



Xiaomi Corporation

Q1 2019 Results Announcement

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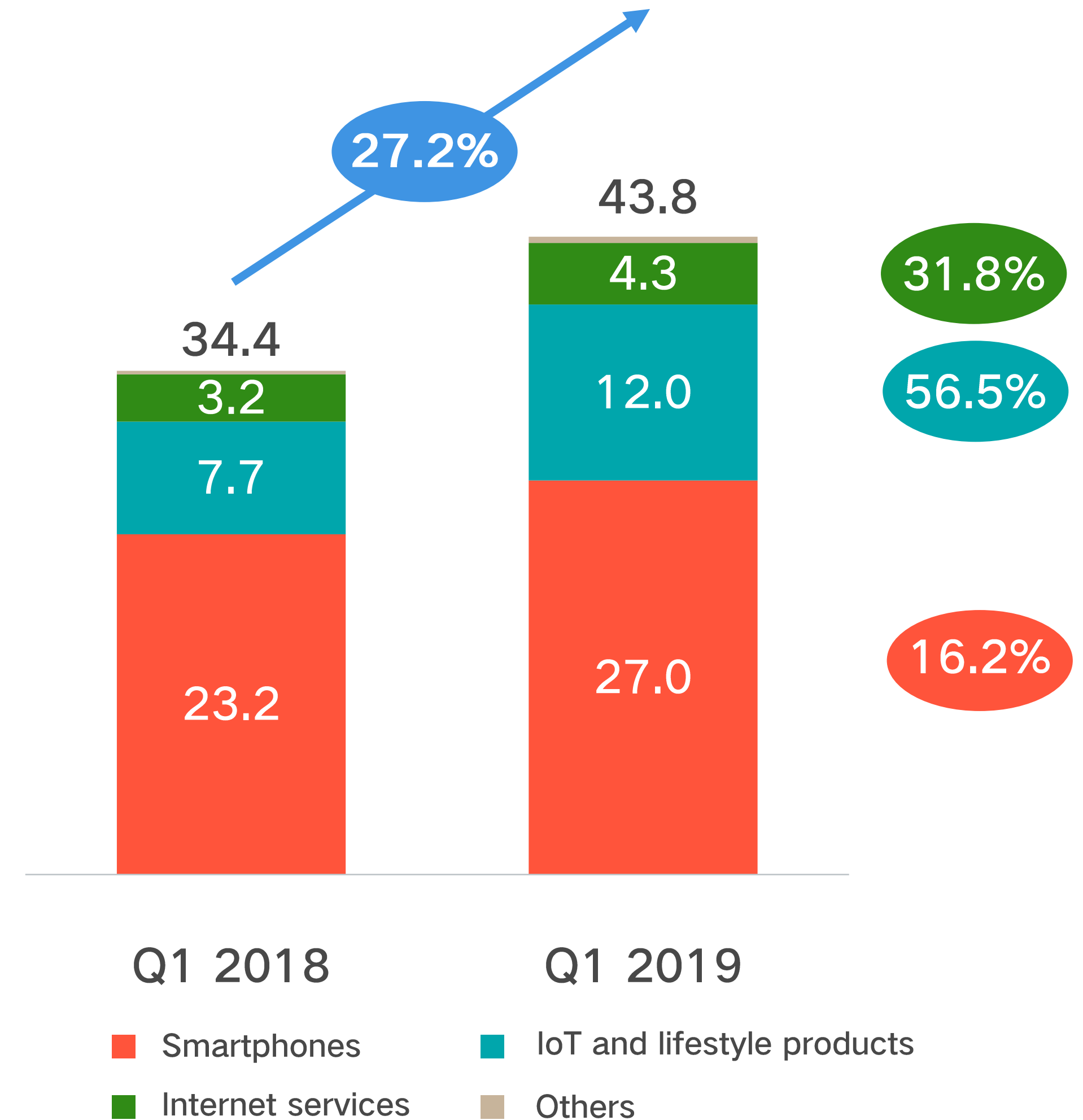
Q1 2019

Total revenue RMB43.8 billion
YoY growth of **27.2%**

Adjusted net profit¹ RMB2.1 billion
YoY growth of **22.4%**

Revenue
RMB billion

YoY %



¹Adjusted net profit is defined as loss or profit for the period, as adjusted by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation, (iii) net fair value gains on investments, and (iv) amortization of intangible assets resulting from acquisitions, and (v) changes of value of financial liabilities to fund partners.









Q1 2019 was the first quarter that Xiaomi and Redmi were operated as independent brands





Key smartphones launched in Q1 2019

Flagship	RMB3,000 and above		Mi 9		MIX 3 5G
	RMB2,000-3,000		Mi 9 SE		
Mid-range	RMB1,500-2,000		Redmi Note 7 Pro		
	RMB1,000-1,500		Redmi Note 7		
Entry level	RMB1,000 and below		Redmi 7		

Our new smartphones were very well received



Mi 9 series



Launched on February 20

Supply exceeded **1.5** million units¹

Redmi Note 7/Note 7 Pro



Launched on January 10

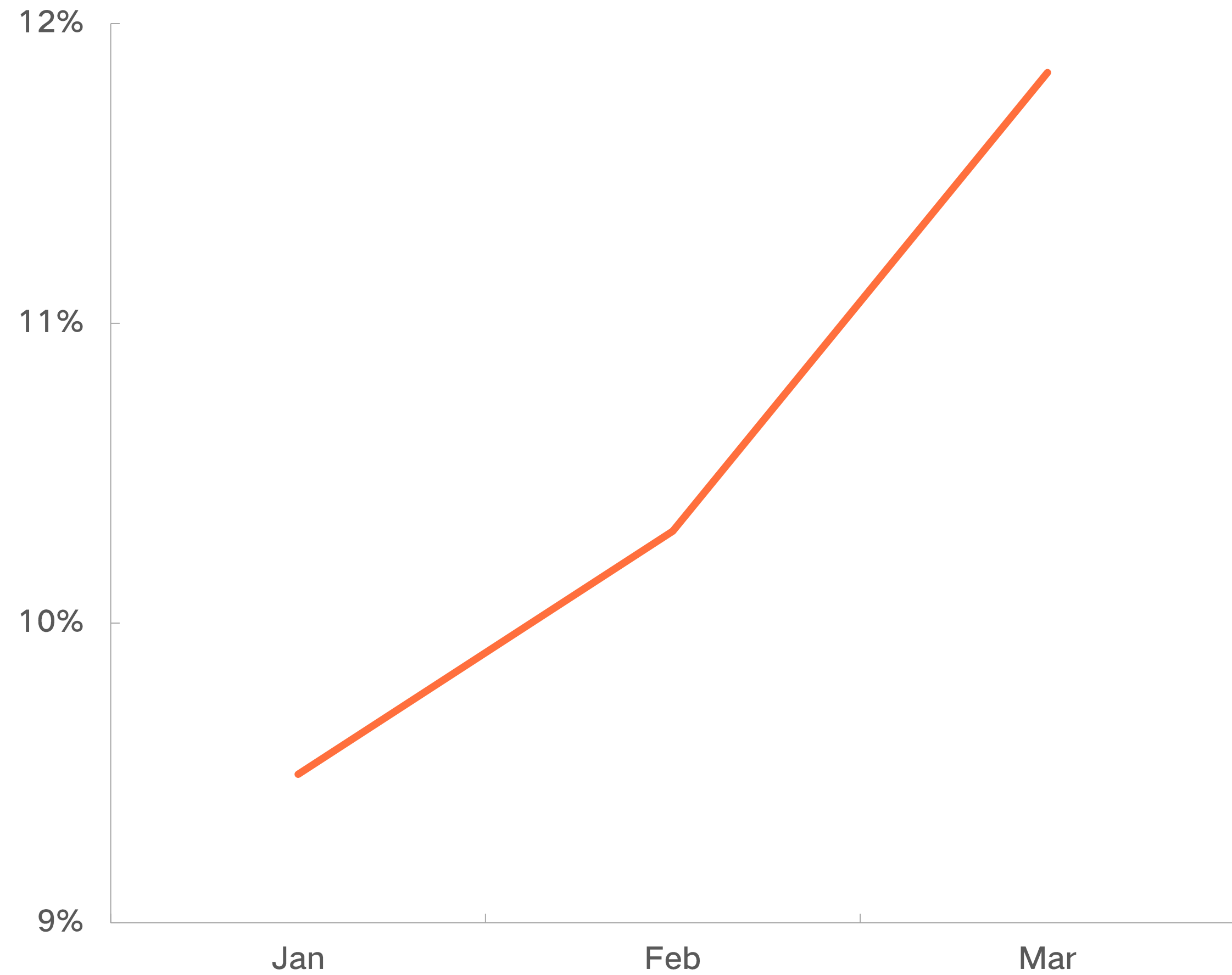
Shipment exceeded **4** million units¹

¹By the end of Q1 2019, Mi 9 series shipment exceeded 1.5 million units in early April



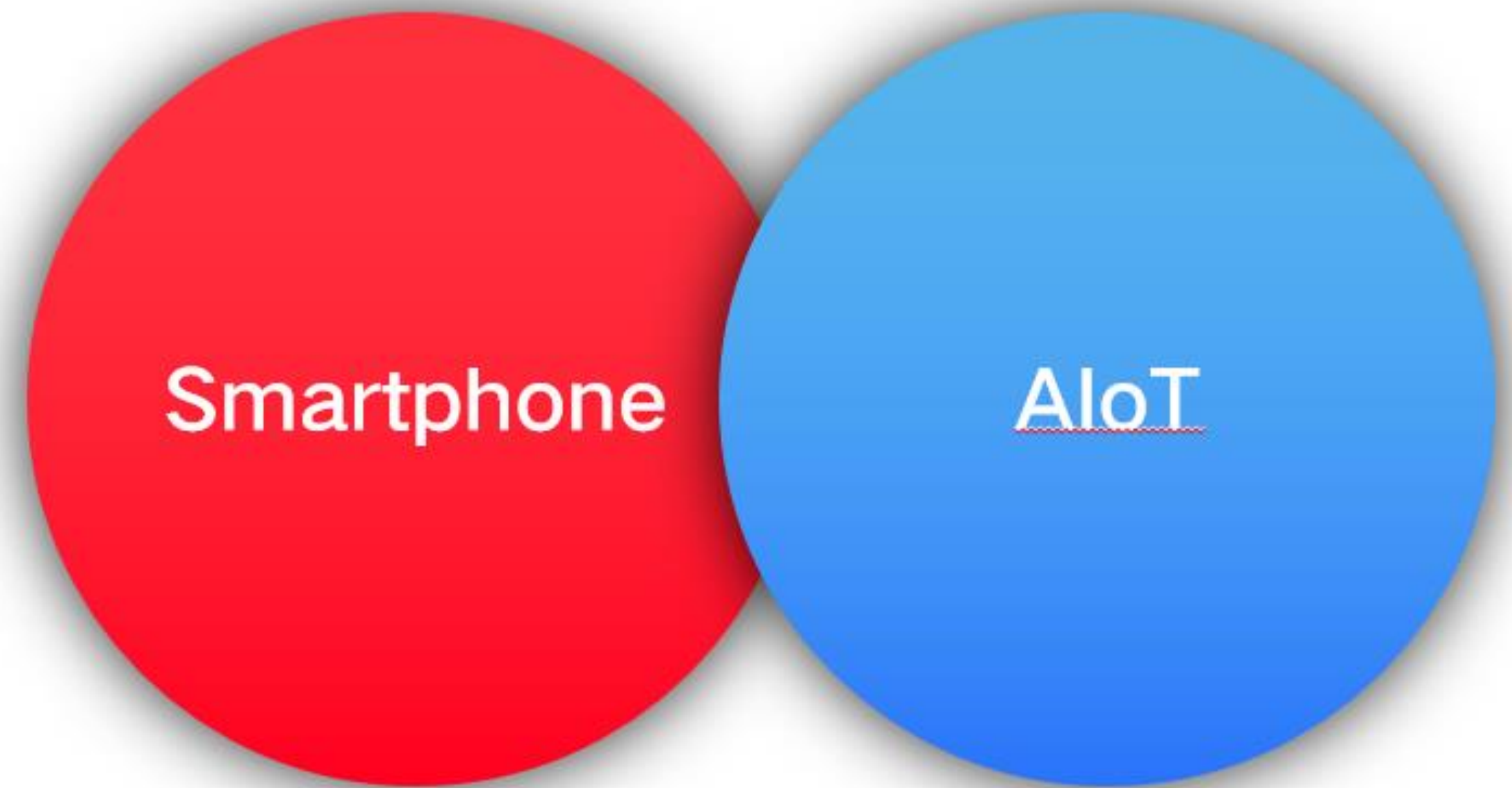
Mainland China smartphone market share increased every month in Q1 2019

