



# Xiaomi Corporation

2019 Annual Results Announcement

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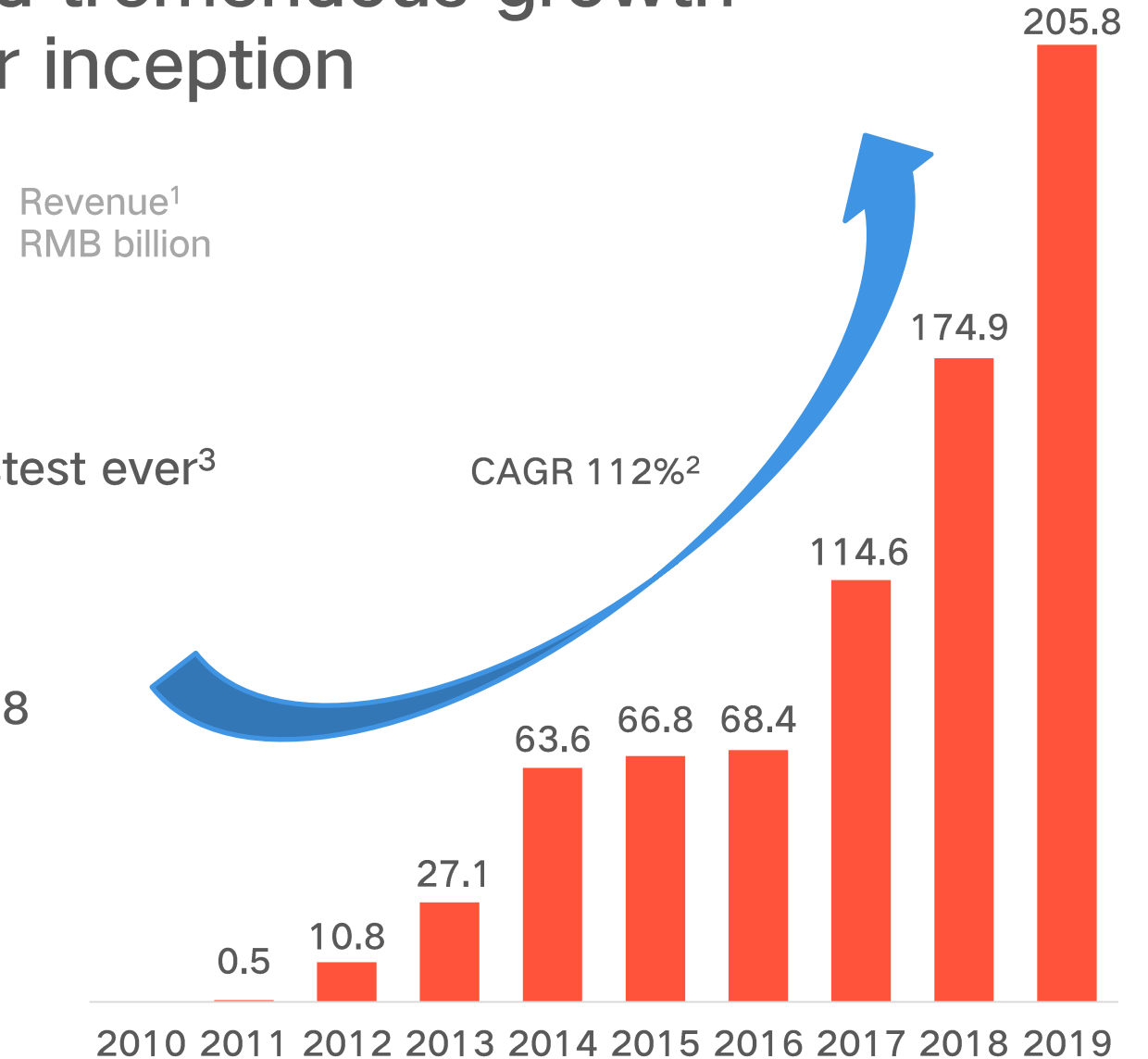
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# Xiaomi has achieved tremendous growth since our inception

- 2010 Xiaomi was founded
- 2012 Revenue surpassed **RMB10 billion**
- 2014 Revenue surpassed **USD10 billion**, the fastest ever<sup>3</sup>
- 2017 Revenue surpassed **RMB100 billion**
- 2019 Became the youngest company on Fortune Global 500 list in August, ranked No.468
- 2019 Revenue surpassed **RMB200 billion**



<sup>1</sup>Revenue from 2010 to 2014 were based on unaudited management accounts

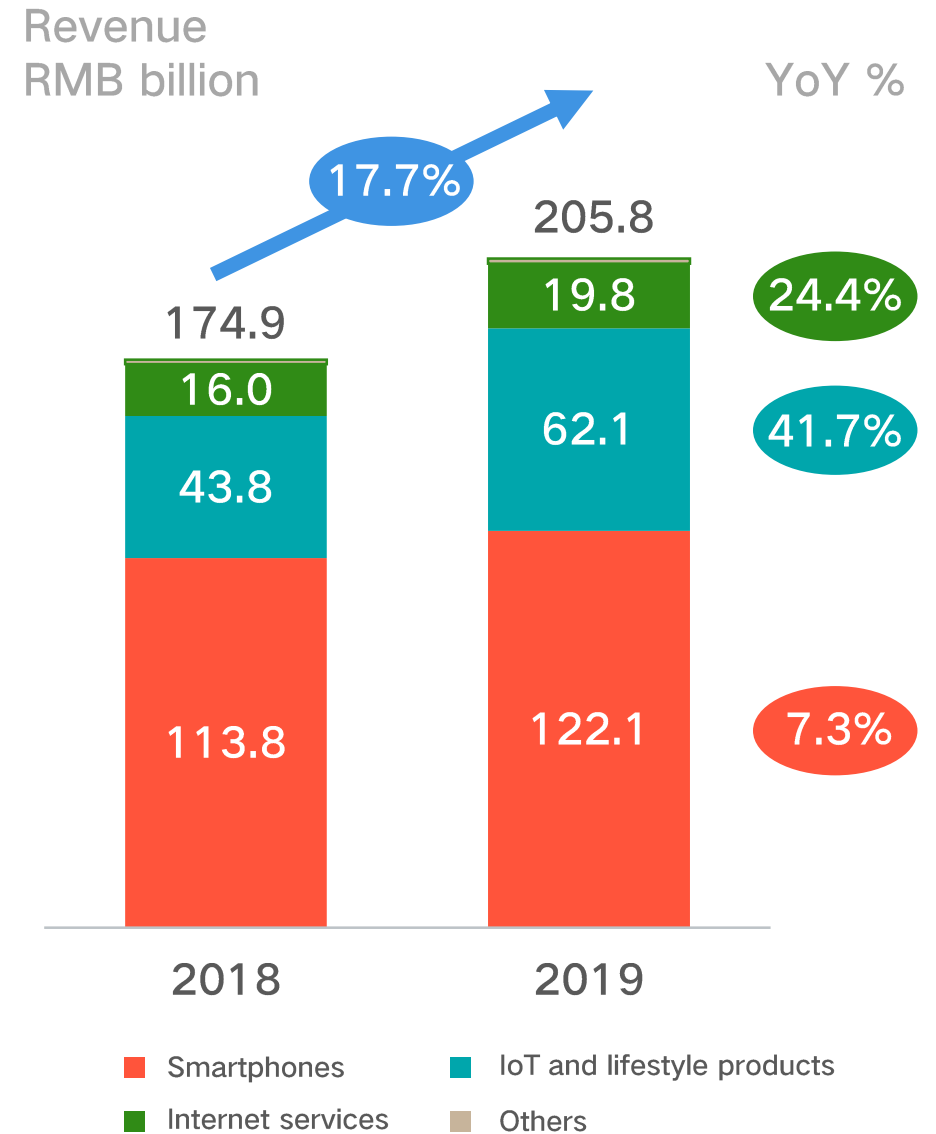
<sup>2</sup>CAGR is calculated for revenue from 2011 to 2019

