



# HUIZE HOLDING LIMITED CORPORATE PRESENTATION

May 2021

# Disclaimer

This presentation has been prepared by Huize Holding Limited (the “Company” ) and has not been independently verified. No representations, warranties or undertakings, express or implied, are made by the Company or any of its affiliates, advisers or representatives or the underwriters as to, and no reliance should be placed upon, the accuracy, fairness, completeness or correctness of the information or opinions presented or contained in this presentation. None of the Company or any of its affiliates, advisers, or representatives or the underwriters accept any responsibility whatsoever (in negligence or otherwise) for any loss howsoever arising from any information presented or contained in this presentation or otherwise arising in connection with the presentation. The information presented or contained in this presentation is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives make any undertaking to update any such information subsequent to the date hereof. This presentation should not be construed as legal, tax, investment or other advice.

This presentation contains statements that reflect the Company’ s intent, beliefs or current expectations about the future. These statements can be recognized by the use of words such as “ expects,” “ plans,” “ will,” “ estimates,” “ projects,” “ intends,” or words of similar meaning. These forward-looking statements are not guarantees of future performance and are based on a number of assumptions about the Company’ s operations and other factors, many of which are beyond the Company’ s control, and accordingly, actual results may differ materially from these forward-looking statements. Caution should be taken with respect to such statements and you should not place undue reliance on any such forward-looking statements. The Company or any of its affiliates, advisers or representatives or the underwriters has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

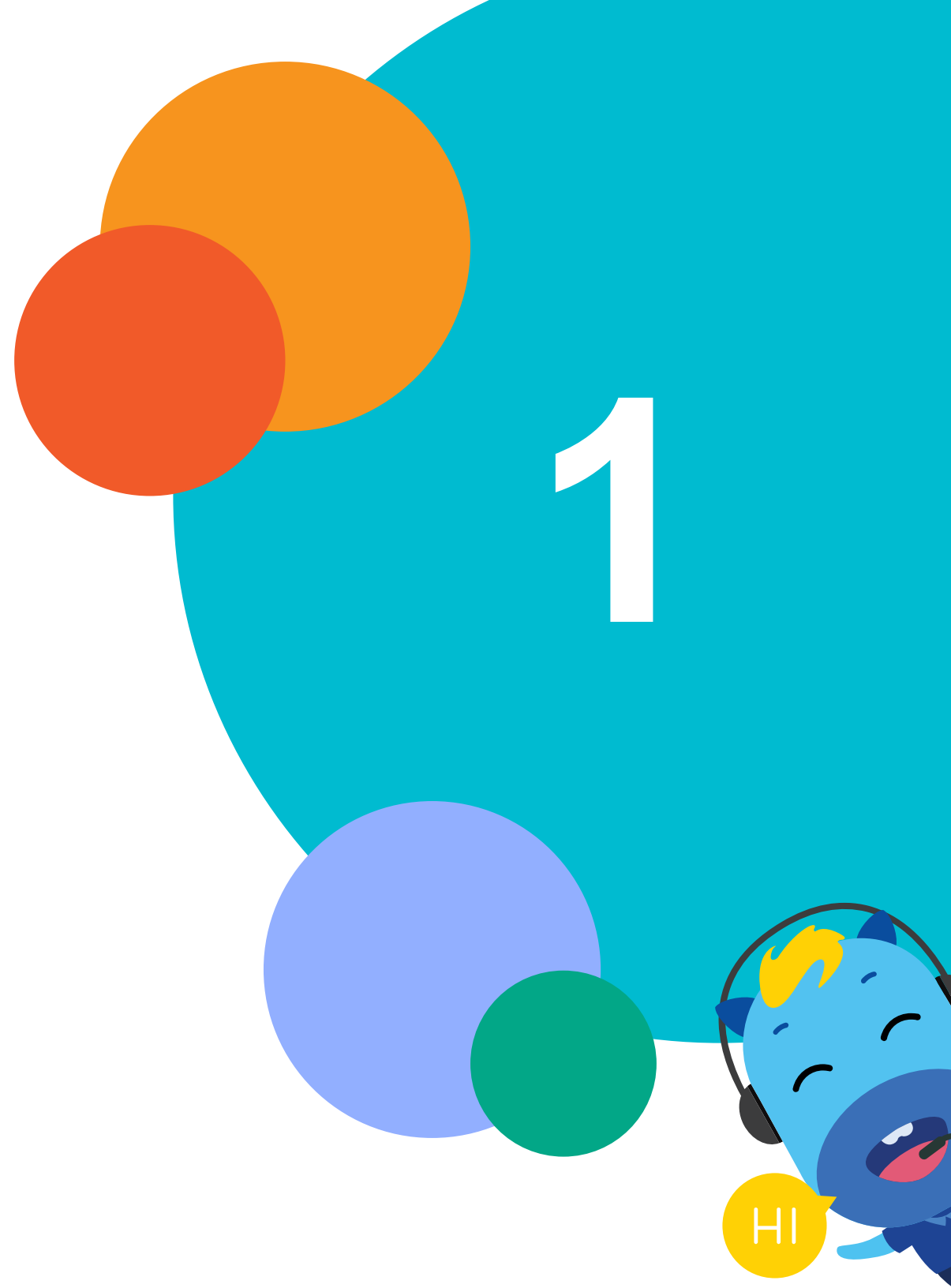
In evaluating its business, the Company uses certain non-GAAP measures as supplemental measures to review and assess its operating and financial performance. These non-GAAP financial measures have limitations as analytical tools, and when assessing the Company’ s operating and financial performances, investors should not consider them in isolation, or as a substitute for net (loss)/income attributable to the Company or other consolidated statement of operations data prepared in accordance with U.S. GAAP.

This presentation does not constitute an offer to sell or an invitation to purchase or subscribe for any securities of the Company for sale in the United States or anywhere else. No part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Specifically, these materials do not constitute a “ prospectus” within the meaning of the U.S. Securities Act of 1933, as amended, and the regulations enacted thereunder (the “ Securities Act” ). This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company and is qualified in its entirety by reference to the detailed information in the prospectus relating to the proposed offering. Any decision to purchase the Company’ s securities in the proposed offering should be made solely on the basis of the information contained in the prospectus relating to the proposed offering.

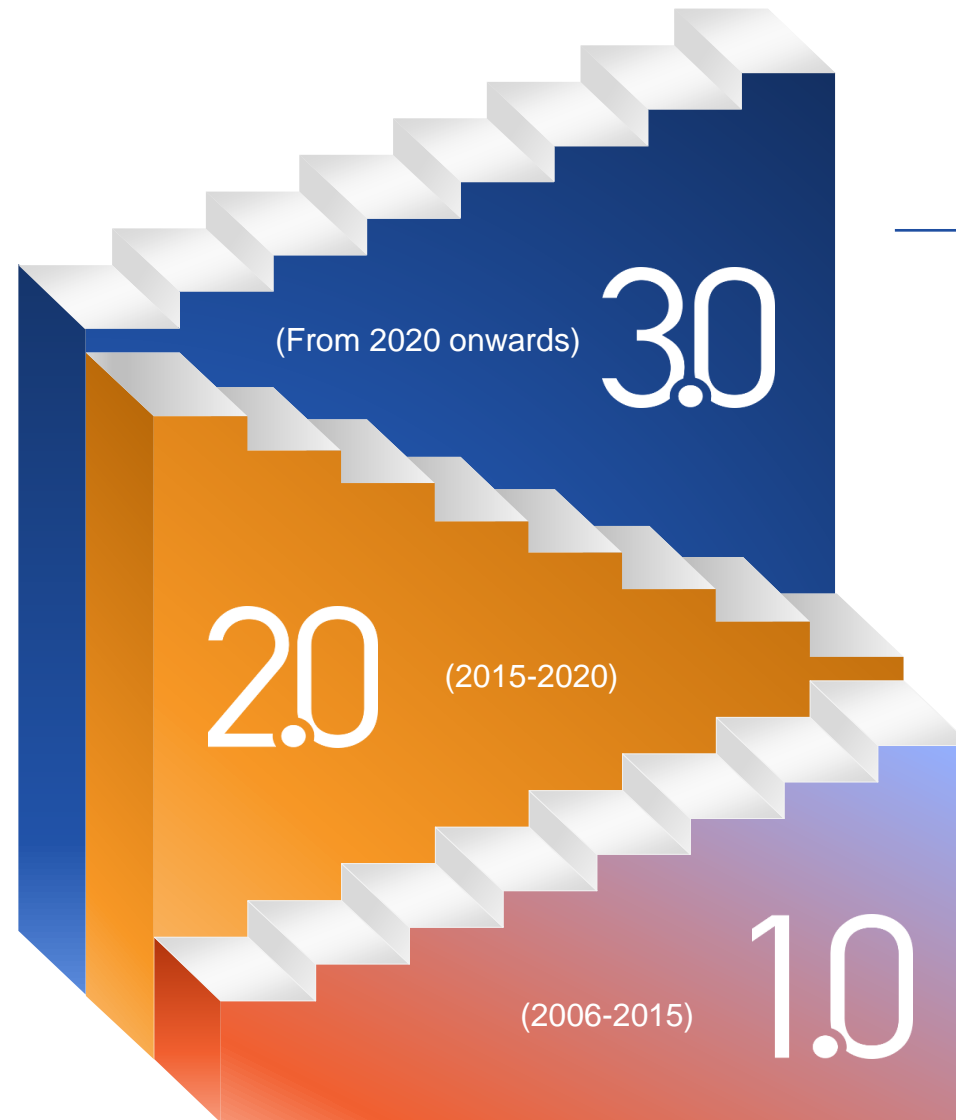
THE INFORMATION CONTAINED IN THIS DOCUMENT IS HIGHLY CONFIDENTIAL AND IS BEING GIVEN SOLELY FOR YOUR INFORMATION AND ONLY FOR YOUR USE IN CONNECTION WITH THIS PRESENTATION. THE INFORMATION CONTAINED HEREIN MAY NOT BE COPIED, REPRODUCED, REDISTRIBUTED, OR OTHERWISE DISCLOSED, IN WHOLE OR IN PART, TO ANY OTHER PERSON IN ANY MANNER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PRESENTATION IN WHOLE OR IN PART IS UNAUTHORIZED.

