



# SMIC Q3 2023

# Financial Presentation

**SEHK: 00981**

**SSE STAR MARKET: 688981**

SMIC Investor Relations  
November 2023



# Forward-Looking Statements

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This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements 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 “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “target”, “going forward”, “continue”, “ought to”, “may”, “seek”, “should”, “plan”, “could”, “vision”, “goal”, “aim”, “aspire”, “objective”, “schedule”, “outlook” and other similar expressions to identify forward looking statements. These forward-looking statements are estimates made by SMIC's senior management based on their best judgment and involve significant risks, both known and unknown, uncertainties and other factors that may cause SMIC's actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements including, among others, risks associated with cyclicalities and market conditions in the semiconductor industry, intense



# Income Statement

| (US\$ thousands)                  | 3Q23             | 2Q23             | QoQ          | 3Q22             | YoY           |
|-----------------------------------|------------------|------------------|--------------|------------------|---------------|
| <b>Revenue</b>                    | <b>1,620,577</b> | <b>1,560,396</b> | <b>3.9%</b>  | <b>1,906,956</b> | <b>-15.0%</b> |
| Gross profit                      | 321,620          | 316,500          | 1.6%         | 742,216          | -56.7%        |
| <b>Gross margin</b>               | <b>19.8%</b>     | <b>20.3%</b>     |              | <b>38.9%</b>     |               |
| <b>Operating income(expenses)</b> | <b>(234,232)</b> | <b>(236,702)</b> | <b>-1.0%</b> | <b>(264,297)</b> | <b>-11.4%</b> |
| <i>Research &amp;</i>             |                  |                  |              |                  |               |
|                                   |                  |                  |              |                  |               |
|                                   |                  |                  |              |                  |               |
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|                                   |                  |                  |              |                  |               |
|                                   |                  |                  |              |                  |               |

- **Revenue** was \$1,620.6 million in 3Q23, an increase of 3.9% QoQ from \$1,560.4 million in 2Q23. The rise was mainly due to the increase in wafer shipment in 3Q23.
- **General and administrative expenses** increased to \$128.1 million in 3Q23 from \$106.4 million in 2Q23. The change was mainly due to the increase in new fab start-up costs in 3Q23.

# Capital Structure

| (US\$ thousands)   | As of             |                   |
|--|-------------------|-------------------|
|  | Sep 30, 2023      | Jun 30, 2023      |
| Cash and cash equivalents  | 6,953,613         | 7,559,268         |
| Restricted cash  | 403,692           | 388,837           |
| Financial assets at fair value through profit or loss - current <sup>(1)</sup> | 145,378           | 102,571           |
| Financial assets at amortised cost <sup>(2)</sup>                              | 9,854,698         | 10,287,903        |
| <b>Total cash on hand</b>  | <b>17,357,381</b> | <b>18,338,579</b> |
| Borrowings - current   | 2,254,605         | 2,327,861         |
| Borrowings - non-current   | 6,715,297         | 6,653,113         |
| Lease liabilities  | 66,652            | 81,601            |
| Bonds payable  | 598,929           | 598,744           |
| <b>Total debt</b>  | <b>9,635,483</b>  | <b>9,661,319</b>  |
| Net debt <sup>(3)</sup>  | (7,721,898)       | (8,677,260)       |
| Equity   | 30,583,968        | 29,985,619        |
| Debt to equity ratio <sup>(4)</sup>  | 31.5%             | 32.2%             |
| Net debt to equity ratio <sup>(5)</sup>  | -25.2%            | -28.9%            |

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

(3) Total debt minus total cash on hand.

