



SMIC Q4 2021

Financial Presentation

SEHK: 00981

SSE STAR MARKET: 688981

SMIC Investor Relations
Feb. 2022

Forward-Looking Statements

This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements under [Article 17B of the Securities and Futures Ordinance](#) and the statements contained in the SMIC Management Comments are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words including but not limited to

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About Non-

The consolidated financial information is prepared in accordance with International Financial Reporting Standards

During this presentation, references to financial measures of SMIC will include references to non-IFRS financial measures, including non-IFRS operating expenses and adjusted EBITDA, and EBITDA margin. For an explanation to the most directly comparable IFRS financial measures, see our earnings report.

4Q21 Financial Highlights

- **Revenue was \$1,580 million, record high**
 - Up 11.6% QoQ from \$1,415 million in 3Q21
 - Up 61.1% YoY from \$981 million in 4Q20

- **Gross margin was 35.0%, record high**
 - Compared to 33.1% in 3Q21
 - Compared to 18.0% in 4Q20

- **Profit from operations was \$420 million**
 - Compared to \$310 million in 3Q21
 - Compared to \$17 million in 4Q20

- **Profit attributable to SMIC was \$534 million**
 - Compared to \$321 million in 3Q21
 - Compared to \$257 million in 4Q20

- **EBITDA was \$1,167 million**
 - Compared to \$894 million in 3Q21
 - Compared to \$631 million in 4Q20

2021 Financial Highlights (unaudited)

- **Revenue was \$5,443 million, record high**
Compared to \$3,907 million in 2020

- **Gross margin was 30.8%, record high**
Compared to 23.6% in 2020

- **Profit from operations was \$1,393 million**
Compared to \$312 million in 2020

- **Profit attributable to SMIC was \$1,702 million**
Compared to \$716 million in 2020

- **EBITDA was \$3,820 million**
Compared to \$2,123 million in 2020

Income Statement

- **Revenue** was \$1,580.1 million in 4Q21, an increase of 11.6% QoQ from \$1,415.3 million in 3Q21. The growth was primarily attributable to product-mix change and the increase in average selling price in 4Q21.
- **Gross margin** was 35.0% in 4Q21, compared to 33.1% in 3Q21 due to

Capital Structure

| (US\$ thousands) | As of | |
|--|-------------------|-------------------|
| | Dec 31, 2021 | Sep 30, 2021 |
| Cash and cash equivalent | 8,581,746 | 7,503,520 |
| Restricted cash - Current | 214,191 | 280,971 |
| Financial assets at fair value through profit or loss - Current ⁽¹⁾ | 78,184 | 75,395 |
| Financial assets at amortized cost ⁽²⁾ | 7,564,091 | 7,830,377 |
| Total cash on hand | 16,438,212 | 15,690,263 |
| Borrowings - Current | 789,316 | 681,726 |
| Borrowings - Non-current | 4,937,671 | 4,649,497 |
| Lease liabilities | 210,224 | 237,103 |
| Medium-term notes | 235,515 | 231,829 |
| Convertible bonds | 1,978 | 1,968 |
| Bonds payable | 597,663 | 597,486 |
| Total debt | 6,772,367 | 6,399,609 |
| Net debt ⁽³⁾ | (9,665,845) | (9,290,654) |
| Equity | 25,438,143 | 23,414,697 |
| Total debt to equity ratio ⁽⁴⁾ | 26.6% | 27.3% |
| Net debt to equity ratio ⁽⁵⁾ | -38.0% | -39.7% |

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

(3) Total debt minus total cash on hand.

