

# Ping An Healthcare and Technology Company Limited 2022 Interim Results

**August 2022   Shanghai · China**

**Stock Code: 01833.HK**





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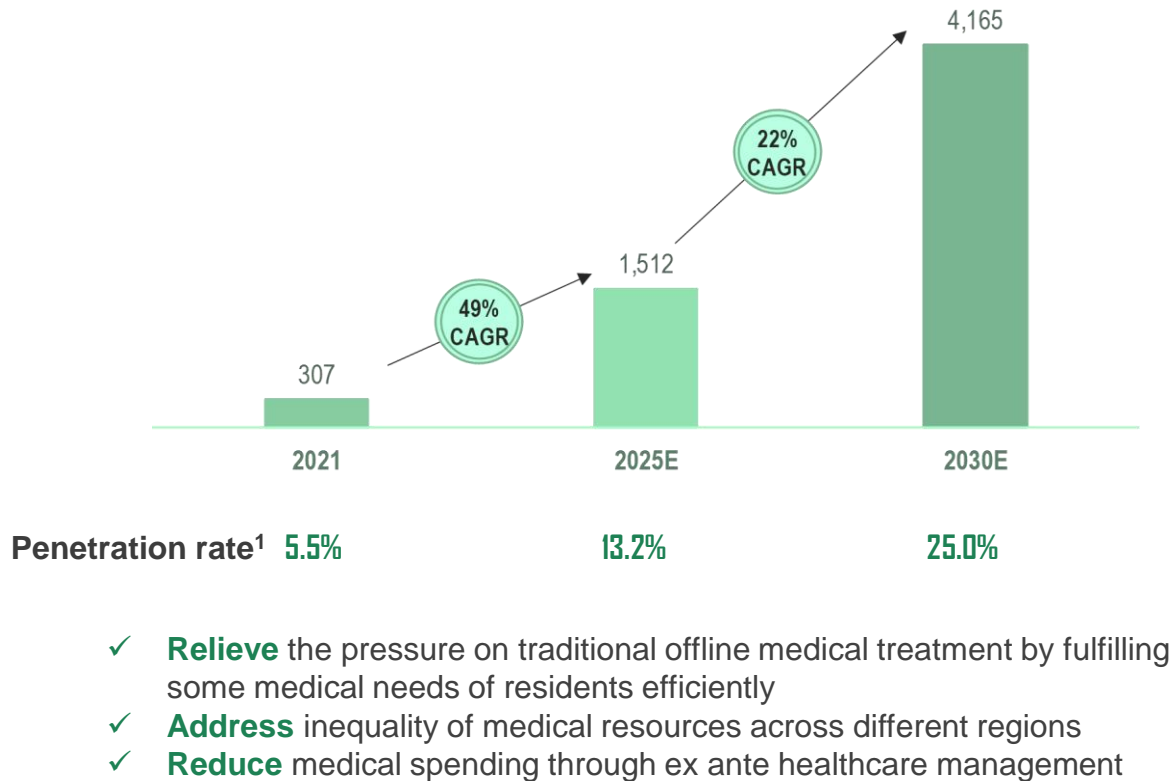
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# ➤ Enormous Opportunity: Rapid and Sound Development of the Digital Health Sector

## Rapid growth of China's digital health sector

(in RMB billion)



Source: Frost & Sullivan

1. Digital health expenditure as % of total healthcare spending

## Policies driving sound development

### Continued policy support

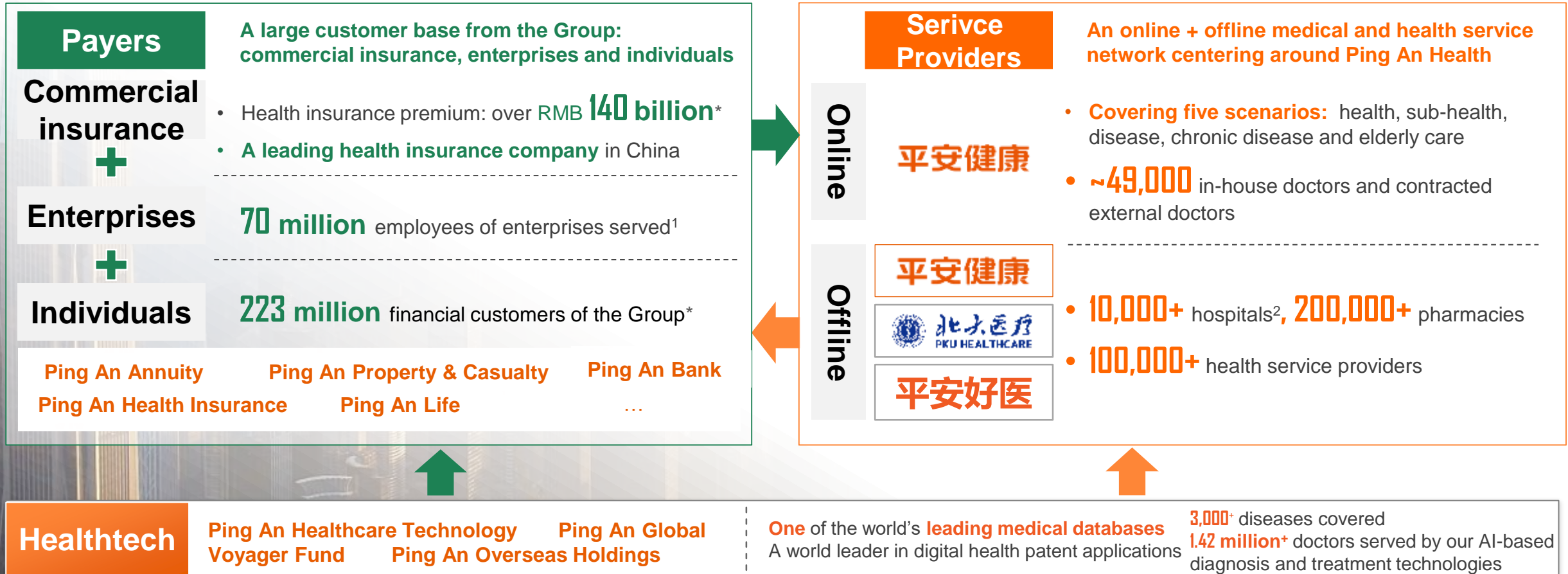
- In January 2022, the *14th Five-Year Plan for the Development of a Digital Economy* was issued, confirming that digital health is an essential part of digital economy.
- In May 2022, the *14th Five-Year Plan for National Health* was launched, which clearly defined the role of digital health in chronic disease management and medical services.

