

Xiaomi (1810 HK)

Key takeaways of new-gen SU7 and new MiMo-V2 model releases

Xiaomi hosted its flagship product launch event yesterday, debuting the new-gen SU7 EV and introducing three new MiMo-V2 models (Pro/Omni/TTS). We view the new-gen SU7's feature upgrade and enhanced battery range as highly competitive in the premium EV segment, continuing the strong momentum from its previous generation, and the launch of the new MiMo-V2 models underscores Xiaomi's commitment to embedding AI seamlessly across its devices, reinforcing its "Human x Car x Home" ecosystem. In addition, mgmt. reiterated Xiaomi's AI R&D investments of over RMB60bn in next three years, and we believe Xiaomi's premiumization progress in smart EVs and strengthened AI ecosystem will bolster its LT margin outlook. Overall, we adjust our earnings estimates to reflect higher AI investments and recent industry headwinds. Our new SOTP-based TP is HK\$47.16, implying 28.8x FY26E P/E. Reiterate BUY.

- New-gen SU7: competitive positioning with spec upgrades; expect premium share gains to continue.** Xiaomi positioned the new-gen SU7 as a benchmark in the premium EV market (with starting price of RMB219.9k) featuring an upgraded 800V silicon carbide high-voltage platform for ultra-fast charging and extended range (up to 902 km). Equipped with next-gen LiDAR and computing chips (Snapdragon 8 Gen-3, NVIDIA DRIVE AGX Thor), the new SU7 significantly outperforms its predecessor in urban NOA capabilities. We expect it will gain strong traction and further enhance Xiaomi's brand equity and margin mix in the EV segment.
- MiMo-V2 LLM models: AI empowerment and ecosystem integration.** The models are segmented into three tiers: 1) MiMo-V2-Pro: Xiaomi's flagship foundation model for real-world agentic workload (1T+ parameters, 42B active parameters, 1mn context window). 2) MiMo-V2-Omni: Xiaomi's omni foundation model uniting frontier multimodal understanding (image, video, audio) with strong agent capabilities. 3) MiMo-V2-TTS: Xiaomi's large-scale voice synthesis model that targets natural, controllable speech generation. Overall, we believe the introduction of the three MiMo-V2 models can enhance Xiaomi's "Human x Car x Home" ecosystem, which is positive to its long-term growth and earnings visibility.
- Maintain BUY.** We trim our FY25-27E EPS by 6-13% for higher AI investments and near-term industry headwinds, and our new SOTP-based TP of HK\$47.16 implies 28.8x FY26E P/E. Upcoming catalysts include 4Q25 results, new SU7 orders and overseas expansion.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	270,970	365,903	454,726	516,622	611,379
YoY growth (%)	(3.2)	35.0	24.3	13.6	18.3
Adjusted net profit (RMB mn)	19,272.8	27,234.5	38,182.2	39,054.0	45,719.2
YoY growth (%)	126.3	41.3	40.2	2.3	17.1
EPS (Adjusted) (RMB)	0.77	1.10	1.49	1.51	1.76
Consensus EPS (RMB)	na	na	1.54	1.49	1.92
P/E (x)	41.2	29.1	21.4	21.1	18.1
P/B (x)	4.8	4.2	3.0	2.6	2.3
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	11.3	13.3	18.1	14.5	14.5
Net gearing (%)	76.9	95.3	45.1	27.4	21.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$47.16
(Previous TP)	HK\$50.21)
Up/Downside	29.8%
Current Price	HK\$36.32

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Stock Data

Mkt Cap (HK\$ mn)	767,877.4
Avg 3 mths t/o (HK\$ mn)	5,532.8
52w High/Low (HK\$)	60.15/31.58
Total Issued Shares (mn)	21142.0

Source: FactSet

Shareholding Structure

Lin Bin	8.6%
Smart Mobile Holdings Ltd	8.6%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-0.9%	3.8%
3-mth	-10.4%	-9.7%
6-mth	-35.9%	-33.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

