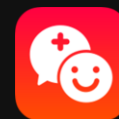




PINGAN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED  
**平安健康医疗科技有限公司**

**Company Introduction**

**Stock Code: 01833.HK**



**平安好医生**  
PINGAN GOOD DOCTOR

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# Vision and Mission

## Mission

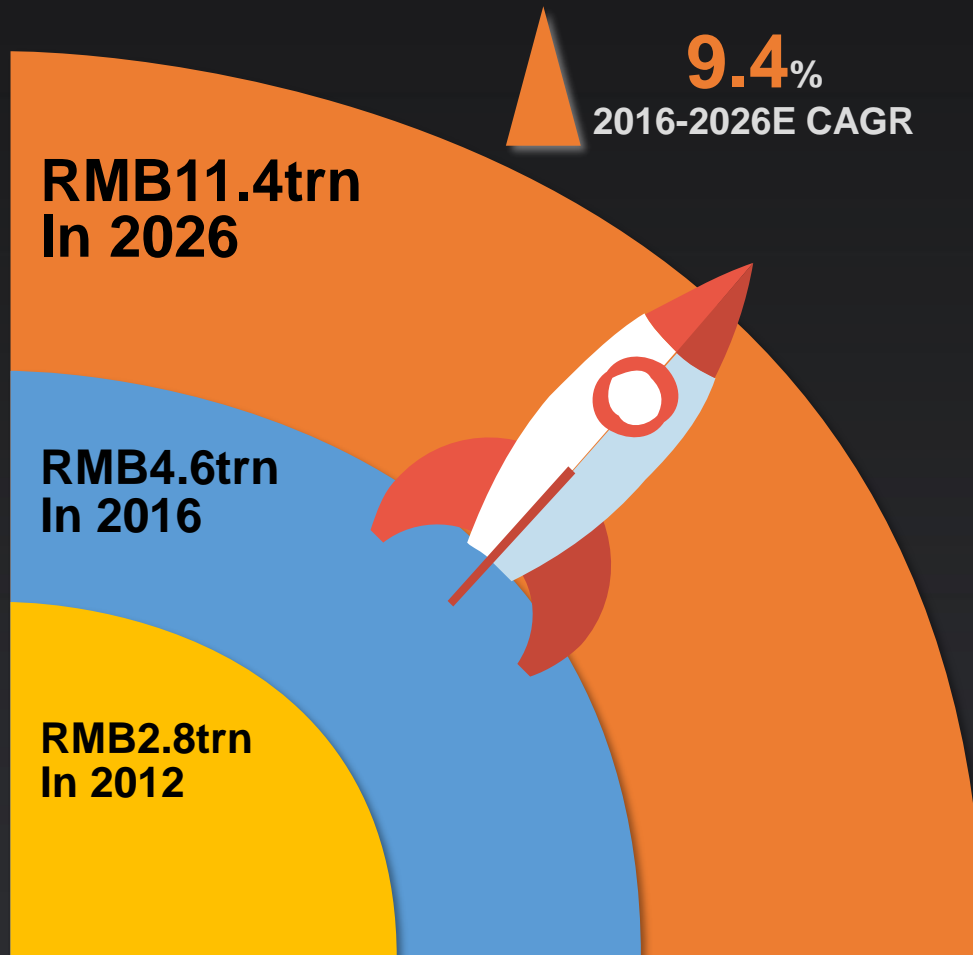
Build the largest **healthcare ecosystem** in the world and **promote healthy living empowered by technology**

## Vision

- ✓ A **family doctor** for every family
- ✓ An **e-health profile** for every person
- ✓ A **health management plan** for everyone

# China Healthcare Services Market: Massive, Growing with Structural Weaknesses

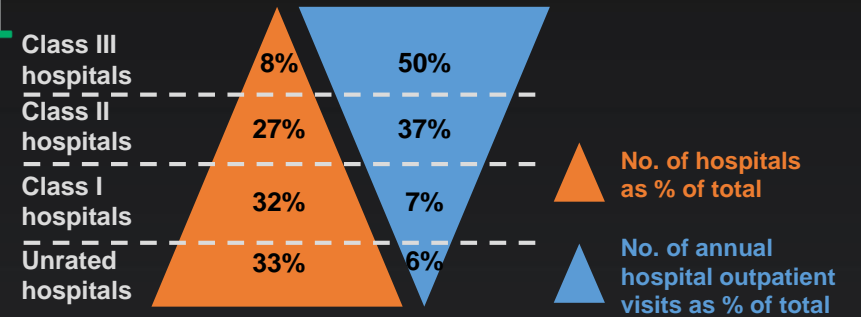
## Total healthcare expenditure in China



Current weaknesses in China's healthcare industry



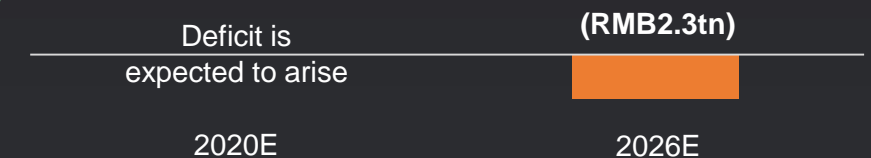
## Scarcity and uneven distribution of quality medical resources<sup>1</sup>



## Poor medical service experience<sup>1</sup>

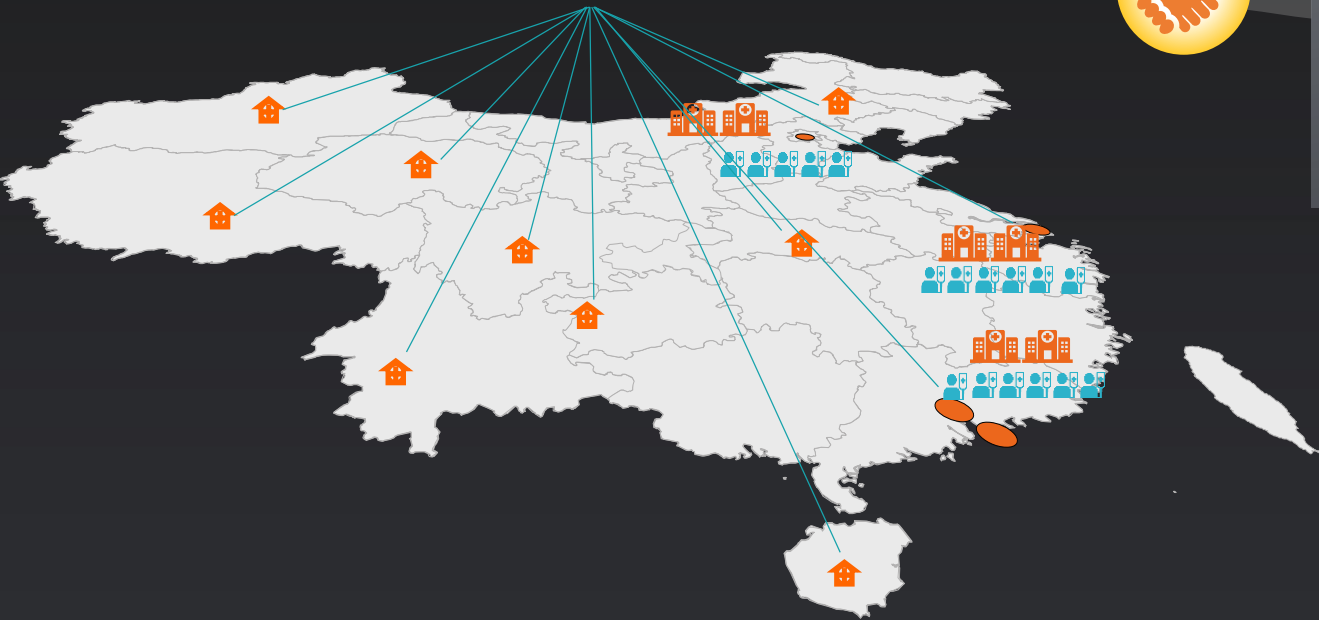
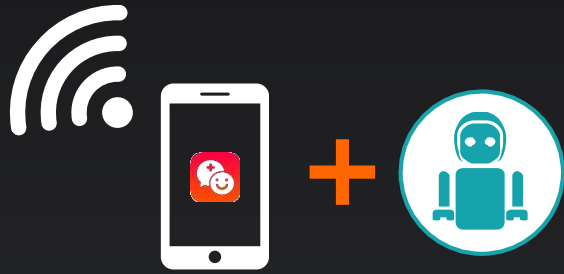


