Xiaomi Corporation

Q3 2021 Results Announcement
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Q3 2021 Key Highlights

Robust Financial Performance

Revenue
78.1 billion RMB
8.2% YoY

Adjusted Net Profit¹
5.2 billion RMB
25.4% YoY

Leading Smartphone Market Position²

#3 Global Market Share
#4 Mainland China Market Share

Growing User Base

485.9 million Global MIUI MAU³
32.0% YoY

127.3 million Mainland China MIUI MAU³
16.4% YoY

Leading AIoT Platform

400.1 million AIoT Connected Devices⁴
33.1% YoY

8.0 million Users with 5 or More Connected Devices⁴
42.8% 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 According to Canalys, by shipments in 3Q 2021
³ In September 2021
⁴ As of September 30, 2021, excluding smartphones, laptops and tablets
In Q3 2021

Total revenue was RMB78.1 billion, up **8.2%** YoY

Adjusted net profit\(^1\) was RMB5.2 billion, up **25.4%** 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
Successfully Attracting New Smartphone Users

<table>
<thead>
<tr>
<th>Product</th>
<th>Price Range</th>
<th>Percentage of New Users Since Product Launch</th>
<th>Percentage of New Users Since Product Launch1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaomi MIX FOLD</td>
<td>RMB10,000+</td>
<td>70%+</td>
<td></td>
</tr>
<tr>
<td>Xiaomi 11 Ultra</td>
<td>RMB6,000 - 10,000</td>
<td>60%+</td>
<td></td>
</tr>
<tr>
<td>Xiaomi 11 Pro</td>
<td>RMB5,000 - 6,000</td>
<td>60%+</td>
<td></td>
</tr>
<tr>
<td>Xiaomi MIX 4</td>
<td>RMB5,000 - 6,000</td>
<td>50%+</td>
<td></td>
</tr>
<tr>
<td>Xiaomi 11</td>
<td>RMB4,000 - 5,000</td>
<td>60%+</td>
<td></td>
</tr>
<tr>
<td>Xiaomi Civi</td>
<td>RMB2,000 - 3,000</td>
<td>60%+</td>
<td></td>
</tr>
</tbody>
</table>

Mainland China MIUI MAU Millions

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaomi 11</td>
<td>111.0</td>
<td>127.3</td>
</tr>
</tbody>
</table>

1 As of October 31, 2021; new user is defined as first-time Xiaomi user or returning user who switches back to Xiaomi smartphone products after using other smartphone products for longer than 30 days, based on internal data since June 1, 2018
Increasing Market Share in the Premium Smartphone Market

RMB3,000 – 4,000

Xiaomi 10S

Redmi K40 Pro

Market Share\(^1\)
\(+6.4\%\) YoY

RMB4,000 – 5,000

Xiaomi 11

Market Share\(^1\)
\(+7.7\%\) YoY

RMB5,000+

Xiaomi MIX FOLD

Xiaomi 11 Ultra

Xiaomi MIX 4

Xiaomi 11 Pro

Market Share\(^1\)
\(+0.5\%\) YoY

Premium smartphone\(^2\) shipments reached ~18 million units globally in 9M 2021, versus ~10 million units in 2020

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\(^1\) By smartphone shipments in 9M 2021 in mainland China, according to third-party data

\(^2\) Smartphones with mainland China retail price at RMB3,000 and above or with overseas retail price at €300 and above
Best 5G Performance in Mainland China

Ranked **No.1** among Peers across **All** Price Ranges

in a 5G Smartphone Performance Assessment by China Telecom

Source: China Telecom
Remarkable Results During Double 11 Shopping Festival

Cumulative Paid GMV
RMB19.3 billion
Up 35% YoY

No.1 Smartphone Brand by Sales Volume\(^1\)

208 No.1 Rankings by Sales Value or Sales Volume across AIoT Categories\(^1\)

Note: From 00:00:00 November 1, 2021 to 23:59:59 November 11, 2021 for Tmall.com and Mi Home; from 20:00:00 October 31, 2021 to 23:59:59 November 11, 2021 for other channels and platforms

\(^1\) Across JD.com, Tmall.com and Suning.com
As of November 22, 2021, global MIUI MAU exceeded 500 million

Note: Global MIUI MAU as of November 22, 2021 refers to the number of active users in the last 30 days
Commitment to Research and Development

9M 2021 R&D Expenses
RMB
9.3 Billion
Up 51.4% YoY

Number of R&D
Employees¹
~14,000
>44% of total employees¹

Number of Awarded
Patents Globally¹
23,000+

Number of Patent
Applications Globally¹
48,000+

R&D Expenses
RMB Billions
Q3 2020 2.3
Q3 2021 3.2
39.5%

¹ As of September 30, 2021
Smart EV Progressing Ahead of Schedule

Total Applications Received
20,000+

Current Team Size
500+ People

Mass Production Expected
1H 2024
Smartphones
In Q3 2021

Smartphone revenue reached RMB47.8 billion, up 0.5% YoY

Due to global supply shortage of key components, smartphone shipments declined by 5.8% YoY, but smartphones revenue remained stable as ASP increased 6.7% YoY
Increasing Smartphone Market Share Over Time

