



# 2019 Interim Results



平安健康医疗科技有限公司  
PING AN HEALTHCARE AND TECHNOLOGY

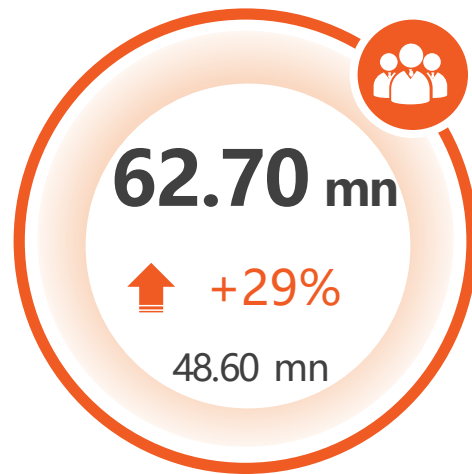


# Operation Highlights

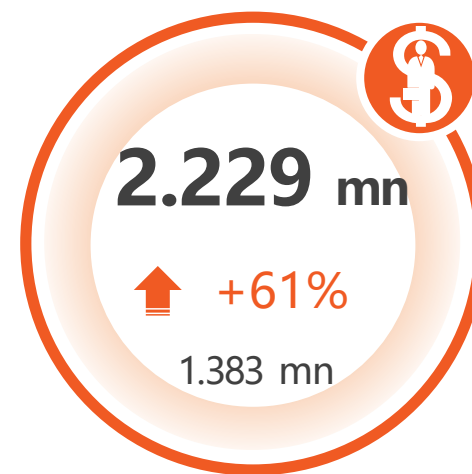
# Operational metrics improved steadily with continuous growth in Online Medical Services



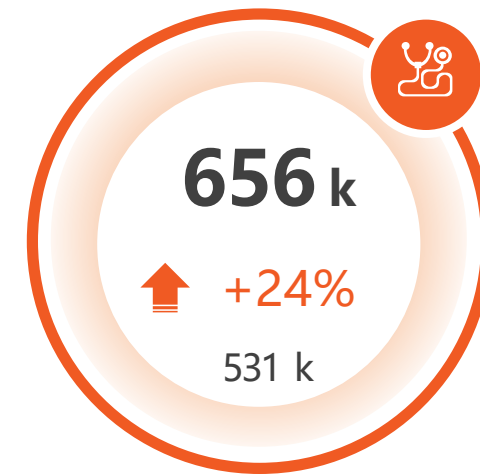
**Registered users<sup>1</sup>**



**MAU<sup>2</sup>**



**MPU<sup>3</sup>**



**Average daily consultations<sup>4</sup>**

Note: In the figure above, 29%、61% and 24% refer to year-on year growth, 61mn refers to 12-month cumulative increase from 2018.6.30 to 2019.6.30

1.As of June 30, 2019, users from plug-ins of Ping An Group accounted for 49.5% of the total number of registered users

2.Active users/ Paying users who access/paying services or products through mobile apps, WAP or plug-in channels at least once during month of June 2018 and month of June 2019

3.The average conversion rate of paying users increased from 3.1% in 2018 1H to 3.7% in 2019 1H

4. Refer to average daily consultation cases during first half of 2019

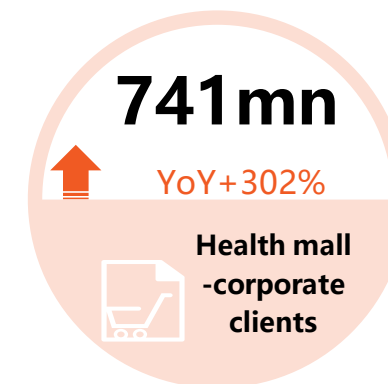
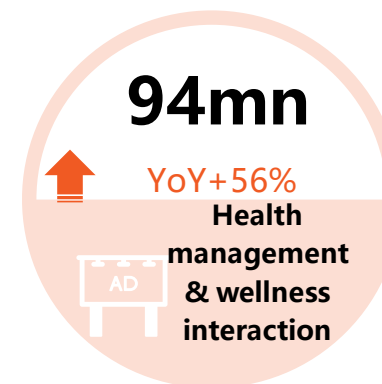
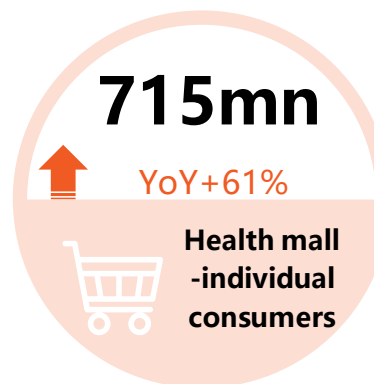
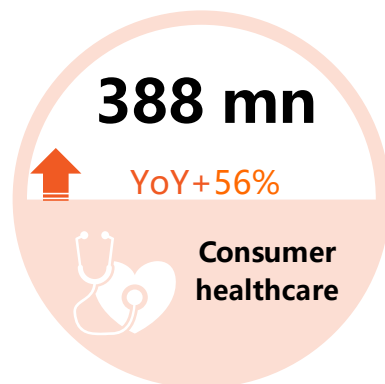
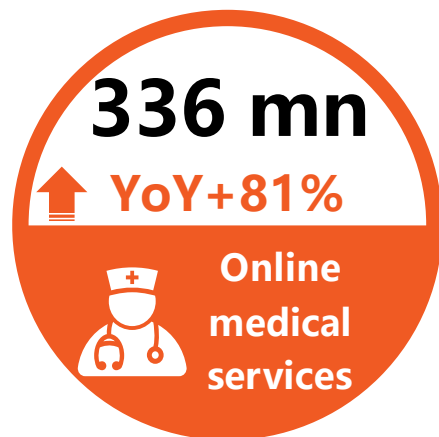
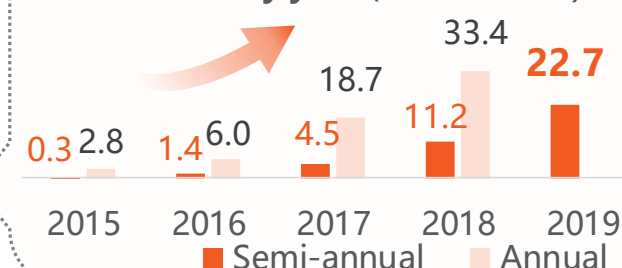
# Robust revenue growth in core business segment as monetization capabilities strengthened



