Elevance Health Inc. (ELV)

Updated July 16th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$390	**5 Year Annual Expected Total Return:**	6.9%	**Market Cap:**	$81 billion
Fair Value Price:	$324	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	09/10/2026
% Fair Value:	120%	**5 Year Valuation Multiple Estimate:**	-3.6%	**Dividend Payment Date:**	09/25/2026
Dividend Yield:	1.8%	**5 Year Price Target**	$499	**Years Of Dividend Growth:**	16
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

Elevance Health Inc., formerly known as Anthem, Inc., is a healthcare benefits company has more than 47 million members through its plans. The company provides managed plans to a wide variety of markets, including individual, commercial, Medicare and Medicaid. Its two largest customer groups are government (~60% of annual sales) and commercial business (~30% of sales). Elevance has annual sales of $198 billion and a market capitalization of $81 billion.

On January 27th, 2026, Elevance raised its quarterly dividend 0.6% to $1.72, extending the company's dividend growth streak to 16 consecutive years. This is well below the 10-year average increase of 11.3%.

On July 15th, 2026, Elevance announced second quarter results for the period ending June 30th, 2026. For the quarter, revenue inched higher by 0.8% to $49.8 billion, which beat estimates by $1.2 billion. Adjusted earnings-per-share of $7.45 compared unfavorably to adjusted earnings-per-share of $8.84 in the prior year, but this was $1.24 ahead of expectations.

As with prior quarters, revenue growth was primarily a result of higher premium yields in the Health Benefits segment and growth in CarelonRx product revenue, offset by expected declines in Medicare Advantage, Medicaid, and Employer Group risk membership. The benefit expense ratio increased 80 basis points to 89.7% due to higher costs in the Government business. The Health Benefits segment produced revenue of $42.7 billion, which was a 3% increase from the prior year. This segmented benefited from higher premium yields and growth in Medicare Advantage memberships, which was once again offset by membership declines in the Medicare Advantage, Medicaid, and Employer Group businesses. In total, medical membership increased by 469K, or 1.0%, year-over-year. Revenue for Carelon grew 6.0% to $19.2 billion due to demand in CarelonRx products and risk-based solutions. The company repurchased 700K shares at a weighted average price of $344.62 during the quarter. As of the end of Q2, Elevance had a total of $5.3 billion, or 6.2% of its current market capitalization, remaining on its share repurchase authorization.

Elevance provided updated guidance for 2026 as well, with the company now expecting adjusted earnings-per-share to be at least $27.00 for the year, up from $26.75 and $25.50 previously. Still, this would be a nearly 11% decline from 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$9.21	$10.21	$15.89	$19.44	$22.48	$25.98	$29.07	$33.14	$33.04	$30.29	***$27.00***	***$41.54***
DPS	$2.60	$2.70	$3.00	$3.20	$3.80	$4.52	$5.12	$5.92	$6.52	$6.84	***$6.88***	***$10.59***
Shares[1]	264	256	257	253	245	247	241	236	231	222	***217***	***200***

Elevance has increased earnings-per-share at a rate of 14.1% annually over the last decade. The company has achieved this high rate of growth through improvements in business and aggressive share repurchases. Elevance's share count has been reduced by 1.9% per year over the last decade. We continue to expect earnings-per-share growth of 9% through 2031.

[1] Share count in millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.5	18.1	15.7	14.3	12.4	17.8	15.9	14.2	11.2	11.6	***14.4***	***12.0***
Avg. Yld.	2.0%	1.5%	1.2%	1.1%	1.2%	1.0%	1.3%	1.2%	1.8%	2.0%	***1.8%***	***2.1%***

Shares of the company have gained 13% since our April 25th, 2026 update. Using revised company guidance for the year, Elevance trades with a price-to-earnings ratio of 14.4. Shares have averaged a price-to-earnings ratio of 14.6 over the last decade. We had believed this to be a fair value target, but with more uncertainty regarding health care plans moving forward, we reaffirm our more prudent five-year target P/E of 12. Multiple contraction could reduce annual returns by 3.6% over the next five years.

Elevance had never been a high yielding name, but the current yield remains ahead of the 10-year average of 1.4%. Additionally, the dividend has a compound annual growth rate in the low double-digit range since 2016, showing that Elevance has aggressively raised its dividend over the long-term.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	26%	19%	16%	17%	17%	18%	18%	20%	23%	***25%***	***25%***