### Reinforced regulation to promote compliance

- The *Rules on Digital Diagnosis and Treatment Supervision (Trial version)* clearly specified the digital diagnosis and treatment in five areas, including **medical institutions**, **medical professionals**, **business activities**, **patient safety**, and **oversight**.
- The National Medical Products Administration released a draft of the *Regulations on the Implementation of the Drug Administration Law of the People's Republic of China* for public comments, **formulating rules on online drug transactions**, which is expected to refine drug supply chain management.

# Managed Care Business Model with Chinese Characteristics: Ping An Health is an Integral Part of Ping An Group's Managed Care Model

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Notes: \* Source: Ping An Group's 2021 Annual Results, Ping An Group's Q1 2022 Results

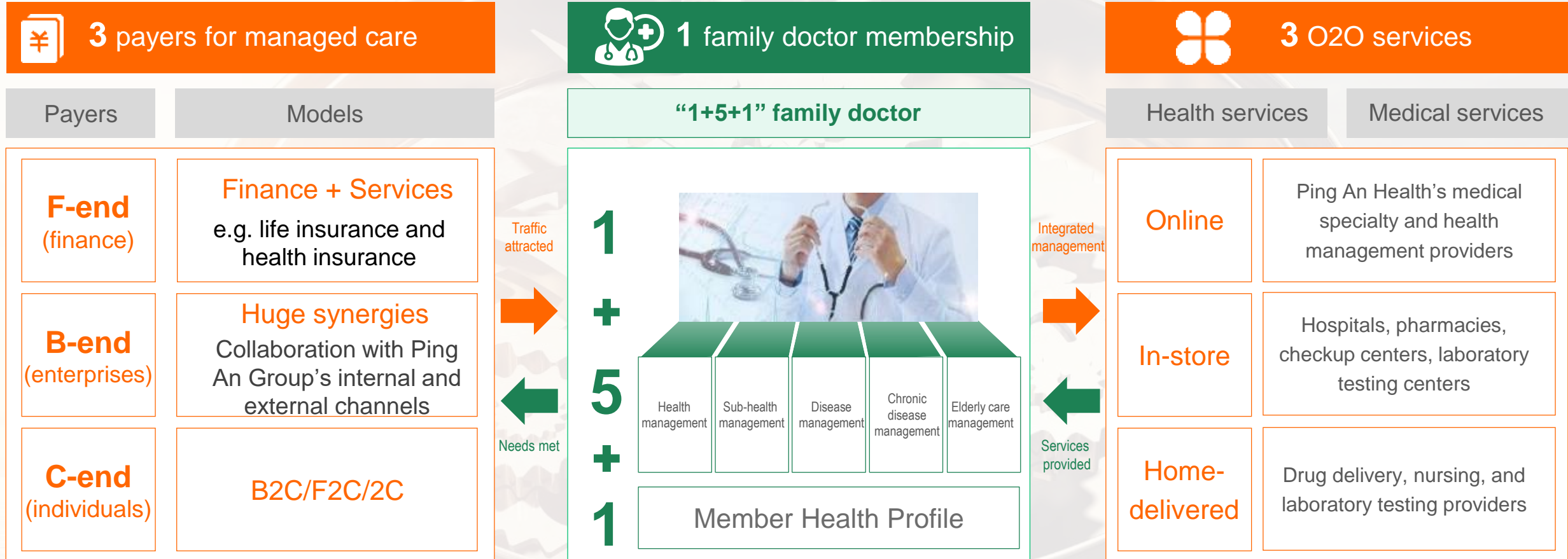
1. Enterprises with the number of employees being over 500 or registered capital more than RMB500 million (according to data as of 30 September 2021)

2. The total number of Ping An Group's partnered hospitals is 10,000, and 3,000 of them are Ping An Health's.



# ➤ Strategic Panorama of Ping An Health: Implementing the the Strategy of Managed Care by “3+1+3” Model

Value proposition: worry-free, time-saving, and money-saving



# ➤ Differentiation: Business Model Differentiates Us from Market Peers in Four Aspects



## Online + Offline End-to-end integration

- Not merely rely on online customer acquisition
- Provide **online + offline closed-loop services** for quality users with willingness to pay



## Medical + Health One-stop platform

- Provide far more than medical services
- **Build a one-stop platform** to provide cost-effective, **integrated medical + health solutions**



## Doctors + Patients Convenient bridge

- Not solely rely on revenue from pharmaceutical e-commerce
- **Family doctor membership** can provide 7\*24h end-to-end services like consultation, prescriptions, referral, follow-up visits and monitoring, and health counseling



## PA Health + PA Group Strategic synergies

- Not work alone
- Leverage Ping An Group's channels to promote integration of products and provision of services, **better meeting the needs of users within and outside the Group consistently**

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# Overview of Performance Highlights

1

## Payers for Managed care



- ✓ Provided heartwarming financial services through integration with Ping An Group's channels and business scenarios
- ✓ Advanced corporate health management services to build managed care business model with Chinese characteristics

2

## Family doctor memberships



- ✓ Enhanced family doctors' diagnosis and treatment capabilities and end-to-end service capabilities by optimizing products
- ✓ Improved the specialty service capability and expanded coverage in medical services

3

## O2O health services



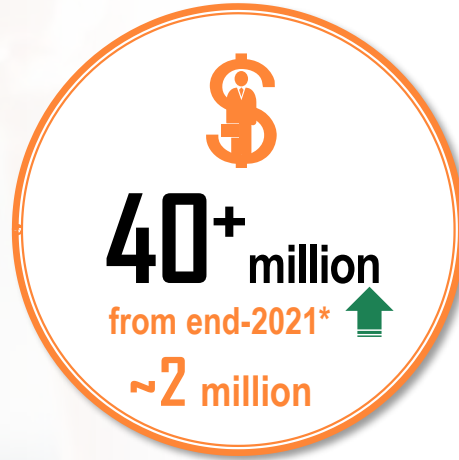
- ✓ Continued to expand the service network and optimize the provider management system
- ✓ Empowered the pharmaceutical ecosystem
- ✓ Innovated health services



