

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 4, 2021

CENTENE CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware	001-31826	42-1406317
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
7700 Forsyth Boulevard, St. Louis, Missouri		63105
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (314) 725-4477

(Former Name or Former Address, if Changed Since Last Report): N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 Par Value	CNC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure.

On January 4, 2021, Centene Corporation (the "Company") and Magellan Health, Inc. issued a joint press release announcing their entry into a definitive merger agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated into this Item 7.01 by reference.

In addition, on January 4, 2021, the Company held a conference call and made a simultaneous presentation to investors to discuss the announcement of the merger agreement. A copy of the investor presentation is attached hereto as Exhibit 99.2 and is incorporated into this Item 7.01 by reference.

The information under this Item 7.01, along with Exhibit 99.1 and Exhibit 99.2 attached hereto, are being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The furnishing of Exhibit 99.1 and Exhibit 99.2 attached hereto is not intended to constitute a determination by the Company that the information is material or that the dissemination of the information is required by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
<u>99.1</u>	Press Release, dated January 4, 2021
<u>99.2</u>	Investor Presentation, dated January 4, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Cautionary Statement of Forward-Looking Statements

All statements, other than statements of current or historical fact, contained in this communication are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “seek,” “target,” “goal,” “may,” “will,” “would,” “could,” “should,” “can,” “continue” and other similar words or expressions (and the negative thereof). Centene Corporation (the “Company,” “Centene,” “our,” or “we”) intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our future operating or financial performance, market opportunity, growth strategy, competition, expected activities in completed and future acquisitions, including statements about the impact of our proposed acquisition (the “Transaction”) of Magellan Health, Inc. (“Magellan Health”), our recently completed acquisition (the “WellCare Acquisition”) of WellCare Health Plans, Inc. (“WellCare”), other recent and future acquisitions, investments and the adequacy of our available cash resources.

These forward-looking statements reflect our current views with respect to future events and are based on numerous assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors we believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future, including economic, regulatory, competitive and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions.

All forward-looking statements included in this communication are based on information available to us on the date hereof. Except as may be otherwise required by law, we undertake no obligation to update or revise the forward-looking statements included in this communication, whether as a result of new information, future events or otherwise, after the date hereof. You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including but not limited to: the risk that regulatory or other approvals required for the Transaction may be delayed or not obtained or are obtained subject to conditions that are not anticipated that could require the exertion of management’s time and our resources or otherwise have an adverse effect on the Company; the risk that Magellan Health’s stockholders do not adopt the merger agreement; the possibility that certain conditions to the consummation of the Transaction will not be satisfied or completed on a timely basis and accordingly the Transaction may not be consummated on a timely basis or at all; the impact of COVID-19 on global markets, economic conditions, the healthcare industry and our results of operations, which is unknown, and the response by governments and other third parties; uncertainty as to the expected financial performance of the combined company following completion of the Transaction; uncertainty as to our expected financial performance during the period of integration of the WellCare Acquisition; the possibility that the expected synergies and value creation from the Transaction or the WellCare Acquisition will not be realized, or will not be realized within the expected time period; the exertion of management’s time and our resources, and other expenses incurred and business changes required, in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for the Transaction; the risk that unexpected costs will be incurred in connection with the completion and/or integration of the Transaction or the integration of the WellCare Acquisition or that the integration of Magellan Health or WellCare will be more difficult or time consuming than expected; the risk that potential litigation in connection with the Transaction may affect the timing or occurrence of the Transaction or result in significant costs of defense, indemnification and liability; a downgrade of the credit rating of our indebtedness, which could give rise to an obligation to redeem existing indebtedness; unexpected costs, charges or expenses resulting from the Transaction or the WellCare Acquisition; the possibility that competing offers will be made to acquire Magellan Health; the inability to retain key personnel; disruption from the announcement, pendency and/or completion of the Transaction or the integration of the WellCare Acquisition, including potential adverse reactions or changes to business relationships with customers, employees, suppliers or regulators, making it more difficult to maintain business and operational relationships; the risk that, following the Transaction, the combined company may not be able to effectively manage its expanded operations; our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves, including fluctuations in medical utilization rates due to the impact of COVID-19; competition; membership and revenue declines or unexpected trends; changes in healthcare practices, new technologies, and advances in medicine; increased healthcare costs; changes in economic, political or market conditions; changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act (ACA) and the Health Care and Education Affordability Reconciliation Act, collectively referred to as the ACA and any regulations enacted thereunder that may result from changing political conditions or judicial actions, including the ultimate outcome in “Texas v. United States of America” regarding the constitutionality of the ACA; rate cuts or other payment reductions or delays by governmental payors and other risks and uncertainties affecting our government businesses; our ability to adequately price products on the Health Insurance Marketplaces and other commercial and Medicare products; tax matters; disasters or major epidemics; the outcome of legal and regulatory proceedings; changes in expected contract start dates; provider, state, federal, foreign and other contract changes and timing of regulatory approval of contracts; the expiration, suspension, or termination of our contracts with federal or state governments (including but not limited to Medicaid, Medicare, TRICARE or other customers); the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; challenges to our contract awards; cyber-attacks or other privacy or data security incidents; the possibility that the expected synergies and value creation from acquired businesses, including businesses we may acquire in the future, will not be realized, or will not be realized within the expected time period; the exertion of management’s time and our resources, and other expenses incurred and business changes required in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for acquisitions; disruption caused by significant completed and pending acquisitions, including, among others, the WellCare Acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with the completion and/or integration of acquisition transactions; changes in expected closing dates, estimated purchase price and accretion for acquisitions; the risk that acquired businesses will not be integrated successfully; restrictions and limitations in connection with our indebtedness; our ability to maintain or achieve improvement in the Centers for Medicare and Medicaid Services (CMS) Star ratings and maintain or achieve improvement in other quality scores in each case that can impact revenue and future growth; availability of debt and equity financing, on terms that are favorable to us; inflation; foreign currency fluctuations and risks and uncertainties discussed in the reports that the Company has filed with the Securities and Exchange Commission.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition and results of operations, in our filings with the Securities and Exchange Commission (SEC), including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including without limitation our ability to maintain adequate premium levels or our ability to control our future medical and selling, general and administrative costs.