Focus Charts

Figure 1: Xiaomi's new-gen SU7 spec upgrade



Source: Company data, CMBIGM

Figure 2: Xiaomi's new-gen SU7, vs Tesla Model 3



Source: Company data, CMBIGM

Figure 3: New-gen SU7 starting price



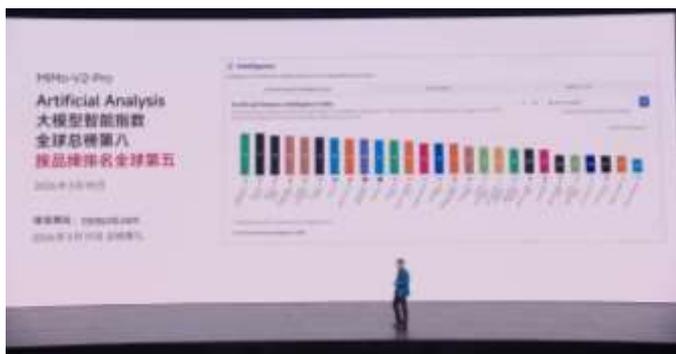
Source: Company data, CMBIGM

Figure 4: Xiaomi's MiMo-V2 model family



Source: Company data, CMBIGM

Figure 5: Xiaomi MiMo-V2-Pro ranks 8th in Artificial Analysis Intelligence Index



Source: Company data, CMBIGM

Figure 6: Xiaomi MiMo-V2-Pro ranks 1st in terms of usage in OpenRouter



Source: Company data, CMBIGM

Earnings Revision

Figure 7: CMBIGM earnings revision

RMB mn	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	454,726	516,622	611,379	454,726	521,775	616,636	0%	-1%	-1%
Gross profit	101,776	113,527	137,003	102,131	115,062	138,622	0%	-1%	-1%
Operating profit	49,796	50,092	58,123	51,637	53,396	65,052	-4%	-6%	-11%
Adj. net profit	38,182	39,054	45,719	40,784	42,792	52,524	-6%	-9%	-13%
Adj. EPS (RMB)	1.49	1.51	1.76	1.59	1.65	2.03	-6%	-9%	-13%
Gross margin	22.4%	22.0%	22.4%	22.5%	22.1%	22.5%	-0.1 ppt	-0.1 ppt	-0.1 ppt
Operating margin	11.0%	9.7%	9.5%	11.4%	10.2%	10.5%	-0.4 ppt	-0.5 ppt	-1 ppt
Adj. net margin	8.4%	7.6%	7.5%	9.0%	8.2%	8.5%	-0.6 ppt	-0.6 ppt	-1 ppt

Source: Company data, CMBIGM estimates

Figure 8: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	454,726	516,622	611,379	461,051	524,811	615,488	-1%	-2%	-1%
Gross profit	101,776	113,527	137,003	103,479	114,538	139,240	-2%	-1%	-2%
Operating profit	49,796	50,092	58,123	45,622	42,139	57,050	9%	19%	2%
Adj. net profit	38,182	39,054	45,719	39,663	39,391	52,717	-4%	-1%	-13%
Adj. EPS (RMB)	1.49	1.51	1.76	1.54	1.49	1.92	-3%	1%	-8%
Gross margin	22.4%	22.0%	22.4%	22.4%	21.8%	22.6%	-0.1 ppt	0.2 ppt	-0.2 ppt
Operating margin	11.0%	9.7%	9.5%	9.9%	8.0%	9.3%	1.1 ppt	1.7 ppt	0.2 ppt
Adj. net margin	8.4%	7.6%	7.5%	8.6%	7.5%	8.6%	-0.2 ppt	0.1 ppt	-1.1 ppt

