



# Xiaomi Corporation

Q1 2020 Results Announcement

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In Q1 2020

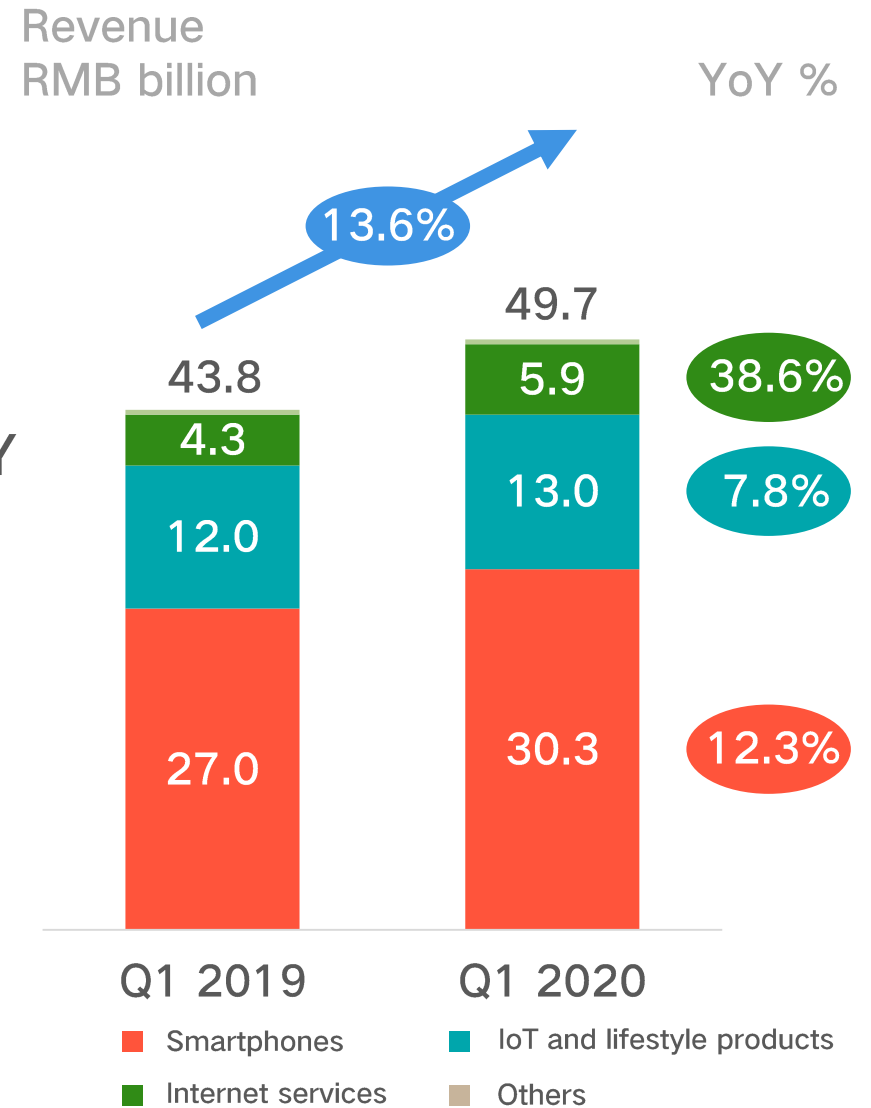
Total revenue was RMB49.7 billion, up **13.6%** YoY

Adjusted net profit<sup>1</sup> was RMB2.3 billion, up **10.6%** YoY

Smartphones revenue grew 12.3% YoY

IoT and lifestyle products revenue grew 7.8% YoY

Internet services revenue grew **38.6%** YoY



<sup>1</sup> Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects

# Our global smartphone shipments increased against market downtrend in Q1 2020, with the highest growth among major smartphone companies

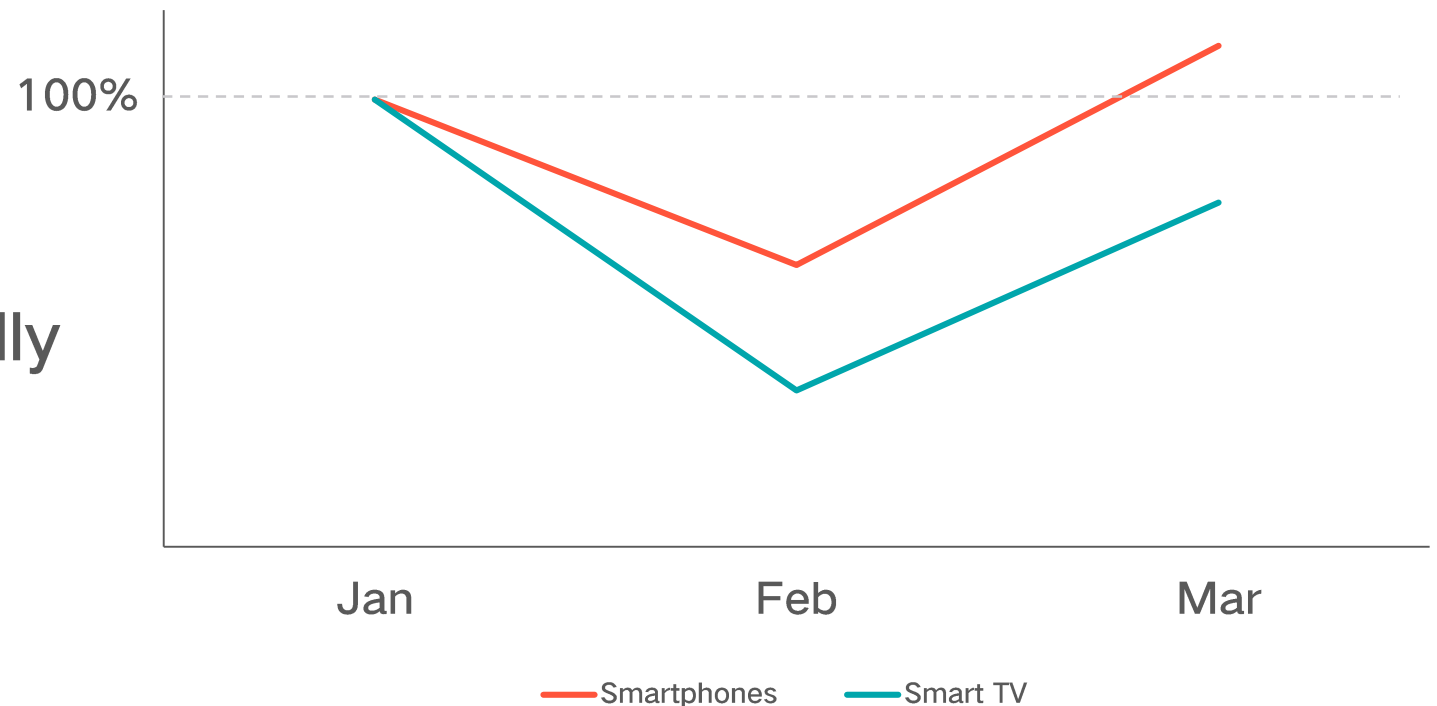
Million units

Worldwide smartphone shipments and market share					
Vendor	Q1 2020 Shipment Volume	Q1 2020 Market Share	Q1 2019 Shipment Volume	Q1 2019 Market Share	YoY
Samsung	59.6	21.9%	71.5	22.8%	-17%
Huawei	49.0	18.0%	59.1	18.8%	-17%
Apple	37.1	13.6%	40.2	12.8%	-8%
Xiaomi	30.2	11.1%	27.8	8.9%	9%
Vivo	24.2	8.9%	23.5	7.5%	3%
Others	72.3	26.5%	91.6	29.2%	-21%
Total	272.5	100.0%	313.9	100.0%	-13%

# Our mainland China business demonstrated resilience during the pandemic

Mainland China Xiaomi smartphone & smart TV shipments trend<sup>1</sup>

Our mainland China smartphone and smart TV shipments rebounded rapidly after the dip in February



<sup>1</sup> As % of January shipments

# Short-term impact of COVID-19 on our business

## Mainland China

- Mainland China smartphone market gradually returned to normal level in March 2020

## India

- Our business was severely impacted by India's strict lockdown starting in late March
- Since May, India has resumed production and retail operations in phases. In areas where sales have resumed, consumer demand has rebounded quickly, similar to the recovery pattern seen in mainland China

## Overseas (excl. India)

- Different lockdown measures across markets are expected to impact our financials in Q2 2020
- Markets with easing lockdowns measures have followed similar recovery patterns as mainland China. In Europe, for example, the smartphone activation has returned to over 90% of pre-COVID-19 level<sup>1</sup>
- Our extensive global reach has enabled us to agilely strategize and deploy resources across different markets in response to the pandemic