By attending this presentation, participants agree not to remove these materials, or any materials provided in connection herewith, from the conference room where such documents are provided. Participants agree further not to photograph, copy or otherwise reproduce this presentation in any form or pass on this presentation to any other person for any purpose, during the presentation or while in the conference room. Participants must return this presentation and all other materials provided in connection herewith to the Company upon completion of the presentation.

# Company Overview



# To Become the Go-to Platform for the Young Generation in China's Online Insurance Industry



## Digital Insurance

1. B2B2C distribution model
2. Co-developed products with insurer partners
3. Developed intelligent underwriting system

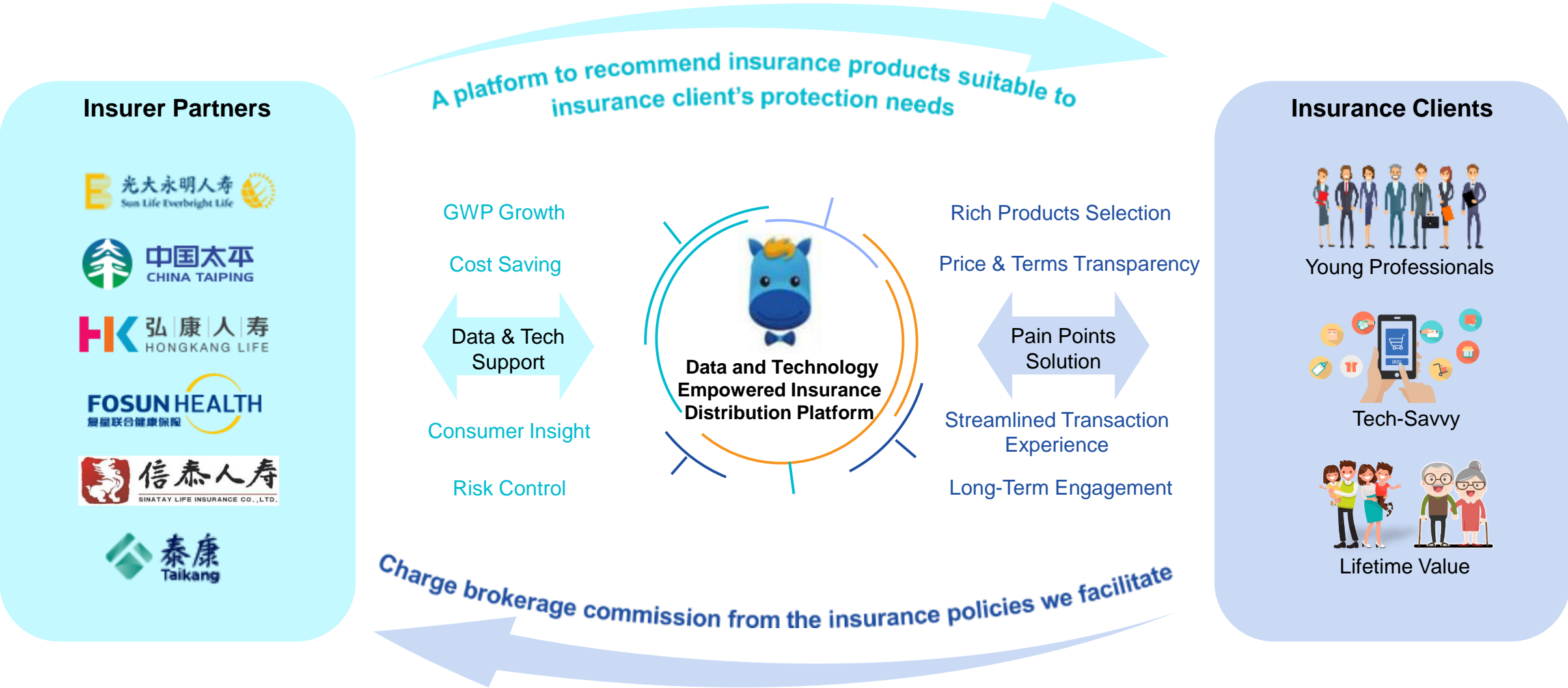
## Smart Insurance

1. AI technology to enhance efficiency, risk management and customer lifetime value
2. Ecosystem investment around core Huize platform

## Online Insurance

1. Pioneered a dual-engine business model in industry
2. Provided one-stop digitalized online insurance experience for users

# #1 Independent Online Long-term Life and Health Insurance Product and Service Platform in China<sup>(1)</sup>

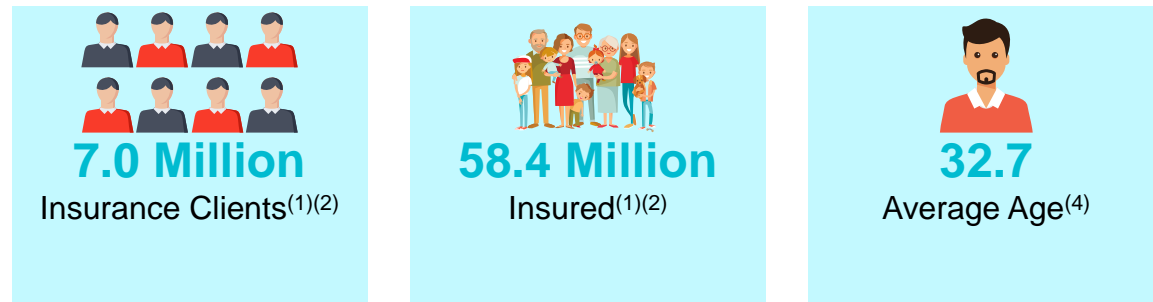


Driven by innovative technology and leveraging proprietary client intelligence big data, the dual engine “insurer-client” platform model forms a virtuous cycle with strong network effects

Notes:  
1. As measured by GWP facilitated in 2018

# Huize at a Glance

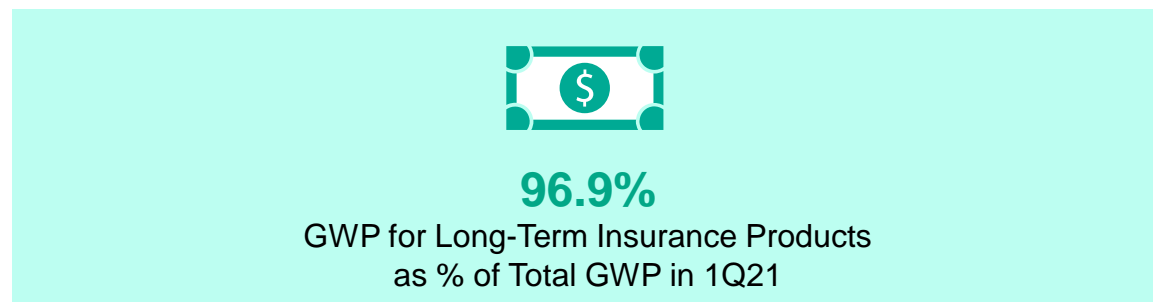
## Large, High-Quality and Young Client Base



## Long Proven Track Record of Operating Performance



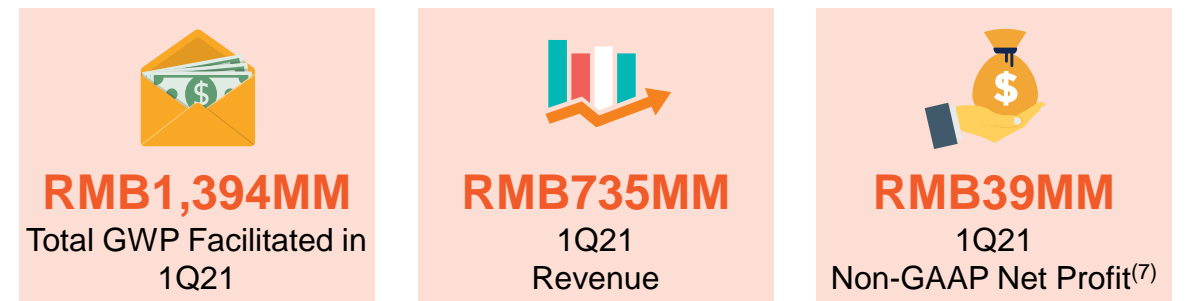
## Strategic Focus on Long-Term Insurance Products



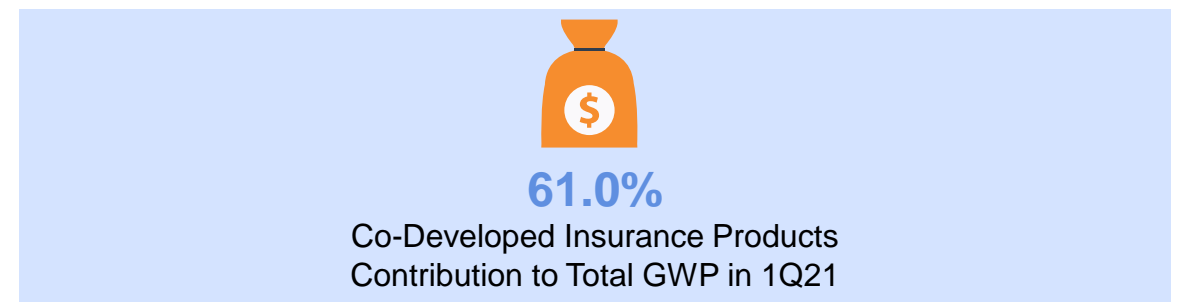
## Well Established Partnership and Service Capability



## Robust Growth and Profitability



## Unique Co-Developed Products with Insurers



### Notes:

1. Cumulative as of March 31, 2021
2. Insurance clients refer to clients who purchased policies; Insured refer to clients covered under policies
3. As of March 31, 2021

4. Average age of insurance clients who purchased long-term insurance products in 1Q21
5. In cooperation as of March 31, 2021, excluding different branches
6. Average persistency ratios for long-term life and health insurance in the 13<sup>th</sup> and 25<sup>th</sup> month in 1Q21
7. Non-GAAP net profit, excluding share-based compensation expenses

