The Q&A Summary of United Imaging Healthcare FY2024&FY2025 Q1 Earning Call

Qustion 1

How does the management team evaluate the company's revenue and gross margin performance for the year 2024? What were the primary contributing factors? Given the recovery in both revenue and net profit in Q1 2025, how does the company assess its market performance during this period? What are the expectations for the full year of 2025?

Answer:

During the reporting period, the company achieved annual revenue of RMB 10.30 billion, with gross margin increasing by 1.47 percentage points year-over-year to 48.54%.

In the domestic market, there was a temporary mismatch between released demand and policy-driven updates in the medical equipment industry due to sector reforms and the pace of equipment replacement. Nevertheless, the company achieved structural breakthroughs by leveraging its differentiated competitive strategy. Market share gains in China continued to grow, with the high-end equipment segment rapidly penetrating technologically demanding niche markets, reinforcing the company's leadership across core product lines. Overall domestic market share expanded by over 3 percentage points year-over-year, with high-end product lines contributing nearly 5 percentage points in structural growth.

Core product lines demonstrated a tiered breakthrough trend—ultra-high-end CT systems (256-slice and above) surpassed the 20% market share threshold, while 3.0T and 5.0T MR systems maintained a technological advantage in the market. Radiation therapy (RT) equipment, as a new strategic growth pillar, delivered outstanding performance: its market share rose by nearly 8 percentage points year-over-year. Based on order volume, the company ranked third in the industry and significantly narrowed the gap with the second-largest player. Based on procurement volume, the company's market share rose to second place, reshaping a market long dominated by international giants and establishing itself as a domestic RT leader. Meanwhile, foundation products such as 1.5T MR, clinically oriented CT, and DR systems continued to expand their scale advantage, creating a synergistic growth pattern of "innovation-driven breakthroughs + scale-based foundations."

In overseas markets, the company has entered a phase of tangible results from its strategic international transformation. A three-tier global strategy has now been established: "flagship positioning in high-end markets, barrier-building in mature markets, and ecosystem development in emerging markets." In 2024, driven by the deep implementation of its "flagship-led, multi-pronged" global strategy, the company achieved overseas revenue of RMB 2.27 billion—a year-over-year increase of 35.07%—accounting for a record-high 22.00% of total revenue. This reflects dual success in both high-end market breakthroughs and emerging market penetration.

Service revenue also delivered record results during the reporting period. The company generated RMB 1.36 billion in service revenue, a year-over-year increase of 26.80%, with its share of total revenue rising by 3.79 percentage points to 13.16%. These achievements were driven by the scaling

effects of the global installed base and the maturation of the company's service ecosystem. Leveraging a global operations and maintenance network that spans over 80 countries and more than 34,500 installed units, the company has built a full-cycle customer value management system encompassing "preventive maintenance – intelligent diagnostics – extended warranty value-added services." This has supported a synergistic revenue model between equipment sales and service income.

Furthermore, the service business is undergoing a systemic efficiency upgrade, driven by economies of scale, a mature supply chain, the application of digital tools, and refined service operations. In 2024, the gross margin of after-sales services increased by 1.71 percentage points year-over-year to 63.43%, providing strong support for the company's overall profitability. In terms of service innovation, a dual-engine approach was implemented through modular technical architecture and supply chain upgrades. Standardized designs for core components significantly improved maintenance efficiency, while an intelligent O&M system helped reduce full-cycle service costs—creating end-to-end cost control advantages.

In the first quarter of 2025, the company recorded revenue of RMB 2.48 billion, a year-over-year increase of 5.42%, and net profit attributable to shareholders of RMB 370 million, up 1.87% year-over-year. Despite a complex domestic market environment, the company maintained stable growth. Among its core business segments, overseas markets and service revenues stood out, further validating the success of its global strategic deployment.

Looking ahead, with continued growth in the global installed base and deepening of its value-added service system, the company will continue to strengthen its global service network, drive technological innovation, and enhance full lifecycle service capabilities. These efforts are expected to set new industry standards and open up substantial opportunities for sustainable growth in service revenue and profitability throughout 2025 and beyond.