Smartphone monthly market share¹ by shipment in Q1 2019



¹According to a third party research agency

Smartphone and AIoT The “Dual-Engine Strategy”





Leading global consumer IoT platform

~171 million

Connected devices¹
YoY growth of 70.0%
QoQ growth of 13.7%

~2.6 million

Users with more than 5
Xiaomi IoT devices¹
YoY growth 86.0%
QoQ growth of 15.2%

¹As of March 31, 2019, excluding smartphones and laptops



Over **10** million accumulated AI speaker shipments¹

No.2 for AI speaker shipments in China and **No.4** globally²

45.5 million AI Assistant MAU³



¹As of March 31, 2019

² In Q4 2018, according to Canalys

³As of March 2019



Focus on improving user experience and creating more smart home use cases





More than 1,400 skills for our AI assistant





Xiaomi ranked top 5 in more than 40 smartphone markets





India



Manu Jain Vice President and Managing Director of Xiaomi India

- Bachelor's degree in Technology, IIT Delhi
- MBA, IIM Calcutta
- Worked for McKinsey & Company
- Co-founder of a fashion e-commerce platform, Jabong.com

India's most  brand



No.1



Smartphone¹



Smart TV²



Fitness wearables³



Power bank⁴

¹IDC Quarterly Mobile Phone Tracker, from Q3 2017 to Q1 2019

²IDC Quarterly Smart Home Device Tracker, Q2 to Q4 2018

³IDC Quarterly Wearables Tracker, from Q1 to Q3 2018

⁴Google trends



India's **No. 1** Smartphone Brand

7 consecutive quarters: Q3 2017 to Q1 2019



India's **No.1** smartphone brand in 2018

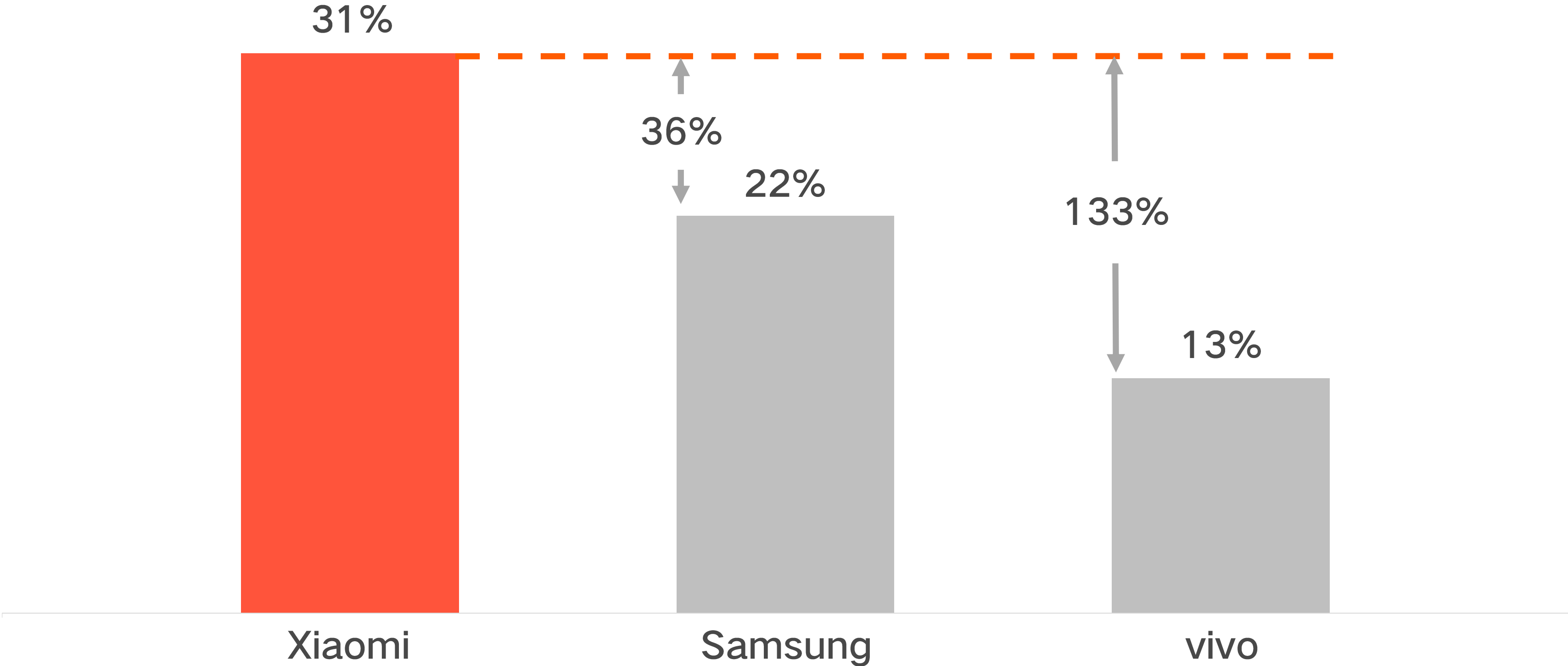
India Smartphone Market 2018			
Company	2018 Shipment (millions of units)	2018 Market Share	Shipment YoY Growth
Xiaomi	41.1	28.9%	58.6%
Samsung	31.9	22.4%	4%
vivo	14.2	10%	21.7%
OPPO	10.2	7.2%	9.6%
Others	44.9	31.5%	-3.8%



Over 30% market share in Q1 2019

35%+ higher than the #2 brand in India

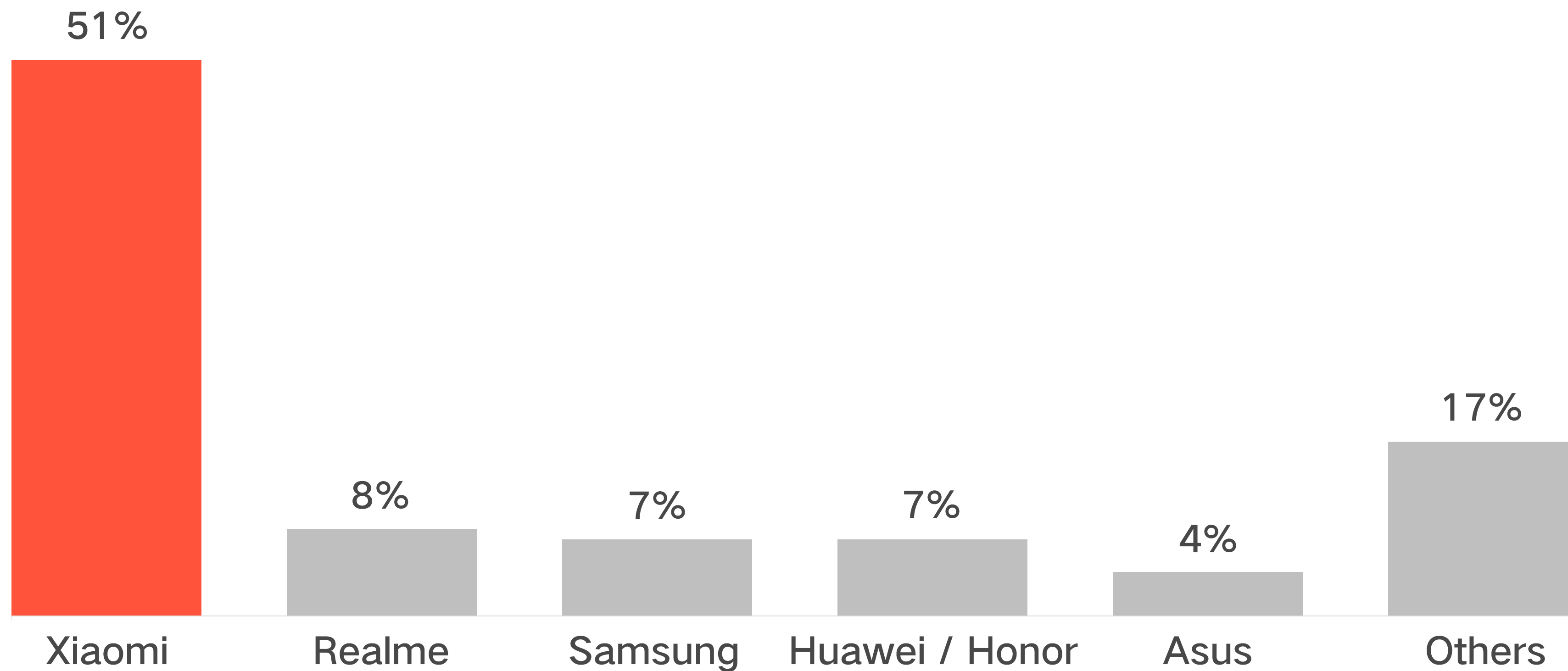
Indian smartphone market share by shipments