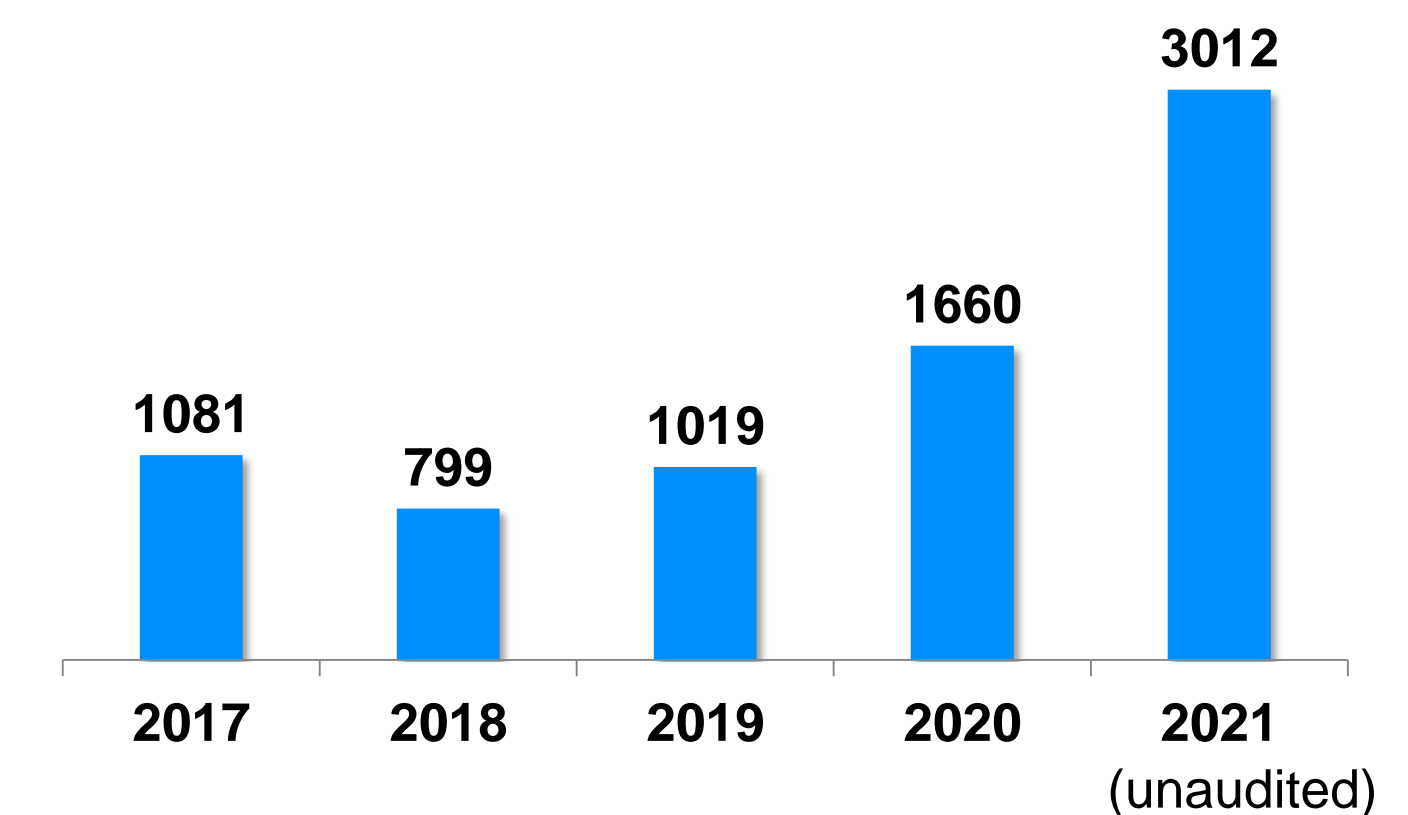