Qustion 2

In 2024, overseas revenue maintained a strong growth trajectory. How does the management evaluate the performance across various international markets? What is the company's outlook for overseas performance in the full year of 2025?

Answer:

In 2024, United Imaging Healthcare continued to advance its global strategy by focusing on coordinated development across multiple regions, with a primary emphasis on breaking through in high-end markets first, achieving overseas revenue of RMB 2.266 billion, a year-on-year increase of 35.07%. This accounted for a record-high 22.00% of total revenue, marking dual strategic achievements in both high-end market breakthroughs and emerging market penetration.

In terms of global marketing and service system development, by the end of the reporting period, the company had established a global network of more than 700 marketing professionals and over 1,000 service personnel through 25 overseas subsidiaries and offices. This network now spans more than 200 cities across 85 countries and regions.

During the year, the company further expanded its presence by establishing six new localized sales, operations, and service platforms in key markets including the Netherlands, France, Italy, Spain, Thailand, and Vietnam, along with setting up regional headquarters. With the continuous enhancement of its international marketing and service infrastructure, United Imaging has built a globally coordinated operational system characterized by multi-regional, multi-tier, and multi-product-line synergies—greatly improving its market coverage and operational efficiency.

In North America, the company's full range of imaging systems now cover over 70% of U.S. states, with high-end equipment playing a key role in advanced biomedical research. Notable deployments include leading institutions such as Massachusetts General Hospital of Harvard Medical School, Yale University, University of California Davis, and Washington University School of Medicine.

In Europe, the company achieved a strategic breakthrough, having penetrated more than half of the EU's 27 member states with high-end medical equipment. A robust installation network now spans over 15 EU countries. In 2024, United Imaging inaugurated its European headquarters in Rotterdam, the Netherlands, serving as a strategic hub for marketing, technical services, and R&D. Commercial presence was also established in the five major Western European economies—UK, France, Germany, Italy, and Spain. The successful deployment of digital PET/CT systems at France's EVESIO Nuclear Medical Center and Germany's Kliniken Essen-Mitte marked the first entry of domestically developed high-end nuclear medicine equipment into the French and German markets.

In emerging markets, substantial qualitative progress was made. In India, United Imaging ranked first in new PET/CT installations in 2021 (per third-party data). By 2022, MR, CT, and PET/CT product lines had all entered the top three in new market share. In 2024, digital PET/CT and 1.5T MR both secured first place in their respective categories, with overall new product market share ranking second—setting a precedent for full product-line penetration by a Chinese medical equipment company in a developing country. The company also made successful inroads into strategic markets such as Turkey, Mexico, and Brazil, with multiple equipment installations. Its deep ecosystem partnership with a leading Brazilian healthcare group is expected to further enhance United Imaging's presence in Latin America. Parallel expansion in the Middle East, Africa, and Southeast Asia is also accelerating, helping to transform technological breakthroughs into large-scale deployments and forming an integrated ecosystem across key Belt and Road regions.

Looking ahead, as global demand continues to grow and strategic initiatives deepen, United Imaging aims to further expand its international market share. By leveraging technological innovation, a well-structured global strategy, and strong market responsiveness, the company is well-positioned to strengthen its competitiveness in the high-end medical equipment sector and achieve high-quality, sustainable growth.

Qustion 3

Given the current global tariff levels, what is their impact on the company's globalization efforts? What measures has the company taken in response?

Answer:

The current tariff environment between China and the United States has a manageable impact on

the company's global operations, particularly in the U.S. market.

Since 2018, the company has implemented a "Global Supply Chain Resilience and Risk Mitigation Program," continuously strengthening its localized and distributed production systems worldwide. Through advanced procurement management, localized warehousing networks, and coordinated supplier mechanisms, the company has effectively enhanced the risk resistance of its overseas business, especially in North America. In response to the latest tariff adjustments, the company leveraged optimized inventory reserves and regional resource coordination to hedge costs and adapt channels, ensuring stable supply to the U.S. end market.

