

United Imaging (688271 CH)

Strong recovery in Q3

United Imaging (UIH) reported strong 9M25 results, with revenue of RMB8.9bn (+27% YoY), reaching 69% of our prior full-year estimate and exceeding the historical average of ~65%. The sharp 75% YoY revenue growth in 3Q25 was driven by a significant recovery in domestic equipment procurement, sustained overseas growth momentum, and a low base in 3Q24. Domestic demand remained solid, with the value of medical imaging tenders up by 55% YoY in 3Q25, according to Joinchain. Overseas growth was supported by strong order intake and improved order-to-revenue conversion. Therefore, we raise our 2025E revenue forecast to RMB13.3bn, implying 28.8% YoY growth.

■ **Robust performance of high-end portfolios.** UIH's domestic revenue grew 24% YoY to RMB6.9bn in 9M25, driven by procurement recovery and market share gain of over 4ppts. High-end products remained a key growth driver. 1) MR revenue grew 40% YoY, with notable share gains in 5T (+ ~52ppts) and 3T (+over 4ppts). 2) CT revenue increased 8% YoY with high-end CT up ~30% YoY. We expect photon-counting CT uCT Ultima and uCT Siriux to further strengthen UIH's position in the high-end CT market. 3) MI revenue rose 22% YoY with PET/CT maintaining its decade-long leading position in China. uMI Panorama has contributed ~40% of MI revenue. 4) XR and RT both delivered double-digit growth with continued share gains. The increasing revenue contribution from mid- to high-end products is expected to offset margin pressures from lower-end portfolios. Moreover, the upcoming launch of a comprehensive ultrasound portfolio in Nov 2025 should further support UIH's "diagnosis-to-treatment" strategy and high-end imaging leadership, in our view.

■ **Overseas business maintained strong momentum.** Overseas revenue rose 42% to RMB2.0bn, representing 22.5% (+2.3ppts) of total revenue in 9M25. Revenue in North America grew by over 50% YoY to ~RMB700mn in 9M, with US service revenue up 80%+ YoY on the back of an expanding installed base. A diversified supply chain and proactive inventory management helped mitigate tariff pressure, while recurring service revenue may enhance long-term resilience. European revenue more than doubled YoY to over RMB400mn in 9M. Notably, uMI Panorama GS and uMI Panvivo have penetrated into the high-end market in Western Europe. Asia-Pacific and emerging markets also delivered double-digit growth. Management indicated robust overseas order intake. With stronger sales conversion from orders, we expect overseas growth to remain solid in 4Q25E.

■ **Maintain BUY.** Considering the rapid domestic recovery in 2025E and strong overseas growth momentum, we raise our forecasts of 2025–2027E revenue CAGR from 22.6% to 24.1%. Based on a 9-year DCF model (WACC: 8.1%, terminal growth: 4.0%), we raise our target price to RMB162.29.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	11,411	10,300	13,263	16,674	20,419
YoY growth (%)	23.5	(9.7)	28.8	25.7	22.5
Attributable net profit (RMB mn)	1,974	1,262	1,882	2,367	3,034
YoY growth (%)	19.2	(36.1)	49.2	25.8	28.1
Adjusted net profit (RMB mn)	1,665	1,010	1,719	2,204	2,870
EPS (Adjusted) (RMB)	2.02	1.23	2.09	2.67	3.48
P/E (x)	58.8	91.6	61.8	49.1	38.3
Net gearing (%)	(40.2)	(39.4)	(38.1)	(34.4)	(35.2)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	RMB162.29
(Previous TP)	RMB163.49)
Up/Downside	15.1%
Current Price	RMB141.03

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Stock Data

Mkt Cap (RMB mn)	106,647.3
Avg 3 mths t/o (RMB mn)	957.2
52w High/Low (RMB)	158.30/116.78
Total Issued Shares (mn)	756.2

Source: FactSet

Shareholding Structure

United Imaging Group	20.3%
Shanghai Alliance Investment Ltd	16.4%

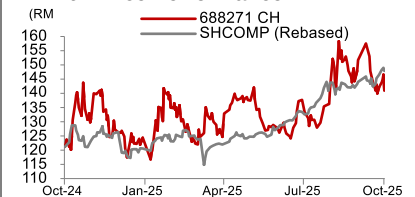
Source: SSE

Share Performance

	Absolute	Relative
1-mth	-7.0%	-9.5%
3-mth	2.9%	-6.6%
6-mth	6.1%	-12.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	13,263	16,674	20,419	12,807	15,629	19,236	3.57%	6.69%	6.15%
Gross profit	6,358	8,079	10,032	6,158	7,580	9,434	3.26%	6.58%	6.34%
Operating profit	2,013	2,533	3,245	2,055	2,541	3,227	-2.04%	-0.32%	0.57%
Net profit	1,882	2,367	3,034	1,921	2,375	3,016	-2.04%	-0.32%	0.57%
EPS (RMB)	2.28	2.87	3.68	2.33	2.88	3.66	-2.04%	-0.32%	0.57%
Gross margin	47.94%	48.45%	49.13%	48.08%	48.50%	49.04%	-0.14ppt	-0.05ppt	+0.09ppt
Operating margin	15.18%	15.19%	15.89%	16.05%	16.26%	16.77%	-0.87ppt	-1.07ppt	-0.88ppt
Net margin	14.19%	14.20%	14.86%	15.00%	15.20%	15.68%	-0.81ppt	-1ppt	-0.82ppt

