Ping An Healthcare and Technology Company Limited
2023 Annual Results

March 2024   Shanghai · China
Stock Code: 01833.HK

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About Ping An Health

平安健康

Founded in 2014, Ping An Health is **a flagship in Ping An Group's healthcare and elderlycare ecosystem**, and an integral part of Ping An Group's "managed care model." Up to now, we have become a professional, comprehensive, high-quality and **one-stop healthcare and elderlycare management service provider**, and continue to build a "managed care" sample model with Chinese characteristics.

Mission

To bridge professional communication between doctors and patients
To provide health improvements for all

Vision

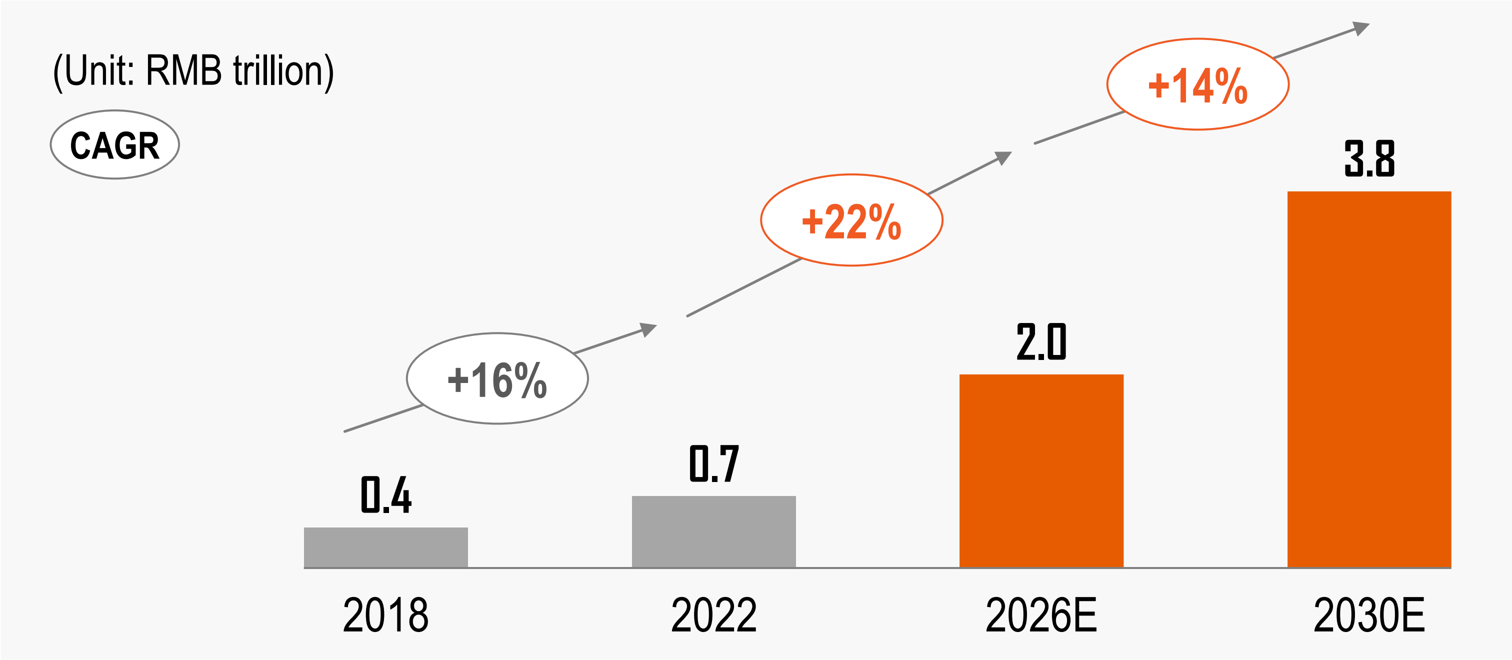
To provide every enterprise with a harmonious workplace
To provide every family with a dedicated doctor
To provide every user with a safe and healthy life

Value proposition

Worry-free, time-saving, and money-saving

Prospect: An Increasing Market Penetration Rate Driven by An Ever-expanding Sector

China's Internet healthcare market size



	2018	2022	2026E	2030E
China's total healthcare expenditures	5.9	8.5	11.8	15.1
Penetration rate	7%	9%	17%	25%

China's total healthcare expenditures hit RMB10 trillion, with the growth rate ~2 times higher than that of GDP

Market penetration is increasing quickly and will reach 25% by 2030, driven by robust growth of the Internet healthcare sector

Sources: National Bureau of Statistics; Frost & Sullivan analysis

Policy Support: Furthering the Construction of Healthy Enterprises with Policy Support for Healthcare and Elderlycare + Commercial Insurance

Healthcare and elderlycare

Pension Finance was first proposed at the Central Financial Work Conference (October 2023)

The Central Financial Work Conference highlighted the importance of promoting TechFin, green finance, inclusive finance, pension finance and digital finance. Moreover, pension finance was included in key financial tasks

The General Office of the State Council released the *Opinions on Developing the Silver Economy to Enhance the Elderly's Well-being* (January 2024)

