Xiaomi Corporation

Q3 2022 Results Announcement
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# Q3 2022 Overall Performance

## Solid Financial Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>RMB 70.5 billion</td>
</tr>
<tr>
<td>Adjusted Net Profit(^1)</td>
<td>RMB 2.1 billion</td>
</tr>
</tbody>
</table>

\(^1\)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.

Including expenses related to smart EV and other new initiatives RMB829 million.

## Leading Smartphone Market Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Market Share Ranking(^2)</td>
<td>#3</td>
</tr>
<tr>
<td>Global Market Share(^2)</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

\(^2\)According to Canalys, by shipments in Q3 2022.

## Record High User Base

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global MIUI MAU(^3)</td>
<td>563.9 million</td>
</tr>
<tr>
<td>16.1% YoY</td>
<td></td>
</tr>
<tr>
<td>Mainland China MIUI MAU(^3)</td>
<td>141.4 million</td>
</tr>
<tr>
<td>11.1% YoY</td>
<td></td>
</tr>
</tbody>
</table>

\(^3\)In September 2022.

## Leading AIoT Platform

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIoT Connected Devices(^4)</td>
<td>558.3 million</td>
</tr>
<tr>
<td>Users with 5 or More Connected Devices(^4)</td>
<td>10.9 million</td>
</tr>
<tr>
<td>39.5% YoY</td>
<td></td>
</tr>
<tr>
<td>35.4% YoY</td>
<td></td>
</tr>
</tbody>
</table>

\(^4\)As of September 30, 2022, excluding smartphones, tablets and laptops.
Global Smartphone Shipments Enjoyed QoQ Growth for 2 Consecutive Quarters

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Q3 2022 Shipments (Million Units)</th>
<th>Q3 2022 Market Share</th>
<th>Shipments YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>64.1</td>
<td>21.5%</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Apple</td>
<td>53.0</td>
<td>17.8%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Xiaomi</td>
<td>40.5</td>
<td>13.6%</td>
<td>-7.8%</td>
</tr>
<tr>
<td>OPPO</td>
<td>28.5</td>
<td>9.6%</td>
<td>-22.2%</td>
</tr>
<tr>
<td>vivo</td>
<td>27.4</td>
<td>9.2%</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Others</td>
<td>84.3</td>
<td>28.3%</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Total</td>
<td>297.8</td>
<td>100.0%</td>
<td>-8.5%</td>
</tr>
</tbody>
</table>

Source: Canalys, by shipments
Continued to Execute Our Smartphone Premiumization Strategy

Mainland China Premium Smartphone Shipments\(^1\) (Million Units)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>~9%</td>
<td></td>
<td>~14%</td>
</tr>
</tbody>
</table>

Mainland China Smartphone ASP (RMB)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2021</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>~9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive Review Rate on JD.com\(^2\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaomi MIX Fold 2</td>
<td>99.58%</td>
</tr>
<tr>
<td>Xiaomi 12S Ultra</td>
<td>98.51%</td>
</tr>
<tr>
<td>Xiaomi 12S Pro</td>
<td>98.19%</td>
</tr>
<tr>
<td>Xiaomi 12S</td>
<td>98.20%</td>
</tr>
</tbody>
</table>

\(^1\) Premium smartphones are smartphones with retail prices at or above RMB3,000 in mainland China

\(^2\) As of October 19, 2022, based on ratings from Xiaomi JD self-operated flagship store
Outstanding Results During Double 11 Shopping Festival

- **Cumulative Paid GMV**
  - RMB17.0 billion

- **No.1 Android Smartphone Brand**
  - by Sales Volume and Sales Value

- **147 No.1 Rankings**
  - by Sales Volume or Sales Value across AIoT Categories