# What Differentiates Huize from Peers



## Quality Client Base



- Younger generation and tech-savvy with avg. age of **32.7<sup>(1)</sup>**
- **73.2%** of clients in higher-tier cities in China<sup>(1)</sup>
- High ticket size of **RMB4,508<sup>(2)</sup>**
- Avg. persistency ratios above **94%** for four consecutive quarters<sup>(3)</sup>
- Good insurance awareness and willing to explore new insurance needs

### Notes:

1. Represents insurance clients who purchased long-term insurance products in 1Q21

2. Average first year premiums per long-term insurance policy in 1Q21

3. Representing average persistency ratios for long-term life and health insurance policies in the 13<sup>th</sup> and 25<sup>th</sup> month

## Outstanding Product Design Capability

**达尔文5号** DARWIN FIVE  
重疾险进化者

**金满意足 铁甲小保**

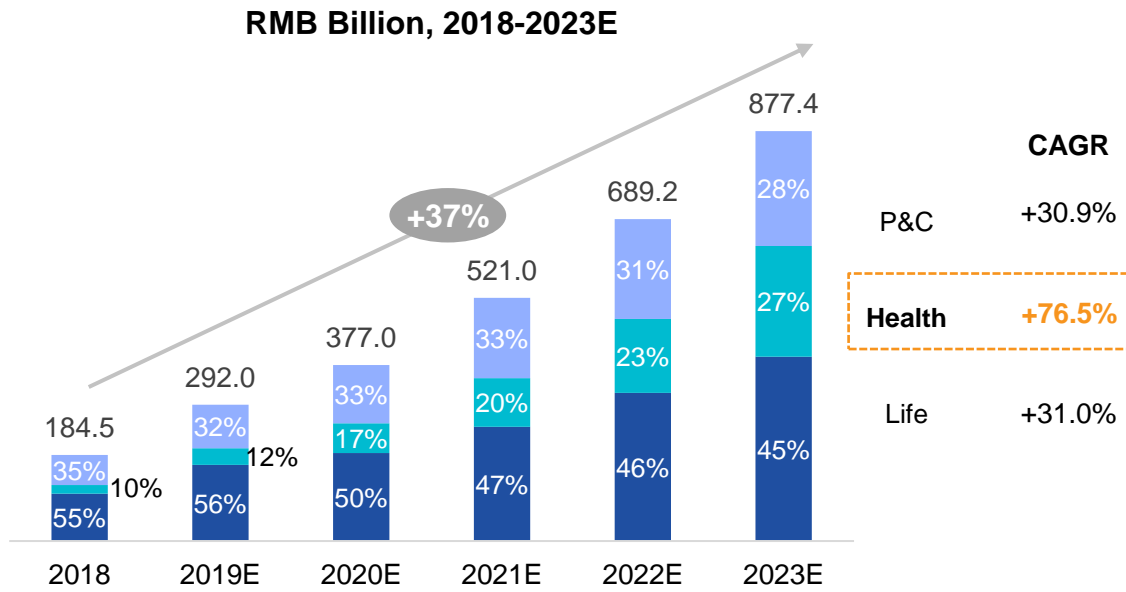
- Exceptional insurance knowhow and business intelligence
- Strong actuarial capability
- Large amount of customer and transaction data



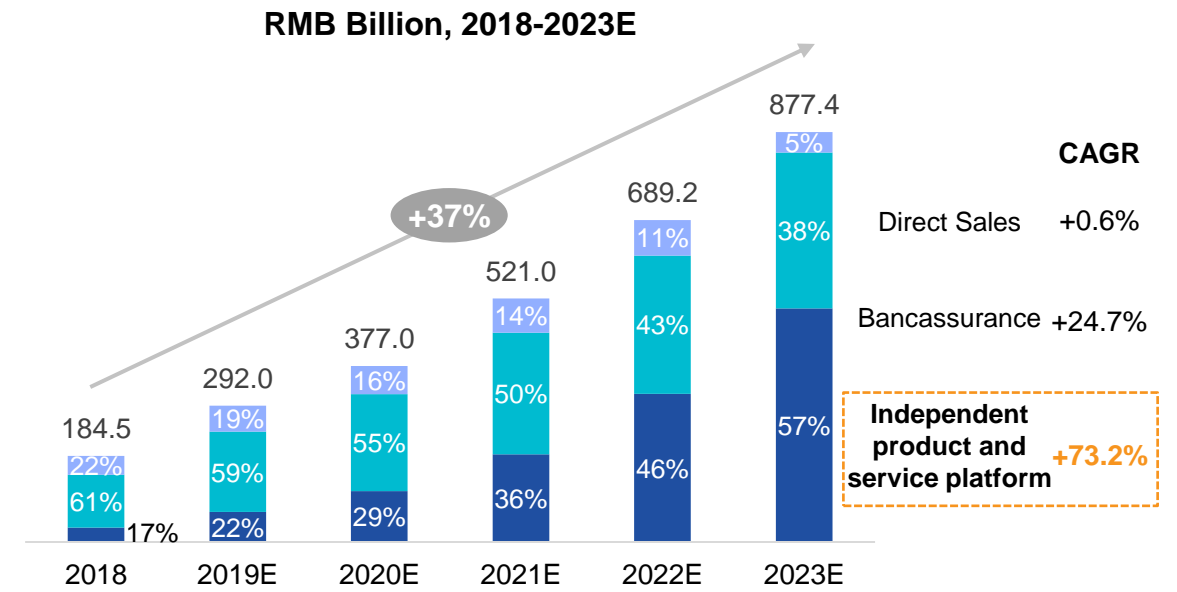
GWP for co-developed products increased by **176.6% YoY**  
to **RMB850 million** in 1Q21

# Uniquely Positioned to Capture Industry Sweet Spot

GWP of China's online insurance market by product



GWP of China's online insurance market by channel



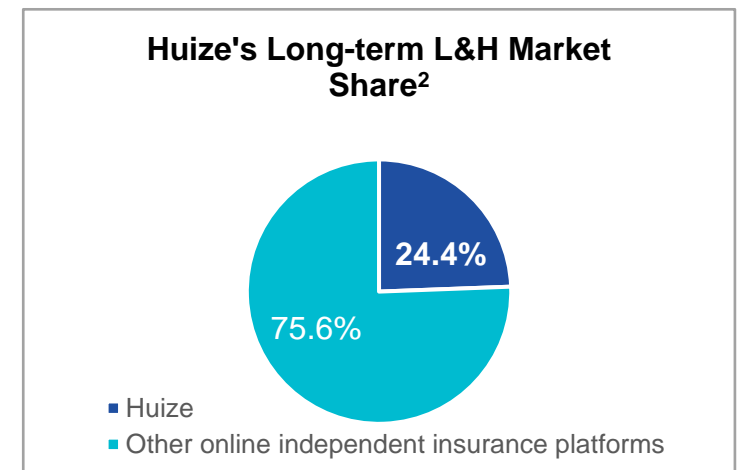
## Emerging opportunity for China's online long-term life and health insurance market



GWP, in RMB Billion<sup>1</sup>

- China's online insurance market
- China's online independent insurance product and service platform market
- Long-term life and health insurance sold through online independent insurance product and service platforms in China

Huize's Long-term L&H Market Share<sup>2</sup>



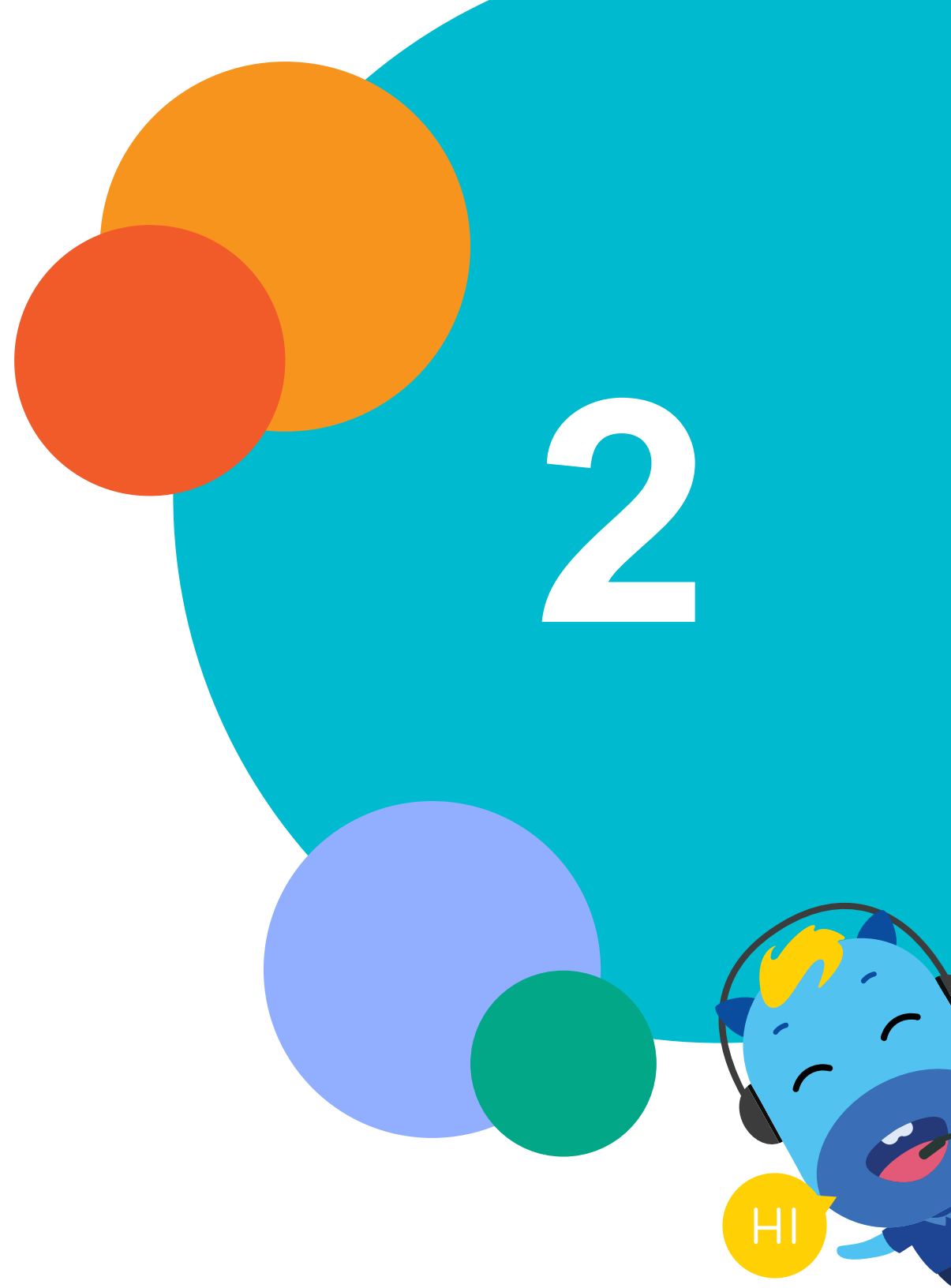
Source: Oliver Wyman Report, Huize's Prospectus.