Integrate pension finance products with healthcare and elderlycare services; and further combine healthcare and elderlycare services, extending rehabilitation services to communities and homes

Develop the silver economy to tackle population aging

Include pension finance in national priorities

Development of commercial insurance

The National Financial Regulatory Administration (NFRA) and the National Healthcare Security Administration (NHSA) released the *Agreement on Promoting Information Sharing between Commercial Health Insurance Information Platforms and the National Medical Security Information Platform (Draft for Comment)* (June 2023)

Maximize the protection function of commercial health insurance and promote the information sharing between commercial health insurance platforms and the National Medical Security Information Platform

The NFRA released the *Notice on Matters Relating to Promoting the Development of Exclusive Commercial Pension Insurance* (October 2023)

Expand the scope of insurance companies allowed to develop and offer exclusive commercial pension insurance products

Policy support for the development of commercial insurance

Build a multi-tiered medical security system

Corporate health management

China's National Health Commission (NHC) and the National Disease Control and Prevention Administration (NDCPA) released the *Notice on Further Standardizing the Management of Occupational Health Examination and Occupational Disease Diagnosis* (June 2023)

Strengthen occupational health management and create a favorable occupational health environment

The NHC released the *Notice on Stepping up the Occupational Health Protection Campaign to Enhance Workers' Occupational Health Literacy Levels* (January 2024)

Increase efforts to improve occupational health literacy by communicating related scientific knowledge to priority groups

Further the construction of healthy enterprises

Create a favorable occupational health environment

Synergies with Ping An Group: Acting as a Flagship in the Healthcare and Elderlycare Ecosystem to Achieve Synergistic Development with the Group

Ping An Group continues to advance its **"integrated finance + healthcare and elderlycare"** strategy by launching an innovative **"managed care" business model with Chinese characteristics**.

Ping An Health is a **flagship** in Ping An Group's healthcare and elderlycare ecosystem

Empowering Ping An Health

Corporate clients: high-quality large and medium-sized corporate clients, including over 55,000[1] paying corporate clients in healthcare

Retail users: a large base of nearly 230 milliion[2] retail financial users

Technological empowerment: strong technological platforms and large databases, with information security and customer privacy that is on par with the standards set by the financial sector

Resource empowerment: enormous resources under Ping An Group's healthcare and elderlycare ecosystem

Supporting Ping An Group

Assist in customer acquisition: facilitate competitive differentiation, and customer acquisition

Enhance customer retention: improve customer retention and persistency ratio

Increase business size: increase insurance upselling, written premiums and bank AUM

Sources: 1. Ping An Group's 2022 Results; 2. Ping An Group's Q3 2023 Results

Strategic Panorama: Advancing the Managed Care Strategy through the “3+2+3” Model

Value proposition

“Worry-free, time-saving, and money-saving”

3 payers for Managed Care

Payers	Models
F-end (Integrated financial services)	**Finance + services** Such as life insurance, and health insurance
B-end (Enterprises)	**Two marketing channels** Ping An Group’s channels Ping An Health’s own channels
C-end (Individuals)	**B2C/F2C/2C**

Traffic attracted →

← Needs met

2 core service hubs

End-to-end full-scenario services

AI+ family doctors	**End-to-end healthcare services** End-to-end services covering health, sub-health, chronic diseases and critical illness
AI+ elderlycare concierges	**Full-scenario elderlycare services** Medical care, housing, nursing, entertainment, etc.

Integrated management →

← Services provided

3 O2O services

Medical services	Health services
Online	Ping An Health’s medical specialty and health management service providers
In-store	Hospitals, pharmacies, checkup centers, and laboratory testing centers
Home /Company-delivered	Elderlycare services, drug delivery, and laboratory testing service providers

2 Core Service Hubs — Family Doctors: Leveraging Diverse Online & Offline Resources to Provide One-stop Healthcare Service Experience

One-stop service experience empowered by family doctors

Users from different channels

- Integrated financial service users (F-end)
- Employees and customers of enterprises (B-end)
- Individual customers (C-end)

3 roles — Doctors + navigators + customer managers

4-step services

Before consultation	Consultation	Diagnosis	Treatment	Services

End-to-end AI empowerment

Before consultation	Consultation / Diagnosis	Treatment	Services
Smart guide Smart triage	Smart diagnosis and treatment opinions Medical report interpretation	Health management suggestions Medication guidance	Precise referrals Health indicators monitoring

Full-scenario management

- Fast diagnosis for minor illnesses
- Standardized management for chronic diseases
- Precise referral for major illnesses

Health management/sub-health management/disease management/chronic disease

1 health record

Members' exclusive health records

Differential advantages

Premium service resources

Access to online, in-store, and home/company-delivered services

AI empowerment

Improved efficiency and customer experience

Proactive operations

Enhanced customer retention via proactive services

2 Core Service Hubs — Elderlycare Concierges: Mobilizing Full-scenario Resources to Create Premium Elderlycare Experience

3-in-1 elderlycare concierge system covering 10 service scenarios

Users from different channels

Integrated financial service users (F-end)

