The 720: Xiaomi, Asia Banks, BHP, Anta/Amer, VNET, Hesai, CSL, CTBC, Murata, Broadcom, Panasonic

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In Focus | Xiaomi

Xiaomi – Smartphone GPM Beats but EV Beta Weighs – Buy. Xiaomi delivered broadly in-line 2Q26 results, with a key positive surprise in smartphone GPM at 8.5%, demonstrating solid execution against rising BOM costs. However, we cut our 2026-2028 EV and AI revenue estimates by 6-12% and lower segment GPM by 1.1-1.4pp due to a weaker sector beta and a slower profitability ramp. Consequently, we lower our 2026-2028 group adjusted net profit estimates by 5% on average and trim our 12m TP to HK$39, though we see a new catalyst window opening with i) EV – the SkyNomad official launch in early Sep; ii) AIoT – Mijia brand launch at scale in Europe at IFA 2026, which should pave way for further overseas expansion; iii) chipset/OS – the new-gen XRING chipset and HyperOS release; iv) smartphone – the flagship Xiaomi 18 model release at end-Sep; and v) AI – the MiMo-V3 model and other AI application releases. *Timothy Zhao*

Listen Up - GS Webcasts on the Agenda

China in Motion: Industrial Tech | 10am HK | Go Global 3.0: The Age of China's AI Industrialization | Access Webinar | with Jacqueline Du, Hao Chen & Zhou Li (in Mandarin)

Themes in Play | Asia Banks, Panasonic, Japan Transport

Asia Pacific Banks – Strong 2Q26 Wealth Delivery and Intact Outlook. We raise our average 2026 wealth fee growth forecast across our bank coverage to 22% from 18%, reflecting stronger-than-expected 1H26 trends and resilient management guidance. We note wealth momentum strengthened further in 2Q26, with OCBC, STAN, and DBS delivering wealth fee growth of over 40% year-over-year, while wealth continues to account for a larger share of sector income. We remain confident that structural demand for wealth solutions from Chinese clients remains intact, driven primarily by diversification benefits rather than recent offshore tax developments. *Melissa Kuang*

Panasonic – Selling European Auto Parts Businesses – Buy. We view Panasonic Industry's announcement to sell its European automotive parts businesses to Midas Atlantic Partners as a positive step in its ongoing structural reforms. The targeted businesses, which generated aggregate sales of ¥76bn in FY3/26, are part of the Mechatronics segment previously identified as underperforming. We expect this divestiture to support the company's broader portfolio restructuring efforts alongside its AI-related growth initiatives, maintaining our 12m TP of ¥5,100. *Ryo Harada*

Japan Transportation – Shipping/airlines earnings outlook set to move up another notch. We maintain our Buy ratings on preferred names Mitsui O.S.K. Lines, ANA, and Japan Post Holdings following resilient April-June results that drove upward estimate revisions across the sector. We raise our FY3/27–FY3/29 recurring profit estimates for shipping companies by 3%–14% due to rising container rates from port congestion and US restocking, and lift airline operating profit estimates by up to 7% on lower fuel prices and higher tech-related cargo volumes. With container supply expected to ease by 2027, we believe shipping stock selection will increasingly hinge on non-container earnings power, while our constructive view on Japan Post Holdings is supported by potential dividend increases and real estate profit growth. *Norihiro Miyazaki*

Results

Commodities | BHP

BHP Group – FY26 EBITDA Beat & Positive Copper Updates – Buy. BHP reported a strong FY26 result with EBITDA of US$33bn beating our US$32.3bn estimate, driven primarily by the copper division. We note positive cost guidance and a US$1bn increase in medium-term capex to US$11bn due to inflation and FX, alongside a 10% upsize to the new Escondida concentrator. We increase our FY27-FY29 EBITDA estimates by 3-4% on lower unit costs and raise our 12m TP to A$65.2. *Paul Young*

