



Xiaomi Corporation

Q2 2021 Results Announcement



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Key highlights in Q2 2021

Record results

Revenue

87.8 billion

RMB

64.0% YoY

Adjusted net profit¹

6.3 billion

RMB

87.4% YoY

#2 global smartphone market share

#2

Global market share
(16.7%)

#3

Mainland China market share
(16.8%)

#1

Europe market share
(28.5%)

Growing user base

453.8 million

Global MIUI MAU²
32.1% YoY

124.0 million

Mainland China MIUI MAU²
13.0% YoY

Leading AIoT platform

374.5 million

AIoT connected devices³
34.0% YoY

102.0 million

AI assistant MAU²
30.2% YoY

¹ 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 of non-IFRS adjustments

² In June 2021

³ As of June 30, 2021, excluding smartphones and laptops

Record revenue and adjusted net profit

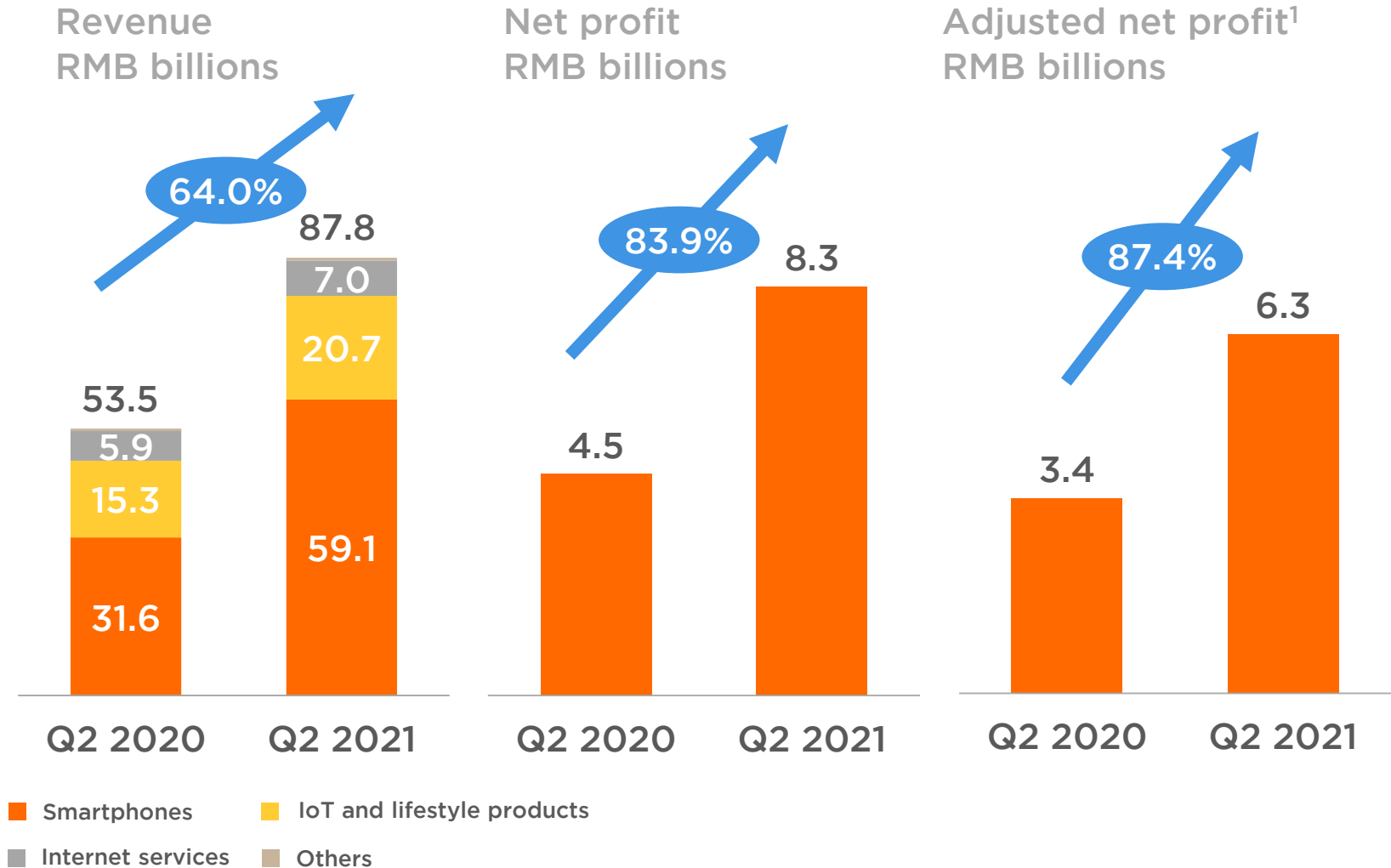
In Q2 2021

Total revenue was RMB87.8 billion, up **64.0%** YoY

Net profit was RMB8.3 billion, up **83.9%** YoY

Adjusted net profit was RMB6.3 billion, up **87.4%** YoY

Both quarterly total revenue and adjusted net profit achieved record highs



¹ 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 of non-IFRS adjustments

Powerful brand with global recognition



Fortune Global 500



Ranked **#338** in 2021
Up **84** slots from last year
Listed for **3rd** consecutive year

2021 Kantar BrandZ™ Top 100 Most Valuable Global Brands



Ranked **#70** in 2021
Up **11** slots from last year
Listed for **3rd** consecutive year



No. 2 market share globally with the highest YoY growth¹

Million units

Worldwide smartphone shipments and market share					
Vendor	Q2 2021 shipment volume	Q2 2021 market share	Q2 2020 shipment volume	Q2 2020 market share	Shipment YoY growth
Samsung	58.0	18.4%	53.7	18.9%	8.1%
Xiaomi	52.8	16.7%	28.8	10.1%	82.9%
Apple	45.7	14.5%	45.1	15.8%	1.3%
OPPO	32.6	10.3%	25.8	9.1%	26.2%
vivo	31.2	9.9%	24.5	8.6%	27.4%
Others	95.3	30.2%	106.8	37.5%	-10.7%
Total	315.6	100.0%	284.7	100.0%	10.8%

Source: Canalis

¹ Among top 5 smartphone vendors by shipments

No. 3 market position in mainland China with the highest YoY growth¹



Million units

Mainland China smartphone shipments and market share					
Vendor	Q2 2021 shipment volume	Q2 2021 market share	Q2 2020 shipment volume	Q2 2020 market share	Shipment YoY growth
vivo	18.2	24.3%	14.8	16.3%	23.3%
OPPO	16.0	21.4%	14.5	16.0%	10.4%
Xiaomi	12.6	16.8%	9.3	10.3%	35.1%
Apple	7.9	10.5%	7.7	8.5%	1.6%
Honor	6.9	9.2%	12.8	14.1%	-46.0%
Others	13.3	17.7%	31.5	34.7%	-57.9%
Total	74.9	100.0%	90.7	100.0%	-17.3%

Source: Canalsys

¹ Among top 5 smartphone vendors by shipments

Strengthened our position in the premium market



Premium smartphone² shipments reached over **12 million** units globally in H1 2021, versus ~10 million units in 2020