No.1 in online market for 10 consecutive quarters



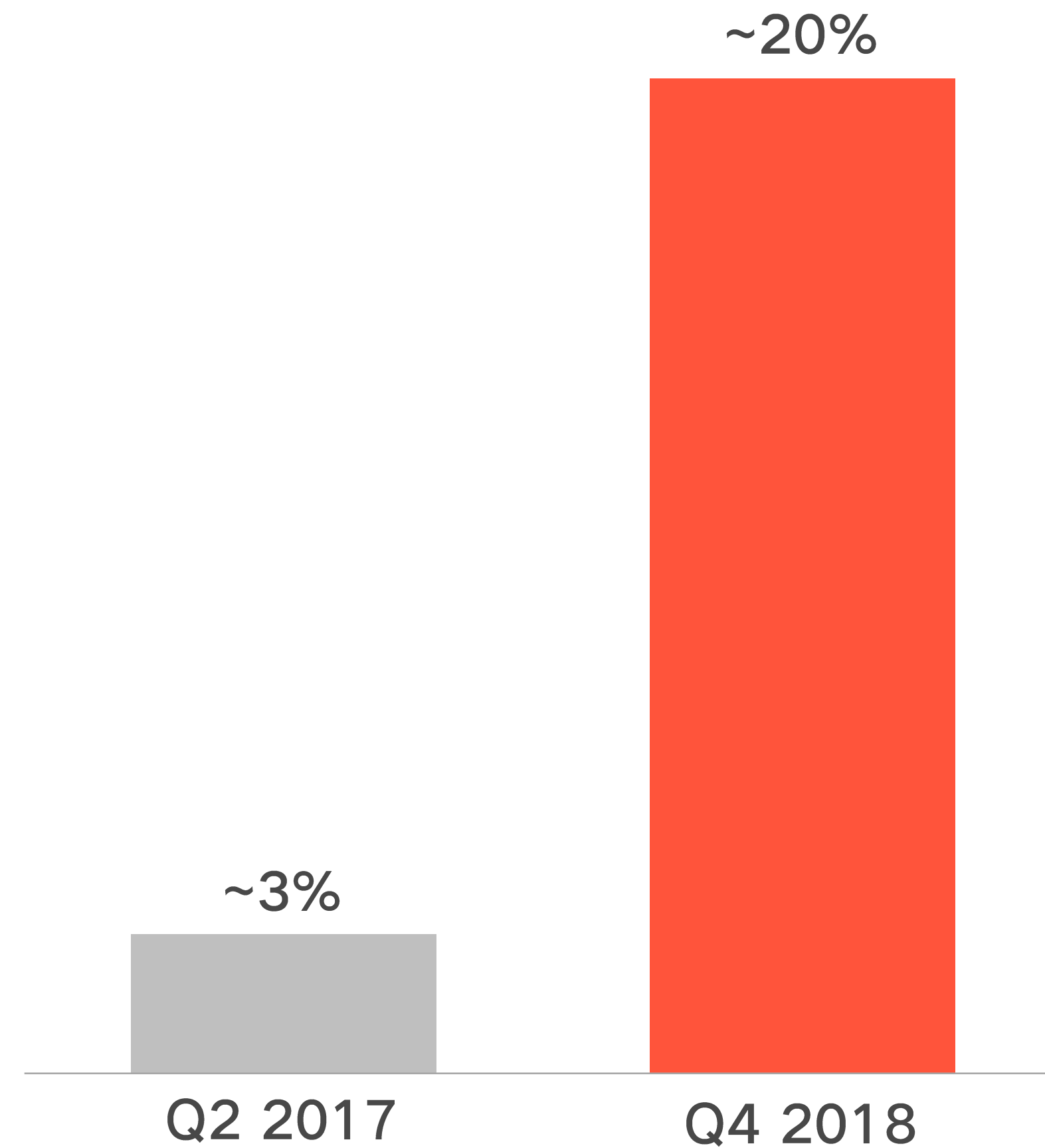
Indian online smartphone market share by shipments





Indian offline smartphone market share by sales

Exponential growth of offline sales in the last 2 years

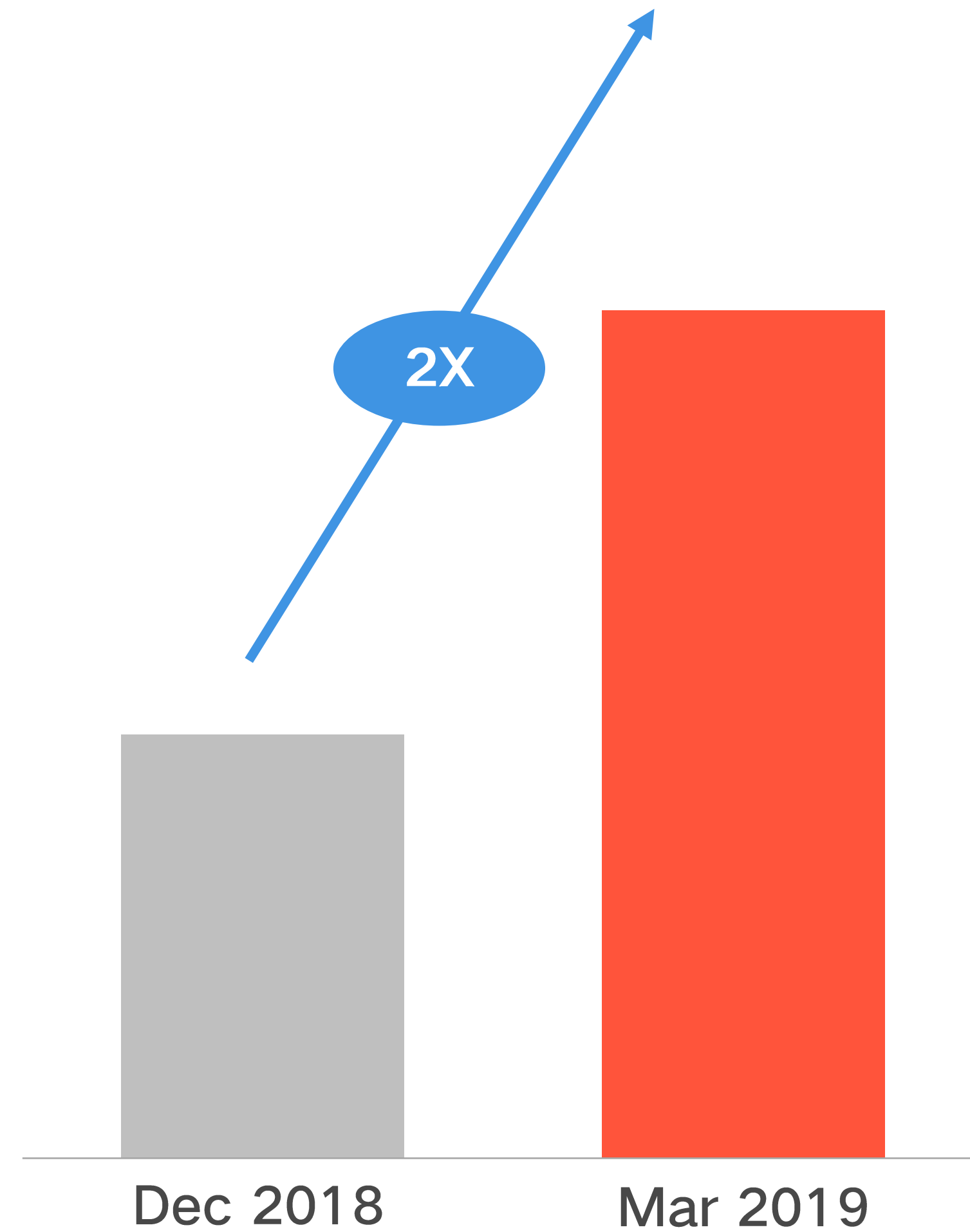




Xiaomi offline smartphones sales

Offline sales maintained robust growth

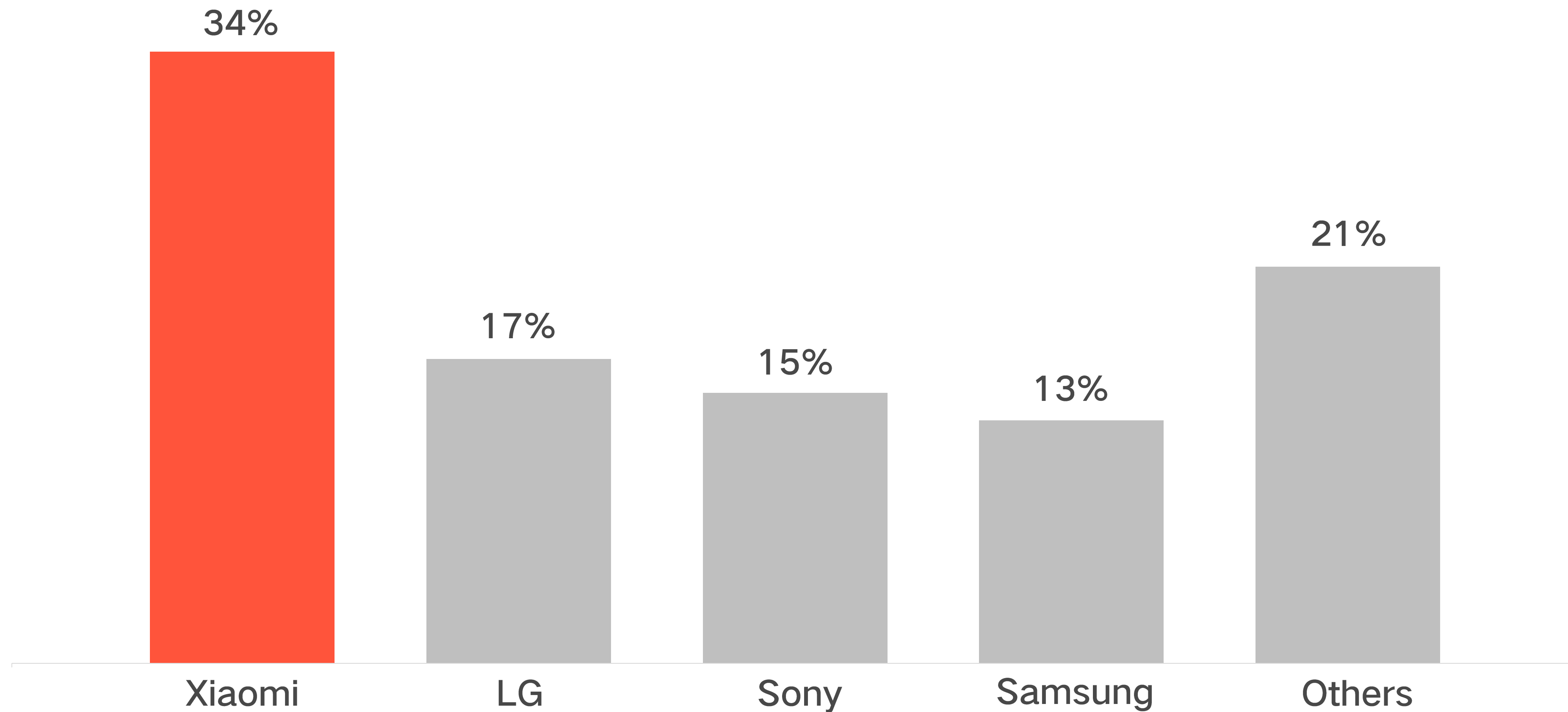
2x sales in March 2019 compared to December 2018





