Cigna Corporation (CI)

Updated May 22nd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$285	**5 Year Annual Expected Total Return:**	15.3%	**Market Cap:**	$75 billion
Fair Value Price:	$334	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	06/04/26
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.2%	**Dividend Payment Date:**	06/18/26
Dividend Yield:	2.2%	**5 Year Price Target**	$538	**Years Of Dividend Growth:**	6
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Buy

Overview & Current Events

Cigna is a leading provider of insurance products and services. The company's products include dental, medical, and pharmacy services that it provides through employer-sponsored, international, and individual coverage plans. Cigna operates two primary business segments: Evernorth, which provides pharmacy services and benefit management and Cigna Healthcare, which provides commercial and international health insurance. Evernorth contributes ~85% of annual revenue, while Cigna Healthcare accounts for nearly all of the rest. Cigna has annual revenues of ~$285 billion.

On March 19th, 2025, Cigna reported that it had completed the sale of its Medicare Advantage, Medicare Supplements Benefits, Medicare Part D, and CareAllies businesses to Health Care Service Corporation.

On February 5th, 2026, Cigna announced that it was increasing its quarterly dividend 3.3% to $1.56.

On April 30th, 2026, Cigna released first quarter results for the period ending March 31st, 2026. For the quarter, revenue grew 4.7% to $68.52 billion, which was $2.32 billion ahead of estimates. Adjusted earnings-per-share of $7.79 compared favorably to adjusted earnings-per-share of $6.74 in the prior year and was $0.18 better than expected.

Total customer relationships increased 1.8% to 185.5 million from the same period a year ago. Total pharmacy customers fell 1% to 121 million while total medical customers grew 1.6% to 18.3 million. Total behavioral customers were up 17.7% to 27.6 million and dental was up 0.5% to 18.6 million. Adjusted revenue for the Evernorth segment, which is the largest within the company, improved 8.9% to $58.4 billion due to gains in specialty volumes and organic growth. Adjusted revenue for Cigna Healthcare decreased 20.7% to $11.5 billion, which was largely due to the HCSC transaction. Excluding this, revenue would have been up 8%.

Cigna provided an updated outlook for 2026 as well, with the company now expecting adjusted earnings-per-share of least $30.35 for the year, up slightly from $30.25 previously.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$8.10	$10.46	$14.22	$17.05	$18.45	$20.47	$23.27	$25.09	$27.33	$29.84	***$30.35***	***$48.88***
DPS	$0.04	$0.04	$0.04	$0.04	$0.04	$4.00	$4.48	$4.92	$5.60	$6.04	***$6.24***	***$10.05***
Shares[1]	257	244	381	373	355	327	305	293	278	266	***264***	***250***

Earnings-per-share have a compound annual growth rate of 15.6% for the 2016 through 2025 period. An increase in the share count during this time hides the fact that net profit has almost doubled during this period. Cigna's growth rate has remained solid in the medium-term as earnings-per-share have a compound annual growth rate of 8.2% over the last five years. One reason that earnings have a CAGR in the double-digit range is that the need for pharmacy services and health care plans will increase as more people age. Cigna's merger with Express Scripts, one of the top pharmacy benefit managers in the market, in 2018 has provide tailwinds to results. In addition, Cigna has an ambitious goal to reduce its health care costs, which, overall, have risen much higher than inflation. We reaffirm our targeted earnings-per-share growth rate of 10% through 2031 as we find Cigna's business model very attractive.

[1] Share count in millions

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Cigna's dividend had never been a priority for the company. After cutting its dividend by 20% in 2009, the company had paid the same amount every year up until 2020. It should be noted that Cigna had typically paid an annual dividend in April of each year. That all changed when the company declared a $1.00 quarterly dividend for the March 25th, 2021 payment date. The company has followed that up with a double-digit or high single digit increase in each of the last four years before this year's smaller than usual increase. Still, we continue to expect dividend growth of 10% going forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	16.4	16.3	13.3	10.1	10.2	11.2	14.2	11.9	10.1	9.2	***9.4***	***11.0***
Avg. Yld.	0.1%	0.1%	0.1%	0.1%	0.1%	1.7%	1.4%	1.6%	2.0%	2.2%	***2.2%***	***1.9%***

Shares of Cigna have declined $9, or 3.1%, since our February 11th, 2026 report. The stock has an average price-to-earnings ratio of 12.3 over the last decade and 11.3 over the last five years. Currently, the stock has a P/E of 9.4. Reaching our 2031 target multiple of 11 times earnings, down from 13 previously, could add 3.2% to annual returns over the next five years.