The U.S., as a critical market in the global medical technology industry, has been a strategic focus since the company's entry. The company has maintained strong collaborations with leading academic institutions and key opinion leaders (KOLs), creating demonstrative effects that validate and recognize the company's full-ecosystem innovative solutions among high-end clientele. This process has not only facilitated local market expansion in the U.S. but also provided brand endorsement and replicable business models for other overseas markets. In 2023 and 2024, North American revenue accounted for approximately 6% of total revenue, indicating rapid growth and significant future potential.

The company continues to advance its diversified global market strategy under the "core-driven, multi-pronged" framework, strengthening channel development and customer partnerships in key regions such as Europe, Asia-Pacific, Southeast Asia, Latin America, the Middle East, and Africa. This multi-regional coordinated development model has enhanced the company's adaptability amid a complex international environment and created broad space for sustained growth, driving steady expansion of global operations.

Additionally, the company intensifies cooperation with top international academic organizations and research institutions by actively participating in global conferences such as the European Congress of Radiology (ECR) and the Radiological Society of North America (RSNA). It has established close partnerships with leading clinical and research institutions including University of California Davis, Yale University, and Massachusetts General Hospital at Harvard Medical School, reinforcing the academic and clinical value of its high-end products.

Innovation and collaboration remain core drivers of sustainable development. Leveraging a "forward-looking research—technological innovation—clinical demand" R&D system, the company continuously launches high-tech products with long-term innovation potential, building core competitiveness resilient to geopolitical cycles. This has increased user loyalty globally while reducing sensitivity to short-term policy fluctuations. The company is accelerating localized supply chain construction worldwide, improving production and warehousing layout efficiency to boost market responsiveness and operational flexibility. On this foundation, it continues to advance independent control over core technologies through self-developed platforms, domestic substitution of key components, and deep integration with the domestic industrial chain—effectively reducing reliance on any single country or region. By optimizing its business model and cost structure across taxation, labor, and technology factors, the company is laying a solid foundation for sustainable

global development and enhancing stability amid complex international conditions.

Looking ahead, the company plans to further increase the global rollout of innovative products, consolidate its technological leadership, and continuously expand overseas market share, with overseas revenue expected to maintain a steady upward trend.

Qustion 4

With the increasing application of large AI models in healthcare, how does the company view the empowerment brought by AI large models to its future business? What are the highlights, and what incremental value is expected for the company?

Answer:

Against the backdrop of continuous evolution in the industry's technological landscape, artificial intelligence (AI) has become a key driving force for innovation in medical imaging and radiation therapy. As AI technologies accelerate their adoption, their role in assisting diagnosis and treatment is gradually shifting from "optional" to "essential." Currently, imaging diagnostic and radiotherapy equipment widely integrate AI capabilities to optimize examination, diagnosis, and treatment workflows. Hospitals increasingly prefer products equipped with AI features, such as lung nodule detection, cerebral hemorrhage screening, coronary CTA analysis, and fracture detection. AI applications not only improve diagnostic efficiency and alleviate workforce shortages but also play an increasingly important role in precise identification, risk prediction, and decision support.

According to the FDA's list of AI-enabled medical devices, radiology is the global domain with the highest concentration of AI-powered devices. United Imaging Healthcare leads the industry with over 20 AI-enabled device approvals, systematically validating its integrated advantages across the entire ecosystem from core components to full systems and intelligent platforms.

From the industry trend perspective, AI is evolving from foundational technological innovation toward deep clinical empowerment. On one hand, its powerful image recognition, automatic segmentation, and lesion analysis capabilities effectively support complex computational tasks and precise diagnosis, enhancing clinical decision quality and efficiency. On the other hand, AI also unlocks great potential in extending equipment lifespan and improving device intelligence levels. Especially in grassroots medical settings, intelligent diagnostics help compensate for talent shortages, enabling hospitals to improve service capabilities and achieve sustainable operations. Furthermore, as AI systems progressively realize a closed-loop logic from imaging to decision-making, device intelligence and utilization value significantly increase, becoming a core technology for building product competitive barriers.

