



SMIC Q2 2024

Financial Presentation

August 2024

Forward-Looking Statements

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 cyclicity and market conditions in the semiconductor industry, intense competition in the semiconductor industry, timely wafer acceptance by SMIC's customers, timely introduction of new technologies, SMIC's ability to ramp new products into volume, supply and demand for semiconductor foundry services, shortages in equipment, parts, raw materials, software and service supports, orders or judgments from pending litigation, intellectual property litigation in the semiconductor industry, macro- economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

2Q24 Financial Highlights (unaudited)

- **Revenue was \$1,901 million**
 - Up 8.6% QoQ from \$1,750 million in 1Q24
 - Up 21.8% YoY from \$1,560 million in 2Q23

- **Gross margin was 13.9%**
 - Compared to 13.7% in 1Q24
 - Compared to 20.3% in 2Q23

- **Profit from operations was \$87 million**
 - Compared to \$2 million in 1Q24
 - Compared to \$80 million in 2Q23

- **Profit attributable to SMIC was \$165 million**
 - Compared to \$72 million in 1Q24
 - Compared to \$403 million in 2Q23

- **EBITDA was \$1,056 million**
 - Compared to \$887 million in 1Q24
 - Compared to \$1,201 million in 2Q23

1H24 Financial Highlights (unaudited)

- **Revenue was \$3,651 million**
 - Compared to \$3,023 million in 1H23

- **Gross margin was 13.8%**
 - Compared to 20.6% in 1H23

- **Profit from operations was \$90 million**
 - Compared to \$163 million in 1H23

- **Profit attributable to SMIC was \$236 million**
 - Compared to \$634 million in 1H23

- **EBITDA was \$1,943 million**
 - Compared to \$2,152 million in 1H23

Income Statement

(US\$ thousands)	2Q24	1Q24	QoQ	2Q23	YoY
Revenue	1,901,276	1,750,176	8.6%	1,560,396	21.8%
Gross profit	265,093	239,704	10.6%	316,500	-16.2%
Gross margin	13.9%	13.7%		20.3%	
Operating income(expenses)	(177,953)	(237,298)	-25.0%	(236,702)	-24.8%
<i>Research & Development</i>	<i>(180,748)</i>	<i>(188,110)</i>	<i>-3.9%</i>	<i>(177,633)</i>	<i>1.8%</i>
<i>General & Administrative</i>	<i>(160,630)</i>	<i>(116,378)</i>	<i>38.0%</i>	<i>(106,436)</i>	<i>50.9%</i>
<i>Selling & Marketing</i>	<i>(9,737)</i>	<i>(9,043)</i>	<i>7.7%</i>	<i>(9,307)</i>	<i>4.6%</i>
<i>Other operating income</i>	<i>172,137</i>	<i>77,247</i>	<i>122.8%</i>	<i>56,260</i>	<i>206.0%</i>
Profit from operations	87,140	2,406	3,521.8%	79,798	9.2%
Other income, net	99,875	72,007	38.7%	415,946	-76.0%
Income tax credit (expense)	(14,753)	(10,898)	35.4%	(31,573)	-53.3%
Profit (loss) attributable to SMIC	164,569	71,792	129.2%	402,762	-59.1%
Profit (loss) attributable to Non-controlling interests	7,693	(8,277)	N/A	61,409	-87.5%

- **Revenue** was \$1,901.3 million in 2Q24, an increase of 8.6% QoQ from \$1,750.2 million in 1Q24. The growth was mainly due to the increase in wafer shipment in 2Q24.
- **General and administrative expenses** increased to \$160.6 million in 2Q24 from \$116.4 million in 1Q24. The change was mainly due to the increase in new fab start-up costs in 2Q24.

Capital Structure

(US\$ thousands)	As of	
	June 30, 2024	Mar 31, 2024
Cash and cash equivalents	3,694,277	5,348,718
Restricted cash	370,445	369,466
Financial assets at fair value through profit or loss - current ⁽¹⁾	101,109	230,333
Financial assets at amortised cost ⁽²⁾	8,814,627	9,437,138
Total cash on hand	12,980,458	15,385,655
Borrowings - current	1,361,165	1,490,410
Borrowings - non-current	8,424,725	8,178,595
Lease liabilities	42,483	50,564
Bonds payable	604,877	599,302
Total debt	10,433,250	10,318,871
Net debt ⁽³⁾	(2,547,208)	(5,066,784)
Equity	30,969,673	30,827,016
Debt to equity ratio ⁽⁴⁾	33.7%	33.5%
Net debt to equity ratio ⁽⁵⁾	-8.2%	-16.4%

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

(3) Total debt minus total cash on hand.

