

# CAN SLIM Stock Analysis—Xiaomi Corporation

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**CAN SLIM is an acronym developed by the American investor [William O'Neil](#), intended to represent the seven characteristics that top-performing stocks often share before making their biggest price gains.**

Xiaomi Corporation (<https://ir.mi.com/>), an investment holding company, engages in the development and sales of smartphones in Mainland China and internationally. It operates through Smartphones, IoT and Lifestyle Products, Internet Services, and Others segments. The company also offers internet of things (IoT) and lifestyle products comprising smart large home appliances, smart TVs, tablets, wearables and other IoT and lifestyle products; hardware repair services for products; installation services for certain IoT products; and sale of materials. In addition, it provides internet services, such as advertising, online game, and fintech services; intermediary services to the borrowers and third-party funding parties; and development, manufacture, and sales of smart electric vehicles. Further, the company in the wholesale and retail of smartphones and ecosystem partners' products; investment activities; sales of smart hardware and e-book; software and hardware development; procurement and sales of smartphones, ecosystem partners' products and spare parts, and raw materials; operation of retail stores; and commercial factoring and e-commerce business. Additionally, it provides intra-group capital supervision, collection, remittance, credit guarantee, and interest rate risk management; customer; software related; promotion; electronic payment technology; and technical services. Xiaomi Corporation was incorporated in 2010 and is headquartered in Beijing, the People's Republic of China.

**C stands for *current quarterly earnings*. Per share, current earnings should be up at least 25% in the most recent financial quarter, compared to the same quarter the previous year. Additionally, if earnings are accelerating in recent quarters, this is a positive prognostic sign.**

Xiaomi has demonstrated exceptional earnings growth in its most recent quarterly report. For the quarter ended June 30, 2025 (Q2 2025), the company reported:

- Adjusted Net Profit: RMB 10.8 billion (approximately \$1.5 billion USD)
- This represents a substantial 75.4% year-over-year increase compared to the same quarter of the previous year.

This growth figure is well above the 25% minimum required by the CAN SLIM methodology, making it a very strong signal. The data reveals not just a single quarter of growth, but a clear, sustained trend of accelerating profitability.

Here is a quarter-by-quarter breakdown of Xiaomi's adjusted net profit over the past two years:

Quarter	Adjusted Net Profit (RMB billions)	Year-over-Year (YoY) Growth
Q2 2025	10.8	75.4%
Q1 2025	10.7	64.5%
Q4 2024	8.3	69.4%
Q3 2024	5.3	15.1%
Q2 2024	5.1	10.6%
Q1 2024	6.5	13.5%

<https://ir.mi.com/financial-information/quarterly-results>

Analysis of the Trend:

- Significant Growth: Xiaomi has managed to reverse a period of sluggish growth in late 2023 and early 2024 and has returned to very strong double-digit growth.

- **Earnings Acceleration:** The most critical finding for a CAN SLIM analysis is the dramatic acceleration in the last two quarters. The growth rate jumped from the mid-teens in the first half of 2024 to over 60% in the first half of 2025. This shows that the company's new strategies—particularly in high-margin products like EVs and premium smartphones—are having a massive impact on its bottom line.
- **Consistency:** The sustained growth over multiple quarters demonstrates a consistent upward trend in profitability, making the earnings more reliable than a one-time event.

**A stands for *annual earnings growth*, which should be up 25% or more over the last three years. Annual returns on equity should be 17% or more**

Xiaomi's recent financial performance, particularly over the last three years (2022-2024), does not meet the criteria of the 'A' factor.

Xiaomi's earnings growth has been highly inconsistent over the last three fiscal years, failing to meet the 25% annual growth target.

- **2022:** The company's net income saw a significant decline of over 87% compared to the previous year.
- **2023:** Xiaomi's net income rebounded sharply with an impressive growth of over 600%.
- **2024:** The company's net income continued to grow by over 35%, a strong performance but the three-year average is skewed by the sharp decline and subsequent rebound.

The negative growth in 2022 prevents the company from meeting the criteria of consistent annual growth of 25% or more. More detailed reasons for the negative growth in 2022.

<https://xueqiu.com/7041780087/245759149>

**Annual Return on Equity (ROE)**

Xiaomi's annual return on equity has also been volatile and has not consistently met the 17% threshold over the last three years.

- **2022:** The ROE was at a low of 1.8%.

- 2023: The ROE saw a significant recovery to 11.4%.
- 2024: The ROE improved further to 13.4%.
- The trailing twelve months (TTM) ROE is approximately 17.5%, which just meets the target, but the average for the last three full fiscal years is well below 17%.