Cigna's dividend has largely not played a role in the company's total returns. That changed somewhat as Cigna's stock now offers a yield that is ahead of the average yield for the S&P 500 index.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	0%	0%	0%	0%	0%	20%	19%	20%	20%	20%	***21%***	***21%***

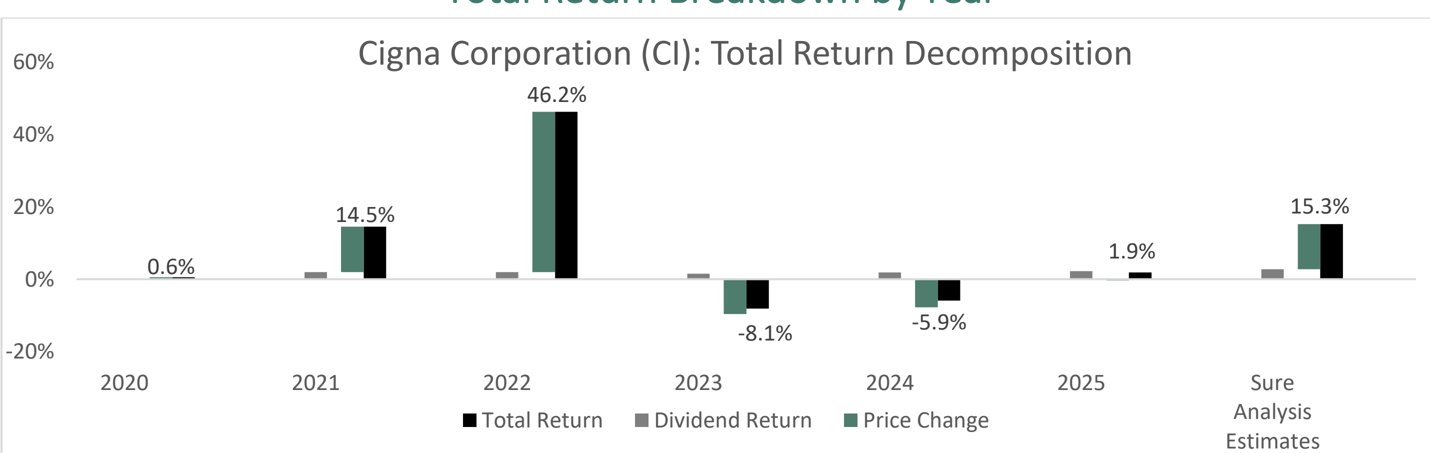
Cigna happens to operate in an industry that tends to hold up well during recessionary times as health insurance and pharmacy businesses are still in demand. Earnings-per-share fell from $3.96 in 2007 to $3.42 in 2008 (a 13.6% decrease), but rebounded to make a new high in 2009. Cigna has seen earnings-per-share grow each year since except for 2016.

We feel that Cigna has some immense competitive advantages. The company is one of the largest names in its industry, giving it a size and scale that is hard to match. Cigna's acquisition of Express Scripts was a solid move, as this strengthened the company's presence in its pharmacy business. Perhaps most important, an aging demographic will need increased pharmacy and medical services, giving Cigna an incredibly large pool of potential customers.

Final Thoughts & Recommendation

Cigna is now expected to produce total returns of 15.3% through 2031, down from our prior estimate of 14.5%. Our projected return stems from a 10% earnings growth rate, a starting yield of 2.2%, and a low single-digit tailwind from multiple expansion. Cigna once again experienced growth throughout its business. Shares continue to earn a buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	40007	42043	48569	153743	160577	174272	180021	195187	244384	57979
SG&A Exp.	9790	10030	11934	14053	14072	13030	13186	14822	14844	---
Depr. & Amor.	610	566	695	3651	2802	2923	2937	3035	2775	2775
Net Profit	1867	2237	2637	5104	8458	5365	6668	5164	3434	5957
Net Margin	4.7%	5.3%	5.4%	3.3%	5.3%	3.1%	3.7%	2.6%	1.4%	10.3%
Free Cash Flow	3565	3615	3242	8435	9256	6037	7361	10240	8957	8389
Income Tax	1136	1374	935	1450	2379	1367	1607	141	1491	1493

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	59360	61759	153226	155774	155451	154889	143932	152761	155881	153816
Cash & Equivalents	3185	2972	3855	4619	10182	5081	5924	7822	7550	7676
Acc. Receivable	9555	8667	15704	16003	17199	19639	21713	23407	30370	---
Goodwill & Int.	6404	6509	83508	81164	79827	79913	78303	75122	73787	73484
Total Liabilities	45633	48048	112191	110430	105123	107705	98981	106410	114638	111942
Accounts Payable	8946	489	15068	15544	18825	6655	7775	8553	9294	10659
Long-Term Debt	5032	5439	42478	37407	32919	33670	31093	30930	31972	31463
Total Equity	13723	13711	41028	45338	50321	47112	44872	46223	41033	41713
LTD/E Ratio	0.37	0.40	1.04	0.83	0.65	0.71	0.69	0.67	0.78	0.75

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.2%	3.7%	2.5%	3.3%	5.4%	3.5%	4.5%	3.5%	2.2%	4.1%
Return on Equity	14.5%	16.3%	9.6%	11.8%	17.7%	11.0%	14.5%	11.3%	7.8%	14.4%
ROIC	10.4%	11.8%	5.1%	6.1%	10.2%	6.5%	8.5%	6.7%	4.6%	10.4%
Shares Out.	257	244	381	373	355	327	305	293	283	269
Revenue/Share	154.08	164.83	196.91	408.98	439.96	515.66	575.03	657.46	862.88	215.89
FCF/Share	13.73	14.17	13.14	22.44	25.36	17.86	23.51	34.49	31.63	31.24

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.