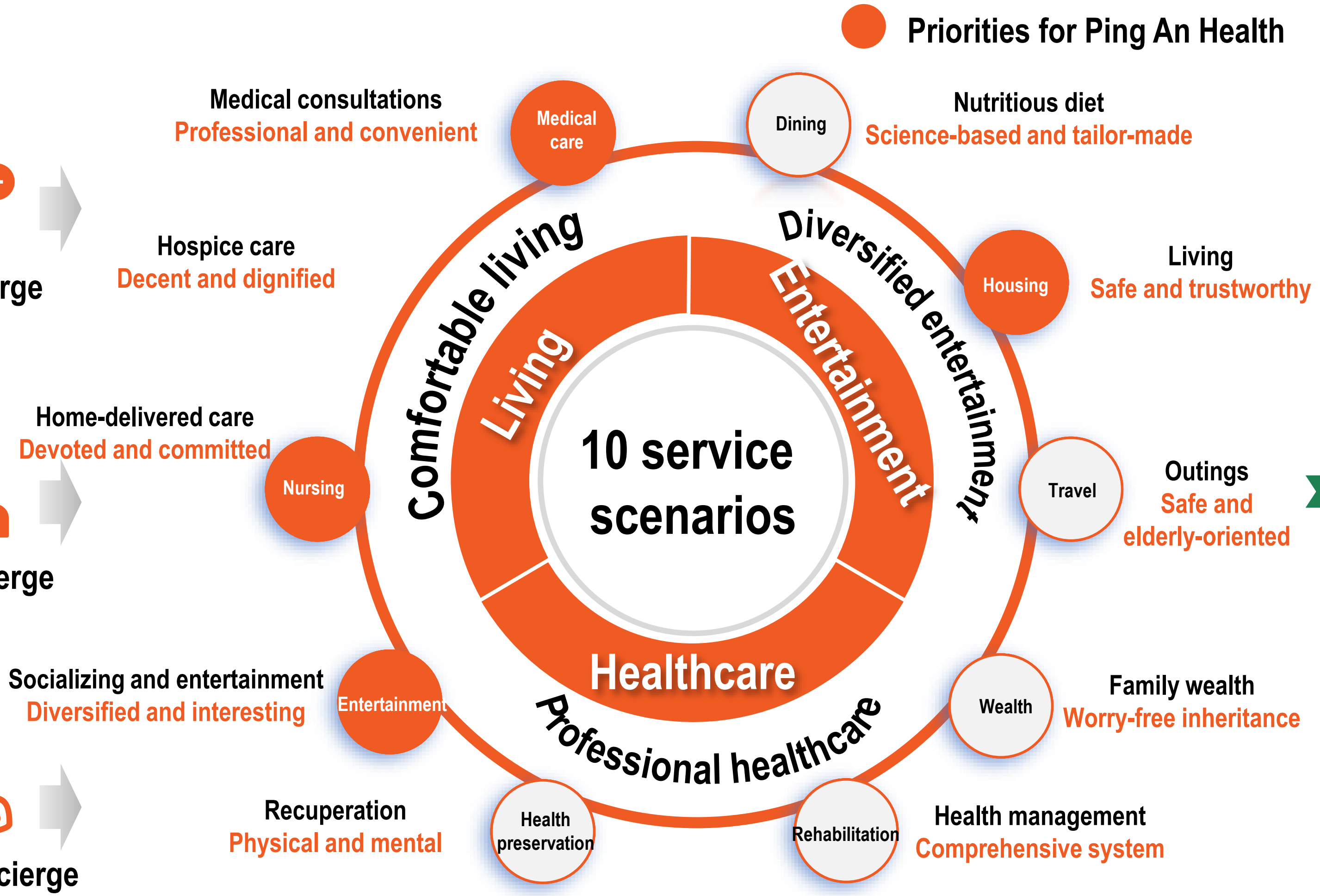
Employees and customers of enterprises (B-end)

Individual customers (C-end)

AI concierge

Life concierge

Doctor concierge



Differential advantages

Full-scenario coverage

500+ home-based elderlycare service items

Full-cycle services

Assessment, services & tracking

Professional standards

5-in-1[1]10-dimensional service standards

Note: 1. 5-in-1 means supervision and management in five respects, namely service commodity management, order fulfillment management, process standard management, results management and risk management

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Business Performance in 2023: Robust Implementation of Managed Care Model under Strategy 2.0 Continuum

3 Payers for managed care

LTM paying users of healthcare and elderlycare services	Over 32 Million +10.7% YoY
LTM paying users of F-end strategic business[1]	+6.7% YoY
ARPU of F-end strategic business	+7.5% YoY
LTM paying users of B-end strategic business[2]	+75.0% YoY
ARPU of B-end strategic business	+3.6% YoY

2 core service hubs

Family doctor membership	Nearly 13 Million
Usage of family doctors per capita	3.7 times +0.8 time from 2022
Cities with home-based elderlycare services	54 Cities
ARPU of home-based elderlycare services	Nearly RMB1,600
AI empowerment	100% service process empowered by AI
Diseases covered by AI databases	36,000 diseases