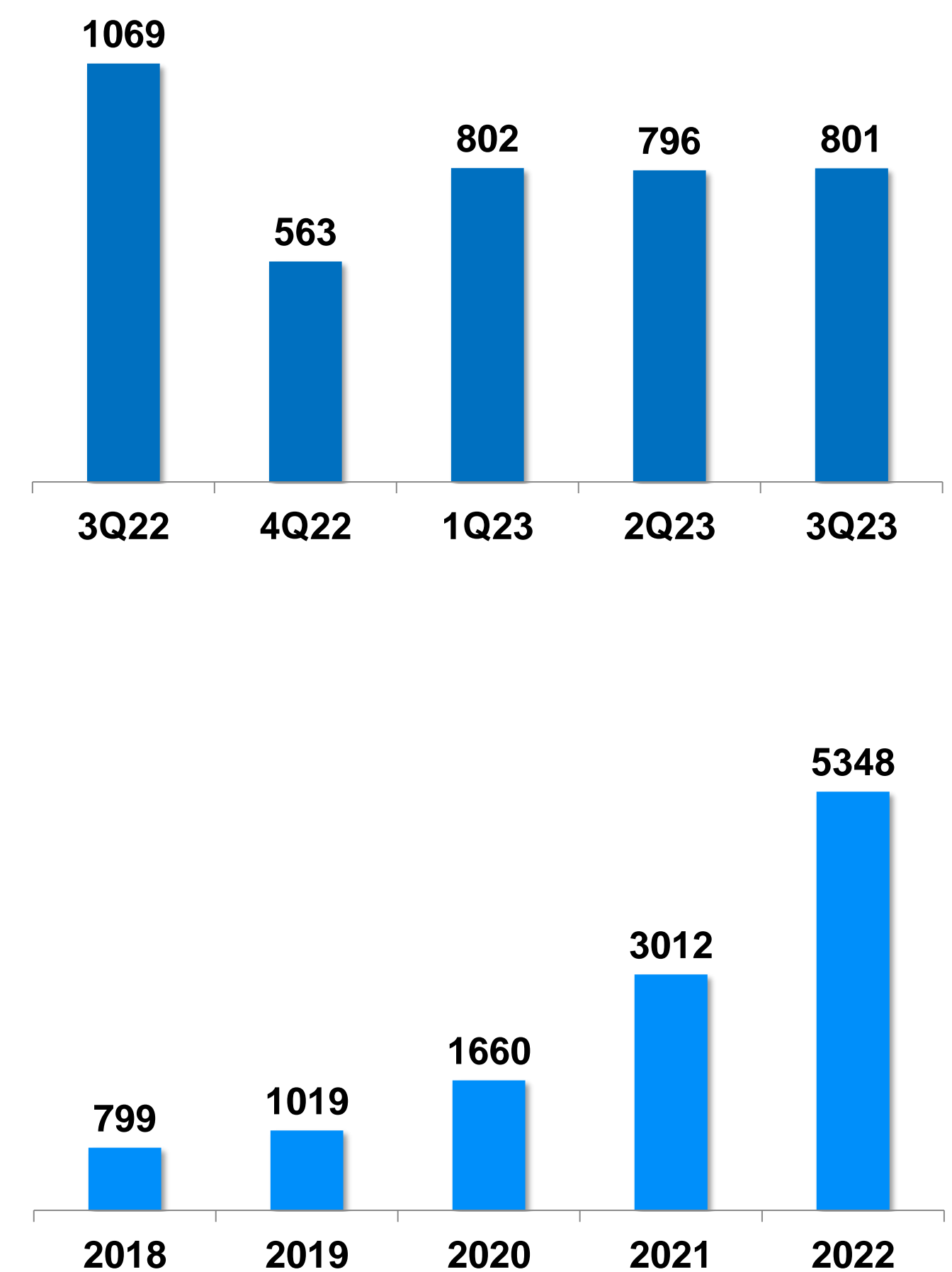
(4) Total debt divided by equity.

(5) Net debt divided by equity.