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**Total revenue for 1H 2019**  
**2,273 mn** ↑ YoY+102%

Revenue by year (RMB' 00 million)



Note:

1. The above amounts are expressed in RMB

# Breakthrough in partnership cooperation creates vibrant and diversified channels



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70 mn<sup>1</sup> + individual clients



Expanding financial and insurance channels



Membership products



Creating high value-added medical services to enhance competitiveness

Note:

1. The number of individual clients from China Everbright Bank is the total number of debit cards issued as at the end of 2018; the number of individual clients from PRL, Mingsheng Life and PKU Founder Life is the total number of clients as at the end of 2018

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# Strategy Execution

# Bright prospects for internet healthcare with favorable and intensive policy support



## Finalizing

**Details on payment  
by Social Health  
Insurance**

2019.7-Response of the Medical Insurance Bureau to Recommendation 2056 of the Second Session of the Thirteenth National People's Congress: The preliminary draft of the rules on Internet medical charges has been formulated and will be published no later than the end of September after consultation and improvement.



## Supporting

**Payment by  
Social Health  
Insurance**

2019.6-The General Office of the State Council issued the Notice on the Key Tasks of Deepening the Reform of the Medical and Health System in 2019, which clearly stipulates that the Medical Insurance Bureau will formulate the policy document on Internet medical fees and medical insurance payment by the end of September.



## Encouraging

**Development  
of internet  
hospitals**

2018.4-The general office of the State Council issued the opinions on promoting the development of Internet + medical health, calling for the establishment and improvement of the Internet charging policy to support the development of the industry.



