Xiaomi Corp. (1810.HK)

Setting the scene for a catalyst-rich 3Q and potential turnaround; Buy

1810.HK	12m Price Target: **HK$40.00**	Price: **HK$22.62**	Upside: **76.8%**

We expect developments in smart EV and AI to be a key focus for investors as we enter a catalyst-rich period for Xiaomi over the next couple of months. While the stock has pulled back -42% YTD (vs. HSTECH -20%, or -30%/-29%/-32%/-12%/-33% for Tencent/BABA/PDD/NTES/Meituan) on concerns over rising BOM costs and soft domestic consumption, as well as unfavorable fund flows, **3Q26 may provide a potential turnaround opportunity from both narrative and financial perspectives**, in our view.

What does the current US$78bn market cap imply? i) 15x 2026E P/E or 14x 12m-fwd P/E on Xiaomi core ex. smart EV, AI and other new initiatives, compared to an average of 13x 12m-fwd P/E during the trough period of the prior cycle in 2021-23. We believe this valuation has likely bottomed as Xiaomi now enjoys higher "backbone profit" thanks to larger AIoT and internet revenue which should lead to better long-term profit stability (Exhibit 3). **ii) 0.75x 2026E P/S on smart EV (US$12bn valuation)**, on par with the average P/S multiple of its domestic peers (BYD, Li Auto, XPeng and NIO), which we view as attractive as Xiaomi is set to grow smart EV revenue by 30%+ yoy in 2026E/27E vs. peer average mid-teen %. **iii) 0 value on AI and other new initiatives (e.g. robotics)**.

What to look for into 3Q26:

- **Smart EV:** While we await spec details on the 3rd EV series (**EREV large SUV potentially named SKYNOMAD**) that may be disclosed in the MIIT filing as early as mid July, we expect the new series to be positioned as **an all-road touring SUV** providing long-range support, on-road comfort and off-road capabilities, with multiple complementary variants through wheelbase stretching and cabin layout optimization. We think Xiaomi will likely price the new series **at a competitive level to capture the entry-level premium space** (e.g. starting from Rmb200k) yet offer **a wide pricing spectrum** for higher-end

■ BUY

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Key Data

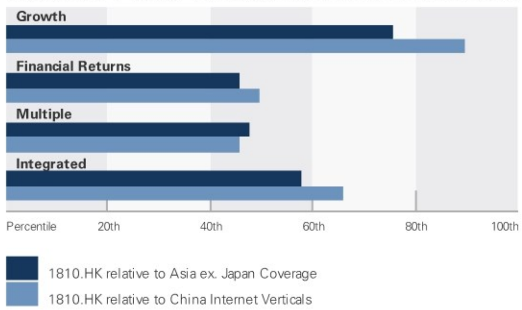
Market cap: HK$583.0bn / $74.4bn
Enterprise value: HK$384.9bn / $49.1bn
3m ADTV: HK$4.7bn / $595.1mn
China
China Internet Verticals
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	457,286.6	479,154.1	566,666.6	670,393.3
EBITDA (Rmb mn)	56,657.7	36,636.9	48,745.1	60,973.7
EPS (Rmb)	1.47	1.02	1.36	1.73
P/E (X)	30.6	19.2	14.4	11.3
P/B (X)	4.5	1.7	1.6	1.4
Dividend yield (%)	0.0	0.0	0.0	0.0
N debt/EBITDA (ex lease,X)	(2.9)	(4.7)	(3.9)	(3.4)
CROCI (%)	28.1	17.0	19.0	20.3
FCF yield (%)	1.9	2.5	4.1	4.9

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	0.23	0.20	0.27	0.32

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

BUY

Xiaomi Corp. (1810.HK)

Rating since Oct 19, 2023

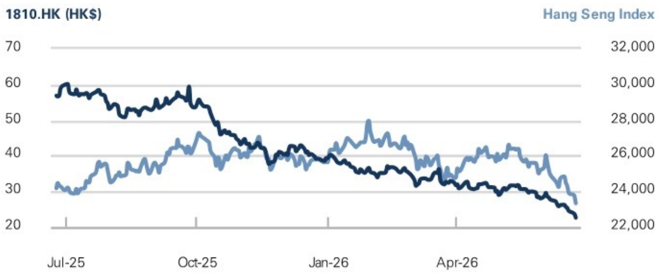
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	30.6	19.2	14.4	11.3
P/B (X)	4.5	1.7	1.6	1.4
FCF yield (%)	1.9	2.5	4.1	4.9
EV/EBITDAR (X)	17.5	9.1	6.6	5.0
EV/EBITDA (excl. leases) (X)	17.5	9.1	6.6	5.0
CROCI (%)	28.1	17.0	19.0	20.3
ROE (%)	18.3	8.6	10.4	11.7
Net debt/equity (%)	(61.4)	(57.9)	(55.9)	(54.0)
Net debt/equity (excl. leases) (%)	(61.4)	(57.9)	(55.9)	(54.0)
Interest cover (X)	–	–	–	–
Days inventory outst, sales	57.3	64.4	60.8	59.7
Receivable days	46.9	47.7	43.6	42.2
Days payable outstanding	144.1	142.3	127.3	117.3
DuPont ROE (%)	15.6	8.1	9.8	11.0
Turnover (X)	0.9	0.9	1.0	1.0
Leverage (X)	1.9	1.8	1.8	1.7
Gross cash invested (ex cash) (Rmb)	193,679.1	226,261.1	261,292.4	303,166.7
Average capital employed (Rmb)	230,839.6	286,628.9	309,387.5	335,633.3
BVPS (Rmb)	9.97	11.20	12.60	14.40

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	25.0	4.8	18.3	18.3
EBITDA growth	83.8	(35.3)	33.0	25.1
EPS growth	37.2	(30.5)	33.2	26.7
DPS growth	NM	NM	NM	NM
EBIT margin	10.5	5.5	6.6	7.2
EBITDA margin	12.4	7.6	8.6	9.1
Net income margin	9.1	5.0	5.8	6.3

Price Performance



	3m	6m	12m
Absolute	(29.4)%	(42.3)%	(58.8)%
Rel. to the Hang Seng Index	(26.3)%	(36.3)%	(58.1)%

Source: FactSet. Price as of 23 Jun 2026 close.

Income Statement (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	457,286.6	479,154.1	566,666.6	670,393.3
Cost of goods sold	(355,480.8)	(378,237.8)	(442,877.5)	(521,559.7)
SG&A	(39,867.4)	(42,521.3)	(46,836.4)	(51,873.4)
R&D	(33,132.2)	(39,991.0)	(47,748.6)	(56,518.7)
Other operating inc./(exp.)	19,094.7	8,026.1	8,026.1	8,026.1
EBITDA	**56,657.7**	**36,636.9**	**48,745.1**	**60,973.7**
Depreciation & amortization	(8,756.7)	(10,206.8)	(11,514.9)	(12,506.0)
EBIT	**47,900.9**	**26,430.1**	**37,230.2**	**48,467.7**
Net interest inc./(exp.)	1,745.9	2,513.0	2,689.9	2,568.2
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**49,646.9**	**28,943.2**	**39,920.1**	**51,035.9**
Provision for taxes	(8,080.4)	(4,905.0)	(7,007.9)	(8,766.7)
Minority interest	77.0	51.3	51.3	25.7
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**41,643.4**	**24,089.5**	**32,963.6**	**42,294.9**
Post-tax exceptionals	(2,400.1)	2,950.2	3,342.9	3,952.6
Net inc. (post-exceptionals)	**39,243.2**	**27,039.8**	**36,306.5**	**46,247.4**
EPS (basic, pre-except) (Rmb)	**1.62**	**0.93**	**1.27**	**1.62**
EPS (diluted, pre-except) (Rmb)	**1.56**	**0.91**	**1.24**	**1.58**
EPS (basic, post-except) (Rmb)	**1.53**	**1.05**	**1.40**	**1.77**
EPS (diluted, post-except) (Rmb)	**1.47**	**1.02**	**1.36**	**1.73**
DPS (Rmb)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0

Balance Sheet (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	26,914.4	34,852.2	51,238.7	71,749.5
Accounts receivable	61,546.1	63,567.3	71,669.0	83,210.5
Inventory	80,989.5	88,082.8	100,709.1	118,601.2
Other current assets	85,360.8	85,360.8	85,360.8	85,360.8
Total current assets	**254,810.8**	**271,863.1**	**308,977.8**	**358,922.1**
Net PP&E	27,950.3	36,504.1	45,549.0	55,533.9
Net intangibles	8,319.4	8,732.5	9,263.9	9,973.3
Total investments	87,149.5	94,149.5	101,149.5	108,149.5
Other long-term assets	129,866.0	129,866.0	129,866.0	129,866.0
Total assets	**508,096.0**	**541,115.2**	**594,806.2**	**662,444.8**
Accounts payable	146,051.4	148,794.3	160,202.4	175,010.7
Short-term debt	13,202.2	13,202.2	13,202.2	13,202.2
Short-term lease liabilities	–	–	–	–
Other current liabilities	33,151.9	33,115.2	35,495.1	38,446.3
Total current liabilities	**192,405.5**	**195,111.7**	**208,899.7**	**226,659.2**
Long-term debt	22,921.4	22,921.4	22,921.4	22,921.4
Long-term lease liabilities	–	–	–	–
Other long-term liabilities	26,445.8	26,628.4	26,820.1	27,021.5
Total long-term liabilities	**49,367.2**	**49,549.8**	**49,741.6**	**49,942.9**
Total liabilities	**241,772.7**	**244,661.5**	**258,641.3**	**276,602.1**
Preferred shares	–	–	–	–
Total common equity	266,218.7	296,349.1	336,060.3	385,738.1
Minority interest	**104.6**	**104.6**	**104.6**	**104.6**
Total liabilities & equity	**508,096.0**	**541,115.2**	**594,806.2**	**662,444.8**
Net debt, adjusted	(71,572.9)	(79,510.7)	(95,897.3)	(116,408.0)