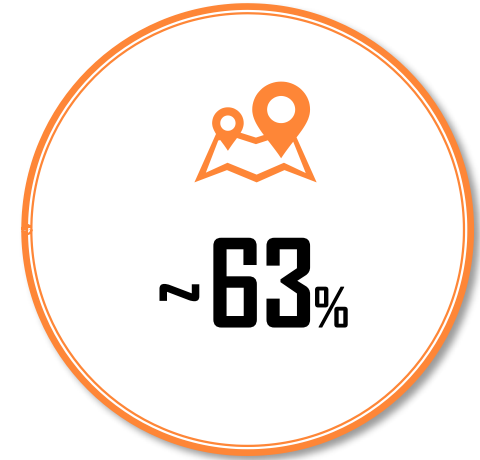
# Steady Growth in Cumulative Consultations, LTM Paying Users, and Revenue from the Service Network



Cumulative consultations<sup>1</sup>



LTM paying users<sup>2</sup>



Percentage of revenue from the service network<sup>3</sup>

Notes:\*The comparison here refers to the LTM data as of 30 June, 2022 vs the LTM data as of 31 December, 2021

1. The cumulative number of consultations of the Company as of 30 June, 2022

2. LTM paying users refer to the number of users who purchased our products or services through mobile apps, WAP or plug-in channels at least once over the past 12 months from 1 July, 2021 to 30 June, 2022

3. The percentage of the Company's revenue that comes from the "online, in-store and home-delivered" network as of 30 June, 2022

# F-end: Providing “Heartwarming Services” by Exploring Financial Business Scenarios

Integration with financial businesses

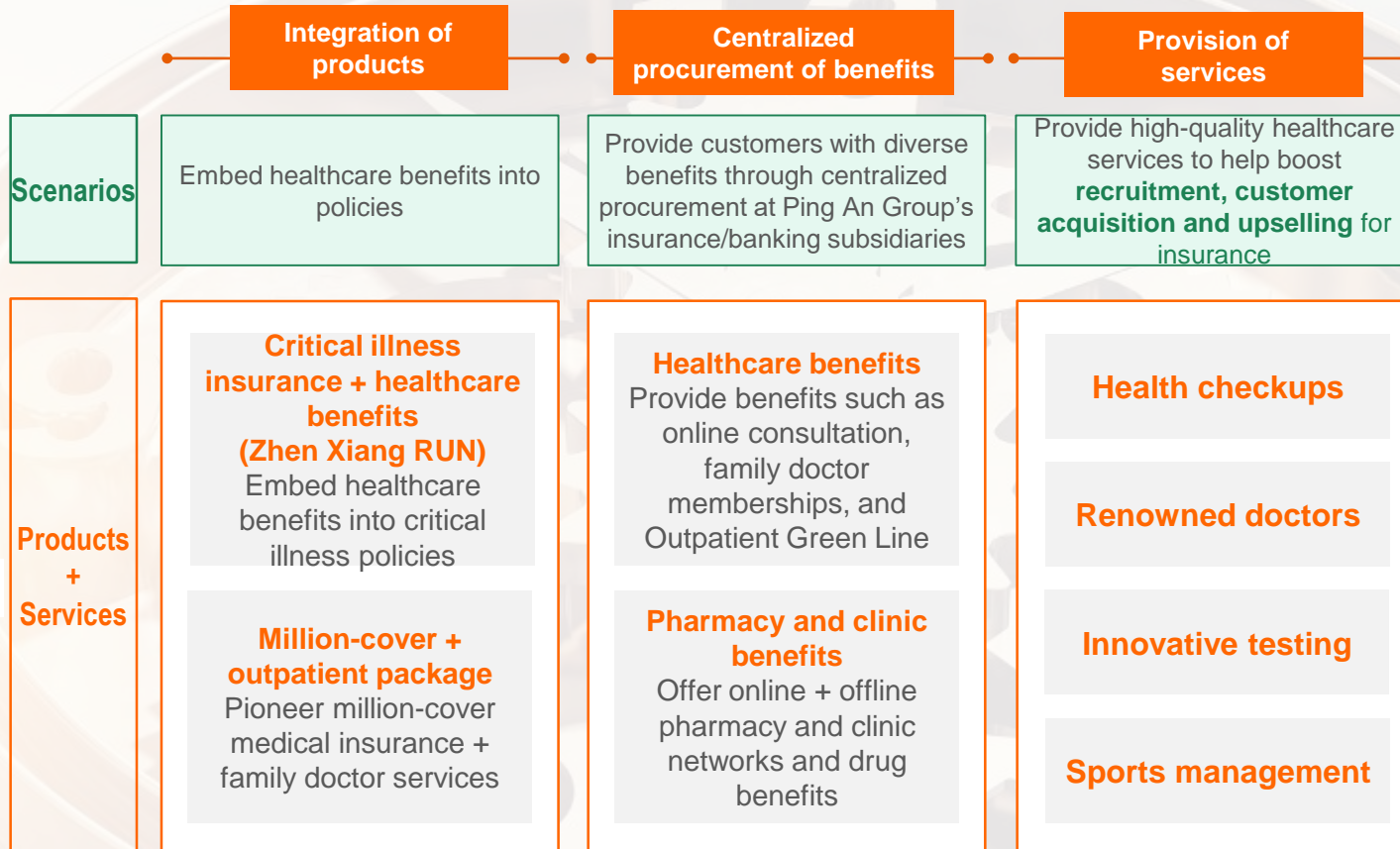
Provide “heartwarming services” in three core scenarios