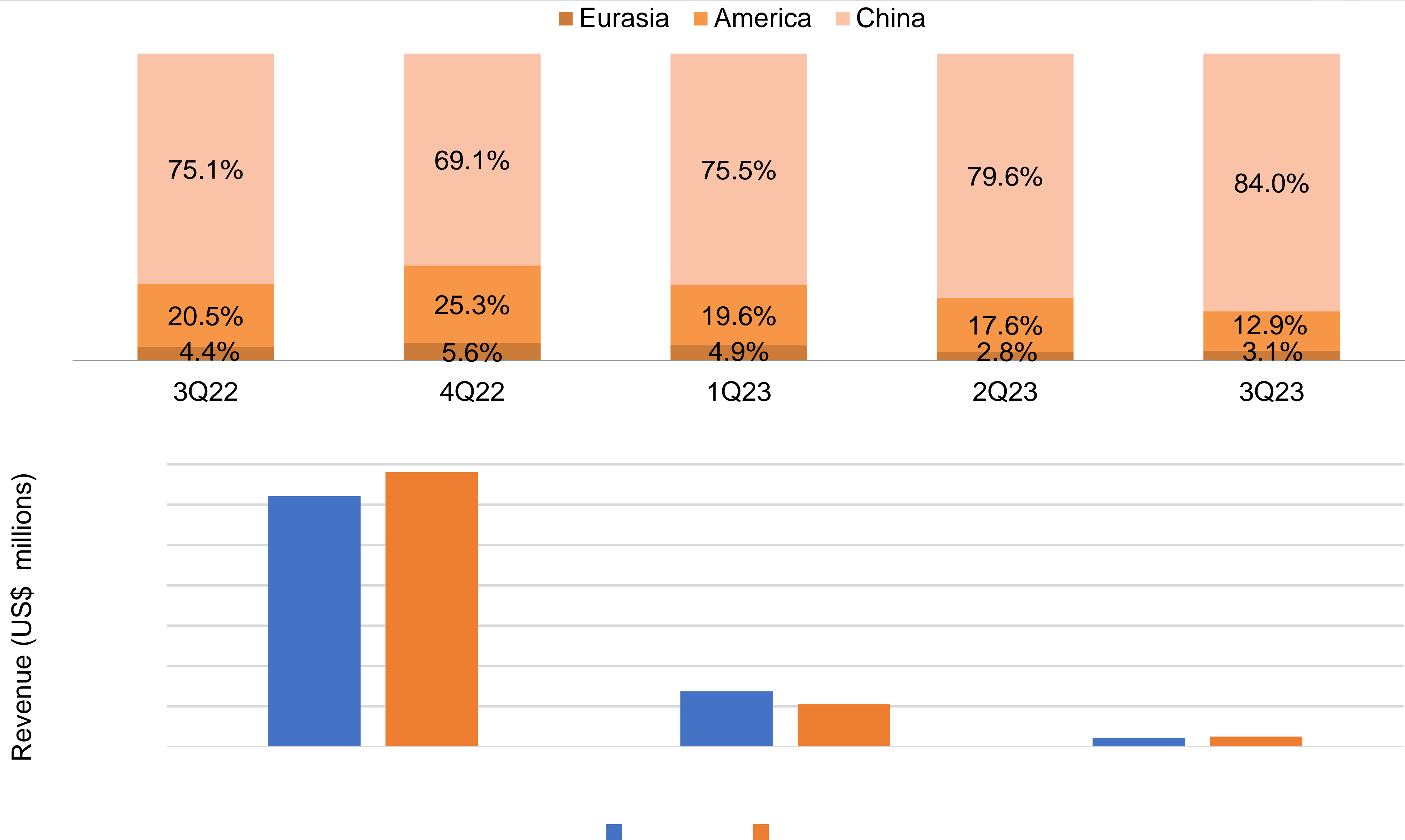
# Cash Flow

| (US\$ thousands)                                       | For the three months ended |              |
|--|----------------------------|--------------|
|  | Sep 30, 2023               | Jun 30, 2023 |
| Cash and cash equivalents, beginning of the period     | 7,559,268                  | 8,703,465    |
| Net cash generated from operating activities           | 800,701                    | 796,185      |
| Net cash (used in)/generated from investing activities | (1,710,713)                | (2,348,079)  |
| Net cash generated from financing activities           | 358,107                    | 703,926      |
| Net (decrease)/increase in cash and cash equivalents   | (605,655)                  | (1,144,197)  |
| Cash and cash equivalents, end of the period           | 6,953,613                  | 7,559,268    |