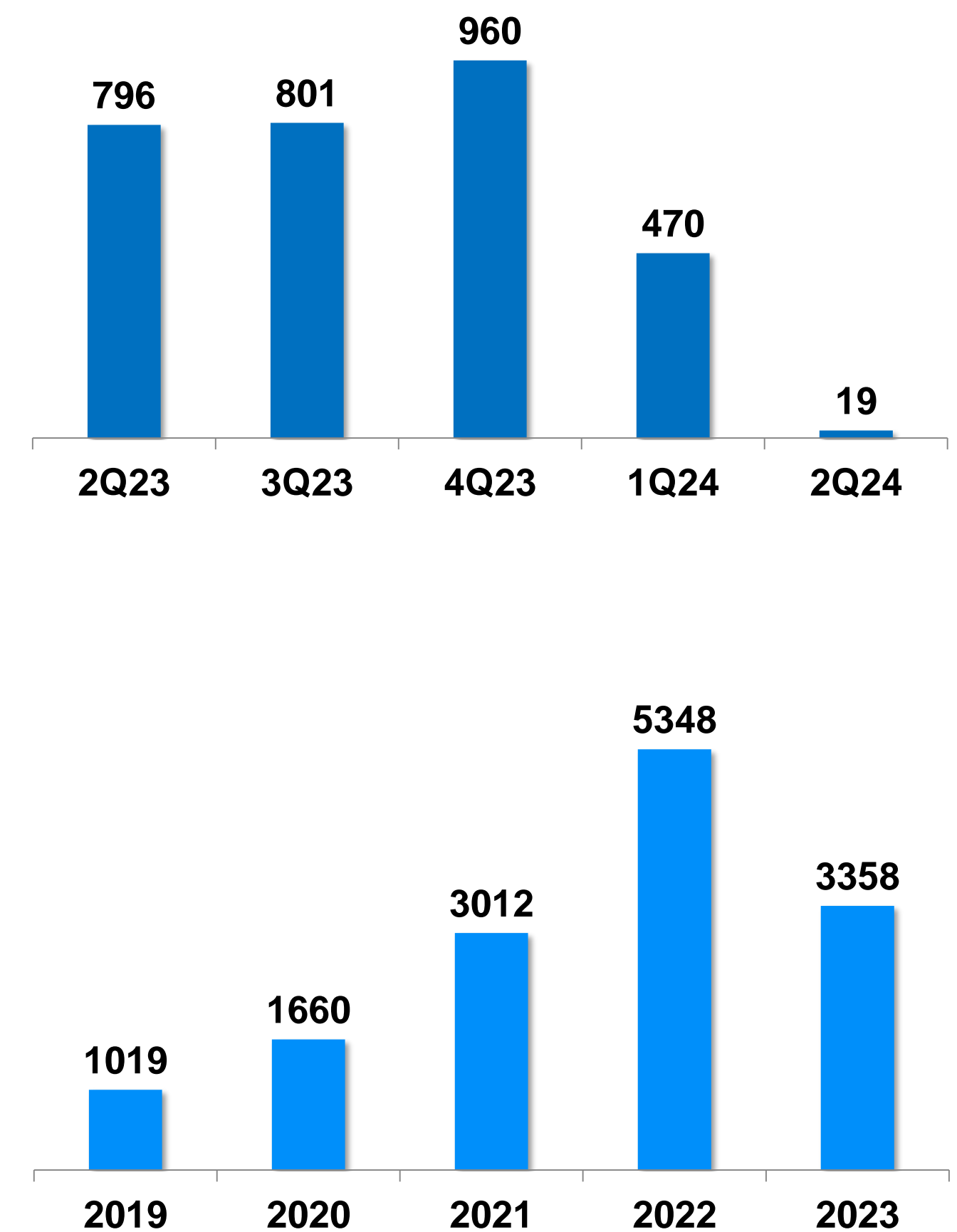
(4) Total debt divided by equity.

(5) Net debt divided by equity.