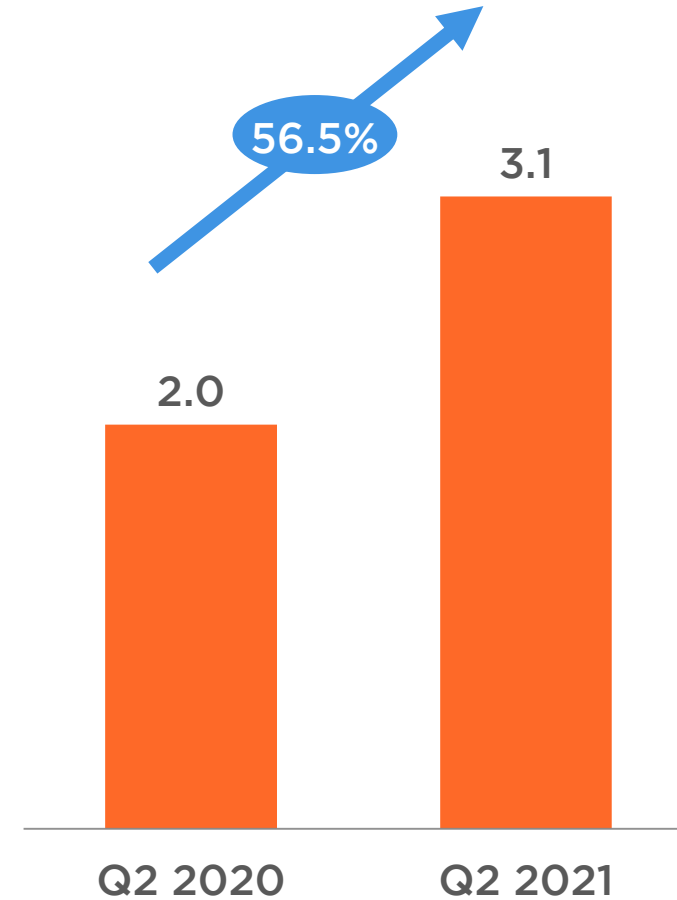
¹ By smartphone shipments in Q2 2021 in mainland China, according to third-party data

² Smartphones with mainland China major retail price at RMB3,000 and above or with overseas major retail price at €300 and above

Continuous investment in research and development



R&D expenses
RMB billions



In Q2 2021

R&D expenses increased by **56.5%** YoY to **RMB3.1 billion**

Continuous technology innovation - Xiaomi MIX 4



Camera Under Panel (CUP) technology

Full screen display with
hidden front camera

RMB500 million+
R&D investment

60
Patent applications



“Point to Connect” UWB¹ technology

The first domestic smartphone
to feature UWB



¹ Ultra wide band



CyberDog – a bio-inspired quadruped robot

Promote innovation by establishing a robotics laboratory and open source platform

Xiaomi Smart Factory (Phase 2) commenced construction in Beijing¹



58,300 m²
Total area

Begin production
by end of 2023

10 million
Annual capacity

Ultra-premium
smartphone units

Xiaomi's first large-scale smart factory, leveraging Phase 1's R&D capabilities

¹ Began construction on July 14, 2021

Attracting and retaining the best talent



Incentives for young engineers and outstanding staff



3,904 Participants

- Outstanding young engineers, fresh graduates, and staff in core positions
- Recipients of the Annual Technical Award



70,231,664 Award Shares¹

Incentives for technology specialists and core management



122 Participants

- Technology specialists
- Middle and senior management
- First batch of recipients under the New 10-year Entrepreneur Program



119,650,000 Award Shares²

¹ Representing approximately 0.28% of the total issued shares of the Company as at July 2, 2021 and approximately 0.28% of the total issued shares of the Company as enlarged by such issue and allotment

² Representing approximately 0.48% of the total issued shares of the Company as at July 5, 2021 and approximately 0.47% of the total issued shares of the Company as enlarged by such issue and allotment



Recruiting the best talent for our smart EV business

Total applications
received for
smart EV business¹

Over
20,000

Self-driving division
recruiting
500 positions

Development of
**L4 autonomous
driving technology**

Announced
acquisition of

DeepMotion

to strengthen
autonomous driving
capability

Note: The vehicle pictured above is for illustrative purposes only
¹ From June 11 to August 12, 2021



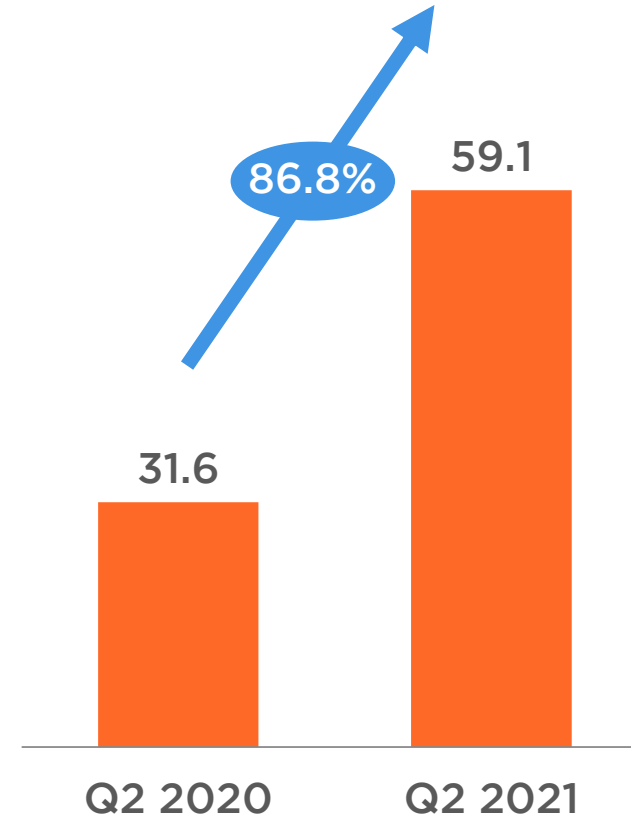
Smartphones

In Q2 2021

Smartphone revenue reached **RMB59.1 billion**, up **86.8%** YoY

Smartphone shipments achieved **52.9 million** units, up **86.8%** YoY, a record high

