SMIC Q1 2020 Financial Presentation

HKSE: 981OTCQX: SMICYSMIC Investor Relations

May 2020



This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements, -Chief

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About Non-

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 release.



Revenue was \$905 million, a record high

Up 7.8% QoQ, compared to \$839 million in 4Q19 Up 35.3% YoY, compared to \$669 million in 1Q19

Gross margin was 25.8%

Compared to 23.8% in 4Q19 Compared to 18.2% in 1Q19

Profit attributable to SMIC was \$64 million

Compared to \$89 million in 4Q19 Compared to \$12 million in 1Q19

•\$5.3 billion cash on hand, including financial assets and excluding restricted cash

Compared to \$4.6 billion in 4Q19 Compared to \$3.9 billion in 1Q19



Income Statement Highlights

Revenue R&D expenses



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Balance Sheet Highlights

(US\$ thousands)
Cash and cash equivalent
Restricted Cash
Financial assets at fair value through profit or loss-current (1)
Financial assets at amortized cost (2)
Trade and other receivables
Inventories
Assets classified as held



As of	
Mar 31 2020	Dec 31, 2019
	2,238,840
	804,547
	42,985
	2,276,370
	836,143
616,688	628,885

Cash Flow Highlights

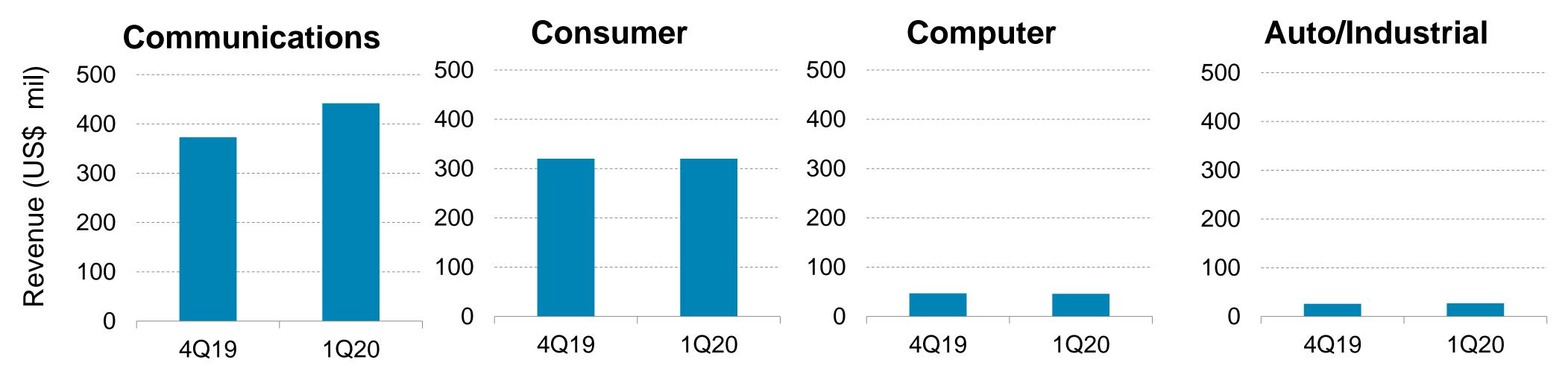
(US\$ thousands)	For the three mor		Cash Flow from Operations (US\$ millions)				
	Mar 31, 2020	Dec 31, 2019					
Cash and cash equivalent, beginning of period	2,238,840	1,182,479	166	190	318	345	260
Net cash from operating activities	259,829	345,037					
Net cash used in investing activities	(1,816,977)	235,898	1Q19	2Q19	3Q19	4Q19	1Q20
Net cash from (used in) financing activities	991,448	462,110		977	1081	799	1019
Net increase (decrease) in cash and cash equivalent	(575,032)	1,056,361	669				
Cash and cash equivalent, end of period	1,663,808	2,238,840	2015	2016	2017	2018	2019