3 O2O services

In-house doctors and contracted external doctors	~50,000
Contracted renowned doctors	Nearly 2,500
Medical specialties	8
Specialty medical centers	23
Partnered hospitals	Nearly 4,000
Partnered pharmacies	230 thousand
Partnered checkup centers	2,000

Notes:1. F-end strategic business refers to F-end healthcare and elderlycare service 2. B-end strategic business refers to corporate health management business,healthcare and elderlycare service

F-end Highlights: Increase in both Paying Users and APRU and Stable Growth in Strategic Business

Business model

Providing differentiated products and operations for different F-end payers and customer segments to promote the development of core financial businesses

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

	Deep collaboration	Procurement of benefits	Value-added services
Model	Integrate medical and health benefits with insurance offerings	Provide customers with diverse benefits through procurement by Ping An Group's insurance/banking member companies	Provide value-added services underpinned by a commitment to superior quality
Products and services	**Insurance + healthcare** Critical illness insurance + medical and health benefits (Zhen Xiang RUN) Million-cover medical insurance + family doctor services	**Medical and health benefits** Online consultation, health management, medical visit assistance…	**Health checkups** **Renowned doctors**
	New business **Insurance + home-based elderlycare** Whole life insurance[1] + full-scenario home-based elderlycare services	**Drug and consultation services** Online + offline drug and consultation services	**Innovative testing** …

Highlights

+14.8% YoY/**+4.5%** HoH
F-end strategic business[2]

~26.3 mn
F-end strategic business LTM paying users
+6.7% YoY

+ 7.5% YoY
F-end strategic business ARPU

Notes: 1. It includes life insurance featuring a growing sum assured, annuity insurance, and participating insurance; 2 F-end strategic business refers to F-end healthcare and elderlycare services.

B-end Highlights: Great Leaps in Market Expansion and Rapid Growth in Strategic Business

Business model

Payers: Corporate clients

Users: Employees/Users

Products	Health Checkup +	Health Management +	Others
Business features	An innovative one-stop employee health checkup model	New-typed group healthcare benefits	Take employee benefit platform for example
	Tailored: Collaborate with internal and external experts to customize **exclusive health checkup plans**, meeting diverse needs	**Personalized:** Provide differentiated medical and health services according to **enterprise-specific health scores**	**Comprehensive coverage:** Cover **3** processes (i.e. preventive care, medical instrument testing, and service management) as well as **9** core products
	Whole-process: Full-cycle services **before/during/after health checkups**, with family doctors providing whole-process advice and guidance	**Full-scenario:** Provide **3** customized corporate services and **3** exclusive employee services[1]	**Innovative scenarios:** **4** innovative marketing scenarios

Empowering employees of enterprises to improve health and vitality by providing a series of services including health monitoring, risk management, health intervention, medication and medical treatment

Highlights

+81.2% YoY /**+40.1%** HoH
B-end strategic business[2]

1,508 Enterprises cumulatively served
+54.2% YoY

5.1 Million B-end strategic business
LTM paying users**+75.0%** YoY

+ 3.6% YoY
B-end strategic business ARPU

Note: 1. 3 corporate services refer to health facilities, health activities, and health management, and 3 employee services refer to online outpatient treatment, offline medical treatment, and benefit mall. 2. service 2. B-end strategic business refers to corporate health management business,healthcare and elderlycare service

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Business Performance (1/2): Accelerating Profitability amid Robust Strategic Businesses Growth and Business adjustments basically completed

Channels: payer

F-end (strategic business)

RMB2.20 bn Revenue

14.8% YoY change %

4.5% HoH change %

B-end (strategic business)

RMB1.08 bn Revenue

81.2% YoY change %

40.1% HoH change %

C-end (strategic business) and others

Continue to deepen its presence in C-end business to create the second development curve

Ping An Health

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RMB4.67 bn Revenue

32.3% Gross margin

RMB335 mn Net loss

RMB66 mn Adjusted net loss in 2H 2023

Products: medical and health

Medical

RMB2.07 bn Revenue

40.0% Gross margin

44.4% Medical revenue as % of total

Health

RMB2.60 bn Revenue

26.1% Gross margin

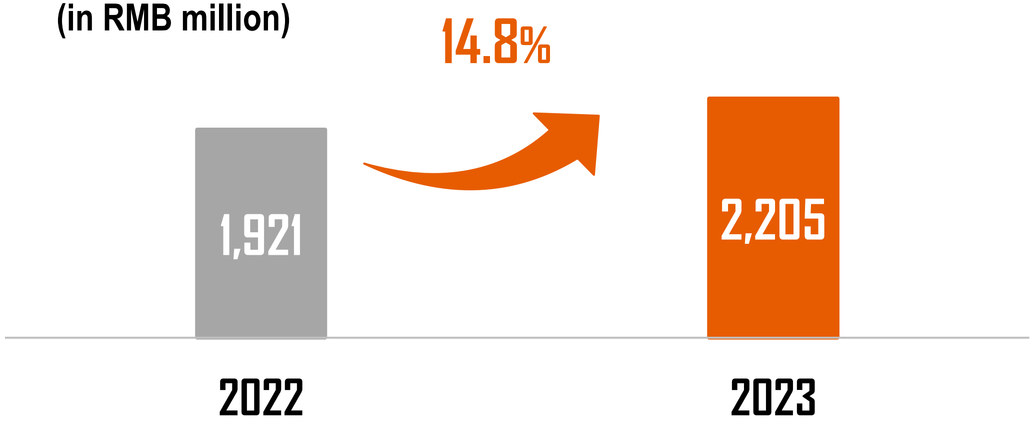
55.6% Health revenue as % of total

Business Performance (2/2): Robust F-end Strategic Business Development and Rapid B-end Strategic Business Growth