Cash Flow (Rmb mn)

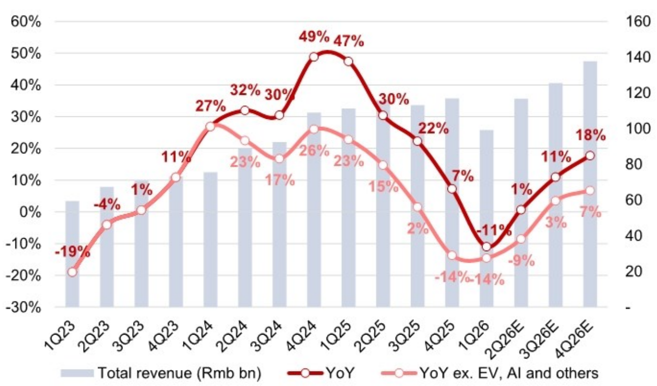
	12/25	12/26E	12/27E	12/28E
Net income	41,643.4	24,089.5	32,963.6	42,294.9
D&A add-back	8,756.7	10,206.8	11,514.9	12,506.0
Minority interest add-back	(77.0)	(51.3)	(51.3)	(25.7)
Net (inc)/dec working capital	(14,220.5)	(6,225.7)	(6,748.3)	(11,472.8)
Other operating cash flow	(1,960.3)	3,579.2	4,109.0	4,840.4
Cash flow from operations	**34,142.4**	**31,598.5**	**41,787.8**	**48,142.8**
Capital expenditures	(12,769.2)	(19,173.8)	(21,091.2)	(23,200.3)
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Others	(58,909.6)	(4,487.0)	(4,310.1)	(4,431.8)
Cash flow from investing	**(71,678.7)**	**(23,660.7)**	**(25,401.3)**	**(27,632.1)**
Repayment of lease liabilities	–	–	–	–
Dividends paid (common & pref)	–	–	–	–
Inc/(dec) in debt	–	–	–	–
Other financing cash flows	0.0	0.0	0.0	0.0
Cash flow from financing	**30,789.3**	**0.0**	**0.0**	**0.0**
Total cash flow	**(6,747.1)**	**7,937.8**	**16,386.6**	**20,510.8**
Free cash flow	21,373.2	12,424.8	20,696.7	24,942.5

Source: Company data, Goldman Sachs Research estimates.

variants/features. We model **110k/240k** delivery volume in 2026E/27E for the new series (unchanged), with 2027E volume equivalent to 15% of the 1.6mn+ SUV units (ex. BEVs) with starting price from Rmb200-400k sold in China in 2025, and see potential for up to **c.500k** units in a bull case if Xiaomi better captures trade-up/traditional ICE demand from the mass market (vs. **490k** Li Auto L6-9 volume in 2024, **425k** Seres AITO M6-9 volume LTM).

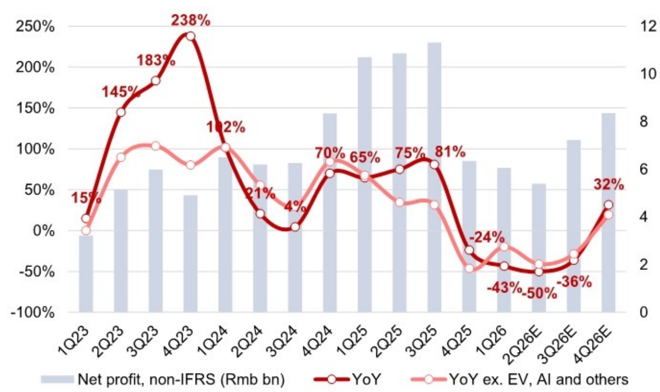
- **AI:** As Xiaomi pushes efficiency frontiers of foundational LLMs (i.e. cost and speed) and accelerates harness rollouts, we believe its AI monetization strategy is taking shape: **i) to-C**, with HyperOS4 release & system-level AI agent upgrade being near-term checkpoints, and monetization through traffic, ads, eCommerce, etc. being longer-term objectives; **ii) to-B**, with third-party token consumption and developer ecosystem cultivation (e.g. paying user conversion/retention) being near-term checkpoints, and token plan/API ARR via coding and enterprise productivity being longer-term optionality; **iii) physical world**, including **AIoT** ecosystem for AI capability distribution, **robotics** for mass deployment at factories in 5 years, and **smart driving**.
- **2Q26 results may be the weakest of the year.** We expect Xiaomi's revenue growth ex. EV, AI and other new initiatives to resume positive yoy growth from 3Q26E (Exhibit 1) and net profit to improve qoq in 3Q/4Q26E (Exhibit 2). The **6.18 shopping festival this year was quiet** (no GMV disclosure); we model China smartphone and AIoT revenue to decline -23% yoy in 2Q26E (vs. +34% yoy in 2Q25, or +35% yoy for GMV during the 2025 6.18 shopping festival). For smartphones, Xiaomi ranked No.1 in volume and No.4 in GMV among domestic brands on JD.com (vs. No.1 for sales volume/GMV during 6.18 and Single's Day among domestic brands in 2025), likely on softer sales in the Rmb6k+ ASP segment due to portfolio fragmentation (e.g. new Xiaomi 17T series) and fierce competition from Apple/Huawei. We think AIoT sales may be also pressured by a high base, while Xiaomi appeared to offer smaller discounts than last year for home appliances in exchange for healthier margins.

Exhibit 1: We expect Xiaomi's revenue growth ex. EV, AI and other new initiatives to resume positive yoy growth from 3Q26E...



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: ... and non-IFRS net profit to improve qoq in 3Q/4Q26E from the 2Q26E trough



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: Revenue and profitability breakdown by segment by GSe

Rmb mn	2024	2025	2026E	2027E	2028E
Revenue	**365,906**	**457,287**	**479,154**	**566,667**	**670,393**
Smartphone	191,759	186,440	178,273	184,716	196,128
Shipments (mn)	169	165	135	136	140
AIoT	104,104	123,200	116,430	132,909	151,375
Internet	34,115	37,440	39,264	41,780	44,290
Other services	3,174	4,137	4,085	3,984	4,097
EV and other new initiatives	32,754	106,070	141,102	203,277	274,504
Deliveries (k)	137	411	550	800	1,127
Revenue yoy	***35%***	***25%***	***5%***	***18%***	***18%***
Smartphone	*22%*	*-3%*	*-4%*	*4%*	*6%*
AIoT	*30%*	*18%*	*-5%*	*14%*	*14%*
Internet	*13%*	*10%*	*5%*	*6%*	*6%*
Other services	*-4%*	*30%*	*-1%*	*-2%*	*3%*
EV and other new initiatives		*224%*	*33%*	*44%*	*35%*
GPM	**20.9%**	**22.3%**	**21.1%**	**21.8%**	**22.2%**
Smartphone	12.6%	10.9%	8.0%	8.8%	9.5%
AIoT	20.3%	23.1%	23.6%	23.8%	23.8%
Internet	76.6%	76.5%	76.1%	76.3%	76.4%
Other services	-31.0%	-31.1%	-17.0%	-12.0%	-7.0%
EV and other new initiatives	18.5%	24.3%	21.3%	21.9%	22.1%

Rmb mn	2024	2025	2026E	2027E	2028E
Net profit, IFRS	**23,658**	**41,643**	**24,090**	**32,964**	**42,295**
Hardware business (HB)	**3,311**	**9,591**	**978**	**7,369**	**14,385**
Smartphone and AIoT	10,511	8,588	4,101	5,298	7,719
Smartphone	3,120	(652)	(4,631)	(4,670)	(3,634)
AIoT	7,391	9,240	8,732	9,968	11,353
EV and other new initiatives	(7,200)	1,004	(3,123)	2,071	6,665
Other businesses	**20,267**	**31,975**	**23,060**	**25,543**	**27,884**
Internet	13,659	11,134	12,521	14,827	17,290
Investments and others	6,608	20,841	10,539	10,716	10,594
Hardware business (HB) NPI	**1.0%**	**2.3%**	**0.2%**	**1.4%**	**2.3%**
Smartphone and AIoT	3.6%	2.8%	1.4%	1.7%	2.2%
Smartphone	1.6%	-0.3%	-2.6%	-2.5%	-1.9%
AIoT	7.1%	7.5%	7.5%	7.5%	7.5%
EV and other new initiatives	-22.0%	0.9%	-2.2%	1.0%	2.4%
Net profit, non-IFRS	**27,314**	**39,243**	**27,040**	**36,306**	**46,247**
Xiaomi core	**33,614**	**36,740**	**28,163**	**31,836**	**36,822**
AIoT	7,391	9,240	8,732	9,968	11,353
Internet	13,739	11,211	12,572	14,879	17,316
Investments and others	6,544	13,075	7,397	7,260	7,138
SBC (core only)	2,819	3,865	4,092	4,399	4,649
Xiaomi core ex. smartphone (backbone)	**30,494**	**37,392**	**32,794**	**36,506**	**40,456**
Smartphone	3,120	(652)	(4,631)	(4,670)	(3,634)
EV and other new initiatives	**(6,300)**	**2,504**	**(1,123)**	**4,471**	**9,425**

Source: Company data, Goldman Sachs Global Investment Research

Next new EV series launch

Potential product definition and variations

We believe Xiaomi's 3rd EV model will be an **EREV large SUV**, based on management commentary and company disclosures. Management disclosed at the 1Q26 results call that the new large-size/full-size EV series will be manufactured on a new platform (vs. Moderna in the case of SU7/YU7) and offer multiple variations to consumers. As per MIIT as of Jun 10, Xiaomi is approved for manufacturing EREVs at the Xiaomi EV factory in Beijing. Over the past couple of years, Xiaomi has registered **SKYNOMAD** as a trademark under various classification groups including vehicles and apparatus, which in our view could potentially be the name of the new EV series. This name has also been widely reported in the media.