- **Offline Retail Store GMV**
  - up 12% YoY

- **Integrated Online-to-offline GMV**
  - reached RMB190 million

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**Note:**

1. Across all channels and platforms
2. Across Tmall.com, JD.com, Pinduoduo and Douyin
3. Across Tmall.com and JD.com
4. Including on-demand delivery partnership with JD Daojia, Meituan and Ele.me, and on-demand delivery and in-store pickup service through Xiaomi's WeChat Mini Program stores
R&D Expenses Reached RMB4.1 billion in Q3 2022

R&D Expenses
RMB Billions

Q3 2021: 3.2
Q3 2022: 4.1

25.7% growth

Number of Granted Patents Globally¹
29,000+

Number of Patent Applications Globally¹
59,000+

Number of R&D Employees¹
~48%

of Total Employees¹

1 As of September 30, 2022

Boston Consulting Group
The 50 Most Innovative Companies of 2022
Smartphones
Resilient Performance Despite Macroeconomic Headwinds

In Q3 2022, smartphones revenue increased to RMB42.5 billion.

Smartphone shipments reached 40.2 million units, up 2.8% QoQ, and achieved QoQ growth for 2 consecutive quarters.
Redmi Note 12 Series: Fully Upgraded Imaging Experience

Flagship Imaging Experience

Hardware:
200MP Camera with Sony’s IMX766 Flagship Sensor

Software:
Xiaomi AI Image Solution

Unprecedented HyperCharge

210W Self-developed Wired Fast Charging + 4,300mAh Battery
Fully Charged in 9 Minutes

Sales Volume Exceeded 350,000 Units in the First Hour of Sales Launch

Note: Specifications based on Redmi Note 12 DISCOVERY EDITION
Xiaomi Civi 2: Attracting Fashion-conscious Users
Leadership Across All Major Markets

Q3 2022 Xiaomi Smartphone Shipments Ranking and Market Share

Market Share Improved Compared with Q3 2021

Smartphone Market Share Ranked Top 3 in 52 Markets and Top 5 in 64 Markets

Source: Canalys, by shipments
Continued to Penetrate Overseas Carrier Markets

**Market Share of Carrier Channels in Europe**

- Q3 2021: 18.2%
- Q3 2022: 19.9%

**Market Share of Carrier Channels in Latin America**

- Q3 2021: 14.5%
- Q3 2022: 16.0%

**Smartphone Shipments Through Carrier Channels in Q3 2022**

*Ranked Top 3 in 38 Overseas Markets*

Source: Canalys, by shipments
AloT
Global Leading Consumer AIoT Platform, with Significant User Base

- **558.3 million**
  - Connected Devices\(^1\)
  - Up 39.5% YoY

- **10.9 million**
  - Users with 5 or More Devices Connected to Xiaomi’s AIoT Platform\(^1\)
  - Up 35.4% YoY

- **114.6 million**
  - AI Assistant MAU\(^2\)
  - Up 9.0% YoY

- **72.4 million**
  - Mi Home App MAU\(^2\)
  - Up 20.9% YoY

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\(^1\) As of September 30, 2022, excluding smartphones, tablets and laptops

\(^2\) In September 2022
In Q3 2022, IoT and lifestyle products revenue reached RMB19.1 billion
Global Smart TV Shipments in Q3 2022
3.3 million, up 9%+ YoY

Ranked Top 5 Globally\(^1\)

Record High
Overseas TV Shipments

\(^1\) According to AVC, by shipments in Q3 2022
Smart Large Home Appliances: Continued to Penetrate High-end Market

Revenue of Smart Large Home Appliances\(^1\) Grew by 70%+ YoY in Q3 2022

**Air Conditioners**

Air conditioner shipments exceeded 1.0 million units in Q3 2022, up 70%+ YoY

**Refrigerators**

Refrigerator shipments exceeded 340k units and reached a record high in Q3 2022, up 150%+ YoY

**Washing Machines**

Washing machine shipments exceeded 240k units in Q3 2022

\(^1\) Including air conditioners, refrigerators and washing machines
Our First Redmi Pad