Source: Bloomberg, CMBIGM estimates

Figure 9: P&L forecast

RMB mn	FY24	1Q25	2Q25	3Q25	4Q25E	FY25E	FY26E	FY27E
Revenue	365,903	111,293	115,956	113,121	114,356	454,726	516,622	611,379
...YoY	35%	47%	30%	22%	5%	24%	14%	18%
Cost of sales	(289,343)	(85,887)	(89,855)	(87,185)	(90,023)	(352,950)	(403,094)	(474,376)
Gross profit	76,560	25,406	26,101	25,936	24,333	101,776	113,527	137,003
GPM (%)	20.9%	22.8%	22.5%	22.9%	21.3%	22.4%	22.0%	22.4%
...YoY	33%	51%	42%	37%	8%	33%	12%	21%
SG&A	(30,991)	(8,730)	(9,405)	(10,158)	(11,207)	(39,500)	(44,429)	(52,579)
...% of rev	-8.5%	-7.8%	-8.1%	-9.0%	-9.8%	-8.7%	-8.6%	-8.6%
R&D	(24,050)	(6,712)	(7,763)	(9,059)	(9,720)	(33,255)	(39,780)	(47,076)
...% of rev	-6.6%	-6.0%	-6.7%	-8.0%	-8.5%	-7.3%	-7.7%	-7.7%
Operating profit	24,503	13,125	13,437	15,110	8,124	49,796	50,092	58,123
OPM (%)	6.7%	11.8%	11.6%	13.4%	7.1%	11.0%	9.7%	9.5%
...YoY	22%	256%	128%	150%	-9%	103%	1%	16%
Adj. net profit	27,235	10,676	10,831	11,311	5,365	38,182	39,054	45,719
NPM (%)	7.4%	9.6%	9.3%	10.0%	4.7%	8.4%	7.6%	7.5%
...YoY	41%	64%	75%	81%	-35%	40%	2%	17%

Source: Company data, CMBIGM estimates

Figure 10: Revenue breakdown

RMB mn	FY24	1Q25	2Q25	3Q25	4Q25E	FY25E	FY26E	FY27E
Smart phones	191,756	50,612	49,608	45,969	41,625	183,726	174,800	192,000
... YoY	22%	9%	7%	-3%	-19%	-4%	-5%	10%
Shipments (000 units)	168,600	41,800	42,400	43,300	37,500	165,000	152,000	160,000
... YoY	16%	3%	0%	0%	-12%	-2%	-8%	5%
ASP (RMB)	1,137	1,211	1,170	1,063	1,110	1,113	1,150	1,200
... YoY	5.2%	5.8%	6.1%	-3.5%	-0.9%	-2.1%	3.3%	4.3%
IoT and lifestyle products	104,104	32,339	36,364	27,552	25,509	124,112	136,523	155,613
... YoY	30%	59%	36%	6%	-17%	19%	10%	14%
Smart TVs and laptops	22,055	6,752	6,652	5,783	6,069	25,256	27,781	30,559
... YoY	13%	45%	40%	5%	-15%	15%	10%	10%
Other IoTs	81,191	25,588	29,712	21,770	19,440	98,857	108,742	125,054
... YoY	34%	63%	35%	6%	-15%	22%	10%	15%
Internet services	34,115	9,076	9,092	9,380	9,795	37,350	40,332	43,656
... YoY	13%	13%	10%	11%	5%	9%	8%	8%
Advertising services	24,700	6,600	6,558	7,253	7,455	28,140	30,391	32,822
... YoY	20%	20%	10%	17%	5%	14%	8%	8%
Internet value-added	9,610	2,476	2,534	2,128	2,340	9,210	9,941	10,834
... YoY	0%	-3%	10%	-7%	-4%	-2%	8%	9%
Gaming	4,301	1,200	1,100	1,155	1,051	4,457	4,903	5,393
... YoY	-2%	0%	10%	5%	5%	4%	10%	10%
Other (incl. Youpin fintech, etc.)	5,309	1,276	1,434	973	1,289	4,753	5,038	5,441
... YoY	2%	-5%	10%	-18%	-10%	-7%	6%	8%
EV Business	32,754	18,580	20,768	29,010	36,506	105,360	159,953	214,094
Shipments (units)	136,854	75,869	81,000	108,796	145,000	410,967	600,000	780,000
ASP (RMB)	234,447	238,301	250,216	260,053	247,050	250,185	257,691	262,845
Others	3,174	686	1,172	1,209	920	4,178	5,014	6,016
... YoY	-4%	13%	20%	53%	15%	32%	20%	20%
Total	365,903	111,293	117,005	113,121	114,356	454,726	516,622	611,379
... YoY	35%	47%	32%	22%	5%	24%	14%	18%
Gross margin								
Smart phones	12.6%	12.4%	11.5%	11.1%	8.0%	10.8%	8.5%	9.3%
IoT and lifestyle products	20.3%	25.2%	23.0%	23.9%	20.2%	23.1%	23.3%	23.3%
Internet services	76.6%	76.9%	75.0%	76.9%	75.0%	76.0%	75.8%	76.0%
EV Business	18.5%	23.2%	23.8%	25.5%	24.0%	24.7%	23.0%	23.5%
Others	-31.0%	-46.5%	-5.0%	-28.9%	-28.0%	-29.7%	-10.0%	-10.0%
Total	20.9%	22.8%	22.0%	22.9%	21.3%	22.4%	22.0%	22.4%

