



SUMMARY OF INITIAL PUBLIC OFFERING

May 2021

Specialized investment bankers at the intersection of finance and technology

Waterdrop IPO – Executive Summary

Initial Public Offering Overview – May 2021



Description



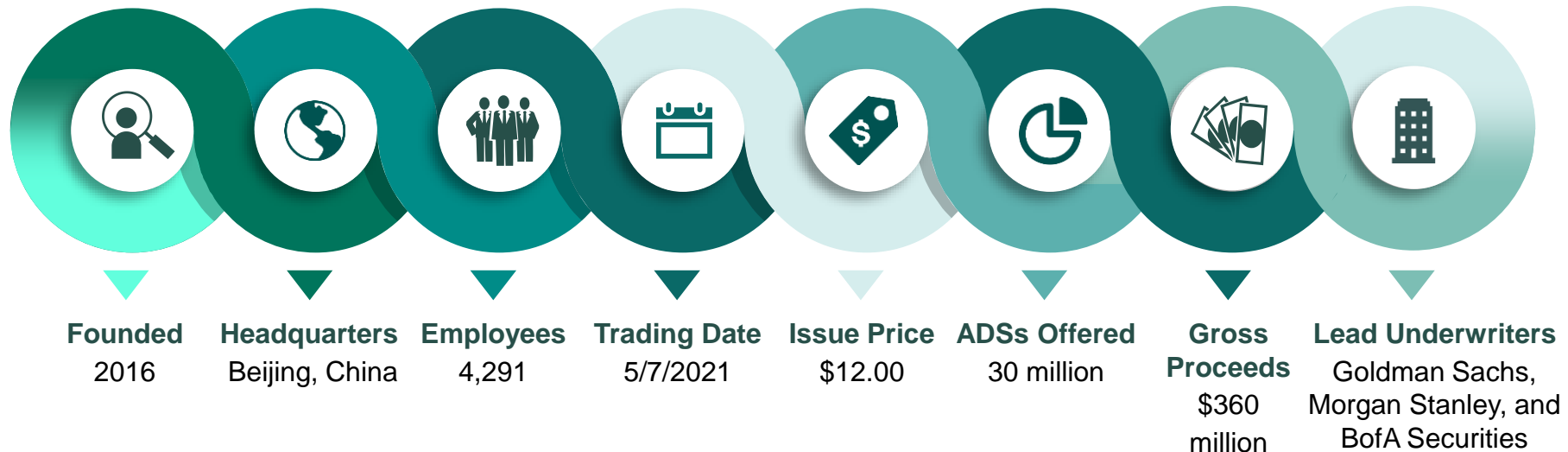
- Waterdrop operates as a technology platform dedicated to insurance and healthcare services that connects users with needs for different phases along their medical journey
- Through its medical crowdfunding, mutual aid platforms, and insurance marketplace, the Company has built a massive social network of protection and support for people, raising awareness of insurance and ultimately providing insurance and healthcare service to consumers in China
- A significant portion of the Company's revenue is derived primarily from commission fees paid by the insurance carriers whose insurance policies its consumers purchase



Use of Proceeds

Ticker: NYSE:WDH

- The Company intends to use \$330 million of the net proceeds of this offering to expand its business operations as follows:
 - 50% to enhance and expand its operations in the healthcare service and insurance business
 - 30% for research and development
- Additionally, the Company plans to use the proceeds for general corporate purposes, which include working capital needs and potential strategic investments and acquisitions in the healthcare service and insurance sector