No.1 smart TV brand in India

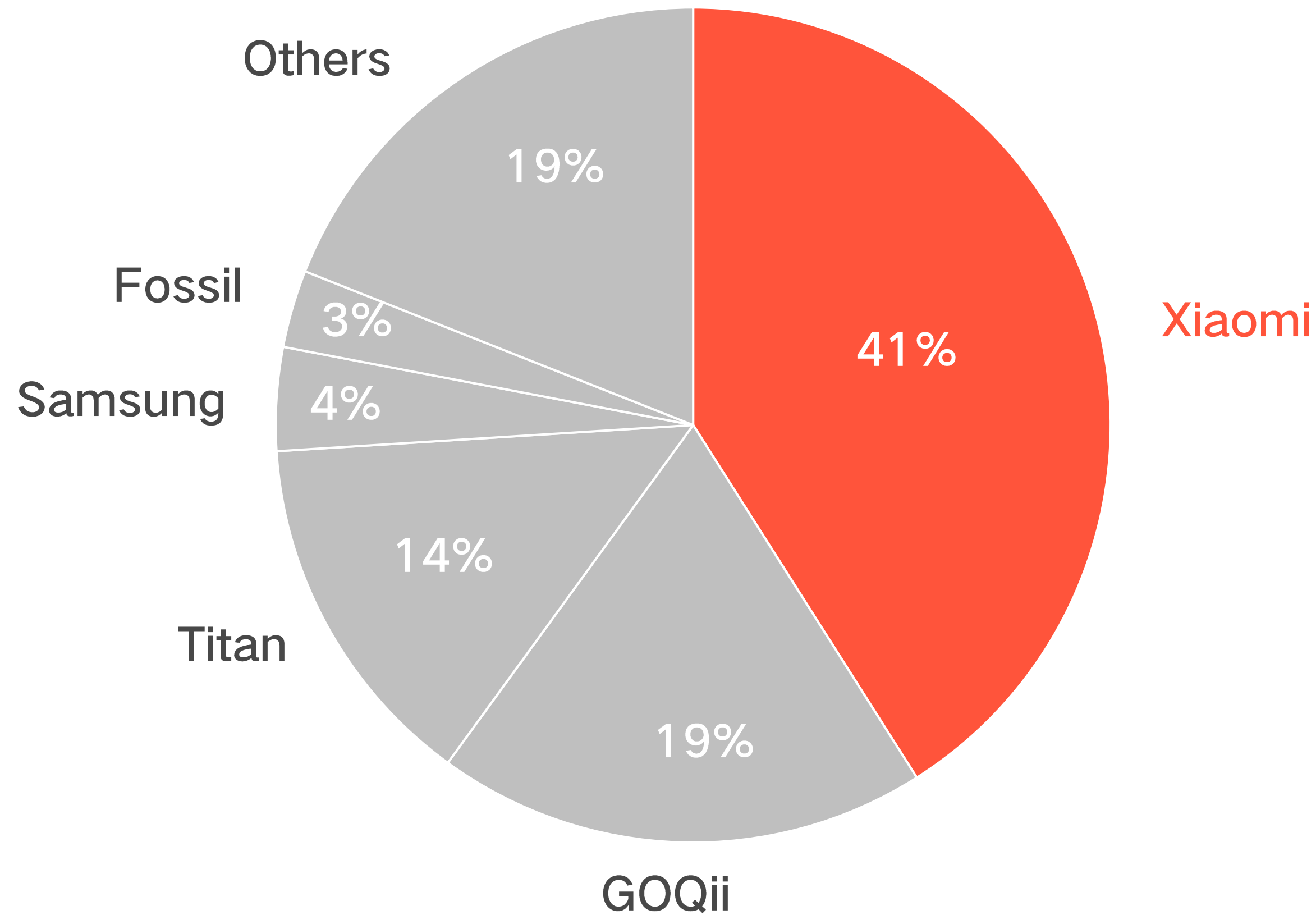
Smart TV market share by shipments





No.1 wearable device brand for five consecutive quarters in India

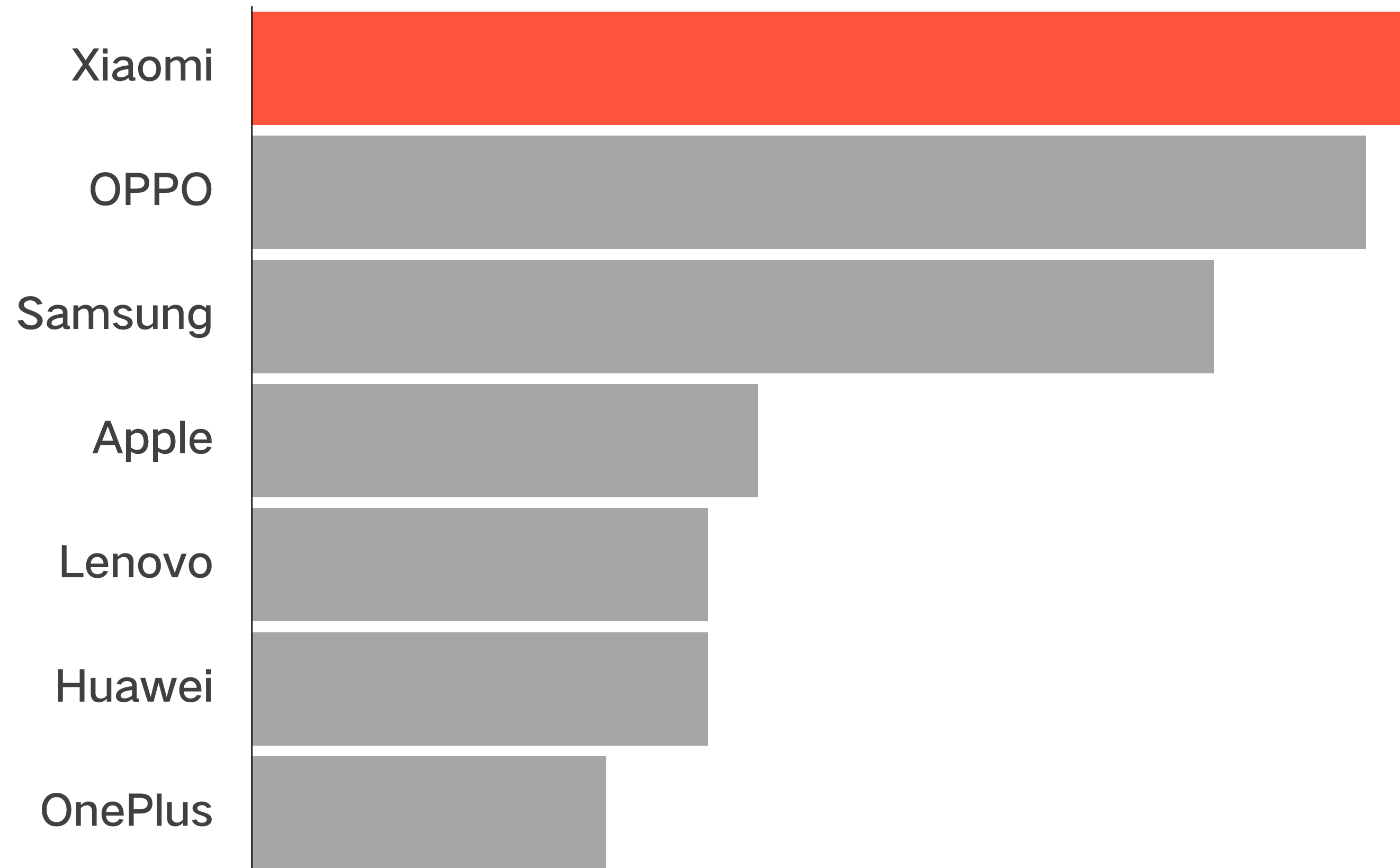
Wearable device market share by shipments





No.1 after-sales service satisfaction in India

First-call resolution | Issue understanding | Issue resolution | Infrastructure





Continued focus on internet services

Launched 3 new apps within the last 12 months





AIoT



Dr. Cui Baoqiu Vice President and Chairman of the Technical Committee of the Group

- PhD in Computer Science from State University of New York at Stony Brook
- 20 years of engineering experience, held senior positions at LinkedIn, Yahoo and IBM



Leading position in industrial design, operating system customization, security and privacy matters

Strong capabilities in artificial intelligence, big data and cloud technology

Rapid technological advancement in communication technology, hardware and driver and applications and services





Top 15 enterprises
with most AI patent applications

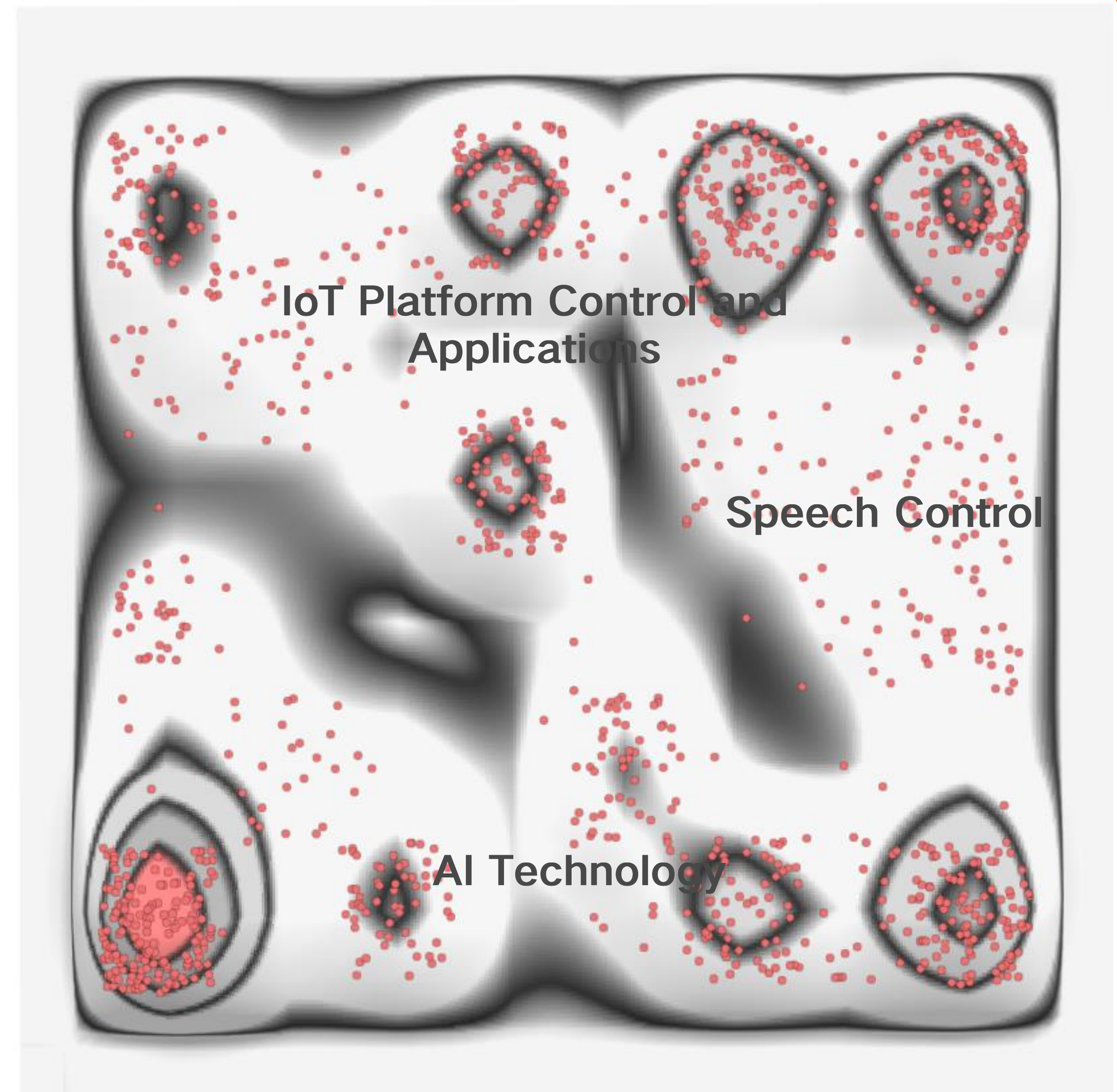
Ranking			No. of patents applied
1	(1)	IBM (US)	3,000
2	(2)	Microsoft (US)	1,955
3	(4)	Google (US)	1,659
4	(11)	Baidu (US)	1,522
5	(7)	Samsung (Korea)	1,200
6	(3)	State Grid (China)	1,173
7	(18)	Intel (US)	903
8	(20)	Tencent (China)	766
9	(6)	NEC (Japan)	735
10	(30)	Alibaba (China)	709
11	(85)	Xiaomi (China)	684
12	(13)	Huawei (China)	681
13	(5)	Qualcomm (US)	676
14	(-)	Fanuc (Japan)	605
15	(17)	Fujitsu (Japan)	577