## Expected deficit of the basic social medical insurance



Source: Frost & Sullivan. <sup>1</sup> In the PRC, as of 2016.

# Internet + AI is the Only Solution to Address the Pain Points



## Medical resources

- ✓ Leverage **Internet** to share medical resources in real-time across regions
- ✓ **AI Assistant** bridges the unmet demand for family doctors and alleviate pressure on physical medical institutions



## User experience

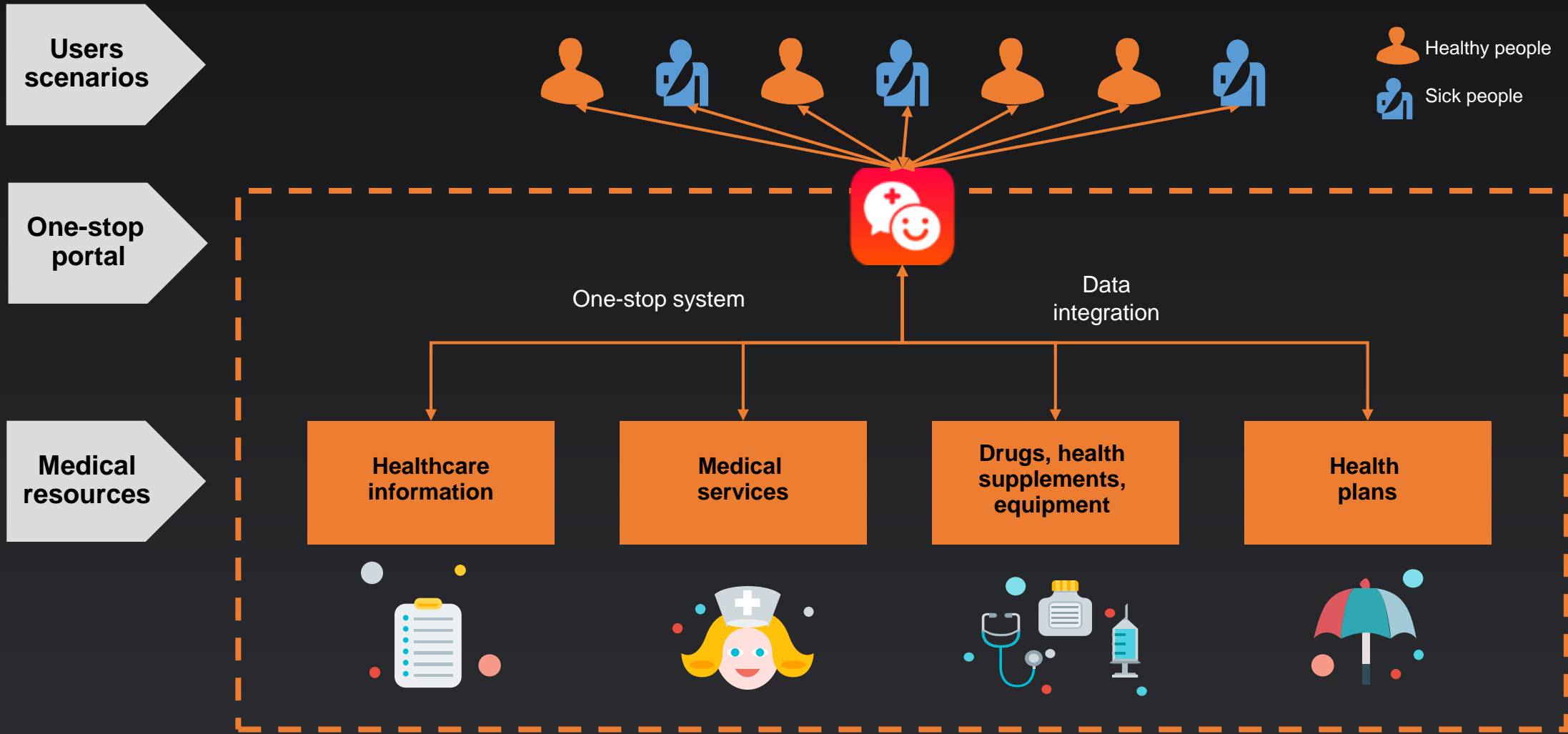
- ✓ **24x7 access** to quality healthcare with minimal waiting time on users' fingertip
- ✓ **Lower** patient's medical-related **costs**