Important Additional Information and Where to Find It

In connection with the Transaction, Magellan Health intends to file with the SEC a proxy statement for its stockholders (the “Proxy Statement”). Magellan Health will send the Proxy Statement to its stockholders and may file other documents regarding the Transaction with the SEC. This communication is not a substitute for the Proxy Statement or any other document that Magellan Health may send to its stockholders in connection with the Transaction.

INVESTORS AND SECURITY HOLDERS OF MAGELLAN HEALTH ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MAGELLAN HEALTH, THE TRANSACTION AND RELATED MATTERS. Investors and security holders of Magellan Health will be able to obtain free copies of the Proxy Statement and other documents (including any amendments or supplements thereto) containing important information about Magellan Health once those documents are filed with the SEC, through the website maintained by the SEC at www.sec.gov. Magellan Health makes available free of charge at www.magellanhealth.com copies of materials it files with, or furnishes to, the SEC.

Participants In The Solicitation

Centene and certain of its directors, executive officers and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Magellan Health, Inc. in connection with the Transaction.

Information about the directors and executive officers of Centene is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on February 18, 2020, its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on March 13, 2020, and on its website at www.centene.com.

Investors may obtain additional information regarding the interests of such participants, which may, in some cases, be different than those of Magellan Health’s stockholders generally, and a description of their direct and indirect interests, by security holdings or otherwise, by reading the Proxy Statement and other materials to be filed with the SEC in connection with the Transaction when they become available. You may obtain these documents free of charge through the website maintained by the SEC at www.sec.gov and from the websites of Centene or Magellan Health as described above.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 4, 2021

CENTENE CORPORATION

By: /s/ Jeffrey Schwaneke

Name: Jeffrey Schwaneke

Title: Chief Financial Officer

**NEWS RELEASE****Centene Contacts:**

Media
Marcela Manjarrez-Hawn
(314) 445-0790
mediainquiries@centene.com

Investors
Jennifer Lynch Gilligan
(212) 759-0382
investors@centene.com

Magellan Health Contacts:

Media
Lilly Ackley
(860) 507-1923
ackleyl@magellanhealth.com

Investors
Darren Lehrich
(860) 507-1814
lehrichd@magellanhealth.com

FOR IMMEDIATE RELEASE**Centene Signs Definitive Agreement to Acquire Magellan Health**

- Acquisition will broaden and deepen Centene's whole health capabilities, while establishing a leading behavioral health platform at a critical time
 - Combined platform to deliver better health outcomes for complex populations through the integration of physical and mental health care
 - Important addition to Centene's Health Care Enterprises, under which Magellan Health will continue to operate independently
 - Focus on creating next generation behavioral health platform, aligned with Centene's technology strategy with additional growth opportunities in specialty care and pharmacy
 - Magellan Health CEO and management to remain in leadership roles, bringing additional talent to Centene and providing continuity
 - Value creation for shareholders through cost synergies and new growth opportunities
 - Companies to Host Conference Call at 8:00AM ET
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ST. LOUIS AND PHOENIX (Jan. 4, 2021) -- Centene Corporation (NYSE: CNC) and Magellan Health, Inc. (NASDAQ: MGLN) today announced that they have entered into a definitive merger agreement under which Centene will acquire Magellan Health for \$95 per share in cash for a total enterprise value of \$2.2 billion. The transaction, which was unanimously approved by the Boards of Directors of both companies, will broaden and deepen Centene's whole health capabilities and establish a leading behavioral health platform. The combined platform lays the foundation by which the company will continue to invest and innovate for its members, enabling improved health outcomes and faster, diversified growth.

The combination brings together the companies' complementary capabilities in behavioral health, specialty healthcare and pharmacy management. As a result of the transaction, Centene will establish one of the nation's largest behavioral health platforms across 41 million unique members with enhanced capabilities to deliver better health outcomes for complex, high-cost populations. Magellan Health will also add to Centene's leadership in government sponsored healthcare, bringing 5.5 million new members on government-sponsored plans. Magellan Health also provides specialty health services for 18 million third-party customer members in addition to Centene's own members. Furthermore, the transaction adds 2 million PBM members and 16 million medical pharmacy members, enhancing the scale of Centene's pharmacy platform with leading capabilities in specialty drug management. As part of Centene's Health Care Enterprises, Magellan Health will continue to independently support its existing customers and pursue growth opportunities. In addition, the transaction will create attractive shareholder returns through enhanced service capabilities, cross-sell opportunities and increased engagement with third-party customers.

"There is a critical need for a fundamentally better approach to supporting people with complex, chronic conditions through better integration of physical and mental health care. This has become even more evident in light of the pandemic which has driven a dramatic rise in behavioral health needs," said Michael F. Neidorff, Chairman, President and Chief Executive Officer of Centene. "This acquisition accelerates our diversification strategy and enhances our ability to build next generation capabilities in our specialty care business by leveraging our scale and investments in technology. Furthermore, we are very familiar with the range of Magellan Health's healthcare solutions as we have been one of their customers over many years, and our shared commitment to taking care of the most vulnerable populations makes this transaction a natural step."