Global Smartphone Market Share by Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2021: 13.5%</th>
<th>Average: 11.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mainland China Smartphone Market Share by Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2021: 13.8%</th>
<th>Average: 12.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Canalys
Xiaomi Civi: Attracting Fashion-conscious Users
Redmi Note 11 Pro/Pro+: The Best Redmi Note Devices to Date

Flat Edge | 8.34mm Design
AMOLED | 120Hz Display
Dual Speakers | JBL Sound System

120W 4500mAh for Note 11 Pro+
67W 5160mAh for Note 11 Pro

108MP Imaging System

Dimensity 920 SoC Debut

Redmi Note 11 Series sold over 1 million units in mainland China¹

¹ As of November 11, 2021; Redmi Note 11 Series includes Redmi Note 11, Redmi Note 11 Pro and Redmi Note 11 Pro+
Offline Retail Stores Exceeded 10,000 in Mainland China

Offline Retail Stores in Mainland China

<table>
<thead>
<tr>
<th>Month</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2020</td>
<td>3,200+</td>
</tr>
<tr>
<td>Mar 2021</td>
<td>4,500+</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>7,600+</td>
</tr>
<tr>
<td>Sep 2021</td>
<td>9,100+</td>
</tr>
</tbody>
</table>

Retail Store Coverage in Mainland China

- **Cities**: 95%+
- **Counties**: 80%+
- **Towns**: ~4%

Significant Growth Opportunities in Lower-tier Markets

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1. As of September 30, 2021
2. Prefectural-level cities and municipalities in mainland China
Strong Performance of Overseas Premium Smartphone Market

Overseas premium smartphone\(^1\) shipments in Q3 2021

up \(180+\%\) YoY

Mainly in Latin America, Western Europe and Middle East

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Well-received Overseas Premium Smartphones

<table>
<thead>
<tr>
<th>Model</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mi 11</td>
<td>€749+</td>
</tr>
<tr>
<td>Xiaomi 11T Pro</td>
<td>€649+</td>
</tr>
<tr>
<td>Xiaomi 11T</td>
<td>€499+</td>
</tr>
<tr>
<td>Xiaomi 11 Lite</td>
<td>€369+</td>
</tr>
</tbody>
</table>

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\(^1\) Smartphones with overseas retail price at €300 and above
Smartphone Market Share Ranked No. 1 in 11 Markets and Top 5 in 59 Markets

No.1
- Spain
- Poland
- Ukraine
- Belarus
- Serbia
- Croatia
- Lithuania
- India
- Myanmar
- Algeria
- Peru

No.2
- Italy
- France
- Greece
- Hungary
- Bulgaria
- Latvia
- Romania
- Slovakia
- Russia
- Turkey
- Saudi Arabia

No.3
- Germany
- Portugal
- Austria
- Ireland
- Belgium
- Czech Republic
- Vietnam
- Pakistan
- Ecuador
- Mexico
- Argentina

No.4
- Netherlands
- Sweden
- Mainland China
- Indonesia
- Philippines
- South Korea
- Sri Lanka
- Thailand
- Egypt
- UAE

No.5
- Cambodia
- Singapore
- Brazil

Source: Canalys, by shipments in Q3 2021
In Q3 2021

IoT and lifestyle products revenue reached RMB20.9 billion, up 15.5% YoY

Overseas IoT and lifestyle products revenue reached a record high
Global Leading Consumer AIoT Platform

- **400.1 million** Connected Devices\(^1\)
  - Up 33.1% YoY

- **8.0 million** Users with 5 or More Devices
  - Connected to Xiaomi’s AIoT Platform\(^1\)
  - Up 42.8% YoY

- **105.1 million** AI Assistant MAU\(^2\)
  - Up 34.1% YoY

- **59.9 million** Mi Home App MAU\(^2\)
  - Up 39.0% YoY

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1. As of September 30, 2021, excluding smartphones, laptops and tablets
2. In September 2021
Rapidly Expanding Global Smart TV Footprint

3.0 million
Global Smart TV Shipments in Q3 2021

No.1
TV Brand in Mainland China
for 11 Consecutive Quarters

No.1
Smart TV Brand in India
for 13 Consecutive Quarters

Xiaomi OLED TV
Ranked No.1 in Mainland China for 2 Consecutive Months after New Products Launched in August 2021

1 According to AVC, by shipments in Q3 2021
2 IDC Worldwide Quarterly Smart Home Device Tracker, Q2 2021 Release; by shipments in Q2 2021
3 According to AVC, by retail sales volume in August and September 2021
Enhance Traditional White Goods with **Smart** Technologies

Make **Premium** Products Available to the **Mass** Market

In October 2021, Launched our **first premium** smart refrigerator Xiaomi 550L four-door smart refrigerator, priced at RMB5,999.
Record Home Appliances Sales During Double 11 Shopping Festival