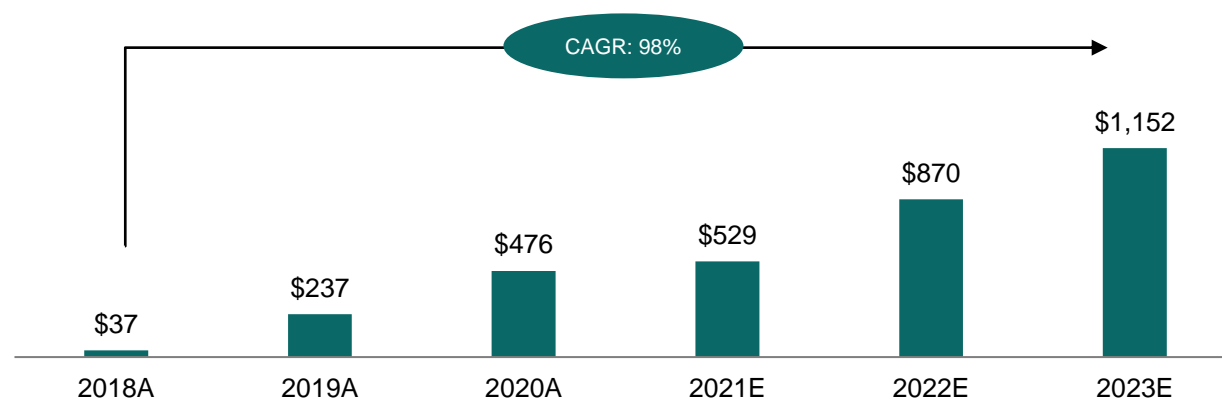
Waterdrop IPO – Executive Summary

Key Metrics

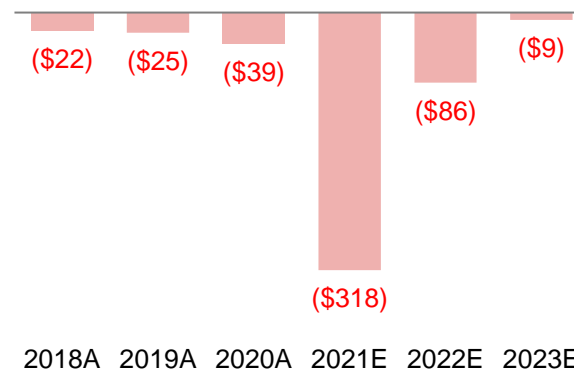
Key Metrics

ADSS Offered through the IPO	30 million
Issue Price	\$12.00
Total O/S after the IPO	394 million
Market Value at Issue Price ⁽¹⁾	\$4.7 billion
EV at Issue Price ⁽²⁾	\$5.1 billion
EV / Revenue ⁽³⁾	10.8x
Trading Date	5/7/2021
Listing Price	\$10.25
Listing Discount	(\$1.75)

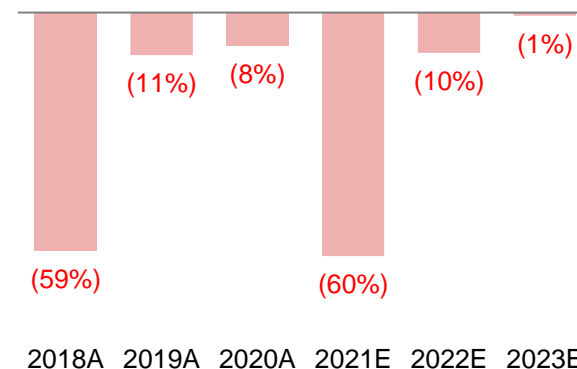
Total Revenue (FYE Dec; \$mm)



Adj. EBITDA (\$mm)



Adj. EBITDA Margin (%)



Waterdrop IPO – Executive Summary

Company Overview

Business Overview

- Waterdrop operates as a technology platform dedicated to insurance and healthcare services that connects users with needs for different phases along its medical journey
- Through its medical crowdfunding, mutual aid platforms, and insurance marketplace, the Company has built a massive social network of protection and support for people, raising awareness of insurance and providing insurance and healthcare service to consumers in China
- It provides online insurance brokerage services to match and connect users with related insurance products underwritten by insurance companies
- The Company functions through three platforms:
 - Insurance Marketplace:** Provides a variety of health and life insurance products to meet the growing protection demand of its consumers. The products covers both short-term health and long-term health and life insurance
 - Waterdrop Crowdfunding:** Enables people with significant medical cost need to seek help from caring hearts through technology. Patients, their relatives or friends can initiate crowdfunding campaigns on the platform and share campaign information through social network
 - Waterdrop Medicine:** Enables participants to help one another to ease his or her medical cost burden of over 100 types of critical illness
- Waterdrop derives revenue primarily from commission fees paid by the insurance carriers whose insurance policies its consumers purchase