"We're thrilled to bring together two businesses with complementary capabilities and a shared commitment to driving higher quality care for our members while lowering overall healthcare costs," said Kenneth J. Fasola, Chief Executive Officer of Magellan Health. "By joining Centene under the Health Care Enterprises umbrella, we will maintain the independence necessary to ensure continued service to our third-party customers while accelerating the introduction of innovative solutions and reimagining behavioral health. I look forward to continuing to lead Magellan Health as we create exciting new opportunities for our customers and employees who will benefit from the creation of a best-in-class platform that meets our members' needs today and in the future."

Strategic and Financial Benefits of the Transaction:

- **Broadening and deepening Centene's whole health capabilities at a critical time:** the acquisition increases Centene's scale and capability in behavioral care at a time when more than 2 in 5 Americans are struggling with mental or behavioral health issues associated with the COVID-19 pandemic.¹ In addition, the sickest 5% of the population consume 50% of healthcare spending and Magellan Health's behavioral health, specialty health and pharmacy offerings focus on the portion of this spend that is addressable.²
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- **Advancing Centene’s specialty care and Health Care Enterprises platforms:** the transaction brings additional scale in the company’s growing specialty care division and complements Centene’s evolving Health Care Enterprises portfolio, aligned with delivering the latest technologies and services across the full spectrum of its members.
- **Enabling better health outcomes at lower total medical costs:** by combining both companies’ capabilities in behavioral health and specialty healthcare, the acquisition enables more integrated solutions across physical and mental health to deliver better health outcomes at lower costs for complex, high-cost populations.
- **Value creation for shareholders:** the acquisition will create attractive opportunities to grow Centene’s specialty care business with enhanced services, new product development and additional third party relationships. Centene expects the transaction to be slightly accretive in the first full year and deliver low to mid-single digit percent adjusted EPS accretion from the transaction by the second full year, including approximately \$50 million in annual net cost synergies projected by the second full year. The net synergies are in addition to the cost reduction plan of \$75 million already initiated by Magellan Health.

Organization and Leadership

Ken Fasola, CEO of Magellan Health, and other members of Magellan Health’s leadership team have agreed to join Centene to provide continuity to Magellan Health’s strategy and leadership.

Timing and Required Approvals

The transaction is subject to clearance under the Hart-Scott Rodino Act, receipt of required state regulatory approvals, the approval of the definitive merger agreement by Magellan Health’s stockholders and other customary closing conditions. In connection with the transaction, affiliates of Starboard Value LP, which own approximately 9.4% of Magellan Health’s outstanding shares of common stock in the aggregate, have entered into a merger support agreement whereby they have agreed to vote their shares in favor of the transaction at Magellan Health’s special meeting.

The transaction is not contingent upon financing. Centene intends to primarily fund the cash portion of the acquisition through debt financing, and J.P. Morgan has provided a \$2.381 billion bridge financing commitment. Upon closing, Centene expects its debt-to-capital ratio to be in the low 40% range, and intends to use its strong earnings and cash flows to achieve its targeted debt-to-capital ratio in the upper 30% range within 12 to 18 months post close.

Centene and Magellan Health expect to complete the transaction in the second half of 2021.

Advisors

Allen & Company LLC, J.P. Morgan Securities LLC and Barclays are serving as financial advisors to Centene, and Skadden, Arps, Slate, Meagher & Flom LLP is serving as its legal counsel. Goldman Sachs & Co. LLC and Guggenheim Securities, LLC are serving as financial advisors to Magellan Health, and Weil, Gotshal & Manges LLP is serving as its legal counsel.

Conference Call and Webcast

Centene and Magellan Health will host a conference call today at 8:00 A.M. ET to discuss this morning's announcement. The conference call can be accessed by dialing (833) 614-9125 within the U.S. and 1 (270) 215-9243 for all other locations. The conference ID is 6608847. Participants should dial in 10 minutes prior to the scheduled start time.

A live webcast of the conference call and associated presentation materials will be available on the investor relations section of the company's website at <https://investors.centene.com>.

A replay of the conference call will be available approximately two hours after completion of the conference call and can be accessed by dialing (800) 585-8367 from the U.S. or 1 (404) 537-3406 from outside the U.S. The replay confirmation code is 6608847.

About Centene

Centene Corporation, a Fortune 50 company, is a leading multi-national healthcare enterprise that is committed to helping people live healthier lives. The Company takes a local approach – with local brands and local teams – to provide fully integrated, high-quality, and cost-effective services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene offers affordable and high-quality products to nearly 1 in 15 individuals across the nation, including Medicaid and Medicare members (including Medicare Prescription Drug Plans) as well as individuals and families served by the Health Insurance Marketplace, the TRICARE program, and individuals in correctional facilities. The Company also serves several international markets, and contracts with other healthcare and commercial organizations to provide a variety of specialty services focused on treating the whole person. Centene focuses on long-term growth and the development of its people, systems and capabilities so that it can better serve its members, providers, local communities, and government partners.

Centene uses its investor relations website to publish important information about the Company, including information that may be deemed material to investors. Financial and other information about Centene is routinely posted and is accessible on Centene's investor relations website, <http://investors.centene.com/>.

About Magellan Health

Magellan Health, Inc., a Fortune 500 company, is a leader in managing the fastest growing, most complex areas of health, including special populations, complete pharmacy benefits and other specialty areas of healthcare. Magellan Health supports innovative ways of accessing better health through technology, while remaining focused on the critical personal relationships that are necessary to achieve a healthy, vibrant life. Magellan Health customers include health plans and other managed care organizations, employers, labor unions, various military and governmental agencies and third-party administrators. For more information, visit www.magellanhealth.com.