F-end paying users\*

33+ million

Service satisfaction of Zhen Xiang RUN

98%+

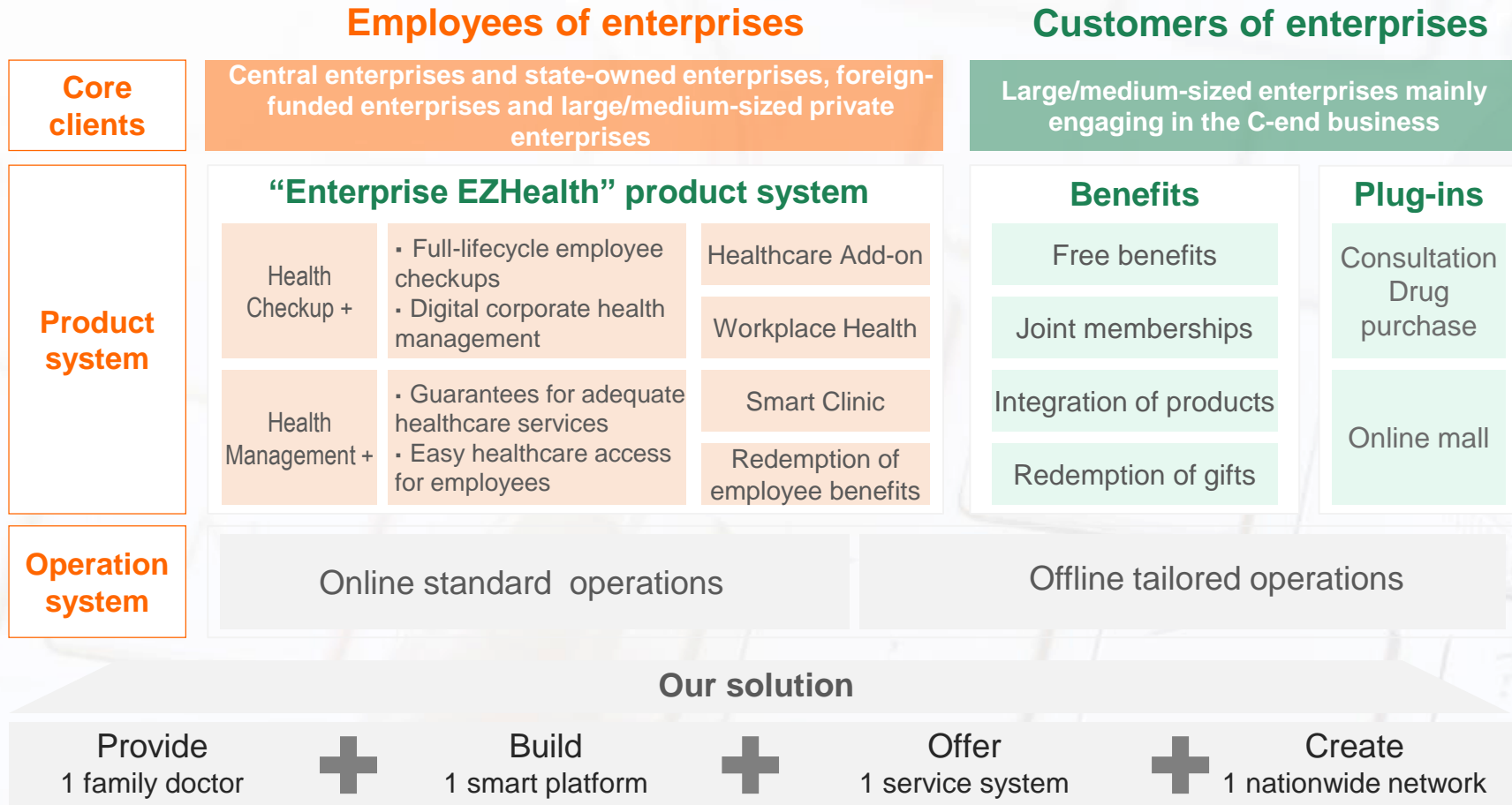


-  Ping An Life
-  Ping An Health Insurance
-  Ping An Property & Casualty
-  Ping An Bank

Note: \*LTM paying users as of 30 June, 2022

# ➤ B-end: Providing Solutions in Full Scenarios to Achieve Greater Penetration of Employees and Customers of Enterprises