Based on management commentary, company disclosures (e.g. patent registrations) and media reports, we expect the new EV series to be positioned as **an all-road touring SUV**, spanning two distinct categories: conventional family/business crossovers (e.g. Li Auto's L series, Seres' AITO M series) and hardcore off-roaders (e.g. GWM's Tank series, BYD's Bao 5, Land Rover Defender series). In other words, its market positioning may differ from many of the "9-series" SUVs. Specifically, we look for:

- **Multiple complementary variants** through wheelbase stretching and cabin seating layout optimization to broaden demographic/demand coverage, which could potentially include i) a standard wheelbase 5-seater catering to newlywed/small families with a focus on urban agility, handling, and zero range anxiety, aiming for a high-value-for-money smart mobility experience; ii) a long wheelbase 5-seater catering to both 3-to-5-member families and business demand, featuring spacious second-row legroom and a camping-grade trunk; and iii) a long wheelbase 6/7-seater catering to multi-child families and people who travel frequently with multiple passengers.

- **Long range support** leveraging a unified intelligent and EREV powertrain chassis involving a large-capacity battery (reportedly to be supplied by CALB) enabling a long pure-electric range, along with an efficient range extender. Compared to the large frunk space of SU7/YU7, Xiaomi has introduced an innovative left-and-right split layout for EREV's front compartment to enhance structural safety and space utilization, which also reduces overall vehicle power consumption through lightweighting.
- **On-road comfort** such as ride plushness, cabin quietness, a "mobile living room" enabled by seat rotation, and enhanced integration with Xiaomi's AIoT ecosystem.
- **Off-road capabilities** such as active hydraulic suspension, built-in pop-up rooftop tent, external power output for mountain paved road/light unpaved road driving and glamping sites scenarios.

TAM opportunity

We expect Xiaomi to maintain a premium positioning within the China auto industry for its 3rd model, i.e. starting price around Rmb200k or higher. SUV models with starting prices from Rmb200-400k sold **3.2mn** units (or **1.5mn+** excluding BEV SUVs) in 2025, representing 27%/13% of China's SUV/auto retail volume and demonstrating **one of the fastest growth rates** among various powertrain sub-segments in 2025 and 2026 YTD despite a more difficult market environment (Exhibit 4, Exhibit 5).

Following the start of the anti-involution campaign and partly as a result of raw material price inflation, there have been price increases in the China market with the launch of facelift models, and given that consumers may trade up for more appealing product attributes, we think Xiaomi's 3rd model could cater to an even bigger TAM – we note that **5mn+ SUV units (ex. BEVs) with starting prices from Rmb100-400k** were sold in China in 2025 (Exhibit 6). Of note, the sub-segment of SUVs with starting prices from Rmb100-200k represents the largest TAM among powertrain sub-segments, with below industry-average NEV penetration (48-49% currently) and the strongest presence of foreign JV brands (c.60% of foreign JV SUVs are in this sub-segment). In other words, we believe **Xiaomi's EREV SUV could be positioned to capture the market share from foreign legacy ICE brands while differentiating itself from domestic peers**.

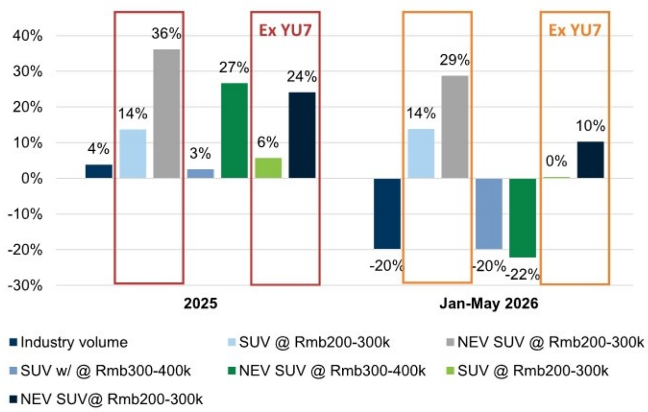
Exhibit 4: SUV models with starting prices at Rmb200-400k sold 3.2mn units in 2025, representing 27%/13% of China's SUV/auto retail volume

Volume by starting price (mn)		2024	2025					Jan-May 2026				
Model type	Powertrain	Total	<Rmb100k	Rmb100-200k	Rmb200-300k	Rmb300-400k	Total	<Rmb100k	Rmb100-200k	Rmb200-300k	Rmb300-400k	Total
Sedan	NEV	**5.1**	3.8	1.3	0.8	0.0	**6.0**	0.8	0.4	0.2	0.0	**1.4**
	ICE	**5.4**	1.9	1.8	0.6	0.5	**4.8**	0.6	0.5	0.2	0.2	**1.4**
	Subtotal	**10.4**	**5.7**	**3.1**	**1.4**	**0.5**	**10.8**	**1.4**	**0.9**	**0.4**	**0.2**	**2.9**
SUV	NEV	**4.9**	0.6	3.0	1.7	0.5	**6.1**	0.2	0.9	0.6	0.1	**2.1**
	EREV	**1.1**	0.0	0.2	0.4	0.3	**1.1**	0.0	0.1	0.1	0.1	**0.3**
	ICE	**6.3**	1.4	3.2	0.4	0.5	**5.6**	0.5	1.0	0.1	0.2	**1.8**
	Subtotal	**11.2**	**2.0**	**6.2**	**2.2**	**1.0**	**11.8**	**0.7**	**1.9**	**0.8**	**0.3**	**3.8**
MPV	NEV	**0.4**	0.0	0.1	0.2	0.2	**0.5**	0.0	0.0	0.0	0.1	**0.2**
	ICE	**0.7**	0.2	0.1	0.3	0.0	**0.6**	0.1	0.0	0.1	0.0	**0.2**
	Subtotal	**1.1**	**0.2**	**0.1**	**0.4**	**0.2**	**1.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.3**
Total	NEV	**10.3**	4.4	4.4	2.7	0.7	**12.6**	1.1	1.3	0.9	0.2	**3.7**
	ICE	**12.4**	3.5	5.1	1.3	1.0	**11.0**	1.1	1.5	0.4	0.3	**3.4**
	Grand total	**22.7**	**7.9**	**9.5**	**4.0**	**1.7**	**23.6**	**2.2**	**2.8**	**1.3**	**0.5**	**7.0**

Volume yoy (%)		2024	2025					Jan-May 2026				
Model type	Powertrain	Total	<Rmb100k	Rmb100-200k	Rmb200-300k	Rmb300-400k	Total	<Rmb100k	Rmb100-200k	Rmb200-300k	Rmb300-400k	Total
Sedan	NEV	**49%**	18%	22%	46%	-74%	**19%**	-37%	-22%	-35%	97%	**-33%**
	ICE	**-21%**	-13%	-13%	-27%	66%	**-11%**	-27%	-27%	-18%	-14%	**-25%**
	Subtotal	**2%**	**5%**	**-1%**	**4%**	**10%**	**3%**	**-33%**	**-25%**	**-29%**	**-8%**	**-29%**
SUV	NEV	**42%**	50%	20%	36%	27%	25%	24%	-18%	29%	-22%	1%
	ICE	**-4%**	-9%	-7%	-31%	-13%	**-11%**	-17%	-25%	-26%	-18%	**-22%**
	Subtotal	**12%**	**4%**	**4%**	**14%**	**3%**	**5%**	**-6%**	**-22%**	**14%**	**-20%**	**-11%**
MPV	NEV	**53%**	6395%	10%	96%	3%	**33%**	12%	-7%	27%	-30%	-7%
	ICE	**-16%**	-29%	-12%	-14%	-32%	**-21%**	-14%	9%	-30%	-66%	-21%
	Subtotal	**-1%**	**-23%**	**-4%**	**11%**	**0%**	**-2%**	**-13%**	**1%**	**-15%**	**-32%**	**-15%**
Total	NEV	**46%**	22%	20%	42%	-4%	**22%**	-29%	-19%	4%	-20%	**-16%**
	ICE	**-13%**	-13%	-9%	-26%	11%	**-11%**	-23%	-25%	-23%	-17%	**-23%**
	Grand total	**6%**	**4%**	**2%**	**10%**	**4%**	**4%**	**-26%**	**-23%**	**-6%**	**-18%**	**-20%**

Source: PCAuto, Data compiled by Goldman Sachs Global Investment Research

Exhibit 5: Premium SUVs and premium NEV SUVs have outperformed China's auto retail sales growth
China auto retail volume yoy change



Source: CADA, PCAuto, Data compiled by Goldman Sachs Global Investment Research

Exhibit 6: We expect Xiaomi's 3rd EV model to tap China's SUV TAM (ex. BEV) that consists of 5mn+/1.6mn+ units with starting price Rmb100-400k/200-400k
Sales volume by segment for models with starting price Rmb100-400k in 2025

Sales volume (mn)		Sedan		SUV	Total
Rmb100-400k					
BEV	SU7	1.7	YU7	4.3	6.0
EREV/PHEV		0.5	3rd model	0.9	1.4
ICE		2.8		4.2	7.0
Total		5.0		9.4	14.4
Rmb200-400k					
BEV				1.5	
EREV/PHEV			3rd model	0.7	
ICE				0.9	
Total		1.9		3.2	5.0

Source: CADA, PCAuto, Data compiled by Goldman Sachs Global Investment Research

Sizing sales potential

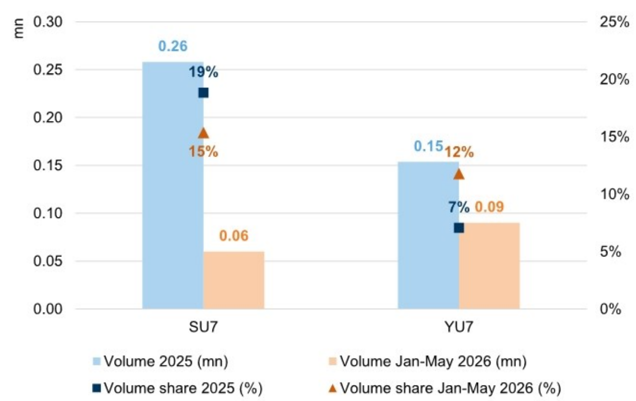
- **Pricing:** We expect Xiaomi will likely price the 3rd model **at a competitive level to capture the entry-level premium space** (e.g. starting price from Rmb200k+) enabled by enhanced supply chain capabilities and more favorable battery costs (vs. SU7/YU7), yet offer a **wide pricing spectrum** for higher-end complementary variants and features. That said, we await more spec details that may be disclosed in the MIIT filing as early as mid July .