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new SOTP-based TP of HK\$47.16

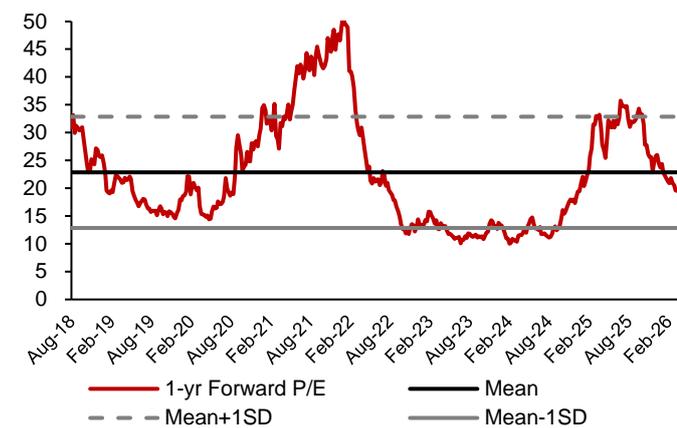
We derive our TP of HK\$47.16 based on the SOTP methodology in order to reflect different growth profiles of Xiaomi's various businesses. We assign the same 18x/23x/25x FY26E P/E to its smartphone/AIoT/Internet businesses, as we expect industry headwinds and market demand softness in smartphone and EV segment. For EV business, we assign the same 2.0x FY26E P/S. In addition, we believe our implied target multiple of 28.8x FY26E P/E is justified given global share gains in smartphone market, premiumization strategy, IoT overseas expansion, resilient internet business, and EV shipment momentum. Upcoming catalysts include 4Q25 results, new product launches, and EV capacity expansion.

Figure 11: Xiaomi – SOTP valuation

Business segment	FY26E Rev (RMB mn)	% of FY26E Core NP	FY26E Core NP (RMB mn)	Valuation methodology	Target multiple (x)	Valuation (RMB mn)
Smart phones	174,800	19%	5,587	P/E	18.0	100,561
AIoT and lifestyle products	136,523	41%	11,961	P/E	23.0	275,098
Internet services	40,332	40%	11,495	P/E	25.0	287,377
Others	5,014	-1%	(189)	P/E	25.0	(4,713)
Smart EV (FY26E)	159,953			P/S	2.00	319,905
						978,229
Cash (RMB mn)						90,059
Debt (RMB mn)						(30,603)
Investment (RMB mn)						86,200
Total (RMB mn)						1,123,885
No. of shares (mn)						25,906
TP (RMB)						43.38
TP (HK\$)						47.16