Solutions in full scenarios, build up new mode of corporate health management



Total number of enterprises served\*

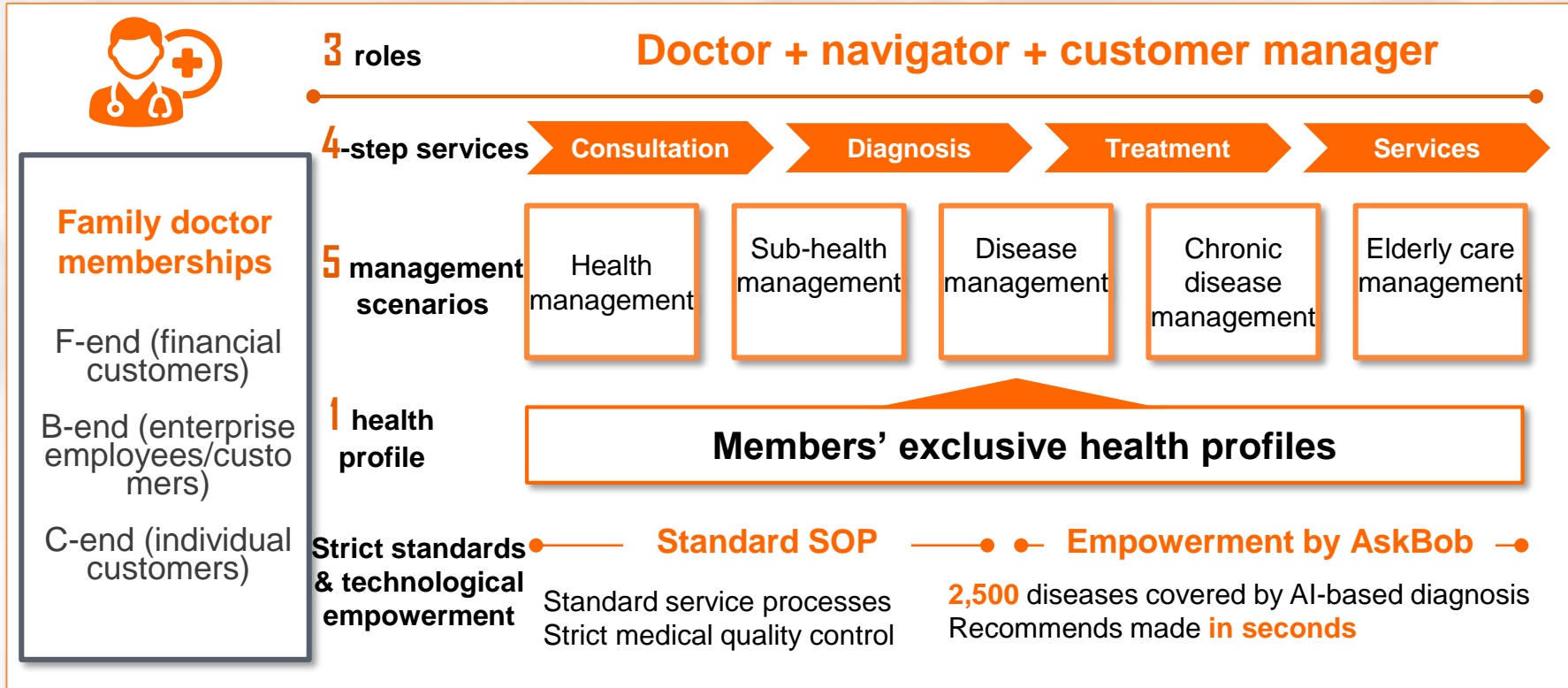
749

B-end paying users

2+ million

Note: \* Total number of enterprises served refers to the total number of enterprises we served as of 30 June, 2022