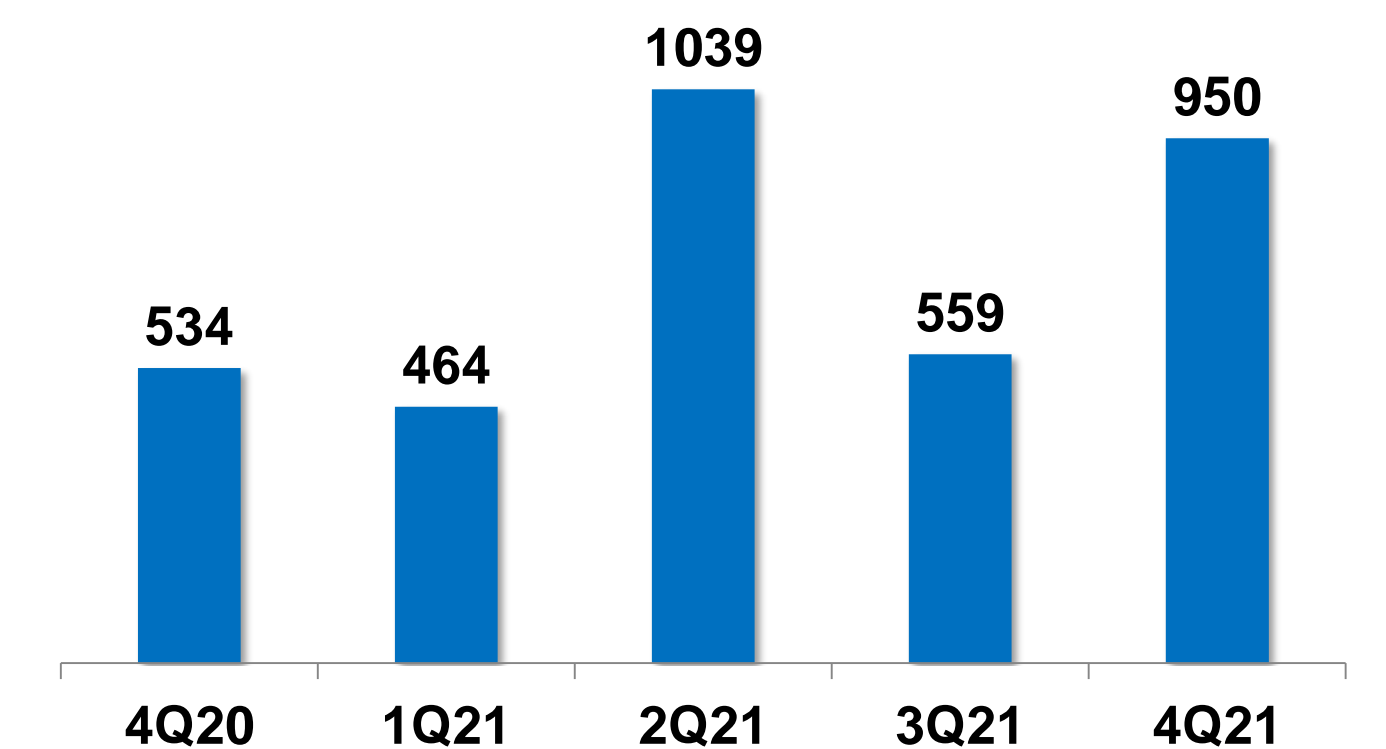
(4) Total debt divided by equity.