- **Sales volume:** While sales volume depends on final prices and sales strategies, we expect the entry-level premium variant, potentially a standard wheelbase 5-seater, to be the **volume anchor**, while the long-wheelbase 7-seater as a lower-volume niche could serve as a flagship variant to **establish premium parity with peers** such as Li L9, Seres AITO M9 and Range Rover Long Wheelbase. Hence, we believe the potential sales volume of Xiaomi's 3rd EV model or SKYNOMAD should be compared to the combined volume of multiple models (e.g. Seres AITO M7-9, Li L7-9) instead of one single peer model.

  We model 110k/240k delivery volume in 2026E/27E for the 3rd model (unchanged), with 2027E volume equivalent to **15%** of the 1.6mn+ SUV units (ex. BEVs) with starting prices at Rmb200-400k sold in 2025 (Exhibit 6), which compared to 15%/12% market shares of SU7/YU7 in China's sedan/SUV markets (including ICEs) with starting prices at Rmb200-300k in Jan-May 2026.

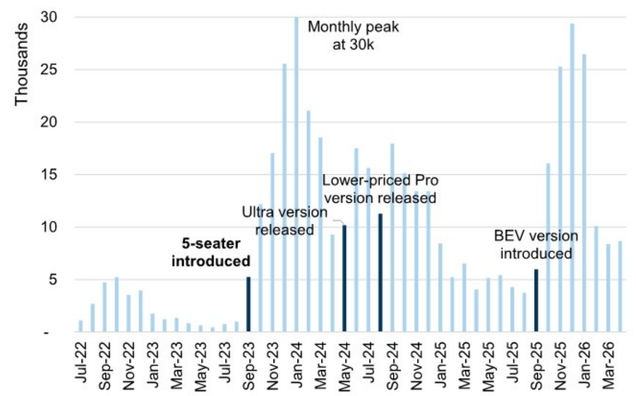
  In our bull case, if Xiaomi is able to capture part of the trade-up/traditional ICE demand from the more mass market, we could see potential for **c.500k delivery volume** in 2027 based on 10% of the 5mn SUV units (ex. BEVs) with starting price from Rmb100-400k; the 10% share is benchmarked against YU7's growth contribution to China's SUV sales with unit prices starting from Rmb200-300k (Exhibit 5). This compares to **490k** Li Auto L6-9 delivery volume in 2024 (starting prices from Rmb250k), or **425k** Seres AITO M6-9 delivery volume over the last 12 months (starting prices from Rmb260k).

Exhibit 7: Xiaomi SU7/YU7 models accounted for 15%/12% of China's sedan/SUV markets with starting price at Rmb200-300k in Jan-May 2026
Xiaomi SU7/YU7 shipment and volume share



Source: PCAuto, Data compiled by Goldman Sachs Global Investment Research

Exhibit 8: Seres AITO M7: 5-seater version launch turned around the soft sales volume of the initial 6-seater model
Monthly delivery volume of Seres AITO M7



Source: Company data, DCar, Data compiled by Goldman Sachs Global Investment Research

Exhibit 9: Comparable models to Xiaomi's 3rd EREV model

	OEM	AITO			Li Auto			NIO		Zeekr		ONVO		Leapmotor	IM Motors	XPeng
	5-seater SUV model	M7	M8	M9	L7	L8	L9	ES8	ES9	8X	9X	L80	L90	D19	LS8	GX
Launch	Model launch date	Jul-22	Apr-25	Dec-23	Jun-22	Sep-22	Sep-22	Dec-17	May-26	Apr-26	Sep-25	May-26	Jul-25	Apr-26	Apr-26	May-26
Power	Powertrain type	EREV/BEV	EREV/BEV	EREV/BEV	EREV	EREV	EREV	BEV (Battery Swap)	BEV (Battery Swap)	PHEV	PHEV	BEV (Battery Swap)	BEV (Battery Swap)	EREV/BEV	EREV	EREV/BEV
Version	# of version (ex. EV)	7	6	3	3	3	2	3	6	7	5	3	3	2	2	4
Price	Price range (Rmb k)	280 - 350	370 - 460	490 - 660	302 - 360	322 - 380	460 - 510	407 - 457	498 - 628	357 - 501	466 - 600	243 - 280	266 - 300	220 - 240	262 - 292	290 - 360
Size	Length (mm)	5,080	5,190	5,285/5,402	5,050	5,080	5,255	5,280	5,365	5,100	5,239	5,145	5,145	5,252	5,085	5,265
	Width (mm)	1,999	1,999	2,026	1,995	1,995	2,000	2,010	2,029	1,998	2,019/2,029	1,998	1,998	1,995	2,000	1,999
	Height (mm)	1,780	1,795	1,845	1,750	1,800	1,810	1,800	1,870	1,780	1,819	1,766	1,766	1,780	1,807	1,800
	Wheelbase(mm)	3,030	3,105	3,125/3,236	3,005	3,005	3,125	3,130	3,250	3,069	3,169	3,110	3,110	3,110	3,060	3,115
	Minimum turning radius (m)	5.8	5.9	5.1/5.2	5.9	5.9	5.3	5.7	5.4	5.9	6.0	5.7	5.7	6.2	4.9	5.4
Range	Battery type	LFP/NMC	LFP/NMC	NMC	NMC	NMC	NMC	NMC	NMC	NMC	NMC	NMC	NMC	LFP	LFP/NMC	LFP
	Battery capacity (kWh)	37/53	37/53	60/75.4	43/52	43/52	72.7	102	102	55/70	55/70	85	85	64/80	52/66	63
	Battery cell (brand)	CATL	CATL	CATL	Sunwoda/ SVOLT/CATL	Sunwoda/CATL	CATL	CATL	CATL	CATL	CATL	CALB/CATL	CALB/CATL	CATL	Zenergy/CATL	CALB
	High-Voltage charging (V)	400V	400V	800V	400V	400V	800V	900V	900V	900V	900V	900V	900V	800V	800V	800V
	Fast charging time to 80% (mins)	15	15	15	30/20	30/25	10	NA	NA	9	9	25	25	15	19/17	12
	Electric WLTC (km)	175/265/255	170/255/246	280/355/310	190/240	190/235	350	635	620/600	257/328/ 256/268	235/230/ 302/280	615/570	600/570	400/500	279/335	320
	Total WLTC (km)	1,345/1,500/1,4 35	1,250/1,375/1,3 26	1,345/1,405/1,2 60	1,135/1,185	1,135/1,180	1370.00	635	620/600	1,152/1,205/ 1,148/1,037	1,200/1,160/ 1,250/1,165	615/570	600/570	1,050/972	1,376/1,402	1,585
	Curb weight (kg)	2,600/2,540/2,6 15	2,695/2,715	2,920/2,995/3,2 00	2,460/2,500	2,490/2,530	2,755/2,835	2,630	2,845/2,915	2,260/2,790/ 2,730/2,870	2,840/2,970/ 3,045/,3150	2,250/2,270/2,3 60	2,300/2,385	2,635/2,740	2,540/2,620	2,840
Perfor-mance	Range extender brand	Huawei & Seres	Huawei & Seres	Huawei & Seres	Li Auto & Xinchen Power	Li Auto & Xinchen Power	Li Auto & Xinchen Power	NA	NA	Geely	Geely	NA	NA	Horse Powertrain	SAIC	Dongan Auto
	Range extender displacement (T)	1.5T	1.5T	1.5T/2.0T	1.5T	1.5T	1.5T	NA	NA	2.0T	2.0T	NA	NA	1.5T	1.5T	1.5T
	Range extender max power (kW)	118	118	118/133	113	113	115	NA	NA	205	205	NA	NA	95	114	110
	Range extender max horsepower (PS)	160	160	160/181	154	154	156	NA	NA	279	279	NA	NA	129	155	150
	Electric motor max power (kW)	227/392	227/392	497/664	330	330	420	520	520	660/1,030	660/1,030	340/440	340/440	300	230/390	370
	Electric motor max horsepower (PS)	309/533	309/533	676/903	449	449	571	707	707	898/1,401	898/1,401	462/598	462/598	408	313/530	503
	# of electric motors	1/2	1/2	2/3	2	2	2	2	2	2/3	2/3	1/2	1/2	2	1/2	2
	Maximum speed (km/h)	190/200	190/200	220/251	180	180	200	220	220	220/230	240	200	200	180	190/220	200
	0-100km/h acceleration time (s)	8.2/5.2/5.1	5.3/5.2	4.5/4.6/3.99	5.3	5.3	4.9	4.0	4.3	3.7/2.96	3.9/4.2/3.1	5.7/4.5	5.9/4.7	6.0	7.3/4.7	NA
Intelligent Driving	Intelligent driving system	Huawei ADS	Huawei ADS	Huawei ADS	AD Pro/AD Max	AD Pro/Max	Mach Intelligent Driving System	NOP	NOP	Geely H7/H9	Geely H7/H9	OSD/NOP	OSD/NOP	Pilot	IM AD	XNGP
	Intelligent driving chips	Huawei	Huawei	Huawei	Horizon Journey 6M / NVIDIA DRIVE Thor-U	Horizon Journey 6M/NVIDIA DRIVE Thor-U	Mach M100	Shenji NX9031	Single or Dual Shenji NX9031	NVIDIA DRIVE Thor-U/ NVIDIA DRIVE Thor-U*2	NVIDIA DRIVE Thor-U/NVIDIA DRIVE Thor-U*2	NVIDIA DRIVE Orin X / Shenji NX9031	NVIDIA DRIVE Orin X / Shenji NX9031	Single or Dual Qualcomm 8797	NVIDIA DRIVE Thor	Single or Dual Turing
	Chips computing capability (TOPS)	NA	NA	NA	128/700	128/700	1,280/2,560	1,000+	1,000+/2,000+	700/1,400	700/1400	254/1,000+	254/1,000+	640/1,280	700	750/1,500
	# of LiDAR	1/2	2/4	6	1	1	1/4	3	3	1/5	5	0/1	0/1	1	1	0
Volume	LTM retail volume (May 26)	152,875	163,799	85,769	53,704	25,543	30,170	114,111	3,108	8,281	61,965	5,949	55,662	11,476	5,441	270
	LTM annualized retail volume (May 26)	152,875	163,799	85,769	53,704	25,543	30,170	114,111	37,296	33,124	82,620	71,388	66,794	68,856	21,764	3,240
	LTM peak monthly retail volume (May 26)	29,368	21,564	13,718	8,273	4,338	4,893	22,258	3,108	6,103	10,060	5,949	11,722	7,021	3,090	270

