnings Beat Estimates on Evernorth Health Unit Strength

Cigna reported third-quarter 2025 adjusted earnings per share (EPS) of \$7.83, which beat the Zacks Consensus Estimate by 1.7%. The bottom line advanced 4% year over year.

Adjusted revenues of \$69.6 billion rose 9% year over year. The top line beat the consensus mark by 3.6%.

The strong quarterly results benefited on the back of strong results from its Evernorth Health Services segment, driven by new business and client relationship expansion, Pharmacy Benefit Services' strength and improved specialty volumes. However, the upside was partly offset by a decline in medical customers following divestitures to Health Care Services Corporation ("HCSC") and an elevated expense level.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	3.59%
EPS Surprise	1.69%
Quarterly EPS	7.83
Annual EPS (TTM)	28.41

CI's Q3 Performance

Cigna's medical customer base came in at 18.1 million as of Sept. 30, 2025, which declined 5.2% year over year but came in line with the Zacks Consensus Estimate. The metric was affected due to the sale of its Medicare Advantage, Medicare Individual Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits, and CareAllies businesses to HCSC.

Total benefits and expenses increased 10% year over year to \$67.2 billion in the quarter under review due to higher pharmacy and other service costs. The adjusted SG&A expense ratio of 4.6% improved 90 basis points (bps) year over year, resulting from a shift in business mix.

Adjusted income from operations totaled \$2.1 billion, which declined 1% year over year due to lower contributions from the Cigna Healthcare unit.

Cigna's Segmental Update

Evernorth Health Services: The unit recorded revenues of \$60.4 billion in the third quarter, which advanced 15% year over year and surpassed the Zacks Consensus Estimate of \$57.2 billion. The metric benefited from new business growth and expanding client relationships in Pharmacy Benefit Services, coupled with improved specialty volumes in Specialty and Care Services.

Adjusted operating income, on a pre-tax basis, rose 1% year over year to \$1.9 billion and beat the consensus mark by 1.1%. The metric was aided by solid organic growth in specialty businesses. However, the adjusted pre-tax margin of 3.2% deteriorated 40 bps year over year.

Cigna Healthcare: The segment's revenues of \$10.9 billion tumbled 18% year over year in the quarter under review and missed the Zacks Consensus Estimate by 0.1%. The metric suffered due to the HCSC transaction.

Pre-tax adjusted operating income dropped 12% year over year to \$1 billion, but came higher than the consensus mark by 2.4%. The metric was impacted due to a deteriorating medical care ratio (MCR).

MCR came in at 84.8% at the third-quarter end, which deteriorated 200 bps year over year due to elevated stop-loss medical costs and the Individual and Family Plans business.

Cigna's Financial Position (As of Sept. 30, 2025)

Cigna exited the third quarter with cash and cash equivalents of \$6 billion, which plunged 20.2% from the 2024-end level. Total assets of \$157.9 billion rose from the figure of \$155.9 billion at 2024-end.

Long-term debt amounted to \$30.9 billion, up 6.9% from the figure as of Dec. 31, 2024. Short-term debt totaled \$3.1 billion.

Total equity of \$42 billion grew 1.9% from the 2024-end level.

Cigna generated operating cash flows of \$3.1 billion in the first nine months of 2025, which fell 33% from the prior-year comparable period.

Cigna's Capital Deployment Update

Cigna bought back shares worth around \$2.6 billion in the first nine months of 2025.

Cigna's 2025 Outlook

Adjusted EPS is reiterated at a minimum of \$29.60, which indicates growth of at least 8.3% from the 2024 figure.

MCR is still projected in the band of 83.2-84.2%.

Adjusted operating income, on a pre-tax basis, for the Evernorth Health Services segment, is anticipated to remain at a minimum of \$7.2 billion.

Meanwhile, the metric for the Cigna Healthcare unit is still forecasted to be a minimum of \$4.125 billion.

Adjusted revenues were earlier forecasted at a minimum of \$252 billion, which indicates an improvement of at least 2% from the 2024 figure.

Adjusted operating income was earlier anticipated to be a minimum of \$7.9 billion, which indicates growth of at least 2.1% from the 2024 figure.

Operating cash flow was forecasted at around \$10 billion. Capital expenditures were earlier expected to be around \$1.4 billion.

Cigna earlier expected total medical customers to be roughly 18.1 million.

The adjusted SG&A expense ratio was earlier estimated at around 5.4%.

Valuation

Cigna's shares are down 6.3% year to date and down 18.8% over the past year. Over the year-to-date period, stocks in the Zacks sub-industry are down 28.3% while those in the Zacks Medical Sector are up 0.9%. Over the past year, the Zacks sub-industry is down 36.2% while the sector is down 8.8%.

The S&P 500 index is up 17.9% in the year-to-date period and 20.8% in the past year.

The stock is currently trading at 8.05X forward 12-month earnings, which compares to 15.32X for the Zacks sub-industry, 19.81X for the Zacks sector and 23.77X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.33X and as low as 7.62X, with a 5-year median of 10.64X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$220.00 price target reflects 6.84X forward earnings.