**Notes:**

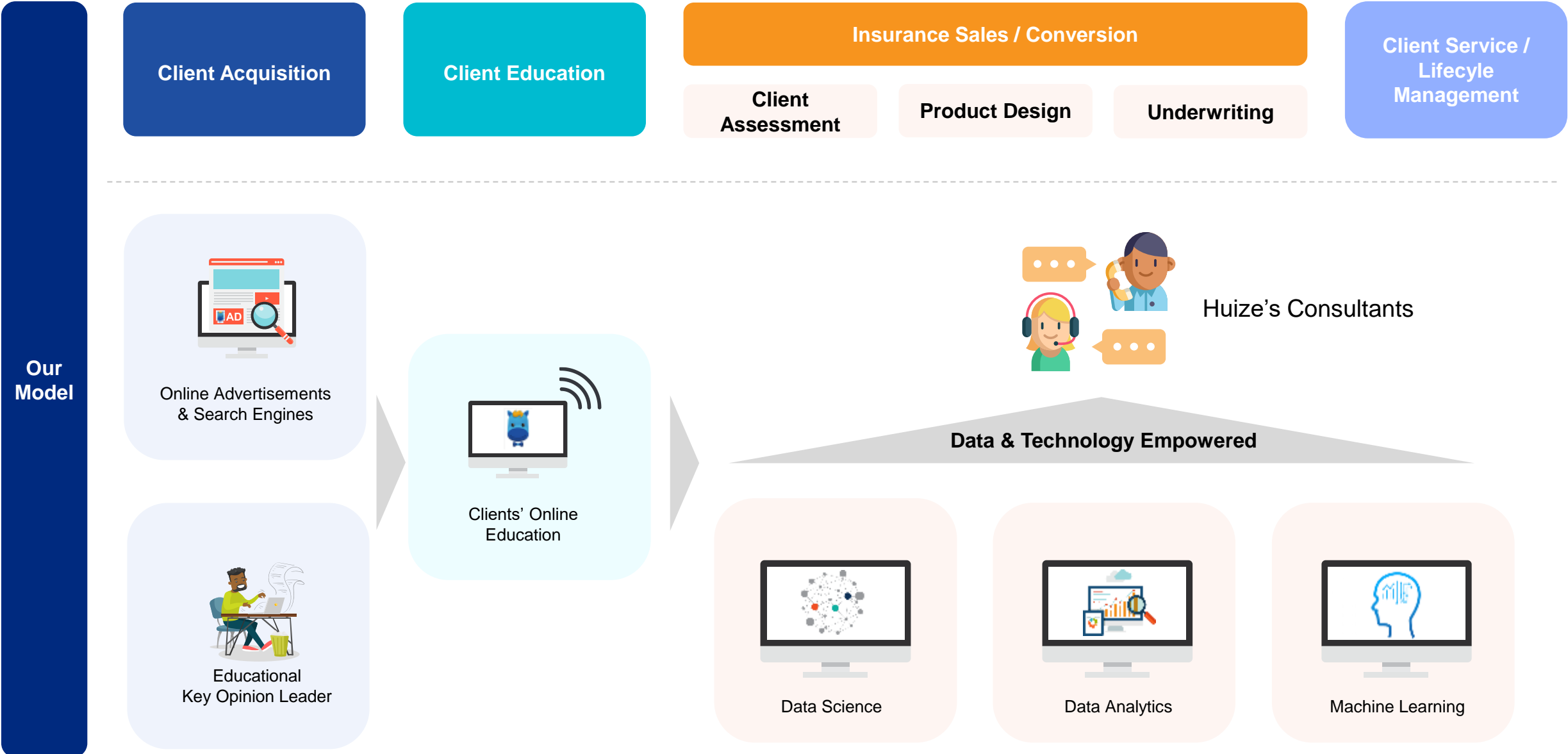
1. Circle sizes are for illustration purpose only and are not necessarily proportionate to real market size
2. Calculated as Huize's long-term L&H GWP facilitated as a % of China's long-term L&H insurance sold through online independent insurance platforms (RMB2.3 billion) in 2018



# Our Value Propositions



# Data and Technology Empowered Platform Provides Seamless Experience and Drives Customer Lifetime Value



# Leverage Internet and Data Intelligence to Simplify and Streamline Insurance Distribution Process

We offer one-stop insurance experience covering all stages of insurance transactions

Select and purchase insurance policies



Underwrite insurance policies

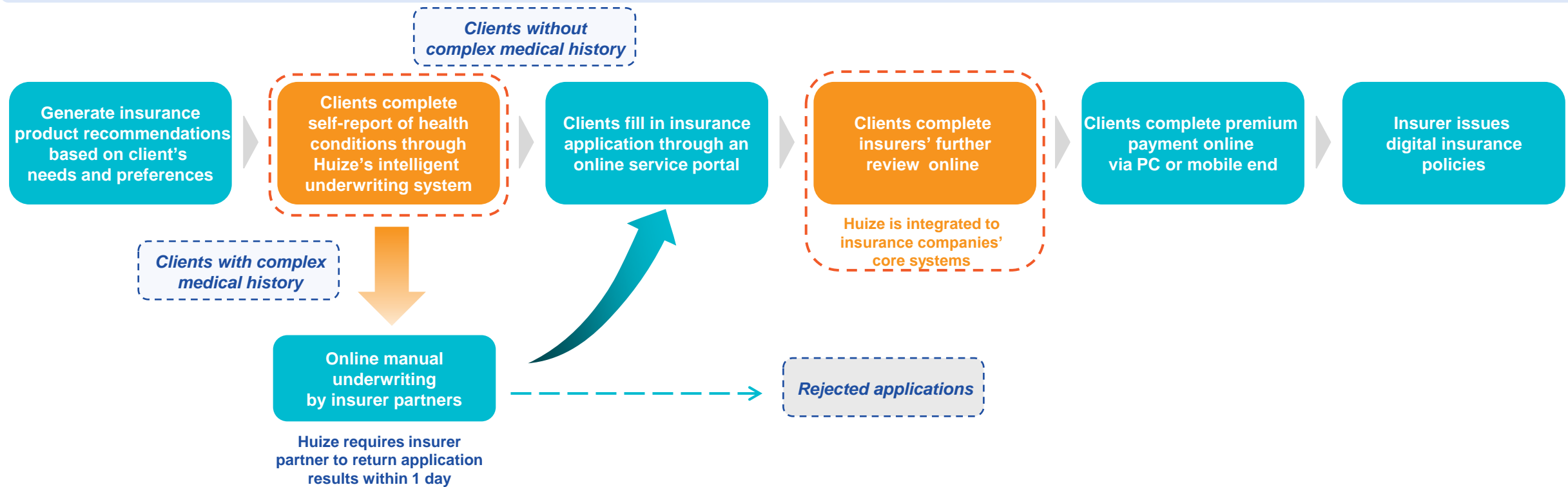


In-force policy administration



Claims settlement

We move risk management forward through our intelligent underwriting system, and offer clients a simple and smooth transaction experience