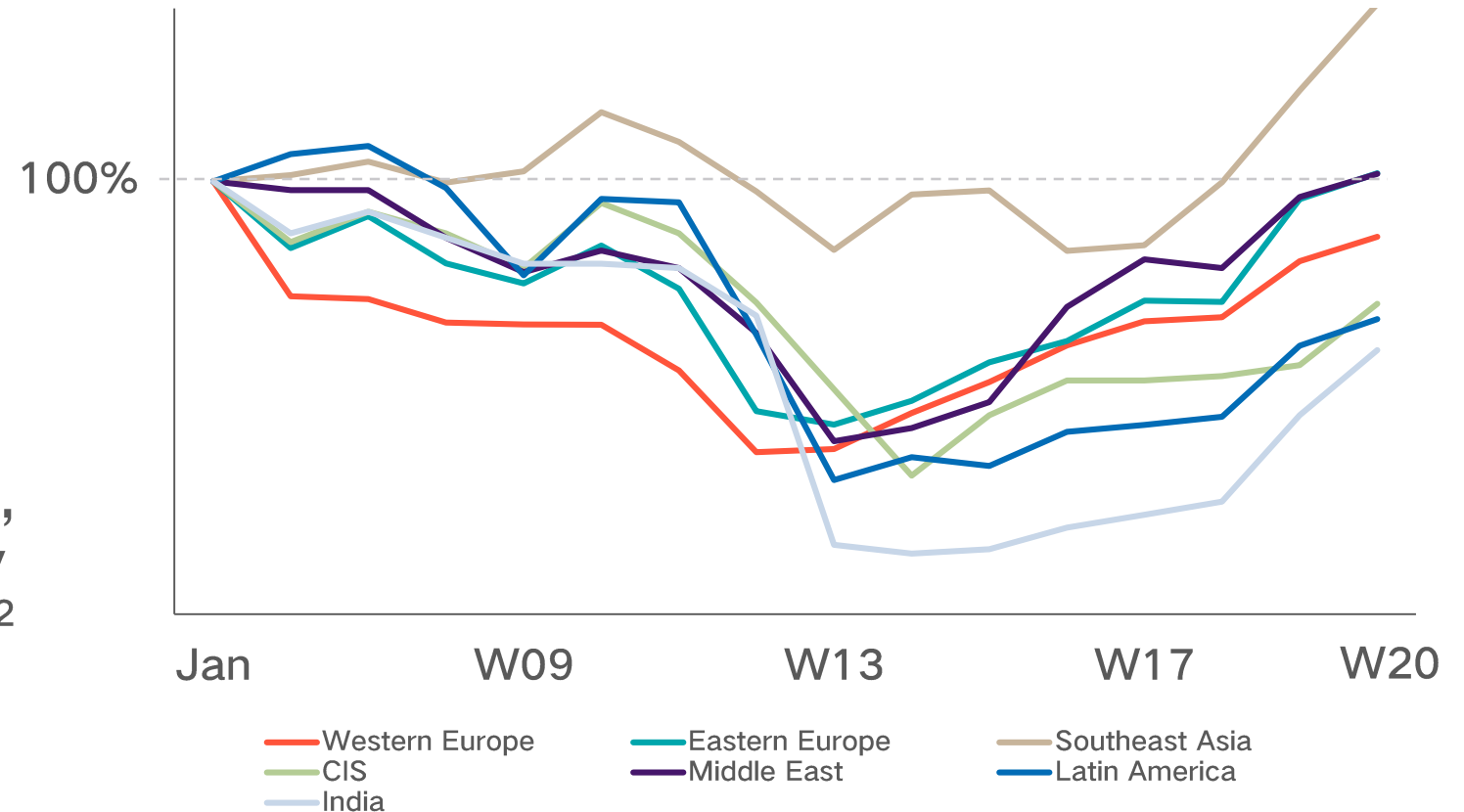
<sup>1</sup> The third week of May as % of the daily average smartphone activation in January

# Overseas smartphone business recovering from the pandemic

Overseas smartphone activation trend<sup>1</sup>

In Europe, smartphone activation has returned to over 90%<sup>2</sup> of the pre-pandemic level

In Southeast Asia and Middle East, smartphone activation has already surpassed the pre-pandemic level<sup>2</sup>



<sup>1</sup> Daily average smartphone activation for each week, as % of the daily average in January

<sup>2</sup> As of the third week of May



Mi 10/10 Pro

Mainland China: launched on February 13  
with prices starting at **RMB3,999/4,999**

Overseas: launched on March 27  
with prices starting at **EUR799/999**

The launch of Mi 10 Series solidified  
our position in the premium market

Mi 10 Pro ranked **No.1** in overall  
camera, photo, video and audio scores  
in DXOMARK at the time of launch

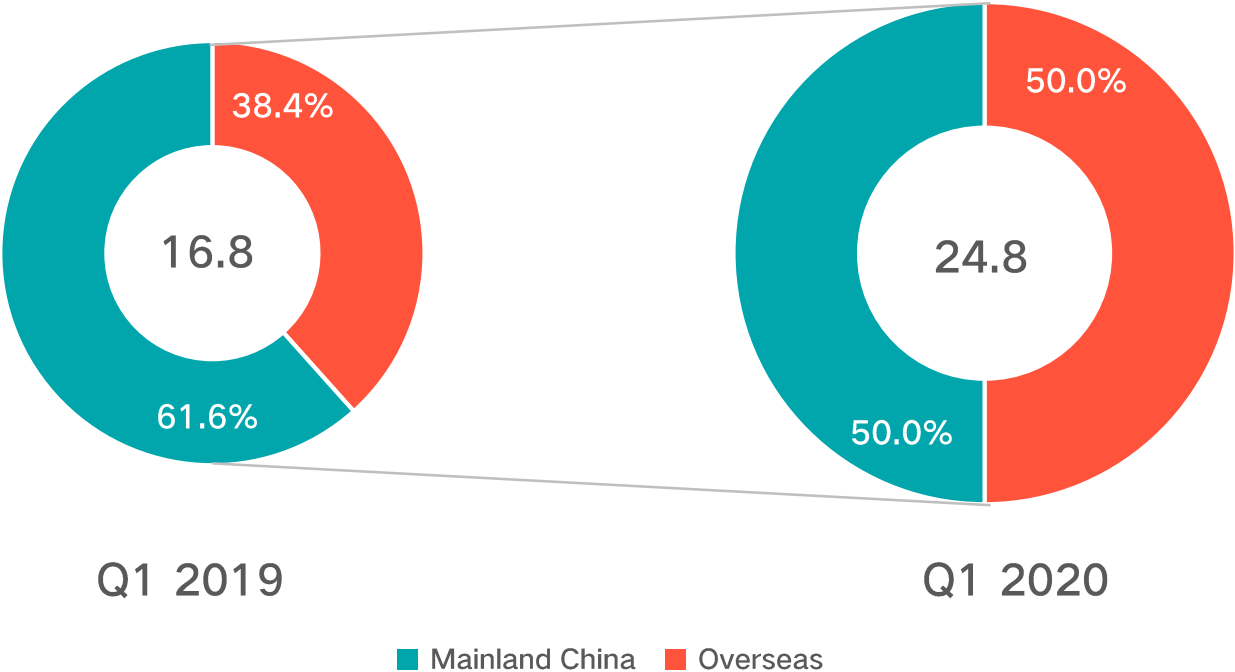
Shipments of Mi 10/10 Pro in mainland  
China exceeded **1 million units** two  
months after launch



# Overseas revenue contributed to 50% of total revenue, setting a record high

Revenue breakdown  
RMB billion

Overseas revenue reached RMB24.8 billion in Q1 2020, up **47.8%** YoY, contributing to **50.0%** of total revenue