Note: Ranked by number of patents applied from 2016 to 2018. Ranked by number of patents applied from 2013 to 2015 in parenthesis, (-) denotes ranking outside of top 100

Ranked **11th** globally for
number of AI patent applications

Widely distributed patents in the AIoT field

Applied for over **1000**¹ AIoT patents



¹As of March 31, 2019



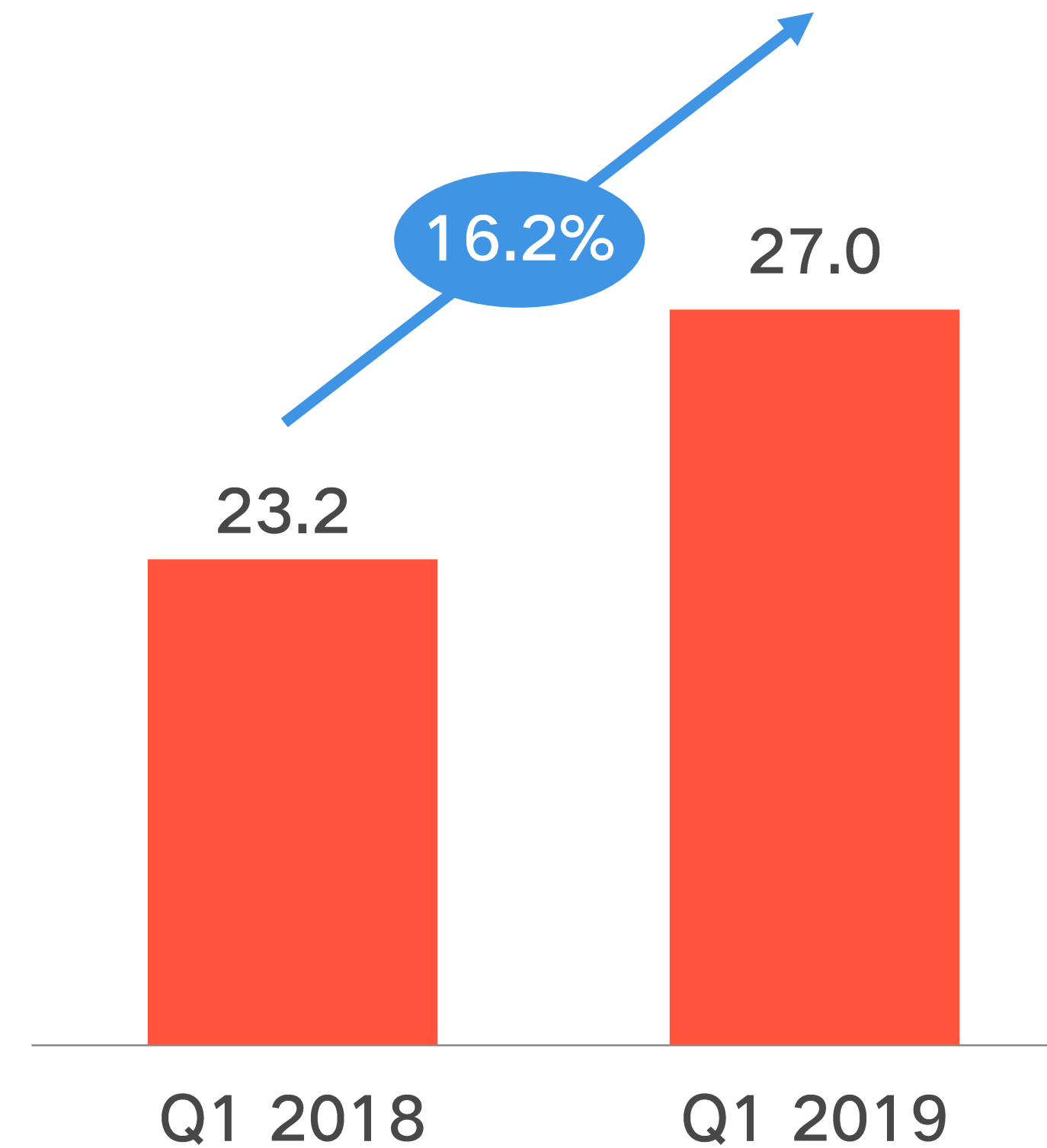
Smartphones



Smartphones revenue reached RMB27.0 billion in Q1 2019, representing a YoY growth of **16.2%**

