

UNITEDHEALTH GROUP®

Third Quarter 2026 Results Teleconference Prepared Remarks October 13, 2026

Moderator:

Good morning, and welcome to the UnitedHealth Group Third Quarter 2026 Earnings Conference Call. A question and answer session will follow UnitedHealth Group's prepared remarks. As a reminder, this call is being recorded.

Here is some important introductory information. This call contains "forward-looking" statements under U.S. federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially from historical experience or present expectations. A description of some of the risks and uncertainties can be found in the reports that we file with the Securities and Exchange Commission, including the cautionary statements included in our current and periodic filings.

This call will also reference non-GAAP amounts. A reconciliation of the non-GAAP to GAAP amounts is available on the "Financial & Earnings Reports" section of the Company's Investor Relations page at www.unitedhealthgroup.com.

Information presented on this call is contained in the Earnings Release we issued this morning and in our Form 8-K dated October 13, 2026, which may be accessed from the Investor Relations page of the Company's website. I will now turn the conference over to the chairman and chief executive officer of UnitedHealth Group, Steve Hemsley.

Steve Hemsley

Good morning and thank you for joining us today.

Our third quarter performance reflects actions taken throughout 2026, driving meaningful progress and reinforcing our confidence to sustainably grow in 2027 and beyond within our 13 to 16% long-term target growth range.

Our revised full-year 2026 guidance reflects continuing improvements in leadership and execution across Optum and UnitedHealthcare as we better align

our businesses to serve the demands of the ever-changing U.S. healthcare environment.

We are accelerating the modernization of our enterprise by advancing simplified and more responsive policies, processes and tools; focusing on more effective integrated value-based care offerings; and responsibly building modern agentic infrastructure as we seek to ensure people have access to higher-quality care at lower costs, and at the same time clinicians experience a simpler, faster and more supportive system.

Across the businesses, AI-enabled capabilities are beginning to help clinicians spend more time with patients, improve service speed and experience, streamline administration and reduce friction for both consumers and clinicians. A few examples:

- We have expanded AI-enabled chart summarization to more than 40% of our employed clinicians, reducing chart review time by 33%;
- AI-enabled information gathering and research have shortened appeal cycle times by 26%, improving both member and clinician experience, and we expect this to accelerate in 2027;
- And for this year's Medicare Advantage Annual Enrollment Period, we are introducing AI-powered plan recommendations that use a member's care history and local plan options to help simplify their selection.

By the end of this year, we are on track to implement all previously announced prior authorization reforms, reducing decision timelines for patients, relieving administrative burden for clinicians and delivering better experiences for people. Collectively, these initiatives will reduce total prior authorizations by 30%, including a reduction of two-thirds in prior authorizations for people under the age 18.

These efforts are only the beginning – more will follow. They are central to how we are changing our enterprise to be more in line with our mission, creating greater value and positive social impact.

In that vein, an important effort is the reimagined United Health Foundation. With \$1 billion committed to date, the foundation's investments, along with the

dedicated operational expertise of UnitedHealthcare and Optum, can help facilitate scaled solutions to some of the U.S. health system's greatest challenges, including rural health, maternal and infant health, behavioral health and workforce education. As just one example, in Tennessee, the Foundation is helping expand and operate health hubs across the state, providing access to underserved communities in preventive care and chronic condition support. We will continue to highlight the foundation as part of our commentary on our earnings calls going forward.

The broader health care environment remains dynamic. Policy-driven regulatory developments, changing consumer expectations and the rapid evolution of clinical care, and advances in technology continue to reshape the industry. These factors are pressuring basic affordability and access as never before. Success requires continuous adaptation – and the pace is accelerating.

We recognize this and remain restless in our pursuit of change and improvement. We are challenging our assumptions, revising policies and practices and repositioning leadership and capabilities to better meet the needs of those we serve and to move faster as an enterprise to adapt to the changing healthcare landscape. That includes opportunities to better align with clinical partners, employers and government benefits sponsors, to help improve the experience of all stakeholders in healthcare.

We have made progress in our 2026 performance. We have much to do to approach the full potential of our mission and the positive impact we can make as an enterprise. UnitedHealth Group has a long history of evolution to meet the needs of a changing U.S. health system. We are committed to accelerating these efforts as a stronger, more capable, more mission-centered enterprise.

With that, let me turn the call over to Tim Noel.

Tim Noel

Thanks, Steve.