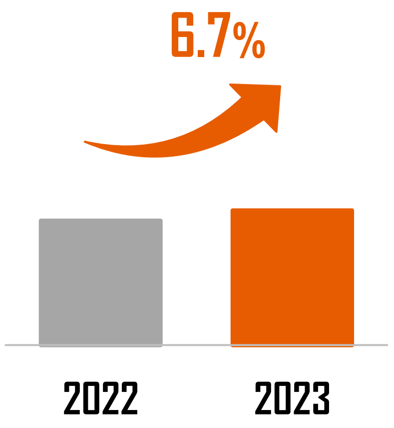
F-end strategic business

Revenue

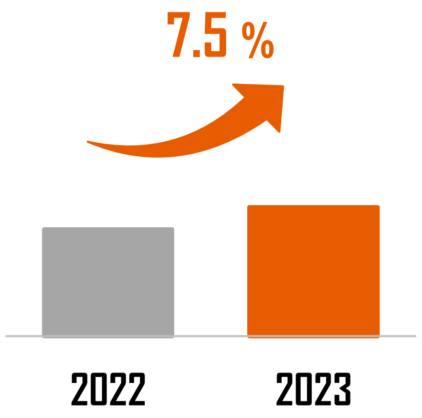
(in RMB million)



LTM paying users



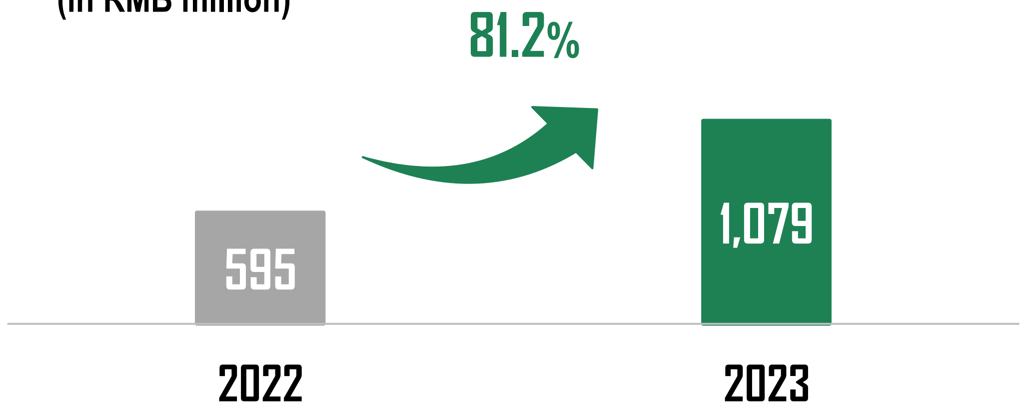
ARPU



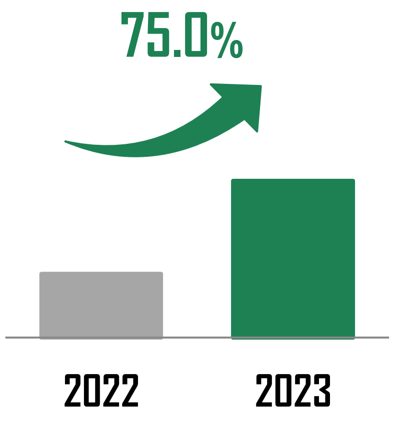
B-end strategic business

Revenue

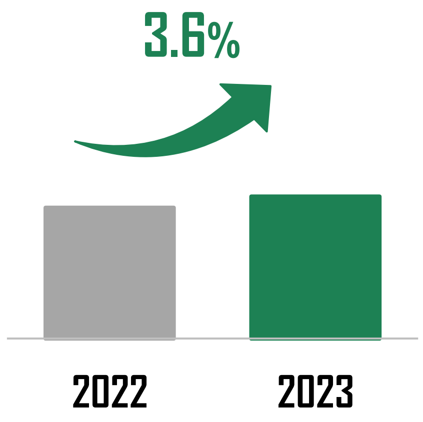
(in RMB million)