Xiaomi sold **27.9** million units of smartphones in Q1 2019

Smartphones revenue
RMB billion





Important launch dates of new smartphones in Q1 2019

Mainland China

Redmi Note 7



January 10

Mi 9



Mi 9 SE



February 20

Redmi Note 7 Pro Redmi 7



March 18

Overseas

February 24



Mi 9



MIX 3 5G

February 28



Redmi Note 7/Note 7 Pro



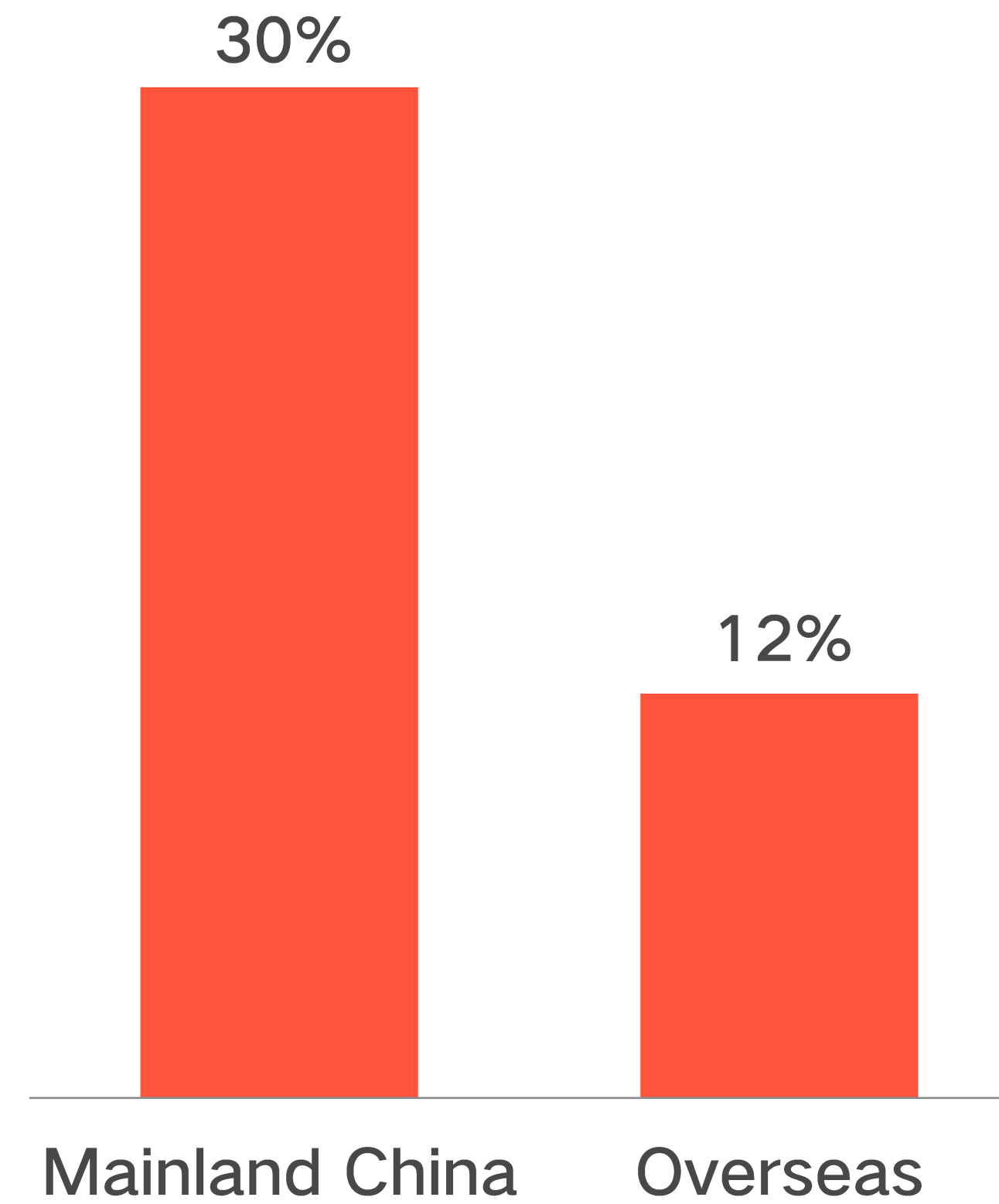
March 19



Redmi 7



ASP YoY growth in Q1 2019



Continued ASP expansion driven by optimization of product portfolio

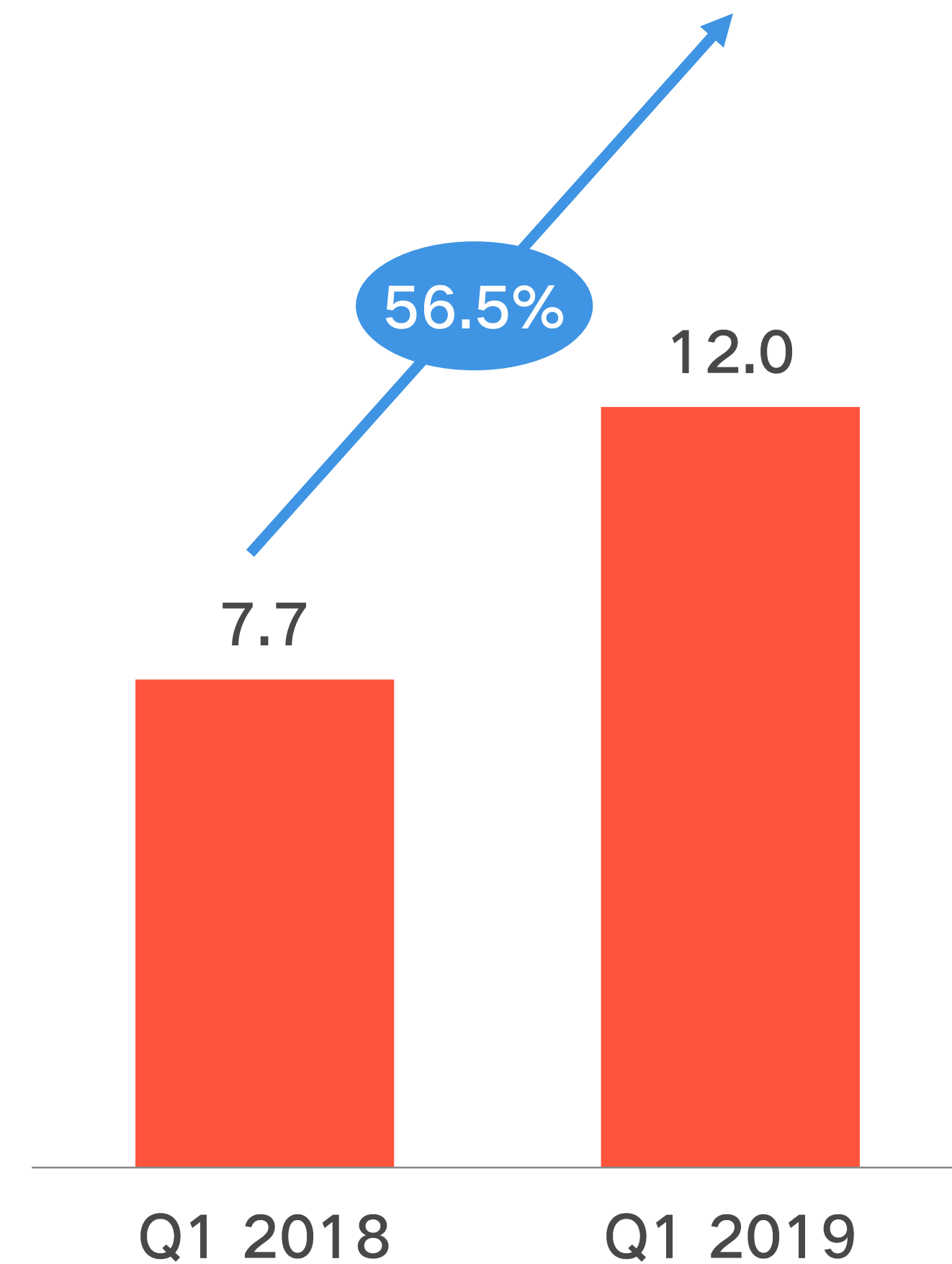


IoT and lifestyle products



IoT and lifestyle products revenue reached RMB12.0 billion in Q1 2019, representing a YoY growth of **56.5%**

IoT and lifestyle products revenue
RMB billion



Smart TVs sales volume reached **2.6** million units with **99.8%** YoY growth in Q1 2019

Ranked **No.1** in China market by shipments for 2 consecutive quarters¹

¹Source: CMM



Continued to launch popular IoT and lifestyle products to enrich our ecosystem



Mi Smart Door Lock



Mi Photo Printer



Mi Wireless Power Bank / Car Charger



Mi AirDots



Redmi AirDots



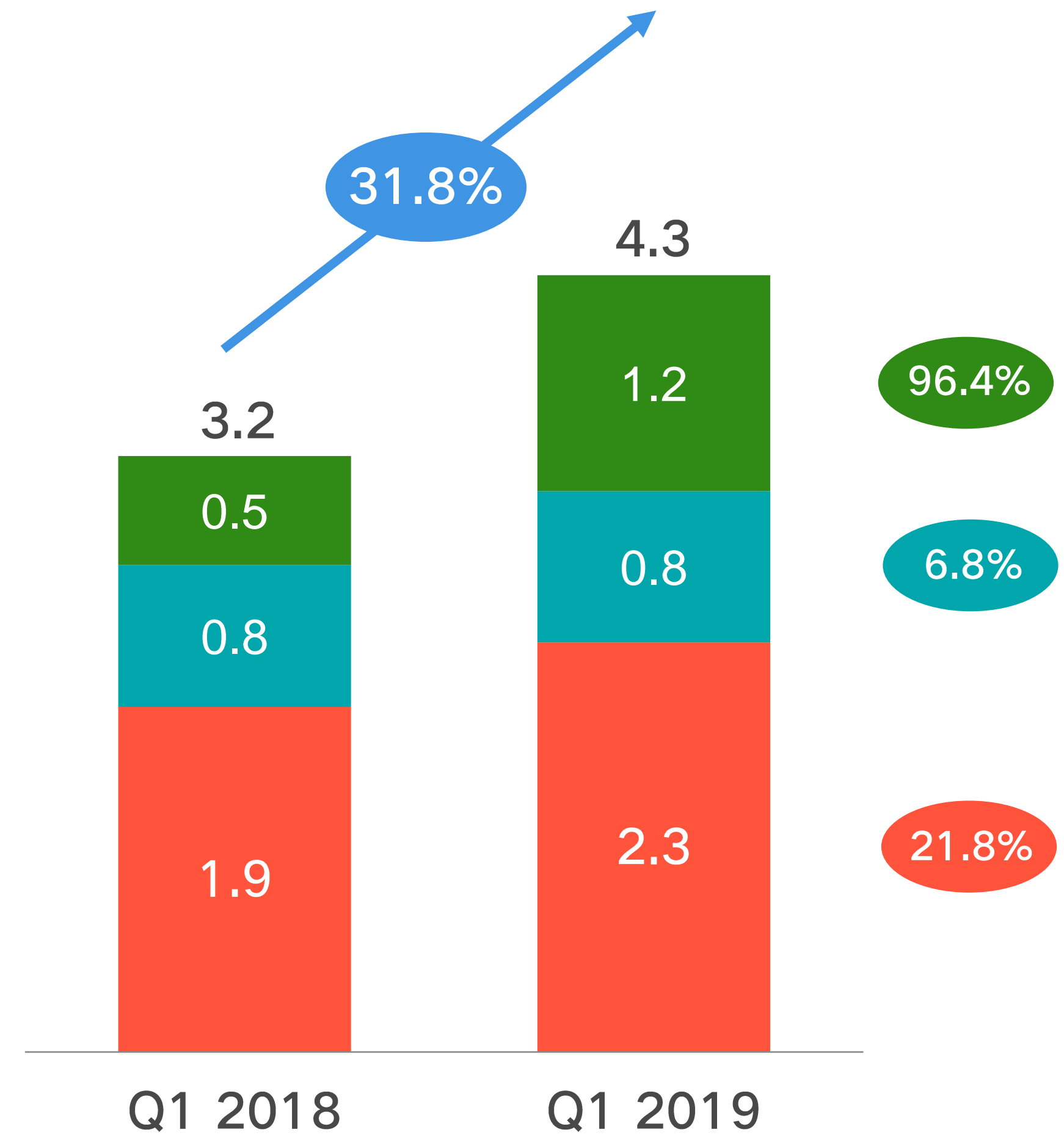
Internet Services



Internet services revenue reached RMB4.3 billion in Q1 2019, representing a YoY growth of **31.8%**

Internet services revenue
RMB billion

YoY %



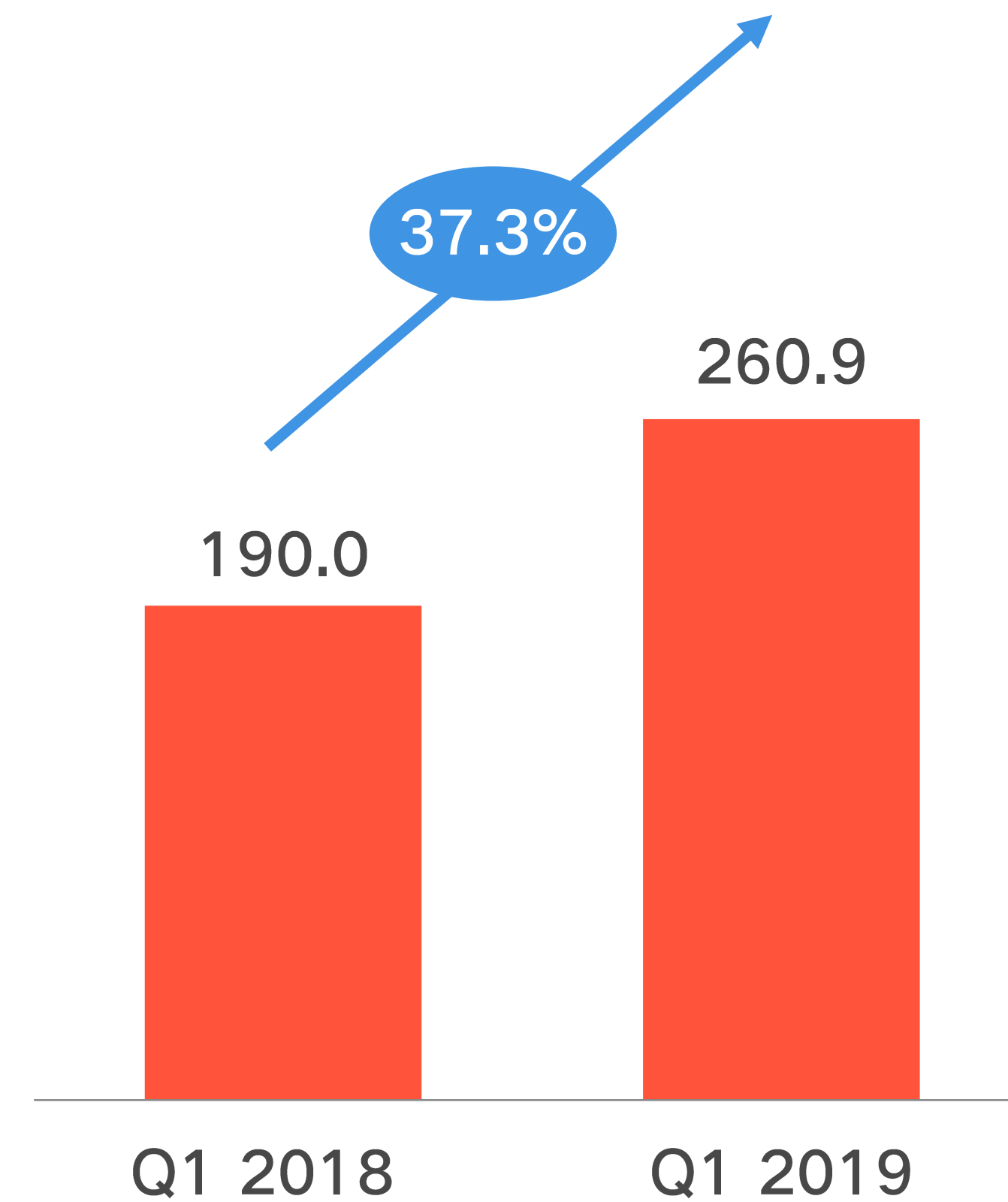
■ Advertising ■ Online games ■ Other internet value-added services