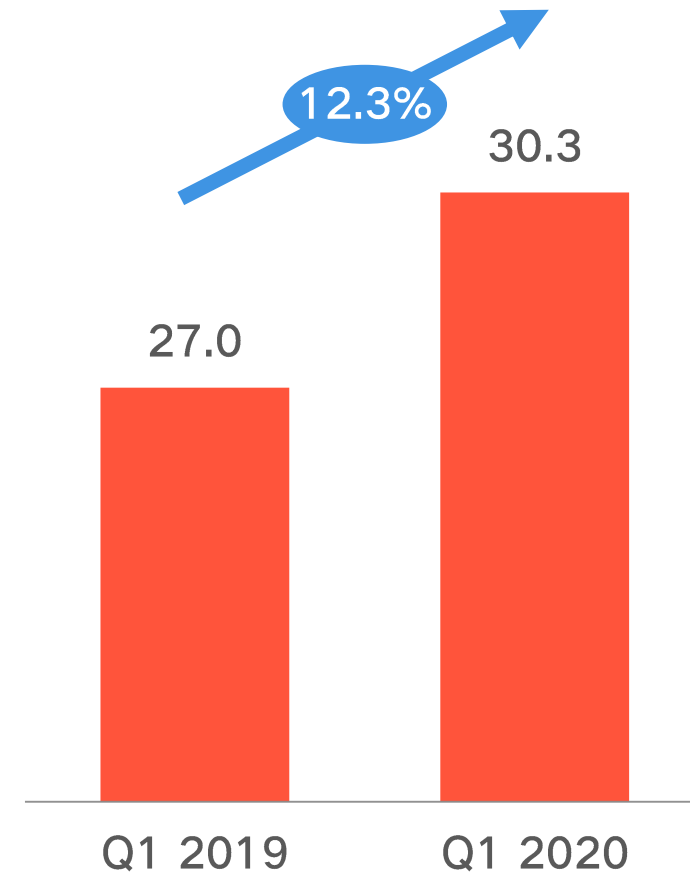
Smartphones

In Q1 2020

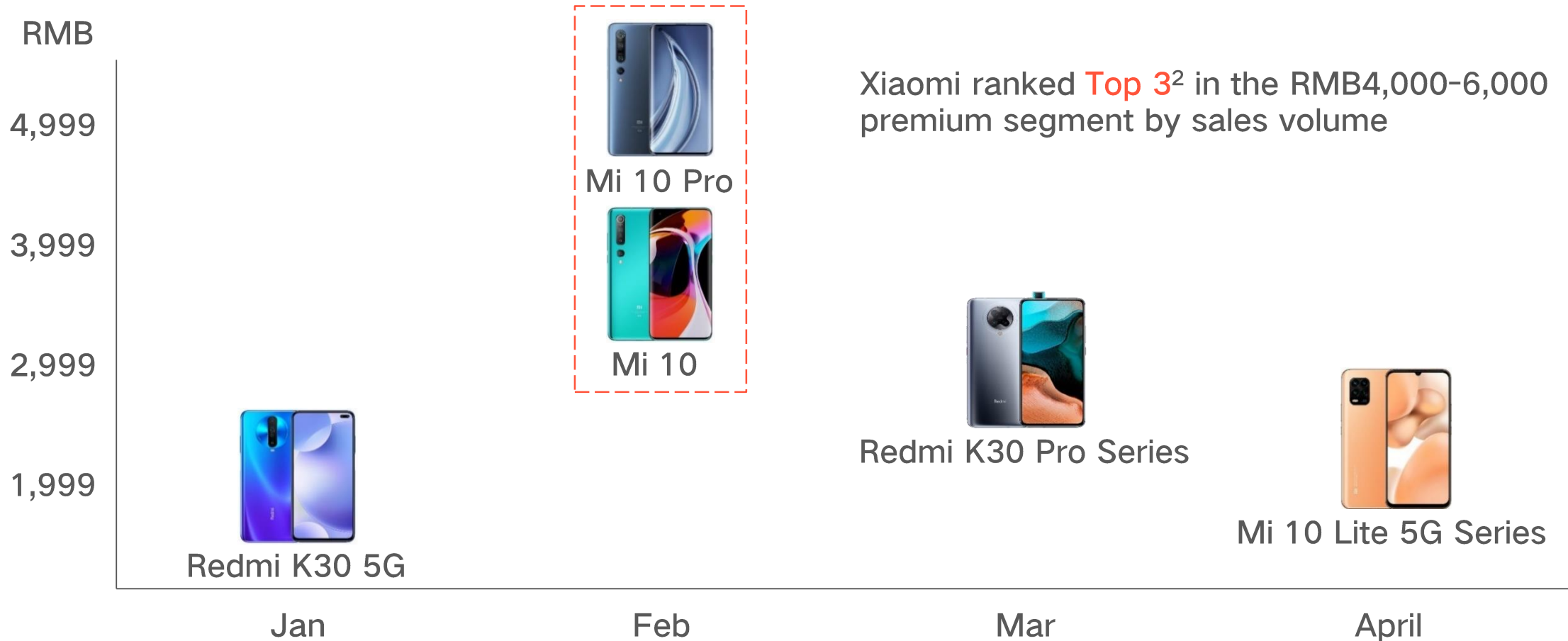
Smartphone revenue reached RMB30.3 billion, up **12.3%** YoY

Smartphone shipments reached **29.2 million units**

Smartphone revenue  
RMB billion



# Introduced highly competitive products at key price points to gain 5G smartphone market share



Xiaomi's 5G smartphone market share in mainland China reached **14%**<sup>1</sup>

<sup>1</sup> In March 2020, according to third party statistics

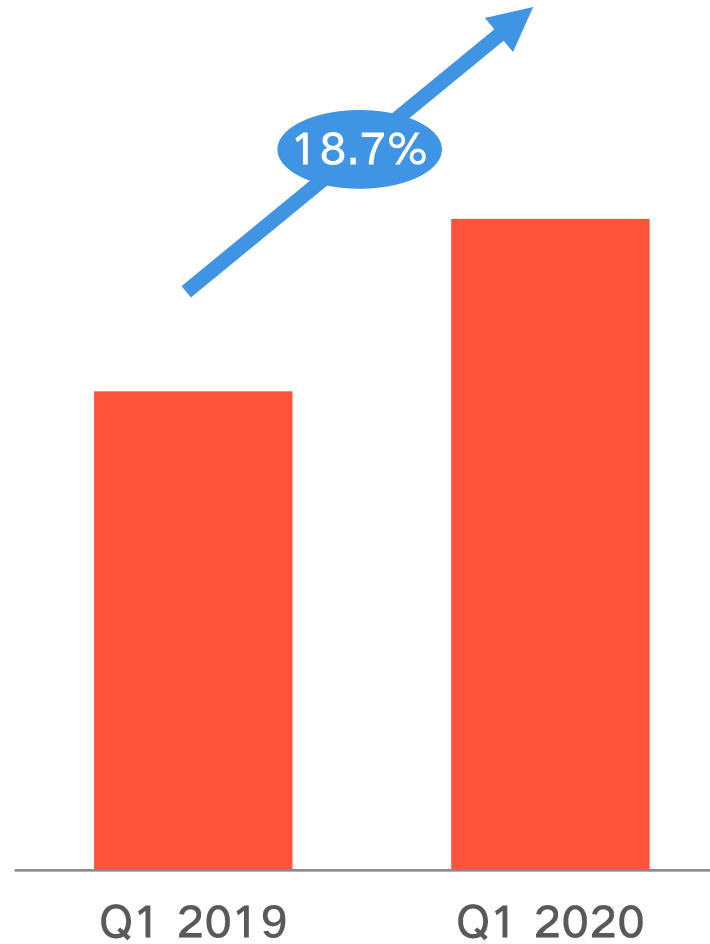
<sup>2</sup> In Q1 2020, by sales volume in mainland China, according to third party statistics

All dates refer to release date

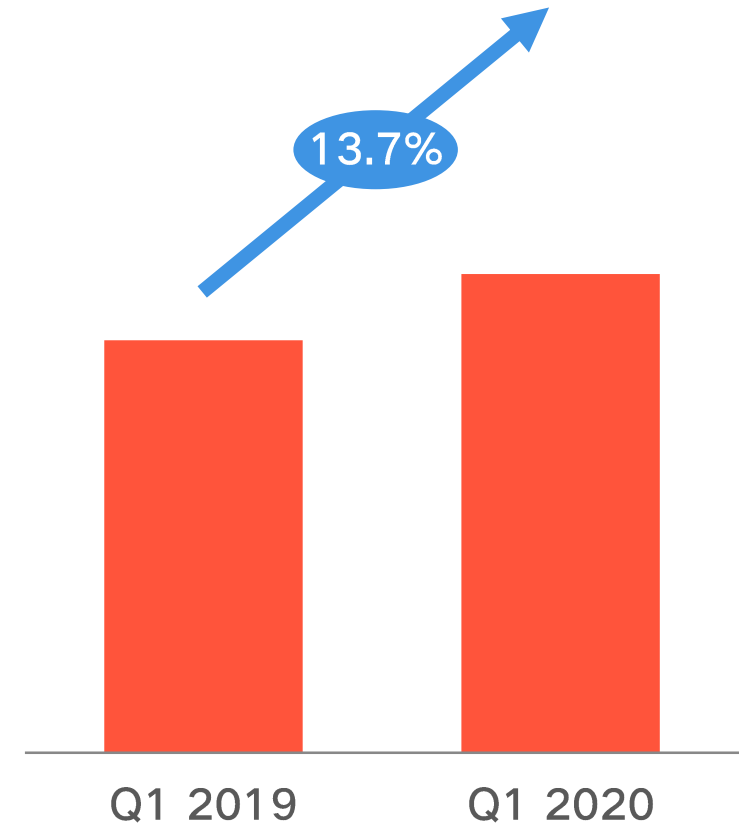
Our smartphone ASP recorded **7.2%** YoY growth in Q1 2020

5G smartphone rollouts have boosted our mainland China smartphone ASP

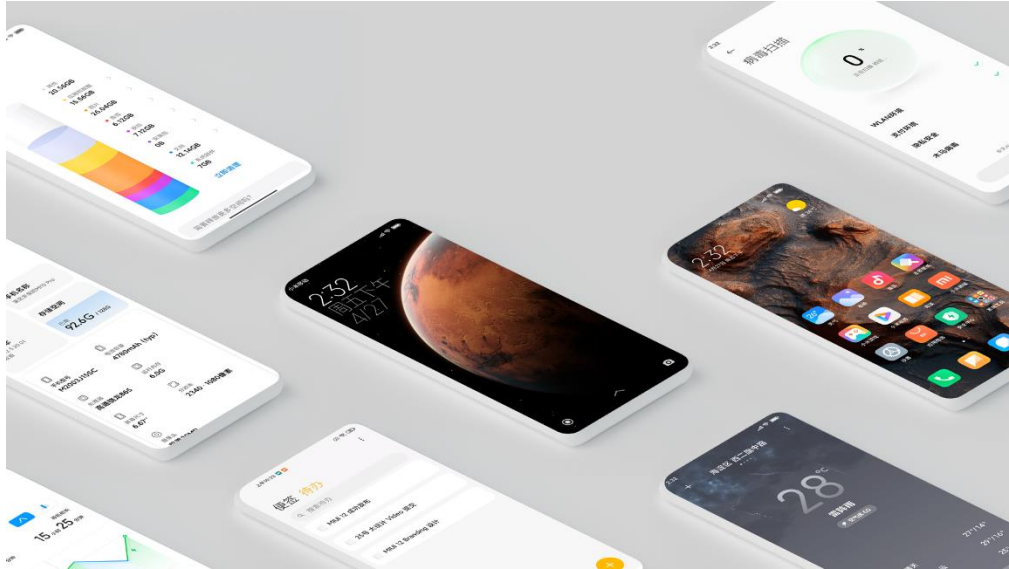
Mainland China smartphone ASP RMB



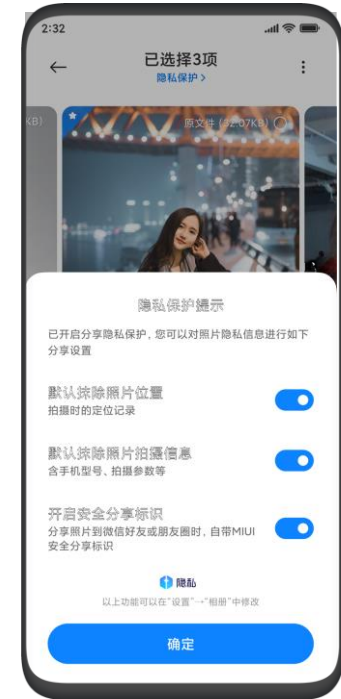
Overseas smartphone ASP RMB



# MIUI 12 technological breakthrough



Remarkable animation and visualized user interface powered by proprietary technologies