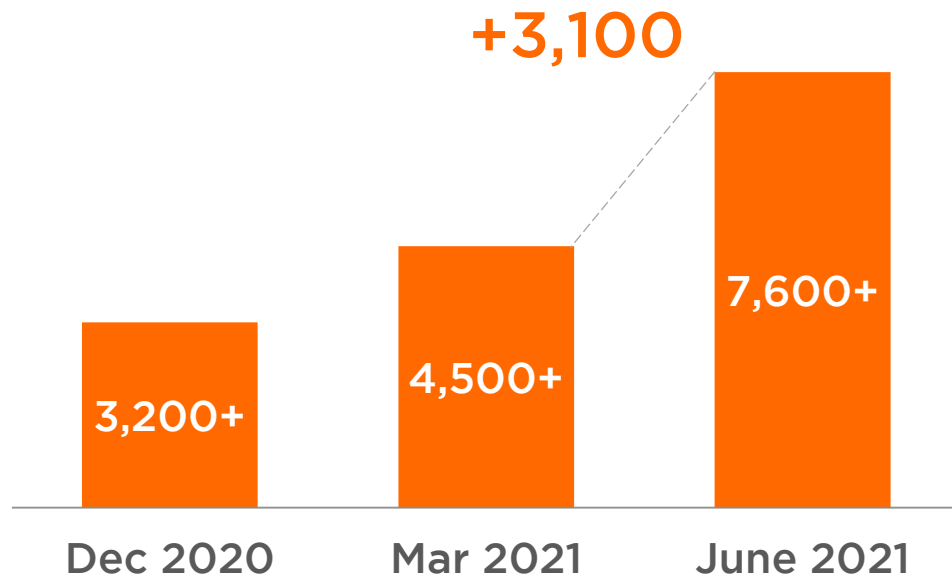
Smartphone revenue
RMB billions



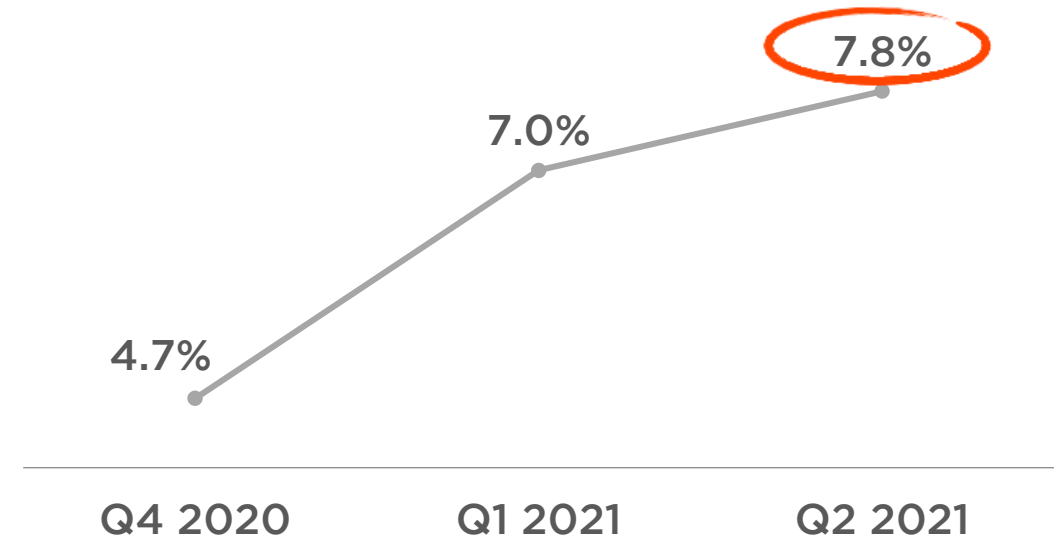
Mainland China offline retail expansion continued to gain traction



Offline retail stores in mainland China
#



Xiaomi offline smartphone market share in mainland China¹
%



¹ According to third-party data, by smartphone shipments in mainland China

Broke new records during the 618 e-Commerce Festival



Cumulative paid GMV exceeded **RMB19 billion¹**, up **90% YoY**



No.1 by order volume¹ among Android smartphones²



- Smart TV -
Order value exceeded **RMB1.7 billion³**



- Wearable devices -
Order volume exceeded **1.9 million units³**



- Smart AC -
Order value exceeded **RMB850 million³**

IoT products achieved **158 No.1** rankings by order value or order volume^{1, 2}

¹ From 00:00:00 June 1 to 23:59:59 June 18, 2021

² On JD.com, Tmall.com and Suning.com

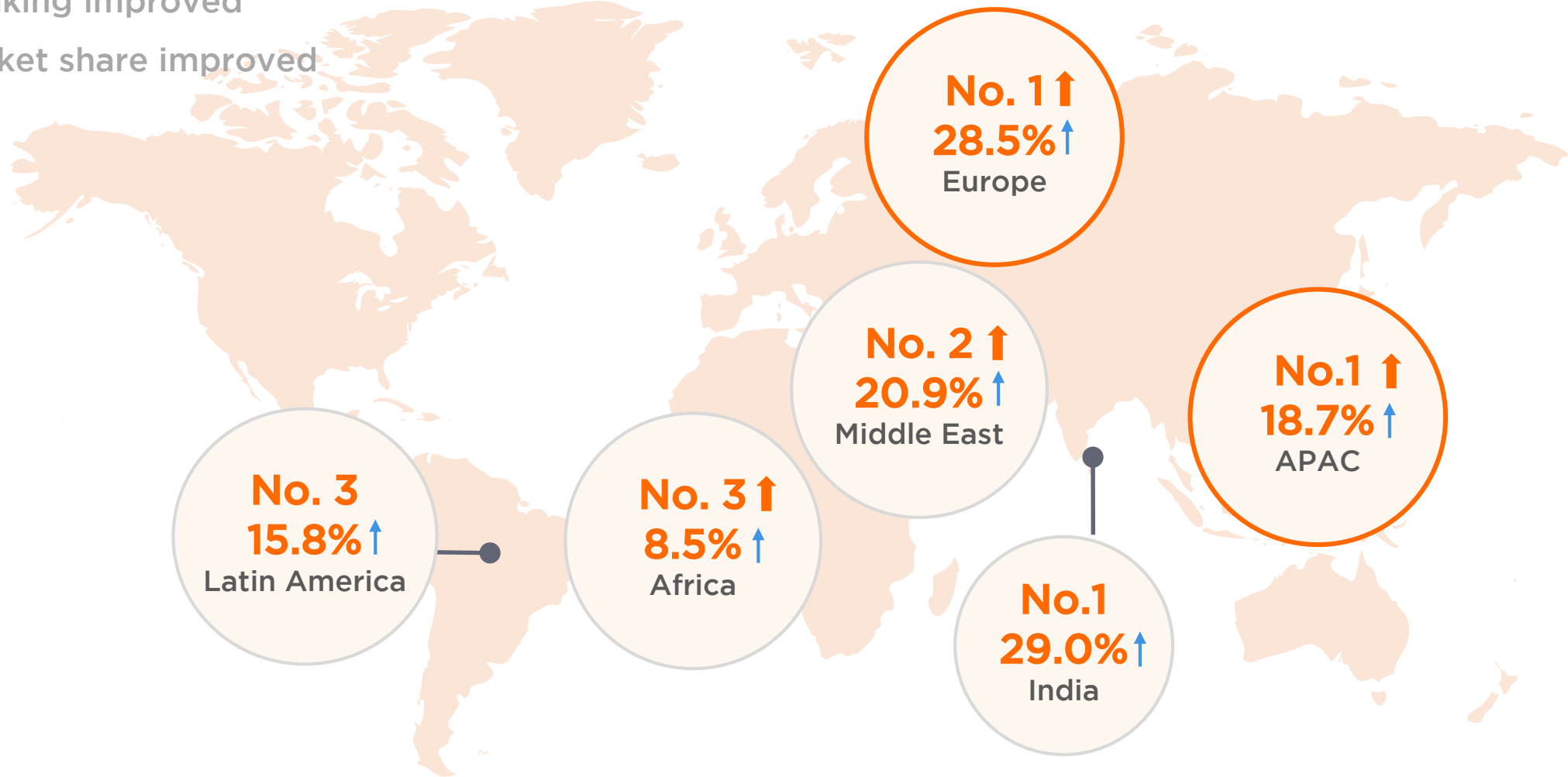
³ From 00:00:00 June 1 to 01:00:00 June 18, 2021

Rapidly expanding our global footprint

Q2 2021 Xiaomi smartphone shipment rankings and market share

↑ Ranking improved

↑ Market share improved



Smartphone market share ranked No. 1 in 22 markets and top 5 in 65 markets



Ranked #1 in Europe for the first time

Europe smartphone market share				
Rank	Vendor	Q2 2021 market share		Shipment YoY growth
#1	Xiaomi	28.5%		70.1%
#2	Samsung	26.6%		-10.8%
#3	Apple	16.1%		-23.9%
#4	OPPO	4.6%		163.0%
	Others	24.2%		-20.0%
Total		100.0%		0.3%



