21 Jul 2026

CMB International Global Markets | Equity Research | Company Update

MiniMax Group (100 HK)

NDR takeaway: upbeat on model upgrade in 2H26; monetization on track

BUY (Maintain)

Target Price	**HK$570.00**
Up/Downside	**195.2%**
Current Price	**HK$193.10**

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Stock Data

Mkt Cap (HK$ mn)	60,563.0
Avg 3 mths t/o (HK$ mn)	1,484.7
52w High/Low (HK$)	NA/NA
Total Issued Shares (mn)	313.6

Source: FactSet

Shareholding Structure

Yan Junjie	25.6%
Alibaba	12.8%

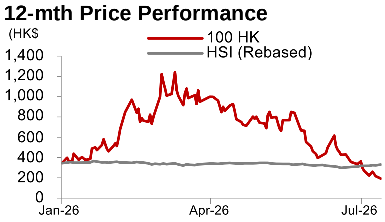
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-61.2%	-63.1%
3-mth	-78.8%	-77.8%
6-mth	-50.5%	-47.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

We hosted an NDR meeting with MiniMax's capital market team on 17 Jul. Our key takeaways include: 1) M3 model family should expect several upgrades in 2H26, with one focusing on post-training to improve coding/agentic capabilities and the other focusing on scaling to increase model size; 2) Hailuo 3 video model has completed training which has been preparing for launch in the coming weeks; 3) monetization remains on track, with ARR reaching US$400mn by end-May and ARR target being unchanged at US$1bn by end-FY26. The company's current valuation offers attractive risk-reward at 9x end-FY26 ARR, in our view. And we are upbeat on the new model launch to support the company's monetization and valuation recovery. Maintain BUY with target price unchanged at HK$570.0.

- **Upgrade of M3 model as next key catalyst.** The company is upbeat on the M3 model upgrades in 2H26, given its competitive edge over 1) AI infra: the company cooperates with both overseas and domestic suppliers to access advanced AI compute, and optimizes AI clusters based on its own training and inference needs, to build one of the most resilient AI infra among China AI labs; 2) data: the company continues to improve the size and quality of its training dataset; MiniMax launched the 10x Team Program in May to recruit experts in different industries (e.g. software, gaming, finance), accelerating the data and knowledge accumulation for model training; 3) architecture innovation: proprietary MiniMax Sparse Attention (MSA) architecture enables long-horizon agent/coding tasks at reasonable costs.
- **Hailuo 3 to be launched in coming weeks.** Hailuo 3 video generation model is expected for launch in the coming weeks, with capability approaching Seedance 2.0 as per management. Hailuo 3 can integrate the multimodal capability of M3 model to enhance understanding of language and physical world, which improves the accuracy of model generation. The company will continue to pursuit the development of multimodal model instead of only focusing on language model/coding agents. And management believes that the synergies between language and video models can share compute and talent resources.
- **Monetization remains on track.** The company expects ARR to reach US$1bn by end-FY26, versus c.US$400mn by end-May. Enterprise/individual customers account for c.60%/40% of current ARR, compared to c.30%/70% in FY25, mainly driven by the strong agent and coding demand from enterprises and developers. MiniMax's total number of enterprise & developer customers increased from 200k in end-FY25 to 1mn in May 2026. Looking ahead, with the upgrade of M3 model, we expect potential for pricing uplift, monetization acceleration and valuation recovery in 2H26. And we expect the company to be included in Southbound Stock Connect in Aug 2026, which should further attract fund inflow.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	31	79	285	743	1,748
Adjusted net profit (US$ mn)	(244.2)	(250.9)	(422.7)	(478.8)	(323.7)
EPS (Adjusted) (US$ cents)	(224.80)	(230.88)	(134.78)	(152.66)	(103.20)
P/S (x)	253.1	97.7	27.1	10.4	4.4

Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Revenue	**3**	**31**	**79**	**285**	**743**	**1,748**
Cost of goods sold	(4)	(27)	(59)	(183)	(459)	(1,039)
Gross profit	**(1)**	**4**	**20**	**102**	**284**	**709**
Operating expenses	**(92)**	**(254)**	**(301)**	**(581)**	**(836)**	**(1,128)**
Selling expense	(23)	(87)	(52)	(85)	(111)	(140)
Admin expense	(8)	(14)	(37)	(68)	(78)	(87)
R&D expense	(70)	(189)	(253)	(484)	(706)	(962)
Others	9	36	40	57	59	61
Operating profit	**(92)**	**(250)**	**(281)**	**(479)**	**(552)**	**(418)**
Interest expense	(0)	(1)	(1)	(1)	(1)	(1)
Others	(177)	(214)	(1,590)	0	0	0
Pre-tax profit	**(269)**	**(465)**	**(1,872)**	**(480)**	**(553)**	**(420)**
Income tax	0	0	0	0	0	0
After tax profit	**(269)**	**(465)**	**(1,872)**	**(480)**	**(553)**	**(420)**
Net profit	**(269)**	**(465)**	**(1,872)**	**(480)**	**(553)**	**(420)**
Adjusted net profit	**(89)**	**(244)**	**(251)**	**(423)**	**(479)**	**(324)**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Current assets	**320**	**806**	**1,007**	**1,370**	**1,284**	**1,729**
Cash & equivalents	206	289	508	819	648	950
Restricted cash	0	27	20	20	20	20
Account receivables	1	7	11	31	65	122
Prepayment	4	13	16	47	98	185
ST bank deposits	92	26	14	14	14	14
Financial assets at FVTPL	16	295	439	439	439	439
Other current assets	0	147	0	0	0	0
Non-current assets	**4**	**105**	**81**	**84**	**93**	**113**
PP&E	1	1	2	5	13	32
Right-of-use assets	3	3	2	3	3	3
Financial assets at FVTPL	0	95	70	70	70	70
Other non-current assets	0	5	7	7	7	7
Total assets	**324**	**911**	**1,088**	**1,454**	**1,377**	**1,842**
Current liabilities	**663**	**1,708**	**3,734**	**335**	**736**	**1,525**
Short-term borrowings	0	19	35	35	35	35
Account payables	17	51	58	179	449	1,017
Other current liabilities	644	1,633	3,632	98	205	386
Lease liabilities	1	2	1	1	1	2
Contract liabilities	1	2	8	22	45	85
Non-current liabilities	**3**	**2**	**3**	**3**	**3**	**4**
Obligations under finance leases	2	1	1	1	1	1
Other non-current liabilities	1	1	2	2	2	2
Total liabilities	**666**	**1,710**	**3,737**	**339**	**740**	**1,528**
Share capital	0	0	0	4,244	4,318	4,414
Retained earnings	(342)	(799)	(2,648)	(3,128)	(3,681)	(4,101)
Total shareholders equity	**(342)**	**(799)**	**(2,648)**	**1,116**	**637**	**313**
Total equity and liabilities	**324**	**911**	**1,088**	**1,454**	**1,377**	**1,842**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Operating						
Profit before taxation	**(269)**	**(465)**	**(1,872)**	**(480)**	**(553)**	**(420)**
Depreciation & amortization	1	2	3	1	3	8
Change in working capital	26	14	6	148	316	645
Others	178	191	1,583	58	75	98
Net cash from operations	**(64)**	**(258)**	**(280)**	**(272)**	**(158)**	**331**
Investing						
Capital expenditure	(1)	(1)	(1)	(4)	(12)	(27)
Net proceeds from disposal of short-term investments	51	(359)	(91)	0	0	0
Others	(90)	(72)	164	0	0	0
Net cash from investing	**(40)**	**(431)**	**72**	**(4)**	**(12)**	**(27)**
Financing						
Net borrowings	307	773	428	0	0	0
Proceeds from share issues	0	0	0	589	0	0
Others	(1)	(2)	(4)	(1)	(1)	(1)
Net cash from financing	**306**	**771**	**423**	**588**	**(1)**	**(1)**
Net change in cash						
Cash at the beginning of the year	5	206	289	508	819	648
Exchange difference	0	1	3	0	0	0
Cash at the end of the year	**206**	**289**	**508**	**819**	**648**	**950**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	na	782.2%	158.9%	260.5%	160.8%	135.3%
Gross profit	na	na	437.2%	410.0%	177.3%	149.7%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	(24.7%)	12.2%	25.4%	35.9%	38.2%	40.6%
Operating margin	(2,669.2%)	(820.6%)	(355.6%)	(168.1%)	(74.3%)	(23.9%)
Adj. net profit margin	(2,574.4%)	(800.2%)	(317.4%)	(148.4%)	(64.4%)	(18.5%)
Return on equity (ROE)	na	na	na	na	(63.1%)	(88.3%)

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	0.5	0.5	0.3	4.1	1.7	1.1
Receivable turnover days	35.2	33.4	31.8	30.2	28.7	27.2
Inventory turnover days	3.1	3.1	3.1	3.1	3.1	3.1
Payable turnover days	26.6	26.6	26.6	26.6	26.6	26.6

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	na	ns	ns	ns	ns	ns

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

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