# Family Doctor Memberships: In-house Doctors and Navigators Providing Online + Offline Medical and Health Services



Patient satisfaction

98%+

7\*24h response

in 30 seconds

Consultation requests per capita\*

14.5

## Differentiation advantages



**Ping An Group's customer base**

Coverage of Ping An Group's insurance users



**In-house teams**

High-quality service standards



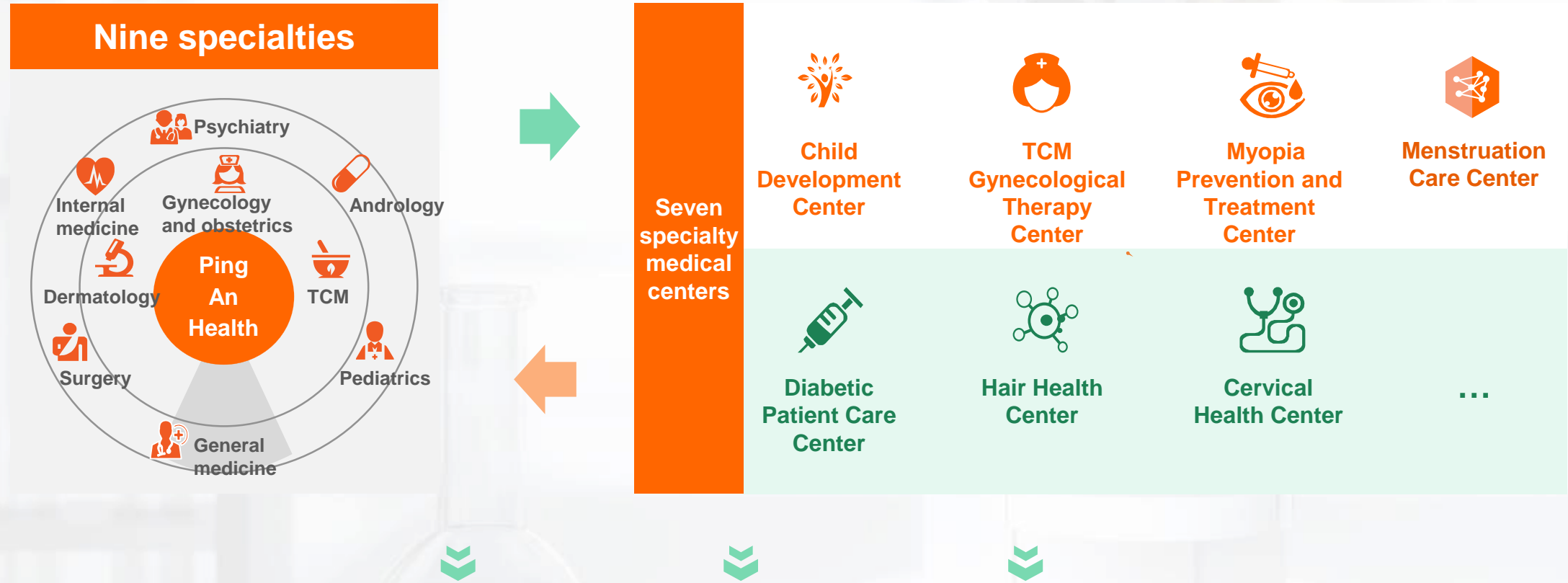
**Proactive provision of services**

Services accessible via multiple platforms

Note: \*Period between 1 January, 2022 and 30 June, 2022



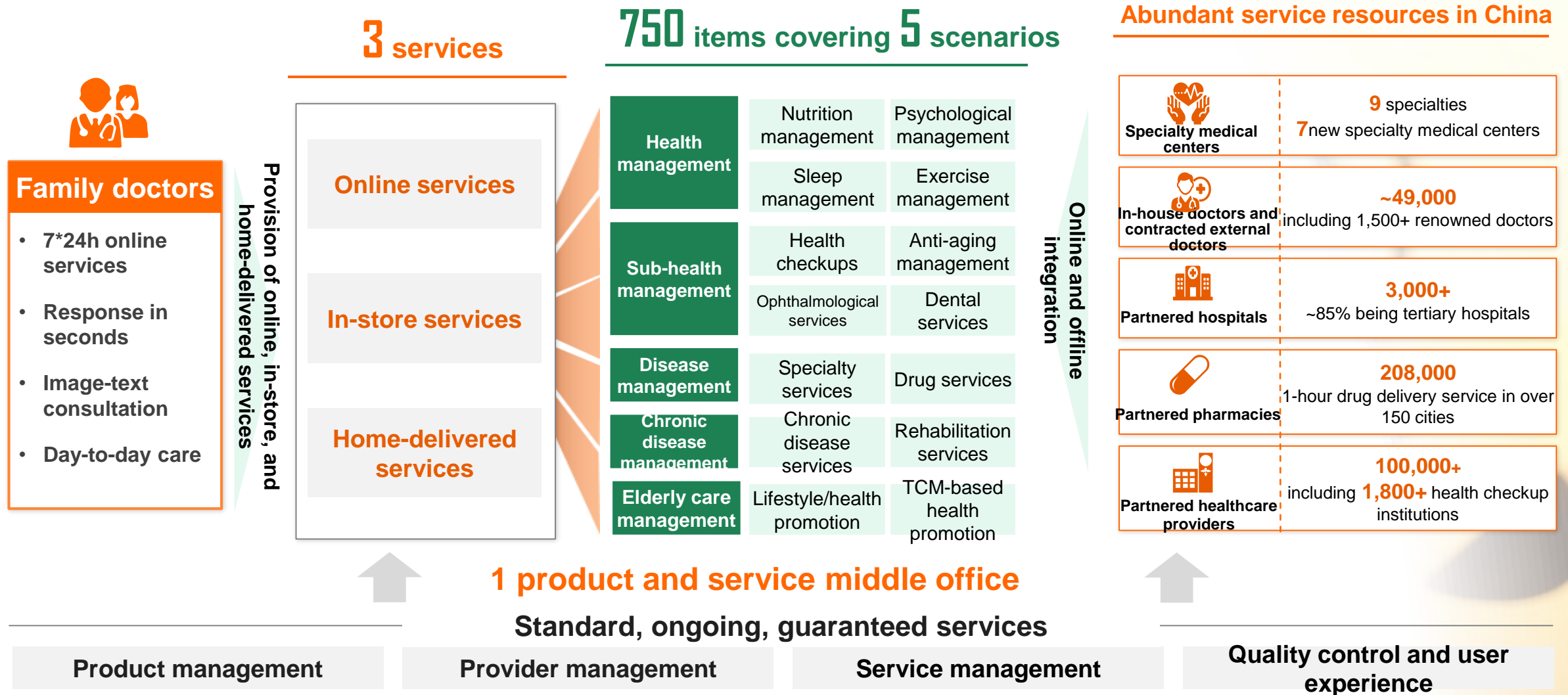
# Specialty Medical Centers: One-stop Medical and Health Services Platform for Specialty



## Professional medical

- The specialty medical centers provide **refined whole-process management** and **one-stop medical and health services** in collaboration with large tertiary hospitals and external specialists
- The Company continued to expand its renowned doctor teams while maintaining strict selection criteria.** As of 30 June, 2022, the Company had over **1,500** contracted renowned doctors

# O2O: 750 Items and Abundant Resources Cover All Scenarios of Online, In-store, and Home-delivered Services



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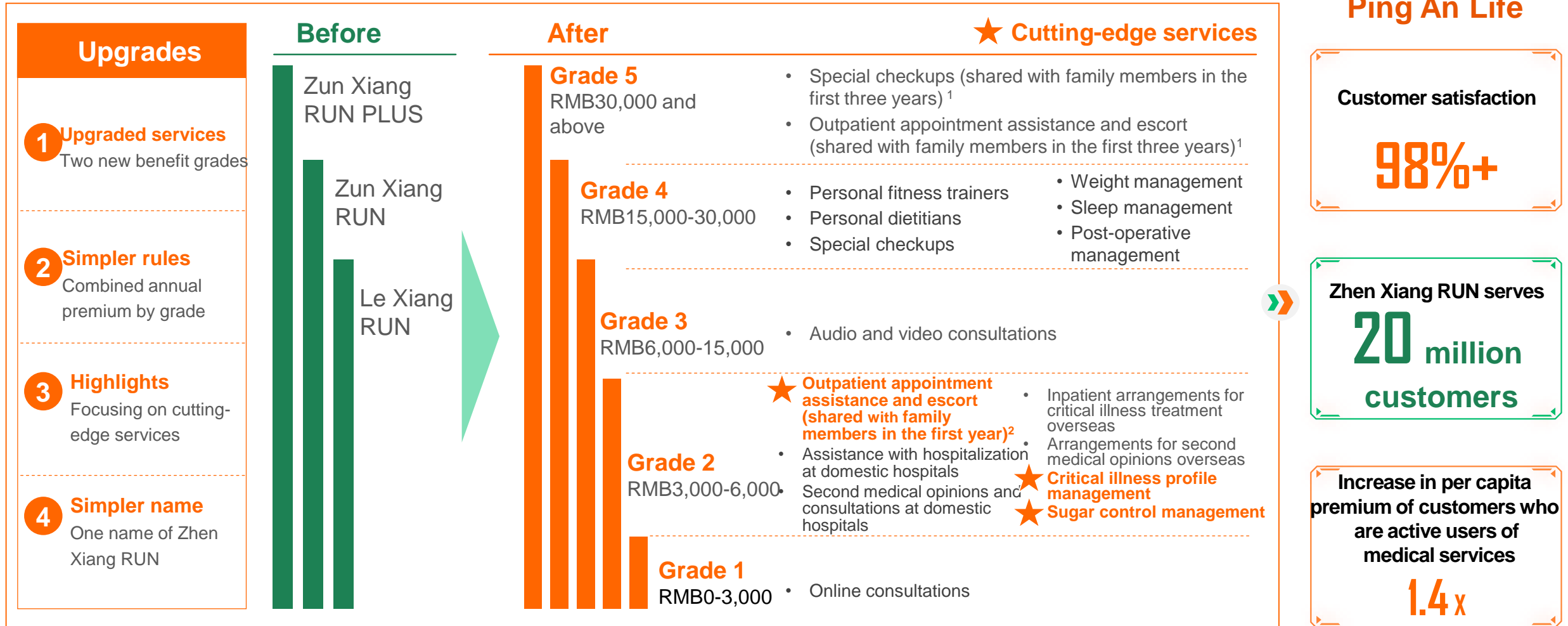
03 **Strategic Practice**

04 Results Performances

# Case 1—Collaboration with Ping An Life: Heartwarming Financial Services through Synergies between Insurance and Healthcare

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## Incorporating healthcare benefits into life insurance policies



Note: Data as at 30 June, 2022.