Key Statistics⁽¹⁾



Waterdrop Insurance Marketplace generated **over \$2.3 billion⁽²⁾** first year premiums; cumulative paying policy count reached **30.7 million**



Over **340 million people** donated **\$5.8+ billion⁽²⁾** in aggregate to **1.7+ million patients** through the Waterdrop Medical Crowdfunding



The cumulative number of paying insurance consumers were **19.2 million in 2020 vs 8.8 million in 2019**



Collaborated with **62** insurance carriers to offer **200** health and life insurance products



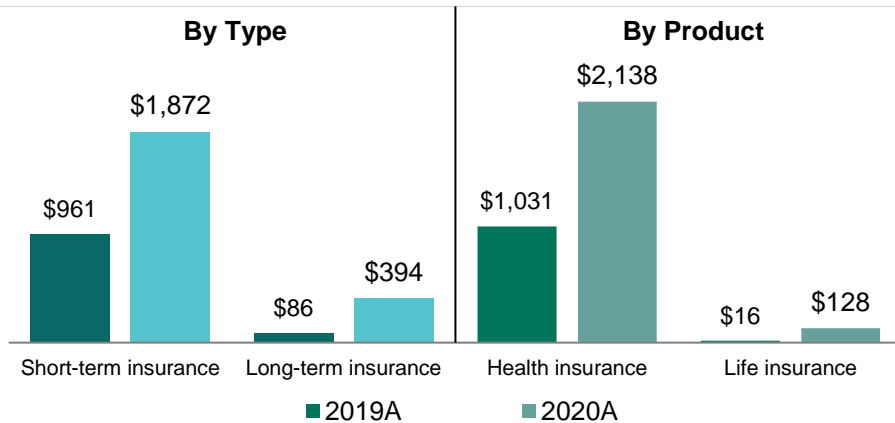
Waterdrop is headquartered in **Beijing, China**

Waterdrop IPO – Case Study

Insurance Products – Overview

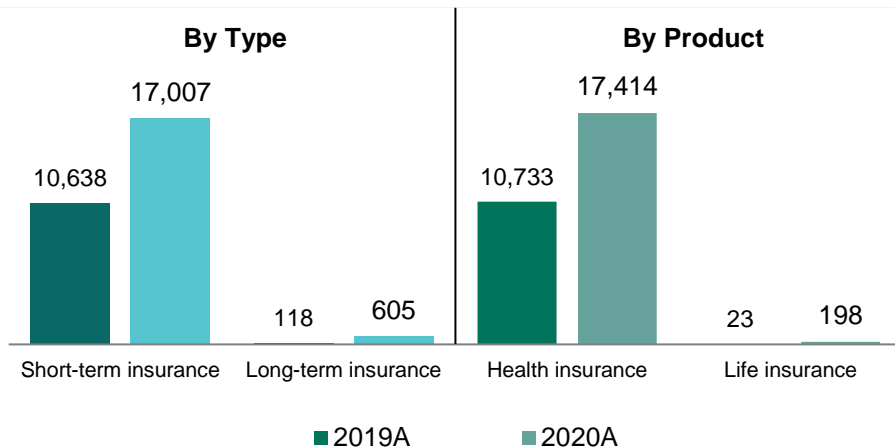
First Year Premiums (FYP)⁽¹⁾

(In millions)



Number of Policies

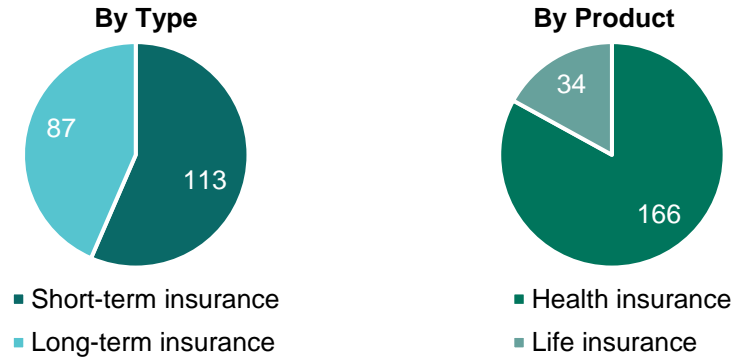
(In thousands)