Source: Company data, Autohome, Data compiled by Goldman Sachs Global Investment Research

AI model/harness progress and monetization

Model layer - Pushing the efficiency frontiers of foundational LLMs

- **Up to 99% pricing reduction to global lows:** Following the release of MiMo-V2 and MiMo-V2.5 model series in Mar and Apr, Xiaomi on May 27 announced a **permanent pricing reduction** for the MiMo-V2.5 model series, with API prices cut by up to 99% and on par with DeepSeek V4-Pro post its 75% API price cut. This resulted from pass-through of cost efficiencies enabled by **large-scale inference engineering optimization** across a hybrid SWA (Sliding Window Attention) + MoE + multimodal composite architecture; as per MiMo, these optimizations have increased effective KVCache capacity by almost 5x, with server-side **cache hit rates avg. 93-95%** across mainstream harness frameworks.
- **1,000 TPS on a 1T-parameter model for the first time:** On Jun 8, Xiaomi, in collaboration with the TileRT systems engineering group, officially released **MiMo-V2.5-Pro-UltraSpeed**. This deployment marks an industry milestone by breaking through the 1k tokens per second (TPS) barrier on a flagship 1-trillion-parameter MoE model architecture, driven by a multi-layer hardware/software co-design. Notably, this was achieved on **standard commodity hardware** (i.e. a single 8-GPU node) without relying on custom silicon. The model is priced at **3x the standard MiMo-V2.5-Pro rate**, while delivering 10x improvement in absolute throughput; we estimate MiMo-V2.5-Pro-UltraSpeed provides **more favorable margin profiles** than MiMo-V2.5/V2.5-Pro post their price cuts.

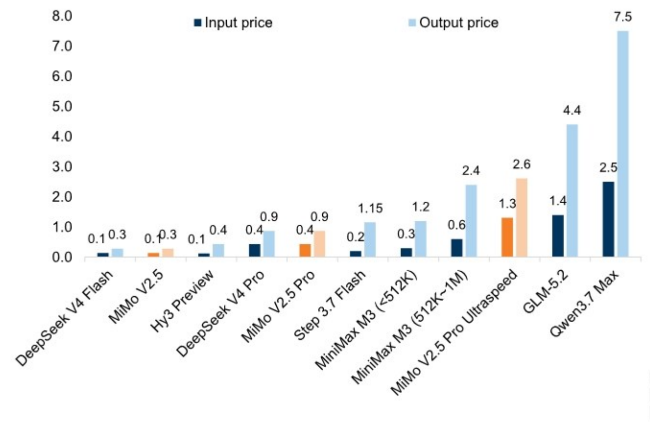
Exhibit 10: Price comparison of MiMo-V2.5 series post price cuts

Per 1mn tokens (US$)	Old price	New price	Price cut %
MiMo-V2.5-Pro			
Input (cache miss)	2.000	0.435	-78%
Input (cache hit)	0.400	0.004	-99%
Output	6.000	0.870	-86%
Blended	**1.28**	**0.18**	**-86%**
MiMo-V2.5			
Input (cache miss)	0.800	0.140	-83%
Input (cache hit)	0.160	0.003	-98%
Output	4.000	0.280	-93%
Blended	**0.67**	**0.06**	**-91%**
MiMo-V2.5-Pro-UltraSpeed			
Input (cache miss)		1.305	
Input (cache hit)		0.011	
Output		2.610	
Blended		**0.53**	

Assuming a blended 20%/70%/10% token composition unchanged.

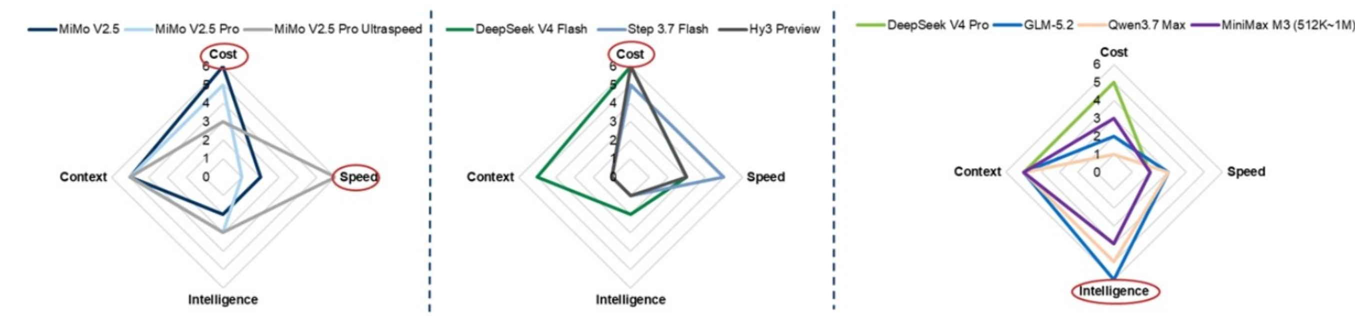
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 11: Input and output prices of major Chinese LLMs (US$ per 1M tokens)



Source: Artificial Analysis, Data compiled by Goldman Sachs Global Investment Research

Exhibit 12: Compared to other Chinese LLMs, MiMo-V2.5 series differentiates itself in terms of cost (MiMo-V2.5) and speed (MiMo-V2.5-Pro-Ultraspeed)



Source: Company data, Artificial Analysis, Goldman Sachs Global Investment Research

Exhibit 13: Model launch timeline and Artificial Analysis Intelligence Index

	Alibaba Qwen		Xiaomi MiMo		Tencent HY		Zhipu		Kimi		DeepSeek		MiniMax	
Jan-25											R1	13		
Feb-25														
Mar-25	2.5-VL-32B-Instr.	13									V3-0324	16		
Apr-25														
May-25											R1-0528	20		
Jun-25													M1 80k	18
Jul-25	3-236B-A22B-2507	22					4.5, 4.5 Air	19	K2	19				
Aug-25											V3.1	21		
Sep-25	3-Max	24					4.6	25	K2 0905	24	V3.2-Exp	26		
Oct-25													M2	28
Nov-25	3-Max-Think (Pre)	25							K2 Think	33				
Dec-25			V2-Flash	33			4.7	34			V3.2	33	M2.1	31
Jan-26	3-Max-Think	32							K2.5	38				
Feb-26	3.5-Plus	34					5	40					M2.5	34
Mar-26			V2-Pro	40									M2.7	38
Apr-26	3.6-27B	40	V2.5-Pro	42	3 Preview	34	5.1	40	K2.6	43	V4-Pro	44		
May-26	3.7-Max	46												
Jun-26							5.2	51					M3	44

Source: Artificial Analysis, Data compiled by Goldman Sachs Global Investment Research

Harness layer - Accelerating ecosystem cultivation

- **MiMo Code** (V0.1 released on Jun 10): As a terminal-based coding agent built and outsourced on top of OpenCode, MiMo Code is designed for **long-horizon automated programming tasks**, with a core focus on how to maintain decision quality and state continuity over hundreds of execution steps. As per Xiaomi, MiMo Code + MiMo-V2.5-Pro outperforms Claude Code + Claude Sonnet 4.6 i) across three mainstream benchmarks (i.e. SWE-bench Verified, SWE-bench Pro, Terminal Bench) which only measure one-shot problem-solving ability on individual repository-level issues; ii) in the human-in-the-loop double-blind A/B evaluation when the number of execution steps exceeds 200 (i.e. higher task complexity) while still enjoying close to 50% win rates when the number of steps is less than 200.