Spain #1

Market share

41.2%

Shipment YoY growth

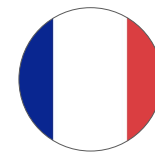
12.0%



Italy #1

35.0%

87.9%



France #1

29.7%

82.3%



Germany #3

15.2%

46.2%

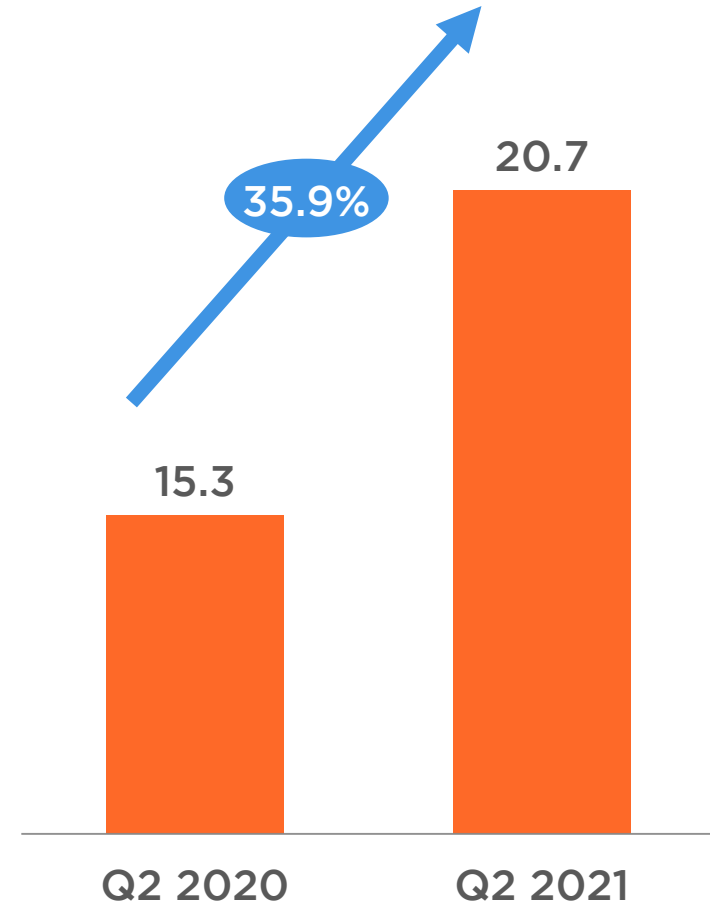


AIoT

In Q2 2021

IoT and lifestyle product revenue reached RMB20.7 billion, up **35.9%** YoY

IoT and lifestyle product revenue
RMB billions





Global leading consumer AIoT platform



374.5 million

Connected devices¹
Up **34.0%** YoY



7.4 million

Users with 5 or more devices
connected to Xiaomi's AIoT platform¹
Up **44.5%** YoY



102.0 million

AI assistant MAU²
Up **30.2%** YoY



56.5 million

Mi Home App MAU²
Up **38.6%** YoY

¹ As of June 30, 2021, excluding smartphones and laptops

² In June 2021

#1 TV brand in mainland China with innovative premium products



Global smart TV shipments in Q2 2021 reached **2.5 million** units

Ranked **No.1** in mainland China for **10** consecutive quarters¹

Ranked **No.1** among TVs over 70 inches in mainland China²



¹ According to AVC, by shipments in Q2 2021

² According to AVC, including Xiaomi and Redmi, by retail sales volume in Q2 2021

Extending our multi-screen ecosystem with Xiaomi Pad 5 series



Xiaomi's **first tablet** since 2018

- Qualcomm Snapdragon 870 processor¹
- 11-inch 2.5k display with 120Hz refresh rate
- 8600mAh battery, 67W fast charging allowing full charge in 67 minutes¹
- Dolby Atmos 8-speaker surround sound¹
- Customized keyboard and pen accessories

MIUI for Pad to improve user experience

- Optimized support for over 300 mainstream apps
- Built-in split-screen multitasking for enhanced productivity

¹Specification listed are for Xiaomi Pad 5 Pro

Xiaomi's first premium smart speaker – Xiaomi Sound



xiaomi Sound

Hi-Res certified



Dynamic tuning
by HARMAN



Xiaomi's first speaker
to feature UWB



360° sound



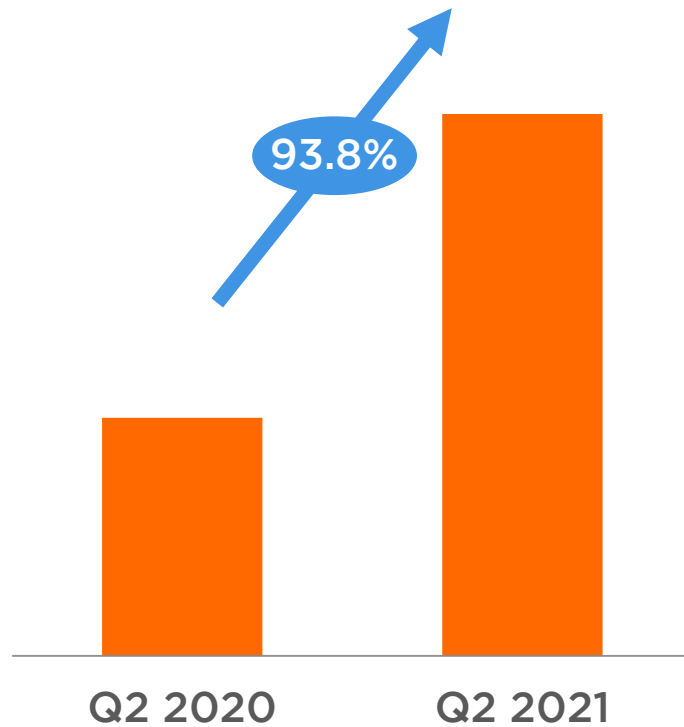
Intercom capability across
multiple speakers



Overseas IoT business maintained high growth momentum

Revenue

Overseas IoT and lifestyle product revenue YoY growth



Smart TV global expansion



Smart TVs sold in **40+** markets¹

New smart TV markets in H1 2021



Czech Republic Romania Greece Singapore Thailand

Popular categories

Multiple products with **100%+** YoY revenue growth²



Xiaomi Electric Scooter



Xiaomi Band



Xiaomi Watch



Xiaomi Vacuum Cleaner



Xiaomi Desktop Monitor

¹ As of June 2021

² By overseas revenue in Q2 2021



Internet Services



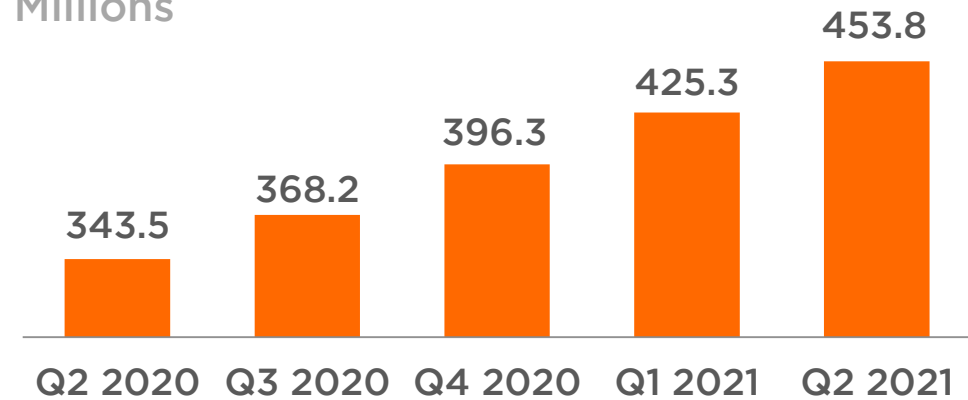
Record user number

Global MIUI MAU¹ reached **453.8 million**, an increase of **32.1%** YoY

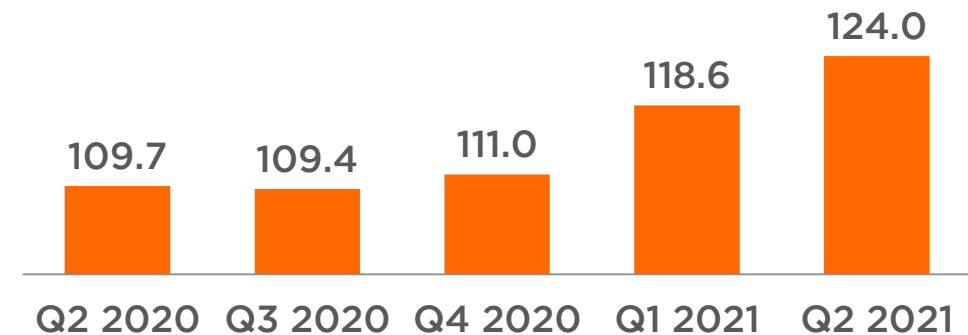
Mainland China MIUI MAU¹ reached **124.0 million**, representing an increase of 5.3 million from March 2021