1. Lineal relatives designated by the insured are entitled to the service for three years, starting from the effective date of the insurance contract.

2. Lineal relatives designated by the insured are entitled to the service for one year, starting from the effective date of the insurance contract.



# Case 2—Employee Health Management: Continuing to Collaborate on Direct Reimbursement Project under the Managed Care Model

## Background

### Pain points

Employees of a major central SOE are **spread around the country**. Some of them **have difficulties in visiting hospitals** as they are based at regions with **grim conditions**

### Demands

One-stop, integrated solutions, and **direct drug reimbursement via insurance**.

## Details

### Service receivers

- **20,000** employees in **160 +** cities

### Services

- **Medical and health services:** video consultation, assistance with outpatient registration/appointment with renowned doctors, and assistance with inpatient arrangements for famous hospitals
- **Drug reimbursement:** direct reimbursement for online drug purchase

### Features

- **Tailor-made page:** customized, one-stop order fulfillment page
- **Benefit sharing pool:** subsidiaries' health service benefits shared by all employees
- **Direct reimbursement for online drug purchase:** online drug purchase expenses within the policy limit can be directly reimbursed via Ping An Health Insurance's claim settlement system



**Tailor-made fulfillment page**

### Project revenue<sup>1</sup>

**RMB 11+ million**

### Service subscribers

**10,000+**

### Consultations per capita<sup>2</sup>

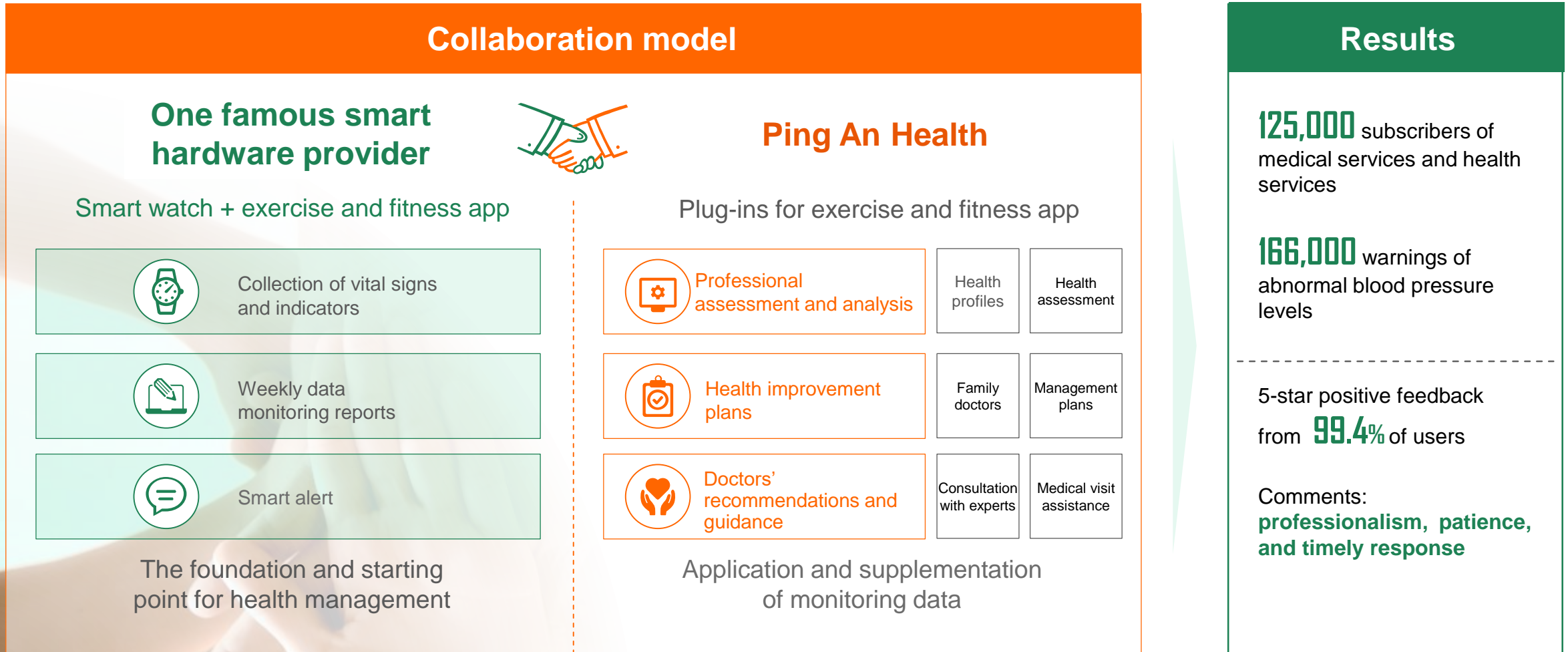
**2.8 times**

Note: Data as at 30 June, 2022

1. Including revenue from direct reimbursement for drug purchase, revenue from the corporate benefit redemption platform, and revenue from online consultations

2. The calculation is based on the data collected since the project starts

# Case 3—Corporate Client Benefits: Integrating Smart Hardware and Health Services



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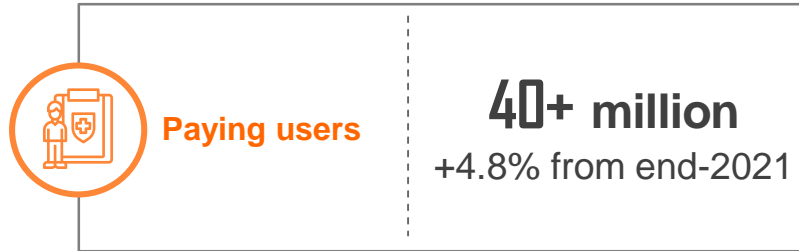
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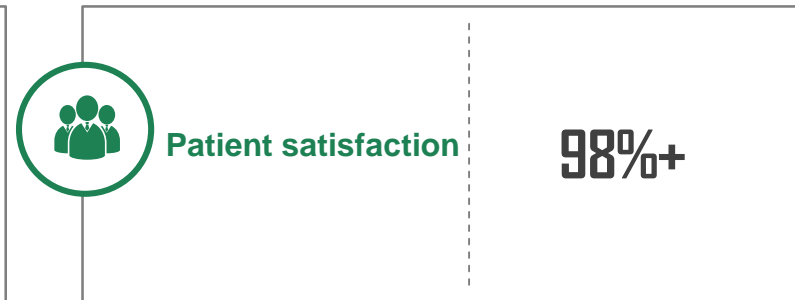
04 **Results Performances**