United Imaging Healthcare has developed a comprehensive intelligent digital super-platform spanning product lines, with all product lines having completed development and deployment of intelligent technology platforms, realizing source-level AI empowerment and driving innovations in multi-modal, cross-scale diagnostic technologies. The company's AI empowerment is always clinically oriented, precisely addressing clinical pain points.

In magnetic resonance imaging (MRI), AI mainly enhances imaging acceleration, lesion detection,

and workflow optimization. For example, at this year's CMEF, the company launched the world's first silicon carbide MRI system, which through intelligent deep reconstruction and compressed sensing technology, maintains image clarity comparable to high-end 3T devices while reducing single-site scan time by up to 60%, increasing daily scan volume by over 20%, achieving breakthroughs in both efficiency and accuracy. The clinically deployed 5.0T ultra-high field MRI system uMR Jupiter 5T, empowered by AI, increases imaging speed by 40%. Combined with the signal-to-noise ratio gain from the ultra-high field strength, it significantly improves micro-lesion detection, providing strong support for brain science research and early tumor screening.

In molecular imaging, AI focuses on radioactive tracer analysis and image registration, with future development expected to advance biomarker discovery and treatment response monitoring. The company's new-generation digital PET/CT system uMI Panvivo is AI-empowered throughout system quality control, image acquisition, reconstruction, and lesion quantification, comprehensively enhancing diagnostic accuracy and work efficiency, alleviating workload in departments. Its industry-first AI multi-radionuclide iterative reconstruction algorithm uExcel DPR 2.0 reduces whole-body scan time to one minute while boosting signal-to-noise ratio by 3.9 times, strengthening diagnostic confidence. AI reconstruction applicability expands from conventional FDG to a wider range of radiopharmaceutical imaging, enabling precise diagnosis across multiple diseases and helping medical institutions of all levels improve diagnostic quality and clinical decision-making.

Amid AI's transformation of healthcare, the company's XR products have also achieved disruptive full-line digital empowerment. For instance, at this year's CMEF, the company showcased uDR Aurora, a fully intelligent DR system featuring an AI closed loop from image acquisition to diagnosis and quality control, achieving a 60% increase in photography efficiency and over 40% reduction in radiation dose. It became the industry's first fully automated zero-error quality control intelligent DR system, completely revolutionizing traditional DR workflows.

In addition, the company's "zero-noise" DSA technology marks a revolutionary breakthrough by completely eliminating noise interference present in traditional DSA equipment while preserving image details, resulting in clearer images and lower radiation dose. The "zero-noise" DSA improves image spatial resolution by 57%, signal-to-noise ratio by over 4 times, and reduces contrast radiation dose by at least 70%.

Overall, the company's technological innovations also cover the CT uSense active sensing platform, XR uAid, DSA intelligent bionic technology platform uVera, and the All-In-One Solution radiotherapy platform. Continuous breakthroughs in these intelligent digital super-platforms not only maintain the company's leading position amid the current medical imaging AI wave but also provide strong support for future innovative products that fill technological gaps. Through platform innovation and deep integration with AI, the company is advancing medical imaging technology toward higher levels of intelligence and precision, injecting new momentum into the global healthcare industry.

Looking forward, the company will continue to promote the integration of AI with cloud platforms,

big data, and other cutting-edge technologies, accelerating evolution from device functionality expansion to comprehensive intelligent decision support. The company envisions AI going beyond single-point recognition and diagnosis to full-process management covering pre-diagnosis prediction, intra-diagnosis decision-making, and post-diagnosis follow-up, becoming an intelligent service platform across multiple diseases and scenarios.

Therefore, the company is committed to delivering smarter, more efficient, and precise solutions to global medical customers, helping build a new generation of clinically driven intelligent healthcare ecosystems.