## Net cash generated from operating activities (US\$ millions)



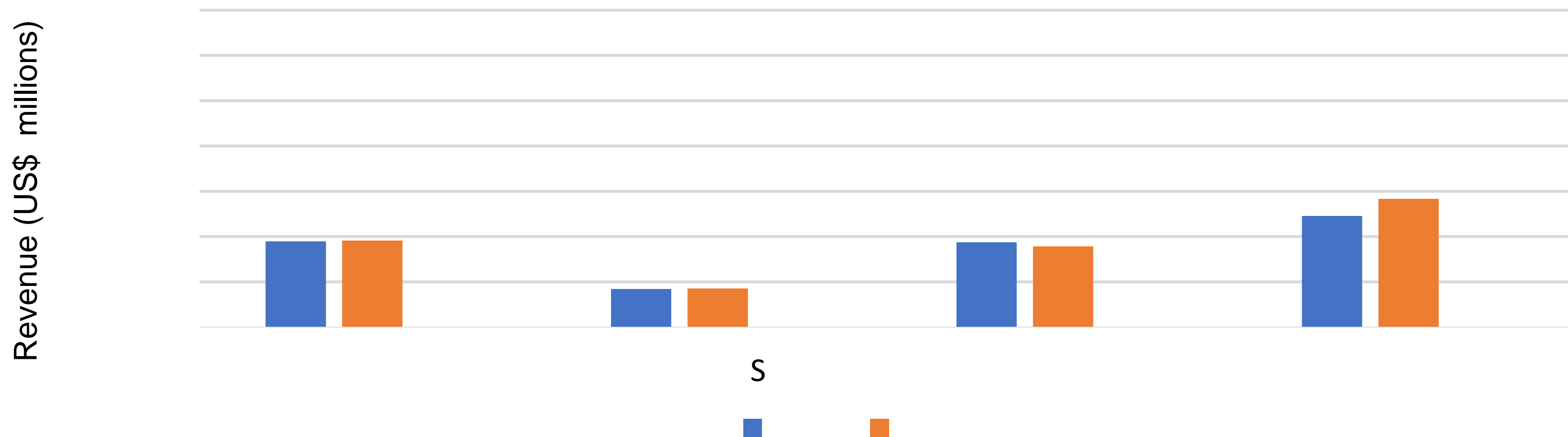
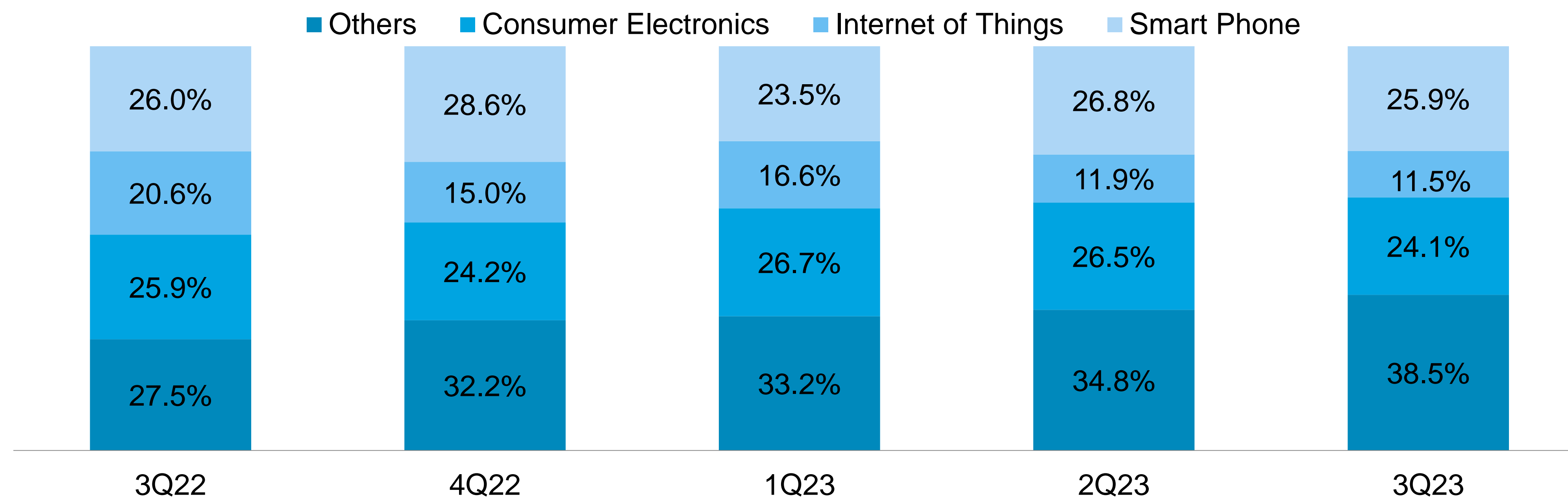
# Total Revenue By Geography<sup>(1)</sup>



