

United Imaging (688271 CH)

Strong 2025 results driven by overseas expansion and domestic share gains

United Imaging (UIH) reported strong 2025 results. Revenue rose 34.0% YoY to RMB13.8bn, 4% above our estimate, while attributable net profit increased 48.1% YoY to RMB1.9bn. In 1Q26, revenue grew 17.3% YoY to RMB2.9bn, slightly missing our expectation, accounting for 17% of our full-year forecast (vs. the historical average of ~20%). We therefore lower our 2026E revenue growth forecast from 25.7% to 22.5% YoY, although our absolute revenue estimate increases by 1.4% on a higher base in 2025.

■ **Overseas expansion remains the key growth driver.** Overseas revenue rose 51.4% YoY to RMB3.4bn in 2025, driven by strong growth across major regions, including North America (+56% YoY), Europe (+50% YoY), and APAC (+41% YoY). Momentum remained solid in 1Q26, with overseas revenue up ~27% YoY to approximately RMB710mn. In our view, the strong performance was driven by continued progress in high-end products such as PET/CTs and MRs, as well as improving global sales and service network. Overseas service revenue grew ~53% YoY in 2025. With rising brand recognition and increasing penetration into high-end customers, we expect overseas revenue to maintain robust growth in 2026E.

■ **Domestic growth was driven by market share gains.** Domestic revenue grew 29.1% YoY to RMB10.4bn in 2025, with UIH ranking No.1 in new installations across multiple products, including CT, MR, MI and RT. Share gains were particularly notable in MR (+6.4ppts), RT (+18.1ppts), and PET/CT (+13.5ppts). Looking ahead, equipment renewal projects are continuing to roll out. With the implementation experience in 2025, we expect the execution to accelerate and continue to support hospital procurement demand. However, the domestic market for medical imaging equipment declined 21.1% YoY in 1Q26, according to MDDi. Therefore, we believe that UIH's revenue growth will face tougher comparisons in 2H26E given the lags between tender wins and revenue recognition.

■ **Near-term GPM headwinds partially offset by favorable product mix.** GPM declined 1.5ppts/2.8ppts YoY to 47.0%/47.2% in 2025/1Q26, respectively, mainly due to domestic VBPs, tariffs and higher liquid helium costs. Encouragingly, blended ASP increased by more than 20% YoY in 2025, driven by a richer mix of high-end systems. For example, revenue from 3.0T-and-above MR systems grew over 60% YoY and accounted for over two thirds of total MR revenue in 2025. Service revenue, which carries higher GPM than equipment sales, rose 26% YoY and accounted for 12.4% of total revenue in 2025. We believe that the mix shift toward high-end systems and services should help partially offset pressure from VBPs, tariffs, and elevated liquid helium costs. More diversified helium sourcing and greater in-house production of key components should also support margin improvement.

■ **Maintain BUY.** We remain positive on UIH's long-term growth. However, we lower our 2026-28E earnings forecasts to factor in VBP pressure and elevated liquid helium costs in the near term. We therefore lower TP to RMB161.04 based on a 9-year DCF model (WACC: 8.1%, terminal growth: 4.0%).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	10,300	13,800	16,902	20,359	24,370
YoY growth (%)	(9.7)	34.0	22.5	20.5	19.7
Attributable net profit (RMB mn)	1,262	1,870	2,275	2,811	3,477
YoY growth (%)	(36.1)	48.1	21.7	23.6	23.7
EPS (Reported) (RMB)	1.54	2.28	2.76	3.41	4.22
P/E (x)	73.0	49.3	40.7	32.9	26.6
Net gearing (%)	(39.4)	(21.1)	(21.9)	(22.2)	(23.4)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price RMB161.04
(Previous TP RMB162.29)
Up/Downside 43.3%
Current Price RMB112.35

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Stock Data

Mkt Cap (RMB mn)	92,594.1
Avg 3 mths t/o (RMB mn)	542.0
52w High/Low (RMB)	158.30/109.60
Total Issued Shares (mn)	824.2