## Advocating

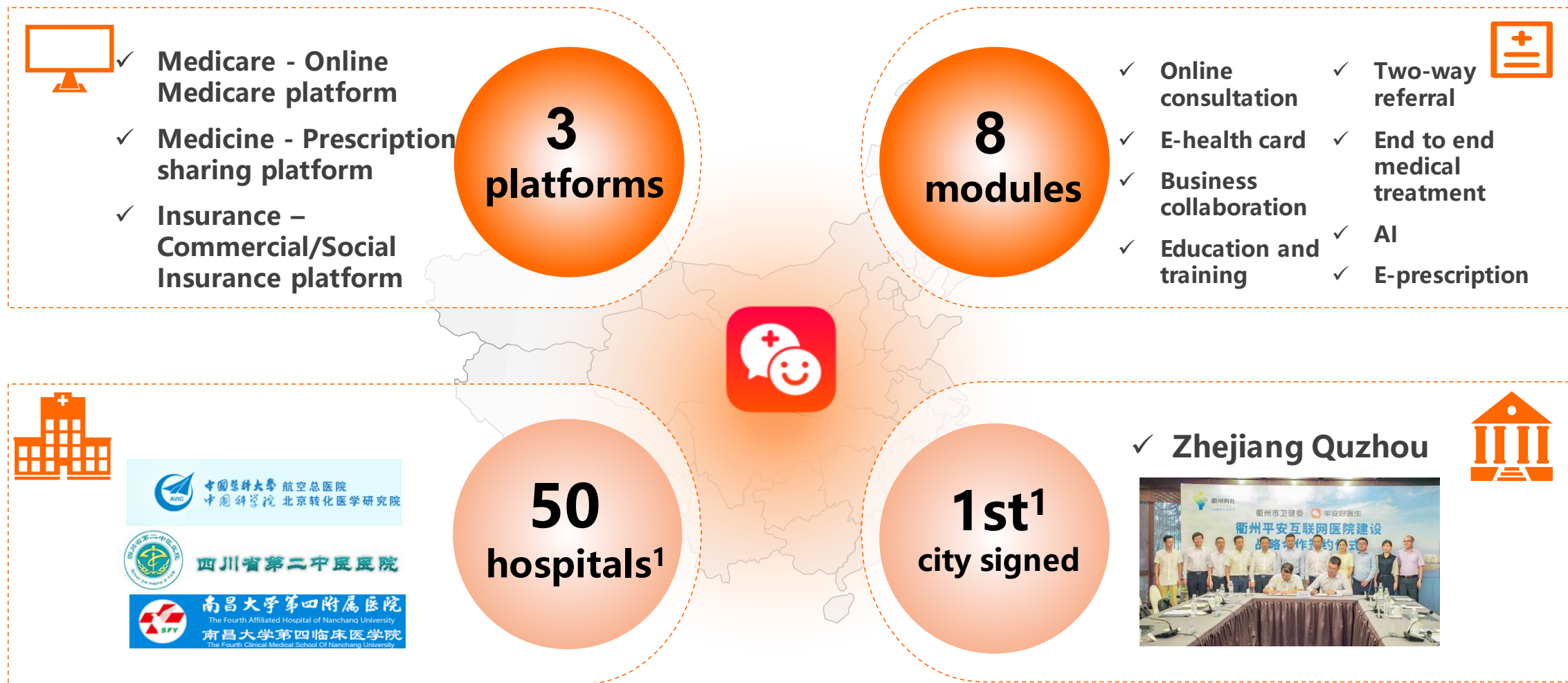
**Insurance + health  
management**

2017.11-The Regulations on Health Insurance Management (Draft for Consultation) of the Insurance Regulatory Commission clearly states that it will promote the development of health insurance and enhance the level of people's health insurance.

# Ecosystem strategy: Hospital Solution helps governments and hospitals improve efficiency



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Note :

1. As of July 31, 2019



# Ecosystem strategy : Pharmacy Solution empowers pharmacies to create new landscape for retail business



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32,000<sup>1</sup> partner pharmacies

01 Scanning code for consultation

02 Private doctor services

03 O2O express drug delivery

04 Direct payment by commercial insurance

05 Supply chain

06 Financial services

07 Membership benefits

08 Brand empowerment



Note:

1. As of June 30 2019

# Ecosystem strategy : Clinic Solution comprehensively enhances primary healthcare



## Clinic Service platform

- An open platform connecting clinics and primary medical institutions
- Direct system access and payment by Social Health Insurance



**47,000**  
clinics covered



## Empowering of clinics

- AI-assisted diagnosis
- Chronic disease management
- Expand specialties



## Training and certification

- Standard certification for clinics
- Introduce products + services, improve clinical quality of clinics



**3,000 clinics**  
connected to the  
Social Health  
Insurance  
reimbursement and  
payment system



Note:

1. As of June 30 2019
2. Picture for illustrations only

# Strategy deployment: Village Doctor Solution improves quality of rural medical services and fulfill social responsibilities



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Free medical services in poverty-stricken areas



Health checkup



Village Doctor APP



Training for village doctors



Rural healthcare support



# Product strategy : Private Doctor Service directly addresses healthcare pain points



Misdiagnosis  
rate <sup>1</sup>



Number of people  
in poverty due to  
illness <sup>2</sup>



Mortality rate of  
chronic diseases <sup>3</sup>

Note :

1.Source : Studies by 《 Medical Consultation Literature Database 》

2.Source : 2018 3-year work conference for national healthcare and poverty alleviation

3.Source : 2018 national healthcare survey, the number of deaths due to chronic illness



# Product strategy : Private Doctor Service comprehensively takes care of you all the time





**Li Tao**

**Urology**

Former associated chief physician at Tongji Hospital of Tongji University

10+ years of clinical experience  
Postdoctoral in medicine



**Zhang Xiao Juan**

**Dermatology**

Former associated chief physician at Guangzhou Women and Children's Hospital

30+ years of clinical experience



**Wang Ting Song**

**Internal Medicine**

Former associated chief physician at Ruijin Hospital of Jiaotong University School of Medicine

25+ years of clinical experience



**Wang Ning**

**Orthopedics**

Former associated chief physician at Chinese PLA General Hospital

18+ years of clinical experience  
Double doctor's degrees at home and abroad



**Liu Sai Nan**

**Neurology**

Former associated chief physician at Chinese PLA General Hospital

23+ years of clinical experience  
Postdoctoral in medicine



**Yi Ren Liang**

**Internal Medicine**

Former associated chief physician at Guangzhou General Hospital of Guangzhou Military Command