LTM paying users

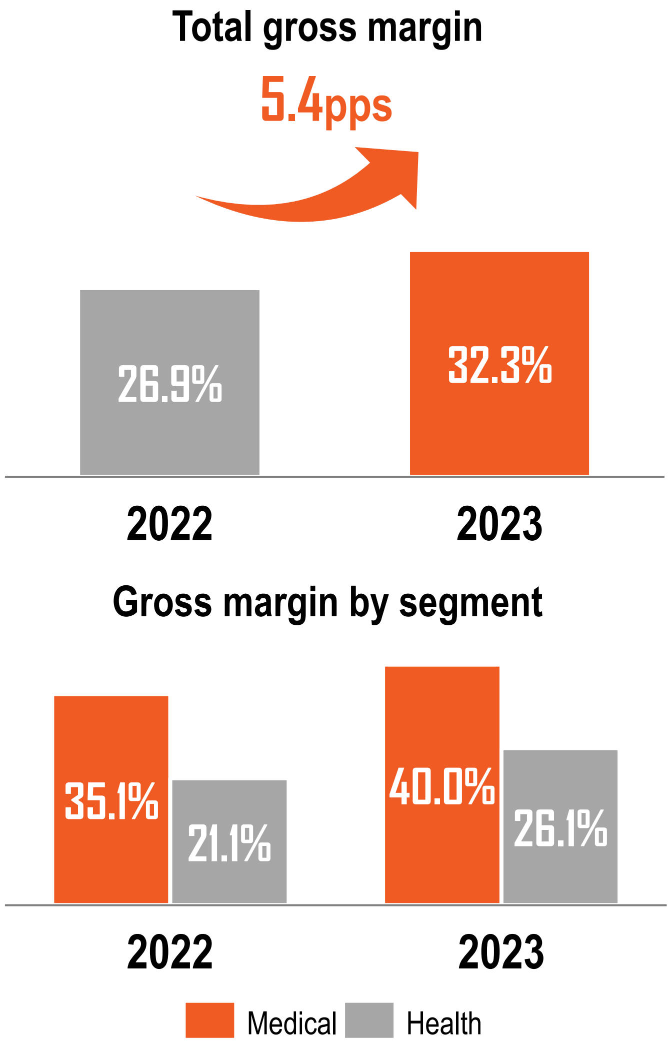


ARPU

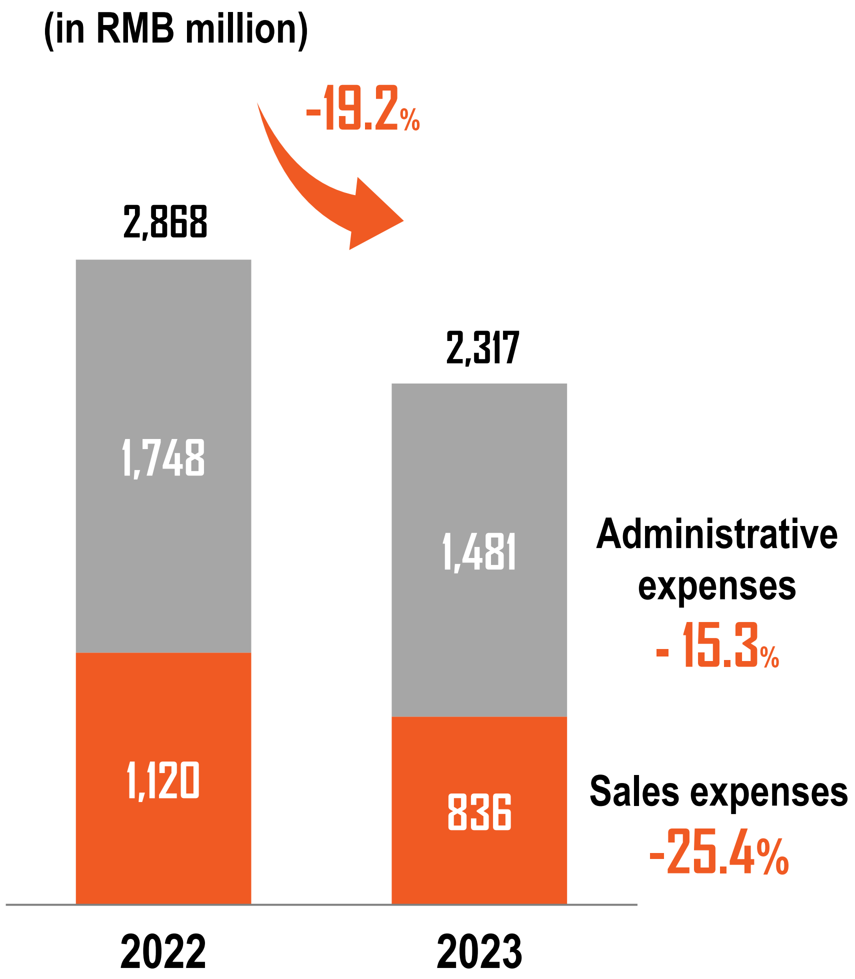


Financial Performance (1/2): Cost-effectiveness Improved and YoY Losses Sharply Narrowed with AI Empowerment