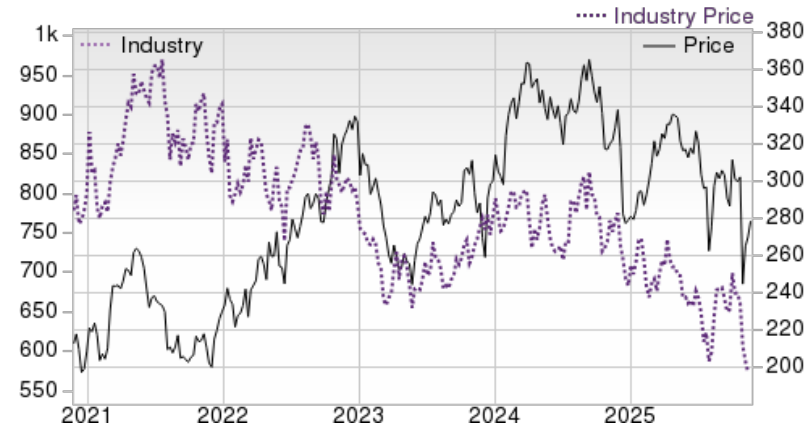
The table below shows summary valuation data for CI.

Valuation Multiples - CI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	8.05	15.32	19.81	23.77
	5-Year High	14.33	19.57	23.61	23.77
	5-Year Low	7.62	11.58	17.85	15.72
	5-Year Median	10.64	16.24	20.57	21.18
P/S F12M	Current	0.25	0.42	2.12	5.44
	5-Year High	0.56	0.99	3.39	5.52
	5-Year Low	0.23	0.34	2.01	3.84
	5-Year Median	0.41	0.8	2.63	5.04
P/B TTM	Current	1.64	2.1	3.85	7.49
	5-Year High	2.57	4.56	6.04	9.19
	5-Year Low	1.34	1.69	3.53	6.62
	5-Year Median	1.88	3.64	4.52	8

As of 11/03/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 12% (213 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Universal Health Ser...(UHS)	Outperform	1
Centene Corporation (CNC)	Neutral	3
Encompass Health Cor...(EHC)	Neutral	3
Humana Inc. (HUM)	Neutral	3
The Joint Corp. (JYNT)	Neutral	4
Select Medical Holdi...(SEM)	Neutral	2
UnitedHealth Group I...(UNH)	Neutral	3
Molina Healthcare, I...(MOH)	Underperform	5

Industry Comparison ⁽¹⁾ Industry: Medical - Hmos				Industry Peers		
	CI	X Industry	S&P 500	CNC	HUM	UNH
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	5	-	-	3	3	3
VGM Score	C	-	-	B	A	B
Market Cap	74.35 B	8.04 B	37.79 B	19.40 B	29.59 B	298.66 B
# of Analysts	11	6.5	22	8	11	12
Dividend Yield	2.17%	0.00%	1.47%	0.00%	1.44%	2.68%
Value Score	B	-	-	A	A	A
Cash/Price	0.09	0.53	0.04	1.07	0.81	0.11
EV/EBITDA	10.38	6.52	14.43	2.86	5.99	12.13
PEG Ratio	1.02	1.31	2.21	1.31	1.44	2.15
Price/Book (P/B)	1.77	1.68	3.33	0.92	1.59	2.94
Price/Cash Flow (P/CF)	7.36	7.36	14.90	3.99	10.31	10.18
P/E (F1)	9.38	13.45	20.17	19.69	14.41	20.24
Price/Sales (P/S)	0.28	0.28	3.03	0.10	0.23	0.69
Earnings Yield	10.64%	6.01%	4.94%	5.07%	6.94%	4.94%
Debt/Equity	0.74	0.72	0.57	0.83	0.68	0.71
Cash Flow (\$/share)	37.81	16.88	8.99	9.90	23.87	32.38
Growth Score	D	-	-	D	B	C
Hist. EPS Growth (3-5 yrs)	10.43%	4.77%	8.17%	4.77%	0.83%	10.68%
Proj. EPS Growth (F1/F0)	8.56%	-38.91%	8.30%	-72.11%	5.37%	-41.11%
Curr. Cash Flow Growth	0.31%	-4.12%	7.09%	1.16%	-30.97%	8.20%
Hist. Cash Flow Growth (3-5 yrs)	0.76%	6.11%	7.32%	14.85%	-0.73%	11.47%
Current Ratio	0.76	1.39	1.18	1.08	2.02	0.82
Debt/Capital	42.42%	42.71%	38.16%	45.51%	40.42%	43.01%
Net Margin	2.29%	1.98%	12.77%	-2.85%	1.02%	4.04%
Return on Equity	18.80%	10.34%	17.03%	7.82%	12.86%	19.23%
Sales/Assets	1.74	1.74	0.53	2.20	2.56	1.41
Proj. Sales Growth (F1/F0)	9.00%	9.97%	5.59%	18.50%	10.00%	11.90%
Momentum Score	A	-	-	D	D	C
Daily Price Chg	0.05%	0.03%	0.69%	-0.50%	3.41%	1.05%
1 Week Price Chg	3.13%	0.16%	2.57%	0.33%	-4.23%	-0.59%
4 Week Price Chg	-6.94%	-7.07%	-1.13%	5.68%	-15.95%	-7.19%
12 Week Price Chg	-7.36%	-11.79%	5.65%	31.27%	-21.15%	7.09%
52 Week Price Chg	-17.28%	-26.61%	13.57%	-34.16%	-17.09%	-45.81%
20 Day Average Volume	3,051,739	1,554,105	3,023,376	9,875,520	1,784,854	8,650,624
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-0.02%	0.00%
(F1) EPS Est 4 week change	-0.22%	0.02%	0.23%	18.30%	0.04%	0.72%
(F1) EPS Est 12 week change	-0.24%	0.49%	0.60%	22.18%	0.48%	0.50%
(Q1) EPS Est Mthly Chg	-1.75%	-7.72%	-0.09%	-42.99%	-8.41%	0.05%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	D
Momentum Score	A
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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