24+ years of clinical experience

**Renowned doctors as your private doctors**

- 

**Trust**  
Dedicated caring by Renowned doctors
- 

**Proactive**  
Tailored health management plans
- 

**Affordable**  
Comprehensive, high-quality and one-stop services
- 

**Worldwide**  
Integrating the world class medical resources



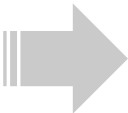
# Product strategy: Private Doctor Service ushers in a new era of healthcare



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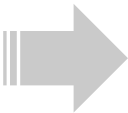
Strangers



Acquaintances



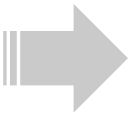
Passive



Pro-active



Open Shelf



Recommendation



Transaction-based



Trust-based

# A Robust healthcare ecosystem provides strong foundation for Private Doctor Service



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**3,000+**  
partner hospitals (including  
1,400+ Grade III 3A hospitals)

**5,000+**  
contract doctors  
(associated chief physicians or  
above at Grade III 3A hospitals)

**32,000+**  
Pharmacies in partnership

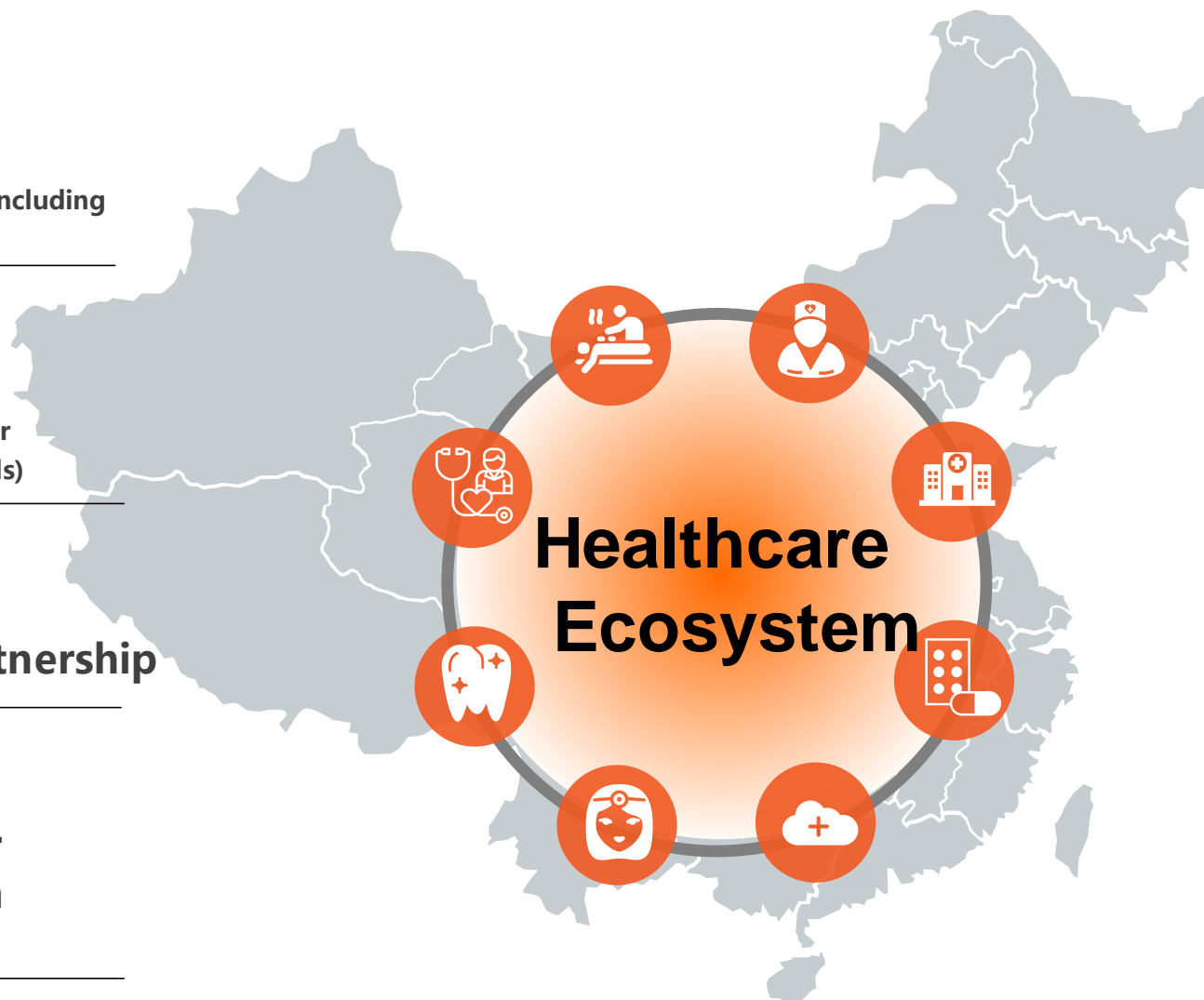
**47,000+**  
clinics utilizing our  
cloud clinic system