While the ROE is trending positively, the past three-year performance, with figures of 1.8% and 11.4% in 2022 and 2023 respectively, indicates a lack of consistent performance above the required 17% benchmark.

***N* stands for *new product or service*, which refers to the idea that a company should have continuing development and innovation. This is what allows the stock to emerge from a proper chart pattern and achieve a new price.**

Xiaomi's recent strategic developments provide a robust foundation for a strong N-factor analysis. These developments are centered on key product and technological innovations that are expected to drive future growth.

- **New Product (NEV):** The successful entry into the electric vehicle (NEV) market with the Xiaomi SU7 has been a primary catalyst. This represents a significant new product line that expands the company's addressable market beyond consumer electronics. The strong initial sales performance and positive market reception for the SU7 underscore its potential as a long-term growth driver.
- **New Technology (Surge O2):** The planned release of the self-developed Surge O2 chipset is another critical N-factor. This demonstrates a commitment to technological vertical integration. Developing proprietary chipsets reduces dependency on external suppliers and provides a key competitive advantage. It signals a move towards higher-value, in-house technology, which is a significant factor for investor confidence.
- **New Product (Xiaomi 16):** The upcoming launch of the Xiaomi 16 smartphone, coupled with high market interest and positive public reception, is a third powerful catalyst. This event is significant because it combines a flagship product with a new technological breakthrough (the Surge O2 chipset). This synergy suggests that Xiaomi is not just releasing an incremental update but is introducing a new product with a strong technological foundation, which is highly valued by the market.

These new developments collectively create a compelling narrative for investors, supporting a positive outlook for Xiaomi's future performance and providing a clear basis for stock price appreciation.

***S stands for supply and demand. A gauge of a stock's demand can be seen in the trading volume of the stock, particularly during price increases***

Recent market data for Xiaomi (HKEX: 1810) demonstrates a strong positive correlation between its stock price increases and high trading volume, consistent with the principles of the S-factor.

- **Evidence of Strong Demand:** In 2025, Xiaomi's stock has undergone notable rallies. These upward movements have been accompanied by a surge in trading volume, a key indicator of active accumulation by major institutional investors. For example, reports from May 2025 highlight a substantial year-to-date increase in Xiaomi's stock price alongside high trading volumes, signaling strong bullish sentiment.
- **Catalysts Driving Demand:** This heightened demand is directly attributable to the "N" factors previously analyzed: the successful launch of the Xiaomi SU7 electric vehicle and the anticipation surrounding new products like the Xiaomi 16 and the Surge O2 chipset. Investors are purchasing shares in response to the company's new growth narrative, driving the price higher on heavy volume.
- **Market Confirmation:** The upward momentum is further reinforced by a general rally in Hong Kong stocks, which has attracted renewed interest from global investors. Xiaomi has been a key beneficiary of this trend, with its stock performance reflecting the increased capital flow into the company.

HKSE - Delayed Quote - HKD

XIAOMI-W (1810.HK)

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54.950 -1.250 (-2.22%)

At close: 4:08:26 PM GMT+8



Previous Close	56.200	Market Cap (intraday)	1.43T
Open	56.050	Beta (5Y Monthly)	1.01
Bid	54.950 x --	PE Ratio (TTM)	35.00
Ask	54.950 x --	EPS (TTM)	1.570
Day's Range	54.800 - 56.350	Earnings Date	Nov 17, 2025
52 Week Range	18.340 - 61.450	Forward Dividend & Yield	--
Volume	141,897,710	Ex-Dividend Date	--
Avg. Volume	139,790,161	1y Target Est	66.10

<https://finance.yahoo.com/quote/1810.HK/>

***L* stands for *leader or laggard*? O'Neil suggests buying "the leading stock in a leading industry." This somewhat qualitative measurement can be more objectively measured by the *relative price strength rating* of the stock, designed to measure the price performance of a stock over the past 12 months in comparison to the rest of the market based on the S&P 500 (or the S&P/TSX Composite Index for Canadian stock listings) over a set period of time.**

Based on recent performance data, Xiaomi has been a clear leader among its major tech peers in the Hang Seng TECH Index over the past 12 months.