Source: FactSet

Shareholding Structure

United Imaging Group	20.3%
Shanghai Alliance Investment Ltd	16.4%

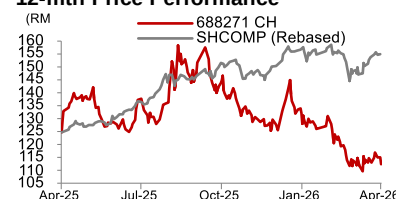
Source: SSE

Share Performance

	Absolute	Relative
1-mth	-1.2%	-5.2%
3-mth	-12.2%	-10.7%
6-mth	-22.4%	-24.1%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	16,902	20,359	24,370	16,674	20,419	24,918	1.37%	-0.29%	-2.20%
Gross profit	7,980	9,679	11,684	8,079	10,032	12,426	-1.23%	-3.53%	-5.98%
Operating profit	2,411	2,980	3,685	2,533	3,245	4,164	-4.80%	-8.18%	-11.49%
Net profit	2,275	2,811	3,477	2,367	3,034	3,892	-3.91%	-7.33%	-10.67%
EPS (RMB)	2.76	3.41	4.22	2.87	3.68	4.72	-3.91%	-7.33%	-10.67%
Gross margin	47.21%	47.54%	47.94%	48.45%	49.13%	49.87%	-1.24ppt	-1.59ppt	-1.93ppt
Operating margin	14.26%	14.64%	15.12%	15.19%	15.89%	16.71%	-0.92ppt	-1.26ppt	-1.59ppt
Net margin	13.46%	13.81%	14.27%	14.20%	14.86%	15.62%	-0.74ppt	-1.05ppt	-1.35ppt

Source: CMBIGM estimates

Figure 2: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	2,363	2,923	3,618	4,455	5,372	6,422	7,659	9,111	10,805
Tax rate	6.93%	6.93%	6.93%	6.93%	6.93%	6.93%	6.93%	6.93%	6.93%
EBIT*(1-tax rate)	2,199	2,720	3,367	4,146	5,000	5,977	7,128	8,480	10,056
+ D&A	555	662	758	846	925	996	1,061	1,120	1,173
- Change in working capital	-467	-987	-1,273	-1,305	-1,276	-1,291	-1,277	-1,222	-1,108
- Capex	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500
FCFF	787	895	1,353	2,186	3,149	4,182	5,412	6,878	8,620
Terminal value									217,275

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	107,555
Total PV	127,545
Net debt	-5,138
Minority	-41
Equity value	132,724
# of shares (mn)	824
DCF per share (in RMB)	161.04

Source: CMBIGM estimates

Figure 3: Sensitivity analysis

		WACC				
		7.1%	7.6%	8.1%	8.6%	9.1%
Terminal growth rate	5.0%	310.02	247.10	204.44	173.66	150.44
	4.5%	256.03	211.72	179.75	155.63	136.81
	4.0%	219.30	186.09	161.04	141.50	125.85
	3.5%	192.70	166.68	146.38	130.12	116.83
	3.0%	172.55	151.46	134.57	120.77	109.29

Source: CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	16,902	20,359	24,370	15,616	18,798	23,795	8.24%	8.30%	2.42%
Gross profit	7,980	9,679	11,684	7,577	9,216	11,644	5.32%	5.02%	0.34%
Operating profit	2,411	2,980	3,685	2,430	3,037	3,922	-0.78%	-1.88%	-6.04%
Net profit	2,275	2,811	3,477	2,331	2,944	4,300	-2.42%	-4.51%	-19.15%
EPS (RMB)	2.76	3.41	4.22	2.85	3.59	5.22	-2.99%	-4.88%	-19.19%
Gross margin	47.21%	47.54%	47.94%	48.52%	49.03%	48.94%	-1.31ppt	-1.49ppt	-0.99ppt
Operating margin	14.26%	14.64%	15.12%	15.56%	16.16%	16.48%	-1.3ppt	-1.52ppt	-1.36ppt
Net margin	13.46%	13.81%	14.27%	14.93%	15.66%	18.07%	-1.47ppt	-1.85ppt	-3.81ppt

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	11,411	10,300	13,800	16,902	20,359	24,370
Cost of goods sold	(6,039)	(5,300)	(7,313)	(8,922)	(10,680)	(12,686)
Gross profit	5,372	5,000	6,488	7,980	9,679	11,684
Operating expenses	(3,230)	(3,634)	(4,487)	(5,569)	(6,699)	(7,999)
Selling expense	(1,609)	(1,823)	(2,261)	(2,721)	(3,237)	(3,826)
Admin expense	(561)	(556)	(627)	(761)	(906)	(1,072)
R&D expense	(1,729)	(1,761)	(1,842)	(2,248)	(2,708)	(3,241)
Others	668	507	243	161	152	141
Operating profit	2,142	1,366	2,000	2,411	2,980	3,685
Others	1	(15)	(19)	0	0	0
Pre-tax profit	2,142	1,352	1,981	2,411	2,980	3,685
Income tax	(164)	(110)	(137)	(167)	(207)	(255)
Minority interest	(3)	20	25	31	38	47
Attributable net profit	1,974	1,262	1,869	2,275	2,811	3,477
Adjusted net profit	1,665	1,010	1,770	2,179	2,716	3,381