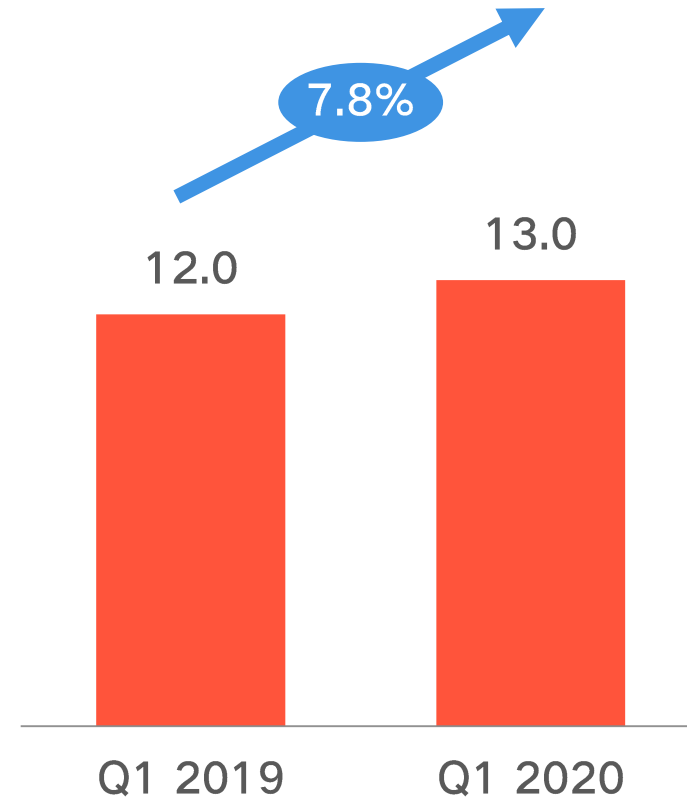
Enhanced privacy protection with multiple renowned privacy certificates

**AIoT**

In Q1 2020

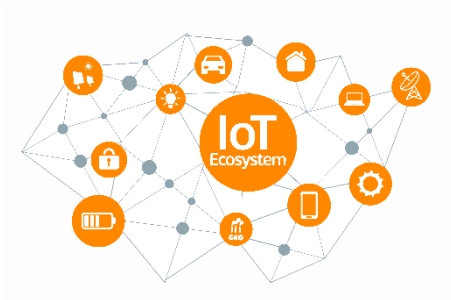
IoT and lifestyle product revenue reached RMB13.0 billion, up **7.8%** YoY

IoT and lifestyle product revenue  
RMB billion





# Global leading consumer AIoT platform



**252.0 million**

Connected devices<sup>1</sup>  
YoY growth of **42.6%**



**4.6 million**

Users with 5 or more devices  
connected to Xiaomi's IoT platform<sup>1</sup>  
YoY growth of **67.9%**



**70.5 million**

AI assistant MAU  
YoY growth of **54.9%**



**40.0 million**

Mi Home APP MAU  
YoY growth of **53.4%**

<sup>1</sup> As of March 31, 2020, excluding smartphones and laptops



Global smart TV shipments in Q1 2020 reached **~2.7 million** units, up 3.0% despite a decline in global TV market

Ranked **No.1** in mainland China for 5 consecutive quarters<sup>1</sup>

Launched Redmi Smart TV MAX with an enormous **98"** screen in March 2020, priced at RMB19,999

<sup>1</sup> According to AVC, by shipments in Q1 2020

# Key IoT products maintained strong growth despite large home appliances being impacted by the pandemic

Product



Xiaomi TWS Earbuds  
No.3 globally<sup>2</sup>



Xiaomi WiFi Router  
No.2 in mainland China<sup>3</sup>



Mi Band  
No.1 globally<sup>4</sup>



Mi Electric Scooter  
No.1 globally<sup>5</sup>



Mi Robot Vacuum Cleaner  
No.2 in mainland China<sup>5</sup>

YoY growth<sup>1</sup>

619.6%

124.0%

56.0%

40.7%

40.0%

<sup>1</sup> In terms of revenue in Q1 2020

<sup>2</sup> According to Canalys, in terms of global TWS shipments in 2019

<sup>3</sup> According to AVC, in terms of online sales volume in Q1 2020

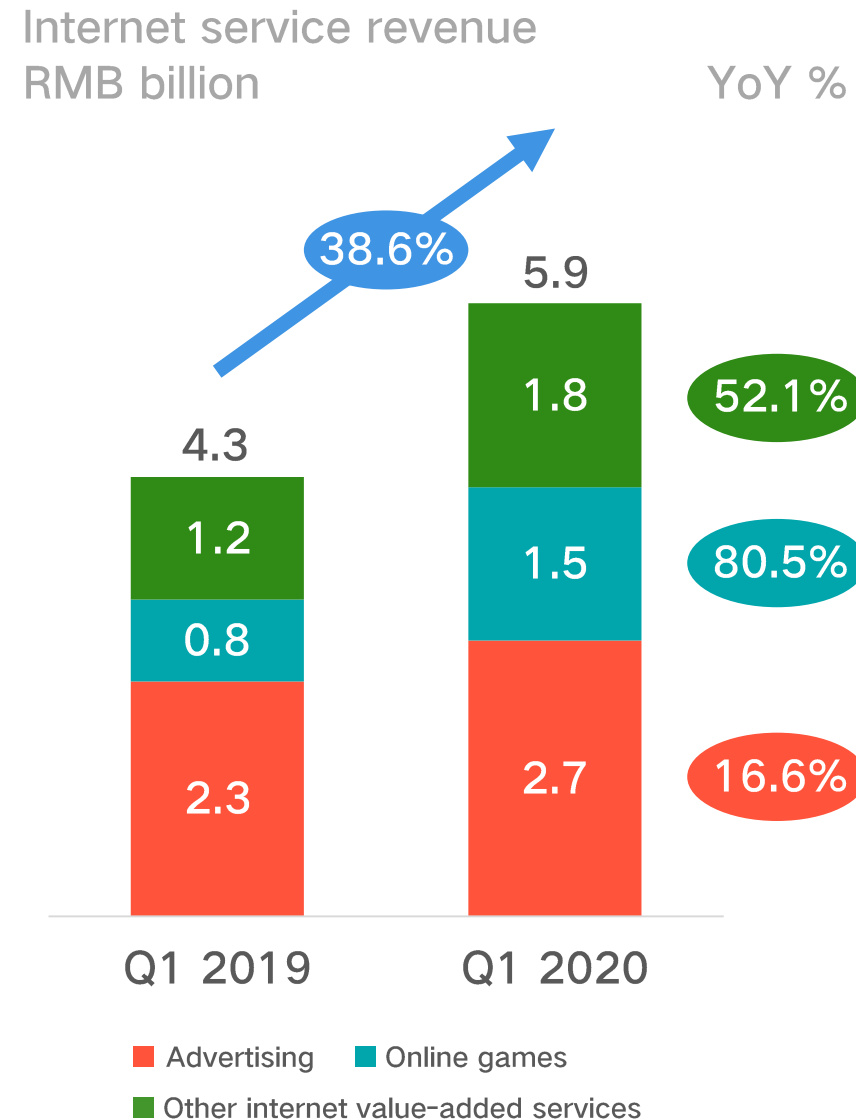
<sup>4</sup> According to Canalys, in terms of global wearable bands shipments in 2019