Filter and retain high-quality clients to maintain our price competitiveness



Build client health information and risk-based pricing information



Reduce drop-out rate

 Huize's underwriting process

# Massive Client Intelligence Data to Enhance Risk Management and Product Customization Capabilities

## We Accumulated Massive Insurance Data and Intelligence

### Risk-based Pricing Information

- 1 Underwriting requirements
- 2 Rejection data
- 3 Claims data

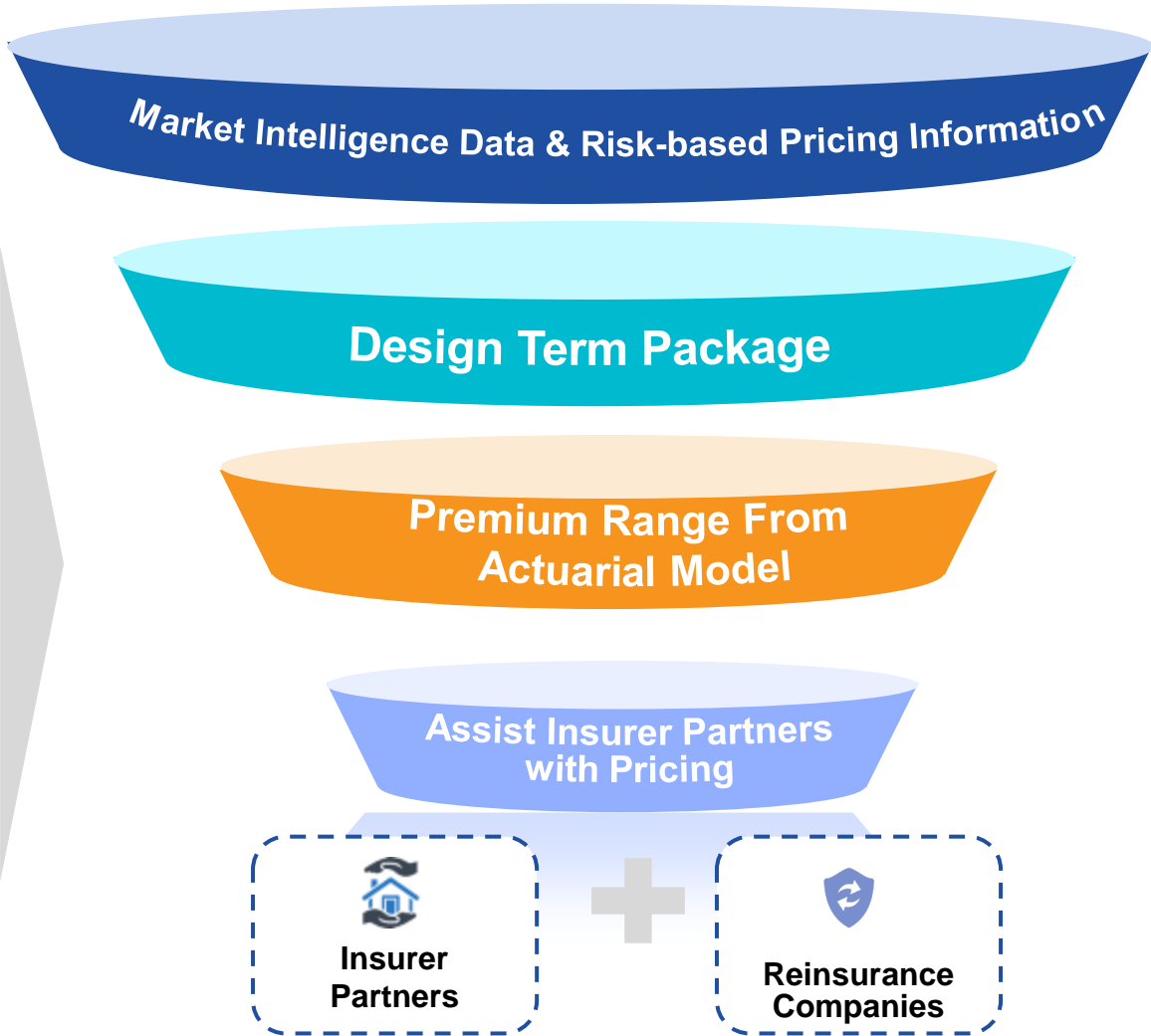
### Client Intelligence Data

- 1 Client health information
- 2 Risk exposure information of individual clients & their families
- 3 Clients' fast-evolving product preferences

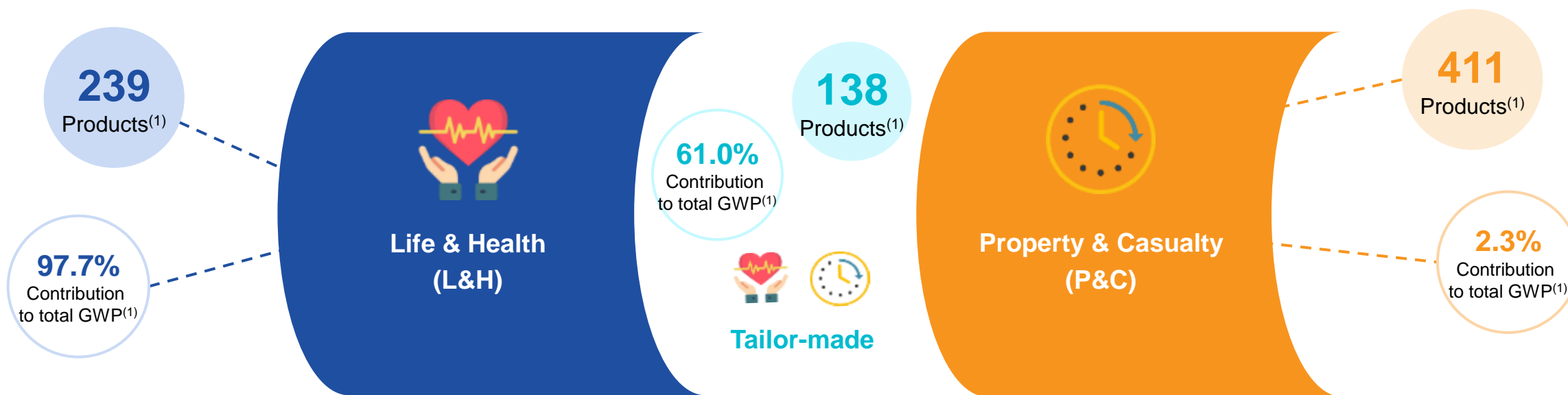
Under strict confidentiality



Better understanding of users and risks to better pair clients and policies



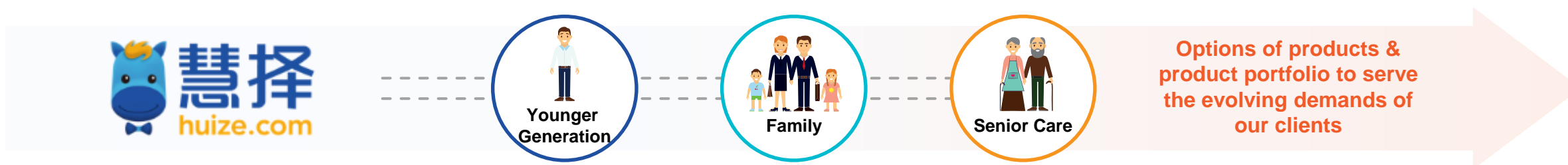
# Rich Product Offerings to Better Capture the Evolving Protection Needs Throughout Customer Lifecycle



- Long-term health insurance products: primarily critical illness insurance
- Short-term health insurance products: less-than-1-year illness and disease insurance
- Life insurance products: term life insurance products; whole life insurance products; annuity insurance products

- Leverage intelligence data to design competitive products for specific target clients
- Assist insurer partners with pricing and risk control

- Travel insurance products
- Individual casualty insurance products
- Corporate insurance products



Note:  
1.In 1Q21

# Strategic Focus on Sales of Long-term Policies Generates Recurring Revenue and Profit

Case Study - Our commission rate on 1st year premium: *long-term life and health insurance vs P&C insurance*

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Life & Health Insurance Products	~75%	~15%	~10%	~5%	~5%	~110%
Property & Casualty Insurance Products	10-98%	N.A.	N.A.	N.A.	N.A.	~40%

- The sales of long-term life and health policies provide us with better margins, recurring revenue and profit from renewal policies, leading to enhanced cash flow visibility

# Deep Management Bench with Insurance and TMT Expertise



**Cunjun MA**  
*Founder, Chairman,  
 Chief Executive  
 Officer*



Founded Huize in 2006

Exceptional insurance  
 expertise and insights



Over 23 years of insurance  
 industry-related experience

Worked in Shenzhen branch of  
 Ping An Property Insurance  
 from 1995 to 2004



**Li JIANG**  
 COO

- Previously worked at Starr Insurance (China) and AIG Insurance
- Over 15 years of industry experience



**Ronald TAM**  
 Co-CFO and CSO

- Previously worked at Goldman Sachs
- Over 15 years of corporate strategy, investment and capital markets experience



**Minghan XIAO**  
 Co-CFO

- Previously worked at Deloitte and KPMG
- Over 15 years of accounting and audit experience



**Xuchun LUO**  
 Secretary of the Board

- Over 13 years of insurance experience
- Over 18 years of accounting and finance experience



**Kai OUYANG**  
 CTO

- Previously worked as technology architect at Tencent
- Over 10 years of experience in internet technology



**Haosheng SONG**  
 CCO

- Previously worked as a reporter and chief editor at CCTV
- Rich experience in content and communication



**Yongsheng WANG**  
 CHO

- Previously worked at two management consulting firms as director and partner
- Rich experience in human resources management