Strong MIUI MAU growth

Mainland China MAU achieved QoQ growth in Q1 2019

MIUI MAU¹
(in millions)

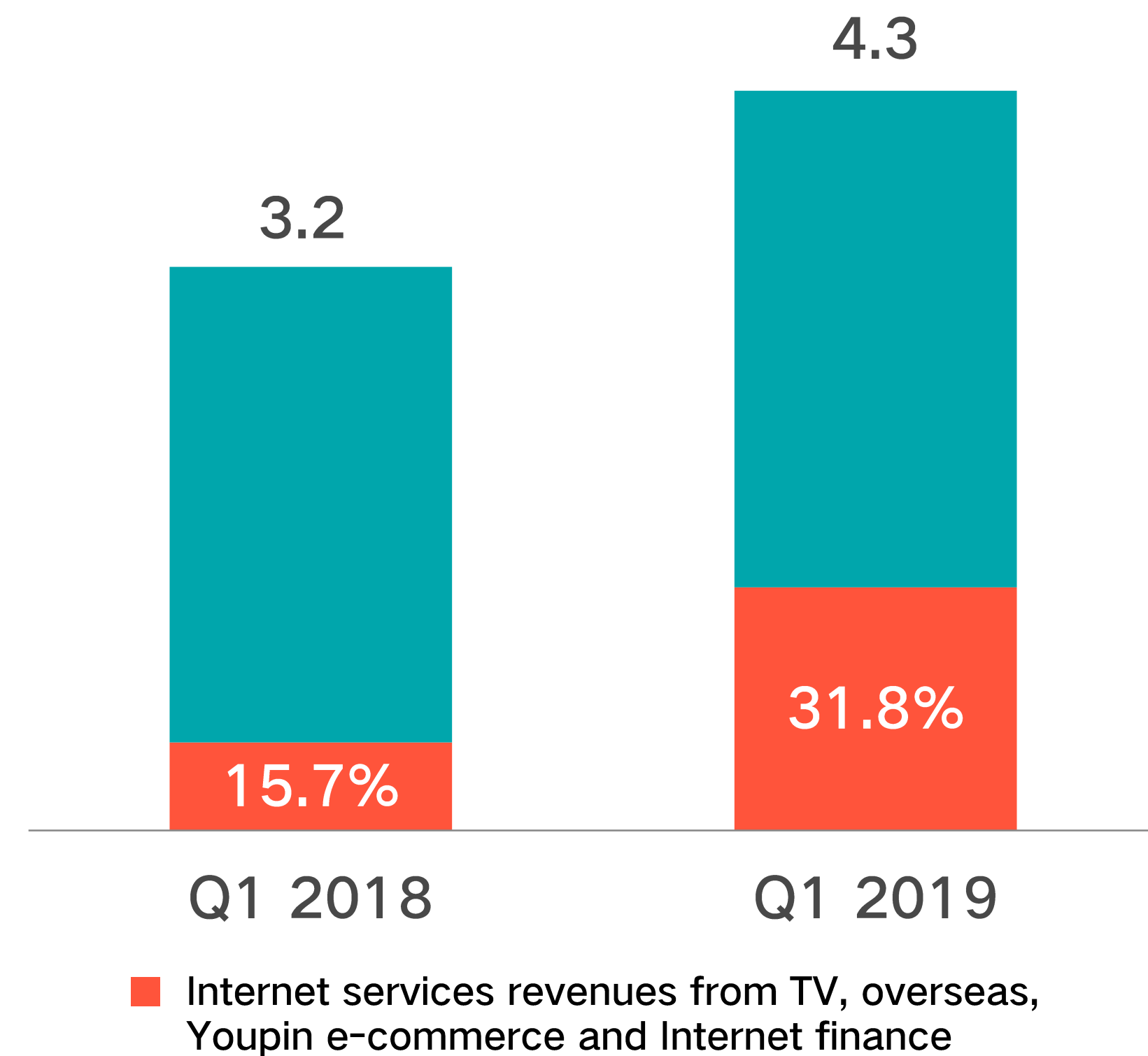




Increasing diversification of internet services revenue

~32% of internet services revenue was from internet services outside of advertising and gaming from China smartphones, with YoY growth of 167.3%

Internet services revenue
RMB billion

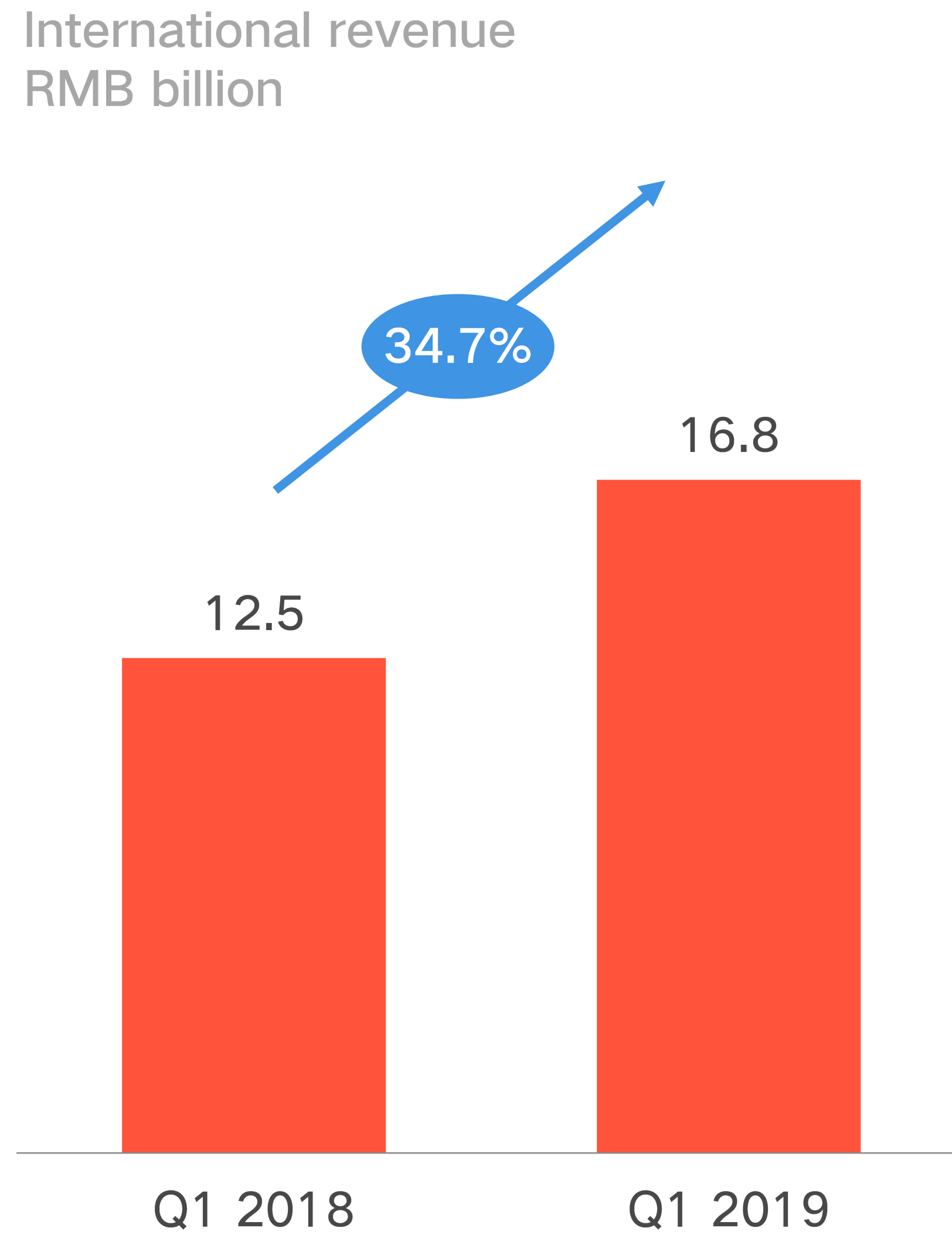




International



International revenue
grew **34.7%** YoY





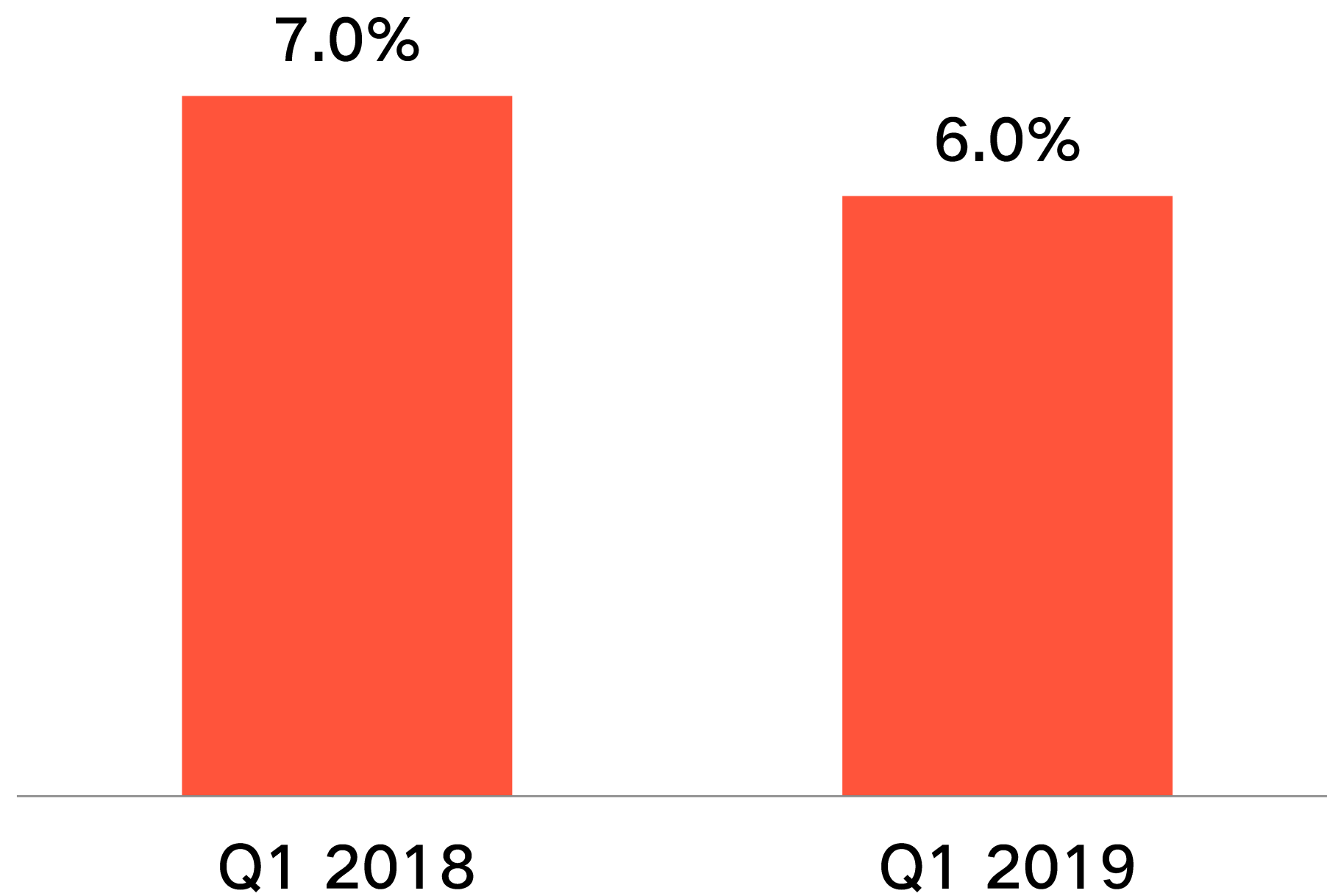
Xiaomi ranked **No.4** for smartphone shipments in Western Europe with **115%** YoY growth in Q1 2019