- **MiMo Claw** (released on Jun 16): As a cloud-hosted, lightweight agent product, MiMo Claw leverages the MiMo-V2.5-Pro flagship model and directly **integrates into the Kingsoft Office** suites by unifying AI generation, online preview, and real-time editing into a single interface (vs. Tencent's QClaw as a localized automation tool that allows users to control computer via messaging apps). We see **MiMo Claw as another potential AI monetization path for Xiaomi that applies to both consumers and enterprises** - it is not sold as a standalone SaaS subscription; instead, it is subsidized via daily 4-hour free trials and monetized by bundling it with Kingsoft Office (600mn+ MAUs) and Xiaomi's token plan programs with subscriptions starting from Rmb14.9/month.
- **Miloco** (V2.0 released on Jun 18): As an open-source whole-home AI solution driven by MiMo, Miloco V2.0 upgrades from V1.0's reactive, rule-based command execution into a proactive AI agent, adding multimodal perception via home cameras, an industry-first **household memory system** (i.e. favorable to customer retention and product cross-sell) to adapt to member preferences that is stored on the edge and run either on the edge or hybrid.

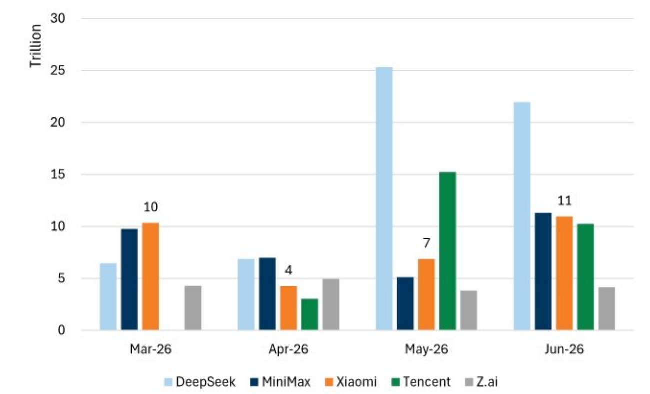
What to look for next?

As Xiaomi makes solid progress in AI investments, we see its AI monetization strategy is taking shape potentially in three major directions: **i) to-C monetization** through traffic, ads, eCommerce, etc. via the AI-driven OS (operating system); **ii) to-B monetization** focused on coding and enterprise productivity; and **iii) monetization through the physical world**.

- **To-C - HyperOS 4 release scheduled in Jul-Aug** that integrates Xiaomi's Super XiaoAI assistant with miclaw, which was initially rolled out in Mar as a system-level AI agent that can independently plan and execute complex tasks across users' devices. This follows Apple's iOS 27, Apple Intelligence, and Siri AI releases at WWDC 2026, and Huawei's HarmonyOS 7 Developer Beta release in mid Jun that features 2k+ AI agents. We look for more advanced AI features (e.g. more variety of task automation, smarter cross-device multitasking), which could become key demand drivers for Xiaomi's smartphone, AIoT and smart EV products.
- **To-B - Token plan/API business updates.** Xiaomi disclosed in Apr that paying user conversion post MiMo-V2 monetization reached 35% and the retention rate stayed notably higher, and Pro/Max combined contributed to half of token plan revenue. While we believe Xiaomi's token plan/API ARR should lag behind that of Zhipu, MiniMax and DeepSeek as serving third-party customers/developers is not the sole

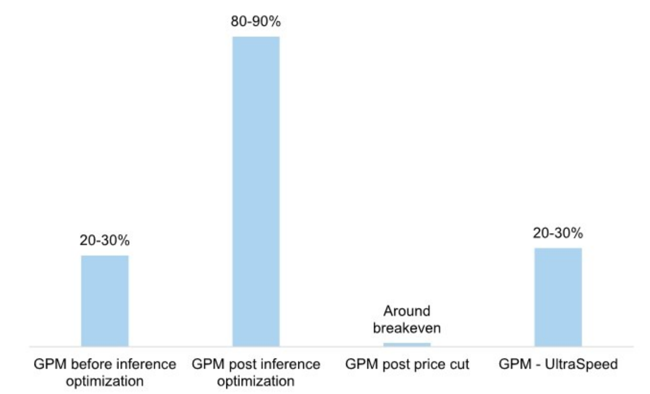
business of Xiaomi, and developer ecosystem cultivation appears to be more prioritized currently, similar to during the early-stage of MIUI, we take confidence from the rapidly increasing MiMo token consumption on OpenRouter where **Xiaomi MiMo has taken 9-10% of token volume share in Jun MTD**. The Jun run rate implies c.US$15-20mn ARR through the OpenRouter API alone (GSe), yet we acknowledge that the actual ARR should be much higher considering Xiaomi's own token plan paying user conversion/retention (e.g. Xiaomi distributed 100tn tokens for free for 1 month from Apr 28 and reset existing token plan user quotas on May 28) and new harness releases.

Exhibit 14: Xiaomi MiMo is on track towards 16tn monthly token consumption on OpenRouter in Jun
Token consumption (Jun-26 data as of Jun 20, 2026)



Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

Exhibit 15: We estimate MiMo-V2.5 may be at breakeven post price cut as Xiaomi passes through cost efficiency to developers, while V2.5-Pro-UltraSpeed may enjoy higher GPM



Source: Goldman Sachs Global Investment Research

- **Physical intelligence:**

  i) AIoT ecosystem collaboration via Miclaw and Miloco, as we see Xiaomi's 1bn+ connected devices provide an edge in AI applications in the physical world;

  ii) Robotics, as Xiaomi aims to develop bionic hands suitable for stable manufacturing operations and deploy humanoid robots at factories (both self-operated and third-party) at large scale within 5 years (also see Xiaomi's dexterous hand technology with proprietary AI architecture). In the near term, Xiaomi plans to launch its EV charging robotic arm in 4Q26 that uses AI visual recognition and multi-sensor positioning to automatically align and plug into the charging port.

  iii) Smart driving, as Xiaomi in May presented Xiaomi Auto World Model, a unified technical system addressing the two core capabilities of world models for autonomous driving, i.e. world representation and world generation.

6.18 shopping festival wrap-up

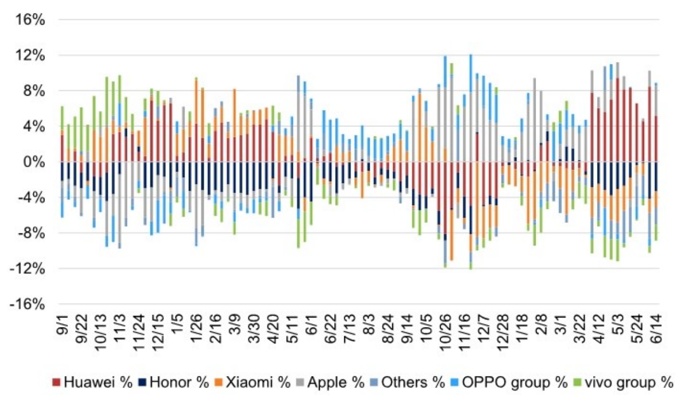
- **Smartphones:** Xiaomi ranked **No.1** in sales volume and **No.4** in GMV among domestic brands on JD.com (vs. No.1 for sales volume/GMV during 6.18 and Single's

Day shopping festival in 2025). On JD.com, in terms of sales volume, Xiaomi accounted for **2** out of 10 best-selling models (vs. 4 out of 10 at 6.18 promotions in 2025 and 3 out of 10 at 2025 Singles' Day), including *Redmi Turbo 5 Max* and *Redmi K90* (Exhibit 17). However, the flagship Xiaomi 17 series did not join the top 10 list this year. We attribute this to i) portfolio fragmentation, with 7 models in the Xiaomi 17 series (vs. 3 models for the Xiaomi 15 series) as the company launches new models to mitigate memory cost headwinds; and ii) fierce competition from Apple and Huawei in the premium segments.

- **AIoT**: Xiaomi ranked No. 4 among all brands in terms of home appliances GMV on JD.com during the 6.18 shopping festival, with No. 3 for air conditioners and No. 4 for TV by GMV (Exhibit 20). The GS consumer team expects largely muted home appliances industry growth due to a high base.
- **Discount level from Xiaomi similar to last year:** We believe Xiaomi's discount level this year is largely on par with last year. Based on our price checks (Exhibit 21), the average discount level for Xiaomi products for 6.18 this year is around 19% (not considering national subsidy impact) or 31% after national subsidy as of Jun 18, on par with the level during the same period last year, with **lower discounts for AIoT at 27% (vs. 36% last year) before national subsidy and stable discounts for smartphones at 14%.**

Smartphone

Exhibit 16: Apple/Huawei achieved robust market share gains since Apr, while Xiaomi saw a continued yoy market share decline in 2026 YTD
China weekly smartphone sell-through share yoy change by company



Source: BCI, Data compiled by Goldman Sachs Global Investment Research

Exhibit 17: Xiaomi ranked No.1 for smartphone shipments and No.4 for smartphone GMV on JD.com among domestic brands during 2026 6.18, accounting for 2 out of the 10 best-selling smartphone models