# Growth Strategies

**1**  
Expand Client Base



**4**  
Offer More Products and Develop More Co-branded Products



**2**  
Enhance Client Engagement



**5**  
Invest in Technology to Improve Operating Efficiency and Further Enhance Profitability



**3**  
Deepen Our Cooperative Relationships with Insurer Partners



**6**  
Selectively Grow Through Mergers & Acquisitions and Overseas Expansion



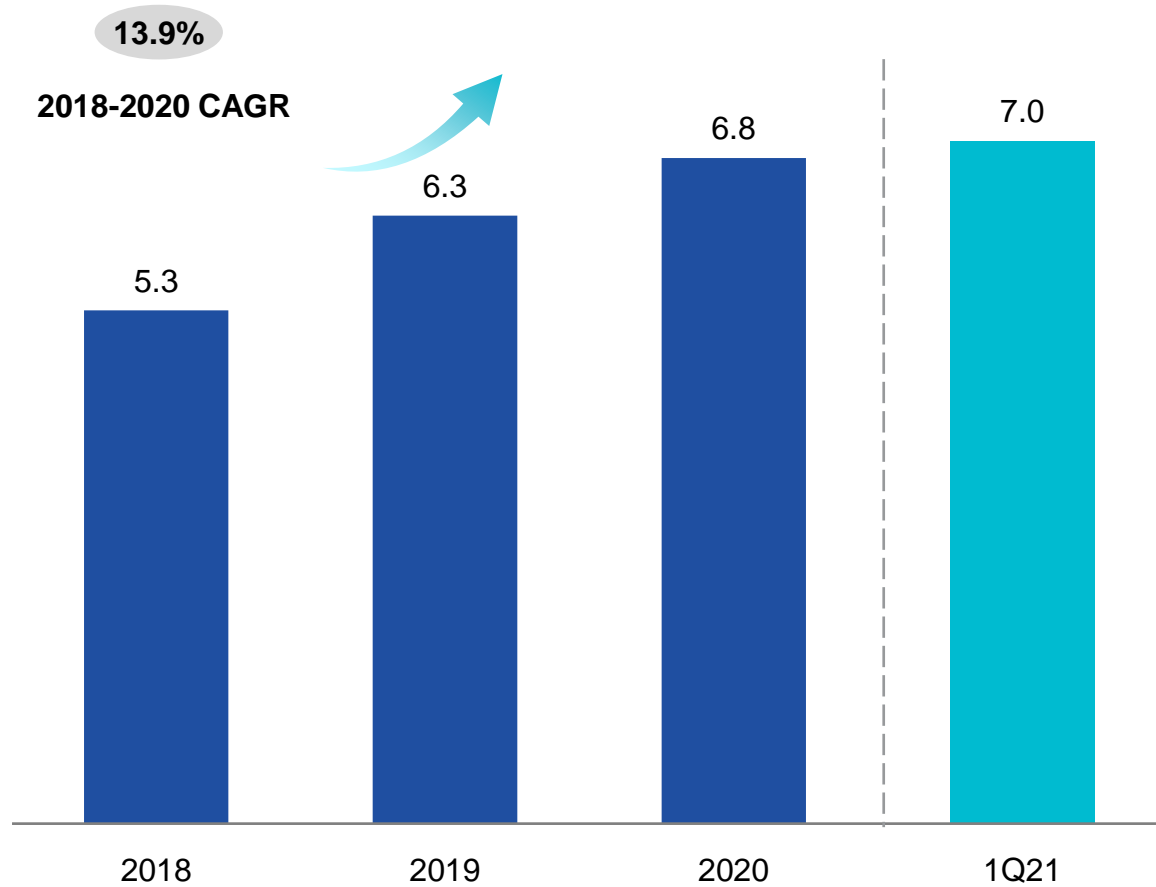


# Financial and Operating Performance

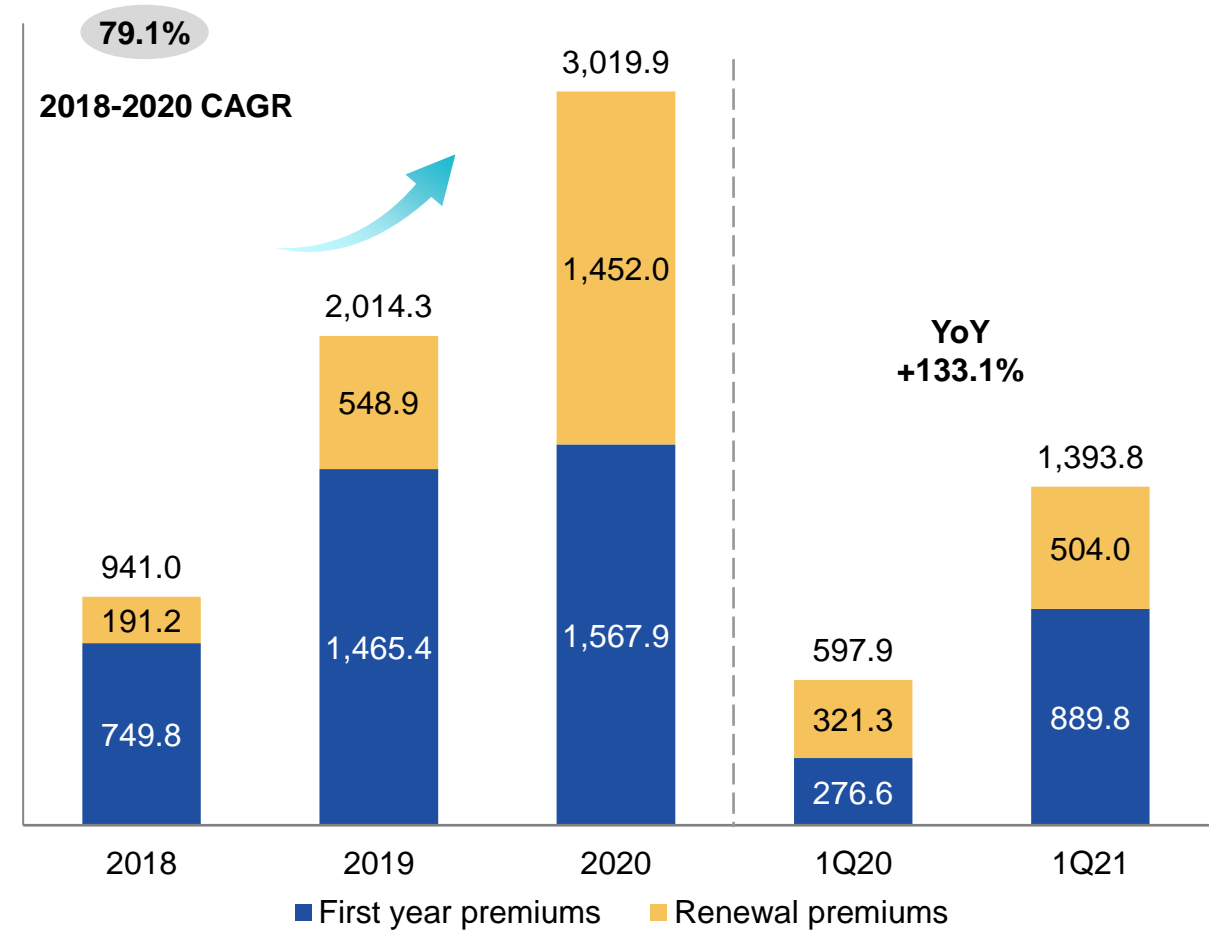


# Robust Growth Track Record in Insurance Clients and GWP

**Cumulative Number of Insurance Clients<sup>(1)</sup> (mm)**



**GWP (RMB mm)**

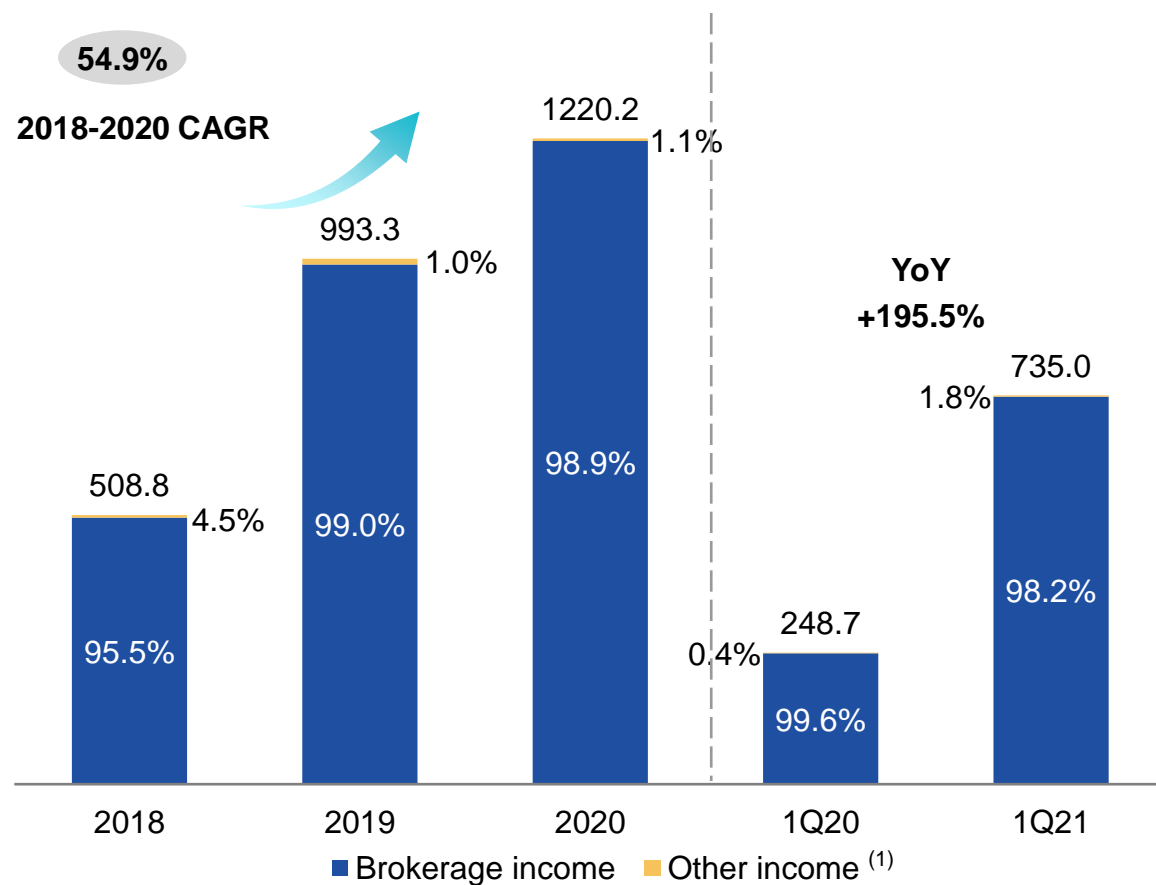


**Notes:**

1. As of December 31, 2018, December 31, 2019, December 31, 2020 and March 31, 2021

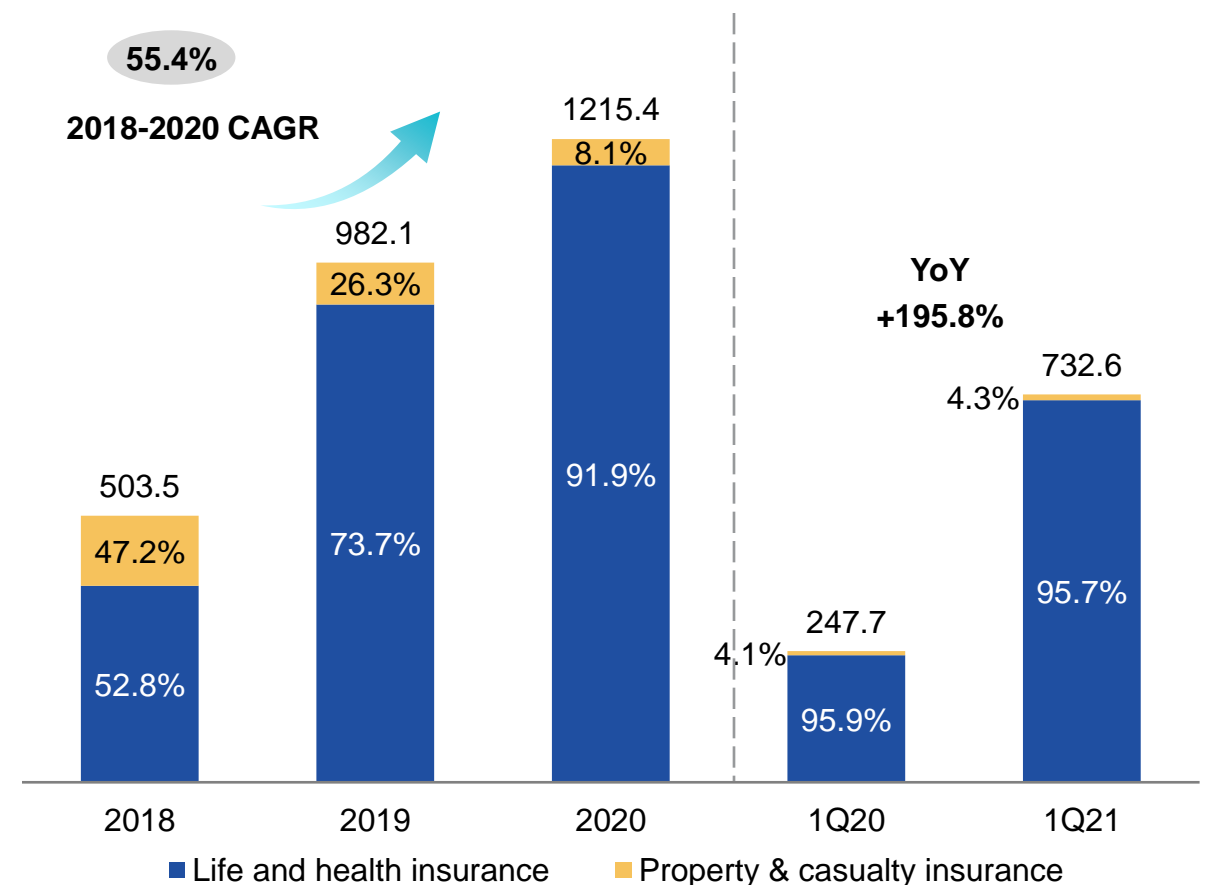
# Strong Growth in Brokerage Income with Improved Revenue Mix