<sup>3</sup>According to iResearch

In 2019

Total revenue was RMB205.8 billion,  
up **17.7%** YoY

Adjusted net profit<sup>1</sup> was RMB11.5 billion,  
up **34.8%** YoY

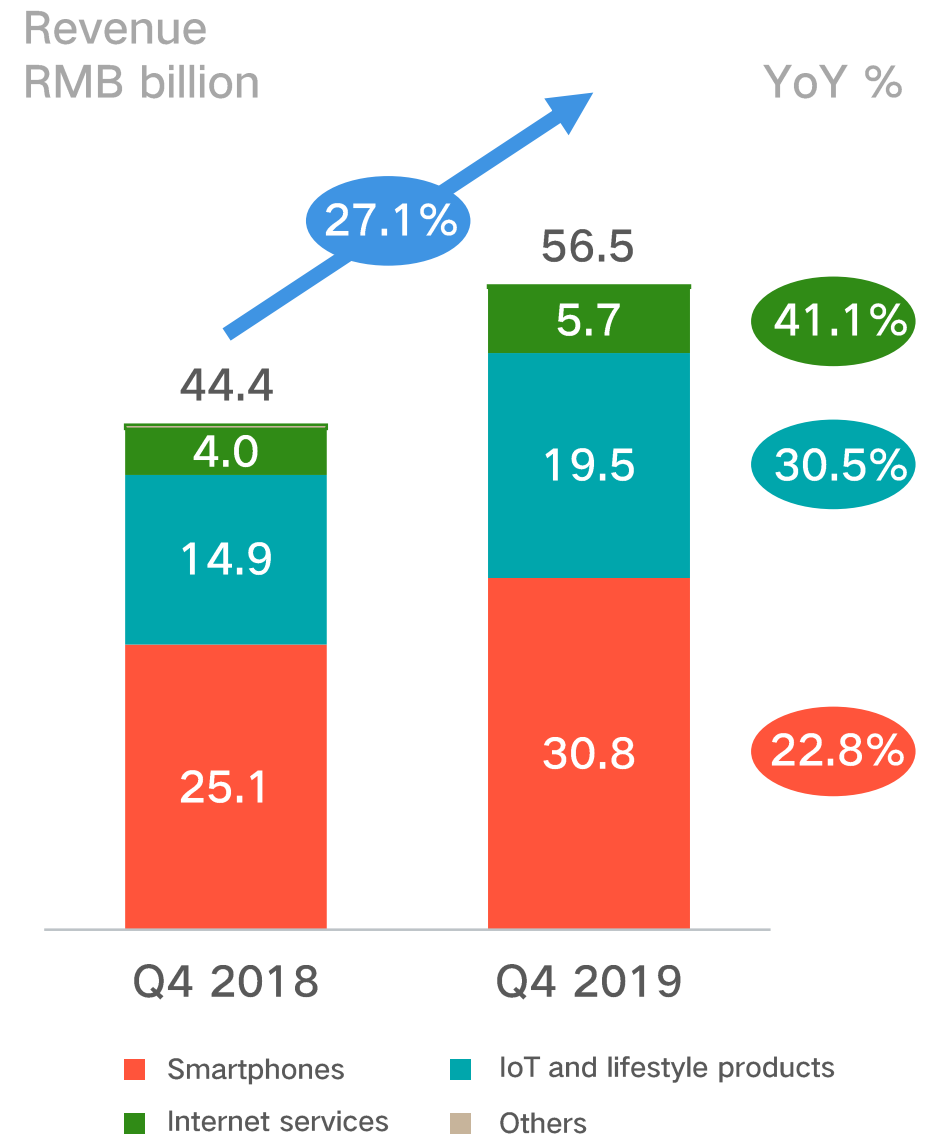


<sup>1</sup>Defined as profit for the period, as adjusted by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation, (iii) net fair value changes on investments, and (iv) amortization of intangible assets resulting from acquisitions, (v) changes of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

In Q4 2019

Total revenue was RMB56.5 billion,  
up **27.1%** YoY

Adjusted net profit<sup>1</sup> was RMB2.3 billion,  
up **26.5%** YoY



<sup>1</sup>Defined as 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 changes on investments, and (iv) amortization of intangible assets resulting from acquisitions, (v) changes of value of financial liabilities to fund investors, and (vi) income tax effects

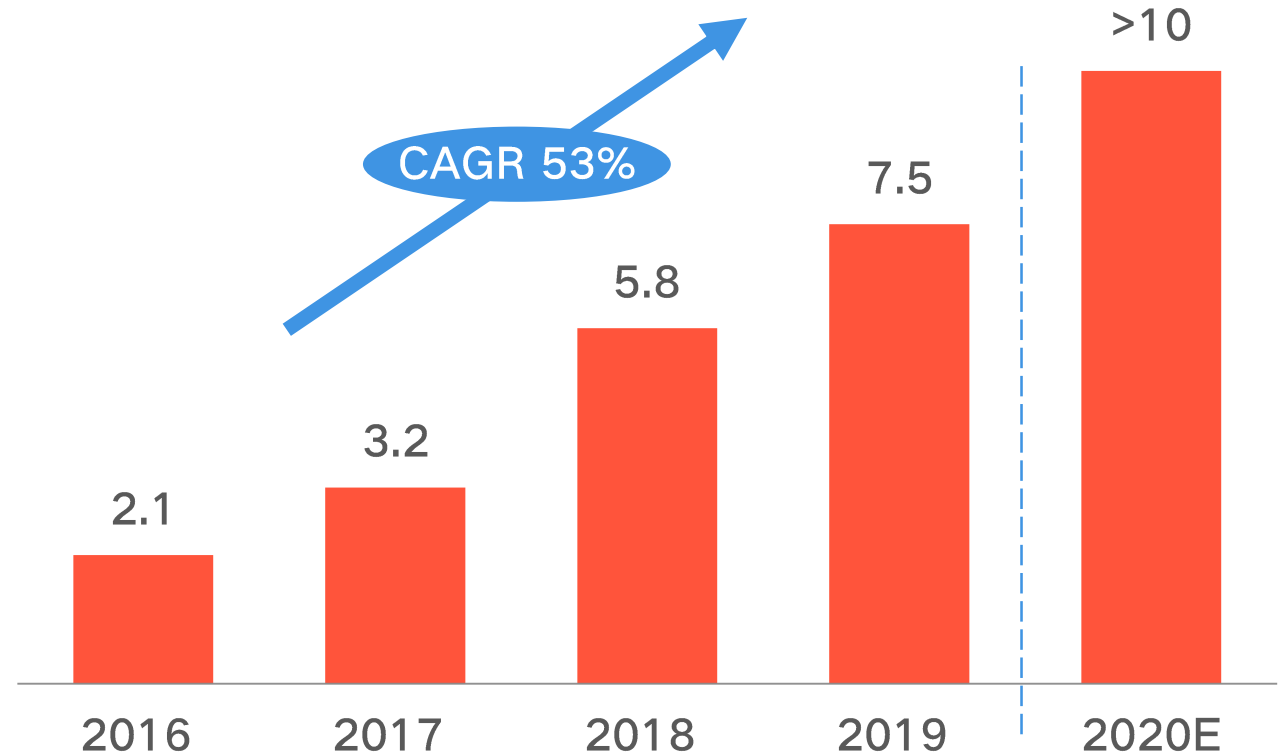
# Increasing investments in R&D

R&D expenses  
RMB billion

Accumulative R&D expenses from 2016 to 2020 expected to surpass **RMB28.6 billion**

R&D expenses in 2019 increased **29.7% YoY**

R&D expenses in 2020 expected to surpass **RMB10 billion**



# Mi 10 series has achieved success in the premium market



## Mi 10 Pro

Launched on February 13, 2020

8GB+256GB **RMB4,999**

12GB+256GB **RMB5,499**

12GB+512GB **RMB5,999**

Mi 10 Pro is well-received by the market, with shipments exceeding our original target

# Mi 10 Pro – Top scores in DXOMARK

DXOMARK			
MOBILE	CAMERA	SELFIE	AUDIO
Xiaomi Mi 10 Pro	124		76
Huawei Mate 30 Pro 5G	123		
Honor V30 Pro	122		
Huawei Mate 30 Pro	121	93	60
Xiaomi Mi CC9 Pro Premiu...	121		54

DXOMARK			
MOBILE	CAMERA	SELFIE	AUDIO
Xiaomi Mi 10 Pro	124		76
Huawei Mate 20 X	111		75
Apple iPhone XS Max	106	82	74
Apple iPhone 11 Pro Max	117	91	71
Asus ROG Phone II	95		69

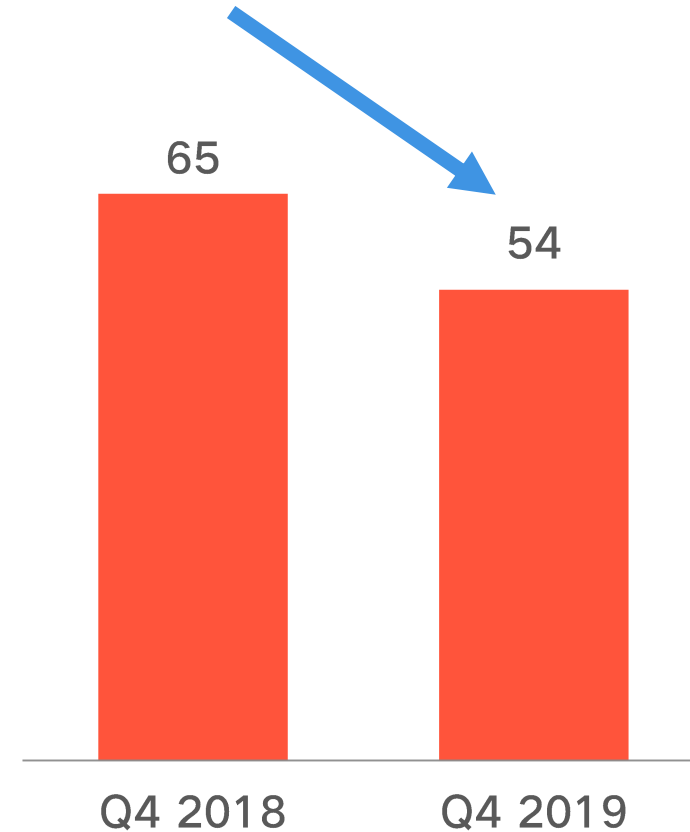
**No.1** in overall camera, video and audio scores<sup>1</sup>

<sup>1</sup>As of launch



Prudent operation strategy during the 4G to 5G transition in 2019 positions Xiaomi well to capture 5G opportunities

Inventory turnover days



# Redmi makes high-end technologies readily accessible



## Redmi K30 5G - Bringing 5G technology to the mass market

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**10+** 5G models in our 2020 pipeline to accelerate 5G penetration

Launched on December 10, 2019, with pricing starting from **RMB1,999**, bringing the price of 5G smartphone to below RMB2,000 for the first time

# COVID-19 outbreak's short-term impact on our businesses

## Supply chain

- Production was impacted between February and early March, but has resumed to 80%-90% of normal level as of end of March 2020