Cautionary Statement on Forward-Looking Statements of Centene

All statements, other than statements of current or historical fact, contained in this press release are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “seek,” “target,” “goal,” “may,” “will,” “would,” “could,” “should,” “can,” “continue” and other similar words or expressions (and the negative thereof). Centene (the “Company”, “our”, or “we”) intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our future operating or financial performance, market opportunity, growth strategy, competition, expected activities in completed and future acquisitions, including statements about the impact of our proposed acquisition of Magellan Health (the “Magellan Health Transaction”), our recently completed acquisition (the “WellCare Acquisition”) of WellCare Health Plans, Inc. (“WellCare”), other recent and future acquisitions, investments and the adequacy of our available cash resources.

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You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including but not limited to: the risk that regulatory or other approvals required for the Magellan Health Transaction may be delayed or not obtained or are obtained subject to conditions that are not anticipated that could require the exertion of management's time and our resources or otherwise have an adverse effect on the Company; the risk that Magellan Health's stockholders do not adopt the definitive merger agreement; the possibility that certain conditions to the consummation of the Magellan Health Transaction will not be satisfied or completed on a timely basis and accordingly the Magellan Health Transaction may not be consummated on a timely basis or at all; the impact of COVID-19 on global markets, economic conditions, the healthcare industry and our results of operations, which is unknown, and the response by governments and other third parties; uncertainty as to the expected financial performance of the combined company following completion of the Magellan Health Transaction; uncertainty as to our expected financial performance during the period of integration of the WellCare Acquisition; the possibility that the expected synergies and value creation from the Magellan Health Transaction or the WellCare Acquisition will not be realized, or will not be realized within the expected time period; the exertion of management's time and our resources, and other expenses incurred and business changes required, in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for the Magellan Health Transaction; the risk that unexpected costs will be incurred in connection with the completion and/or integration of the Magellan Health Transaction or the integration of the WellCare Acquisition or that the integration of Magellan Health or WellCare will be more difficult or time consuming than expected; the risk that potential litigation in connection with the Magellan Health Transaction may affect the timing or occurrence of the Magellan Health Transaction or result in significant costs of defense, indemnification and liability; a downgrade of the credit rating of our indebtedness, which could give rise to an obligation to redeem existing indebtedness; unexpected costs, charges or expenses resulting from the Magellan Health Transaction or the WellCare Acquisition; the possibility that competing offers will be made to acquire Magellan Health; the inability to retain key personnel; disruption from the announcement, pendency and/or completion of the Magellan Health Transaction or the integration of the WellCare Acquisition, including potential adverse reactions or changes to business relationships with customers, employees, suppliers or regulators, making it more difficult to maintain business and operational relationships; the risk that, following the Magellan Health Transaction, the combined company may not be able to effectively manage its expanded operations; our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves, including fluctuations in medical utilization rates due to the impact of COVID-19; competition; membership and revenue declines or unexpected trends; changes in healthcare practices, new technologies, and advances in medicine; increased healthcare costs; changes in economic, political or market conditions; changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act (ACA) and the Health Care and Education Affordability Reconciliation Act, collectively referred to as the ACA and any regulations enacted thereunder that may result from changing political conditions or judicial actions, including the ultimate outcome in "Texas v. United States of America" regarding the constitutionality of the ACA; rate cuts or other payment reductions or delays by governmental payors and other risks and uncertainties affecting our government businesses; our ability to adequately price products on the Health Insurance Marketplaces and other commercial and Medicare products; tax matters; disasters or major epidemics; the outcome of legal and regulatory proceedings; changes in expected contract start dates; provider, state, federal, foreign and other contract changes and timing of regulatory approval of contracts; the expiration, suspension, or termination of our contracts with federal or state governments (including but not limited to Medicaid, Medicare, TRICARE or other customers); the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; challenges to our contract awards; cyber-attacks or other privacy or data security incidents; the possibility that the expected synergies and value creation from acquired businesses, including businesses we may acquire in the future, will not be realized, or will not be realized within the expected time period; the exertion of management's time and our resources, and other expenses incurred and business changes required in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for acquisitions; disruption caused by significant completed and pending acquisitions, including, among others, the WellCare Acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with the completion and/or integration of acquisition transactions; changes in expected closing dates, estimated purchase price and accretion for acquisitions; the risk that acquired businesses will not be integrated successfully; restrictions and limitations in connection with our indebtedness; our ability to maintain or achieve improvement in the Centers for Medicare and Medicaid Services (CMS) Star ratings and maintain or achieve improvement in other quality scores in each case that can impact revenue and future growth; availability of debt and equity financing, on terms that are favorable to us; inflation; foreign currency fluctuations and risks and uncertainties discussed in the reports that Centene has filed with the Securities and Exchange Commission.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition and results of operations, in our filings with the Securities and Exchange Commission (SEC), including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including without limitation our ability to maintain adequate premium levels or our ability to control our future medical and selling, general and administrative costs.

Cautionary Statement on Forward-Looking Statements of Magellan Health

This communication statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. All statements, other than statements of current or historical fact, contained in this press release may be forward-looking statements. Without limiting the foregoing, the words “believes,” “anticipates,” “plans,” “expects,” “may,” “should,” “could,” “estimate,” “intend” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Important proposed merger-related and other risk factors that may cause such differences include: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the proposed merger; (ii) the transaction closing conditions may not be satisfied in a timely manner or at all, including due to the failure to obtain the Company stockholder approval and regulatory approvals; (iii) the announcement and pendency of the proposed merger may disrupt the Company’s business operations (including the threatened or actual loss of employees, customers or suppliers); and (iv) the Company could experience financial or other setbacks if the transaction encounters unanticipated problems.