## Social impact

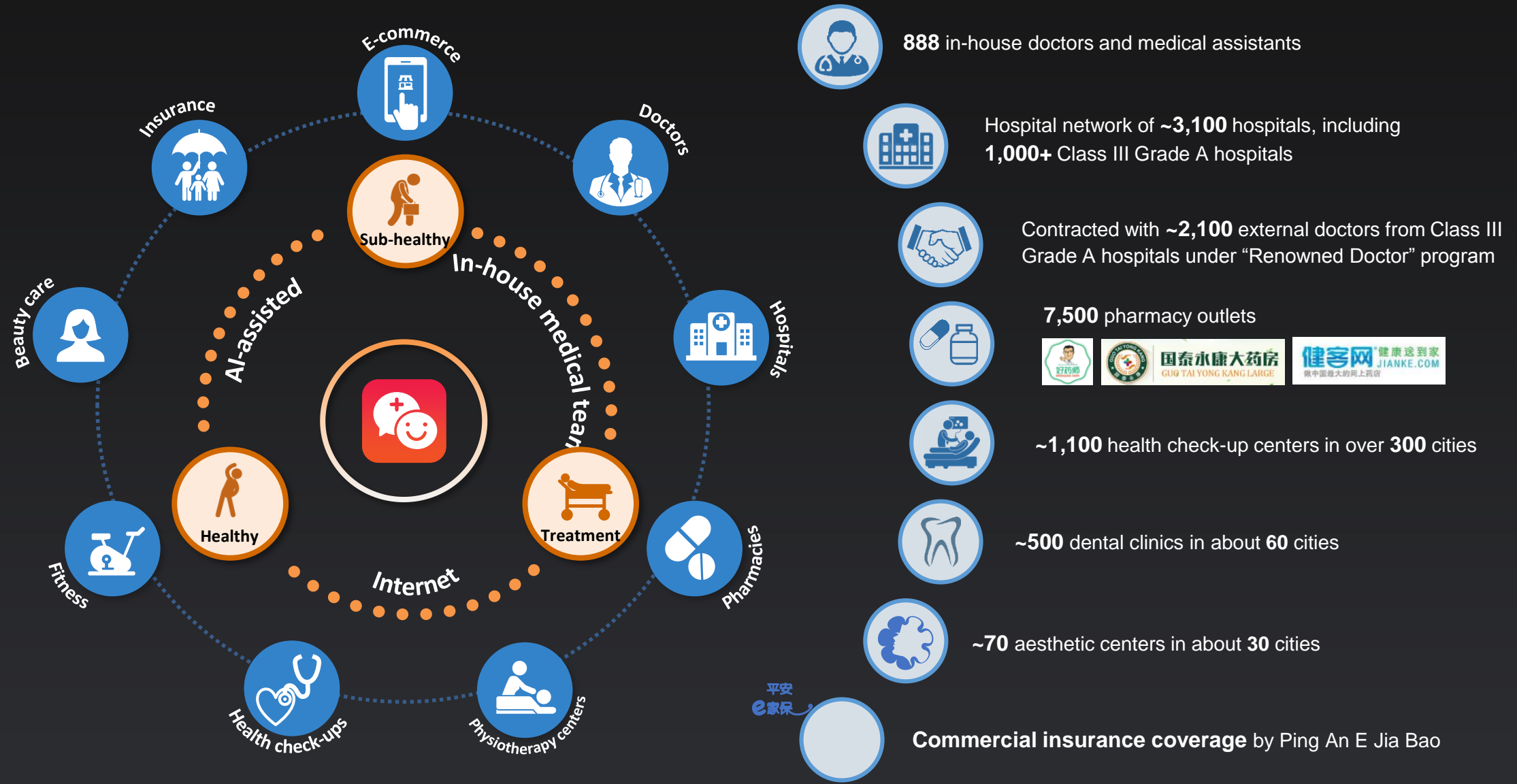
- ✓ Low cost and scalable model to improve **access to care**
- ✓ Improve overall **population health**

# We Created a One-stop Healthcare Platform to Reshape User Behavior



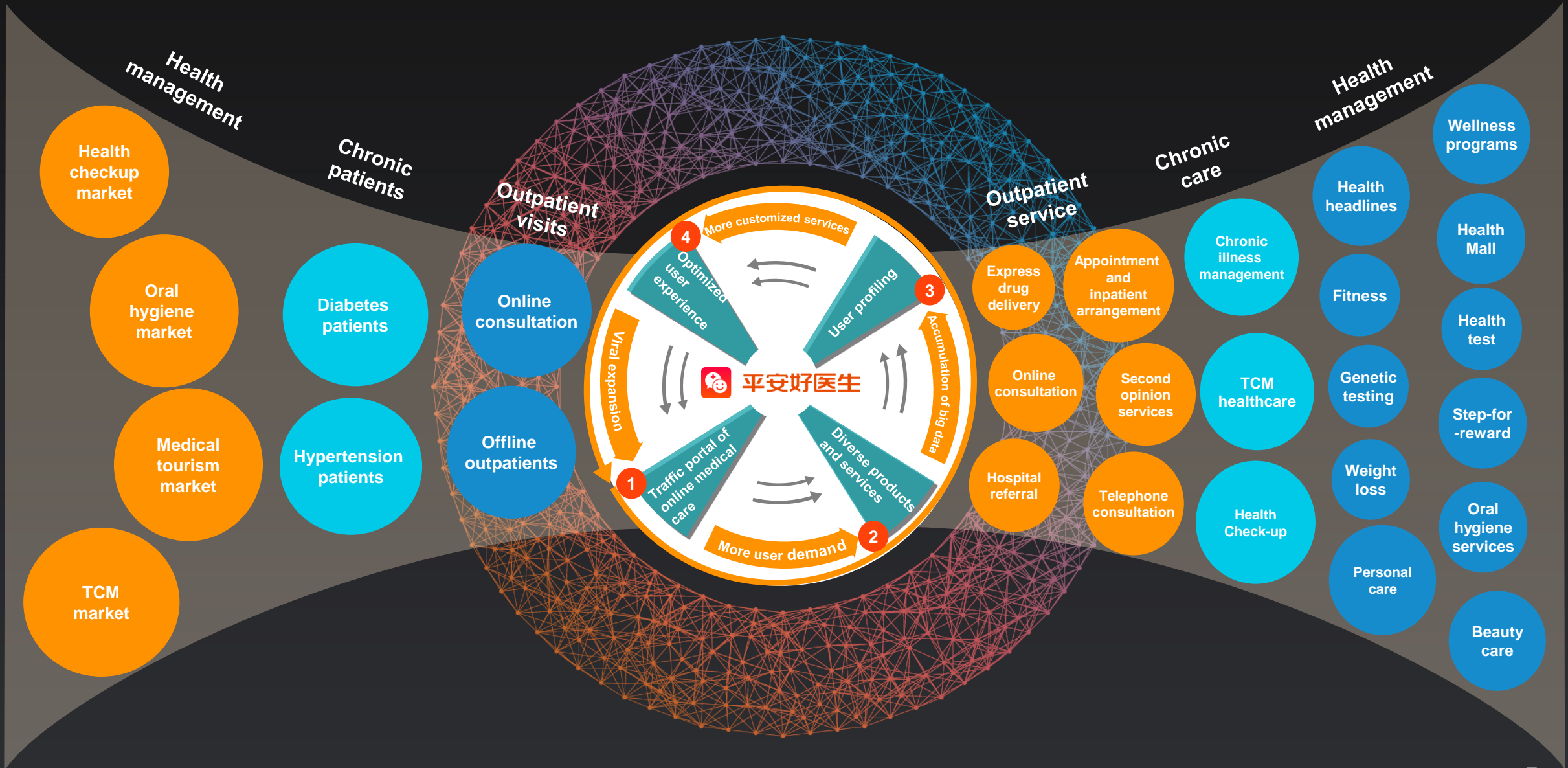
Comprehensive and personalized healthcare with consistent quality of care

# Our Ecosystem Offers Comprehensive Services



Note: Class III hospitals are multi-regional hospitals with large capacity that provide multiple regions with high-quality professional medical services, undertake higher education and scientific research initiatives, which are designated as Class III hospitals by the NHFPC hospital classification system. Data as of December 31, 2017