UnitedHealthcare is seeing positive momentum across our Medicare and Medicaid businesses, while our commercial business continues to adjust to a

challenging but steadily stabilizing environment. Costs remain stubbornly high across the entire healthcare landscape, and particularly in areas such as specialty pharmacy and acute healthcare service intensity.

We continue to address the challenge of increasingly expensive care with appropriate medical management, operational discipline and a commitment to identify and remove excess and unnecessary costs from our own enterprise as we advance simpler and more modern services. We are working to deliver stable benefits and value for our members and customers. We believe this positions us for continued organic growth and long-term value creation entering 2027.

Let me start with our Medicare business, where the Annual Enrollment Period begins later this week.

Medicare Advantage remains the choice of well more than half of eligible American seniors as it offers better and more modern benefits and, importantly, better outcomes than fee-for-service Medicare. Beneficiaries choosing Medicare Advantage save on average more than \$4,000 annually through lower premiums and cost sharing, than those on original Medicare.

With adequate funding, we believe Medicare Advantage will continue to be the choice of American seniors, particularly those who are disadvantaged and have chronic care challenges as they seek better value and modern care.

Heading into 2026, we made deliberate decisions regarding Medicare Advantage benefit design and market positioning to preserve the long-term sustainability and performance of our Medicare Advantage offerings. We continued this disciplined approach for 2027.

We believe we are competitively positioned, focused on providing value for seniors in the markets we serve while being mindful of trend dynamics. In 2027, UnitedHealthcare will continue to prioritize high-value HMO, chronic special needs and dual special needs offerings.

Our commitment to serving America's seniors is clear: More than 94% of Medicare eligible individuals nationwide will have access to a UnitedHealthcare Medicare plan, and approximately 90% of Medicare-eligible consumers will have access to one of our Medicare Advantage plans with a \$0 premium option. We

are maintaining important benefits such as dental, vision, hearing and additional health and wellness offerings that make a real difference in the lives of seniors.

UnitedHealthcare chronic special needs plans will be available to nearly 50 million Medicare-eligible individuals in 2027, providing specialized support for people living with conditions such as diabetes, cardiovascular disease and chronic heart failure.

These plans offer benefits and access to care tailored to the unique needs of individuals managing chronic conditions, helping them connect with the care, medications and support they need.

Much of this work is in coordination with our partners at Optum Health, where evidence shows chronically complex seniors served by integrated value-based care experience better preventive care while improving health outcomes at lower costs. Medicare Advantage patients in value-based care arrangements are 40% less likely than traditional Medicare patients to be hospitalized for acute and chronic conditions, and 40% less likely to be readmitted to a hospital within 30 days of discharge.

Moving to Stars...our initial Star ratings for payment year 2028 reflect our investments in quality, member experience and operating execution. As we move through 2027 and into 2028, we expect to approach 75% of total members in 4-plus Star plans, compared to the industry average of 70%. Our team remains intensely focused on building a best-in-class consumer and clinical experience, and along with better benefit design and stability going forward, we believe those efforts will continue translating into stronger quality performance over time. We will continue to work in support of CMS quality program efforts to ensure the Medicare Advantage program continues to provide quality experience and stability to the 36 million seniors who depend on it.

Turning to medical costs, the actions we've taken to improve and modernize care management, strengthen clinical engagement and enhance operating discipline are having a meaningful effect. Care intensity remains elevated relative to historical norms, even as we continue to see signs that trends are bending in a more stable direction than what we have recently experienced. We remain

respectful of trend and are not assuming any deceleration to historical patterns or to ongoing clinician pricing pressure.

Demand for care remains strong, particularly among senior and complex populations, and we fully support appropriate access to care for our members.

Turning to the commercial business, performance continues to stabilize as we navigate a challenging market. As we previously noted, trends for commercial benefits are exceeding our initial expectations of 11%, driven by an acceleration of costs related to the No Surprises Act, greater cost intensity from clinicians and high-cost specialty drugs.

Of particular concern is the ongoing abuse of the No Surprises Act dispute process by a relatively small number of clinician groups and third-party organizations. Arbitration awards can approach nearly 6% of total medical spend in some regions, translating to billions of dollars in excess costs for consumers, employers and the health system.

The law was intended to protect patients from unexpected bills, and we strongly support that objective. We will continue working with policymakers and regulators to ensure the law functions as intended and that healthcare dollars are directed toward appropriate patient care rather than significantly inflated market arbitration awards and volumes along with unnecessary administrative expense.

Medicaid remains stable through the back half of the year while our team continues to drive greater operational improvements through network curation and more effective behavioral health program initiatives. These actions help to partially offset the primary variable, which continues to be the timing and adequacy of state funding across several markets.