<sup>5</sup> According to iResearch, by shipments in 2019

# Internet Services

In Q1 2020

Internet service revenue reached RMB5.9 billion, up **38.6%** YoY

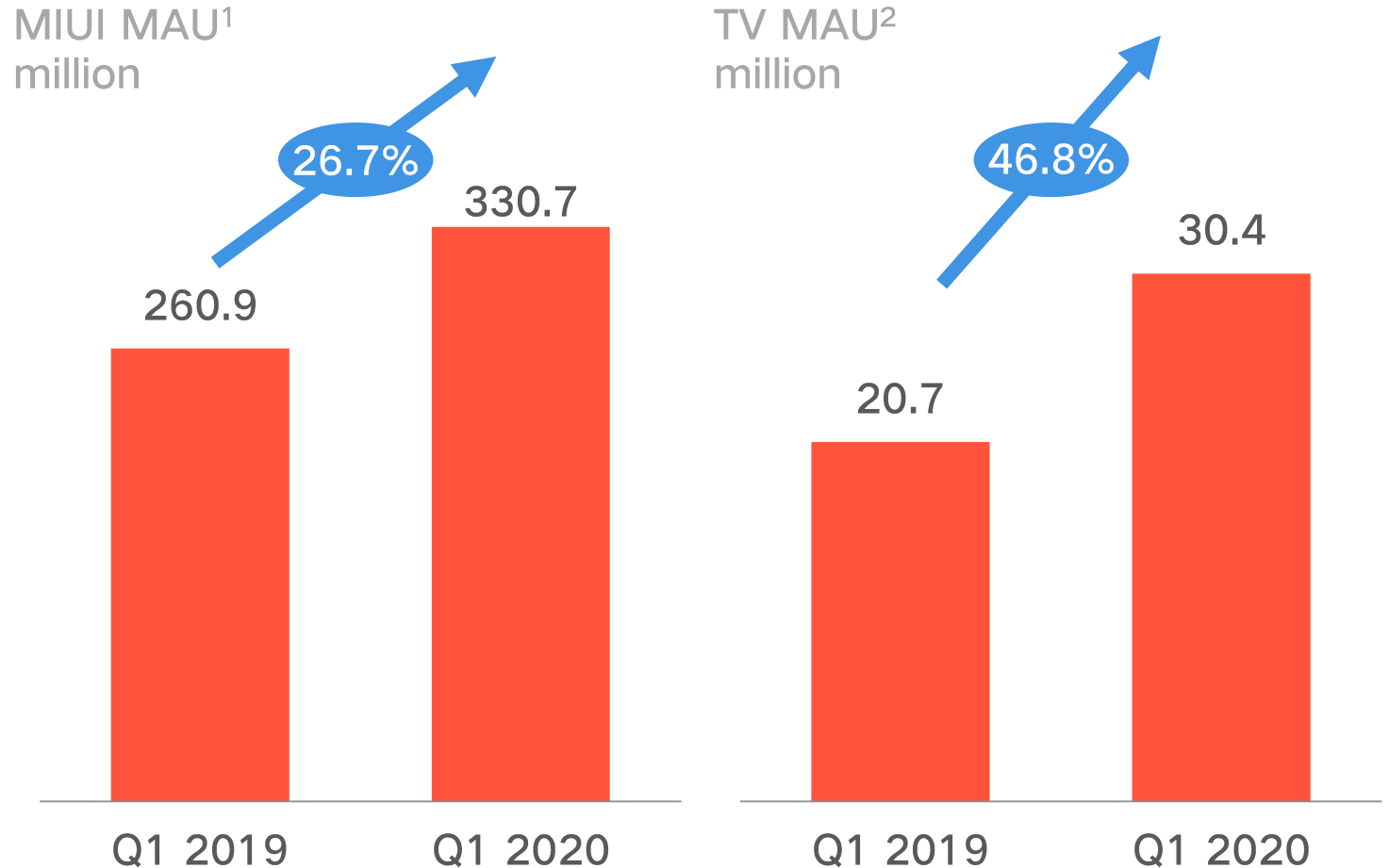


# Strong user growth

Global MIUI MAU<sup>1</sup> reached **330.7 million**, an increase of **26.7% YoY**

Mainland China MIUI MAU<sup>1</sup> was **111.5 million**

TV MAU<sup>2</sup> grew **46.8% YoY** to 30.4 million, paid users reached 4.3 million, up **53.7% YoY**



<sup>1</sup> As of March in respective quarters

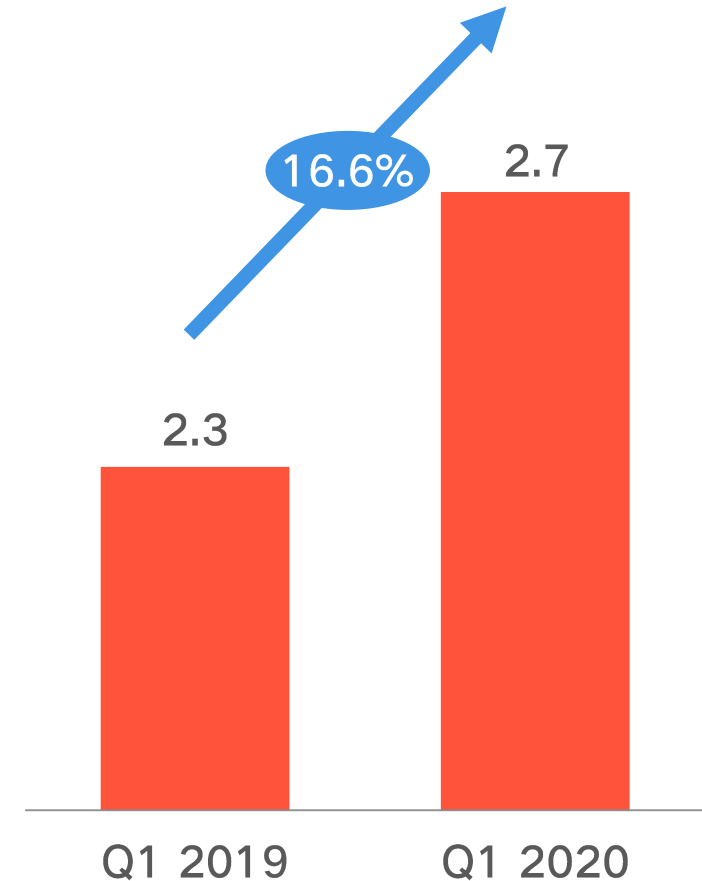
<sup>2</sup> As of March in respective quarters, including both TV and TV box users

# Advertising business remained solid despite challenging environment

Advertising revenue increased **16.6%** YoY in Q1 2020, mainly driven by:

- diversified monetization methods, including search, pre-installation, and news feeds
- diversification of advertising customers
- optimization of recommendation algorithms
- rapid growth of overseas internet advertising revenue

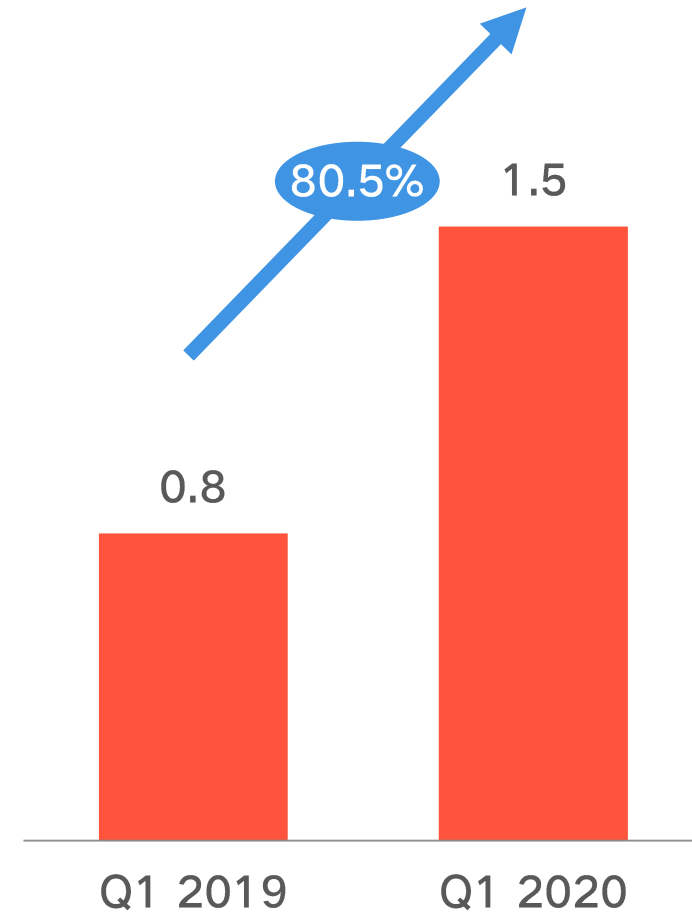
Advertising revenue  
RMB billion



Gaming business delivered strong revenue growth, benefiting from:

- fast-growing online gaming market in mainland China in Q1 2020
- increased gaming ARPU from our premium smartphones