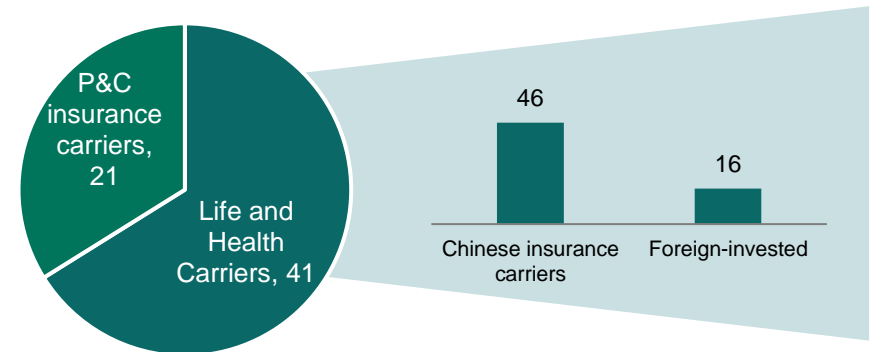
Product Types and Partnership with Insurance Carriers⁽²⁾

As of December 31, 2020, the Company collaborated with 62 insurance carriers to offer 200 types of health and life insurance products online

Insurance Products Bifurcation



Partnership with Insurance Carriers



Waterdrop IPO – Executive Summary

Management Team



Peng Shen
*Co-Founder,
Chairman and Chief
Executive Officer*

- Peng co-founded Waterdrop and currently serves as the Chairman and Chief Executive Officer
- Prior to founding Waterdrop, he joined Meituan and was one of the founding team members of Meituan Waimai
- Holds a Master's Degree in Retail Management from NEOMA Business School in France and an EMBA from Tsinghua University School of Economics and Management



Guang Yang
*Co-Founder, Director
and General Manager
of Insurance
Marketplace*

- Guang co-founded the Company and has been serving as Director and General Manager of Insurance Marketplace division since November 2016
- He previously served as Director of the Strategy and Investment Department of Meituan from March 2015 to August 2016
- Prior to Meituan, Guang served as a Senior Manager at CEC Capital Group and served as a Senior Consultant of the M&A Transaction Service team at Deloitte
- Holds an Honors Degree in Actuarial Science specializing in finance from the University of Waterloo




Yao Hu
*Co-Founder, Director
and General Manager
of Crowdfunding and
Healthcare*

- Yao co-founded the Company and currently serves as Director and General Manager of Crowdfunding and Healthcare division
- He previously served as a Project Vice President at New Leaf Music Education from August 2014 to February 2016
- Prior to New Leaf, Yao served as a Senior Engineer at Meituan and worked at Renren
- Holds a Bachelor's Degree in Computer Software Engineering from Nankai University

Waterdrop IPO – Executive Summary

Transaction History

Date	Transaction Type	Amount (\$mm)	Key Investors
11/20/2020	Series D	\$251	 Swiss Re
3/16/2020	Series C2	\$50	 天壹资本 SKYCUS CAPITAL  WISDOM BOSTON SILICON VALLEY
10/28/2019	Series C1	\$60	 Tencent 腾讯
3/28/2019	Series C	\$150	 博裕资本 BOYU CAPITAL
11/2/2018	Series B	\$61	 Tencent 腾讯
8/30/2017	Series A	\$24	 Tencent 腾讯  蓝驰 BLUERUN
5/11/2016	Seed Round	\$6	 Tencent 腾讯  美团 Meituan  IDG Capital
4/15/2016	Seed Round	\$1	 美团 Meituan  初心资本 CHUXIN CAPITAL  睿嘉资产 RAYMOND AMC

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