Other important factors that could cause actual results to differ materially from those expressed or implied include , but are not limited to, the effectiveness of business continuity plans during the COVID-19 pandemic; the possible election of certain of the Company’s customers to manage the healthcare services of their members directly; changes in rates paid to and/or by the Company by customers and/or providers; higher utilization of healthcare services by the Company’s members; risks and uncertainties associated with the pharmacy benefits management industry; delays, higher costs or inability to implement new business or other initiatives; the impact of changes in the contracting model for Medicaid contracts; termination or non-renewal of customer contracts; the impact of new or amended laws or regulations; governmental inquiries; litigation; competition; operational issues; healthcare reform; general business conditions; and the other factors discussed in the Company’s most recent Annual Report on Form 10-K and other filings we make with the U.S. Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Important Additional Information and Where to Find It

In connection with the Magellan Health Transaction, Magellan Health intends to file with the SEC a proxy statement for its stockholders (the “Proxy Statement”). Magellan Health will send the Proxy Statement to its stockholders and may file other documents regarding the Magellan Health Transaction with the SEC. This communication is not a substitute for the Proxy Statement or any other document that Magellan Health may send to its stockholders in connection with the Magellan Health Transaction. **INVESTORS AND SECURITY HOLDERS OF MAGELLAN HEALTH ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MAGELLAN HEALTH, THE TRANSACTION AND RELATED MATTERS.** Investors and security holders of Magellan Health will be able to obtain free copies of the Proxy Statement and other documents (including any amendments or supplements thereto) containing important information about Magellan Health once those documents are filed with the SEC, through the website maintained by the SEC at www.sec.gov. Magellan Health makes available free of charge at www.magellanhealth.com copies of materials it files with, or furnishes to, the SEC.

Participants In The Solicitation

Centene, Magellan Health and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Magellan Health in connection with the Magellan Health Transaction.

Information about the directors and executive officers of Centene is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on February 18, 2020, its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on March 13, 2020, and on its website at www.centene.com.

Information about the directors and executive officers of Magellan Health is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on February 28, 2020, its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 29, 2020, and on its website at www.magellanhealth.com.

Investors may obtain additional information regarding the interests of such participants, which may, in some cases, be different than those of Magellan Health's stockholders generally, and a description of their direct and indirect interests, by security holdings or otherwise, by reading the Proxy Statement and other materials to be filed with the SEC in connection with the Magellan Health Transaction when they become available. You may obtain these documents free of charge through the website maintained by the SEC at www.sec.gov and from the websites of Centene or Magellan Health as described above.

¹ Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24–30, 2020, Center for Disease Control.

² 2012 National Library of Medicine Study Primary Care and Behavioral Health Practice Size: The Challenge for Healthcare Reform; Prevalence and medical costs of chronic diseases, *Am J PrevMed*.



January 4, 2021

Cautionary Statement on Forward-Looking Statements of Centene

All statements, other than statements of current or historical fact, contained in this presentation are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "seek," "target," "goal," "may," "will," "would," "could," "should," "can," "continue" and other similar words or expressions (and the negative thereof). Centene Corporation (the "Company," "our," or "we") intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our future operating or financial performance, market opportunity, growth strategy, competition, expected activities in completed and future acquisitions, including statements about the impact of our proposed acquisition of Magellan Health (the "Magellan Transaction"), our recently completed acquisition (the "WellCare Acquisition") of WellCare Health Plans, Inc. ("WellCare"), other recent and future acquisitions, investments and the adequacy of our available cash resources.

These forward-looking statements reflect our current views with respect to future events and are based on numerous assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors we believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future, including economic, regulatory, competitive and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions.