Total Revenue Breakdown by Application

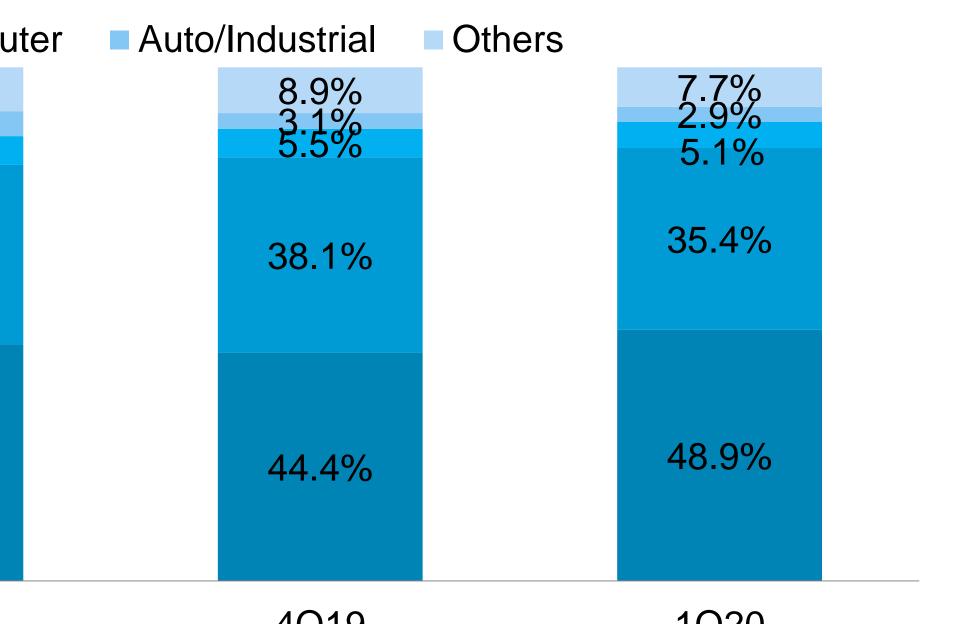
	Communication	Consumer	Compute
9.6%	8.7%		8.6%
9.8%	6.7% 4.6%		4.8% 5.6%
5.1%	1.070		
32.5%	31.1%		34.9%
43.0%	48.9%		46.1%
1Q19	2Q19		3Q19

4Q19 vs. 1Q20



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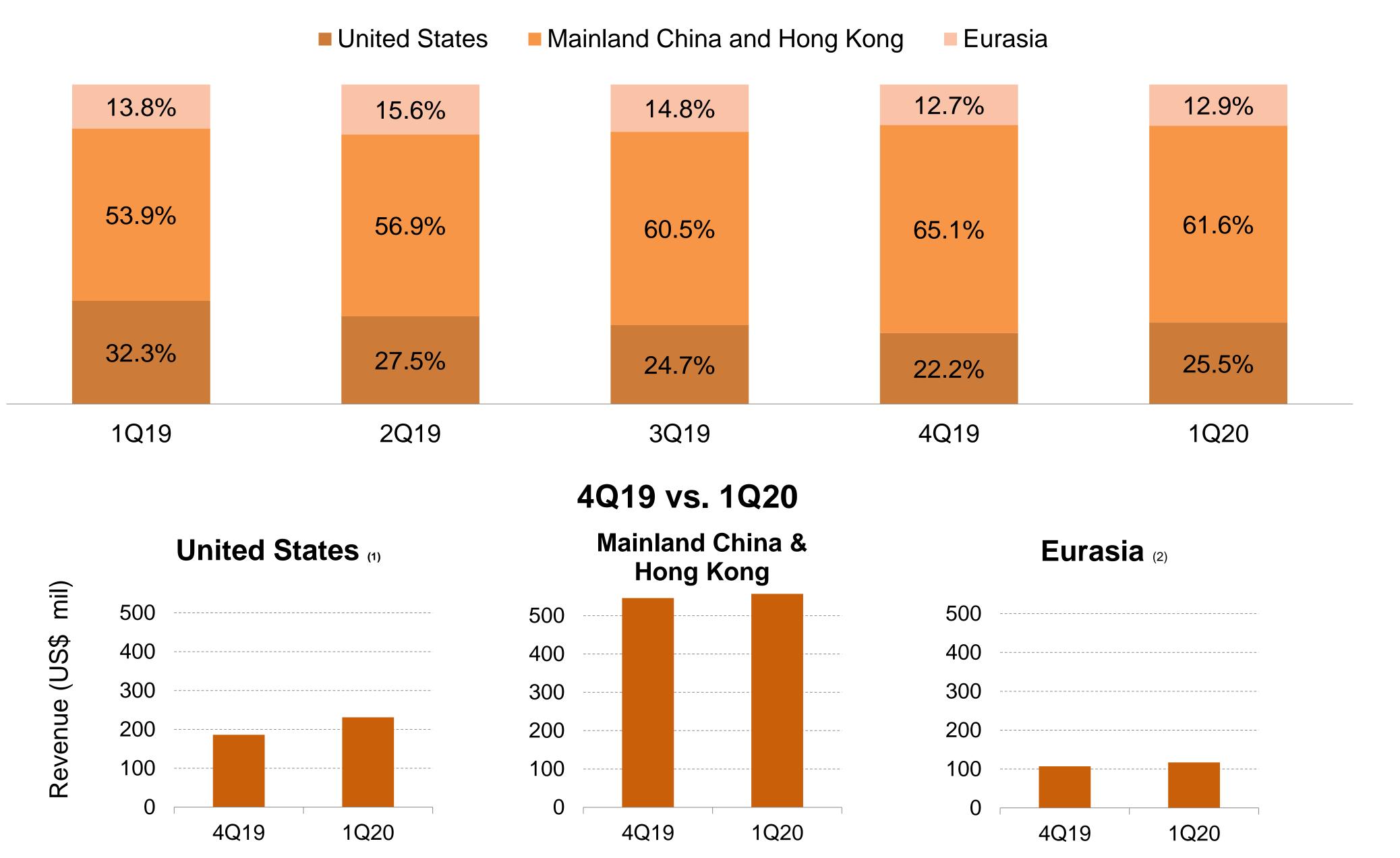