Global TV MAU² grew **34.0%+** YoY

Global MIUI MAU
Millions



Mainland China MIUI MAU
Millions



¹ In June 2021

² In June 2021, including both TV and TV box users

In Q2 2021

Internet services revenue reached RMB7.0 billion, up **19.1%** YoY

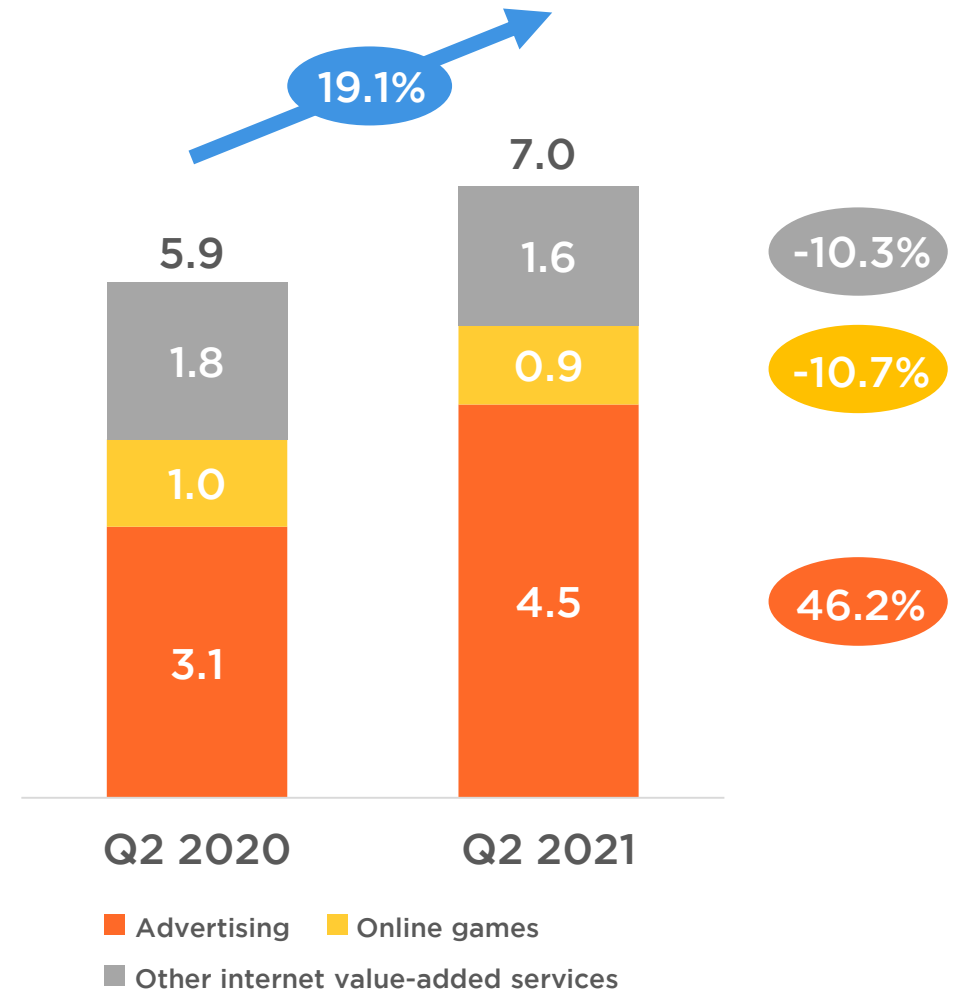
Advertising revenue reached historical quarterly high, contributing to increase in internet services gross margin to **74.1%**

Gaming revenue decreased due to revised commercial terms

Other internet VAS revenue decreased due to the impact of fintech business

Internet services revenue
RMB billions

YoY %



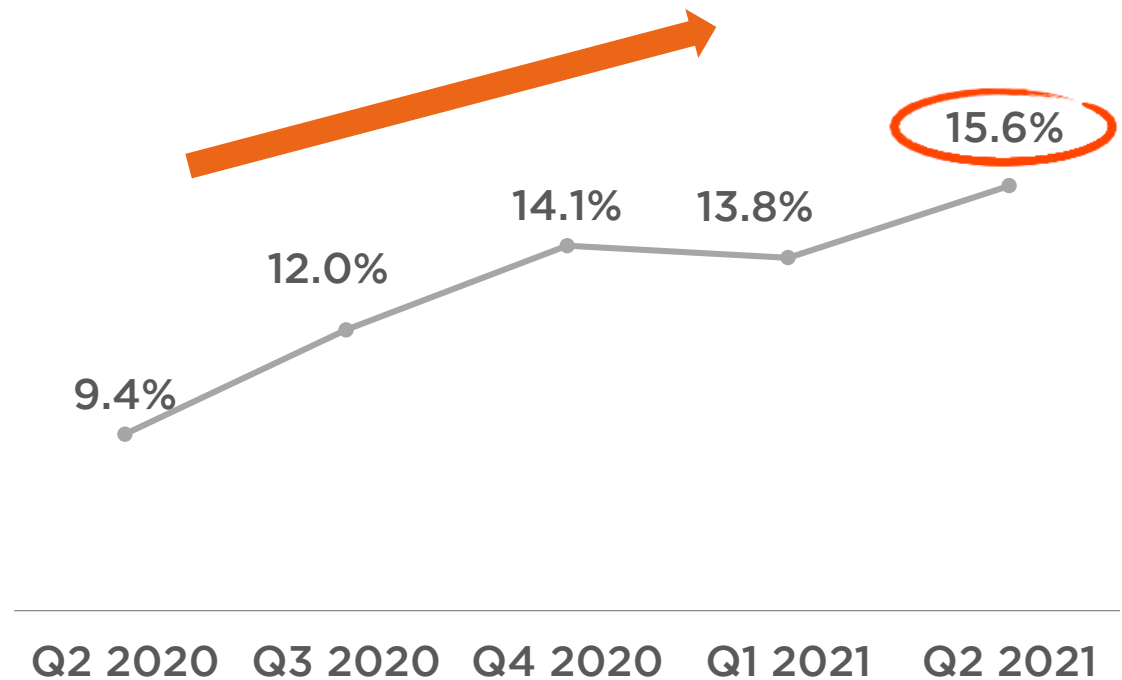


Continued growth in overseas internet services

Overseas internet services revenue increased by **96.8%** YoY in Q2 2021, accounting for **15.6%** of total internet services revenue

Western Europe MIUI MAU increased **60%+** YoY¹ and Latin America MIUI MAU increased **125%+** YoY¹