Rank	Smartphone Shipments	Smartphone GMV	Brand	Model	Price range
2025.6.18					
1	Apple	Apple	Apple	iPhone 16 Pro	6k+
2	Xiaomi	Xiaomi	Apple	iPhone 16 Pro Max	6k+
3	vivo/iQOO	Huawei	Apple	iPhone 16	4-6k
4	OPPO/OnePlus	vivo/iQOO	Redmi	K80	2-3k
5	Honor	OPPO/OnePlus	Redmi	Turbo 4 Pro	1.5-2k
6	Huawei	Honor	Apple	iPhone 14	3-4k
7	realme	Samsung	OnePlus	Ace 5	2-3k
8	PHILIPS	realme	Redmi	14C	0-0.5k
9	Samsung	nubia	Redmi	Note 14 Pro	1-1.5k
10	Gionee	Motorola	iQOO	Neo10	2-3k
2025 Single's Day					
1	Apple	Apple	Apple	iPhone 17 Pro Max	6k+
2	Xiaomi	Xiaomi	Apple	iPhone 17 Pro	6k+
3	vivo/iQOO	vivo/iQOO	Apple	iPhone 17	4-6k
4	OPPO/OnePlus	Huawei	Redmi	K80	1.5-2k
5	Honor	OPPO/OnePlus	Honor	X70	1-1.5k
6	Huawei	Honor	Redmi	Turbo 4 Pro	1.5-2k
7	realme	Samsung	Apple	iPhone 16 Pro	6k+
8	PHILIPS	realme	Apple	iPhone 15	3-4k
9	Samsung	nubia	Redmi	K80 Ultra	2-3k
10	K-Touch	Motorola	Honor	Play10C	0.5-1k
2026.6.18					
1	Apple	Apple	Apple	iPhone 17 Pro	6k+
2	Xiaomi	Huawei	Apple	iPhone 17 Pro Max	6k+
3	Huawei	OPPO/OnePlus	Apple	iPhone 17	4-6k
4	OPPO/OnePlus	vivo/iQOO	Honor	X70 new	1.5-2k
5	Honor	Xiaomi	Redmi	Turbo 5 Max	2-3k
6	vivo/iQOO	Honor	Redmi	K90	2-3k
7	realme	realme	Huawei	Enjoy 90 Pro Max	1.5-2k
8	PHILIPS	Samsung	OnePlus	Ace 6T	2-3k
9	Gionee	nubia	iQOO	iQOO 15	4-6k
10	K-Touch	Lenovo	Huawei	Mate 80	4-6k

Source: JD.com, Data compiled by Goldman Sachs Global Investment Research

Exhibit 18: Among the top 10 best selling smartphone models in the price range of Rmb0.5-1k, 1-1.5k, 1.5-2k, 2-3k, 3-4k, 4-6k and 6k+, Xiaomi accounted for 13 models out of 70 (vs. 15 during last year's 6.18 promotion)

	Xiaomi	vivo	OPPO	Honor	Huawei	iQOO	Apple	Samsung
2025 6.18								
6k+	1	1	1	-	4	-	2	1
4-6k	2	-	-	1	3	-	3	-
3-4k	2	1	1	1	-	2	1	-
2-3k	2	-	1	1	2	1	1	-
1.5-2k	3	-	1	2	1	2	-	-
1-1.5k	3	-	2	3	-	2	-	-
0.5-1k	2	2	2	2	1	1	-	-
Total	15	4	8	10	11	8	7	1
2025 Singles' Day								
6k+	1	1	-	-	2	-	5	-
4-6k	1	2	1	-	2	1	2	-
3-4k	2	1	1	3	-	1	1	-
2-3k	3	1	1	1	1	2	-	-
1.5-2k	3	1	1	2	-	3	-	-
1-1.5k	5	-	-	2	-	2	-	-
0.5-1k	2	1	3	2	1	1	-	-
Total	17	7	7	10	6	10	8	-
2026.6.18								
6k+	-	1	-	-	6	-	2	-
4-6k	2	1	1	-	2	1	2	-
3-4k	2	1	2	2	-	-	1	-
2-3k	2	-	1	2	-	2	-	-
1.5-2k	3	-	2	1	1	2	-	-
1-1.5k	2	1	2	3	1	1	-	-
0.5-1k	2	-	3	1	1	1	-	-
Total	13	4	11	9	11	7	5	-

Source: JD.com, Data compiled by Goldman Sachs Global Investment Research

Exhibit 19: Smartphone shipment leadership board at the 2026 6.18 shopping festival on JD.com by price range (Rmb)

0.5-1k	
Brand	Model
Redmi	Note 14
Redmi	14C
iQOO	Z10x
OPPO	A6c
Huawei	Enjoy 70s
OPPO	A3i
Coolpad	Fengshang 50 Lite
OPPO	A6i
Honor	Play10A
Gionee	X18 pro max

1-1.5k	
Brand	Model
Honor	Play10C
Redmi	Note 15 Pro
Honor	Play10T
OPPO	K12s
Redmi	Note 15
Honor	X60GT
Huawei	Enjoy 90
OPPO	A6i+
vivo	Y500i
iQOO	Z11x

1.5-2k	
Brand	Model
Honor	*X70 new*
Huawei	*Enjoy 90 Pro Max*
OPPO	Reno14
REDMI	K80
iQOO	Z11
REDMI	Turbo 4 Pro
iQOO	Z10 Turbo
Redmi	Turbo 4
OPPO	K13 Turbo Pro
realme	Neo7 Turbo

2-3k	
Brand	Model
Redmi	*Turbo 5 Max*
Redmi	*K90*
OnePlus	*Ace 6T*
Honor	WIN RT
iQOO	Z11 Turbo
iQOO	Neo11
OPPO	Reno15
Honor	500
realme	GT8
OnePlus	Ace 6

3-4k	
Brand	Model
Honor	WIN
OnePlus	OnePlus 15
Xiaomi	15
Redmi	K90 Max
Honor	500 Pro
OPPO	Find X9
Apple	17e
realme	GT8 Pro
OPPO	Reno16
vivo	S60

4-6k	
Brand	Model
Apple	*iPhone 17*
iQOO	*iQOO 15*
Huawei	*Mate 80*
Redmi	K90 Pro Max
Apple	Air
Xiaomi	15 Ultra
Huawei	Pura 80
OnePlus	15T
vivo	X300 Pro
OPPO	Find X9 Pro

6k+	
Brand	Model
Apple	*iPhone 17 Pro*
Apple	*iPhone 17 Pro Max*
Huawei	Mate 80 Pro
Huawei	Mate 80 Pro Max
vivo	X300 Ultra
Huawei	Mate X7
Nubia	RedMagic 11S
Huawei	Pura 90 Pro
Huawei	Pura 90 Pro Max
Huawei	Pura X Max

Small Foldable	
Brand	Model
Samsung	Z Flip7 FE
Honor	Magic V Flip 2
Xiaomi	MIX Flip 2
Lenovo	moto razr 60
Honor	Magic V Flip

Large Foldable	
Brand	Model
Huawei	Mate X7
Huawei	Pura X Max
Huawei	Mate X6
Huawei	Pura X
OPPO	Find N6
Honor	Magic V6
Huawei	Mate XTs
vivo	X Fold5
Honor	Magic V5
OPPO	Find N5

Models with italic texts are among top 10 best-selling models in terms of shipments across all price ranges.

Source: JD.com

AIoT

Exhibit 20: Xiaomi ranked No. 4 in total home appliances GMV on JD.com during the 2026 6.18 shopping festival, with No. 3 for air conditioners and No. 4 for TV by GMV

Home appliances GMV ranking on JD.com during 6.18 shopping festival

Home appliances GMV ranking	Brand	AC GMV ranking	Brand	TV GMV ranking	Brand	Fridge GMV ranking	Brand	Washing machine GMV ranking	Brand
1	Midea	1	GREE	1	TCL	1	Haier	1	Haier
2	Haier	2	Midea	2	Hisense	2	Midea	2	Little Swan
3	GREE	**3**	**Xiaomi**	3	Skyworth	3	Ronshen	3	Midea
4	**Xiaomi**	4	Haier	**4**	**Xiaomi**	4	Casarte	4	Leader
5	TCL	5	Hualing	5	Vidda	5	MeiLing	5	Panasonic
6	Hisense	6	TCL	6	RayNeo	**6**	**Mijia**	6	Siemens
7	Little Swan	7	Hisense	7	Changhong	7	Panasonic	7	Casarte
8	Hualing	8	AUX	8	Huawei	8	Siemens	8	Hisense
9	Roborock	9	Changhong	9	SONY	9	Hualing	**9**	**Mijia**
10	AUX	10	AUFIT	10	coocaa	10	TOSHIBA	10	Yangzi

Source: JD.com

Exhibit 21: Discount level for Xiaomi products was c.19% (or c.31% including subsidies) during the 2026 6.18 shopping festival (on par with last year), with lower discounts for AIoT and stable discounts for smartphone vs. last year