(5) Net debt divided by equity.

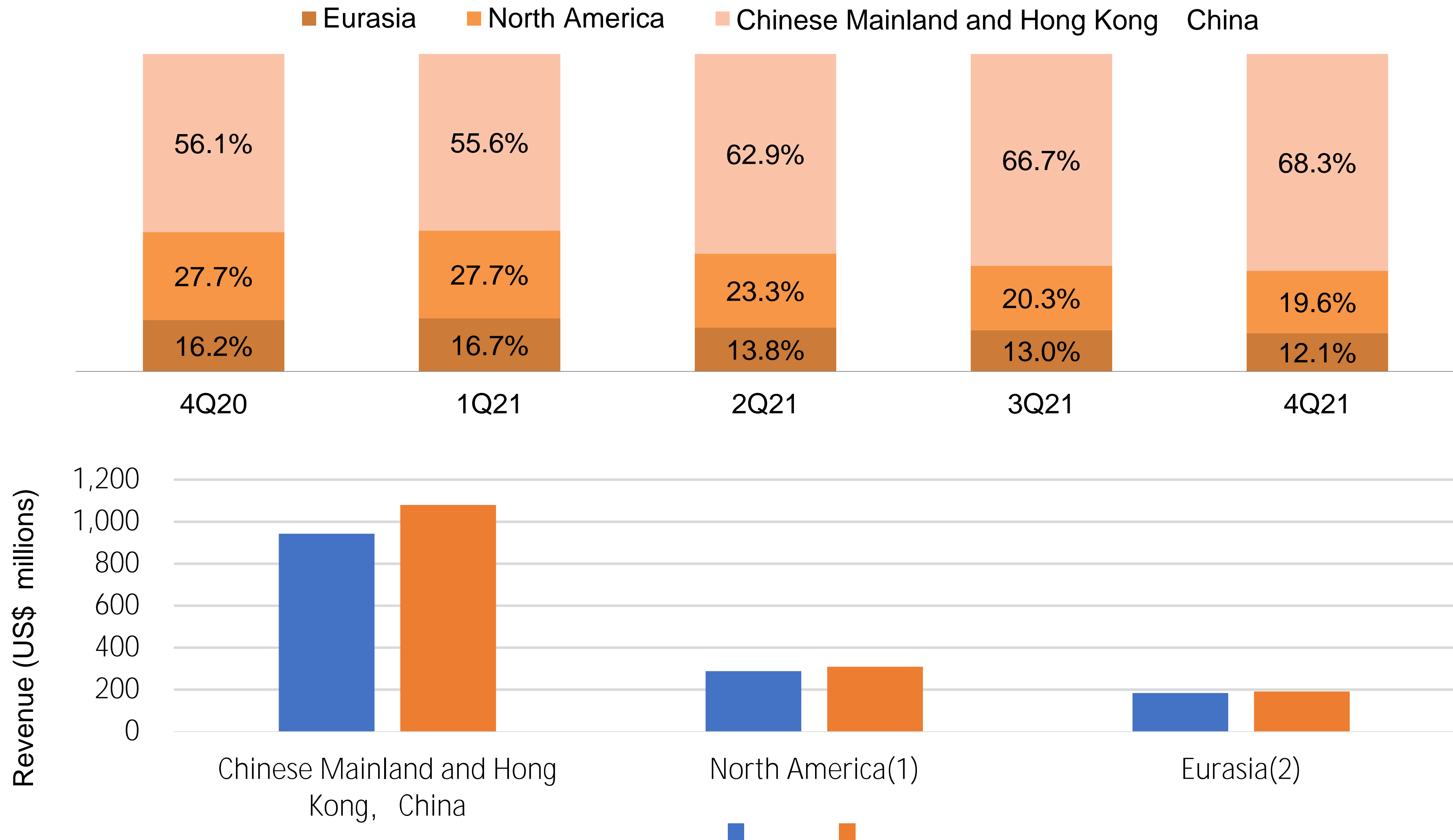
Cash Flow

| <i>(US\$ thousands)</i> | For the three months ended | |
|---|----------------------------|--------------|
| | Dec 31, 2021 | Sep 30, 2021 |
| Cash and cash equivalent, beginning of period | 7,503,520 | 7,179,067 |
| Net cash from operating activities | 949,558 | 559,356 |
| Net cash used in investing activities | (1,735,336) | (815,753) |
| Net cash from financing activities | 1,847,304 | 585,729 |
| Net change in cash and cash equivalent | 1,078,226 | 324,453 |
| Cash and cash equivalent, end of period | 8,581,746 | 7,503,520 |

Net cash from operating activities (US\$ millions)