Overseas internet services revenue as percent of total internet revenue



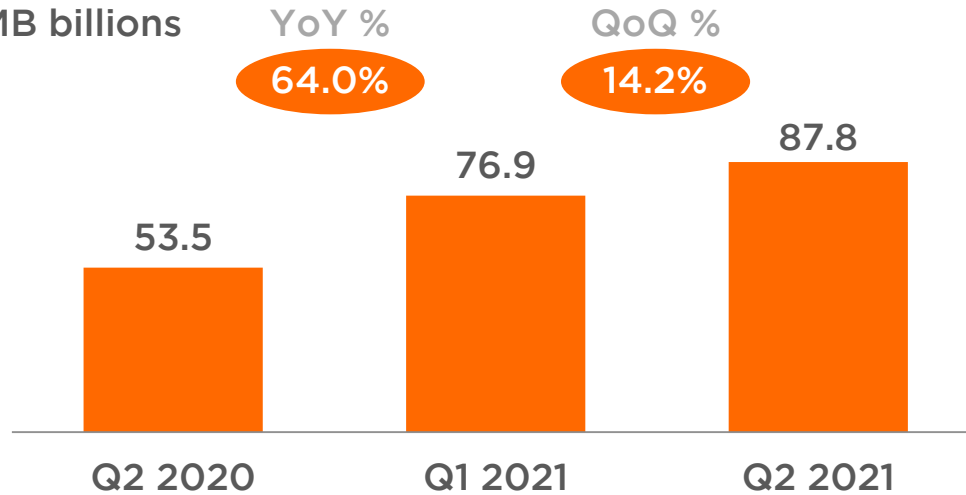
¹ In June 2021



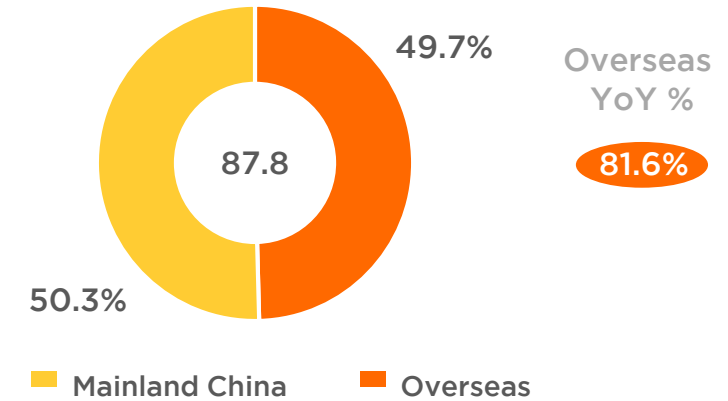
Financials

Revenue by region and segment

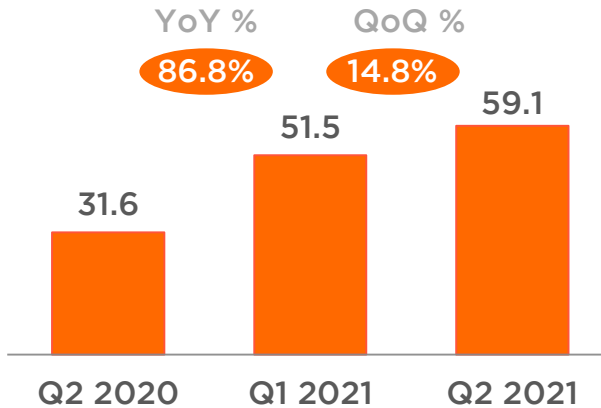
Total revenue
RMB billions



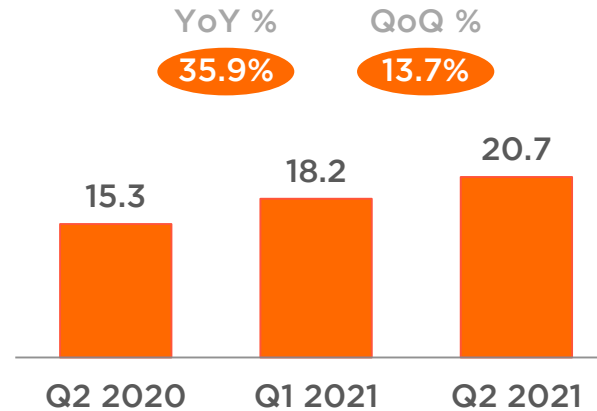
Total revenue by region, Q2 2021
RMB billions