Discount level for Xiaomi products

		May 15, 2026		Jun 1, 2026		Jun 18, 2026			Jun 17, 2025	
Category	Products (2026 618)	Discount level as of May 15, 2026 (NOT considering national subsidy)	Discount level as of May 15, 2026 (considering national subsidy)	Discount level as of Jun 1, 2026 (NOT considering national subsidy)	Discount level as of Jun 1, 2026 (considering national subsidy)	Discount level as of Jun 18, 2026 (NOT considering national subsidy)	Discount level as of Jun 18, 2026 (considering national subsidy)	Products (2025 618)	Discount level as of Jun 17, 2025 (NOT considering national subsidy)	Discount level as of Jun 17, 2025 (considering national subsidy)
Smartphone	Xiaomi 17	-11%	-22%	-11%	-22%	-18%	-29%	Xiaomi 15	-9%	-20%
	Xiaomi 17 Pro	0%	-10%	0%	-10%	-6%	-16%	Xiaomi 15 Pro	-6%	-15%
	Xiaomi 17 Pro Max	0%	-8%	0%	-8%	-5%	-13%			
	Xiaomi 17 Ultra	-7%	-14%	-4%	-11%	-9%	-16%	Xiaomi 15 Ultra	0%	0%
	Xiaomi 15	-11%	-25%	-18%	-32%	-19%	-32%	Xiaomi 14	-33%	-43%
	Xiaomi 15 Pro	-28%	-37%	-29%	-38%	-29%	-38%			
	Xiaomi 15 Ultra	-15%	-25%	-16%	-26%	-23%	-33%	Xiaomi 14 Ultra	-23%	-31%
	Xaiomi MIX Flip 2	-17%	-25%	-17%	-25%	-22%	-30%	Xaiomi Mix Flip	0%	-8%
	Xiaomi MIX Fold 4	-5%	-10%	-5%	-10%	-10%	-15%	Xiaomi MIX FOLD 4	0%	0%
	Xiaomi Civi 5 Pro	-11%	-24%	-18%	-32%	-27%	-41%	Xiaomi Civi4 Pro	10%	-6%
	Redmi Note 15	-4%	-19%	0%	-15%	0%	-15%	Redmi Note 14	-19%	-31%
	Redmi Note 15 Pro	-3%	-18%	0%	-15%	-8%	-23%	Redmi Note 14 Pro	-17%	-30%
	Redmi Note 15 Pro+	-9%	-24%	-9%	-24%	5%	-10%	Redmi Note 14 Pro+	-32%	-42%
	Redmi K90	-10%	-24%	-10%	-25%	-10%	-25%	Redmi K80	-16%	-29%
	Redmi K90 Max	-1%	-14%	-14%	-28%	-23%	-37%	Redmi K80 Pro	-14%	-26%
	Redmi K90 Pro Max	-5%	-17%	-28%	-40%	-17%	-29%			
Tablets	Xiaomi Pad 8	-5%	-19%	-10%	-25%	-10%	-25%	Xiaomi Pad 7	-5%	-19%
	Xiaomi Pad 8 Pro	-3%	-18%	-11%	-26%	-16%	-30%	Xiaomi Pad 7 Pro	-23%	-35%
	Xiaomi Pad 7	-13%	-26%	-21%	-33%	-21%	-33%			
	Xiaomi Pad 7 Pro	-18%	-30%	-29%	-41%	-24%	-37%			
	Xiaomi Pad 7 Ultra	0%	-9%	-9%	-18%	-9%	-18%			
	Redmi Pad 2	0%	-15%	0%	-15%	0%	-15%			
	Redmi K Pad 2	0%	-14%	-17%	-30%	-14%	-28%			
AC	Xiaomi Aircon Energy-saving Pro 1.5P	-34%	-44%	-33%	-43%	-36%	-46%			
	Xiaomi Aircon Energy-saving Pro 2P	-1%	-16%	0%	-15%	-3%	-18%			
	Xiaomi Aircon Top air outlet Pro 1.5P	-15%	-28%	-15%	-28%	-15%	-28%			
	Xiaomi Aircon Healthy Wind Pro 1.5P	-19%	-31%	-19%	-31%	-26%	-38%			
	Xiaomi Standing Aircon Energy-saving 3P	-24%	-33%	-26%	-35%	-29%	-38%	Xiaomi Standing Aircon :	-25%	-40%
TV	Xiaomi Smart TV S Pro 65 Mini Led	-21%	-28%	-25%	-32%	-26%	-34%			
	Xiaomi Smart TV S Pro 85 Mini Led	-26%	-31%	-29%	-34%	-39%	-43%			
	Redmi A65 Energy-saving	-35%	-45%	-42%	-51%	-35%	-45%	Xiaomi Smart TV A65	-35%	-48%
	Redmi Max85 Energy-saving	-31%	-39%	-30%	-38%	-27%	-35%			
Fridge	Mijia 2-door Side-by-side Fridge 636L	-37%	-46%	-40%	-49%	-40%	-49%			
	Mijia 3-door Fridge 271L	-21%	-33%	-26%	-37%	-21%	-33%			
Washing Machine	Mijia Washing Machine 10kg	-13%	-26%	-14%	-27%	-13%	-26%	Mijia Washing Machine	-36%	-49%
	Mijia Washing Machine/Dryer 12kg	-33%	-43%	-33%	-43%	-39%	-49%			
	Mijia Washing Machine/Dryer Pro 12kg	-13%	-26%	-20%	-32%	-20%	-32%			
Others	Xiaomi Robot Vacuum M40S	-31%	-41%	-37%	-47%	-38%	-48%	Xiaomi-Robot Vacuum	-31%	-39%
Smartphone median discount level		**-8%**	**-21%**	**-11%**	**-24%**	**-14%**	**-27%**		**-14%**	**-26%**
AIoT median discount level		**-24%**	**-33%**	**-26%**	**-35%**	**-27%**	**-38%**		**-36%**	**-49%**
Overall median discount level		**-12%**	**-25%**	**-17%**	**-29%**	**-19%**	**-31%**		**-19%**	**-31%**

Source: JD.com, Data compiled by Goldman Sachs Global Investment Research

Investment Thesis - Xiaomi Corp.

We see Xiaomi, which is the world's #3 smartphone brand and leading consumer AIoT/NEV platform, as still in the early stages of a multi-year ecosystem expansion against the backdrop of its "Human x Car x Home" strategy. In the longer term, we believe Xiaomi's robust balance sheet, strong capabilities in ecosystem integration, and cost advantages owing to scale and deep involvement in the EV supply chain will increase its competitiveness and appeal in EVs, and that Xiaomi is well positioned to build one of the largest consumer physical intelligence ecosystems globally leveraging its interconnected consumer terminals. We are Buy rated.

Price Target Risks and Methodology - Xiaomi Corp.

We are Buy rated on Xiaomi with a 12-month target price of HK$40, based on a SOTP valuation methodology: 1) 16x target 12m-fwd EV/NOPAT on Xiaomi core; 2) DCF-based valuation for Xiaomi EV of US$42bn (12% WACC and 3% TGR); 3) a 10% holdco discount. Key downside risks: 1) More intense competition and weaker market share gains within the global smartphone industry. 2) Higher GPM pressure on the smartphone/EV business. 3) Below-expected execution on Xiaomi brand premiumization and the EV business. 4) Intensifying geopolitical risks and regulatory uncertainties. 5) Softer macro environment and weaker smartphone/IoT demand. 6) FX fluctuation.

Disclosure Appendix

Reg AC

I, Timothy Zhao, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

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Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

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Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Xiaomi Corp. is/are relative to the other companies in its/their coverage universe: Autohome Inc. (ADR), Autohome Inc. (H), Beijing Sinnet Technology Co Ltd., East Buy, GDS Holdings (ADR), GDS Holdings (H), KE Holdings (ADR), KE Holdings (H), Kanzhun Ltd. (ADR), Kanzhun Ltd. (H), Kingsoft Cloud, Ming Yuan Cloud, New Oriental Education & Technology (ADR), New Oriental Education & Technology (H), Offcn Education Technology, Range Intelligent, SUNeVision Holdings, Shanghai Athub, TAL Education Group, Tuhu Car Inc., Tuya, VNET Group, Weibo Corp. (ADR), Weibo Corp. (H), Weimob, Xiaomi Corp.

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs has received compensation for investment banking services in the past 12 months: Xiaomi Corp. (HK$22.62)

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Xiaomi Corp. (HK$22.62)

Goldman Sachs has received compensation for non-investment banking services during the past 12 months: Xiaomi Corp. (HK$22.62)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Xiaomi Corp. (HK$22.62)

Goldman Sachs had a non-investment banking securities-related services client relationship during the past 12 months with: Xiaomi Corp. (HK$22.62)

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Goldman Sachs makes a market in the securities or derivatives thereof: Xiaomi Corp. (HK$22.62)

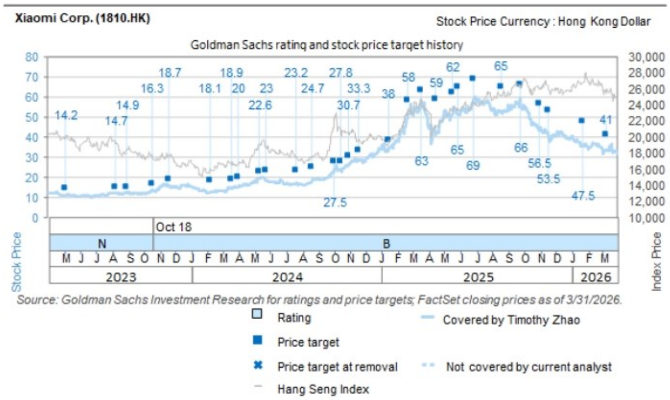
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	60%	45%

As of April 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,074 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.

Target price history table(s)

Xiaomi Corp. (1810.HK)

Date of report	Target price (HK$)	Closing price (HK$)
26-May-26	40.00	29.76
09-Mar-26	41.00	33.68
23-Jan-26	47.50	36.24
18-Nov-25	53.50	40.78
01-Nov-25	56.50	43.20
25-Sep-25	66.00	59.45
19-Aug-25	65.00	52.40
26-Jun-25	69.00	56.90
27-May-25	65.00	51.55
18-May-25	62.00	51.00
16-Apr-25	59.00	41.25
18-Mar-25	63.00	57.65
20-Feb-25	58.00	49.15
14-Jan-25	38.00	33.75
18-Nov-24	33.30	28.80
29-Oct-24	30.70	25.85
15-Oct-24	27.80	23.00
03-Oct-24	27.50	24.05
21-Aug-24	24.70	17.52
21-Jul-24	23.20	16.52
24-May-24	23.00	18.30
12-May-24	22.60	19.40
01-Apr-24	20.00	14.94
19-Mar-24	18.90	14.86
06-Feb-24	18.10	12.90
20-Nov-23	18.70	16.18
18-Oct-23	16.30	13.18
31-Aug-23	14.90	12.36
09-Aug-23	14.70	12.14

Price targets shown in table(s) are unadjusted for corporate actions.

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