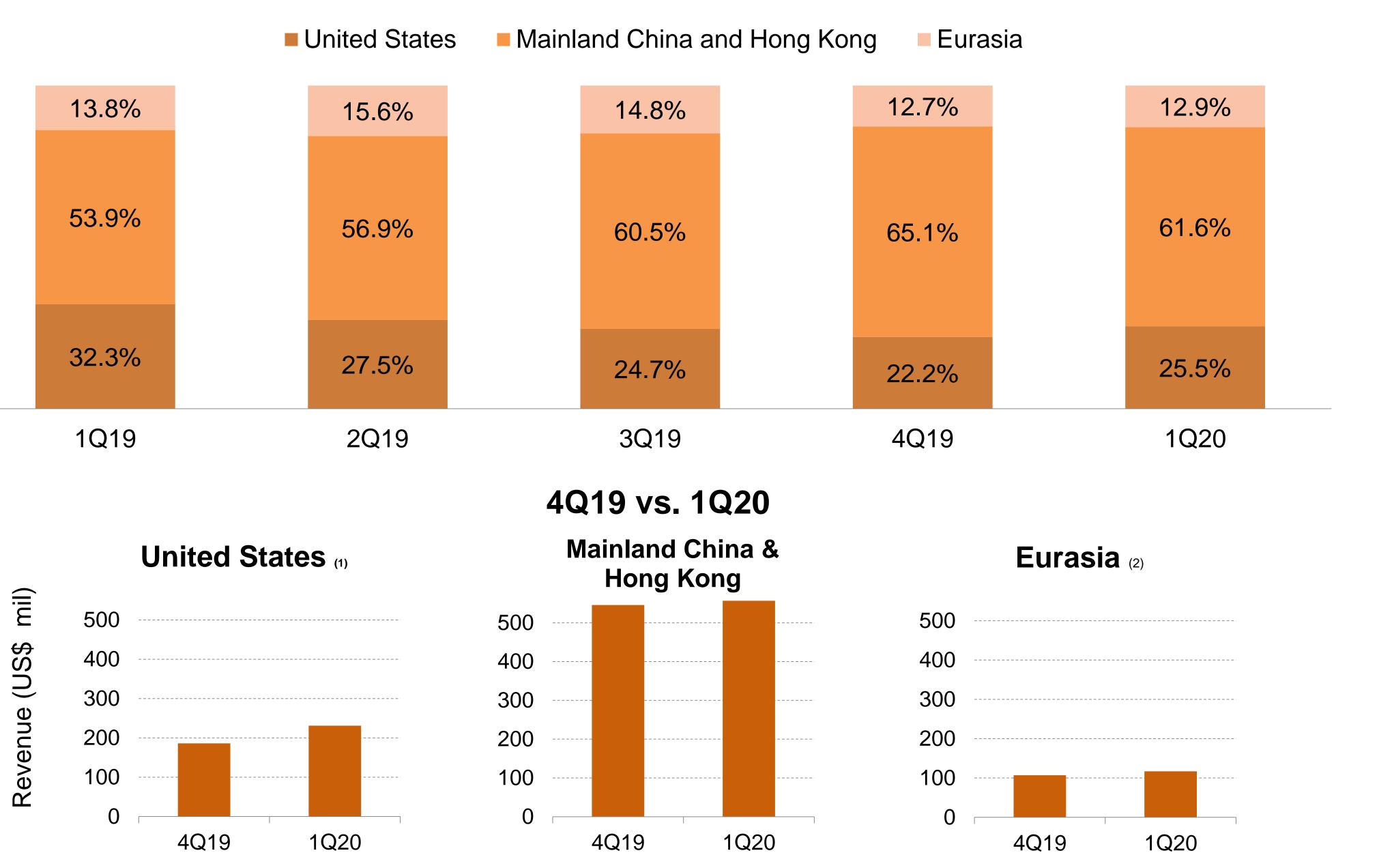


4Q19

1Q20

Total Revenue Breakdown by Geography



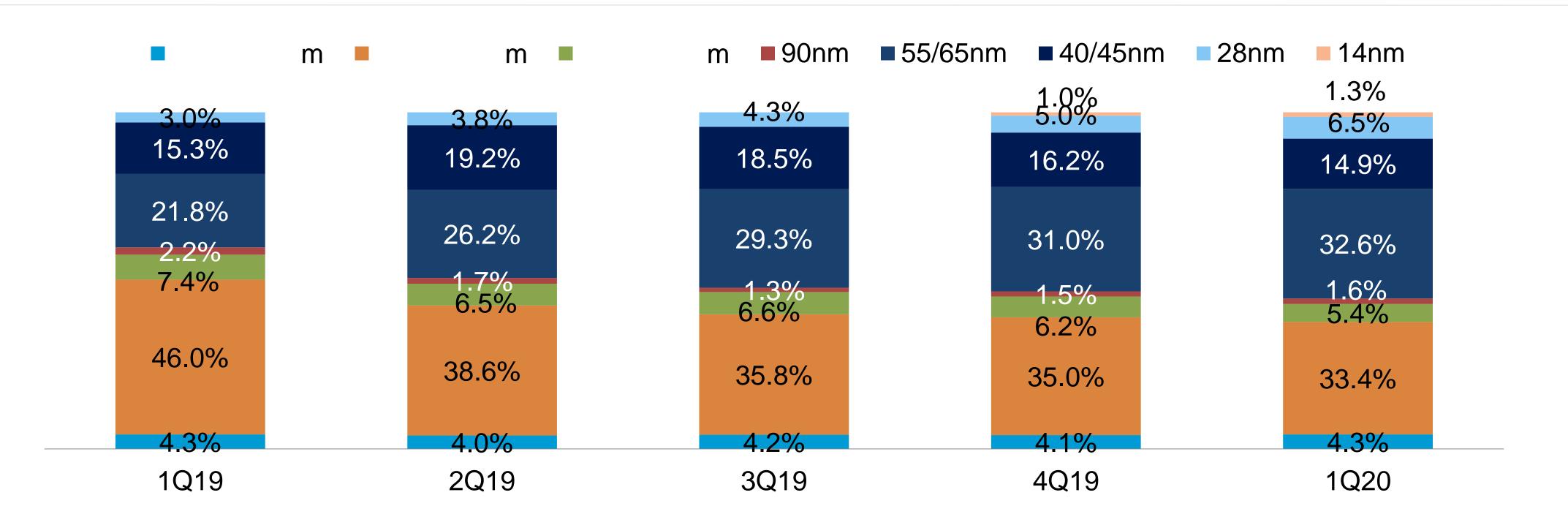


(1) Presenting the Revenue to those companies whose headquarters are in the United States, but ultimately selling and shipping the products to their global customers. (2) Excluding Mainland China and Hong Kong.