All forward-looking statements included in this presentation are based on information available to us on the date hereof. Except as may be otherwise required by law, we undertake no obligation to update or revise the forward-looking statements included in this presentation, whether as a result of new information, future events or otherwise, after the date hereof. You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including but not limited to: the risk that regulatory or other approvals required for the Magellan Transaction may be delayed or not obtained or are obtained subject to conditions that are not anticipated that could require the exertion of management's time and our resources or otherwise have an adverse effect on the Company; the risk that Magellan's stockholders do not adopt the definitive merger agreement; the possibility that certain conditions to the consummation of the Magellan Transaction will not be satisfied or completed on a timely basis and accordingly the Magellan Transaction may not be consummated on a timely basis or at all; the impact of COVID-19 on global markets, economic conditions, the healthcare industry and our results of operations, which is unknown, and the response by governments and other third parties; uncertainty as to the expected financial performance of the combined company following completion of the Magellan Transaction; uncertainty as to our expected financial performance during the period of integration of the WellCare Acquisition; the possibility that the expected synergies and value creation from the Magellan Transaction or the WellCare Acquisition will not be realized, or will not be realized within the expected time period; the exertion of management's time and our resources, and other expenses incurred and business changes required, in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for the Magellan Transaction; the risk that unexpected costs will be incurred in connection with the completion and/or integration of the Magellan Transaction or the integration of the WellCare Acquisition or that the integration of Magellan or WellCare will be more difficult or time consuming than expected; the risk that potential litigation in connection with the Magellan Transaction may affect the timing or occurrence of the Magellan Transaction or result in significant costs of defense, indemnification and liability; a downgrade of the credit rating of our indebtedness, which could give rise to an obligation to redeem existing indebtedness; unexpected costs, charges or expenses resulting from the Magellan Transaction or the WellCare Acquisition; the possibility that competing offers will be made to acquire Magellan; the inability to retain key personnel; disruption from the announcement, pendency and/or completion of the Magellan Transaction or the integration of the WellCare Acquisition, including potential adverse reactions or changes to business relationships with customers, employees, suppliers or regulators, making it more difficult to maintain business and operational relationships; the risk that, following the Magellan Transaction, the combined company may not be able to effectively manage its expanded operations; our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves, including fluctuations in medical utilization rates due to the impact of COVID-19; competition; membership and revenue declines or unexpected trends; changes in healthcare practices, new technologies, and advances in medicine; increased healthcare costs; changes in economic, political or market conditions; changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act (ACA) and the Health Care and Education Affordability Reconciliation Act, collectively referred to as the ACA and any regulations enacted thereunder that may result from changing political conditions or judicial actions, including the ultimate outcome in "Texas v. United States of America" regarding the constitutionality of the ACA; rate cuts or other payment reductions or delays by governmental payors and other risks and uncertainties affecting our government businesses; our ability to adequately price products on the Health Insurance Marketplaces and other commercial and Medicare products; tax matters; disasters or major epidemics; the outcome of legal and regulatory proceedings; changes in expected contract start dates; provider, state, federal, foreign and other contract changes and timing of regulatory approval of contracts; the expiration, suspension, or termination of our contracts with federal or state governments (including but not limited to Medicaid, Medicare, TRICARE or other customers); the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; challenges to our contract awards; cyber-attacks or other privacy or data security incidents; the possibility that the expected synergies and value creation from acquired businesses, including businesses we may acquire in the future, will not be realized, or will not be realized within the expected time period; the exertion of management's time and our resources, and other expenses incurred and business changes required in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for acquisitions; disruption caused by significant completed and pending acquisitions, including, among others, the WellCare Acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with the completion and/or integration of acquisition transactions; changes in expected closing dates, estimated purchase price and accretion for acquisitions; the risk that acquired businesses will not be integrated successfully; restrictions and limitations in connection with our indebtedness; our ability to maintain or achieve improvement in the Centers for Medicare and Medicaid Services (CMS) Star ratings and maintain or achieve improvement in other quality scores in each case that can impact revenue and future growth; availability of debt and equity financing, on terms that are favorable to us; inflation; foreign currency fluctuations and risks and uncertainties discussed in the reports that Centene has filed with the Securities and Exchange Commission.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition and results of operations, in our filings with the Securities and Exchange Commission (SEC), including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including without limitation our ability to maintain adequate premium levels or our ability to control our future medical and selling, general and administrative costs.

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Earnings Guidance Policy

Our Company's policy is *"that the Company undertakes no obligation to update its earnings guidance, other than as part of its quarterly or yearly earnings disclosure, and that silence on guidance by the Company or Company officials should not be interpreted that guidance has or has not changed. In any event, no updated guidance would ever be given that is not previously or simultaneously disclosed in an SEC filing or other broad non-exclusionary means."*

Participants

Michael F. Neidorff

Chairman & Chief Executive Officer, Centene

Kenneth J. Fasola

Chief Executive Officer, Magellan

Sarah London

SVP Technology, Innovation and Modernization and President, Health Care Enterprises, Centene

Jeffrey A. Schwaneke

Executive Vice President, Chief Financial Officer, Centene

Establishing a Leader in Behavioral Health and Specialty Health

- **One of the nation's largest behavioral health platforms**
 - ✓ Centene + Magellan will provide behavioral services for 41mm U.S. members
 - ✓ Manages fastest-growing, most complex areas of health associated with behavioral health conditions
 - ✓ Expands combined national reach to drive value for customers across all markets
- **Combined with Centene's Health Care Enterprises establishes a scaled, independent, health solutions business**
 - ✓ Significant 3rd party customer base – 35mm behavioral and specialty members
 - ✓ Mission-aligned with Centene's focus on government-sponsored members and vulnerable populations
- **Enhances Centene's scale and product diversification with high value solutions**
 - ✓ Advanced management capabilities in specialized areas of spend such as pharmacy, radiology, oncology
 - ✓ Enhances whole health capabilities alongside medical, pharmacy, dental and vision
 - ✓ Attractive specialty platform with cross-sell opportunity and ability to expand into new products
- **Further reinforces Centene's position as the leader in government-sponsored healthcare**
 - ✓ Adds 5.5mm new behavioral and specialty members enrolled in government-sponsored programs
 - ✓ Adds new pharmacy services in 26 states and D.C.
- **Value creation for shareholders**
 - ✓ Accretive to adjusted EPS (low to mid-single digit percent by the second full year)
 - ✓ \$50mm in annual net cost synergies projected by the second full year, incremental to the cost reduction plan of \$75mm already initiated by Magellan

Magellan Overview

Magellan focuses on high cost and growing medical categories

Magellan Overview ⁽¹⁾



US Healthcare spending is estimated to be \$4tn in 2020

Focus has shifted to sickest 5% who represent 50% of the spend

Magellan's offerings focus on the portion of this spend that is addressable and attributed toward complex, high cost care. Behavioral Health, Specialty Health and Pharmacy are among the highest cost addressable areas.