## Mainland China

- Offline consumption was affected initially, but demands have seen a quick recovery
- Xiaomi has been comparatively less impacted due to our advantages in online channels

## Overseas

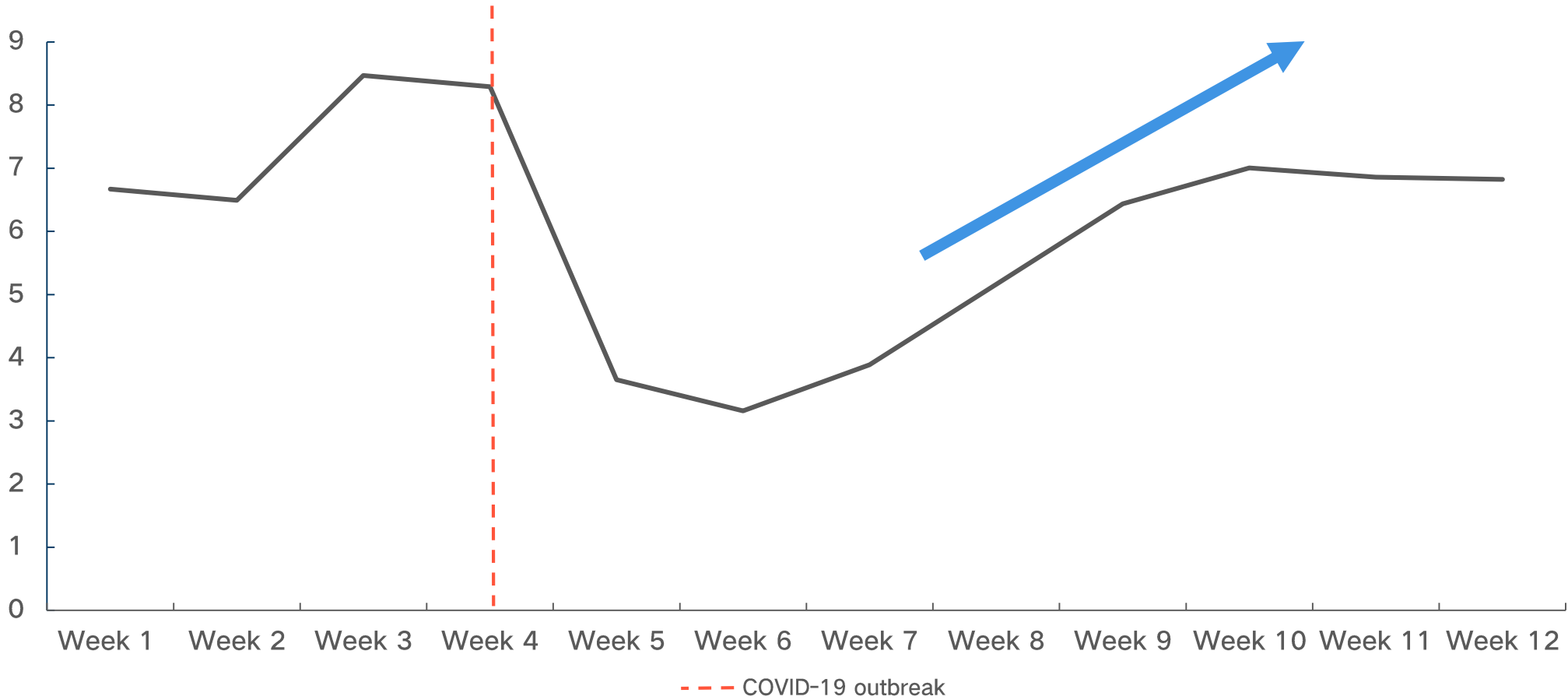
- Overseas markets impact expected to be in Q2 2020. Demand likely be deferred rather than lost
- Based on experience in China, smartphone demand is resilient and will rebound quickly
- With a strong global foothold and continuous expansion into new markets, we remain optimistic about the long-term potential of our overseas markets

## Internet services

- Both time spent and value-added service revenue grew strongly
- Advertising budgets from certain client verticals were impacted

# Smartphone shipments rebounded rapidly from COVID-19 in mainland China

Mainland China smartphone shipments<sup>1</sup>  
Million units



<sup>1</sup>According to third-party statistics, week 1 starting from December 30, 2019

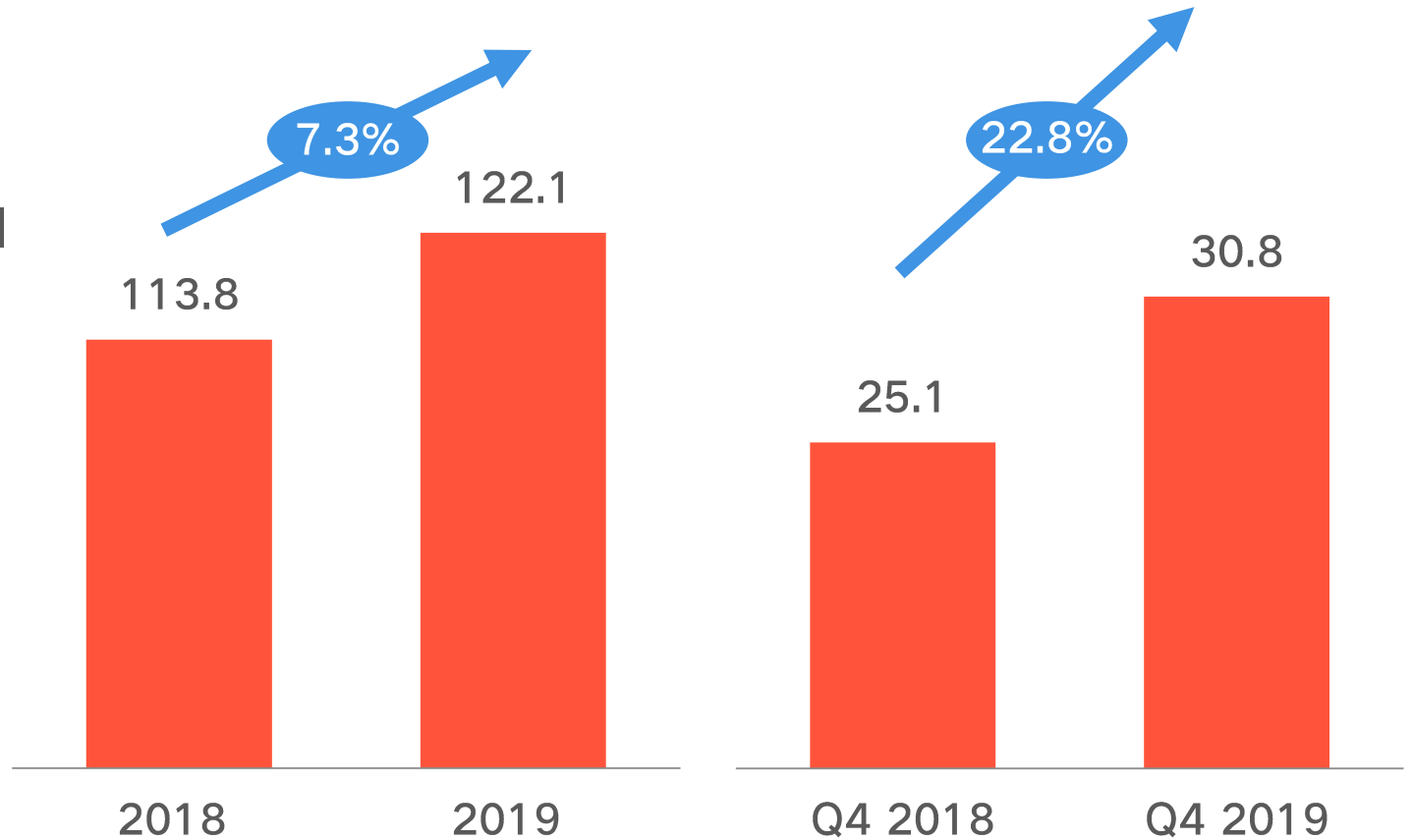
# Smartphones

Smartphone revenue  
RMB billion

2019 smartphone revenue reached RMB122.1 billion, up **7.3%** YoY

Smartphone shipments reached **124.6 million units** in 2019

Q4 2019 smartphone revenue was RMB30.8 billion, up **22.8%** YoY



# Highest growth<sup>1</sup> in smartphone industry in Q4 2019

Million units

Smartphone companies, worldwide shipments and market share					
Company	Q4 2019 Shipment Volume	Q4 2019 Market Share	Q4 2018 Shipment Volume	Q4 2018 Market Share	YoY
Apple	78.4	21.3%	71.7	19.7%	9%
Samsung	70.8	19.2%	69.9	19.2%	1%
Huawei	56.0	15.2%	60.5	16.6%	-7%
Xiaomi	33.0	9.0%	26.8	7.3%	23%
OPPO	30.3	8.2%	29.6	8.1%	2%
Others	100.2	27.2%	105.6	29.0%	-5%
Total	368.7	100.0%	364.1	100.0%	1%

Source: Canalys

<sup>1</sup>Among top 5 smartphone companies by shipments

# Dual-brand smartphone strategy successfully propelled Xiaomi into the high-end market



Xiaomi targets the mid- to high-end and diversified user markets



Redmi offers products with the ultimate price-performance ratio across different price points