- 10.6” High-quality display with hardware-level blue light reduction and 90Hz refresh rate to offer a comfortable viewing experience
- High-performing MediaTek Helio G99
- MIUI Pad enhanced inter-connectivity

Our First Flip Laptop - Xiaomi Book Air 13

- Intel Evo certified for ultimate premium experience
- Ultra-slim (12mm) and light (1.2kg) with 360-degree flip design
- Xiaomi Share to facilitate multi-tasking
### Wearables: Leading Brand in Mainland China

#### Leading Brand

<table>
<thead>
<tr>
<th>TWS</th>
<th>Wearable Bands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainland China Shipments</td>
<td>Mainland China Shipments</td>
</tr>
<tr>
<td>No.3</td>
<td>No.2</td>
</tr>
</tbody>
</table>

#### Inter-connectivity

- **xiaomi Buds 4 Pro**
- **xiaomi Watch S1 Pro**

Since launch in August 2022

50%+ of connected users are using our premium smartphones

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1. According to Canalys, by shipments in Q3 2022. Wearable bands include basic bands, basic watches, and smart watches.
2. Based on internal data, without duplication removal, from August 11, 2022 to October 31, 2022. Premium smartphones are smartphones with retail prices at or above RMB3,000 in mainland China.
Exploring New Energy-related IoT Products

Mijia Outdoor Power Supply 1000Pro

- 1,022Wh large-capacity battery cells and 1,800W high power output
- Satisfy various power demands such as outdoor activities and emergencies

Mijia Solar Panel 100W

- “Metal Wrap Through” technology to enhance power conversion efficiency
- Foldable and portable, water and dust proof
Internet Services
Global MIUI MAU\(^1\) reached 563.9 million, YoY growth of 78.1 million

Mainland China MIUI MAU\(^1\) reached 141.4 million, YoY growth of 14.1 million

Global TV MAU\(^2\) exceeded 54 million

All three metrics reached **record highs**

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\(^1\) In September 2022

\(^2\) In September 2022, including TV, TV box and TV stick users
In Q3 2022, internet services revenue reached RMB7.1 billion.

Both global advertising revenue and global gaming revenue achieved QoQ growth despite the challenging macroeconomic and industry environment.
Overseas internet services revenue reached a **record high** of RMB1.7 billion, up **17.2%** YoY in Q3 2022, accounting for **24.2%** of total internet services revenue.
Multiple Monetization Engines Driving Advertising Business

Mainland China

- Revenue of performance-based and brand ads increased QoQ thanks to diversified advertiser base and higher monetization efficiency

Overseas

- Stronger content and service operations led to a record high revenue of performance-based ads
- Revenue of pre-installation reached a record high as we continued to strengthen our partnership, especially in Europe and Latin America
Mainland China TV Internet Services Revenue Reached a Record High

Q3 2022 Mainland China TV Internet Services Revenue Reached a **Record High** and Accounted for **15%+** of Mainland China Total Internet Services Revenue

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**TV VAS**

Q3 2022 TV VAS revenue reached a **record high**

- Strengthened monetization thanks to enriched contents and extended user scenarios especially **kids and family**
- TV paid subscribers exceeded **5 million**
- Continued to drive **strong recurring revenue** from smart TVs

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**TV VAS** primarily includes subscription services
Financials
Quarterly Revenue by Region and Segment

**Total Revenue by Region, Q3 2022**

**RMB Billions**

- **Mainland China**
  - Q2 2022: 70.2
  - Q3 2022: 70.5
  - Increase: 49.5%

- **Overseas**
  - Q2 2022: 50.5
  - Q3 2022: 49.5
  - Increase: 50.5%

**Smartphones Revenue**

**RMB Billions**

- Q2 2022: 42.3
- Q3 2022: 42.5

**IoT and Lifestyle Products Revenue**

**RMB Billions**

- Q2 2022: 19.8
- Q3 2022: 19.1

**Internet Services Revenue**

**RMB Billions**

- Q2 2022: 7.0
- Q3 2022: 7.1
Quarterly Gross Profit Margin by Segment

Overall

- Gross profit margin increased QoQ, mainly due to improved gross profit margin in mainland China