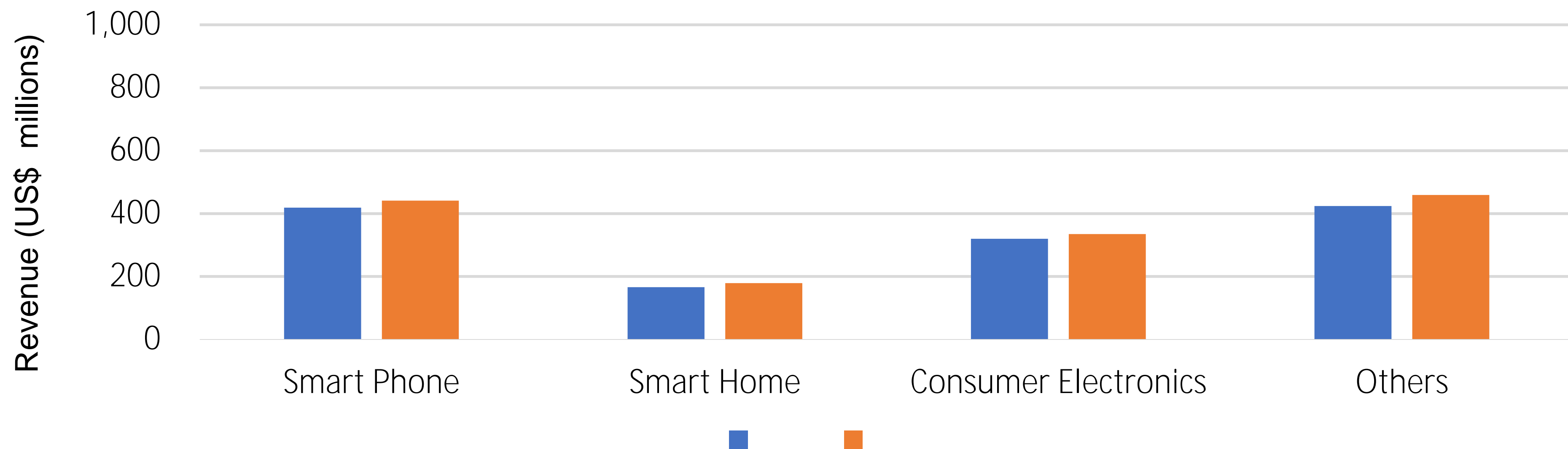
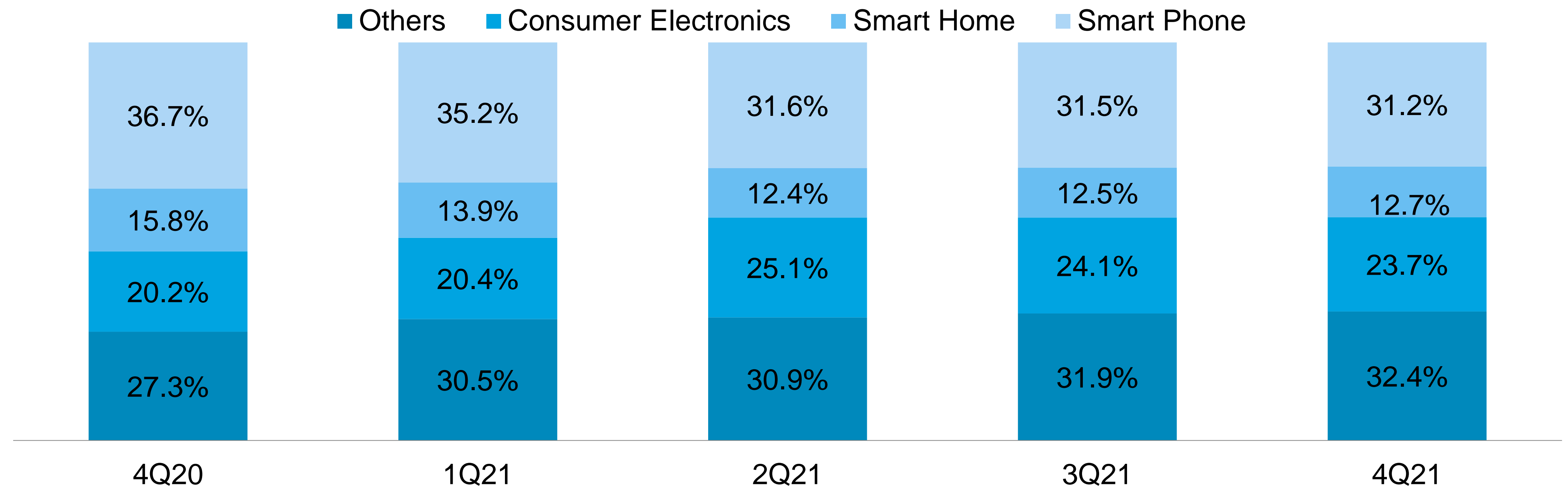
Total Revenue Breakdown by Geography



(1) Presenting the revenue to those companies whose headquarters are in the United States, but ultimately selling and shipping the products to their global customers.