**Total Operating Revenue** (RMB mm)



**Brokerage Income Breakdown** (RMB mm)

Increasing contribution from life and health insurance businesses

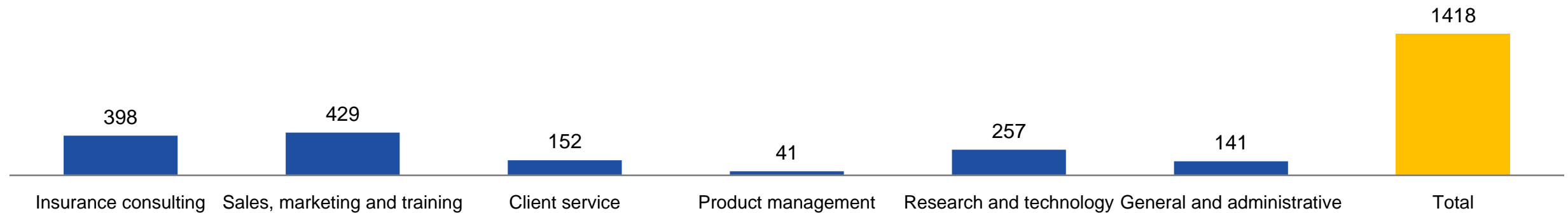


**Note:**  
1. Primarily consists of service fees charged to insurance clients for risk assessment and insurance consulting services provided before they purchase insurance products

# Continuously Improved Operational Efficiency – Client Conversion

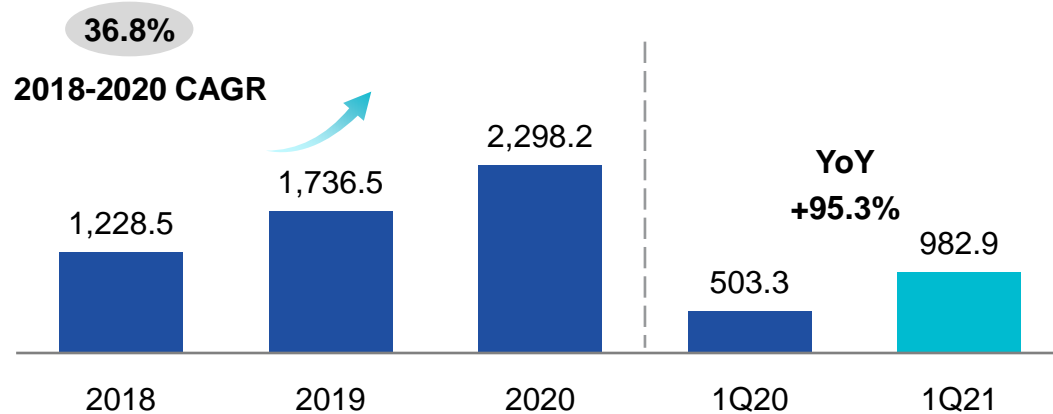
## Staff Breakdown

Numbers of Employees Categorized by Function (As of March 31, 2021)

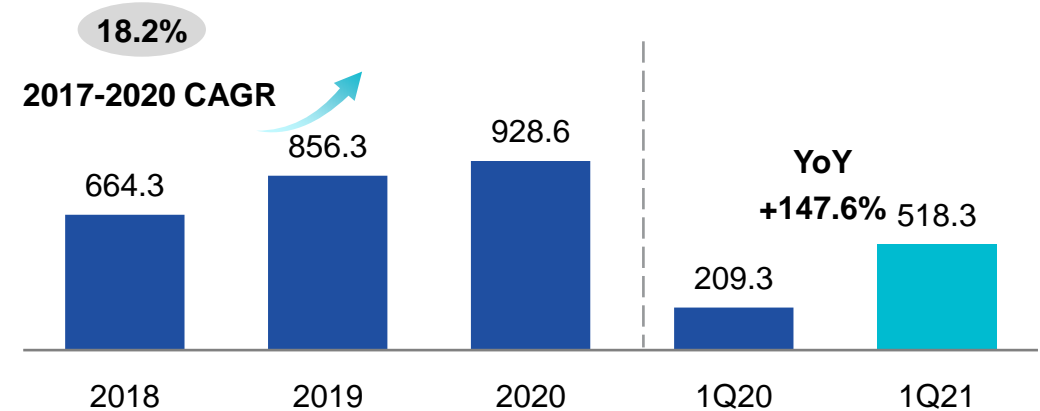


## Improving Operational Efficiency and Productivity

GWP per Employee (RMB '000)



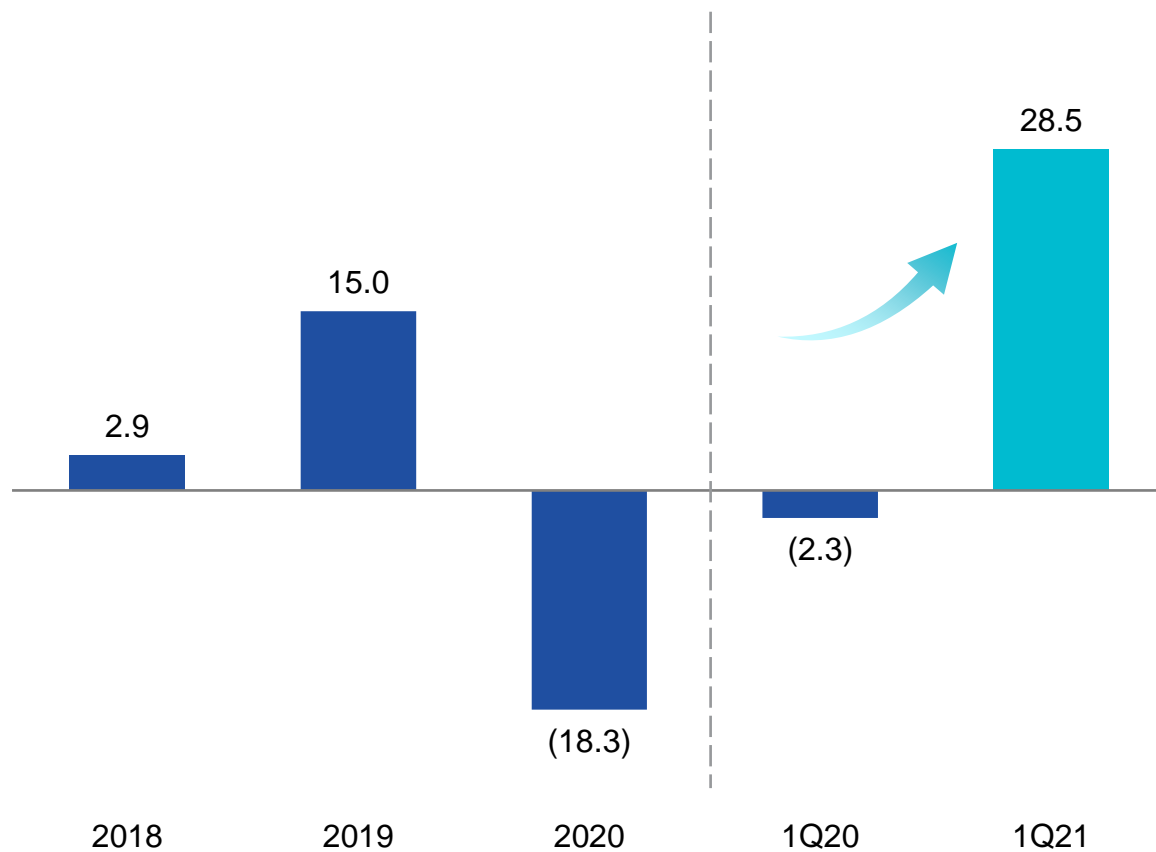
Operating Revenue per Employee (RMB '000)