As we move through the balance of 2026, we continue to work collaboratively with our state partners to ensure rates appropriately reflect the acuity and healthcare needs of the families being served, including the impacts of regulatory actions. While progress has been made in many states, the timing of updates remains uneven.

Based on our current outlook, we continue to view 2026 as a trough year for core Medicaid margins, which we now expect to be moderately better than negative 1%.

Finally, we are focusing intently on enhancing our support for and relationships with clinicians and health systems. In addition to the prior authorization changes Steve mentioned, which we see as only the beginning, we are meaningfully speeding up our claims processing and payments and re-energizing our relationship engagement efforts with more dedicated resources and executive ownership. Our goal is to provide a more seamless experience for clinicians and health systems who work with us, and resolve issues more quickly.

As we look toward 2027 and beyond, we are shifting our focus to sustainable organic growth underpinned by improving Medicare fundamentals, a stronger commercial outlook, continued opportunities to enhance Medicaid performance, and an organization that is operating with greater discipline and accountability for all our stakeholders.

With that, I'll turn it over to Patrick.

Patrick Conway

Thanks, Tim.

Our results in the third quarter underscore the important work underway across all of Optum to lay the groundwork for long-term growth.

Starting with Optum Health...

Overall, Optum Health continued to deliver strong performance in the third quarter, driven by the continued return to value-based care principles combined with strong execution across our clinical programs and operational improvements enabling clinicians to focus more on their patients and improve patient experience. A few of the examples for this morning:

- A 27% increase from last year in online self-scheduling, making it easier for patients to reach clinicians.
- An increase in home health visits by 10% over last year.

- And we are very encouraged by the early success of our program to co-locate behavioral specialists within our primary care practices. The number of patients referred has doubled since last year, with an engagement rate of more than 90%.

As Tim mentioned, it is now more important than ever to provide seamless care and coverage for our chronic and complex patients through all phases of the care continuum – from primary care, to specialist, to home, to the pharmacy.

Moving to Optum Rx. Our focus in this business continues to be on two efforts to ensure value alignment to the customers and patients we serve.

First, we continue to increase transparency on the PBM side of Optum Rx. Through the 2027 selling season, we have seen our industry-first affordability, experience and transparency initiatives resonating in the marketplace – and customers (the employers, governments, unions we serve) continuing to recognize the vital role of PBMs in controlling prescription drug costs and in ensuring people have access to the medications they need, particularly as the prices charged by drug manufacturers continue to increase. For the first time, over 50% of Optum Rx membership is external, non-UHC membership.

Second, we fundamentally believe that pharmacy services have to be closer to the patient. Accordingly, you will see continued efforts within our separate pharmacy services businesses to more closely align pharmacy care with medical care. Integrated value-based care means just that – integrated. When pharmacy care and medical care are aligned, outcomes improve for the patients we serve, access improves, and the total cost of care is lowered. Specifically within the pharmacy services side of Optum Rx:

- Genoa continues to expand its dedicated behavioral health pharmacy footprint and serve patients with serious mental illness and substance-use disorders,
- Specialty pharmacy continues to grow through both volume and mix, while improving patient support for increasingly complex therapies, and
- Infusion services are becoming more important as we help shift appropriate care into lower-cost and more convenient settings.

We will continue to expand our portfolio of integrated pharmacy services and align them as close to medical care settings as possible, delivering better care, convenience and access.

Turning to Optum Insight. 2026 has been both a performance and an investment year. And 2027 will show meaningful progress setting the foundation for accelerating growth in '28 and beyond. Our investment focus has been on further developing and bringing to market healthcare-specific AI solutions that enhance productivity performance outcomes while improving the patient and clinician experience.

Overall, we are looking to 2027 with confidence. Our major remediation work is largely complete and has created a strong foundation for growth across Optum.

With that, I'll turn it over to Wayne.

Wayne DeVeydt

Thanks, Patrick, and good morning.

Third quarter results reflect continued progress across the enterprise and improving execution in our businesses where we have been focused on operating reforms to drive better consumer and clinician experience.

For Q3 2026, we reported revenue of \$113 billion, and adjusted earnings per share of \$4.69, up from \$2.92 a year ago. Consolidated medical care ratio of 88.4% for the quarter compares to 89.9% last year. The quality of our earnings is strong and durable as we head into 2027.

At UnitedHealthcare, performance continued to reflect pricing discipline, fundamental medical cost management, and care delivery enhancements. We continue to be respectful of continued elevated utilization trends, which typically step up in the back half of the year, particularly in our risk-based businesses.