**150+**  
medical beauty clinics

**400+**  
traditional Chinese  
medicine (TCM) clinics

**1,600+**  
health check-up centers

**1,700+**  
dental clinics



Note:

1. As of June 30 2019

# Our core capabilities create significant barriers for Private Doctor Services



## Professional team

- **1,193** in-house medical staff members
- BSI/ISO Certified
- Five medical centers
- 7/24 service



## AI capability

- Cutting-edge AI-assisted diagnosis system
- **500 million+** consultations records
- Used by **nearly 150** offline hospitals



## Operational Excellence

- **289** million users
- **62.7** million monthly active users
- user satisfaction rate at **98%**



## Data capability

- Big data platform
- Supercomputing platform
- Data security

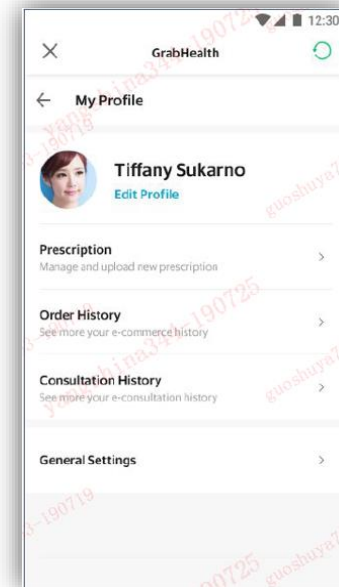
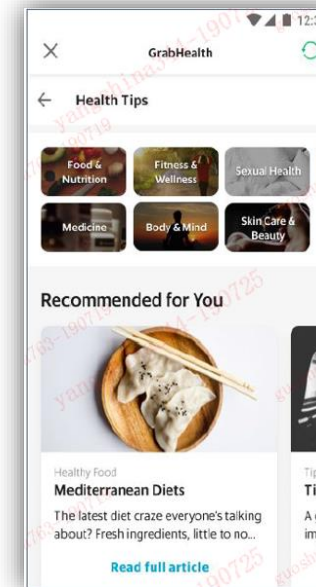
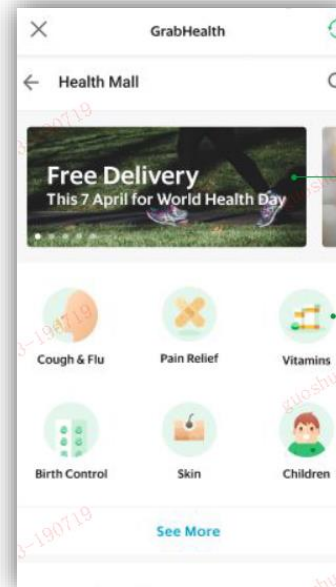
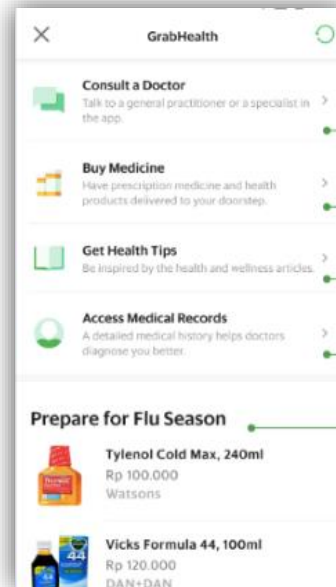
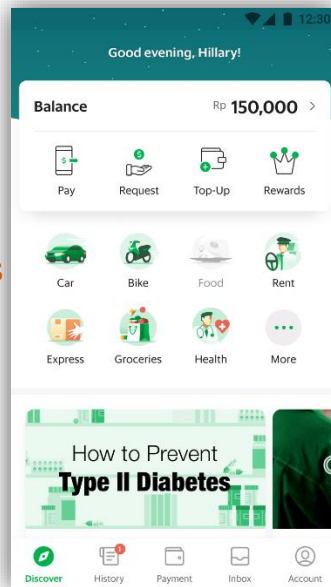


# Globalization strategy : leverage AI technology and business model to empower global partners



- **Rapid coverage** – we have established a Singapore-based joint venture for expanding into the market in Southeast Asia. We will cover the local markets rapidly by virtue of Grab' s huge traffic.
- **First launch in Indonesia** - we will start to provide online consultation, health mall and other healthcare services for users in Indonesia via collaboration with Grab in 2019