Consumer | Anta & Amer, Giant Biogene

Anta Sports Products – Positive Read-Across from Amer's 2Q26 Beat – Buy. We see a positive read-across for Anta following Amer Sports' broad-based 2Q26 earnings beat and raised FY26 revenue guidance to 24% year-over-year growth. Amer's solid print in China, where revenue grew 35.5% year-over-year, reinforces that its brand portfolio continues to gain share in the outdoor market despite broader macro challenges. We maintain our positive view on Anta's multi-brand operating capability and reiterate our 12m TP of HK$108. *Michelle Cheng*

Giant Biogene – 1H26 NI In Line, OP Misses on Selling Expenses – Buy. We note 1H26 operating profit missed expectations by 7% due to higher selling expenses amid intensified online competition, though net income came in 1% above our estimates. We maintain our 2026 full-year key lines and robust sales growth forecast of 31% year-over-year into 2H26, driven by the scaling of new products and business lines. We lower our 2027-28 net income estimates by roughly 5% to reflect greater branding investments, revising our 12m TP to HK$33 from HK$34. *Valerie Zhou*

Tech | VNET, Hesai

VNET Group – 2Q26 In-Line With Strong YTD Order Wins – Buy. VNET Group reported largely in-line 2Q26 results with revenue growing 20% year-over-year and adjusted EBITDA expanding 25%, driven by stronger retail IDC performance and better operating expense control. We highlight robust commercial momentum with 862MW in wholesale orders secured year-to-date, alongside a new strategic partnership with CATL to deepen compute-energy integration globally. We believe rising wholesale IDC contributions from intensifying AI investments will drive continued revenue acceleration and multiple re-rating, maintaining our 12m TP of US$16. *Timothy Zhao*

Hesai – 2Q26 First Take: GPM Beat Offset by Higher Opex – Buy. Hesai reported in-line 2Q26 revenue and gross profit, while EBIT and net profit missed our estimates due to higher payroll and material costs from incremental investments in its Strategic Growth Initiative. LiDAR revenue was supported by higher robotics shipments and a 4% blended ASP beat, driving a better-than-expected gross margin of 40.1% that offset a 10% miss in ADAS shipments. Management guided 3Q26 net revenue to Rmb1,100mn-1,150mn, 4% below consensus at the midpoint, but we remain constructive on the company's positioning for China's accelerating NOA adoption and the upcoming next-generation ATX product cycle. 12m TP of US$35/HK$34.13. *Tina Hou*

Financials | CTBC

CTBC Financial – Solid Bank Earnings and Book Value Growth – Buy. We raise our 12m TP to NT$63.5 from NT$58 following a strong 1H26 net profit of NT$39.5bn, driven by solid bank earnings and higher contributions from securities and capital lines. We increase our FY26-28 book value estimates by 24% to reflect significant mark-to-market equity investment gains, which helped drive a 36% year-to-date increase in group book value. While management expects slower loan growth in 2H26 amid intense competition, they maintain their double-digit loan growth target for FY26. *Thomas Wang*

Healthcare | Pro Medicus, CSL

Pro Medicus – FY26 results beat and new AI reporting tool – Buy. We raise our 12m TP by 13% to A$222 following FY26 sales and EBIT that beat our estimates by 2% and 4%, respectively. Underlying revenue and EBIT grew 28% and 31% in constant currency, supported by a significant number of contracts coming online and strong operating leverage that drove EBIT margins up 90bps to 74.9%. We revise our FY27–FY28 EBITDA estimates up by 3–4% to reflect a faster ramp-up of contracts, strong volume growth, and the early CY27 US rollout of a new AI-driven reporting tool for Visage, which management expects will drive a 30–35% uplift in transaction pricing. *Annabel Li*

CSL – Turnaround Initiatives Assisted by Stronger Cost Delivery – Buy. CSL's FY26 results demonstrated stability in the IG franchise and a return to growth for Seqirus driven by market share gains. We highlight the Behring division's gross margin, which is guided for 70bps constant currency year-over-year accretion following excellent execution of cost initiatives and stronger-than-anticipated plasma cost-per-liter reductions. We make minimal EPS revisions but raise our 12m TP to A$163.6 to reflect the outperformance of the Behring division. *Davin Thillainathan*