Within Optum Health, we are seeing steady progress from modernization, a return to a disciplined value-based care approach and operating improvements as the actions taken through 2026 begin to yield results.

In Optum Insight, performance is benefiting from technology and AI-enabled improvements, including payment integrity and broader operating efficiency,

while we invest into new areas to expand and modernize our offerings to drive growth.

And in Optum Rx, we continue to see the benefits of disciplined execution and the breadth of our pharmacy services model, now based on a simpler, more transparent approach to serving these evolving market needs.

Turning to the full year, our updated 2026 adjusted EPS guidance of at least \$20.50 reflects performance through the third quarter, balanced by expected investments in the final months of the year.

From a capital deployment perspective, our priorities remain consistent: first, reinvest in the business through targeted organic growth and steady expansion in care delivery, technology modernization and broad-based AI adoption; second, maintain balance sheet strength; and third, return value to shareholders.

Our balance sheet remains strong. Our debt-to-capital ratio was 41.7% at the close of the quarter, and we remain on track to approach 40% by year end.

We repurchased \$5 billion of UNH stock through the third quarter. We have paid \$6.2 billion in dividends year to date and expect to exceed \$8 billion by year-end. Our strategic priorities remain focused on capabilities that align with and strengthen our ability to deliver value to consumers, benefit sponsors and customers, and support long-term growth for shareholders.

We view our 2026 adjusted EPS guidance of at least \$20.50 as a solid run rate on which to grow. We would offer that current analyst consensus for 2027 may understate the opportunity ahead, and we see the lower end of our long-term 13-to-16% growth rate as a more reasonable starting point.

As we think about 2027 more broadly, we continue to see a balanced set of tailwinds and headwinds. Tailwinds include continued enterprise-level performance progress, share repurchases, value-based care performance improvements, and further gains from AI and modernization that improve both consumer and clinician experiences, drive productivity benefits, reduce costs and create sustainable performance improvement opportunities for our business and those we serve, as well as product opportunities for Optum Insight. On the headwinds side, we will accelerate our investments in the policy reforms and

modernization of the businesses, particularly in UnitedHealthcare and Optum Insight, and remain respectful of medical trend and the broader external environment, where health benefits funding remains pressured.

Overall, we are steadily and methodically improving performance broadly across the portfolio. We are positioned to finish 2026 strongly, and we remain focused on consistently delivering our 13 to 16% long-term growth target.

With that, I'll turn it back over to Steve.

Steve Hemsley

Thanks, Wayne.

Let me close with a few thoughts before we move to questions.

For a little more than a year, our priorities have been clear:

- Return to our core mission and culture;
- Better serve the needs of healthcare as one enterprise and one leadership team;
- Restore financial and operating discipline;
- Turnaround and strengthen our performance – business by business, across all performance measures;
- Begin the process of reimagining and modernizing all we do to harness the compelling potential of modern intelligent technologies;
- Simplify our processes, elevate our service levels and advance our response and service speed to consumers and clinicians;
- And finally, reposition all our businesses to return to responsible levels of profitable organic growth.

As you have heard today, we are well underway in all those areas. But fully achieving those priorities requires us to get outside our four walls.

Throughout our company, we are spending time listening carefully to customers, consumers, clinicians, policymakers and other stakeholders. We are doing so

with humility and with a service mindset, conscious of the positive role we can play and the responsibility we have to improve the health system experience when we operate at our best.

Those conversations are helping renew and reinforce the fundamental understanding that success in health care depends on relationships and trust. And we need to continue to build both with all our stakeholders.

We will continue listening. We will continue learning. And we will continue advancing our business in ways that improve experiences, provide easier access and lower costs while delivering better outcomes – and for you, our shareholders, all these accountabilities align and create value.

The progress we have made in 2026 gives us confidence. Our businesses are improving. Our modernization efforts are gaining traction. Our investments in AI and in integrated value-based care are creating tangible benefits today while positioning us for the future.

We remain focused on better managing our businesses, finishing '26 strong, and building that foundation for growth in '27 and '28 and beyond.

We look forward to providing a more comprehensive update on our outlook for next year before year-end.

Thank you. Now, operator, let's open the line for questions.

Post Q&A Steve Close

Thank you again for your time today. I hope you got a sense of the momentum we are bringing into 2027 as our emphasis on discipline, execution and improved patient and care provider experiences take hold. We look forward to providing you with a more complete look at 2027 in December.