# We are the Portal to Healthcare in China







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# Investment Highlight

# 1 Unparalleled Market Leader in China's Rapidly Growing Internet Healthcare Industry

**~192.8mm**

Total registered users<sup>1</sup>

2015-2017 CAGR: 152.3%

**32.9mm**

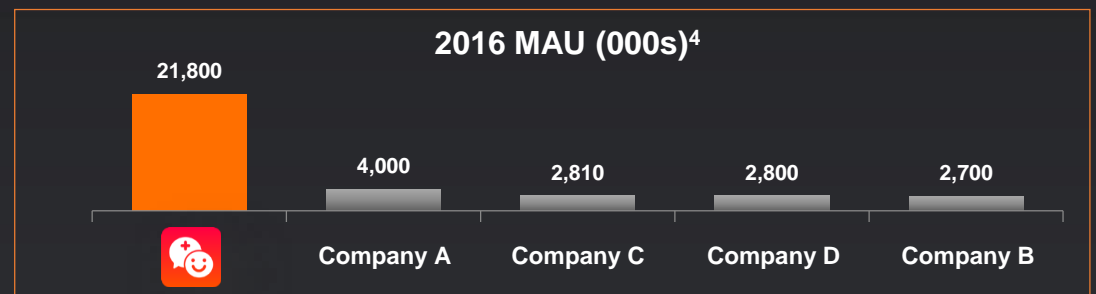
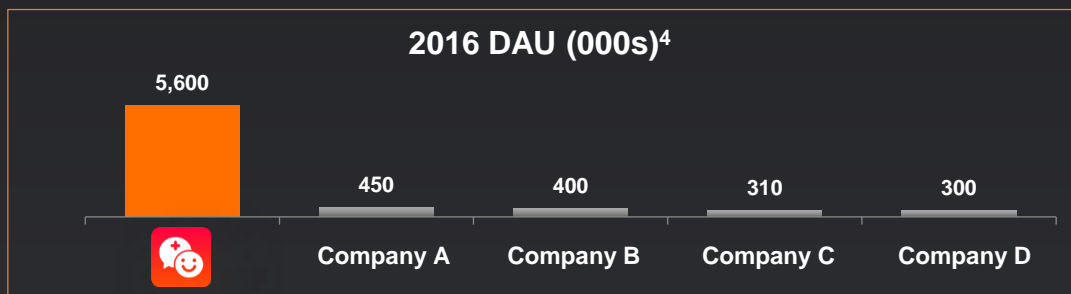
MAU<sup>2</sup>

2015-2017 CAGR: 142.4%

**~370,000**

Daily average number of online consultations<sup>3</sup>

2015-2017 CAGR: 204.1%



Source: Company Prospectus, Frost & Sullivan analysis

Note: <sup>1</sup> Registered users as of year-end 2017. <sup>2</sup> MAU as of average MAUs for each month in 2017. <sup>3</sup> Average in 2017. <sup>4</sup> Average in 2016.

## 2 Unique Business Model that Offers a One-stop Portal Connecting Users to Comprehensive Online and Offline Healthcare Resources



# 3 Superior User Experience Empowered by In-house Medical Team and Innovative Technological Solutions

## Dedicated in-house medical team<sup>1</sup>



Doctor



888 full-time doctors and assistants



14 years of experience on average



Majority from **Class III** hospitals



Majority **attending doctors** or other superiors



24x7 on demand services



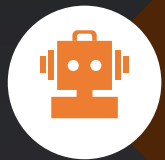
Real-time **quality control**



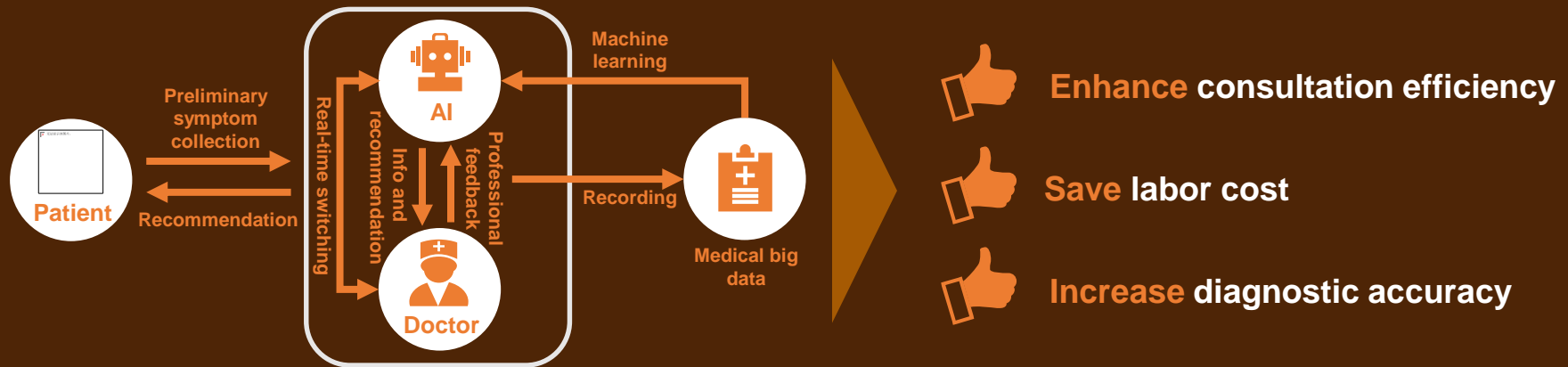
ISO 9001:2015 quality mgmt. system standard



**Zero** medical malpractice claim to date



AI-Assistant



**97% customer satisfaction rate<sup>2</sup>**

Note: <sup>1</sup> As of December 31, 2017. <sup>2</sup> Satisfaction rate for 2017