Premium

RMB5,000 and above



Mi 10 /  
10 Pro 5G



Mi MIX  
Alpha

High-end

RMB3,000-5,000



Mi 9 Pro  
5G



Mi MIX 3  
5G



Redmi K30  
Pro 5G

RMB2,000-3,000



Mi CC9 Pro /  
Mi Note 10



Redmi K30 5G

Mid-end

RMB1,500-2,000



Mi CC9



Redmi Note 8 Pro



Redmi K30 4G

RMB1,000-1,500



Mi CC9e



Redmi Note 8

Entry level

RMB1,000 and below



Redmi 8



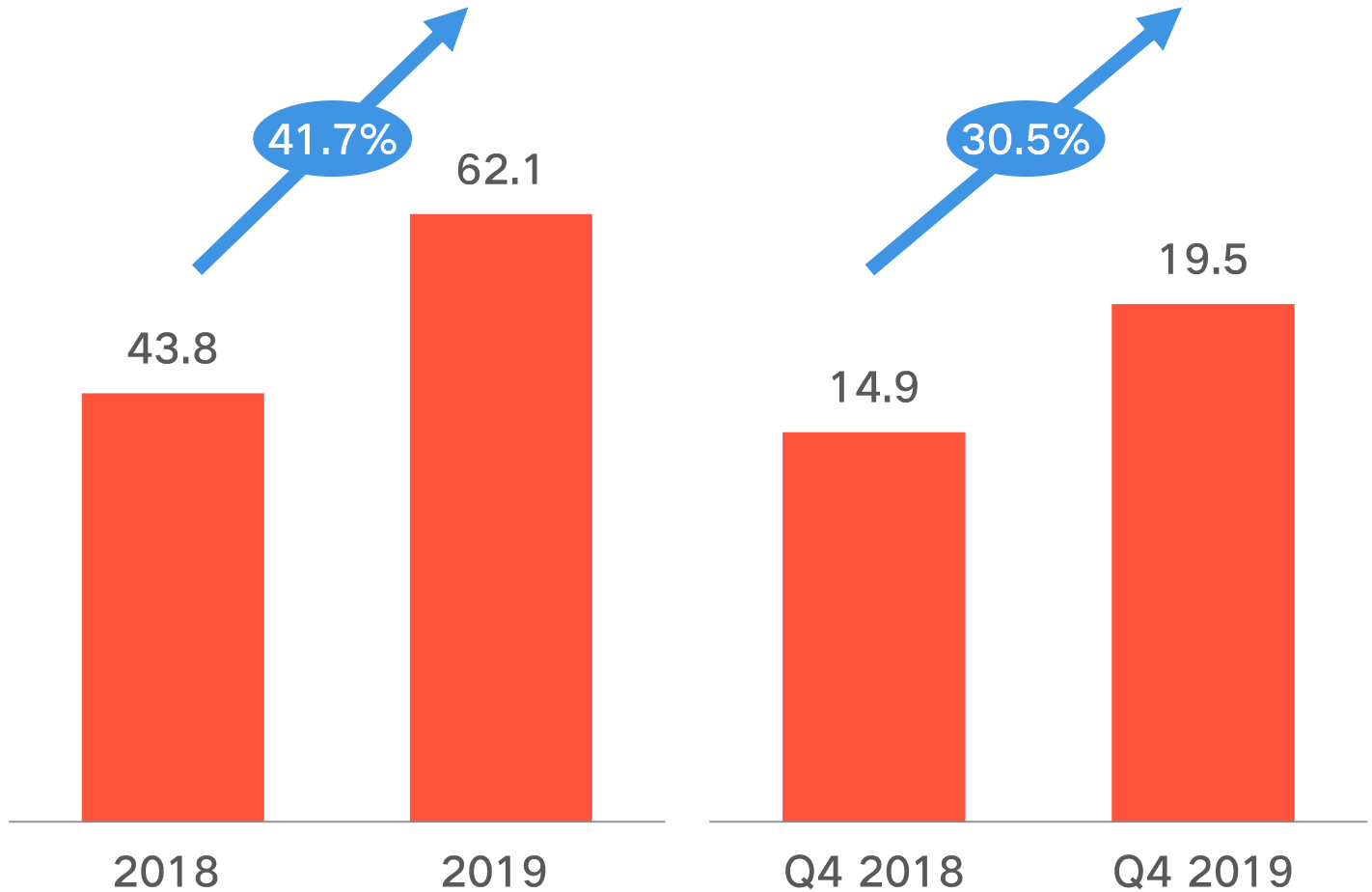
Redmi 8A

 5G models



**AIoT**

IoT and lifestyle product revenue  
RMB billion



IoT and lifestyle product revenue reached RMB62.1 billion in 2019, up **41.7%** from 2018

Q4 revenue was RMB19.5 billion, up **30.5%** YoY

# Leading global consumer AIoT platform

**~235 million**

Connected devices<sup>1</sup>  
YoY growth of 55.6%

**~4.1 million**

Users with 5 or more devices  
connected to Xiaomi's IoT platform<sup>1</sup>  
YoY growth of 77.3%

<sup>1</sup>As of December 31, 2019, excluding smartphones and laptops

# No.1 TV brand in mainland China, continuously expanding our presence overseas

TV shipments reached **~12.8 million units** in 2019,  
up **51.9%** YoY

**No.1** TV brand in mainland China:  
Xiaomi set an unprecedented record of achieving  
over **10 million** annual shipments, accounting for  
**20%**<sup>1</sup> of market share

**No.1** smart TV brand in India<sup>2</sup>

**No.5** TV brand globally<sup>3</sup>:  
Xiaomi's overseas market expansion expected to  
continue in 2020



<sup>1</sup>According to AVC, in Q4 2019, by shipments

<sup>2</sup>According to IDC, by shipments

<sup>3</sup>According to AVC, in both 2019 and Q4 2019, by shipments

# Xiaomi ranked **No.1** in global wearable band markets by shipments in 2019

Million units

Global top 5 wearable band companies by shipment volume					
Company	2019 Shipment Volume	2019 Market Share	2018 Shipment Volume	2018 Market Share	YoY
Xiaomi	35.6	21.2%	22.9	19.9%	55%
Apple	27.3	16.2%	21.2	18.4%	29%
Huawei	22.0	13.0%	9.3	8.1%	137%
Fitbit	16.0	9.5%	13.9	12.1%	15%
Samsung	9.7	5.8%	4.9	4.2%	98%
Others	57.8	34.3%	43.0	37.3%	34%
Total	168.4	100.0%	115.2	100.0%	46%

Source: Canalis, wearable band includes smartwatch and basic band

MAU of AI Voice Assistant  
reached **60.4 million** in  
December 2019,  
up **55.7%** YoY



