

UNITEDHEALTH GROUP®

UnitedHealth Group is a health care and well-being company with a mission to help people live healthier lives and help make the health system work better for everyone.

We are 340,000 colleagues in two distinct and complementary businesses working to help build a modern, high-performing health system through improved access, affordability, outcomes and experiences.

Optum combines clinical expertise, technology and data to empower people, partners and providers with the guidance and tools they need to achieve better health. UnitedHealthcare offers a full range of health benefits, enabling affordable coverage, simplifying the health care experience and delivering access to high-quality care.

We work with governments, employers, partners and providers to serve 146 million people and share a vision of a value-based system of care that provides compassionate and equitable care.

At UnitedHealth Group, our mission calls us, our values guide us and our diverse culture connects us as we seek to improve care for the consumers we are privileged to serve and their communities.

Sustainability at UnitedHealth Group

Sustainability is an integral part of our business strategy, culture and mission as we work to help ensure the health care system works better for everyone in the near and long term.

- **Helping to Build a Modern, High-Performing Health System.** We are committed to a future that expands access to care, improves health care affordability, enhances the health care experience and achieves better health outcomes. Partnering with key stakeholders, we are advancing health equity, building healthier communities and supporting the ongoing response efforts to COVID-19.
- **Responsible Business Practices.** For more than 40 years we've developed strong and effective governance practices through compliance, board diversity and independence,

a commitment to ethics and integrity, and an emphasis on data security and supply chain management.

- **Our People and Culture.** We celebrate our people, ideas and experiences, creating a culture where all team members are appreciated, valued and able to reach their full potential. We join together as individuals — forming a team as diverse as the people we serve — in meeting our responsibility to improve the health system.
- **Environmental Health.** We recognize the important role the environment plays in the health of every community and we are committed to mitigating our impact on the environment.

[*Learn more in our **Sustainability Report**.*](#)

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Advancing enterprise growth priorities

UnitedHealth Group is working to build a health system with improved access, affordability, outcomes and experiences — not only for the 146 million people who we serve today, but for all Americans. To deliver on that ambition, we will continue to invest in and build upon our two distinct and complementary businesses — Optum and UnitedHealthcare — to further expand our market positions in the following strategic growth areas:

Value-based, Comprehensive Care Delivery. With more than 60,000 employed or aligned physicians serving over 20 million patients and more than 100 payer partners, UnitedHealth Group's care delivery business is strongly positioned to help providers and payers transition from fee-for-service to value-oriented models designed to achieve higher-quality outcomes at lower cost.

Today, Optum Health serves 4.5 million people through risk-based contracts, including more than 2.2 million people through physician-led, fully accountable care. And while we've built the most comprehensive, value-based network in the U.S. — integrating primary, specialty, urgent, post-acute and home including virtual, behavioral and outpatient care — we believe we are still in the early stages of this journey. Looking ahead, we will continue to integrate our capabilities across our clinical, in-home and virtual assets, strengthen physician incentives across our care models, and broaden our reach to more people with commercial insurance and more Medicare and Medicaid beneficiaries. At the same time, UnitedHealthcare, a national leader in provider-oriented, value-based care will continue to deepen these relationships and collaborate with Optum in a range of value-based models.

Health Benefits. We will continue to invest to maintain our market-leading position in health benefits. Today, UnitedHealthcare serves more than 50 million people across its commercial and

government programs, yet we estimate as many as 80 million people are currently not being served by managed care, which presents a significant opportunity for growth and to deliver better care and outcomes across all lines of business, especially within our government programs. To appeal to more individuals and employers, we will continue to prioritize making coverage more affordable, simplifying the member experience and incentivizing high-quality, supported care.

Health Technology. We believe we can play a vital role in using clinical data and intelligence to help redesign, automate and deploy new technologies to simplify administrative processes and clinical decision-making. Today this enables physicians and health systems to operate more efficiently and effectively, and better serve their patients. As a payer, provider and technology company, UnitedHealth Group is uniquely positioned to bring greater transparency and quality to the marketplace, by continuing to grow our portfolio of comprehensive market-level health system partnerships and improve clinical alignment with physicians, claims accuracy and administrative efficiency.

Health Financial Services. Streamlining payment processes for consumers and providers is a fundamental aspect of a modern health system. We believe integrating the end-to-end health banking and payments experience will help providers get paid more accurately, faster and with less administrative burden, making payments simpler, more convenient and affordable for consumers.

Pharmacy Services. As the most common touch point in health care, pharmacy care services are vital to improving patient outcomes and reducing total cost of care throughout the health system. Looking ahead, we see opportunity in several areas including: continuing to innovate as one of the industry's largest pharmacy benefit managers, strengthening our direct-to-consumer offerings, capturing greater share of the growing life sciences market and seamlessly integrating our medical, pharmacy, behavioral and community health capabilities.