Gaming revenue  
RMB billion

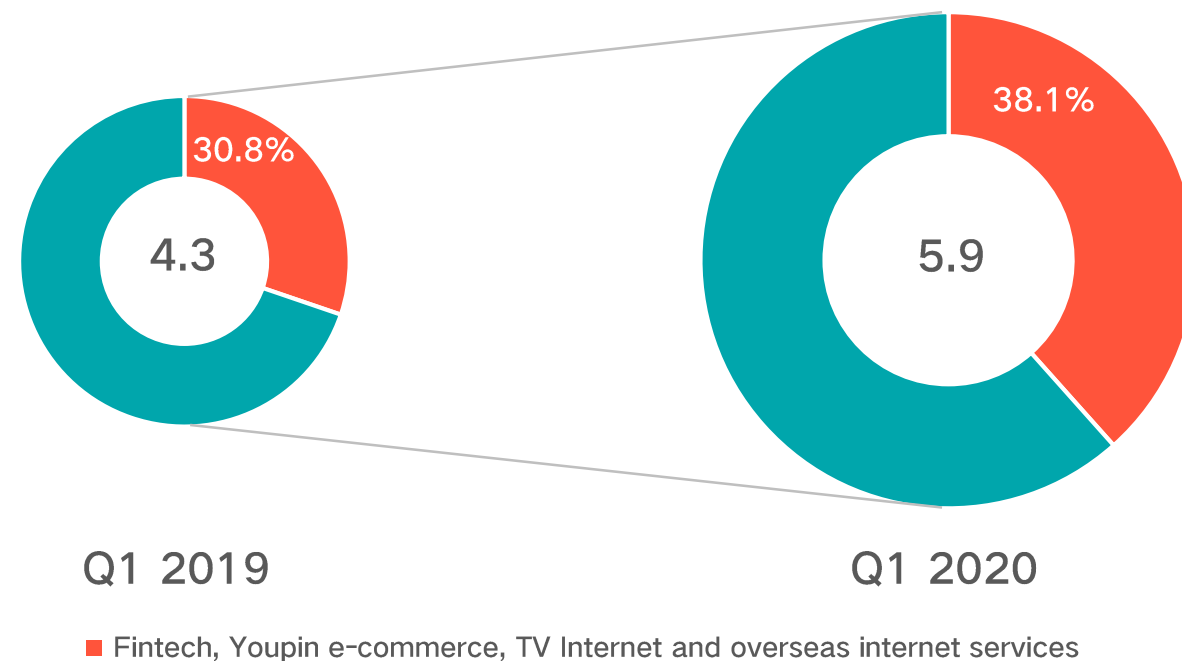




# Increasingly diversified revenue streams driving sustained revenue growth

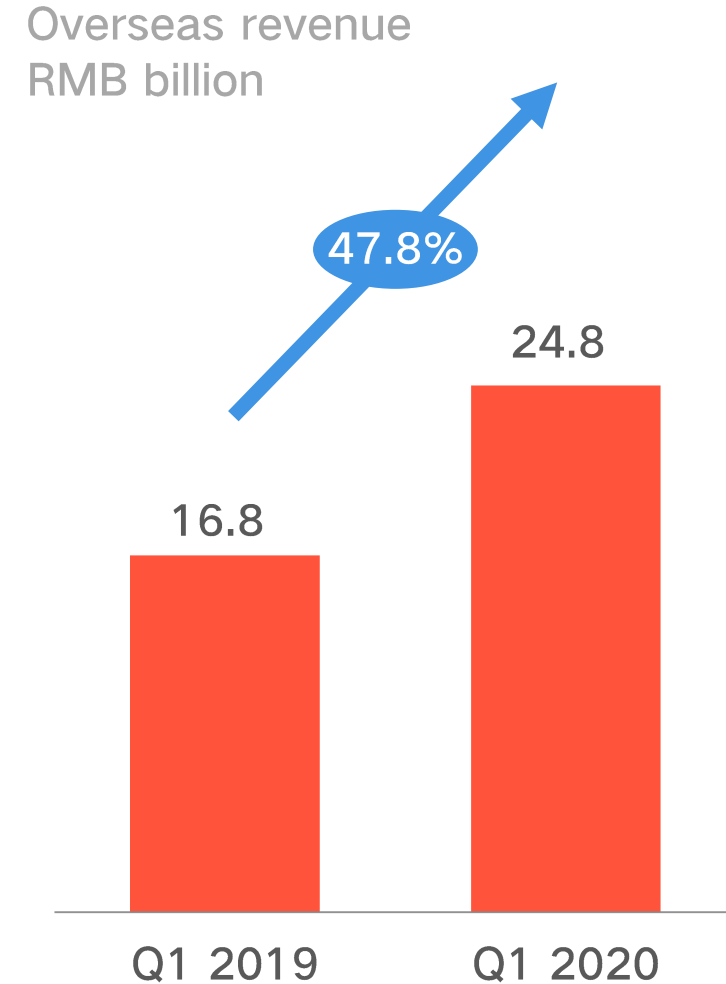
Internet services revenue  
RMB billion

In Q1 2020, **38.1%** of internet services revenue was from internet services outside of advertising and gaming from mainland China smartphones, a YoY growth of **71.5%**



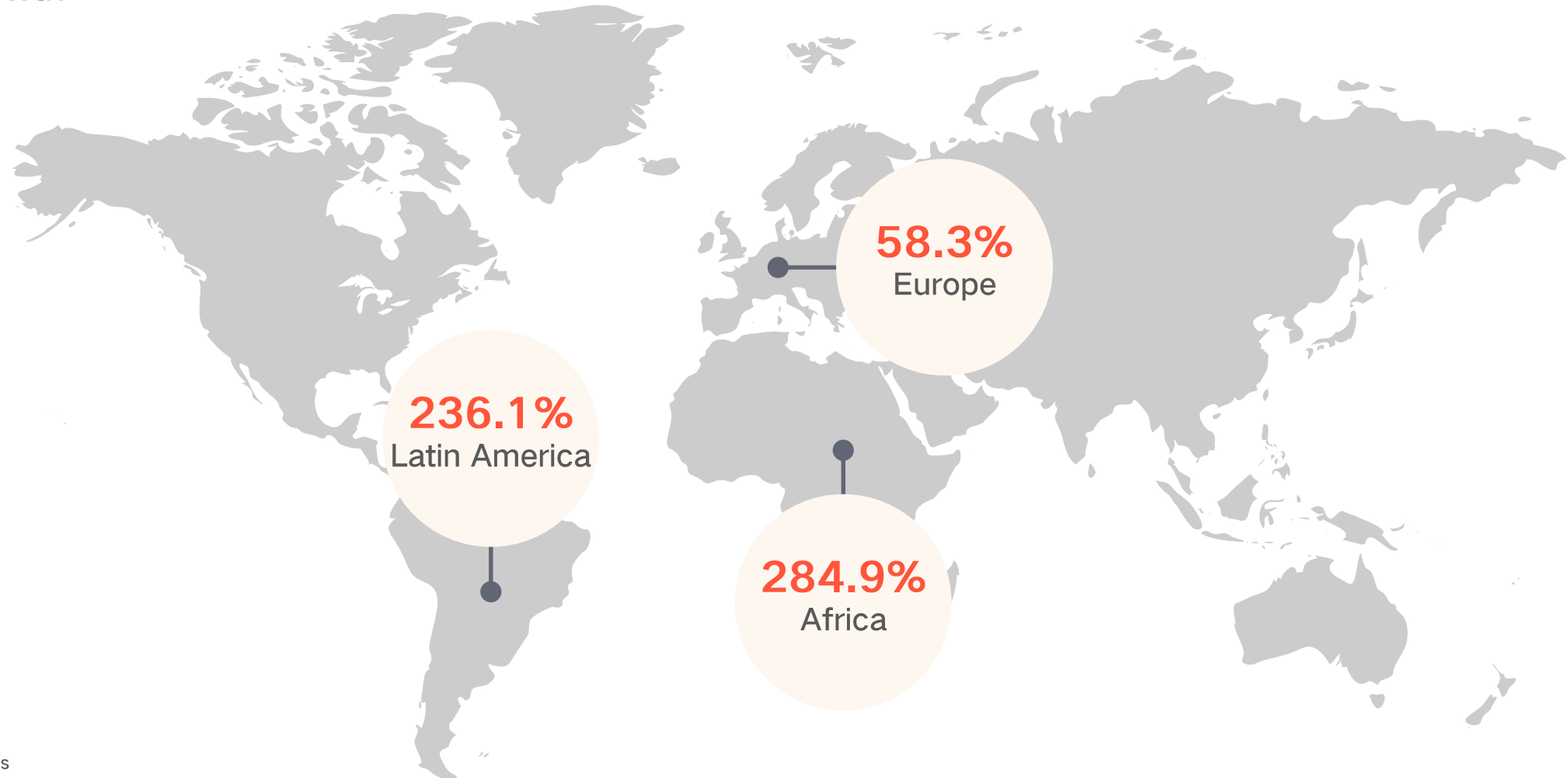
Overseas

Overseas revenue in Q1 2020 was RMB24.8 billion, up **47.8%** YoY, accounting for **50.0%** of total revenue



# Overseas smartphone shipments achieved remarkable growth

Q1 2020 Xiaomi smartphone shipments  
YoY growth



Source: Canalys

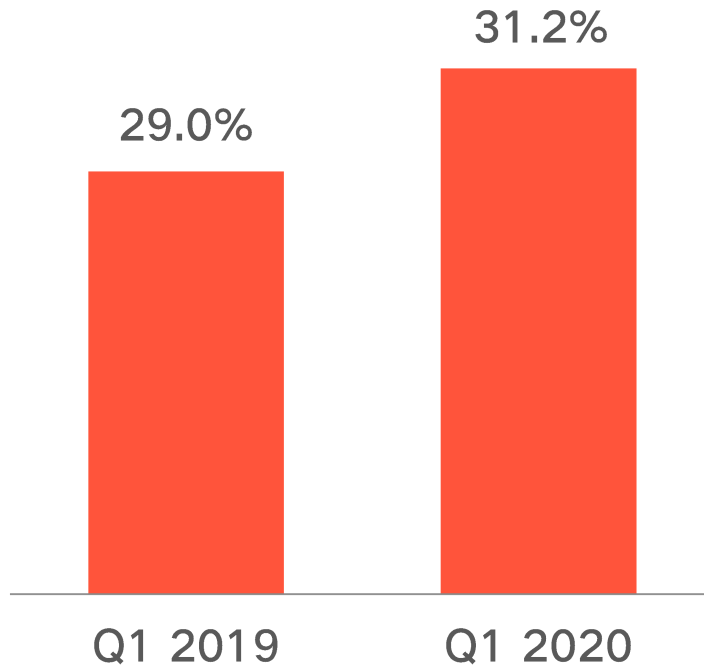
# Achieved strong growth against market downtrend in Western Europe, and ranked No.1 in Spain for the first time

Western Europe smartphone market share			
Rank	Vendor	Q1 2020 Market share	Shipment YoY Growth
#1	Samsung	37%	-21%
#2	Apple	24%	-8%
#3	Huawei	18%	-40%
#4	Xiaomi	10%	79%
Total		100%	-19%

Spain smartphone market share			
Rank	Vendor	Q1 2020 Market share	Shipment YoY Growth
#1	Xiaomi	28%	46%
#2	Huawei	24%	-14%
#3	Samsung	22%	-20%
#4	Apple	12%	-8%
Total		100%	-2%

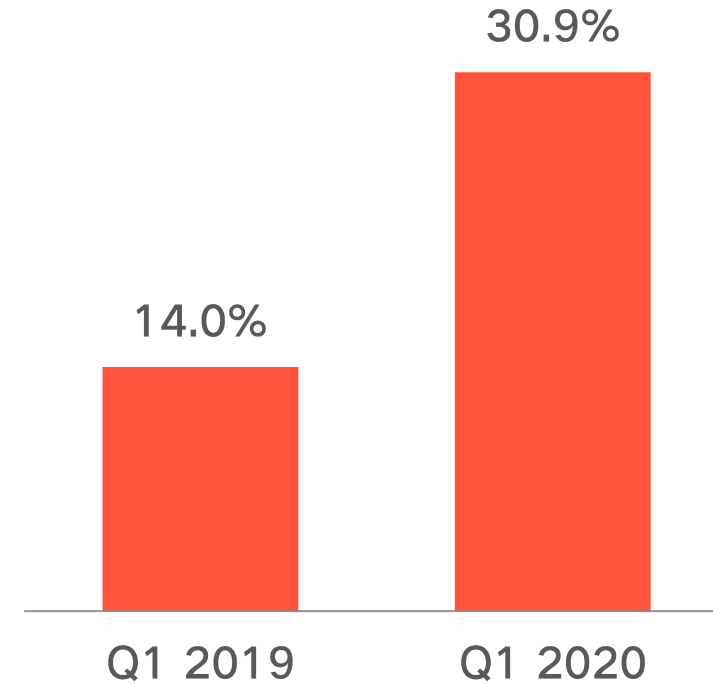
# India's No.1 smartphone brand, driving growth in adjacent markets