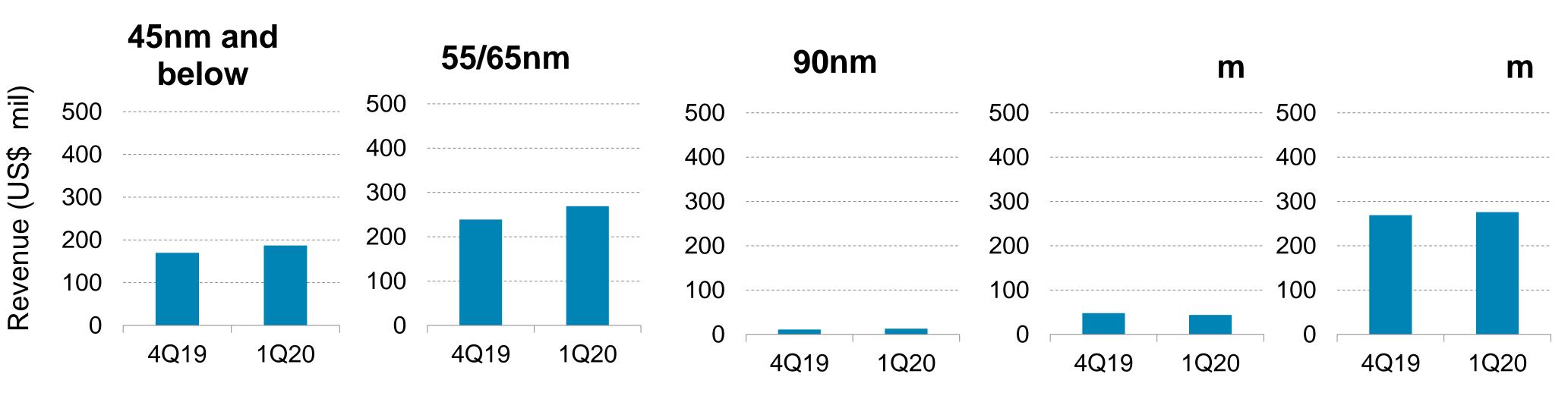
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Wafer Revenue Breakdown by Technology