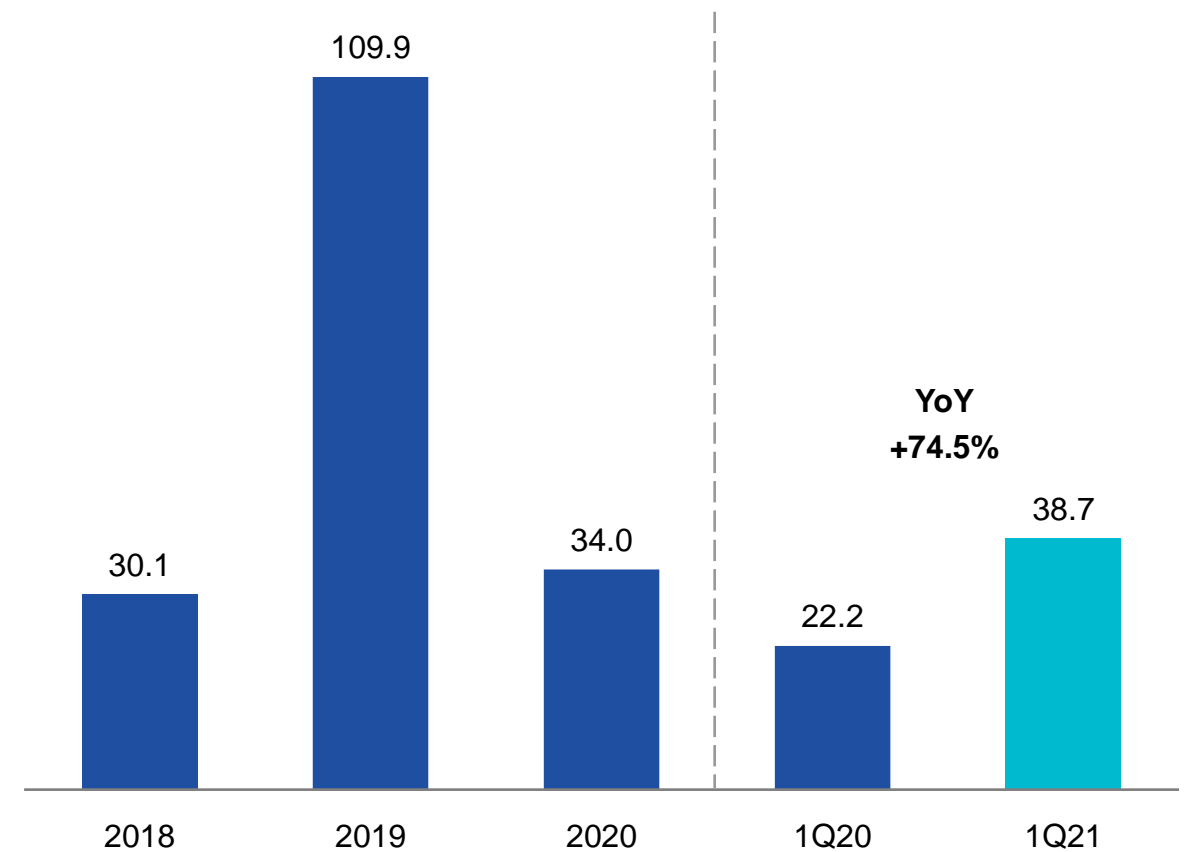
# Balanced Growth with Profitability

A decrease in net profit in 2020 was mainly due to (1) the impact of the COVID-19 pandemic, which negatively affected consumers' willingness to spend discretionary income on insurance, and (2) increased spending in marketing and research & development.

**Net (Loss)/Profit** (RMB mm)



**Adjusted Net (Loss)/Profit<sup>(1)</sup>** (RMB mm)

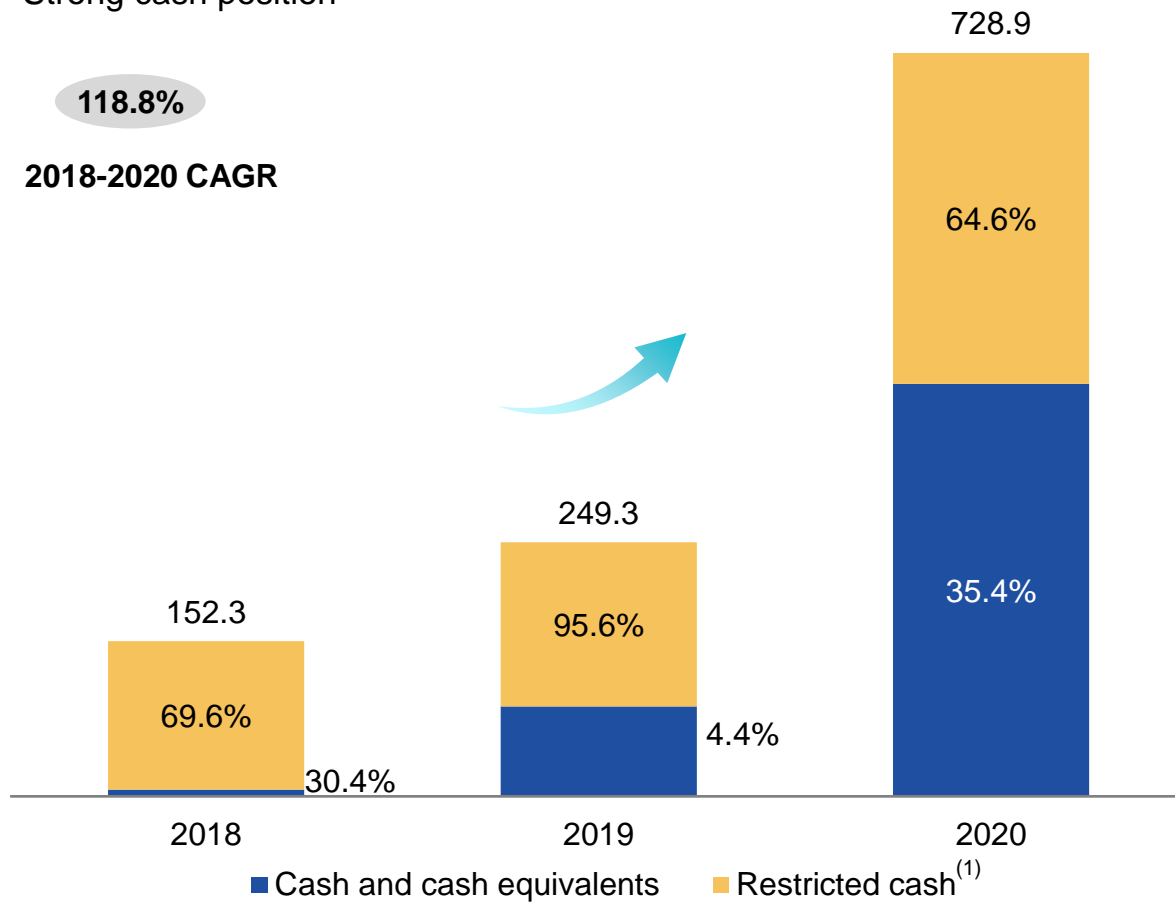


**Note:**  
1. Adjusted for share-based compensation expenses

# Robust Liquidity and Free Cash Flow

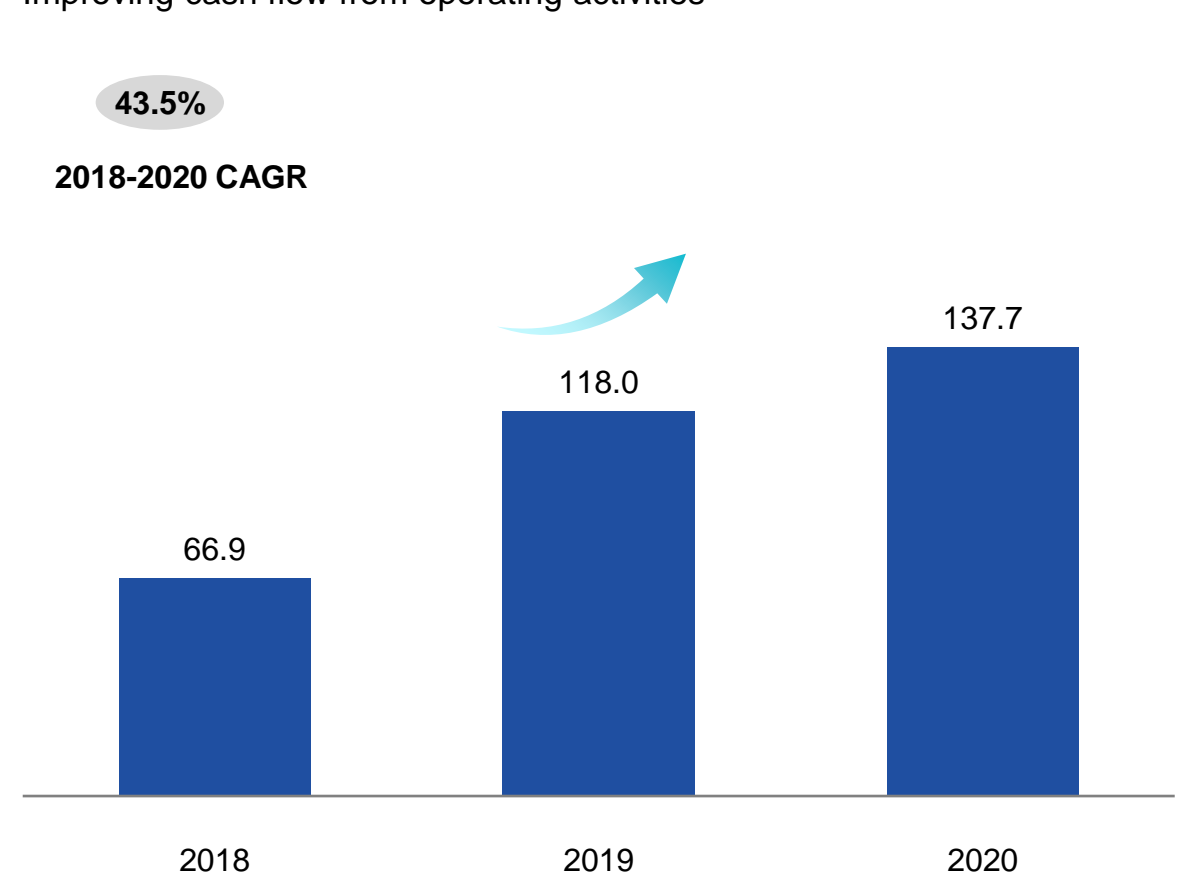
## Cash and Cash Equivalents and Restricted Cash (RMB mm)

Strong cash position



## Net Cash (Used in)/Provided by Operating Activities (RMB mm)

Improving cash flow from operating activities



**Notes:**

1. Primarily consists of unremitted insurance premiums and guarantee deposits required by China Banking and Insurance Regulatory Commission. Unremitted insurance premiums were RMB121.2 mm, RMB136.7 mm and RMB193.5 mm as of December 31, 2018, December 31, 2019 and December 31, 2020 respectively. The restricted cash balance related to the guarantee deposits was RMB24.5 mm as of December 31, 2018, December 31, 2019 and December 31, 2020. The Amount of pledged deposits as of December 31, 2020 was RMB 106.380 mm