Q2 2022: 16.8%
Q3 2022: 16.6%

IoT and Lifestyle Products

- Gross profit margin decreased QoQ, mainly due to enhanced promotional efforts of smart TVs overseas, as well as the increased inventory impairment provisions

Q2 2022: 14.3%
Q3 2022: 13.5%

Smartphones

- Gross profit margin increased QoQ, mainly due to improved gross profit margin in mainland China

Q2 2022: 8.7%
Q3 2022: 8.9%

Internet Services

- Gross profit margin decreased QoQ, mainly due to the decline of gross profit margin from our fintech business and higher contribution from gaming business

Q2 2022: 73.0%
Q3 2022: 72.1%
Operating expense ratio was 14.5% in Q3 2022

R&D expense ratio continued to grow QoQ, due to increased expenses related to smart EV and other new initiatives of RMB829 million

Selling and marketing expenses and administration expenses as % of revenue decreased QoQ, given fewer promotional events
Continued to Manage Expenses

Operating Expenses
RMB Billions

<table>
<thead>
<tr>
<th></th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses (excluding expenses related to smart EV and other new initiatives)</td>
<td>9.4</td>
<td>11.4</td>
<td>10.0</td>
<td>10.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Expenses related to smart EV and other new initiatives</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
</tr>
</tbody>
</table>
Focus on Inventory Management

Inventories
RMB Billions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Raw materials</th>
<th>Finished goods</th>
<th>Others(^1)</th>
<th>Provision for impairment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>10.9</td>
<td>21.3</td>
<td>27.1</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>10.5</td>
<td>23.9</td>
<td>19.3</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>11.4</td>
<td>26.6</td>
<td>19.8</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>10.4</td>
<td>32.5</td>
<td>17.2</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>9.0</td>
<td>27.3</td>
<td>19.6</td>
<td>(2.9)</td>
</tr>
</tbody>
</table>

- Raw materials inventory remained healthy as supply normalized
- Finished goods lowered as we continued to reduce our inventory in the overseas markets

\(^1\) Including work in progress, spare parts, and others
Our cash resources reached approximately **RMB94.3 billion**

Returned cash to shareholders through repurchasing 191.6 million shares totaling HKD2.3 billion\(^2\) in the first three quarters of 2022

1\(^{st}\) quarter 2022: RMB 99.5 billion
2\(^{nd}\) quarter 2022: RMB 102.5 billion
3\(^{rd}\) quarter 2022: RMB 94.3 billion

\(^1\) Including but not limited to (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, (vi) long-term bank deposits and (vii) other investments included in long-term investments measured at fair value through profit or loss

\(^2\) Excluding transaction fees
ESG
ESG Awards and Recognitions

**China ESG 50**

Named on the **inaugural 2022 ESG 50** List by Forbes China

To recognize companies with **best practices in ESG**

**World’s Best Employer**

Recognized on the **2022 WORLD’S BEST EMPLOYERS** List by Forbes

On the list for **2 consecutive years**
Giving back to Our Community

**Disaster Relief**

In August 2022
Mountain fire disaster relief of **RMB100,000** for Chongqing, China

In September 2022
Earthquake disaster relief of **RMB1 million** for Luding in Sichuan, China

In September 2022
Donated **US$100,000** to the UN Refugee Agency to support assistance of flood-affected regions in Pakistan

**Educational Equality**

Funded multiple projects promoting educational equality across South East Asia markets under “Xiaomi Education” youth education program

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1 By Beijing Xiaomi Foundation
2 By Xiaomi Foundation Limited