# Performances: Effective Implementation of the Company's New Strategies Began to Show Results

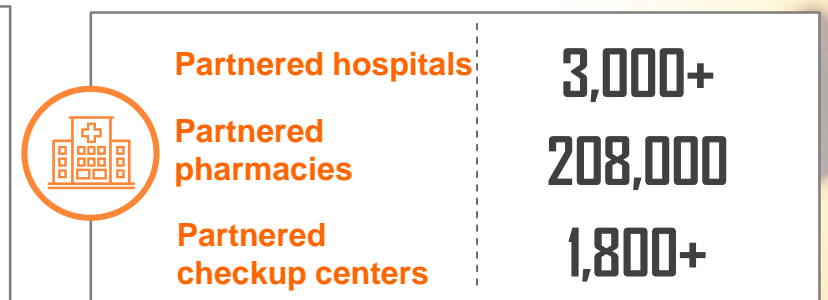
## Payers for managed care



## Family doctor memberships



## O2O services





# ➤ Financial Results (1/2): Operations Steadily Improved and Loss Significantly Narrowed in 1H22

(in RMB million)

Total  
revenue

**2,828** (3,516 in 2H 2021)  
▼ -19.6% compared  
with 2H 2021



Gross  
profit  
margin

**27.3%** (19.4% in 2H 2021)  
▲ +7.9 pct compared  
with 2H 2021



Costs

**1,416** (1,599 in 2H 2021)  
▼ -11.4% compared  
with 2H 2021



Net loss

**-426** (-661 in 2H 2021)  
▼ Loss cut 35.5%  
compared with 2H 2021

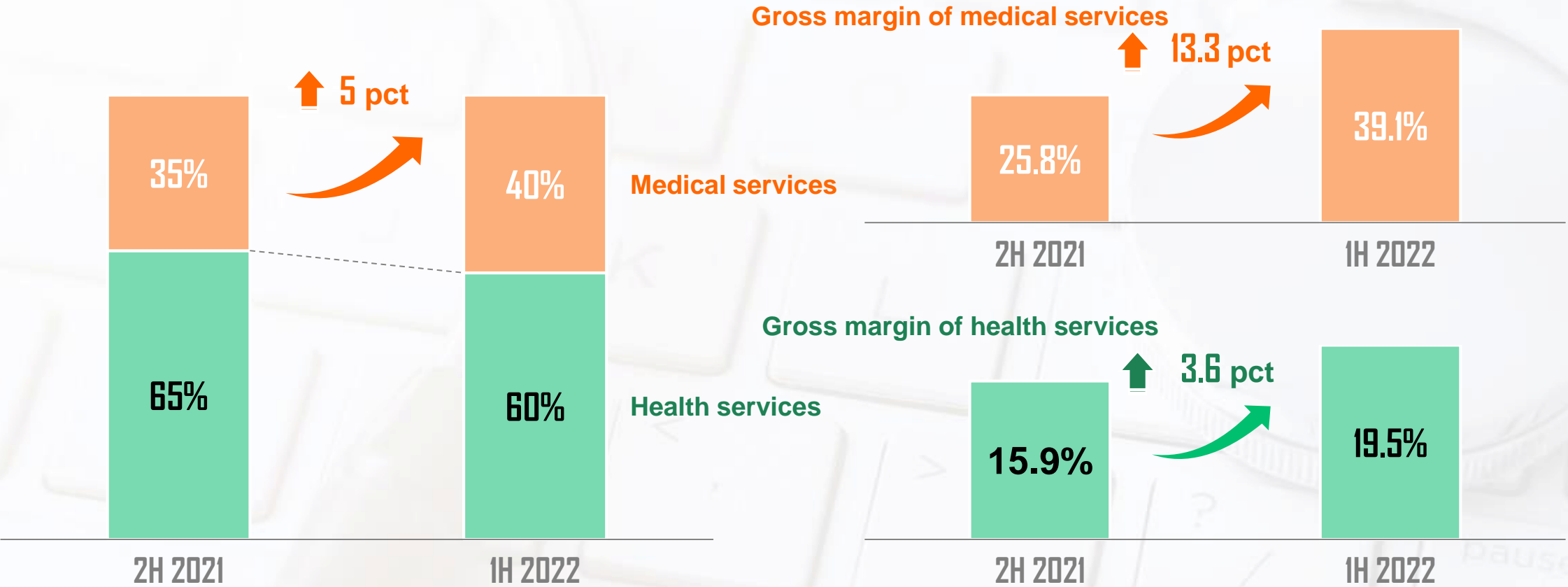




# Financial Results (2/2): Revenue Proportion of Medical Services Increased, Gross Margin Improved Significantly Across All Segments

Revenue proportion of medical services increased

Gross margin improved significantly across all segments



## ➤ Cautionary Statements Regarding Forward-looking Statements

To the extent any statements made in this report contain information that is not historical, these statements are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those containing the words or phrases “potential,” “estimates,” “expects,” “anticipates,” “objective,” “intends,” “plans,” “believes,” “will,” “may,” “should,” and similar expressions or variations on such expressions may be considered forward-looking statements.

Readers should be cautioned that a variety of factors, many of which are beyond the Company’s control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company’s forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, industry competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. These and other factors should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this report as a result of new information, future events or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.



To provide every enterprise with a harmonious workplace

To provide every family with a dedicated doctor

To provide every user with a safe and healthy life