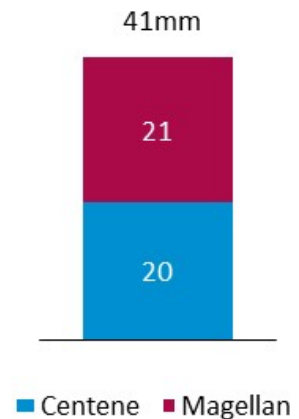
- Behavioral Health market is valued at ~\$300bn
- 71% of total healthcare costs spent on complex patients
- Pharmacy spend is projected to reach \$550bn by 2023
- 47% projected growth in specialty pharmacy spend⁽²⁾
- Specialty spend approaching 50% of total drug costs
- Heightened behavioral health needs driven by the pandemic

Sources: 2012 National Library of Medicine Study Primary Care and Behavioral Health Practice Size: The Challenge for Healthcare Reform; Prevalence and medical costs of chronic diseases, Am J PrevMed, 2017; Drug Channels Institute "The 2019 Economic Report on U.S. Pharmacies and PBMs". Milliman: Potential Economic Impact of Integrated Medical-Behavioral Healthcare, 2018.
1. Segment profit adjusted for net other BTO and unallocated corporate expenses pro rata for revenue contribution. 2. Estimated spend from 2018-2023.

Scaled Leadership and Capabilities in Behavioral Health

- Behavioral health direct spend represents ~15-20% of a payer's medical cost; however, overall medical cost increases 2-3x when there is a BH co-morbidity
- Key area of spend for vulnerable populations
- Drives cost associated with chronic condition
- Rapidly evolving standards of care
- Increasing ability to leverage technology to address access and quality challenges
- Need further supported by COVID-19 and other external factors that might arise from time to time

Total Behavioral Health Lives



Opportunity to Leverage Next Generation Approaches

Bayless
Integrated Healthcare
A Progressive Approach to Health & Wellness®

Kaden

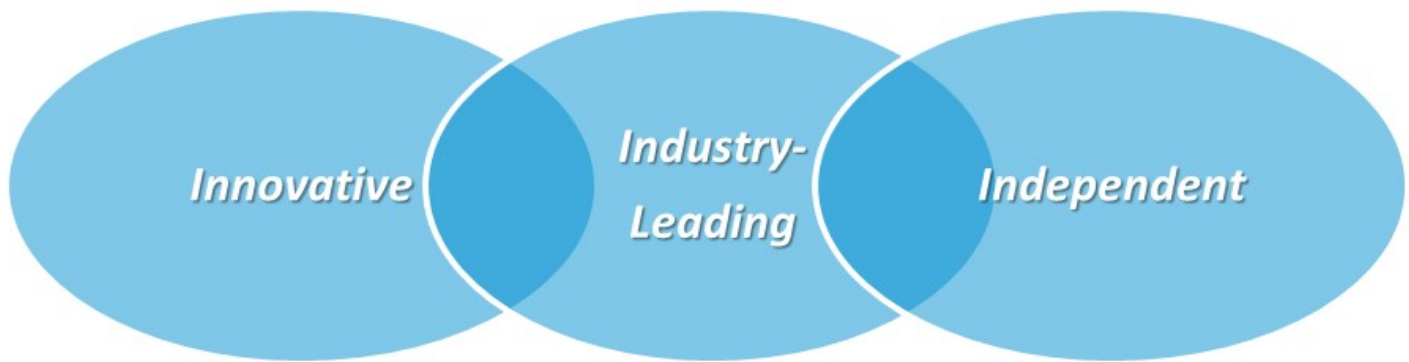
NEUROFLOW®

Source: Annals of Internal Medicine.

Transaction Represents a Compelling Opportunity for All Magellan Stakeholders



























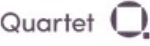











Centene's Health Care Enterprises Core Operating Principles



- ✓ Innovative technology and service model companies
- ✓ Leverage scaled Centene membership and healthcare experience
- ✓ Focus on external market to maximize scalability
- ✓ Incentive to attract best-in-class talent and technologies
- ✓ Strictly independent governance and decision making
- ✓ IT / Data and analytics firewall

Portfolio of High Value Specialty Offerings

	Behavioral	Specialty	Pharmacy	Technology, Data & Analytics	Provider
Centene Assets	 <p>CENTENE Corporation (Centene Advanced Behavioral Health)</p>	  	  	 	  
Magellan Assets	    	    	   		
Centene Minority Investment				 	   
Magellan Minority Investment	 				

Transaction Overview

Purchase Price

- \$95 in cash per Magellan share
- Total transaction enterprise value of \$2.2bn

Financial Impact

- Slightly accretive to adjusted EPS in the first full year
- Low to mid-single digit percent adjusted EPS accretion projected by the second full year
- \$50mm in annual net cost synergies projected by the second full year, incremental to the cost reduction plan of \$75mm already initiated by Magellan

Financing

- Funded with new debt and cash on hand
- Closing debt-to-capital ratio expected to be in the low 40% range
- Expect to achieve targeted debt-to-capital ratio of upper 30% range within 12 to 18 months post close

Closing

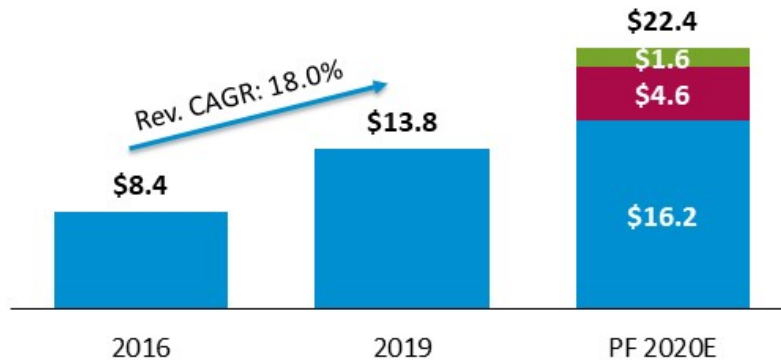
- Expected to close in the second half of 2021
- Subject to Magellan shareholder approval and customary regulatory approvals

Highly Complementary to Centene Specialty Services Strategy

*Approx. \$22bn of Revenue Through Solutions
Across the Broad Spectrum of Care*

(\$bn)

■ PantherRx ■ Magellan ■ Centene



- ✓ Leading pharmacy, wellness solutions and vision and dental benefits
- ✓ Expands specialty offerings to include radiology/cardiology/MSK/PT/OT serving 18mm specialty members in addition to Centene's own membership
- ✓ Primary care and data analytics which improve health and outcomes
- ✓ Leader in complex care serving 41mm behavioral health members, 21mm of which will be new to Centene
- ✓ Diversified pharmacy solutions with leading capabilities in specialty drug management adding 2mm PBM and 16mm medical pharmacy members

Source: Company Filings, projection models.