# 4 Strategically Maximize User Interactions and Engagement by Addressing Full Range of Healthcare Needs of Users

Wellness – high frequency



Health management and wellness interaction



daily

Wellness consultation



daily

Health Mall



daily

Health Headlines



weekly or monthly

Consumer Healthcare



daily

Videos



every minute

Reward programs



Medical – low frequency



~40%  
Visit hospital

<20%  
If critical illness,  
hospitalization

~60%  
Self-medication

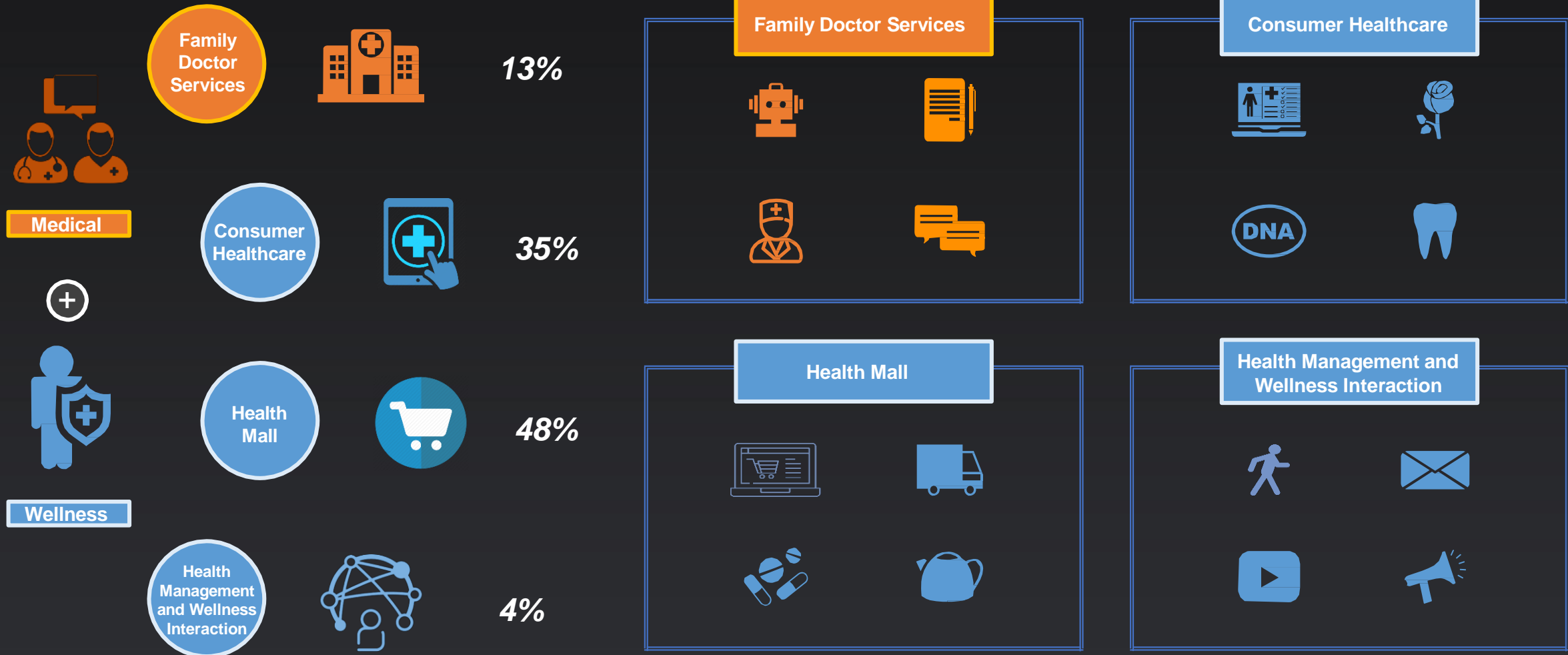
>80%  
If mild illness,  
outpatient care

**Majority** of the patients can benefit from Ping An Good Doctor's consultation, referral and medication services

Note: Ratios estimated based on Frost & Sullivan Analysis and data from National Bureau of Statistics  
 1 Average ratio for 2017.

# 5 Staggering Historical Financial Performance Underpinned by Diversified Monetization Channels

Total revenue of **RMB 1.87bn** in 2017



# 6 Visionary Management Team with Profound Internet and Medical Experiences



**Oliver Wang**  
Chairman and CEO



- Previously SVP of Alibaba and President of AliSoft (predecessor of AliCloud)
  - Led development of the technology platforms of Alibaba, Taobao and Alipay
  - Led AliSoft to provide online software services for SMEs in China
- Former Chief Technology Officer of Kingsoft; Served as software engineering manager at the headquarters of Microsoft
- Previously Chairman and CEO of Ping An Health Insurance and accumulated abundant experience in the medical health industry
- Recognized as the Leader and Founder in China SaaS by the China Software Industry Association in 2008, and as one of the 50 Innovators of China Business by CBN Weekly in 2016, and also awarded with Industry Achievement Award 2017 by Hurun Report in 2017



**Thomas Wu**  
CPO

- Over 10 years of experience in product designs and operations within Alibaba Group
- Senior director of merchant platform department of Taobao
- Operations director of the management software department of AliSoft



**Anita Bai**  
COO

- Over 15 years of experience in corporate operations and marketing
- Former CMO of Ping An Health Insurance
- Held multiple positions within AliSoft, including director of marketing and HR



**Eric Wang**  
CTO

- Former Vice President of Technology of Alibaba
- Over 20 years of experience in Internet technology and computer system development and management



**Edwin Morris**  
CFO

- Former CFO of Asia Miles
- Profound experience in finance and accounting, previous roles include financial controller of Swire Properties Limited, senior manager of HUD Group, associate director of Shaw, Kwei & Partners



**Xie Hong**  
Head of  
online hospital

- Worked for Affiliated Hospital of Nanjing Medical University for over 20 years, previously as principal of sub-branch, associate director, and post-graduate tutor



**Wang Tingsong**  
Deputy head of  
online hospital

- Worked for A&E department at Ruijin Hospital for over 20 years as associate director



# Strong Shareholder Support from Ping An Group



Note: <sup>1</sup> As of December 2017.





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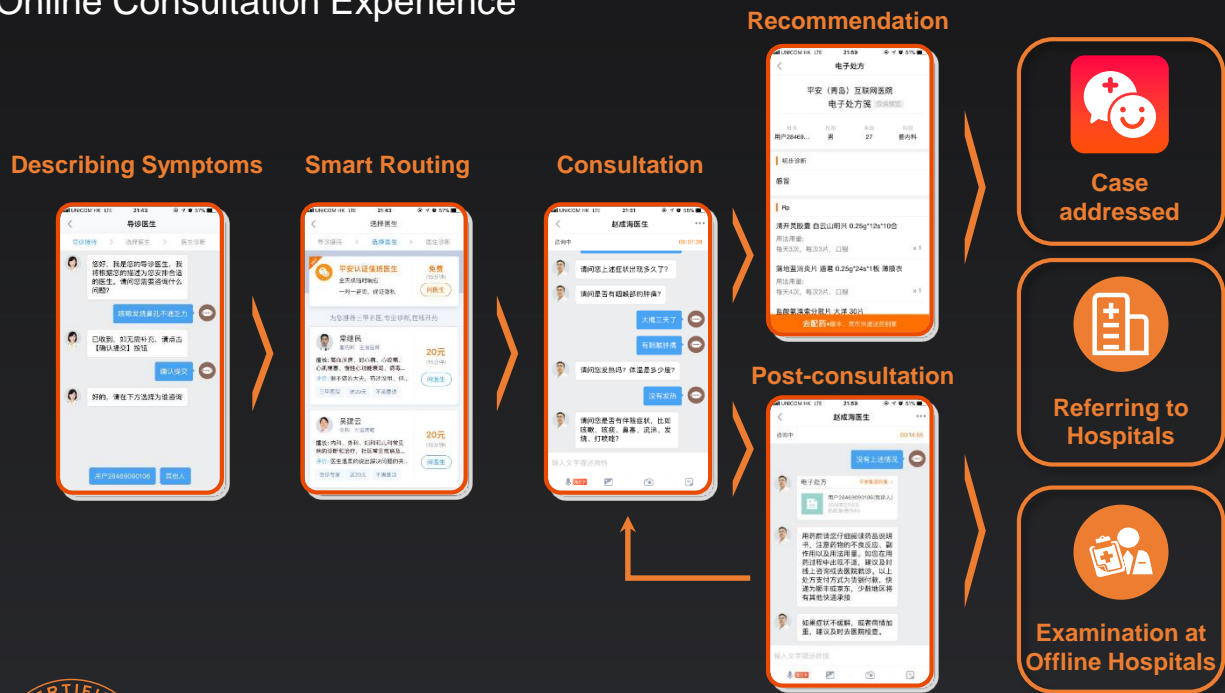
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# Business Overview