No.3 by Sales Value in Home Appliances Category on JD.com¹

No.1 by both Sales Volume and Sales Value in AC with Ventilation Category²

¹ From 20:00:00 October 31, 2021 to 23:59:59 November 11, 2021 for JD.com, including both first-party and third-party products
² Across Tmall.com and JD.com. From 00:00:00 November 1, 2021 to 23:59:59 November 11, 2021 for Tmall.com; from 20:00:00 October 31, 2021 to 23:59:59 November 11, 2021 for JD.com
No.2 Wearable Band Vendor Globally

According to Canalys, by shipments in Q3 2021. Wearable bands include basic bands, basic watches, and smart watches.
Internet Services
Global MIUI MAU\(^1\) reached \(485.9\) million, up \(32.0\%\) YoY

Mainland China MIUI MAU\(^1\) reached \(127.3\) million, a record high

Global TV MAU\(^2\) grew \(33.0\%+\) YoY

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1. In September 2021
2. In September 2021, including both TV and TV box users
In Q3 2021

Internet services revenue reached RMB7.3 billion, up 27.1% YoY, a record high.

Advertising revenue reached RMB4.8 billion, up 44.7% YoY, a record high.

Gaming revenue reached RMB1.0 billion, up 25.0% YoY.
Advertising and Gaming Driving Revenue Growth

### Advertising

**Pre-installation**
Revenue per smartphone\(^1\) in mainland China increased by *over 50%* YoY

**Search**
Overseas search revenue increased by *over 200%* YoY

**Performance-based and Brand Ads**
Overseas performance-based and brand ads revenue increased by *over 100%* YoY

### Gaming

Mainland China Monthly Gaming ARPU\(^2\)

- **Smartphone Average**
- **Premium Smartphone\(^3\)** ~4x
- **Gaming Smartphone\(^4\)** ~5x

Our increased number of premium smartphone and gaming smartphone users has lifted gaming ARPU

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\(^1\) 3Q 2021 mainland China pre-installation revenue in divided by the number of smartphone production units

\(^2\) Based on internal data in September 2021

\(^3\) Smartphones with mainland China retail price at RMB3,000 and above

\(^4\) Redmi K40 gaming edition
Continued Growth in Overseas Internet Services

Overseas internet services revenue increased by **110.0%** YoY in Q3 2021, accounting for **19.9%** of total internet services revenue, a record high.

Overseas Internet Services Revenue as % of Total Internet Services Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2020</td>
<td>12.0%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>13.8%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>14.1%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>15.6%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td><strong>19.9%</strong></td>
</tr>
</tbody>
</table>
Financials
Revenue by Region and Segment

**Total Revenue by Region, Q3 2021**

- **Mainland China**: 78.1 RMB Billions (52.4% YoY)
- **Overseas**: 2.8% YoY

**Revenue by Region and Segment**

- **Smartphones**
  - Q3 2020: 47.6 RMB Billions
  - Q2 2021: 59.1 RMB Billions
  - Q3 2021: 47.8 RMB Billions (YoY: 0.5%)

- **IoT and Lifestyle Products**
  - Q3 2020: 18.1 RMB Billions
  - Q2 2021: 20.7 RMB Billions
  - Q3 2021: 20.9 RMB Billions (YoY: 15.5%)

- **Internet Services**
  - Q3 2020: 5.8 RMB Billions
  - Q2 2021: 7.0 RMB Billions
  - Q3 2021: 7.3 RMB Billions (YoY: 27.1%)
Overall Gross Margin by Segment

- **Overall**
  - Q3 2020: 14.1%
  - Q2 2021: 17.3%
  - Q3 2021: 18.3%

**Segments**

- **Smartphones**
  - Q3 2020: 8.4%
  - Q2 2021: 11.8%
  - Q3 2021: 12.8%

- **IoT and Lifestyle Products**
  - Q3 2020: 14.2%
  - Q2 2021: 13.2%
  - Q3 2021: 11.6%

- **Internet Services**
  - Q3 2020: 60.4%
  - Q2 2021: 74.1%
  - Q3 2021: 73.6%
Prudent Operating Expense Management

Operating expense ratio was 12.0% in Q3 2021

R&D expense ratio continued to grow
Our cash resources reached approximately **RMB98.1 billion**
On July 30, 2021

Mi 360° Home Security Camera
Kitemark™ Certification for Residential IoT Devices

Xiaomi Home App
Kitemark™ Certification for Secure Digital Applications

From July to August 2021
Proactively assessed 85,000+ APPs in mainland China Xiaomi APP store through 3 phases for potential user data collection violation, followed by rectifications
Giving back to Our Community

- Flood disaster relief for Henan, China in July 2021: RMB50 million\(^1,2\)
- Flood disaster relief for Germany, the Netherlands and Belgium in July 2021: €1 million\(^1\)
- Flood disaster relief for Shanxi, China in October 2021: RMB10 million\(^1,2\)

Xiaomi Scholarship\(^2\)
Launched to second batch of China’s universities in November 2021

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\(^1\) By Xiaomi Foundation Limited
\(^2\) By Beijing Xiaomi Foundation