CENTENE[®]
Corporation
Specialty Services



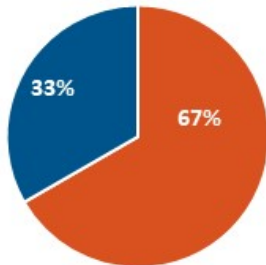
Magellan
HEALTHSM

Specialty Services Third Party Revenue (2020E)

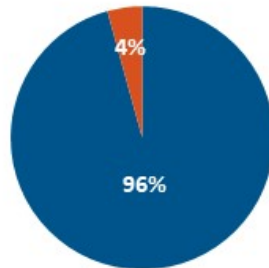
CENTENE[®]
Corporation
Specialty Services

Magellan
HEALTHSM

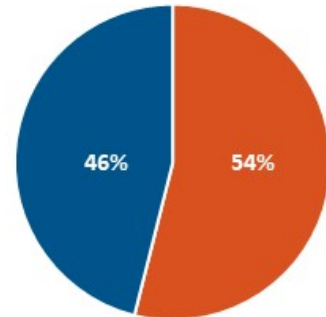
CENTENE[®] + **Magellan**
Corporation + HEALTHSM
Specialty Services



\$17.8bn⁽¹⁾



\$4.6bn



\$22.4bn⁽¹⁾

■ Third Party Customers ■ Centene Plans

Magellan transaction increases revenue from third-parties by 74% from \$5.9bn to \$10.3bn

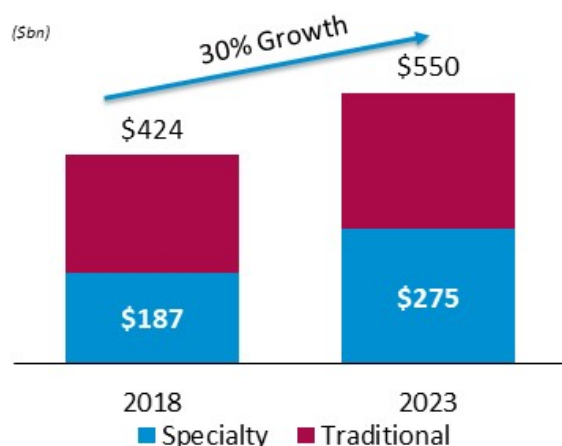
1. 2020E proforma for PantherRx.

Further Bolsters Pharmacy Capabilities

Large End Growth US Prescription Market

- ~4.5bn annual prescriptions filled per year⁽¹⁾
- ~6-15 annual prescriptions filled per person^(1,2,3)
- ~55% of Americans regularly take a prescription⁽⁴⁾

Pharmacy Industry Prescription Revenues⁽¹⁾⁽⁵⁾⁽⁶⁾



Magellan Pharmacy Overview

- ✓ Market leader in Medicaid FFS
- ✓ Significant PBM growth opportunities with mid-sized health plans
- ✓ A leading position in Specialty Rx with opportunity to grow share and expand integrated care management capabilities
 - Complements recent acquisition of PantherRx
- ✓ Adds 2mm PBM and 16mm medical pharmacy lives

1. Drug Channels Institute "The 2019 Economic Report on U.S. Pharmacies and PBMs," 2. Deloitte Center for Health Solutions; 3. Georgetown Health Policy Institute—Prescription Drugs, 2008; 4. "Americans Taking More Prescription Drugs Than Ever,"; 5. Data includes prescription dispensing revenues for retail, mail, long-term care, and specialty pharmacies; 6. Manufacturer rebates on brand name drugs in 2018 accounted to \$166bn, up by 100% from 2013.

Track Record of Successful, Larger Scale Integrations



Transaction Value ⁽¹⁾	\$6.8bn	\$3.75bn	\$17.3bn
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We are experienced in acquiring businesses of scale and highly confident in our ability to successfully integrate the Magellan platform

Source: Factset, Company Website. 1. Represents value at announcement.

Path to Long-Term Value Creation

Expected to generate \$50mm of annual net synergies by second full year

- Near-term synergies including medical costs efficiencies by leveraging Magellan capabilities across existing Centene portfolio, PBM consolidation, and G&A efficiencies
- Longer term opportunities including expansion of behavioral health platform and cross-sell of Magellan and Centene capabilities with third-party customers
 - We believe in Magellan's long-term growth potential and plan to continue to invest and deploy capital into the platform
- Successfully integrated Health Net and Fidelis, achieving targeted synergies

Combination Strengthens Our Platform

- Deepens Centene's whole health capabilities
- Reinforces Centene's leadership position in government sponsored programs
- Creates leader in behavioral health with significant scale and expertise
- Increases internal and external specialty benefit and pharmacy management capabilities
- Continued diversification of Centene's businesses with establishment of growing independent services platform
- Value creation and earnings accretion