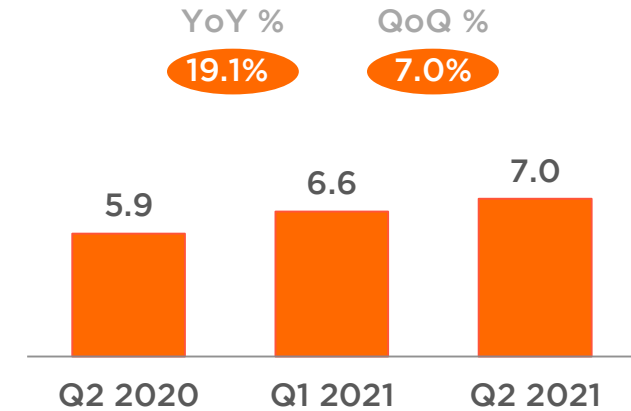
Smartphone revenue
RMB billions



IoT and lifestyle product revenue
RMB billions

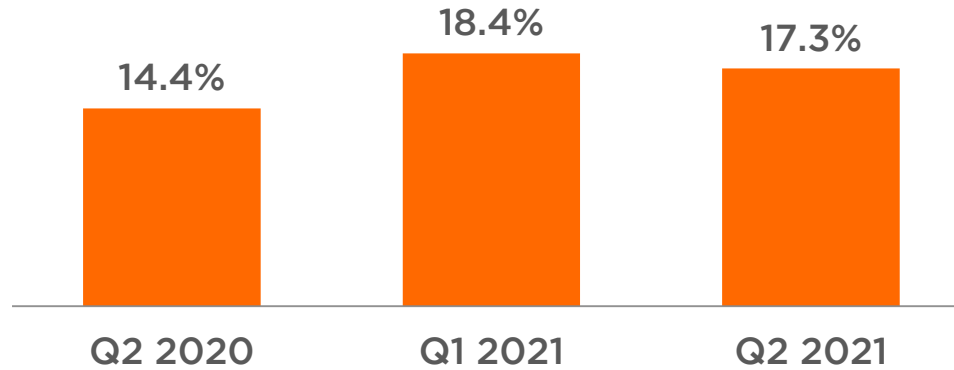


Internet services revenue
RMB billions

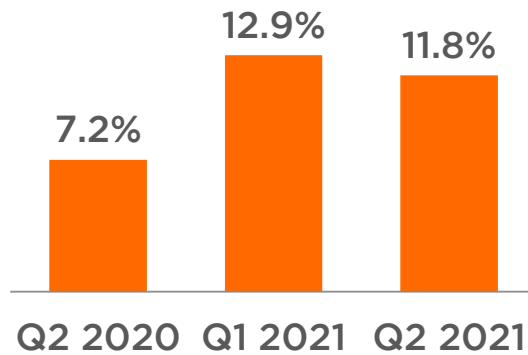


Gross margin by segment

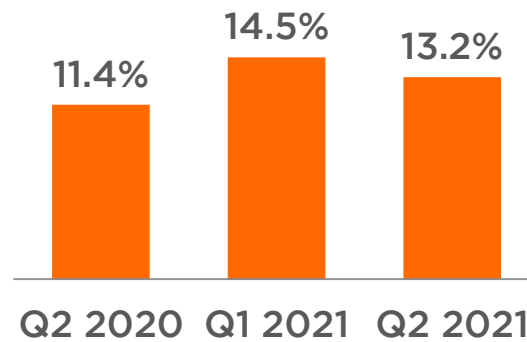
Overall gross margin



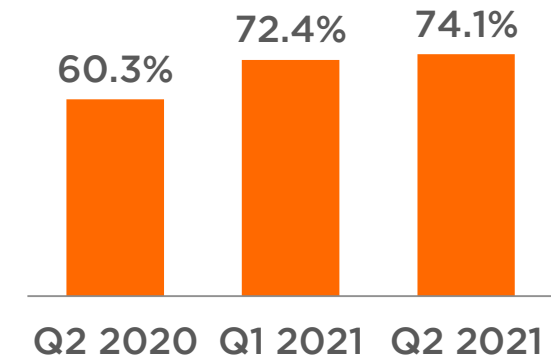
Smartphone gross margin



IoT and lifestyle products gross margin

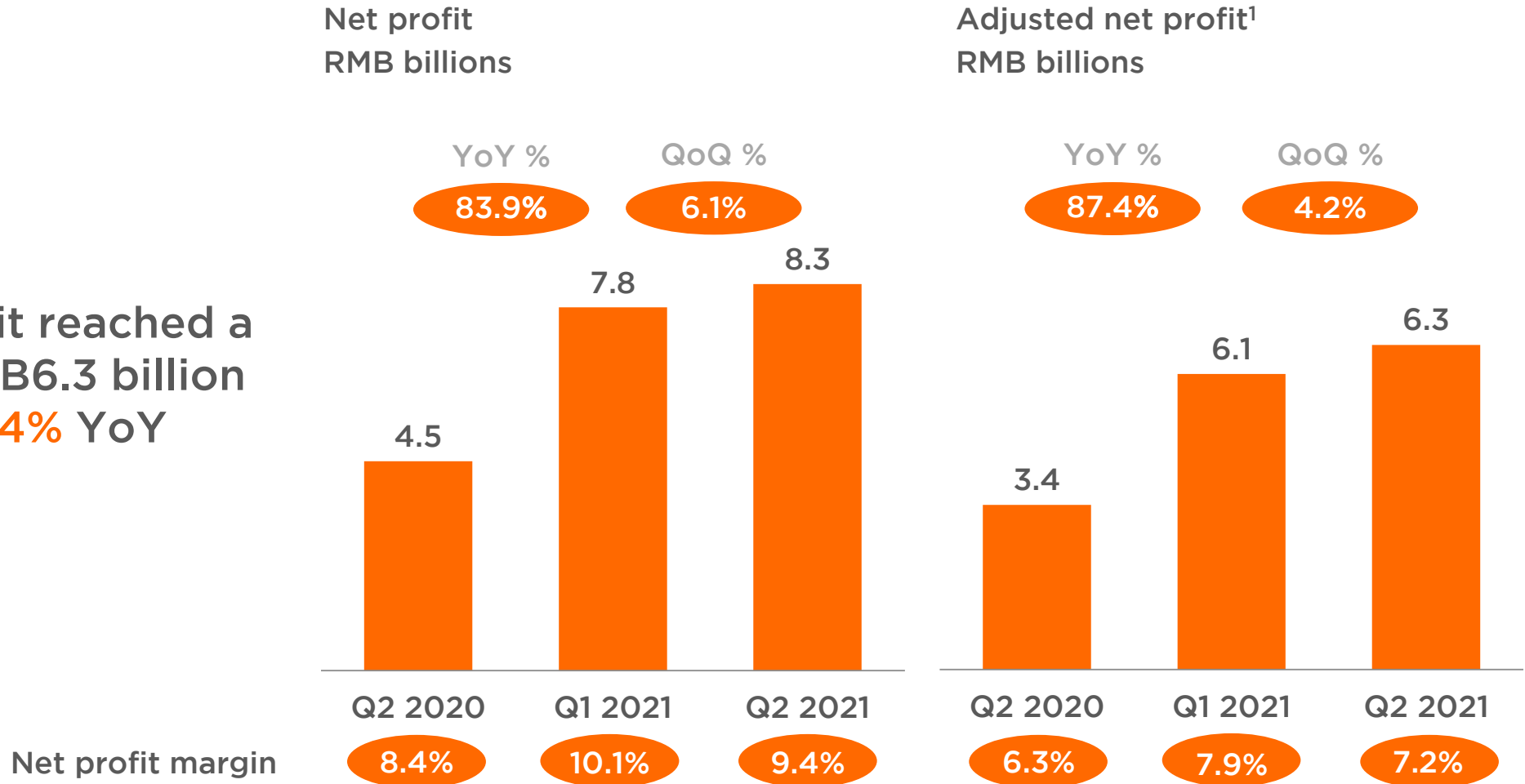


Internet services gross margin



Adjusted net profit reached record high

Adjusted net profit reached a record high of RMB6.3 billion in Q2 2021, up **87.4%** YoY

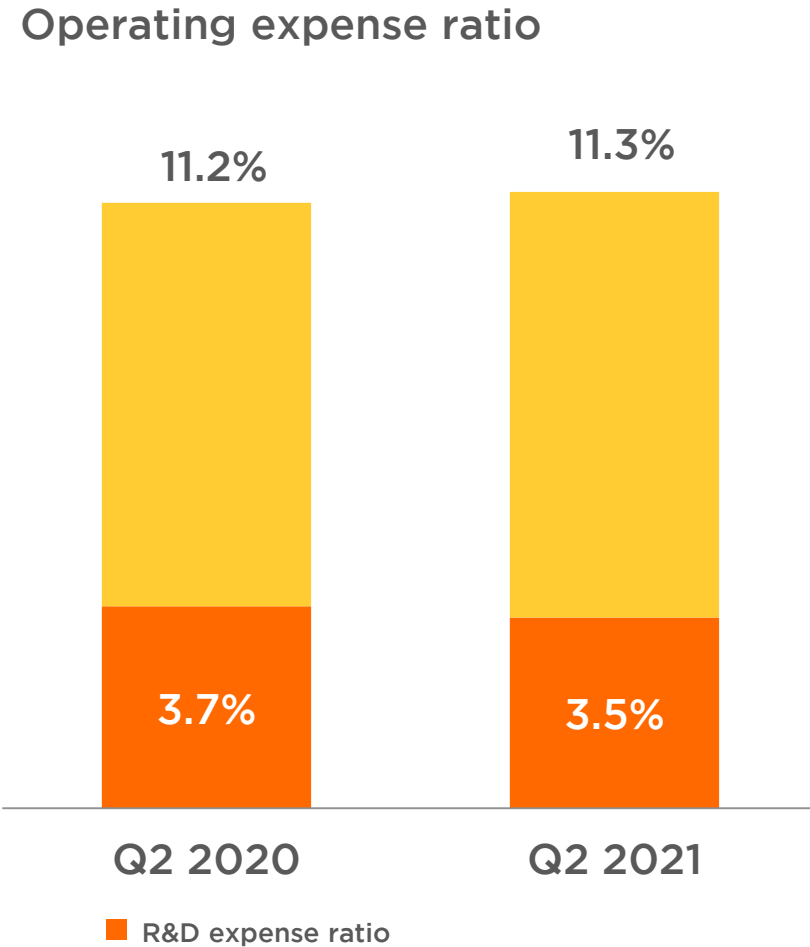


¹ Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects of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