# Internet Services

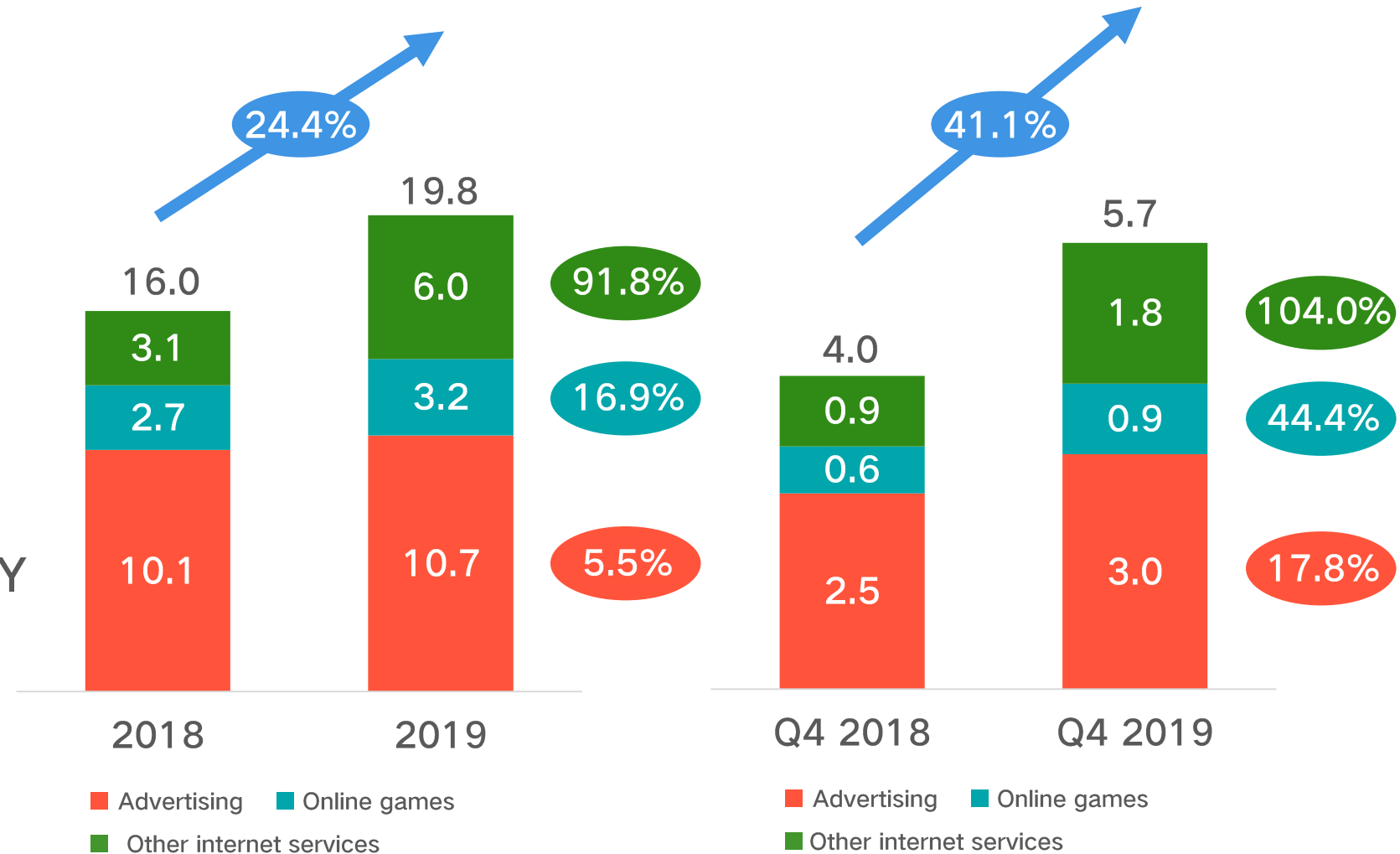
Internet services revenue  
RMB billion

YoY %

YoY %

Internet services revenue reached **RMB19.8 billion** in 2019, up **24.4%** YoY

Q4 2019 revenue was **RMB5.7 billion**, up **41.1%** YoY





# Strong user growth

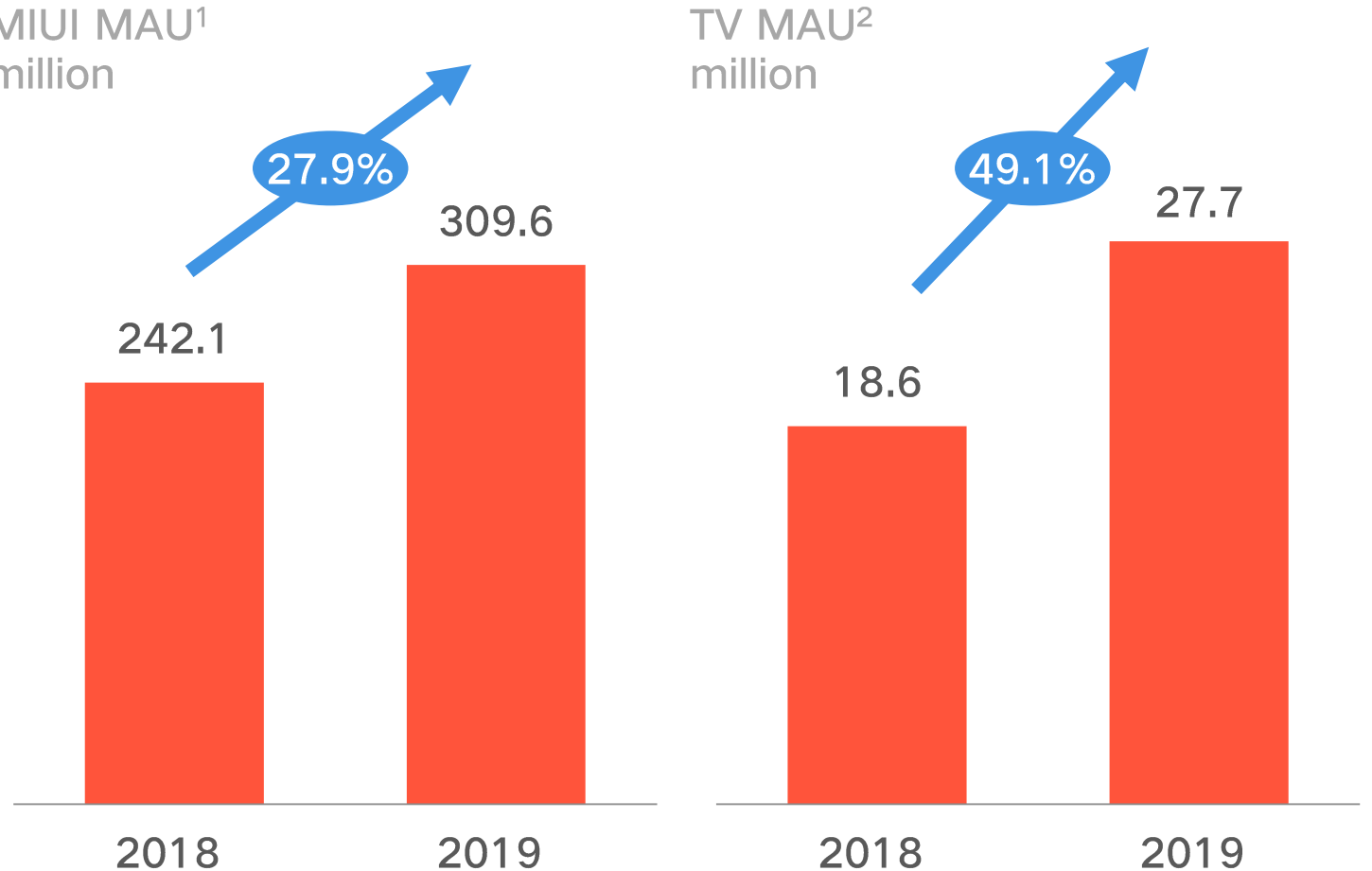
MIUI MAU<sup>1</sup>  
million

TV MAU<sup>2</sup>  
million

Global MIUI MAU<sup>1</sup> reached **309.6 million**, an increase of **27.9% YoY**

Mainland China MIUI MAU<sup>1</sup> was **109.0 million**

TV MAU<sup>2</sup> grew **49.1% YoY** to **27.7 million**

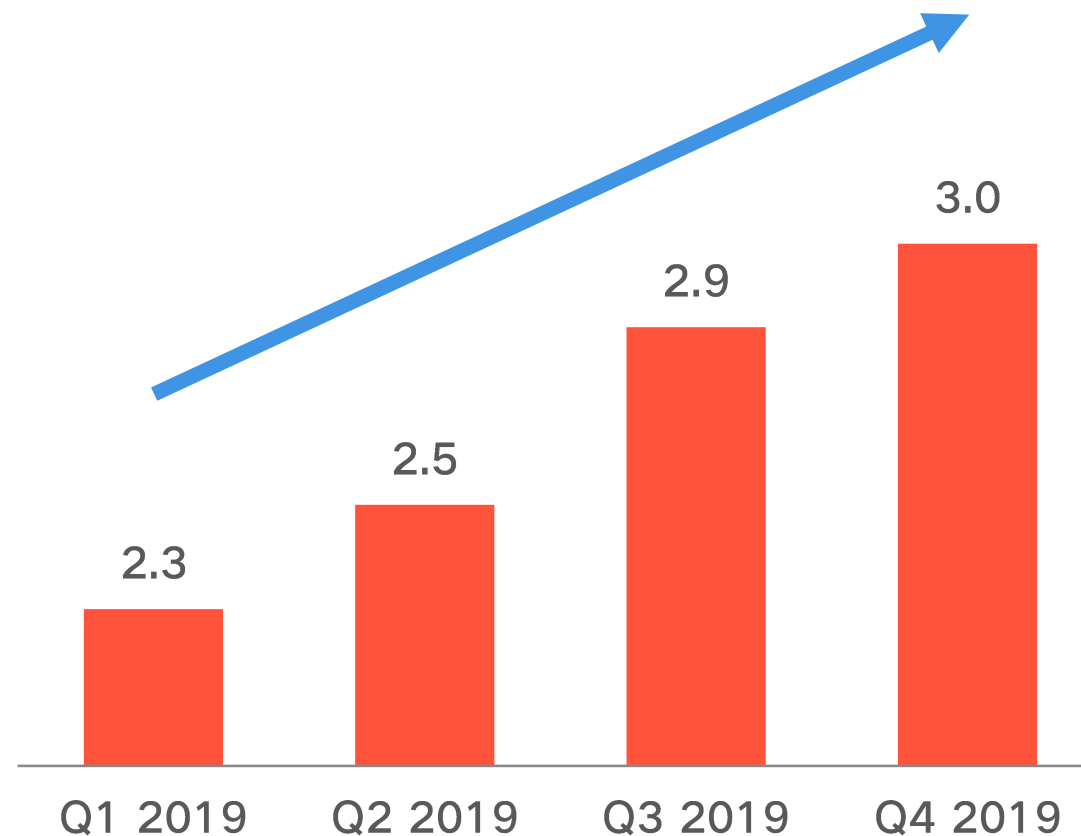


<sup>1</sup>In December as of respective years

<sup>2</sup>In December as of respective years, including both TV and TV box users

Advertising revenue increased quarter by quarter in 2019 amid challenging environment in China