Source: Company data, CMBIGM estimates

Figure 2: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EBIT	1,899	2,416	3,121	4,018	5,097	6,454	8,190	10,366	13,135
Tax rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
EBIT*(1-tax rate)	1,747	2,223	2,871	3,696	4,689	5,938	7,535	9,537	12,084
+ D&A	515	646	684	725	761	794	824	851	875
- Change in working capital	-841	-1,356	-1,224	-1,428	-1,592	-2,176	-2,484	-2,855	-3,244
- Capex	-2,000	-1,500	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000
FCFF	-579	13	1,331	1,993	2,858	3,556	4,874	6,533	8,715
Terminal value									219,669

Terminal growth rate	4.0%
WACC	8.1%
Cost of Equity	10.9%
Cost of Debt	3.5%
Equity Beta	0.80
Risk Free Rate	2.5%
Market Risk Premium	10.5%
Target Debt to Asset ratio	35.0%
Effective Corporate Tax Rate	15.0%

Terminal value	108,740
Total PV	125,518
Net debt	-8,211
Minority	-27
Equity value	133,755
# of shares (mn)	824
DCF per share (in RMB)	162.29

Source: CMBIGM estimates

Figure 3: Sensitivity analysis

		WACC				
		7.1%	7.6%	8.1%	8.6%	9.1%
Terminal growth rate	5.0%	312.79	249.24	206.17	175.11	151.70
	4.5%	258.19	213.46	181.21	156.89	137.92
	4.0%	221.06	187.56	162.29	142.60	126.84
	3.5%	194.17	167.93	147.47	131.10	117.72
	3.0%	173.80	152.54	135.53	121.64	110.09

Source: CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	13,263	16,674	20,419	12,438	15,135	18,224	6.64%	10.17%	12.04%
Gross profit	6,358	8,079	10,032	6,034	7,430	9,038	5.37%	8.74%	11.00%
Operating profit	2,013	2,533	3,245	2,115	2,539	3,081	-4.80%	-0.25%	5.33%
Net profit	1,882	2,367	3,034	1,890	2,361	2,910	-0.42%	0.27%	4.25%
EPS (RMB)	2.28	2.87	3.68	2.30	2.83	3.55	-0.49%	1.50%	3.83%
Gross margin	47.94%	48.45%	49.13%	48.52%	49.09%	49.60%	-0.58ppt	-0.64ppt	-0.46ppt
Operating margin	15.18%	15.19%	15.89%	17.00%	16.78%	16.91%	-1.82ppt	-1.59ppt	-1.01ppt
Net margin	14.19%	14.20%	14.86%	15.20%	15.60%	15.97%	-1.01ppt	-1.4ppt	-1.11ppt

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	9,238	11,411	10,300	13,263	16,674	20,419
Cost of goods sold	(4,770)	(6,039)	(5,300)	(6,905)	(8,595)	(10,387)
Gross profit	4,468	5,372	5,000	6,358	8,079	10,032
Operating expenses	(2,540)	(3,230)	(3,634)	(4,345)	(5,546)	(6,787)
Selling expense	(1,328)	(1,609)	(1,823)	(2,188)	(2,718)	(3,287)
Admin expense	(431)	(561)	(556)	(663)	(800)	(939)
R&D expense	(1,306)	(1,729)	(1,761)	(1,963)	(2,451)	(2,940)
Others	525	668	507	470	423	380
Operating profit	1,928	2,142	1,366	2,013	2,533	3,245
Others	(8)	1	(15)	0	0	0
Pre-tax profit	1,920	2,142	1,352	2,013	2,533	3,245
Income tax	(270)	(164)	(110)	(161)	(203)	(260)
Minority interest	6	(3)	20	30	37	48
Net profit	1,650	1,978	1,242	1,852	2,330	2,986
Adjusted net profit	1,328	1,665	1,010	1,719	2,204	2,870