Western Europe smartphone market share				
Rank	Vendor	2018 Q1 Market share	2019 Q1 Market share	Shipment YoY Growth
#1	Samsung	34.8%	38.1%	10%
#2	Huawei	16.1%	23.8%	48%
#3	Apple	26.4%	21.1%	-20%
#4	Xiaomi	2.2%	4.6%	115%

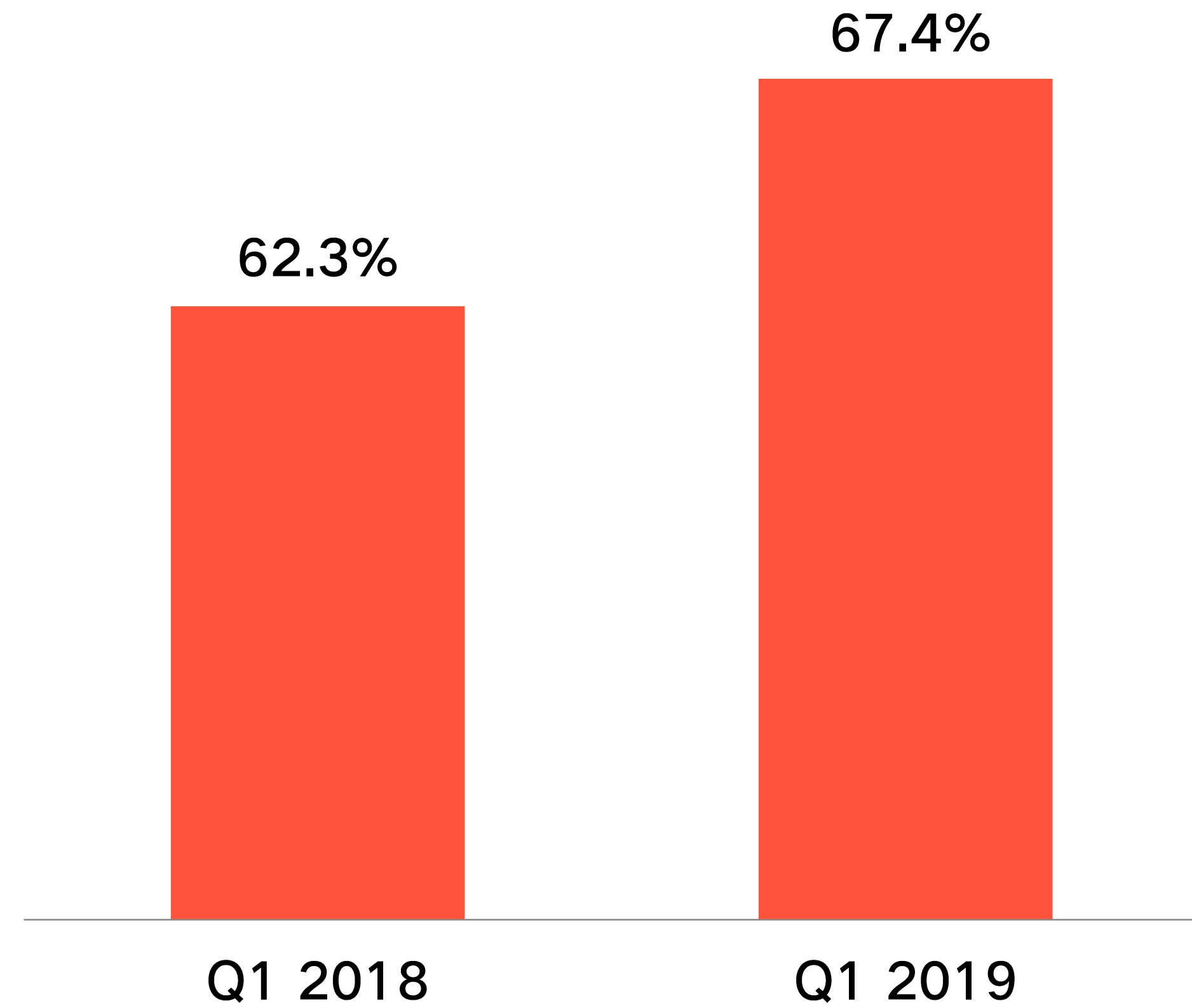


Gross margins by segment

Hardware gross margin¹



Internet services gross margin



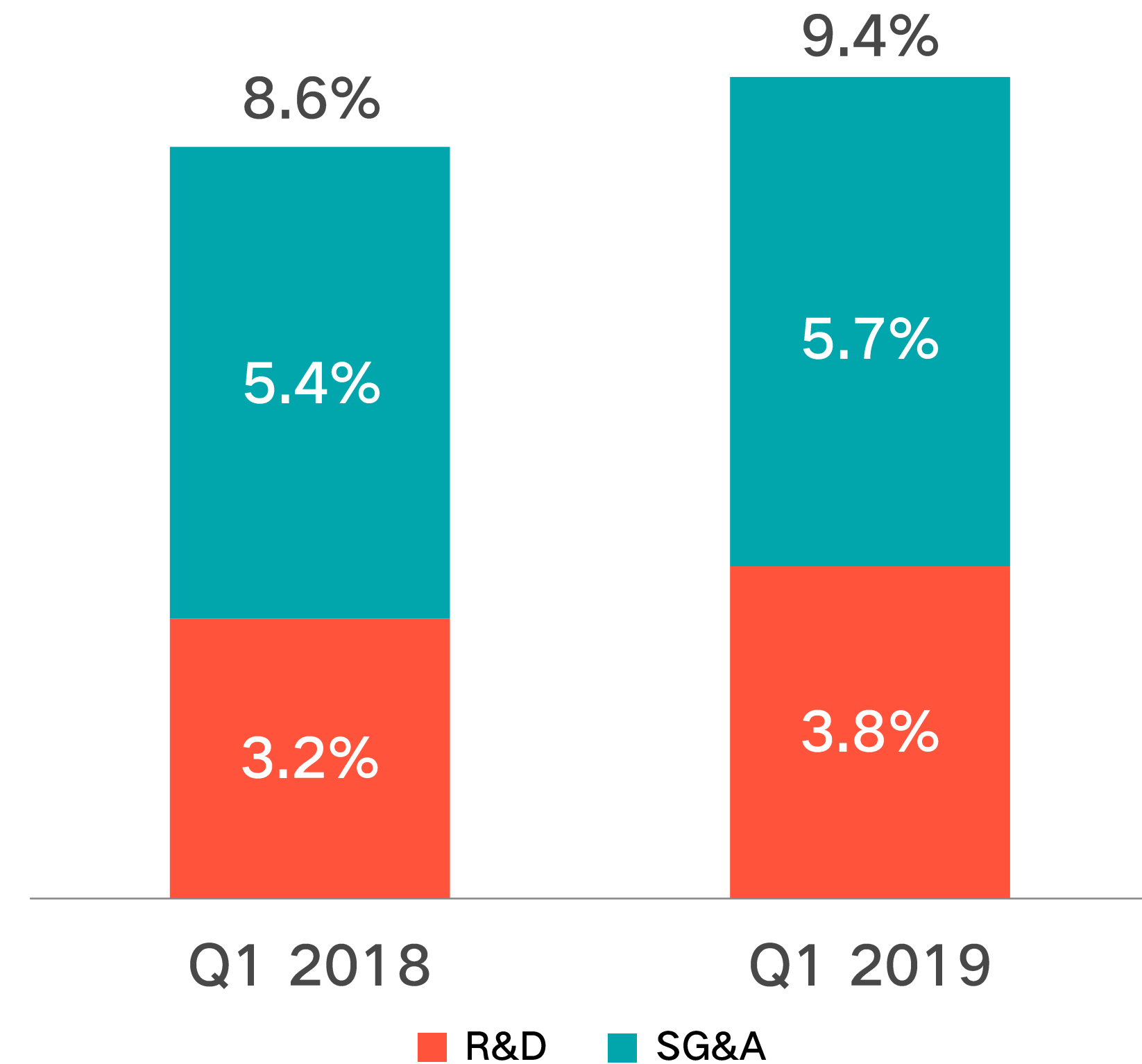
¹Hardware gross margin is derived from the sum of gross profits from smartphones and IoT and lifestyle products divided by the sum of their respective revenue * 100%



Operating expenses breakdown

R&D expenses grew **49.5%** YoY

Maintained an operating expense ratio of below 10%





Maintained a negative cash conversion cycle

Working capital	Q1 2019
Trade receivables turnover days	13
Inventory turnover days	65
Trade payables turnover days	96
Cash conversion cycle	(18)

Inventories breakdown (RMB billion)	Q4 2018	Q1 2019
Finished goods	19.1	14.4
Smartphones	13.4	9.2
Others	5.7	5.2
Raw materials and work in progress	9.4	10.2
Smartphones	8.5	8.6
Others	0.9	1.6
Spare parts and others	2.9	2.9
Less: provision for impairment	(1.9)	(1.5)
Inventories	29.5	26.0



270+

Xiaomi had invested in over 270 companies as of Q1 2019

RMB29.0 billion

Investment book value of RMB29.0 billion¹ as of Q1 2019, YoY growth of **28.6%**

Potential to generate recurring investment income

Portfolio companies listed since 2018



Strong IPO pipeline for the Science and Technology Innovation Board



¹Include investment accounted for using the equity method and long-term investments measured at fair value through profit or loss