Product interfaces



# Globalization strategy: leverage AI technology and business model to empower global partners



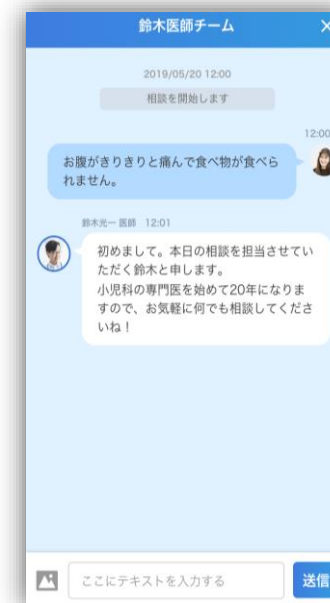
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Japan  
130 million  
population

- **Powerful collaboration** – April 2019, we entered into joint venture agreement and established Japan Joint Venture together with Softbank, remarks an important foot print for our debut in Japan online healthcare market.
- **Win-win cooperation** – together with Softbank we will consolidate quality local partners including hospitals, doctors, insurance companies, pharmacies, logistics and delivery companies to bring quality Internet healthcare services to users in Japan.

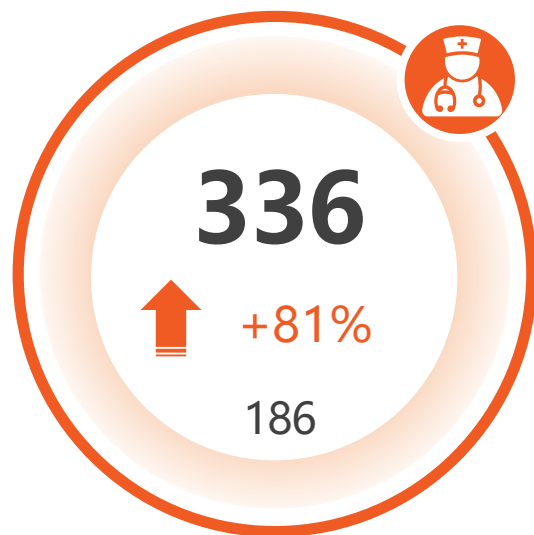
Product  
interfaces





# Financial Performance

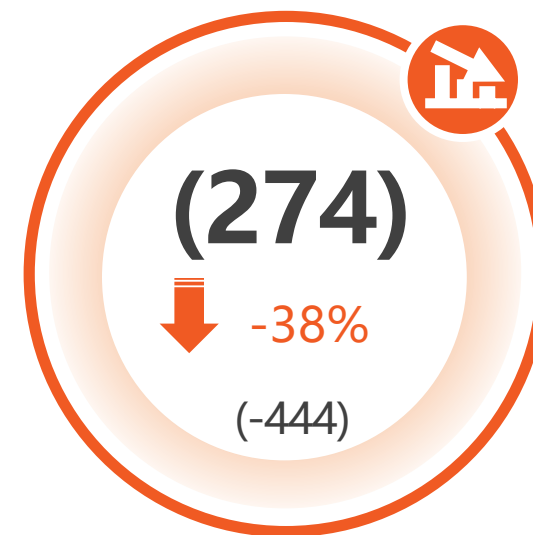
# Revenue grew rapidly and net loss narrowed significantly



**Online Medical  
Services Revenue**  
(RMB in millions)



**Total Revenue**  
(RMB in millions)



**Net loss**  
(RMB in millions)

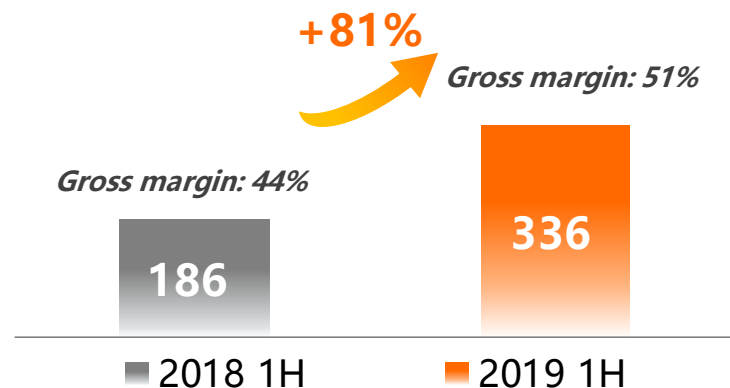
Note : In the figure above, 81%, 102% and -38% refer to year-on-year growth