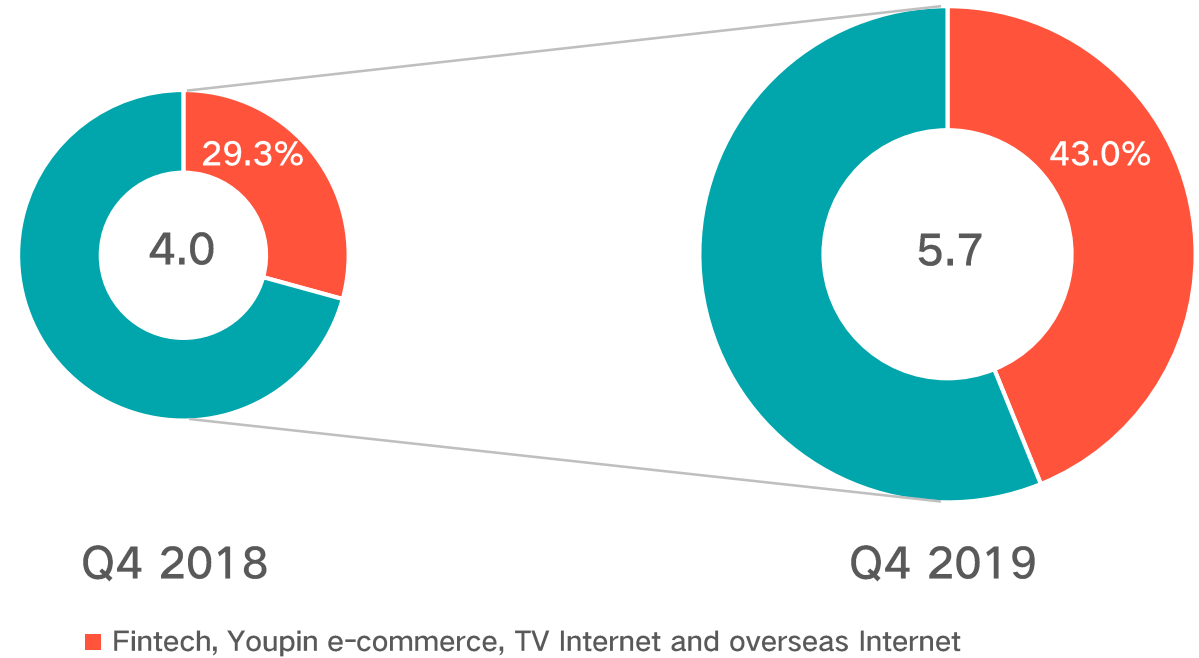
Advertising revenue  
RMB billion



# Increasingly diversified revenue streams driving sustained revenue growth

Internet services revenue  
RMB billion

In Q4 2019, **~43.0%** of internet services revenue was from internet services outside of advertising and gaming from mainland China smartphones, with YoY growth of **112.6%**



# Overseas

# Expanding our global footprint

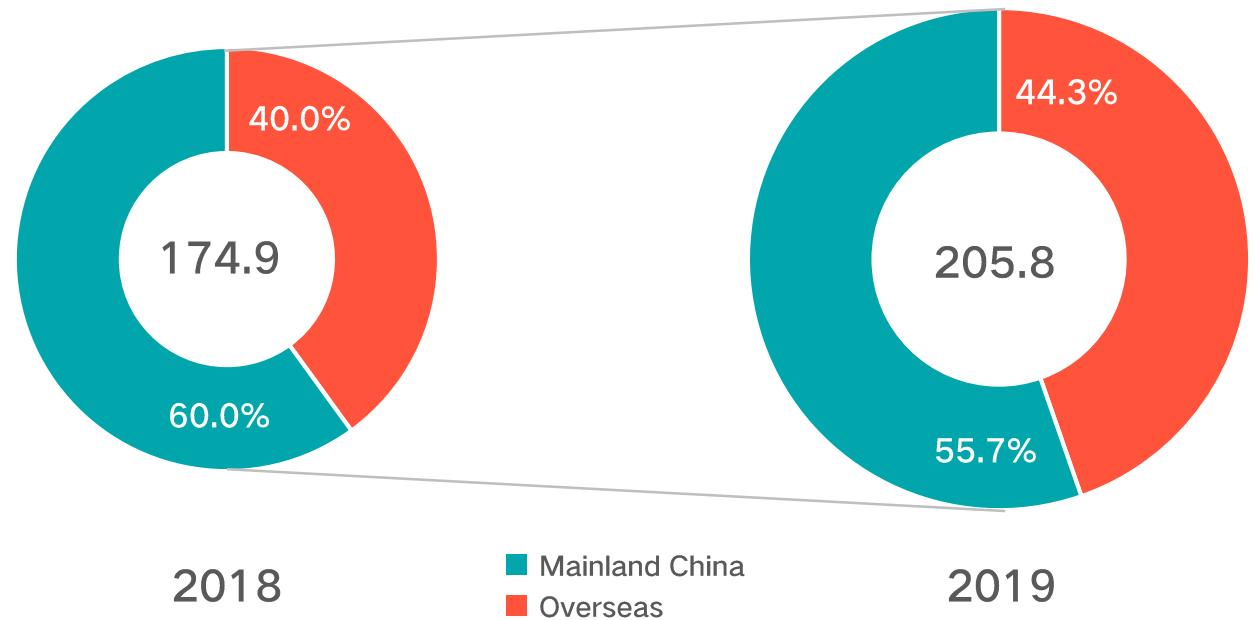
## - Strong growth momentum in overseas markets

Smartphones sold in **90+** markets

Ranked top 5 by smartphone shipments in **45** markets<sup>1</sup>

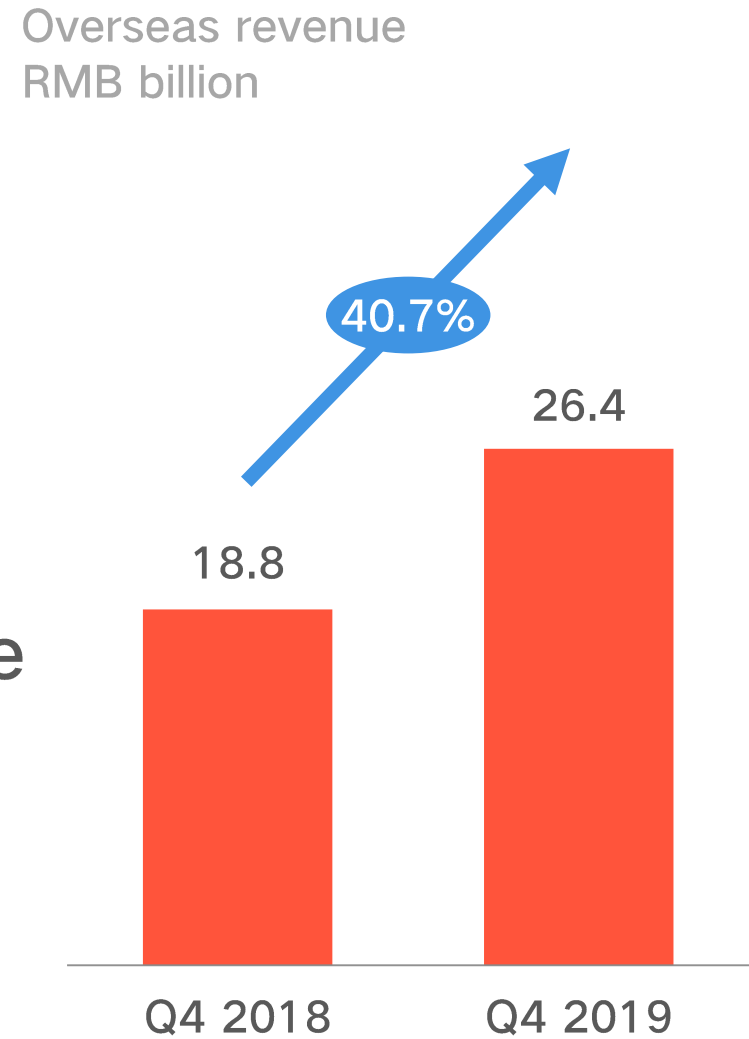
Overseas revenue reached RMB91.2 billion in 2019, up **30.4%** YoY

Revenue breakdown  
RMB billion



<sup>1</sup>In 2019, according to Canalys, by shipments

Overseas revenue in Q4 2019 was RMB26.4 billion, up 40.7% YoY, accounting for 46.8% of total revenue





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

**10** consecutive quarters: Q3 2017 to Q4 2019  
Q4 2019 market share: **29%**

# Further expanding our market share in Western Europe

Western Europe smartphone market share			
Rank	Vendor	Q4 2019 Market Share	Shipments YoY Growth
#1	Apple	37%	24%
#2	Samsung	31%	7%
#3	Huawei	12%	-39%
#4	Xiaomi	7%	115%

Spain smartphone market share			
Rank	Vendor	Q4 2019 Market Share	Shipments YoY Growth
#1	Samsung	24%	11%
#2	Xiaomi	23%	66%
#3	Apple	20%	8%
#4	Huawei	18%	-10%