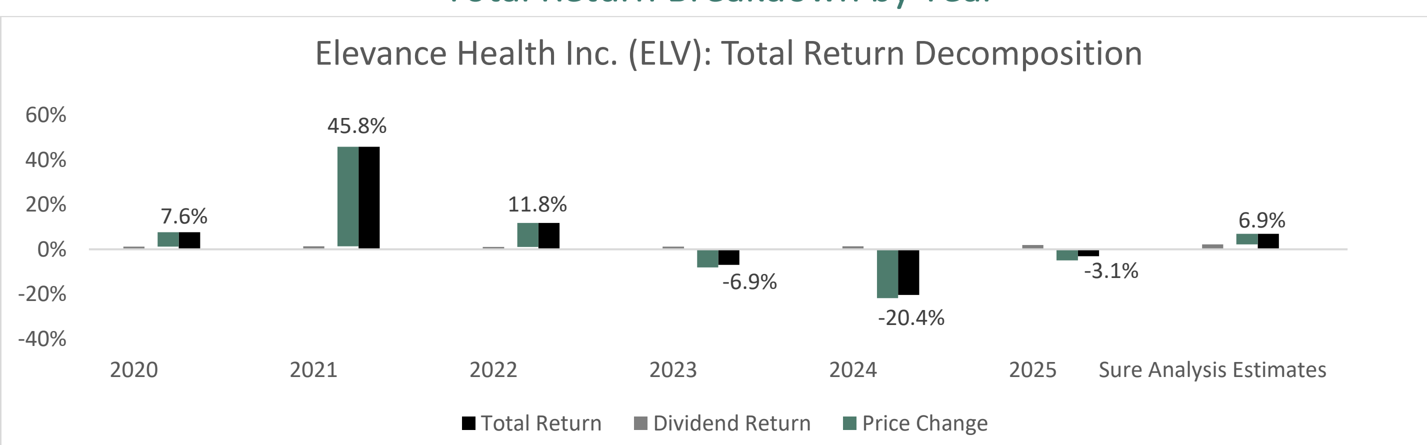
Elevance was not immune to the last recession as earnings-per-share declined from $5.57 to $4.95 for the 2007 to 2009 period. However, the company returned to growth the very next year. The company also weathered the Covid-19 pandemic well, with EPS continuing to grow during the worst of that period.

Elevance has several factors working in its favor. First and foremost, the company has a large membership pool, though this has declined over the past few quarters. This allows Elevance to keep premium prices low. The Medicare and Medicaid businesses have been, historically, reliable as well, though potential future cuts in payments could impair results. These headwinds have manifested in recent quarters.

Final Thoughts & Recommendation

Elevance is expected to produce total returns of 6.9% through 2031, down from 9.3% previously. Our projected return stems from a 9% earnings growth rate and a starting yield of 1.8% that are offset by a low single-digit headwind from multiple contraction. The company's benefit expense ratio continues to expand as costs increase. Recent legislative action could also impact the business in future years. Guidance for 2026 was raised, but expected results remain weak compared to past results. Shares also trade above our fair value target. We have raised our five-year price target $5 to $499, but we continue to rate shares of Elevance as a hold due to projected returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	84978	90039	92105	104213	121867	138639	156595	171340	176810	199125
D&A Exp.	912	890	1132	1133	1154	1302	1675	1745	1393	1546
Net Profit	2470	3843	3750	4807	4572	6095	5888	5991	5971	5661
Net Margin	2.9%	4.3%	4.1%	4.6%	3.8%	4.4%	3.8%	3.5%	3.4%	2.8%
Free Cash Flow	2621	3385	2619	4984	9667	7277	7247	6765	4552	3174
Income Tax	2086	121	1318	1178	1666	1830	1712	1724	1933	1049

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	66387	71460	72470	78254	88276	97460	102755	108928	116889	121494
Cash & Equivalents	4075	3609	3934	4937	5741	4880	7387	6526	8288	9491
Goodwill & Int. Ass.	25526	27600	29511	29174	31096	34843	34698	35590	40371	39544
Total Liabilities	41287	44957	43929	46526	55077	61332	66425	69523	75463	77468
Accounts Payable	4015	5024	4959	4198	5493	4970	5607	6910	6927	7322
Long-Term Debt	15287	18657	18066	20025	20992	23753	24781	25744	31678	31896
Shareholder's Equity	25100	26503	28541	31728	33199	36060	36243	39306	41315	43882
LTD/E Ratio	0.63	0.75	0.67	0.65	0.63	0.67	0.69	0.66	0.78	0.73

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.8%	5.6%	5.2%	6.4%	5.5%	6.6%	5.9%	5.7%	5.3%	4.7%
Return on Equity	10.3%	14.9%	13.6%	16.0%	14.1%	17.6%	16.3%	15.8%	14.8%	13.2%
ROIC	6.2%	8.8%	8.0%	9.6%	8.6%	10.7%	9.7%	9.5%	8.6%	7.6%
Shares Out.	264	256	257	253	245	247	241	236	231	222
Revenue/Share	316.97	336.22	348.62	400.36	479.23	561.75	644.95	721.74	759.17	886.58
FCF/Share	9.78	12.64	9.91	19.15	38.01	29.49	29.85	28.50	19.54	14.13

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