Prudent operating expense management

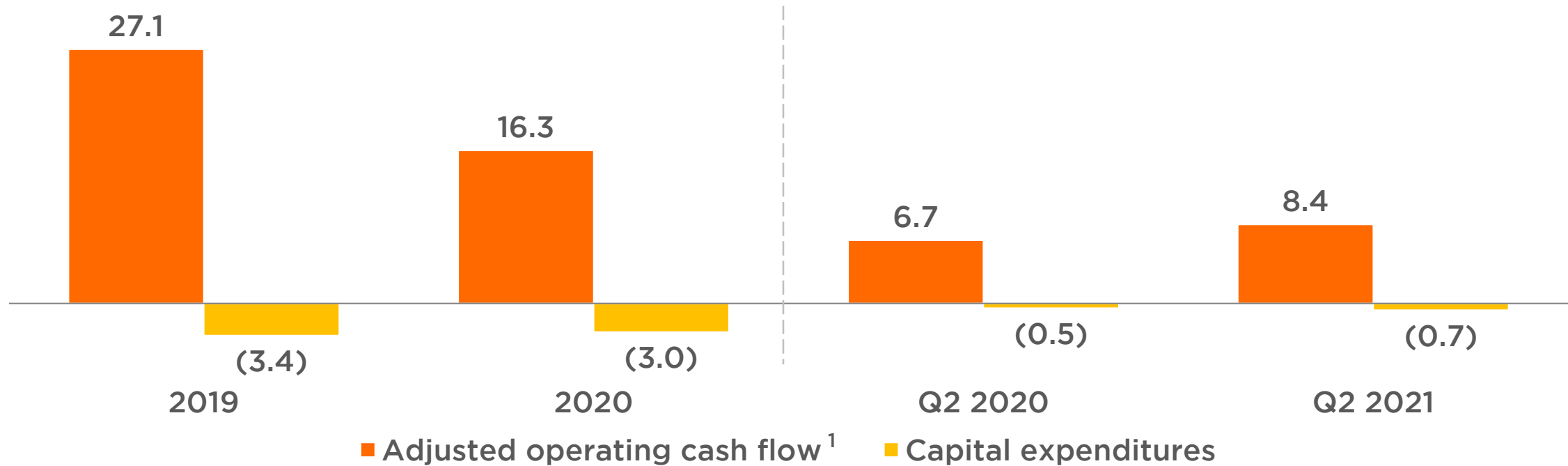
Continued to maintain high operating efficiency

Operating expense ratio was 11.3% in Q2 2021



Strong cash flow performance

Adjusted operating cash flow and Capex
RMB billions

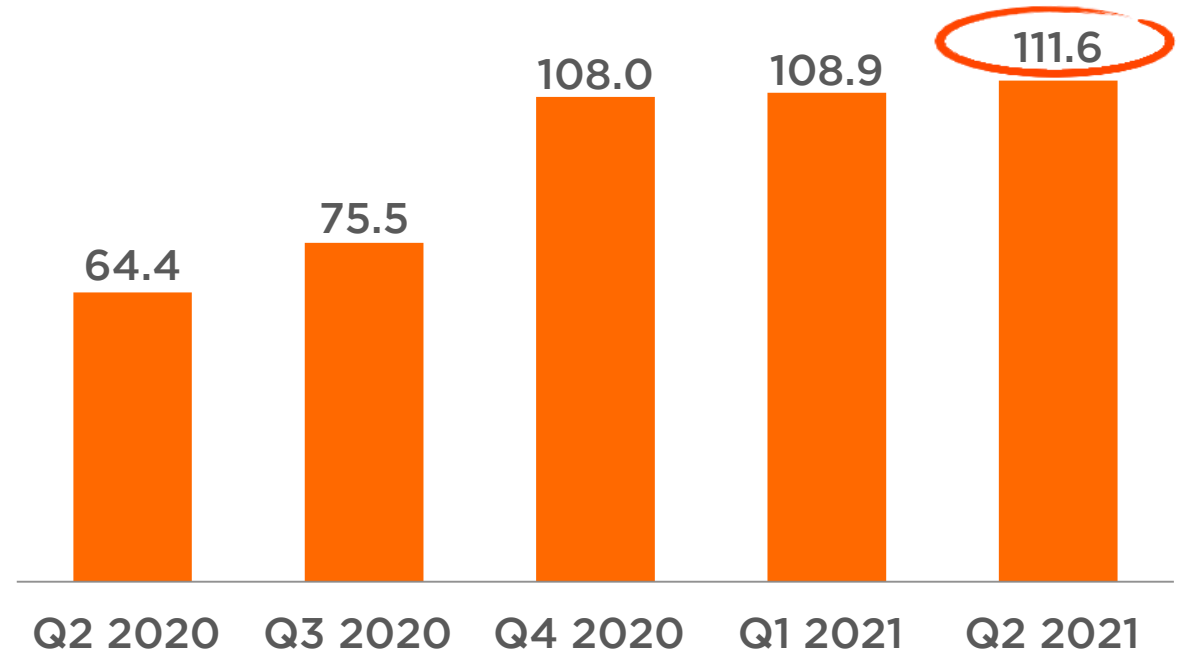


Repurchased 208 million shares totaling **HKD5.4 billion** in 2021 year-to-date

¹ Operating cash flow adjustments including (i) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; (ii) the change of trade payments related to the finance factoring business; (iii) the change of restricted cash resulting from the fintech business; and (iv) the change of deposits from customers from the Airstar bank

Strengthened cash position

Cash resources¹
RMB billions



Due to strong operating cash flow and capital market financings, cash resources increased to **RMB111.6 billion**

¹Including (i) cash and cash equivalents, (ii) restricted cash, (iii) short-term bank deposits, (iv) short-term investments measured at fair value through profit or loss, (v) short-term investments measured at amortized cost and (vi) long-term bank deposits

Additional earnings growth through strategic investments

Selected investee companies listed or received listing approval in Q2 2021



smart manufacturing



AI speech



image sensor and display



polymer lithium
ion batteries



consumer electronics
components

330+ companies invested as of Q2 2021

After-tax net gains on disposal of investments was **RMB1.1 billion** in Q2 2021

Total value of investment¹ was **RMB74.5 billion**, **HKD3.57 per share**²

¹ Include (i) fair value of our stakes in listed investee companies (based on the stock price on June 30, 2021), (ii) book value of our stakes in unlisted investee companies and (iii) book value of long-term investments measured at fair value through profit or loss, as of June 30, 2021

² Based on RMB to HKD exchange rate of 1:1.20 on June 30, 2021



ESG updates

Our ESG goals & strategies



Environmental



- Reduce packaging and use **biodegradable materials**
- Promote **recycling economy** and waste conversion
- Employ **renewable energy** and apply **sustainability** concepts



Social



- Promote **workplace diversity** and advocate **employee welfare** programs
- Support **public welfare** initiatives
- Improve **accessibility** across products and provide **employment opportunities to the disabled**



Governance



- Joined the **United Nations Global Compact (UNGC)** in 2020
- Support the **UN Sustainable Development Goals (SDGs)**
- **Corporate Governance Committee (CGC)** oversees ESG issues



Technology Innovation



- Reduce carbon footprint through better **product design**
- Develop **energy-efficient infrastructures** and **energy-saving electrical appliances**
- Entry into **smart electric vehicle** business

In July 2021, we published our 2020 Sustainability Report and Green Finance Framework and issued our inaugural 30-year **Green Bond**

Continued to strengthen privacy protection and data security

Xiaomi Security & Privacy Awareness Month

Held the Xiaomi Security & Privacy Awareness Month in June 2021 to raise employees' awareness of data security and privacy protection

- 6 themed activities
- 30-day event duration
- 12,000 offline visits



1

互动体验展
Interactive Exhibition



2

在线课程
Online Course



3

大师公开课
Public Lecture



4

专项训练营
Training Camp



5

知识竞赛
Test and Quiz



6

MIUI 隐私技术揭秘
Privacy Tech Webinar

Published white papers and reports¹ to enhance transparency in Q2 2021

For smartphones and MIUI system



- MIUI Security White Paper -
- MIUI Privacy White Paper -

For IoT products



- Xiaomi IoT Privacy White Paper -

Responses to data requests



- Transparency Report 2020 -

¹ Published or updated in Q2 2021. All documents can be found at Xiaomi Trust Center (<https://trust.mi.com>)



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