# Recorded across all segments while quality of earnings continued to improve

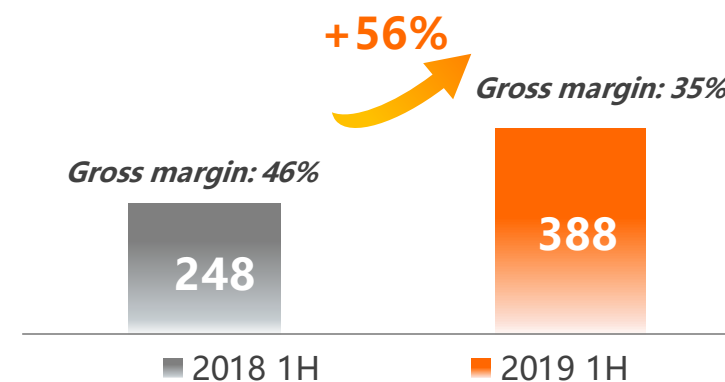


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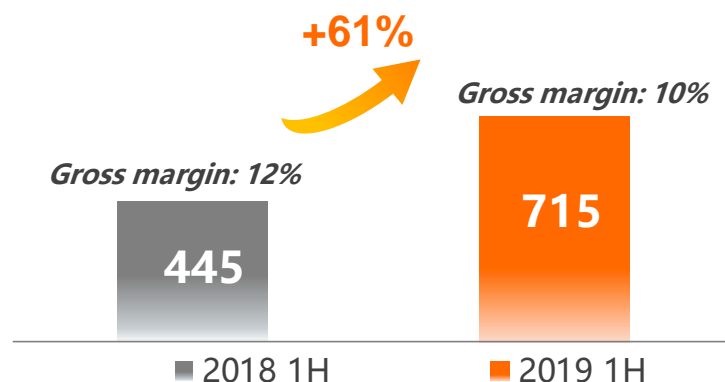
Online medical service (RMB in millions)



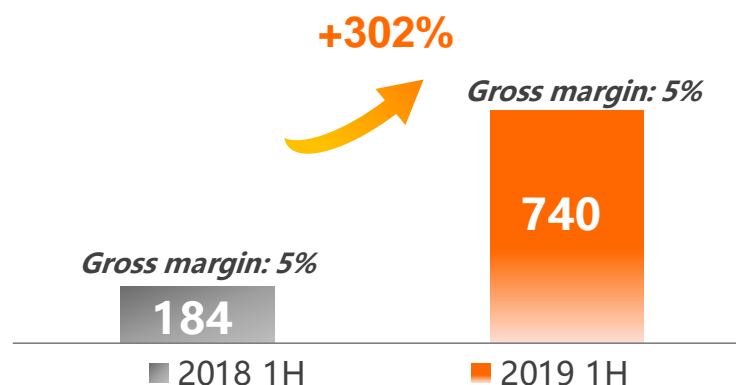
Consumer healthcare (RMB in millions)



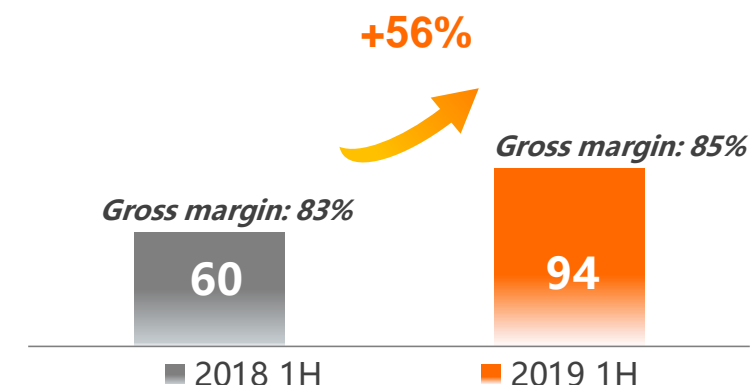
Health mall – Individual consumers (RMB in millions)



Health mall – Corporate Clients (RMB in millions)



Health management and wellness interaction (RMB in millions)