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	20,228	20,894	22,873	23,894	26,033	28,914
Cash & equivalents	7,584	8,400	5,503	5,738	6,354	7,337
Account receivables	3,233	4,360	5,682	5,686	6,292	7,197
Inventories	3,893	5,528	5,729	6,600	7,608	8,689
Prepayment	148	196	264	264	264	264
Other current assets	5,370	2,410	5,695	5,605	5,516	5,426
Non-current assets	5,108	7,142	9,912	10,857	11,695	12,437
PP&E	2,212	2,944	3,228	4,349	5,364	6,281
Deferred income tax	399	439	475	475	475	475
Intangibles	828	1,004	1,513	1,363	1,213	1,063
Goodwill	22	22	22	22	22	22
Other non-current assets	1,647	2,732	4,674	4,648	4,622	4,596
Total assets	25,336	28,036	32,785	34,751	37,729	41,351
Current liabilities	5,798	7,076	9,280	9,343	9,969	10,684
Short-term borrowings	9	557	945	600	600	600
Account payables	1,919	2,608	2,769	3,178	3,804	4,518
Tax payable	399	327	640	640	640	640
Other current liabilities	3,471	3,584	4,926	4,926	4,926	4,926
Non-current liabilities	657	1,054	1,943	1,943	1,943	1,943
Long-term borrowings	0	0	0	0	0	0
Deferred income	514	461	475	475	475	475
Other non-current liabilities	143	592	1,468	1,468	1,468	1,468
Total liabilities	6,455	8,129	11,223	11,287	11,913	12,627
Share capital	824	824	824	824	824	824
Capital surplus	412	412	412	412	412	412
Reserves	13,910	13,947	13,957	15,891	18,280	21,235
Others	3,720	4,719	6,379	6,379	6,379	6,379
Total shareholders equity	18,866	19,903	21,572	23,505	25,895	28,850
Minority interest	15	3	(10)	(41)	(79)	(126)
Total equity and liabilities	25,336	28,036	32,785	34,751	37,729	41,351

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,978	1,242	1,844	2,244	2,773	3,430
Depreciation & amortization	262	424	570	555	662	758
Tax paid	(164)	(110)	(137)	(167)	(207)	(255)
Change in working capital	(2,258)	(2,342)	118	(467)	(987)	(1,273)
Others	315	166	284	119	149	188
Net cash from operations	133	(619)	2,679	2,283	2,391	2,848
Investing						
Capital expenditure	(1,076)	(1,946)	(2,093)	(1,500)	(1,500)	(1,500)
Acquisition of subsidiaries/ investments	(45)	(10)	0	0	0	0
Net proceeds from disposal of short-term investments	25,308	26,853	34,799	20,000	20,000	20,000
Others	(25,752)	(26,141)	(36,063)	(19,910)	(19,910)	(19,910)
Net cash from investing	(1,565)	(1,244)	(3,357)	(1,410)	(1,410)	(1,410)
Financing						
Dividend paid	(166)	(304)	(176)	(293)	(365)	(454)
Net borrowings	4	546	385	(345)	0	0
Proceeds from share issues	10	94	12	0	0	0
Others	(511)	(136)	(68)	0	0	0
Net cash from financing	(662)	199	153	(638)	(365)	(454)
Net change in cash						
Cash at the beginning of the year	9,626	7,531	5,868	5,503	5,738	6,354
Exchange difference	(1)	2	(32)	0	0	0
Cash at the end of the year	7,531	5,868	5,310	5,738	6,354	7,337
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	23.5%	(9.7%)	34.0%	22.5%	20.5%	19.7%
Gross profit	20.2%	(6.9%)	29.8%	23.0%	21.3%	20.7%
Operating profit	11.1%	(36.2%)	46.4%	20.5%	23.6%	23.7%
Net profit	19.2%	(36.1%)	48.1%	21.7%	23.6%	23.7%
Adj. net profit	25.4%	(39.3%)	75.2%	23.1%	24.6%	24.5%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	47.1%	48.5%	47.0%	47.2%	47.5%	47.9%
Operating margin	18.8%	13.3%	14.5%	14.3%	14.6%	15.1%
Adj. net profit margin	14.6%	9.8%	12.8%	12.9%	13.3%	13.9%
Return on equity (ROE)	10.9%	6.5%	9.0%	10.1%	11.4%	12.7%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.4)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)
Current ratio (x)	3.5	3.0	2.5	2.6	2.6	2.7
Receivable turnover days	84.2	134.5	132.8	122.8	112.8	107.8
Inventory turnover days	222.2	324.4	280.9	270.0	260.0	250.0
Payable turnover days	124.3	155.9	134.2	130.0	130.0	130.0
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	46.8	73.0	49.3	40.7	32.9	26.6
P/E (diluted)	46.8	73.0	49.3	40.7	32.9	26.6
P/B	4.9	4.6	4.3	3.9	3.6	3.2
Div yield (%)	0.7	0.2	0.3	0.4	0.5	0.6

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

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