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	20,145	20,228	20,894	21,233	22,847	25,512
Cash & equivalents	10,075	7,584	8,400	8,768	8,667	9,805
Account receivables	2,029	3,233	4,360	4,906	5,710	6,433
Inventories	3,460	3,893	5,528	6,054	7,064	7,968
Prepayment	198	148	196	196	196	196
Other current assets	4,382	5,370	2,410	1,310	1,210	1,110
Non-current assets	4,060	5,108	7,142	8,640	9,508	9,837
PP&E	2,116	2,212	2,944	4,568	5,562	5,985
Deferred income tax	319	399	439	439	439	439
Intangibles	860	828	1,004	904	804	704
Goodwill	22	22	22	22	22	22
Other non-current assets	742	1,647	2,732	2,706	2,680	2,687
Total assets	24,205	25,336	28,036	29,873	32,355	35,349
Current liabilities	6,012	5,798	7,076	7,306	7,765	8,167
Short-term borrowings	16	9	557	557	557	557
Account payables	2,193	1,919	2,608	2,838	3,297	3,699
Tax payable	424	399	327	327	327	327
Other current liabilities	3,379	3,471	3,584	3,584	3,584	3,584
Non-current liabilities	719	657	1,054	1,054	1,054	1,054
Long-term borrowings	0	0	0	0	0	0
Deferred income	579	514	461	461	461	461
Other non-current liabilities	140	143	592	592	592	592
Total liabilities	6,731	6,455	8,129	8,359	8,818	9,221
Share capital	824	824	824	824	824	824
Capital surplus	408	412	412	412	412	412
Reserves	13,865	13,910	13,947	15,585	17,645	20,285
Others	2,386	3,720	4,719	4,719	4,719	4,719
Total shareholders equity	17,483	18,866	19,903	21,541	23,601	26,240
Minority interest	(10)	15	3	(27)	(64)	(112)
Total equity and liabilities	24,205	25,336	28,036	29,873	32,355	35,349

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,650	1,978	1,242	1,852	2,330	2,986
Depreciation & amortization	146	262	424	515	646	684
Tax paid	(270)	(164)	(110)	(161)	(203)	(260)
Change in working capital	(1,174)	(2,258)	(2,342)	(841)	(1,356)	(1,224)
Others	331	315	166	33	72	121
Net cash from operations	683	133	(619)	1,398	1,490	2,308
Investing						
Capital expenditure	(741)	(1,076)	(1,946)	(2,000)	(1,500)	(1,000)
Acquisition of subsidiaries/ investments	0	(45)	(10)	0	0	0
Net proceeds from disposal of short-term investments	7,164	25,308	26,853	21,000	0	0
Others	(11,111)	(25,752)	(26,141)	(19,900)	100	100
Net cash from investing	(4,689)	(1,565)	(1,244)	(900)	(1,400)	(900)
Financing						
Dividend paid	(1)	(166)	(304)	(130)	(191)	(270)
Net borrowings	(15)	4	546	0	0	0
Proceeds from share issues	10,795	10	94	0	0	0
Others	(51)	(511)	(136)	0	0	0
Net cash from financing	10,729	(662)	199	(130)	(191)	(270)
Net change in cash						
Cash at the beginning of the year	2,873	9,626	7,531	8,400	8,768	8,667
Exchange difference	31	(1)	2	0	0	0
Cash at the end of the year	9,626	7,531	5,868	8,768	8,667	9,805
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	27.4%	23.5%	(9.7%)	28.8%	25.7%	22.5%
Gross profit	24.6%	20.2%	(6.9%)	27.2%	27.1%	24.2%
Operating profit	13.7%	11.1%	(36.2%)	47.4%	25.8%	28.1%
Net profit	17.6%	19.9%	(37.2%)	49.2%	25.8%	28.1%
Adj. net profit	13.9%	25.4%	(39.3%)	70.1%	28.2%	30.2%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	48.4%	47.1%	48.5%	47.9%	48.5%	49.1%
Operating margin	20.9%	18.8%	13.3%	15.2%	15.2%	15.9%
Adj. net profit margin	14.4%	14.6%	9.8%	13.0%	13.2%	14.1%
Return on equity (ROE)	14.7%	10.9%	6.4%	8.9%	10.3%	12.0%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.4)	(0.4)	(0.4)	(0.3)	(0.4)
Current ratio (x)	3.4	3.5	3.0	2.9	2.9	3.1
Receivable turnover days	61.1	84.2	134.5	135.0	125.0	115.0
Inventory turnover days	216.8	222.2	324.4	320.0	300.0	280.0
Payable turnover days	131.2	124.3	155.9	150.0	140.0	130.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	64.4	58.8	91.6	61.8	49.1	38.3
P/E (diluted)	64.4	58.8	91.6	61.8	49.1	38.3
P/B	6.1	6.1	5.8	5.4	4.9	4.4
P/CFPS	156.2	875.5	ns	83.1	78.0	50.4
Div yield (%)	0.1	0.6	0.1	0.2	0.3	0.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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