(2) Excluding Chinese Mainland and Hong Kong, China.

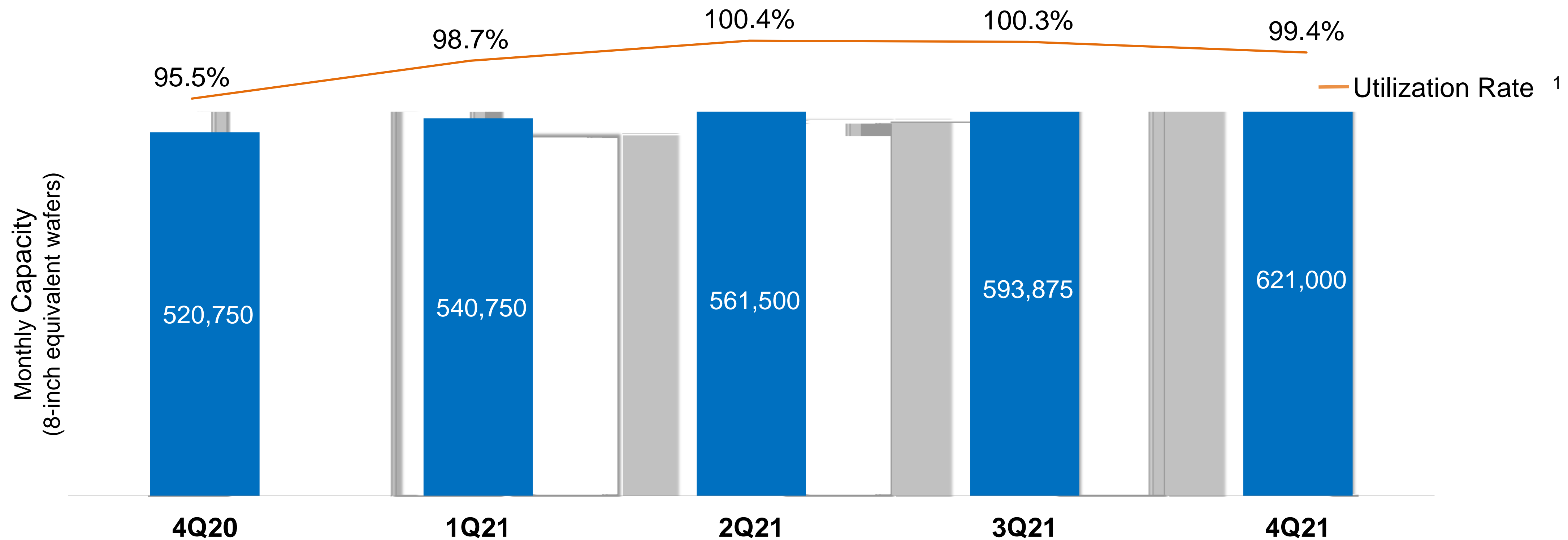
Wafer Revenue Breakdown by Application



Wafer Revenue Breakdown by Technology



Capacity, Utilization and Shipment



| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Wafer Shipments | 1,415,788 | 1,558,893 | 1,745,194 | 1,719,743 | 1,723,360 |

(1) Capacity utilization rate is reported based on total equivalent wafers out divided by estimated total quarterly capacity.

1Q 2022 Guidance and 2022 Capex Guidance

| | 1Q 2022 Guidance | 2022 Capex |
|--------------|------------------|------------|
| Revenue | +15% to +17% QoQ | \$5.0B |
| Gross Margin | 36% to 38% | |

Appendix

4Q Results vs Guidance

| | 4Q 2021 Guidance | 4Q 2021 Results |
|---------------------|------------------|-----------------|
| Revenue | +11% to +13% QoQ | +11.6% QoQ |
| Gross Margin | 33% to 35% | 35.0% |

Capital Expenditures & Depreciation

| <i>(US\$ millions)</i> | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|--|-------|------|------|-------|-------|
| Capex | 1,333 | 534 | 771 | 1,081 | 2,130 |
| Depreciation & Amortization | 366 | 420 | 462 | 480 | 508 |

Thank You!

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