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

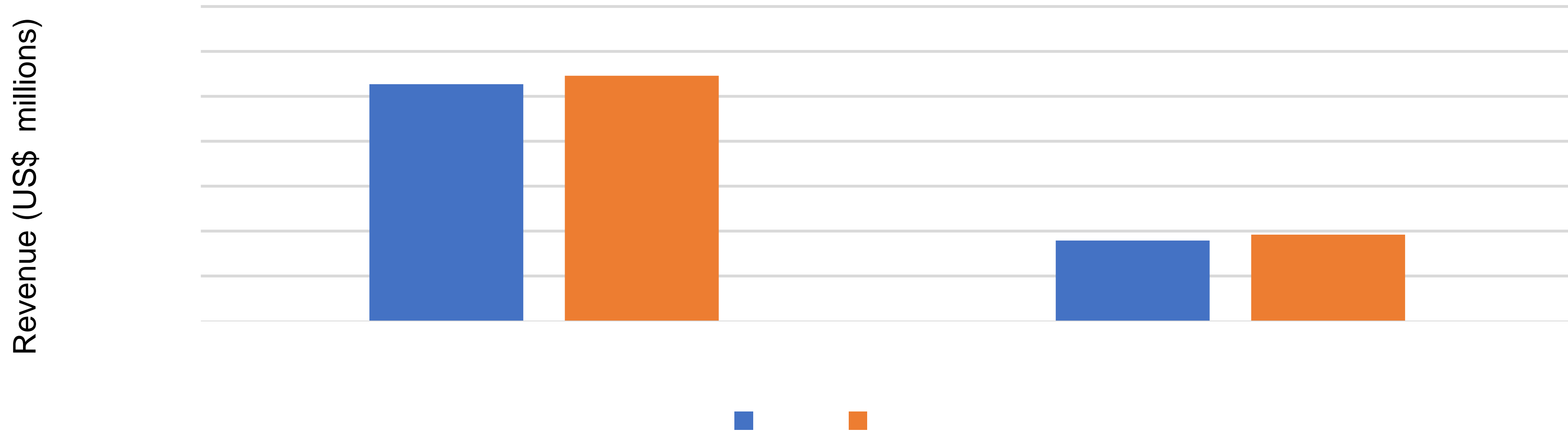
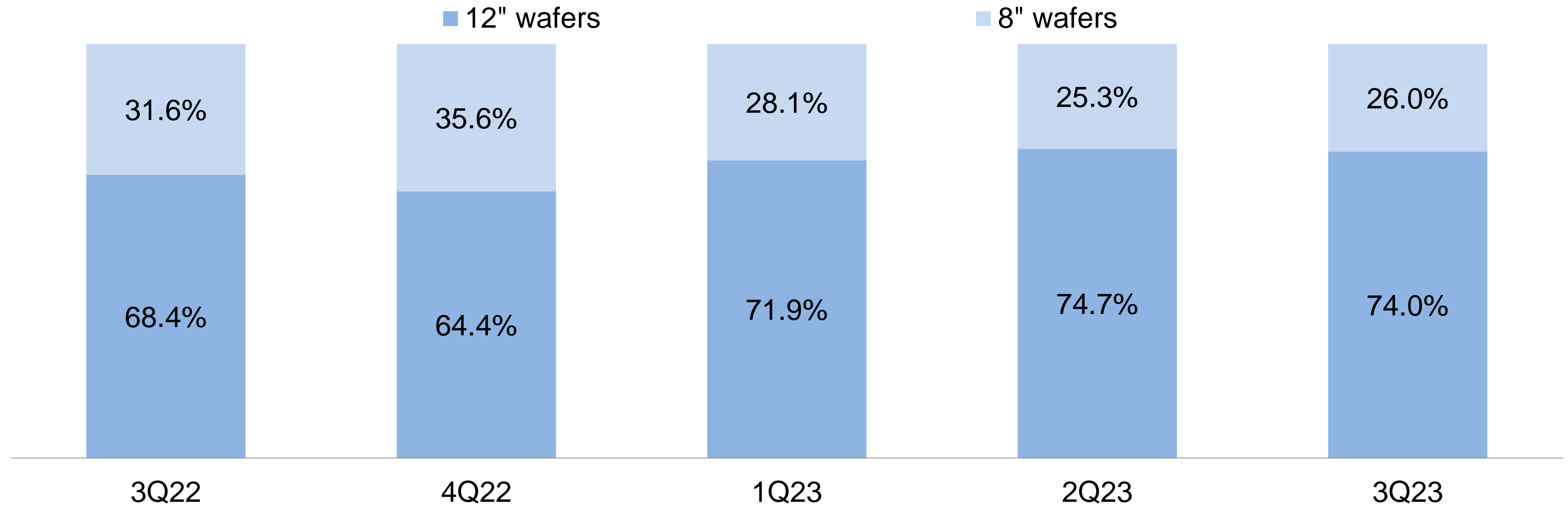