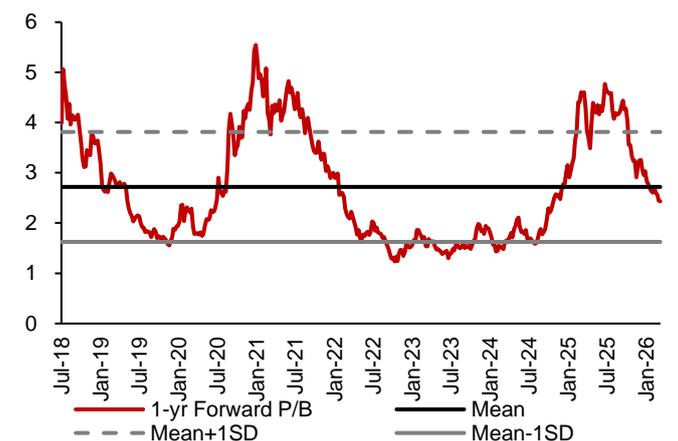
Source: Company data, CMBIGM estimates

Figure 12: 12M forward P/E band



Source: Bloomberg, CMBIGM

Figure 13: 12M forward P/B band



Source: Bloomberg, CMBIGM

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	280,044	270,970	365,903	454,726	516,622	611,379
Cost of goods sold	(232,467)	(213,494)	(289,343)	(352,950)	(403,094)	(474,376)
Gross profit	47,577	57,476	76,560	101,776	113,527	137,003
Selling expense	(21,323)	(19,227)	(25,390)	(32,207)	(36,164)	(42,797)
Admin expense	(5,114)	(5,127)	(5,601)	(7,293)	(8,266)	(9,782)
R&D expense	(16,028)	(19,098)	(24,050)	(33,255)	(39,780)	(47,076)
Other income	1,136	740	1,667	3,094	3,094	3,094
Gain/loss on financial assets at FVTPL	(1,662)	3,501	1,051	14,252	14,252	14,252
Investment gain/loss	(400)	46	277	173	173	173
EBIT	2,816	20,009	24,503	49,796	50,092	58,123
Net Interest income/(expense)	1,117	2,002	3,624	1,527	1,527	1,527
Foreign exchange gain/loss	(1,369)	1,697	(10)	3,256	3,256	3,256
Others	0	0	0	0	0	0
Pre-tax profit	3,934	22,011	28,127	51,324	51,620	59,650
Income tax	(1,431)	(4,537)	(4,548)	(9,351)	(8,775)	(10,140)
Minority interest	29	(1)	(80)	(100)	(103)	(118)
Net profit	2,503	17,474	23,578	41,972	42,844	49,509
Adjusted net profit	8,518	19,273	27,235	38,182	39,054	45,719
Net dividends	0	0	0	0	0	0

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	160,415	199,053	225,709	305,468	366,027	426,614
Cash & equivalents	27,607	33,631	33,661	90,059	148,970	175,112
Account receivables	19,625	21,924	26,850	34,051	31,802	41,632
Inventories	50,438	44,423	62,510	78,670	82,568	107,183
Prepayment	18,578	20,079	29,100	29,100	29,100	29,100
ST bank deposits	29,875	52,798	36,350	36,350	36,350	36,350
Financial assets at FVTPL	9,846	20,194	28,124	28,124	28,124	28,124
Other current assets	4,446	6,005	9,113	9,113	9,113	9,113
Non-current assets	113,092	125,195	177,447	181,782	186,351	191,520
PP&E	9,138	13,721	18,088	22,423	26,992	32,161
Deferred income tax	2,278	2,161	2,782	2,782	2,782	2,782
Investment in JVs & assos	7,932	6,922	6,151	6,151	6,151	6,151
Intangibles	4,630	8,629	8,153	8,153	8,153	8,153
Financial assets at FVTPL	55,980	60,200	62,112	62,112	62,112	62,112
Other non-current assets	33,134	33,562	80,161	80,161	80,161	80,161
Total assets	273,507	324,247	403,155	487,250	552,378	618,134
Current liabilities	89,628	115,588	175,385	174,907	197,191	213,438
Short-term borrowings	2,151	6,183	13,327	13,327	13,327	13,327
Account payables	53,094	62,099	98,281	97,803	120,086	136,333
Tax payable	1,384	1,838	3,822	3,822	3,822	3,822
Other current liabilities	32,999	45,467	59,955	59,955	59,955	59,955
Non-current liabilities	39,957	44,398	38,565	38,565	38,565	38,565
Long-term borrowings	21,493	21,674	17,276	17,276	17,276	17,276
Deferred income	983	1,494	1,282	1,282	1,282	1,282
Other non-current liabilities	17,480	21,230	20,007	20,007	20,007	20,007
Total liabilities	129,584	159,986	213,950	213,472	235,756	252,003
Share capital	406	407	407	407	407	407
Other reserves	143,658	163,995	188,737	273,410	316,357	365,985
Total shareholders equity	143,923	164,262	189,205	273,778	316,622	366,131
Minority interest	265	266	467	367	264	146
Total equity and liabilities	273,507	324,247	403,155	487,250	552,378	618,134