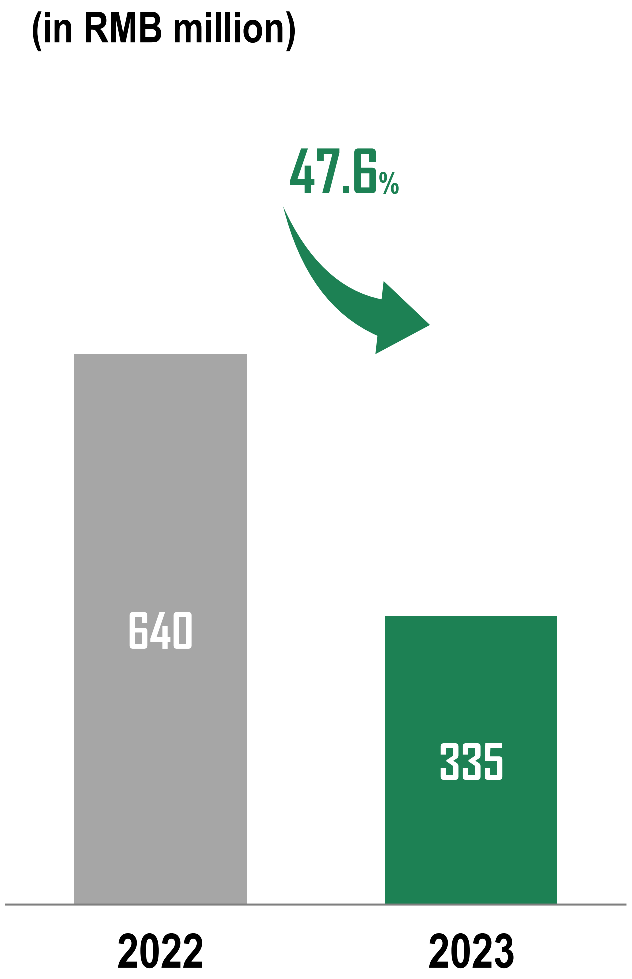
Gross margin steadily increased



Continuously optimized expenses



Net loss sharply narrowed YoY

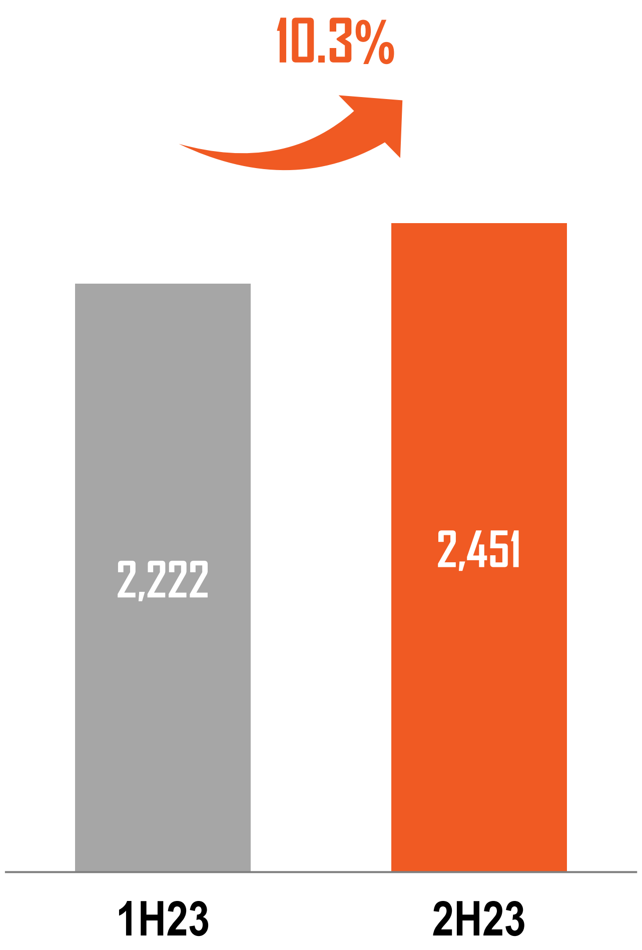


Note: Company has applied the new guidelines since January 1,2023 ,Data for 2022 was adjusted retrospectively; figures may not match totals due to rounding.

Financial Performance (2/2): Accelerating Profitability on Steady HoH Revenue Growth and Sharply Narrowed Losses