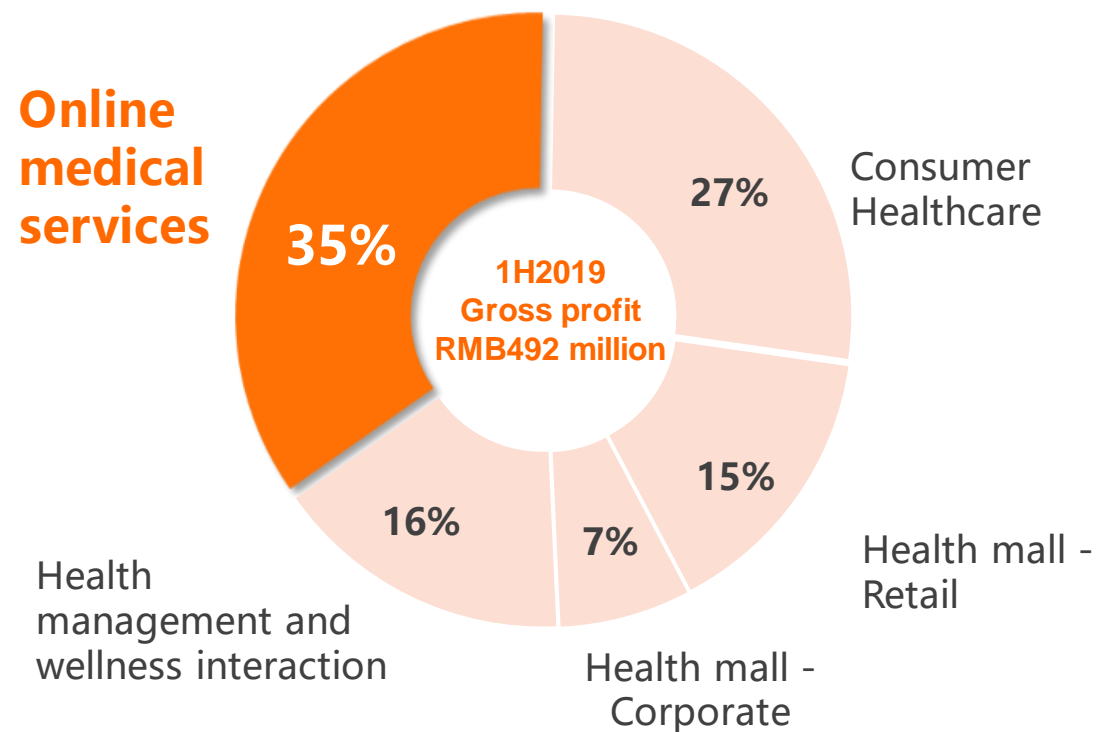
Note: 1. As of June 30 2019

# Online medical services contributes the most as 平安好医生 overall profits grow strongly

Gross profit (RMB in millions)



Contribution (%) to gross profit by business segment



Note : In the figure above, 59% refers to year-on-year growth

# Operational efficiency improved significantly and operating loss narrowed year on year



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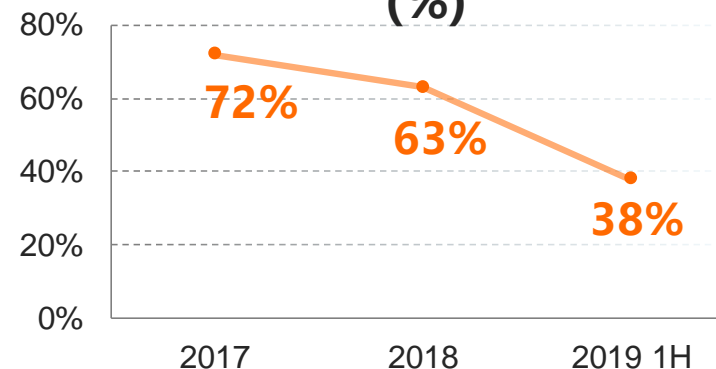
(RMB in millions)

2018 1H

2019 1H

Total of expenses	770	865
Selling expenses	472	377
Administrative expenses	298	488
Operating loss	(453)	(364)

Expense-to-Revenue Ratio (%)

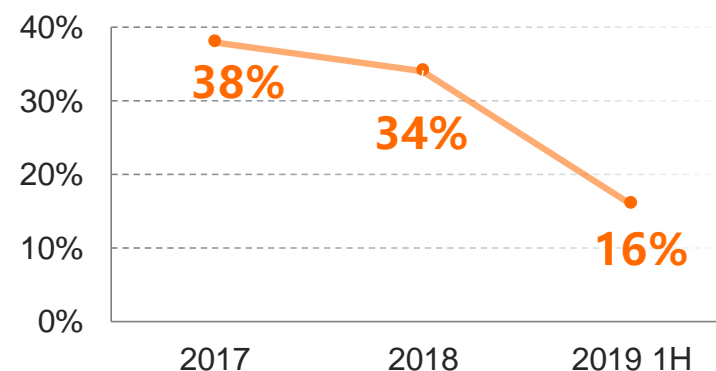


Revenue grew significantly



Operating loss and net loss narrowed year on year

Operating loss rate (%)



Operating loss ratio and net loss ratio declined greatly

Note:

1. Expenses excluded expenses of options and one-off expense related to IPO

# Appendix - Interim Condensed Income Statement for 2019



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RMB in millions	Jan. - Jun. 2019	Jan. - Jun. 2018	Year-on-year growth
I. Revenue	2,273	1,123	102%
II. Cost of sales	(1,781)	(814)	119%
III. Gross profit	492	309	59%
IV. Expenses and taxes <sup>1</sup>	(865)	(770)	12%
V. Other income	9	8	13%
VI. Operating profit (loss)	(364)	(453)	(20%)
<i>Operating loss rate</i>	<i>16%</i>	<i>40%</i>	<i>- 24 percentage points</i>
VII. Net finance income, exchange gains/losses and others	146	87	68%
VIII. Options + IPO expense	(56)	(78)	(28%)
IX. Net profit (loss)	(274)	(444)	(38%)

Note:

1. Expenses exclude share-based payment expenses, net foreign exchange gains, fair value gains on financial assets and listing expenses.



**THANK YOU**