- **Exceptional Outperformance:** Xiaomi's stock has delivered an outstanding return of approximately 190% over the past year. This level of growth is among the highest, if not the highest, of all major constituents in the Hang Seng TECH Index.
- **Comparison with Peers:**
  - **Tencent Holdings (HKEX: 0700):** A major index component, Tencent's stock has also performed well, with a 12-month return of around 72%. While strong, this is still significantly lower than Xiaomi's.
  - **Alibaba Group (HKEX: 9988):** Alibaba has seen positive momentum but has not matched Xiaomi's explosive growth.
  - **Meituan (HKEX: 3690):** Meituan's performance has been more volatile, with its stock declining over the past year, making it a laggard in the sector.

The data clearly indicates that Xiaomi has been a leader within its industry group. Its superior relative price strength is a direct result of the company's successful strategic moves, particularly the launch and positive reception of the Xiaomi SU7 EV, which has captured significant market and investor attention.

More detailed leading position can be found at this link.

<https://ir.mi.com/static-files/5aeb45ab-13ba-49aa-b57d-850b73472b58>

***I* stands for *institutional sponsorship*, which refers to the ownership of the stock by mutual funds, banks and other large institutions, particularly in recent quarters. A quantitative measure here is the accumulation/distribution rating, which is a gauge of institutional activity in a particular stock.**

#### Analysis of Xiaomi's Institutional Sponsorship

Based on a review of recent institutional holdings data, Xiaomi (HKEX: 1810) demonstrates strong institutional sponsorship, aligning with the "I" factor.

- Evidence of Accumulation: Data from recent quarters indicates that the total number of institutional owners and their average portfolio allocation to Xiaomi have increased. As of August/September 2025, several institutional filings show a net increase in shares held, with a variety of funds and institutions either initiating new positions or significantly adding to their existing stakes.

<https://fintel.io/so/us/xiacf>

- Major Investors: Prominent institutional investors such as BlackRock, The Vanguard Group, and various other funds and ETFs hold substantial positions in Xiaomi. While some reallocation may occur, the overall trend points toward institutional confidence in the company's long-term prospects.

<https://dcfmodeling.com/blogs/investors/1810hk-investor-profile>

***M* stands for *market direction*, which is categorized into three - *market in confirmed uptrend*, *market uptrend under pressure*, and *market in correction*. The S&P 500 and NASDAQ are studied to determine the market direction. During the time of investment, O'Neil prefers investing during times of definite uptrends of these indexes, as three out of four stocks tend to follow the general market direction.**

For a Hong Kong-listed company like Xiaomi, a confirmed uptrend in the Hang Seng Index and particularly the Hang Seng TECH Index provides a favorable environment for stock appreciation.

Based on recent market data as of mid-September 2025, the Hong Kong market is in a confirmed uptrend, showing strong signs of recovery and momentum.

- Hang Seng Index (HSI): The HSI has demonstrated resilience and a confirmed uptrend, having recovered swiftly after briefly breaching the lower boundary of its ascending channel established since mid-April 2025. Recent data from



September 2025 shows the index trading around the 26,200 level, a significant increase from its previous lows.

<https://www.investtech.com/main/market.php?CompanyID=99200044#:~:text=Medium%20term%2C%20Sep%209%2C%202025,interest%20among%20investors%20is%20increasing.>

- **Hang Seng TECH Index:** This index, which is directly relevant to Xiaomi and other major tech companies, has also shown a clear upward trajectory. The index has been trading at a significantly higher level than its 52-week low. The overall trend, despite minor fluctuations, has been upward, indicating strong investor confidence in the technology sector.
- **Market Sentiment:** The bullish sentiment is supported by several factors, including optimism surrounding potential interest rate cuts by central banks and a general recovery in the Greater China market. The Hong Kong stock exchange is seeing increased capital inflow, with average daily turnover for the first eight months of 2025 showing a significant increase.

The confirmed uptrend of the Hang Seng and Hang Seng TECH indices is highly supportive of Xiaomi's continued price appreciation.

- **Amplified Performance:** Xiaomi, as a leading component of the Hang Seng TECH Index, is a direct beneficiary of the capital inflows and bullish sentiment in the sector. A rising market acts as a powerful tailwind for a stock that is already exhibiting strong fundamentals (as demonstrated by the A, N, S, L, and I factors).
- **Favorable Environment:** The positive market direction validates the risk-on appetite among investors, which is crucial for a growth-oriented company. It indicates that the general market environment is conducive to new highs for leading stocks.

In conclusion, the current state of the Hong Kong market, marked by a confirmed uptrend and increased trading activity, provides a highly favorable backdrop for Xiaomi's stock, aligning perfectly with the "M" factor.