Long-term financial performance outlook

We anticipate continued growth of our health care enterprise, as a result of delivering differentiated value to our customers, consumers and society as a whole. We continue to maintain a long-term outlook for earnings per share (EPS) growth of 13% to 16% on average, with more than two-thirds of this growth driven by earnings from operations and the remainder from capital deployment. Earnings growth rates inherently vary year to year, due to changes in economic conditions, health program funding and regulatory changes, capabilities investments to drive future organic growth, and capital allocation activities such as business combinations, share repurchases and sustaining of our market-leading dividend. Following are specific elements of our long-term growth outlook:

- We expect UnitedHealth Group to average annual revenue growth in the upper single digits.
- Overall, we expect Optum to have a double-digit revenue growth rate. Margins could range from above 20% for technology products, to low- to mid-single-digit margins for some pharmacy care services.
- We expect UnitedHealthcare to continuously improve the value delivered to customers, resulting in growth across the businesses.
 - Our Medicare business is expected to continue to grow as the population ages and becomes even more polychronic, increasing the value of our coverage and services to Medicare beneficiaries, as compared to Original Medicare.
 - We expect our Medicaid business to grow as more states expand coverage and shift from a traditional fee-for-service system to managed care, especially for people with the most acute and complex care needs.
 - We see new innovative offerings as driving growth in the commercial business in the years to come.

- Aggregating UnitedHealthcare's businesses, we expect the medical care ratio to rise over time as less penetrated, high-growth-potential government programs expand, which inherently come with a higher medical care ratio than our commercial businesses.
- Consistent with recent years' results, we expect to sustain a strong overall mid-single-digit percentage operating margin over the long term, with variation based on business mix.
- On an equivalent business mix, we anticipate improving our operating cost ratio by an average of 20 to 40 basis points per year.
- We will continue to deploy capital through targeted acquisitions, seek to maintain a market-leading dividend and expect to continue ongoing share repurchase activity. We expect these will contribute in the range of 3 to 5 percentage points to our earnings per share growth rate.
- We expect our business performance and capital deployment will yield a sustainable return on equity of 20% or higher and return on invested capital in the mid-teens percent or greater.

Measuring and improving experiences through Net Promoter System (NPS)

For many years, UnitedHealth Group has used NPS to measure experiences across the health care journey, helping us improve everything from product design, to channel delivery, to customer service. Since introducing NPS testing and surveys, we've seen significant improvements in performance.

NPS is linked directly to our business goals, tied to our compensation systems and influences the decisions we make every day. As a result, we continue to associate strong NPS performance with positive economic factors such as customer retention, growth pipeline, consumer satisfaction and loyalty. We've also been able to show how our commitment to NPS, and the consumer experience propels improved access, affordability and outcomes.

We're deepening our efforts to improve NPS by collaborating across our businesses to transform those experiences and journeys our consumers and patients tell us are most important to them.

Innovating and investing to advance health equity

For the last two decades, UnitedHealth Group has led hundreds of local and national health equity initiatives and invested millions of dollars in partnerships with like-minded change-making organizations. Our efforts are focused in four areas, including:

- **Expanding access to care** through the combined capabilities of Optum and UnitedHealthcare to create a modern, high-performing health system and working with community partners and academic institutions to develop and implement interventions that help make sure people can get the care they need.
- **Creating a diverse health workforce** reflective of the communities we serve and advancing a culture within our company that embraces inclusion, diversity, innovation and growth to better enable high-quality care for all.
- **Addressing social determinants of health** through meaningful community investments that support affordable housing, food insecurity and social isolation, and using interactive digital tools to personalize care for underserved populations.
- **Improving maternal health** through partnerships with federally qualified health centers, as well as predictive analytics and care management programs that support at-risk mothers.

This year, the United Health Foundation released its inaugural [America's Health Rankings Health Disparities Report](#), which underscores the broad and deep nature of health disparities, while documenting their persistence over time.

Balancing capital allocation among key priorities

We regularly consider the balance of allocating the capital created by our strong cash flow among several key priorities: ensuring the capital strength of our regulated entities and the overall enterprise capital structure; internal reinvestment opportunities; further growth through acquisitions; and returning capital to shareholders through dividends and share repurchases. Our board has authorized a double-digit increase in the dividend each year since 2010, to the current annualized level of \$5.80 per share per year. The dividend has grown to approximately \$5.5 billion per year on an annualized basis. The dividend is reviewed by management and the board on a regular basis, subject to business needs and market conditions.

From late 1997 to the end of September 2021, UnitedHealth Group repurchased approximately \$65 billion worth of stock, representing over 1.5 billion shares at a weighted-average cost of approximately \$42 per share.

We continue to believe in a measured approach to our share repurchase and shareholder dividend policies moving forward.