# 1 Family Doctor Services - Medical Services at Fingertips

## Fee-for-service model

### Online Consultation Experience



## Subscription model

### Membership Services



### Value-added Services in Collaboration with Insurers

#### Users

- Quality healthcare services
- Insurance proceeds

#### Insurance Companies

- Lower incident rate
- Increase competitiveness of insurance products



ISO quality standard



Commercial Insurance Coverage

Source of revenue

- ✓ Fee-for-service for online consultation and other medical services
- ✓ Fee from value-added packages and membership plans

# 2

# Consumer Healthcare - Standardized Consumer Healthcare Service Packages

Categories of packaged services	Offline partners	Revenue contribution <sup>1</sup>	Promotion channels
 <p>Health Check-up</p>	  	81.2%	 <p>Online promotion</p>
 <p>Genetic Testing</p>	  	3.9%	
 <p>Beauty Care</p>	   	1.0%	 <p>Offline promotion</p>
 <p>Oral Hygiene</p>	   		
 <p>Overseas Health Check-up</p>	   	13.9%	
 <p>More categories to be offered in the future</p>	.....		

Source of revenue

- ✓ Sale of customized consumer healthcare service packages to individuals as well as corporate clients

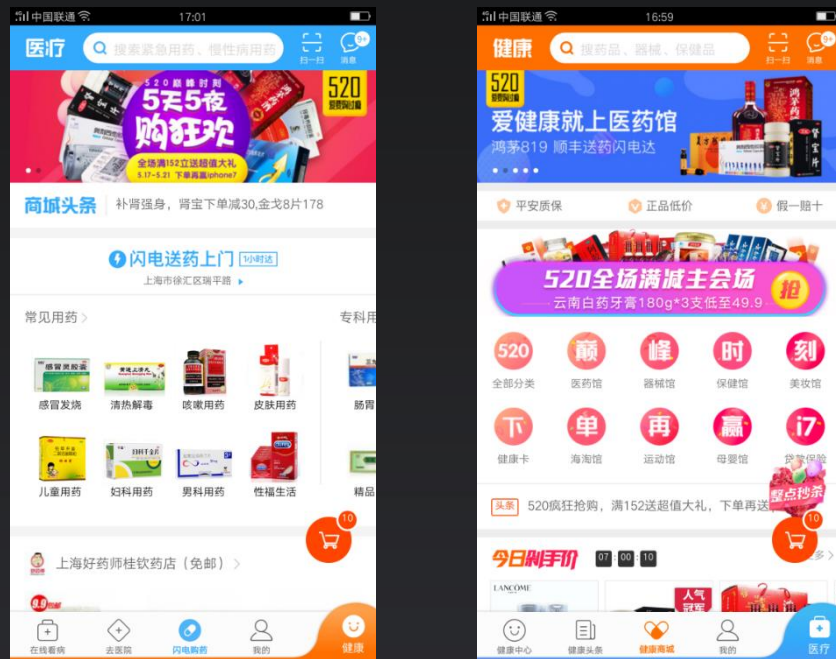
Note: <sup>1</sup> In FY2017.

# 3 Health Mall - Strategic Channel for Ecosystem Monetization

RMB 1,193.3 Million GMV<sup>1</sup>  
537% YoY Growth

178,800 SKUs<sup>2</sup>  
156% YoY Growth

Health Mall UI



Product Offerings

Healthcare products (53%<sup>3</sup>)



Wellness products (23%<sup>3</sup>)



Other products (24%<sup>3</sup>)



Source of revenue

- ✓ Sales of products under direct sales model
- ✓ Commissions from marketplace model

Note: <sup>1</sup> In FY2017. <sup>2</sup> As of Dec 31 2017. <sup>3</sup> In terms of GMV in FY2017.

## 4

# Health Management and Wellness Interaction - Maximize User Engagement

## Health Headlines<sup>1</sup>

- Average DAUs >1.0 million
- Daily average PV ~2.9 million
- Daily average content feeds ~4,300

### Health Headlines UI



## Reward Plans<sup>1</sup>

- Attracted ~13.2 million new users to reward plans
- Average MAU ~18.4 million

### Reward Plans UI



## Health Programs<sup>2</sup>

- 131 wellness programs available

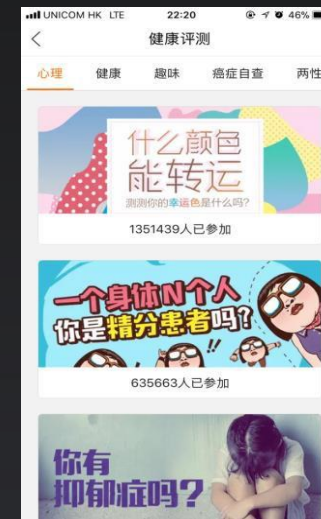
### Health Programs UI



## Health Tests

- Health tests concerning both physical health and psychology

### Health Tests UI



Source of revenue

- ✓ Advertising revenue



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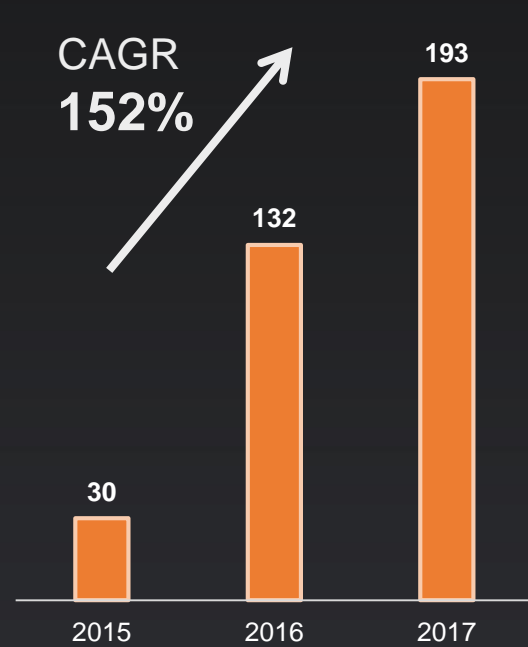
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# Financial Overview

# Key Business Drivers

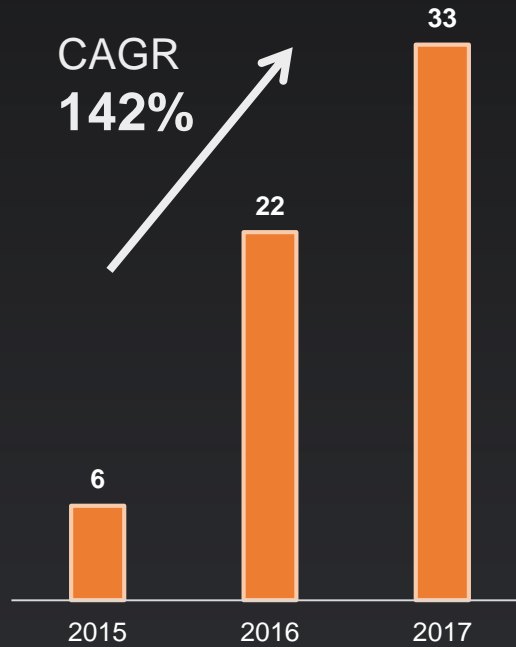
## Registered user

(in millions)