GS Event | Murata

Murata – Takefu Plant Visit Reaffirms MLCC Competitiveness – Buy (on CL). We reaffirm our constructive view on Murata's MLCC business following a visit to the Takefu Plant, the company's largest site and mother factory for MLCCs. We see strong competitiveness driven by a unique job shop production system, extensive product variety, and ongoing digital transformation efforts that optimize production recipes for each lot. We believe the company's large production capacity for AI and data center applications is well-supported by these constant technological improvements, keeping our 12m TP of ¥12,900. *Daiki Takayama*

Connections | China Consumer Durables

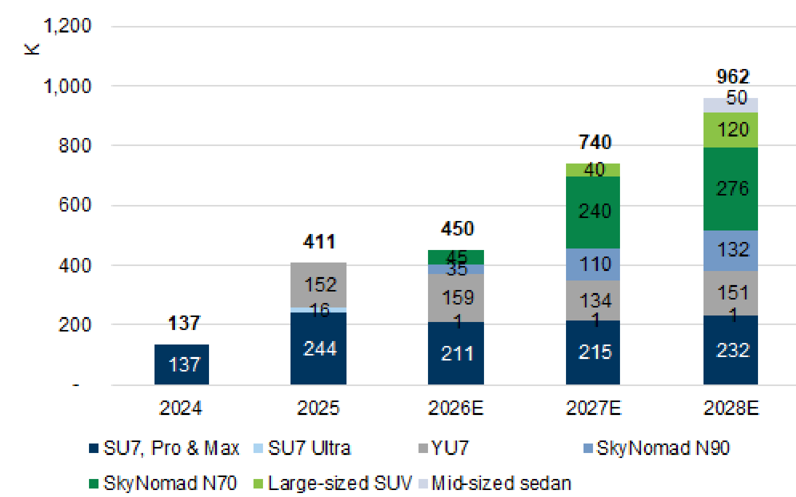
China Consumer Durables – July Appliance Tracker: Domestic retail improving as comp eases, yet pricing pressure remains. We see further signs of sequential improvement in domestic appliance retail sales, which fell 2% yoy in July versus a 9% drop in June, though domestic air conditioner ex-factory shipments unexpectedly widened to a 30% decline. Despite resilient export growth and stable overseas consumer sentiment, we note persistent online pricing pressure driven by a fading trade-in boost and brand discounting amid weak demand, alongside renewed margin pressure from rebounding copper and aluminum prices. Within the sector, we continue to favor Buy-rated Midea among white goods for its shareholder returns and overseas upside, while also highlighting Anker Innovations, Ninebot, and Roborock as select consumer hardware names offering favorable risk/reward. *Nicolas Yi*

Around the world | Broadcom

Broadcom – 2Q Preview: Focus on FY27 AI Revenue & ASIC Competition. Heading into the 2Q print, we expect solid guidance and anticipate investors will focus on the quantification of FY27 AI revenue, incremental ASIC competition from MediaTek, and datacenter readiness. We see upside to 3Q guidance and note our FY26 and FY27 AI revenue estimates sit 1% and 12% above the Street, respectively. We maintain our 12m TP of $525, driven by robust customer spending despite increased competitive intensity. *James Schneider*

Graphic language | Xiaomi (Buy) - We now model Xiaomi EV total deliveries at 450k/740k/962k in 2026-28E

Smart EV annual delivery volume



Source: Company data, Goldman Sachs Global Investment Research

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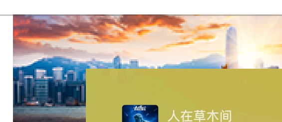

GS Events (Home Page here)

- **Asia Leaders Conference | Hong Kong** | 31 Aug-2 Sep
- **Asia Healthcare CDMO Day | Singapore |** 23-25 Sep

- **Japan Conference | Tokyo |** 30 Nov - 4 Dec