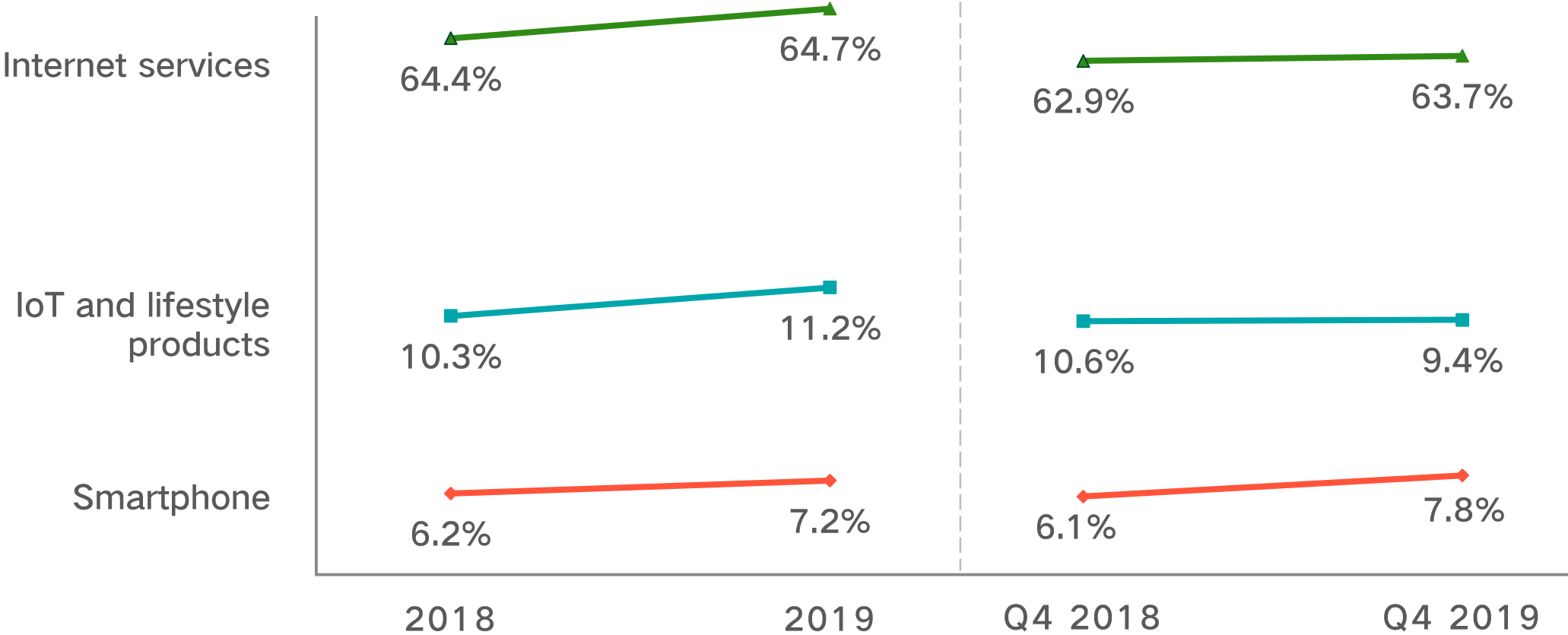
France smartphone market share			
Rank	Vendor	Q4 2019 Market Share	Shipments YoY Growth
#1	Samsung	34%	8%
#2	Apple	33%	45%
#3	Huawei	11%	-42%
#4	Xiaomi	8%	70%

Italy smartphone market share			
Rank	Vendor	Q4 2019 Market Share	Shipments YoY Growth
#1	Samsung	37%	0%
#2	Apple	21%	1%
#3	Huawei	18%	-33%
#4	Xiaomi	11%	206%



# Financials

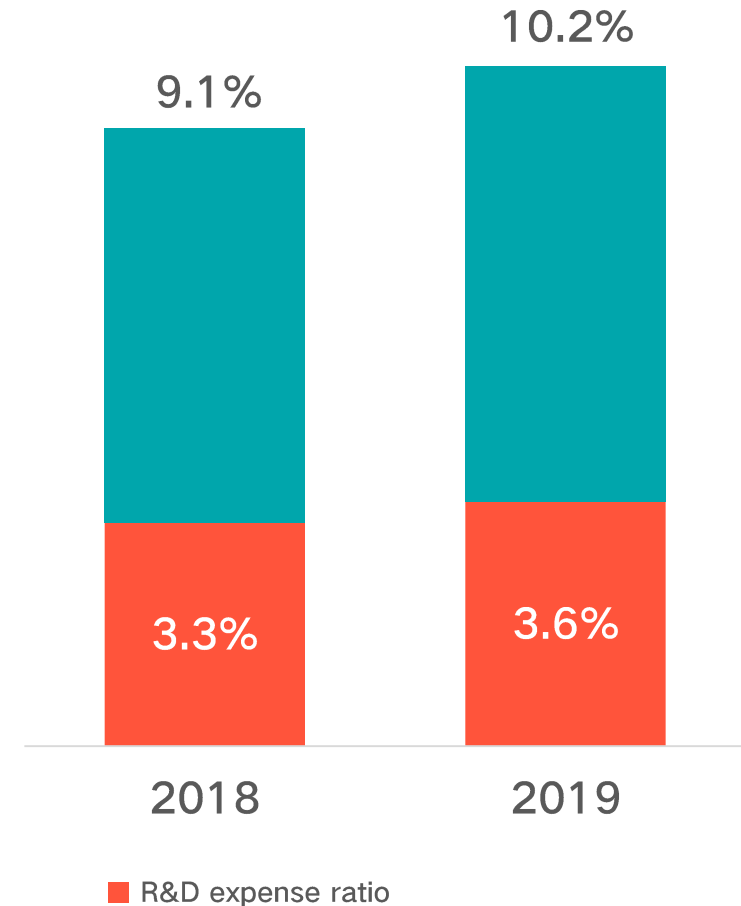
# Gross margins by segment increased in 2019



Operating expense ratio increased due to continuous investment in R&D and brand building overseas

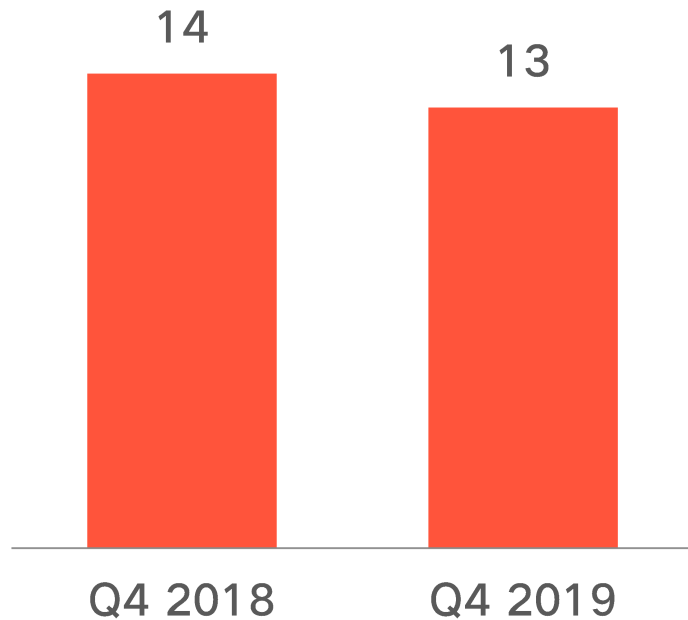
R&D expenses increased **29.7%** YoY in 2019