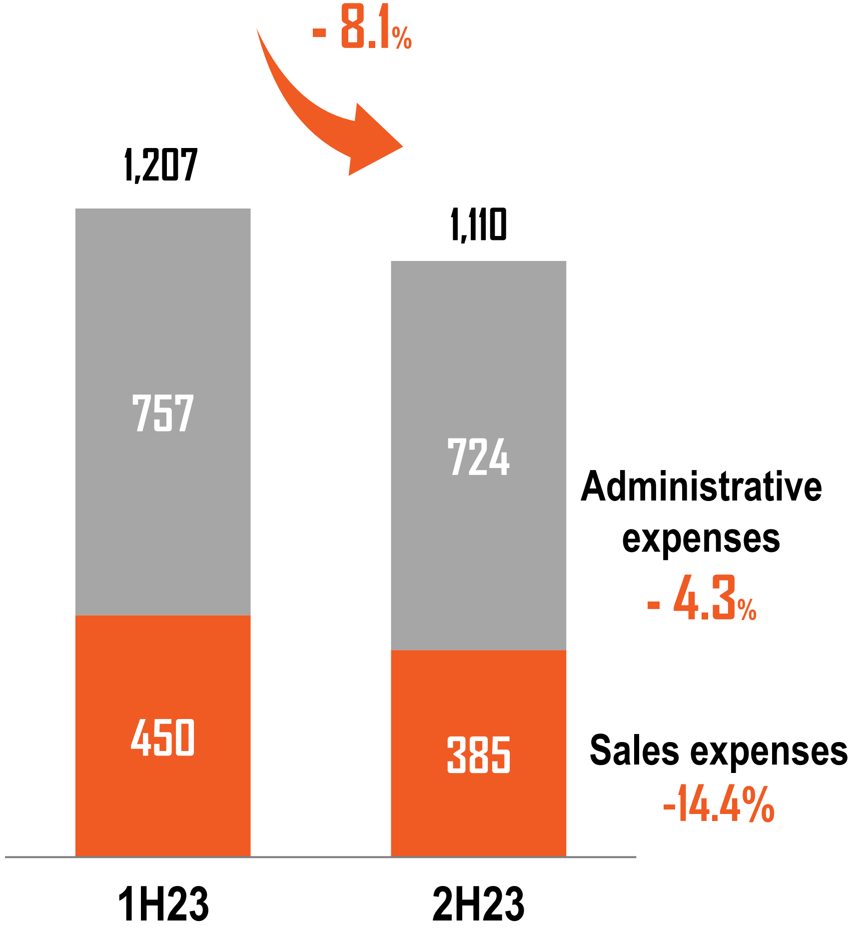
Revenue grew steadily

(in RMB million)



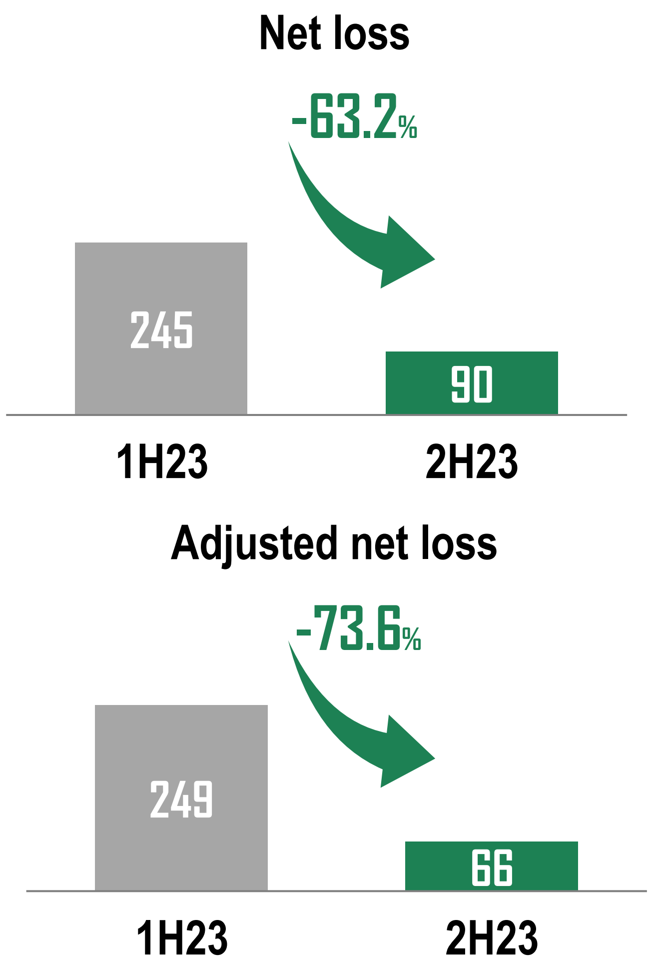
Expenses continued to fall

(in RMB million)



Net loss sharply narrowed HoH

(in RMB million)



Note: Figures may not match totals due to rounding.

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Sustainable Development: Creating Long-term Value

ESG ratings

Indices & ratings	Results
MSCI ESG Ratings	Grade of A for 3 consecutive years
Hang Seng Corporate Sustainability Index	Grade of A-

Awards for sustainable development

Caixin.com	**Executive Director of ESG 30**
Shanghai Securities News	**Golden Wealth Management CSR Award**
XueQiu	**Cases of ESG Innovation and Practice**
jiemian.com	**Corporate ESG Practice Award of ESG Pioneer 60**
gelonghui.com	**Annual ESG Pioneer Award**

ESG highlights

Improved governance under a robust framework

- Established **the Sustainable Development Committee**
- Formulated the **Sustainable Development Strategies, Goals, and Action Plans**
- Organized anti-corruption and business code of conduct training

Steady development with improved quality

- Passed multiple **information security and quality management** certifications

Ecosystem empowered by technology and innovation

- Remained dedicated to AI R&D
- Developed **digital and innovative** products and services

Green initiatives to protect environment

- Promoted low-carbon operations and energy consumption control

Industry-leading ecosystem

- Pioneered an **innovative model** to develop the healthcare ecosystem

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.


平安健康
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