India smartphone market share



Continued market share expansion in India

Nepal smartphone market share

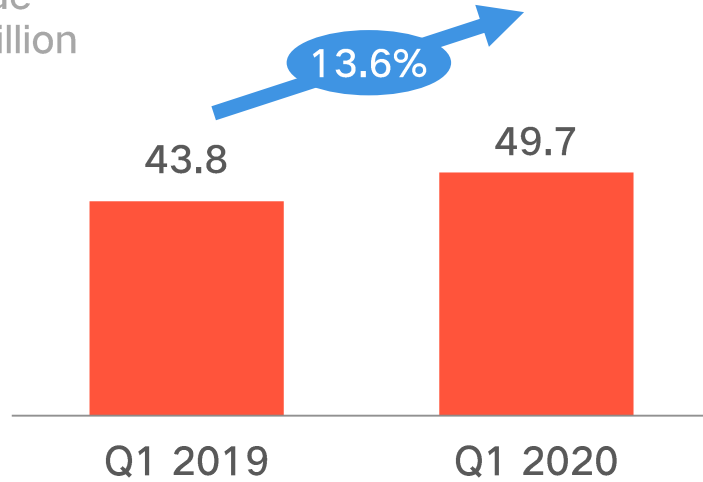


Ranked No.1 in Nepal smartphone market with market share of 30.9%, equal to the share of 2nd and the 3rd place combined

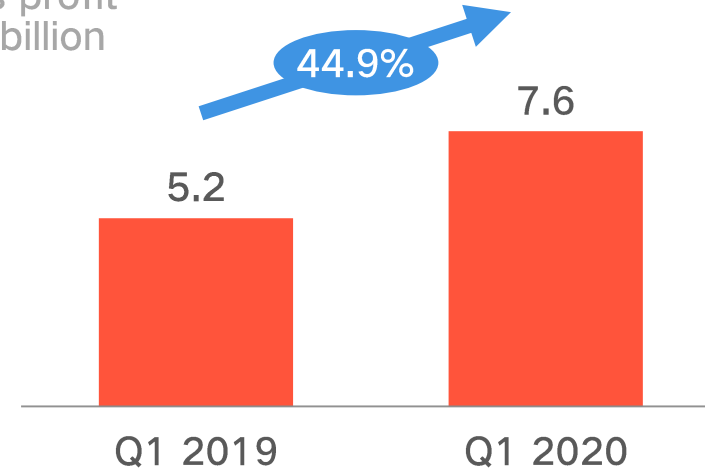
# Financials

# Solid operating profitability

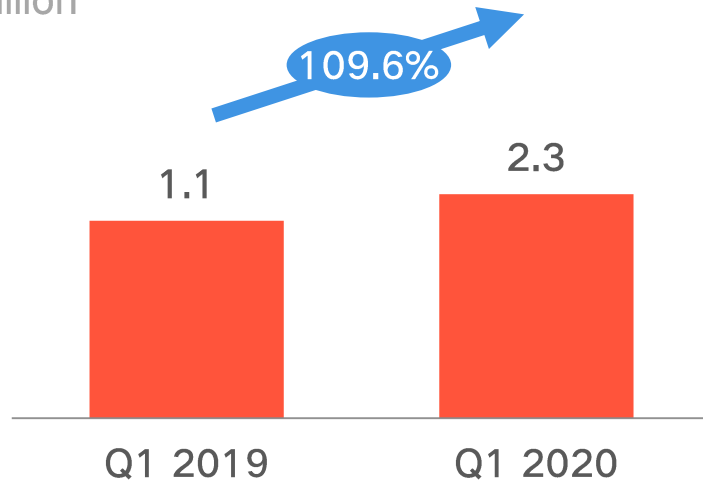
Revenue  
RMB billion



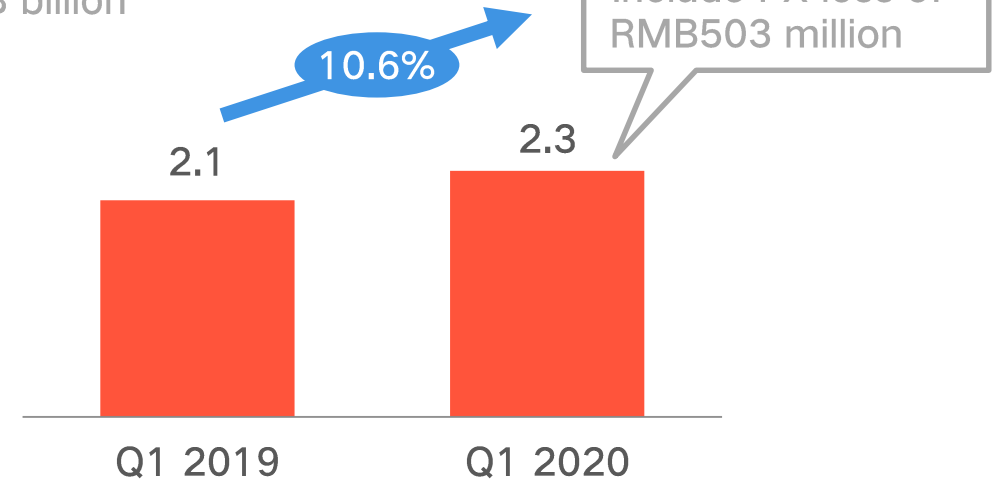
Gross profit  
RMB billion



Gross profit less operating expenses  
RMB billion



Adjusted net profit<sup>1</sup>  
RMB billion

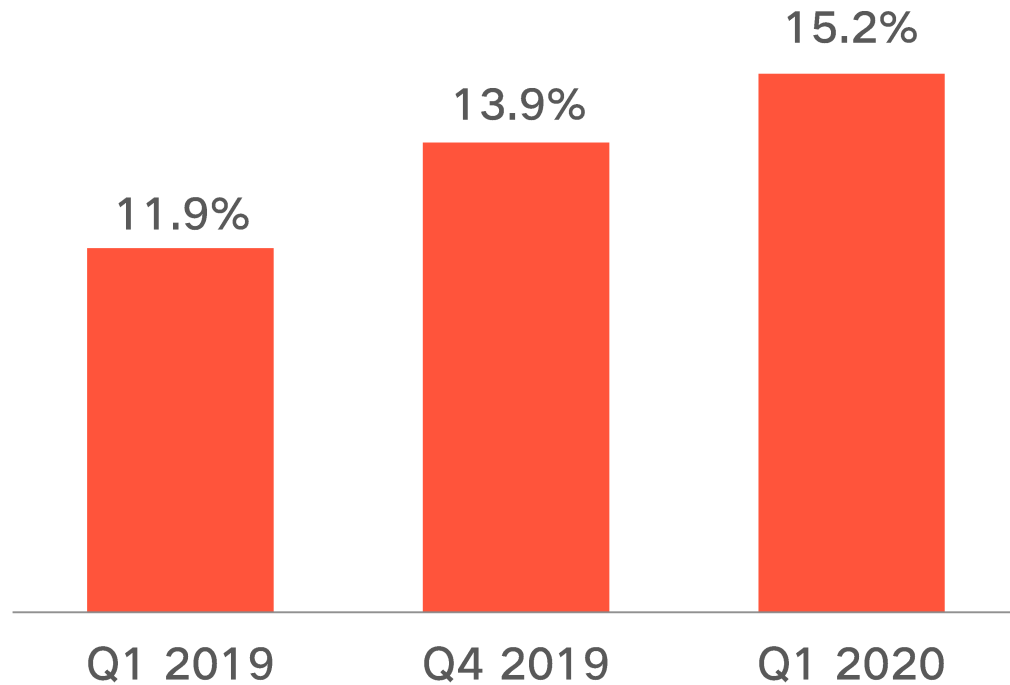


<sup>1</sup> Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects



# Continued gross margin expansion

Overall gross margin trend

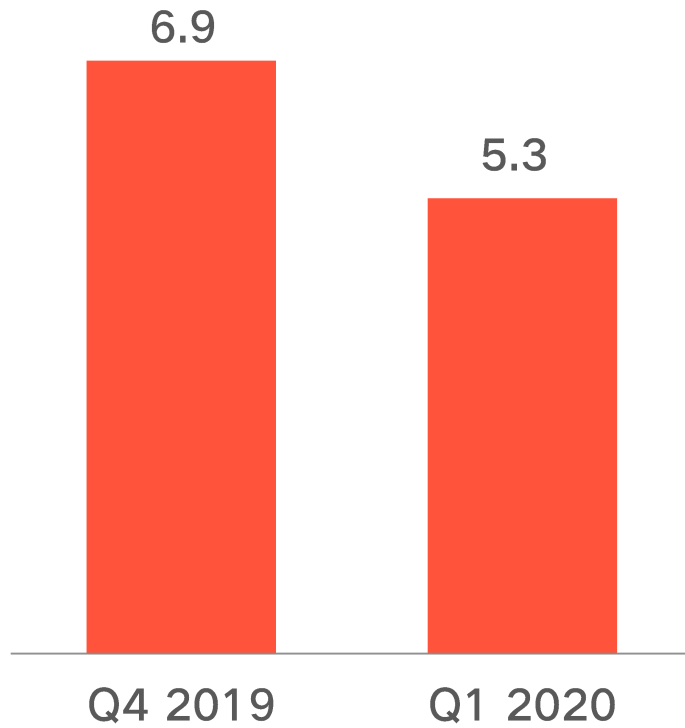


## Gross margin by segments in Q1 2020

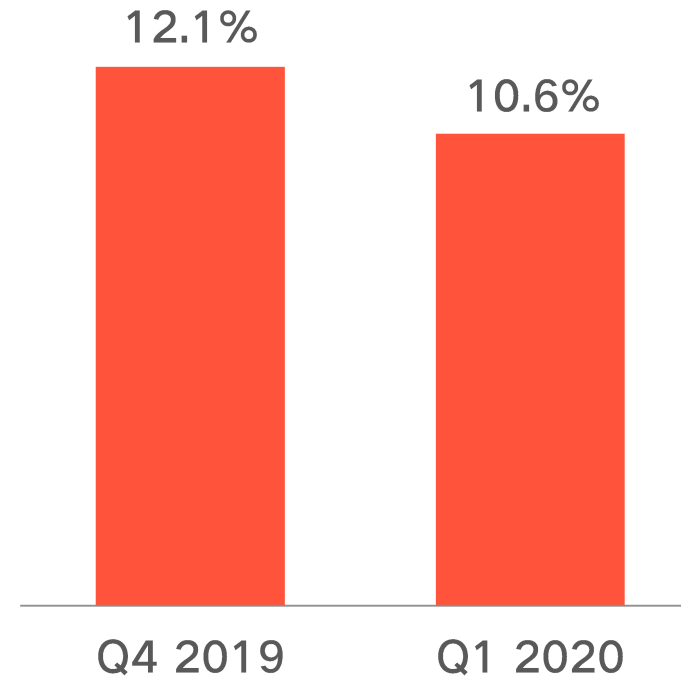
- Smartphones 8.1%
- IoT and lifestyle products 13.4%
- Internet services 57.1%