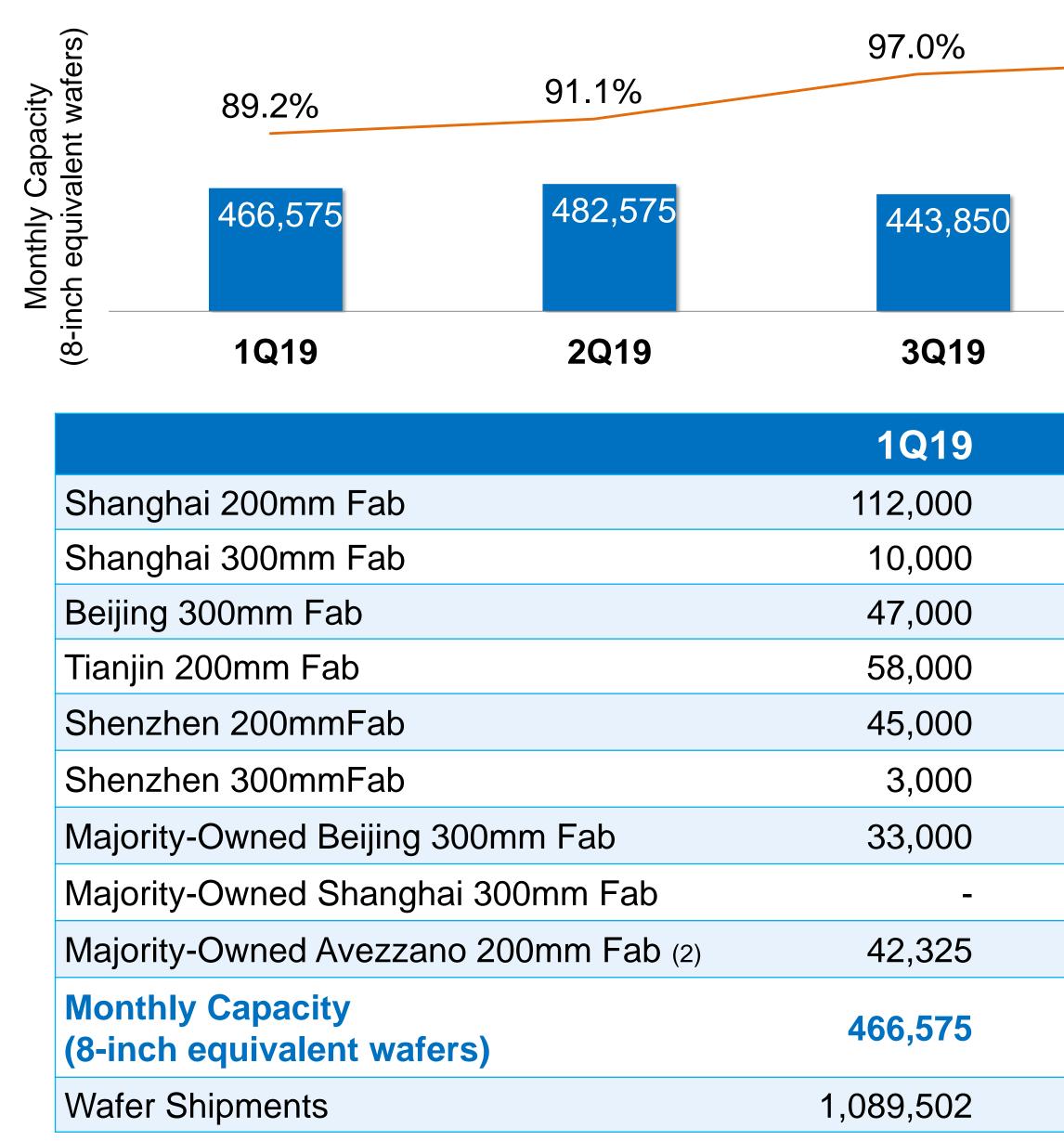
4Q19 vs. 1Q20



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Capacity, Utilization and Shipment



(1)Capacity utilization rate is reported based on total equivalent wafers out divided by estimated total quarterly capacity (2)The majority-owned Avezzano 200mm fab was disposed of by the Group in 3Q19

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98.8%	/ D	98.5%	
			-Utilization Rate(1)
448	,500	476,000	Capacity
4Q	19	1Q20	
2Q19	3Q19	4Q19	1Q20
115,000	112,000	115,000	115,000
8,000	8,000	2,000	2,000
50,000	50,000	52,000	52,000
57,000	58,000	58,000	63,000
50,000	52,000	55,000	55,000
3,000	3,000	_	-
36,000	37,600	41,000	50,000
-	-	3,000	4,000
42,325	-	_	-
482,575	443,850	448,500	476,000
1,284,451	1,315,443	1,339,400	1,406,714

2Q 2020 Guidance and 2020 Capex Guidance

	2Q 2020 Guidance	2020 Capex ⁽²⁾
Revenue	+3% to +5% QoQ \$932 to \$950 million	
Gross Margin	26% to 28%	
Non-IFRS Operating Expenses ⁽¹⁾	\$240 to \$245 million	\$4.3B
Non-controlling interests	\$0 to \$10 million	

(1) Excluding the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets, gain or loss on the disposal of machinery and equipment, and gain from the disposal of living quarters.

(2) The planned 2020 capital expenditures increase from approximately \$3.2 billion to \$4.3 billion. The incremental capital expenditures are mainly for the equipment and facility in Shanghai 300mm fab and mature technology production lines.







Appendix

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Results vs Original Guidance

	1Q 2020 Original Guidance	1Q 2020 Results
Revenue	+0 to 2% QoQ \$839 to \$856 million	7.8% QoQ \$905 million
Gross Margin	21% to 23%	25.8%
Non-IFRS Operating Expenses (1)	\$294 to \$300 million	\$ 239 million
Non-controlling interests	-\$17 to -\$19 million	\$13 million







Capital Expenditures & Depreciation

(US\$ millions)	1Q19	2Q19	3Q19	4Q19	1Q20
Capex	440	908	190	492	777
Depreciation & Amortization	278	284	280	286	290

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Thank You!

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