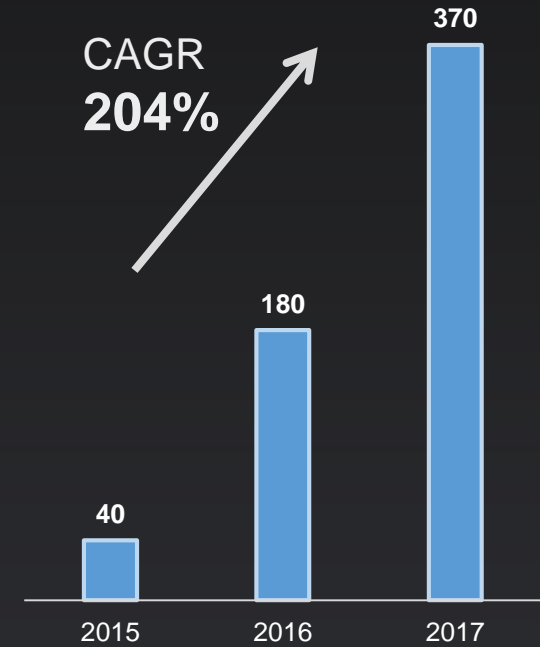
## Monthly active user (MAU)<sup>1</sup>

(in millions)



## Daily average online consultation

(in thousands)

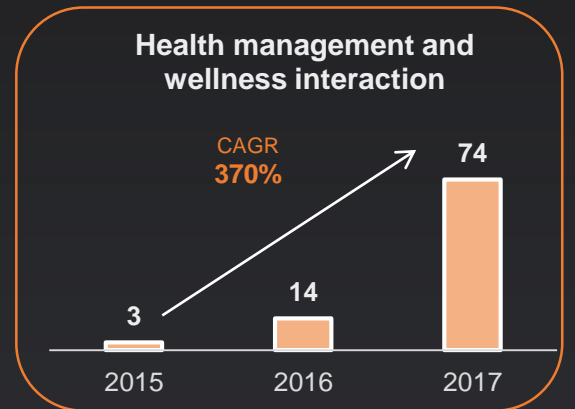
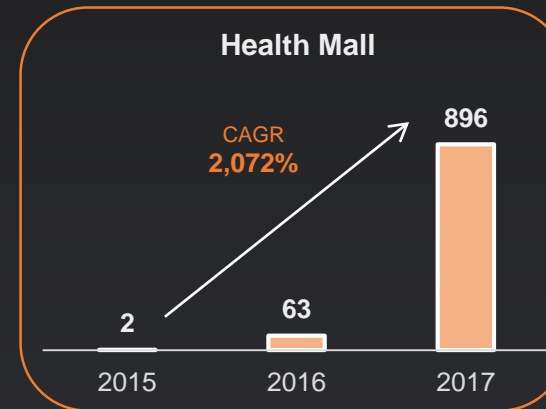
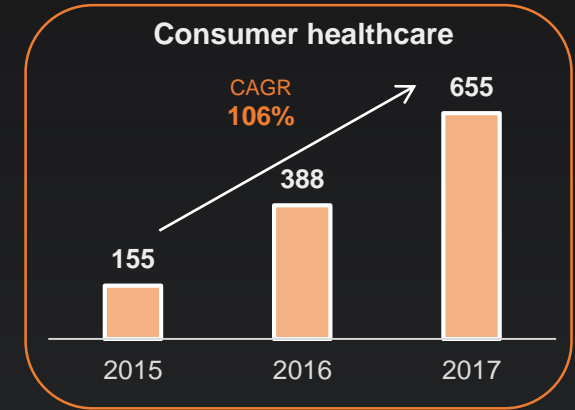
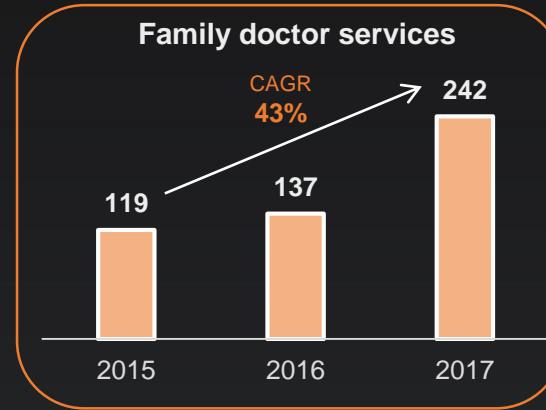
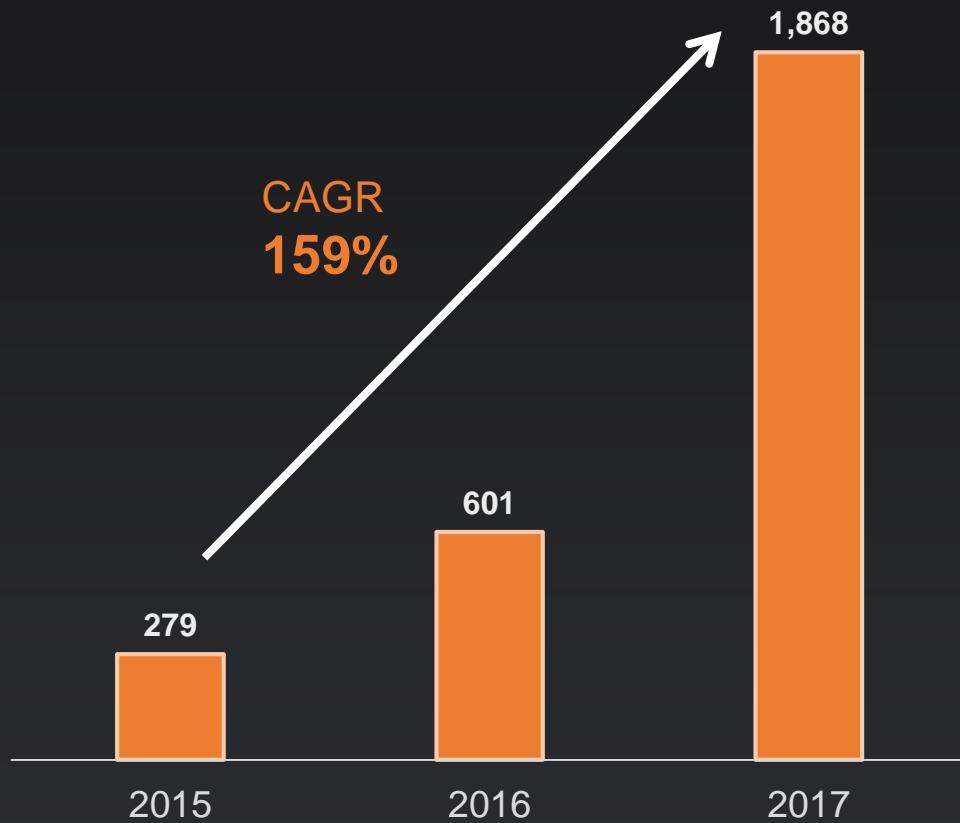