Operating expense ratio

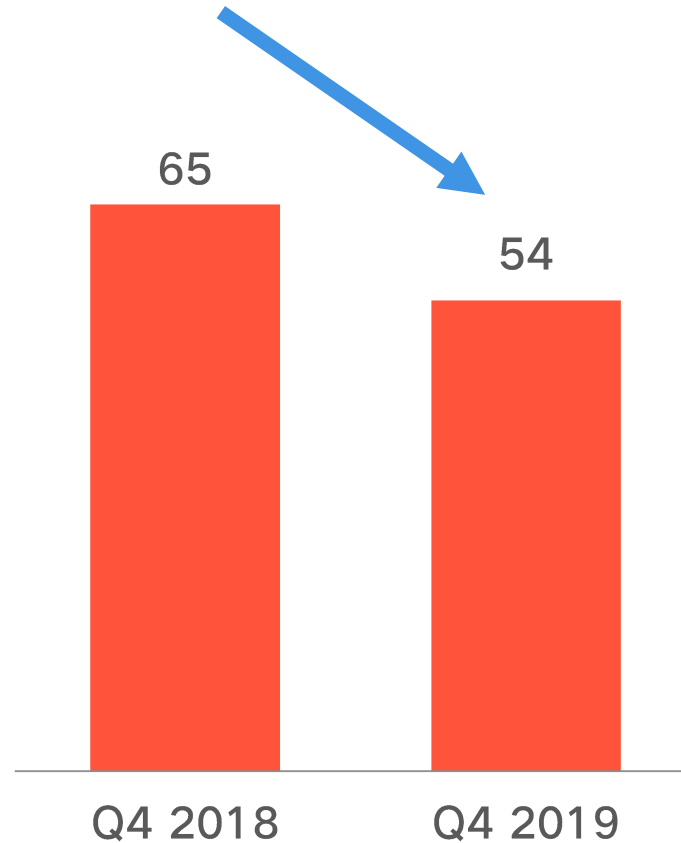


# Healthy working capital with a decline in inventory turnover days

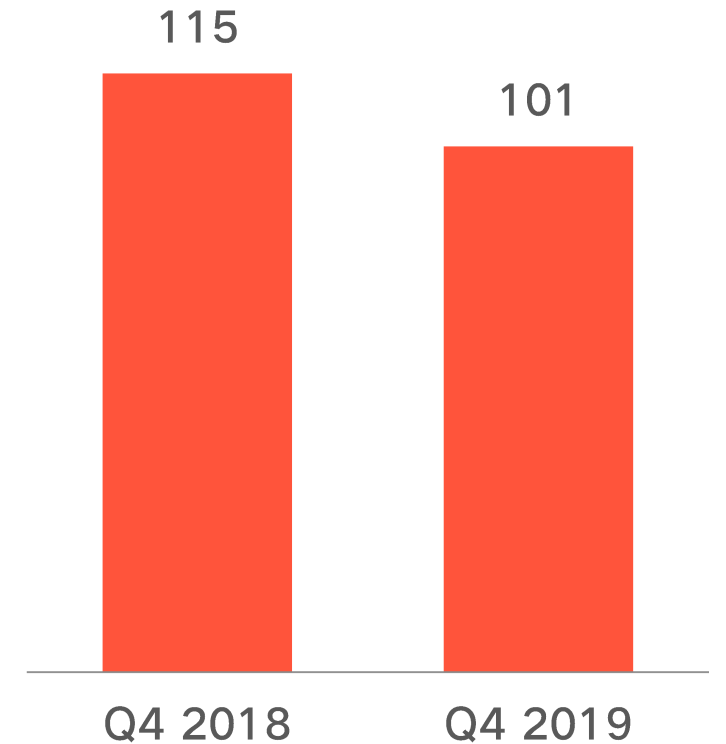
AR turnover days



Inventory turnover days

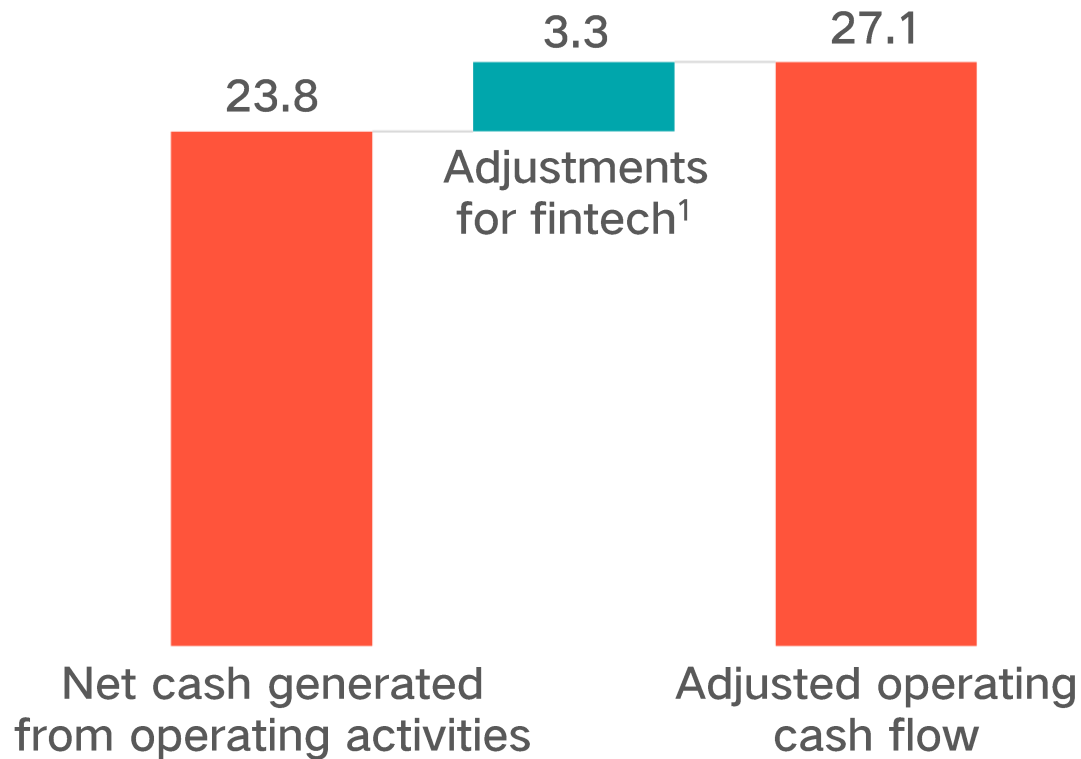


AP turnover days

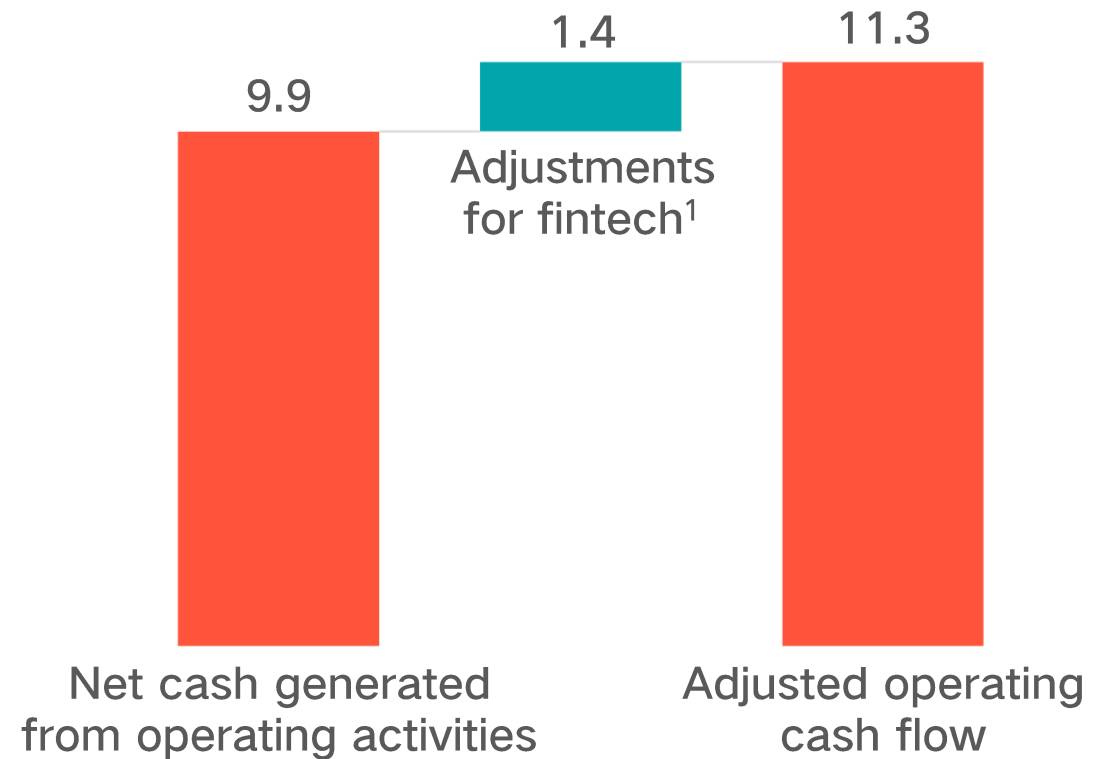


# Strong cash flow performance

2019 adjusted operating cash flow  
RMB billion

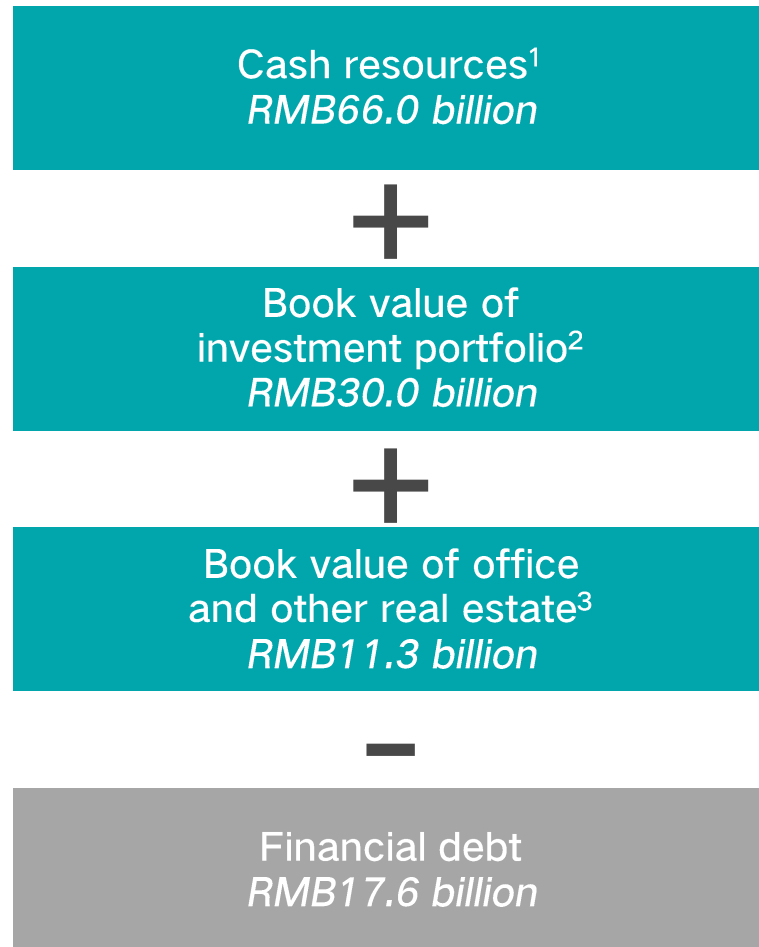


Q4 2019 adjusted operating cash flow  
RMB billion



<sup>1</sup>Including (1) the increase in loan and interest receivables and impairment provision for loan receivables mainly resulting from the internet finance business; (2) the increase in trade payables resulting from the finance factoring business; and (3) the decrease in restricted cash resulting from the internet finance business

# Adequate cash and assets enable us to weather through volatile markets



RMB **89.7 billion**

Yearly increased RMB **24.9 billion**

<sup>1</sup>The cash resources which the Group considered in cash management including but not limited to cash and cash equivalents, restricted cash, short-term bank deposits, short-term investments measured at fair value through profit or loss and long-term bank deposits.

<sup>2</sup>Including long-term investments measured at fair value through profit or loss and investment accounted for using the equity method

<sup>3</sup>Book value at cost

# The **first** Xiaomi ecosystem company listed on STAR market



**Roborock** was the first Xiaomi ecosystem company listed on Shanghai Stock Exchange Science and Technology Innovation Board (STAR market), indicating that Xiaomi's ecosystem business model is recognized by the Chinese capital markets

**RMB33.3 billion**

Roborock market capitalization<sup>1</sup>

**11.85%**

Xiaomi's stake in Roborock<sup>2</sup>

Xiaomi has invested in over **290** companies, book value of investments<sup>3</sup> reached **RMB30.0 billion** as of Q4 2019

<sup>1</sup>Based on closing price on the day of IPO

<sup>2</sup>As of December 31, 2019

<sup>3</sup>Include investments accounted for using the equity method and long-term investments measured at fair value through profit or loss