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	3,934	22,011	28,127	51,324	51,620	59,650
Depreciation & amortization	3,707	(1,383)	1,874	2,486	3,180	4,002
Tax paid	(3,420)	(4,083)	(2,564)	(9,351)	(8,775)	(10,140)
Change in working capital	(21,255)	25,862	(27,493)	(23,839)	20,636	(18,198)
Others	12,644	(1,107)	39,352	0	0	0
Net cash from operations	(4,390)	41,300	39,295	20,619	66,660	35,313
Investing						
Capital expenditure	(5,800)	(3,200)	(5,489)	(6,821)	(7,749)	(9,171)
Acquisition of subsidiaries/ investments	(25)	0	0	0	0	0
Net proceeds from disposal of short-term investments	23,136	0	0	0	0	0
Others	(1,763)	(31,969)	(29,898)	0	0	0
Net cash from investing	15,549	(35,169)	(35,386)	(6,821)	(7,749)	(9,171)
Financing						
Net borrowings	(2,791)	0	0	0	0	0
Proceeds from share issues	0	0	0	42,600	0	0
Share repurchases	(2,386)	0	0	0	0	0
Others	(2,677)	(505)	(3,999)	0	0	0
Net cash from financing	(7,855)	(505)	(3,999)	42,600	0	0
Net change in cash						
Cash at the beginning of the year	24,339	27,607	33,631	33,661	90,059	148,970
Exchange difference	398	120	0	0	0	0
Cash at the end of the year	27,607	33,631	33,661	90,059	148,970	175,112
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(14.7%)	(3.2%)	35.0%	24.3%	13.6%	18.3%
Gross profit	(18.3%)	20.8%	33.2%	32.9%	11.5%	20.7%
EBIT	(89.2%)	610.4%	22.5%	103.2%	0.6%	16.0%
Net profit	(87.0%)	598.3%	34.9%	78.0%	2.1%	15.6%
Adj. net profit	(61.4%)	126.3%	41.3%	40.2%	2.3%	17.1%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	17.0%	21.2%	20.9%	22.4%	22.0%	22.4%
Adj. net profit margin	3.0%	7.1%	7.4%	8.4%	7.6%	7.5%
Return on equity (ROE)	1.8%	11.3%	13.3%	18.1%	14.5%	14.5%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.7	0.8	1.0	0.5	0.3	0.2
Current ratio (x)	1.8	1.7	1.3	1.7	1.9	2.0
Receivable turnover days	19.4	16.1	13.3	12.0	12.0	12.0
Inventory turnover days	80.7	81.1	67.4	45.4	45.4	45.4
Payable turnover days	100.3	98.5	101.2	94.6	94.6	94.6
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	92.9	41.2	29.1	21.4	21.1	18.1
P/E (diluted)	92.9	41.2	29.1	21.4	21.1	18.1
P/B	5.5	4.8	4.2	3.0	2.6	2.3
Div yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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