# Wafer Revenue By Application

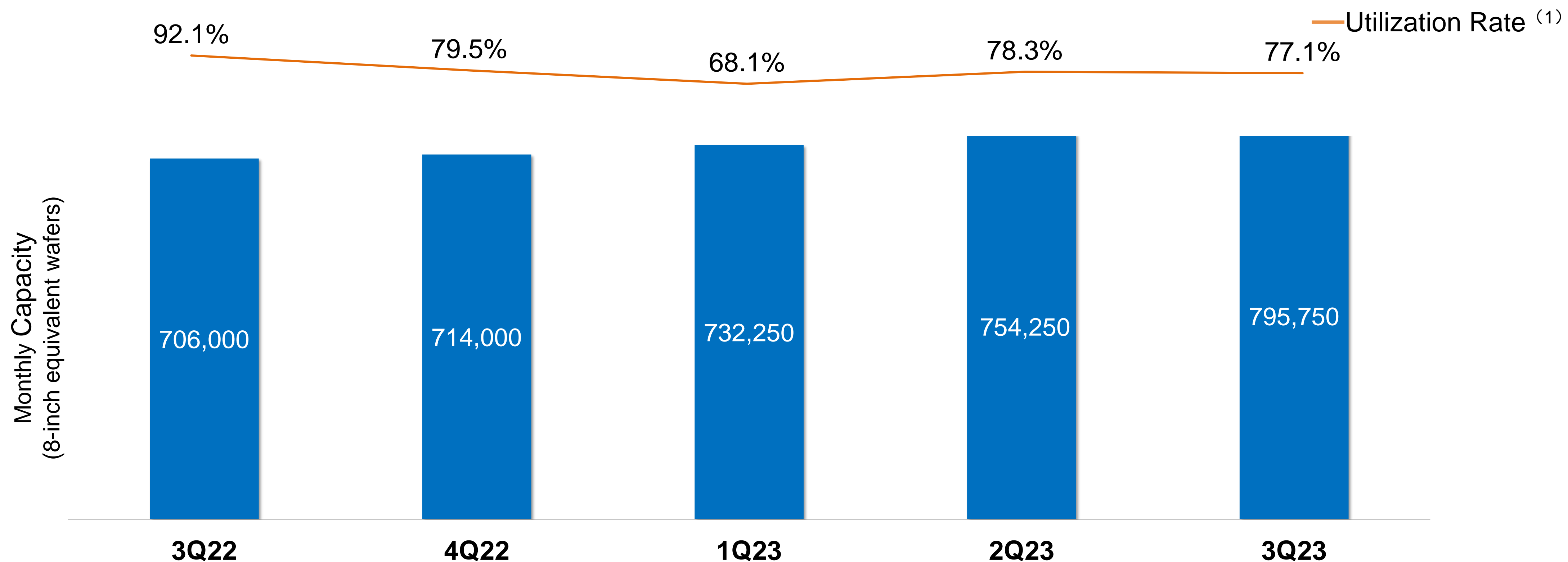




# Wafer Revenue By Size



# Capacity, Utilization and Shipment



|                 | 3Q22      | 4Q22      | 1Q23      | 2Q23      | 3Q23      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Wafer Shipments | 1,797,671 | 1,574,068 | 1,251,715 | 1,403,121 | 1,536,845 |

(1) Capacity utilization rate is reported based on

# 4Q 2023 Guidance

| 4Q 2023 Guidance |                |
|------------------|----------------|
| Revenue          | +1% to +3% QoQ |
| Gross Margin     | 16% to 18%     |

## 2023 Guidance

**Capex**

**Raise to around \$ 7.5 billion**

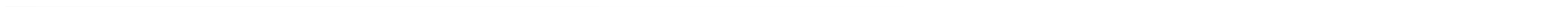


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# Appendix

## 3Q Results vs Guidance

|                     | 3Q 2023 Guidance | 3Q 2023 Results |
|---------------------|------------------|-----------------|
| <b>Revenue</b>      | +3% to +5% QoQ   | +3.9% QoQ       |
| <b>Gross Margin</b> | 18% to 20%       | 19.8%           |







**Thank You!**

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