XIAOMI80 (DR)

Globlex Securities Co., Ltd.

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Xiaomi's new S-curve growth from gadgets to premium EV

- USD5.5b capital increase timely funds the EV expansion plan.
- Robust sales volumes of both smartphone and EV outlook in 2025E
- Buy XIAOMI80 with a TP of THB30.4 based on 2025E 40x P/E.

Capital increase timely funds EV ambitious plan

Xiaomi (1810.HK), once known for affordable consumer electronics, is undergoing a dramatic transformation into a serious contender in the premium EV space. Its debut EV model SU7, launched in March 2024, marks a key milestone and could be the beginning of a new S-curve in earnings growth. On 25 March 2025, Xiaomi announced its USD5.5b capital increase, selling 800m shares, up from its original plan to sell only 750m shares due to strong demand, at HKD53.25/share (6.6% discount to market price) to fund its EV expansion plan and the intensive R&D expense. Xiaomi timely capitalized on its skyrocketing share price, which rose 150% in the past 6 months, buoyed by its stunningly successful EV sales.

Solid beat on 4Q24 and FY24 earnings

Xiaomi reported 4Q24 revenue of RMB109b (+48.8% y-y), beating consensus of RMB103.9b, with net profit of RMB8.32b (+69.4% y-y), also ahead of expectations. Full-year 2024 revenue hit RMB365.9b (+35% y-y), with smartphone revenue of RMB333.2b and EV revenue of RMB32.8b. Despite a RMB6.2b loss from the EV business, 2024 net profit rose to RMB27.2b (+41% y-y), supported by strong smartphone and electronics sales.

SU7: Strong debut, aspirational pricing

Xiaomi delivered 135,000 EVs in 2024, generating RMB32.8b (USD4.5b) in revenue. The SU7 lineup is priced between RMB215,900 and RMB299,900—undercutting Tesla Model 3 while claiming superior specs in 90% of features. Management expects volume to grow 16% y-y to 350,000 units in 2025, up from its previous target of 300,000, with EV losses likely turning into a profit of RMB3b in 2025E. Xiaomi plans to start shipping its EV to overseas market by 2027E. The company bought a 52-hectare land plot in Southern Beijing to build its 3rd-phase production plant.

Smartphone: Back to global Top 3

Smartphone shipments reached 42.7m units in 4Q24 (+5% y-y), regaining global rank #3 with 13% market share. China shipments surged 29% y-y. Xiaomi targets 180m global shipments in 2025 (+6.8% y-y), with AI investments of RMB8b supporting innovation. Xiaomi plans to invest RMB7-8b in AI out of its total annual R&D budget of RMB30b, aiming to accelerate the technology advancement.

Valuation & TP

We value Xiaomi using a 2025F P/E of 40x, reflecting rapid earnings growth from EV and smartphone. With 2025F net profit forecast at RMB43b (+58% y-y), EPS of RMB2.11 implies a valuation range of RMB60–85. Our TP of THB30.4 implies 29% upside from current levels for XIAOMI80. Before its capital increase Xiaomi had a market capitalization valued at USD16.8b but now exceeding USD17b.

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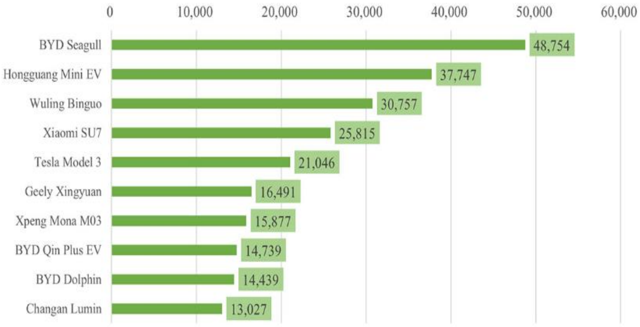
Exhibit 1: Xiaomi SU7

Sources: GSMARENA

Exhibit 2: Best-selling EV sedan in China in Dec 2024



Sources: CNEVPOST

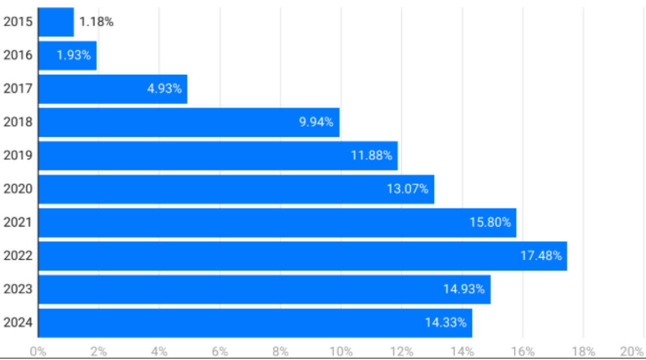
Exhibit 3: Xiaomi share price

Sources: Google Finance

Exhibit 4: Xiaomi SU7 Ultra

Sources: CarNewsChina

Exhibit 5: Market share of Xiaomi smartphones in Asia



Sources: Coolest gadget

Exhibit 6: Four consecutive quarters of robust revenue growth

Sources: GSMARENA

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.