Note: all metrics as of December 31 of 2015, 2016 and 2017  
<sup>1</sup> Calculated as the average of MAUs for each calendar month

# Revenue Overview

## Revenue

(RMBmm)

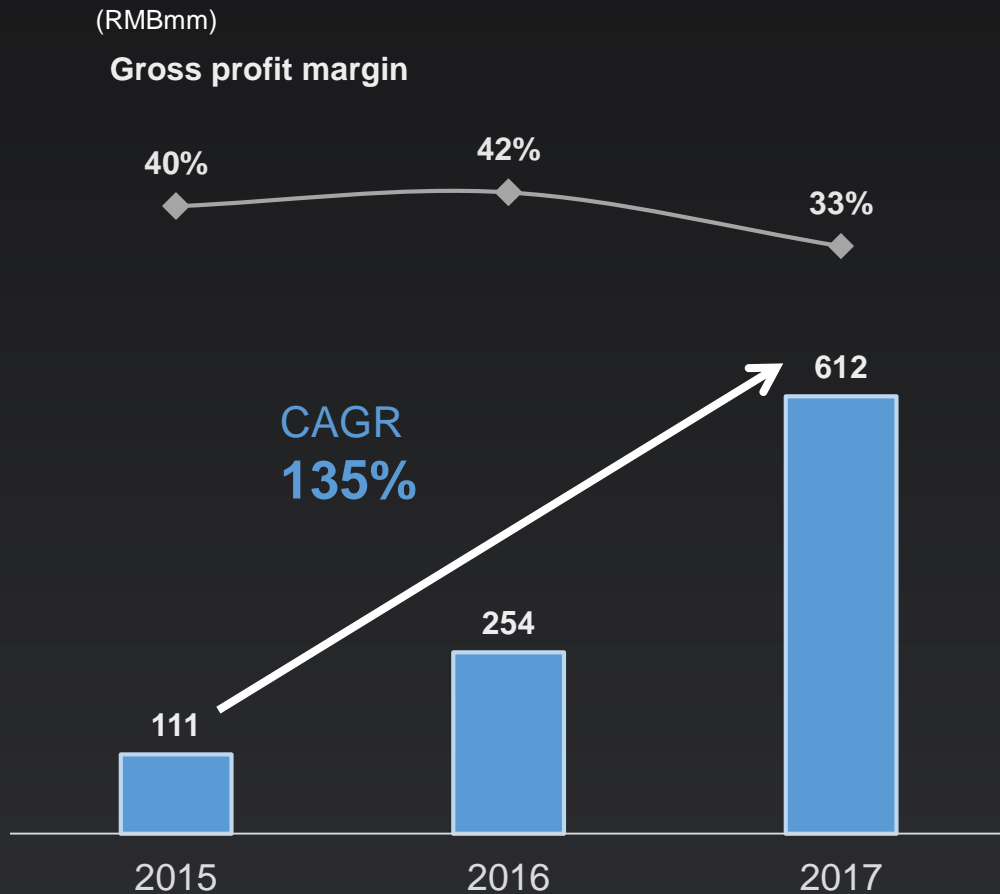


- All four business segment experienced significant growth from 2015 to 2017



# Gross Profit Overview

## Gross Profit



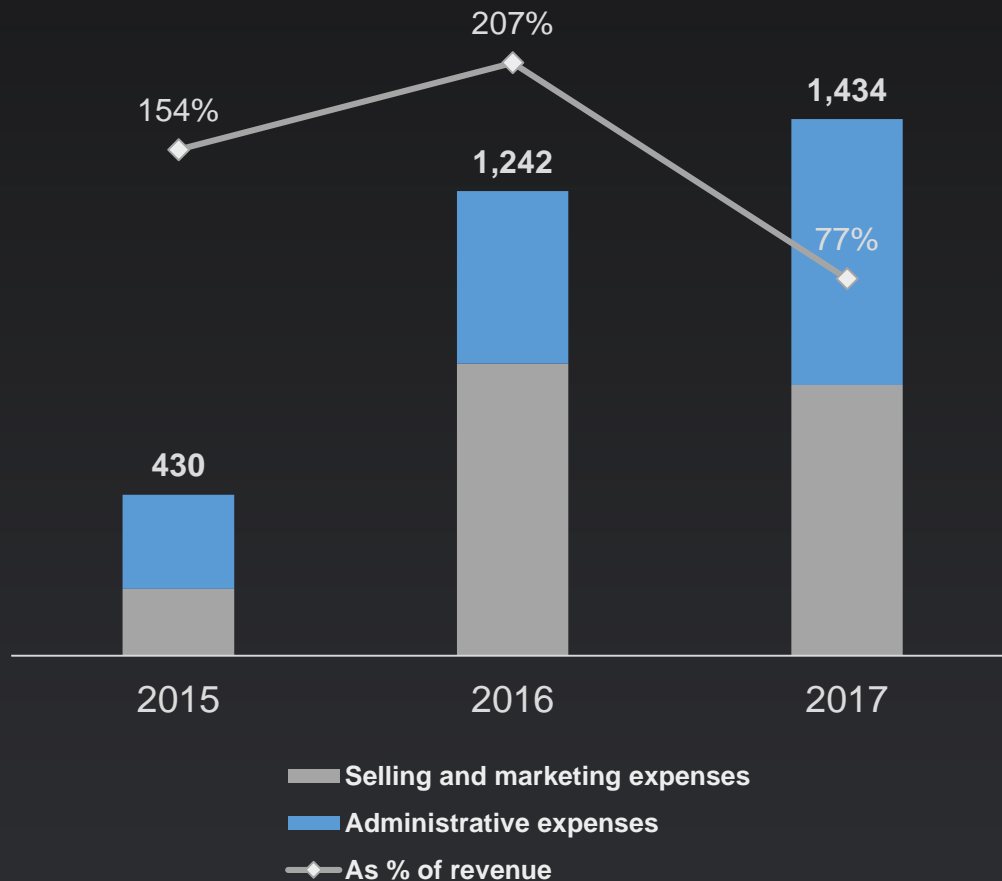
## Analysis

- Gross profit increased significantly from 2015 to 2017
- The decrease in the gross margin in 2017 was mainly because the revenue from health mall business increased significantly in 2017, accounting for a greater proportion of total revenue compared to in 2016, while segment gross margin of health mall business had been relatively low compared to the other three segments

# Expense Structure

## SG&A Expenses

(RMBmm)



## Key drivers

- Selling and Marketing Expenses decreased in 2017 mainly due to better targeted marketing in an effort to **improve cost-effectiveness of promotion expenses**, and a modification of the “health reward points” campaign
- Administrative Expenses increased in 2017 due to an increase in **employee benefit expenses** and the listing expenses

THANKS !