# Effective expense control during the pandemic

Operating expenses  
RMB billion

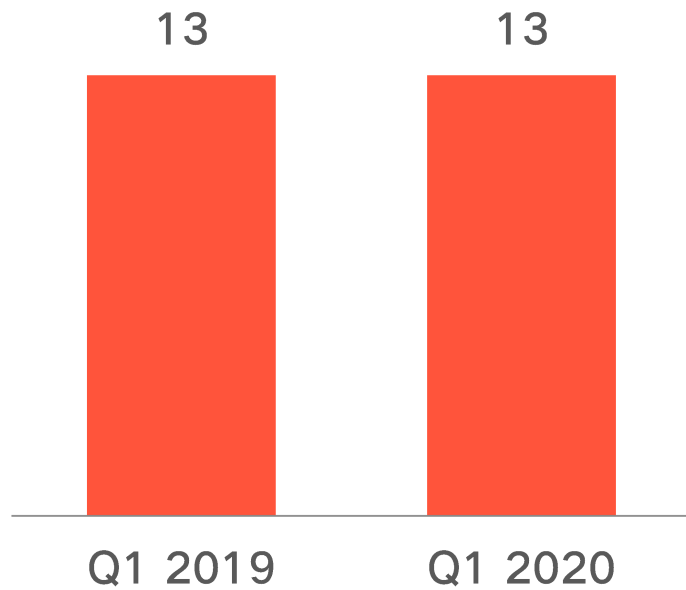


Operating expense ratio

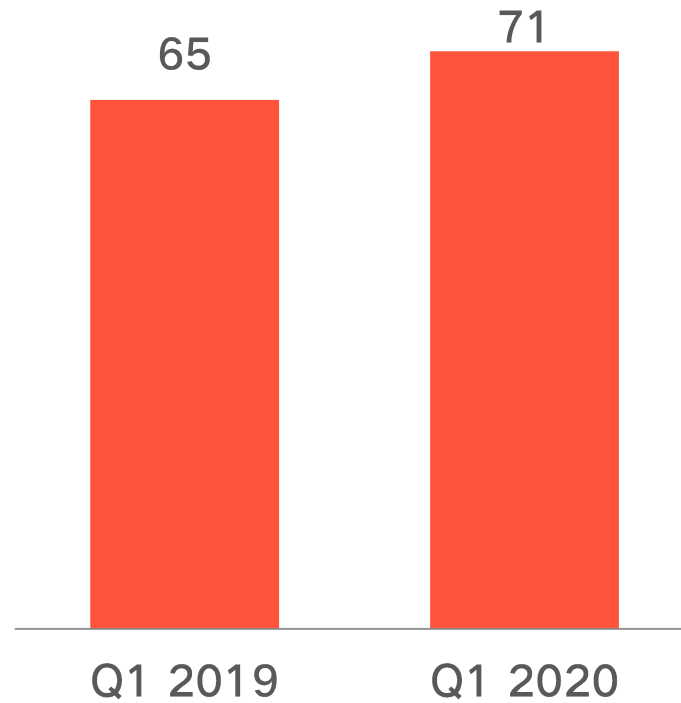


# Efficient working capital management

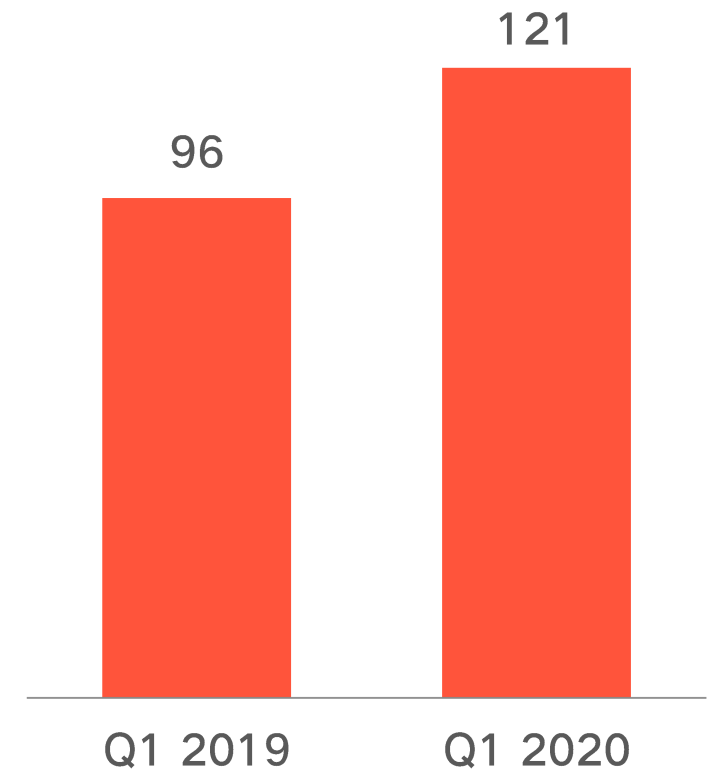
AR turnover days



Inventory turnover days



AP turnover days

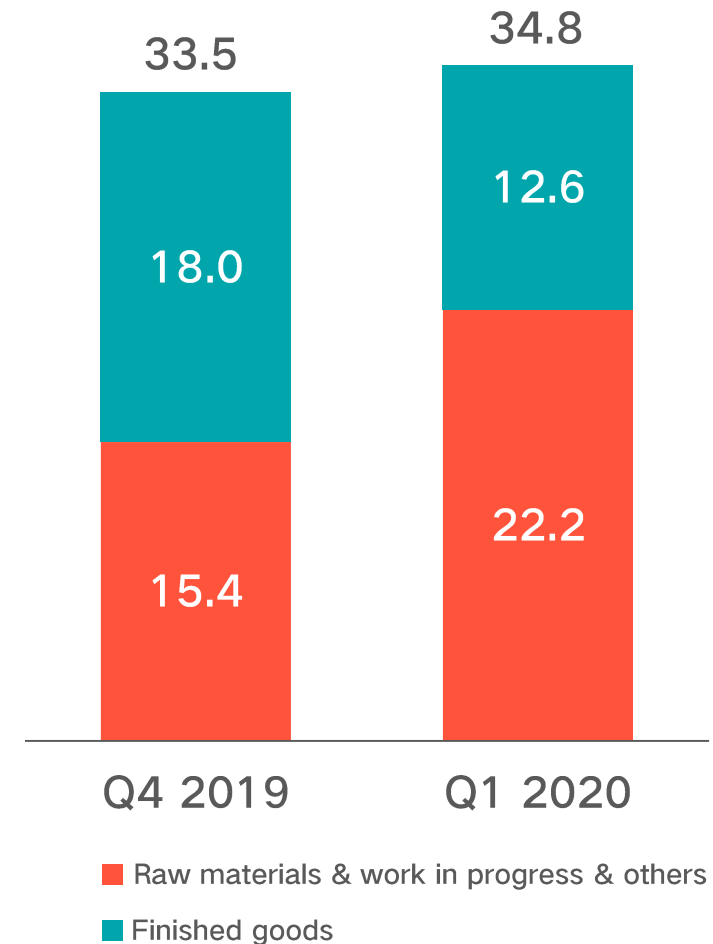


Increase in inventory turnover days was mainly due to the pandemic

Raw materials inventory increased because of the production disruption in Q1 2020, driving up the inventory balance

Finished goods inventory declined, with a shortage in supply

Inventory breakdown<sup>1</sup>  
RMB billion



<sup>1</sup> Excluding provision for impairment

**300+**

Xiaomi had invested in over **300** companies as of Q1 2020

**RMB32.3 billion**

Investment carrying amount<sup>1</sup> as of Q1 2020, YoY growth of 11.4%



Kingsoft Cloud successfully listed on Nasdaq

**USD4.8 billion**

Kingsoft Cloud  
market capitalization<sup>2</sup>

**13.8%**

Xiaomi's stake<sup>3</sup>

<sup>1</sup> Includes long-term investments measured at fair value through profit or loss and investments accounted for using the equity method

<sup>2</sup> Based on closing price on the day of IPO

<sup>3</sup> Upon Kingsoft Cloud's completion of its IPO

Xiaomi is in the rapid growth stage, facing challenges of the pandemic this year

Smartphones and IoT products demands are resilient. Xiaomi has been comparatively less impacted by the pandemic due to our advantages in online channels, value proposition of high price-performance and diversified businesses

The development of the pandemic in overseas markets is expected to impact our business performance in Q2 2020. However, with the gradual lifting of lockdown measures, consumer demand has rebounded quickly in many of the markets we operate