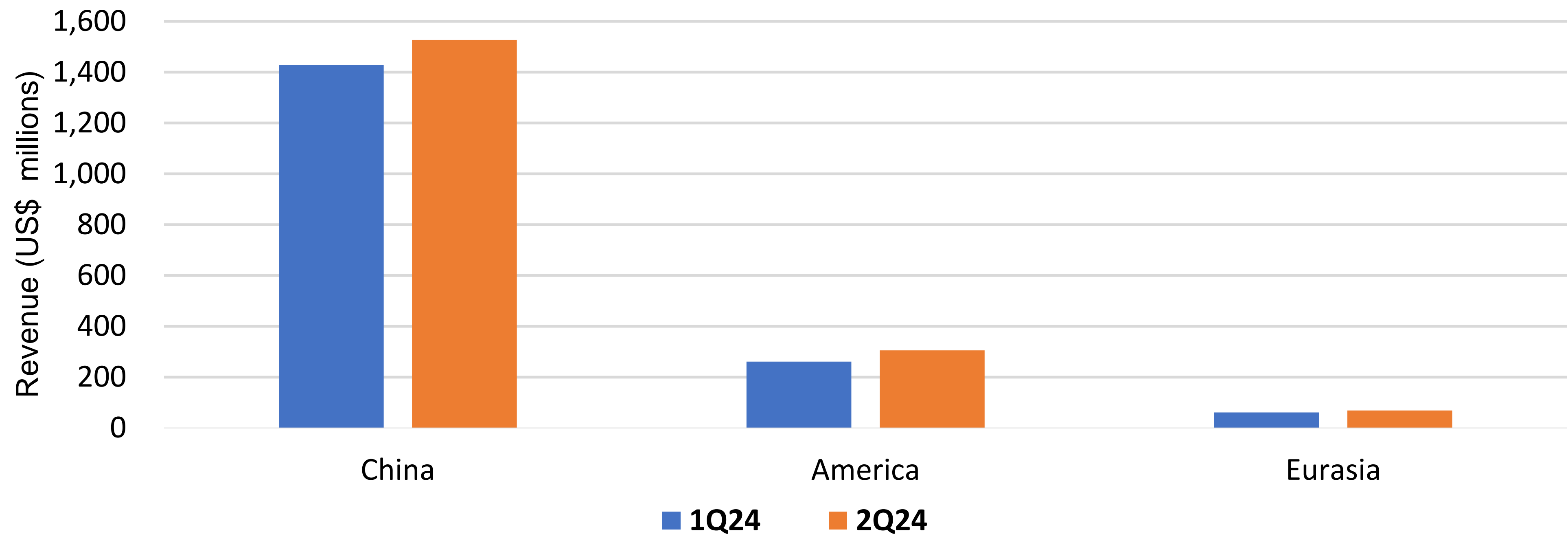
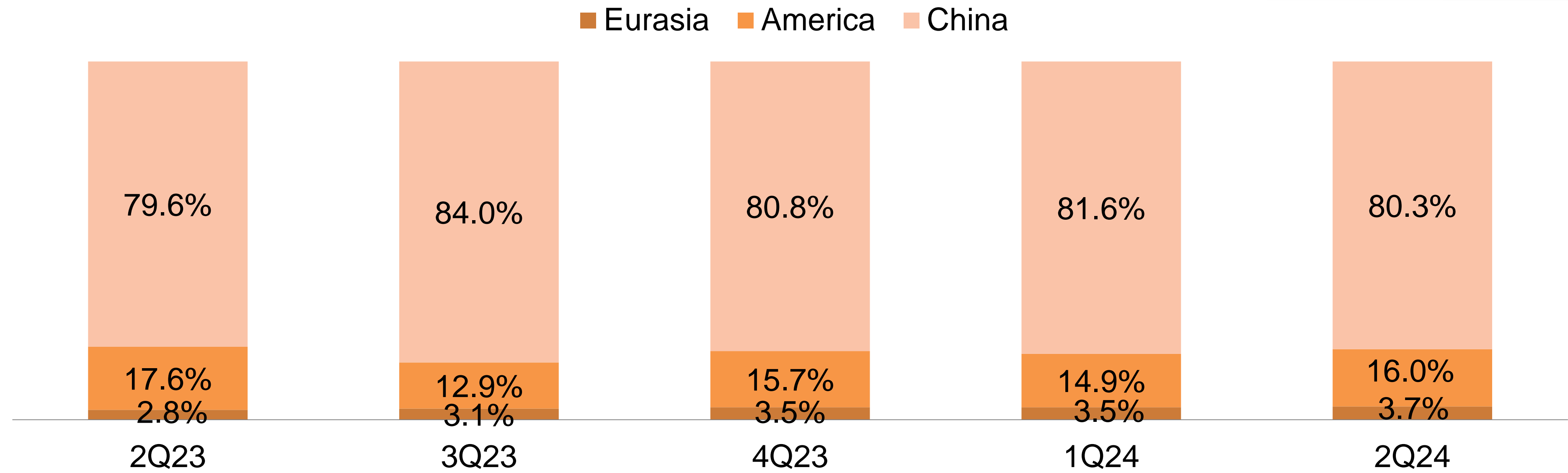
Cash Flow

(US\$ thousands)	For the three months ended	
	June 30, 2024	Mar 31, 2024
Cash and cash equivalents, beginning of the period	5,348,718	6,215,058
Net cash generated from operating activities	19,275	470,022
Net cash used in investing activities	(1,637,666)	(1,328,356)
Net cash generated from financing activities	46,379	44,174
Net decrease in cash and cash equivalents	(1,654,441)	(866,340)
Cash and cash equivalents, end of the period	3,694,277	5,348,718

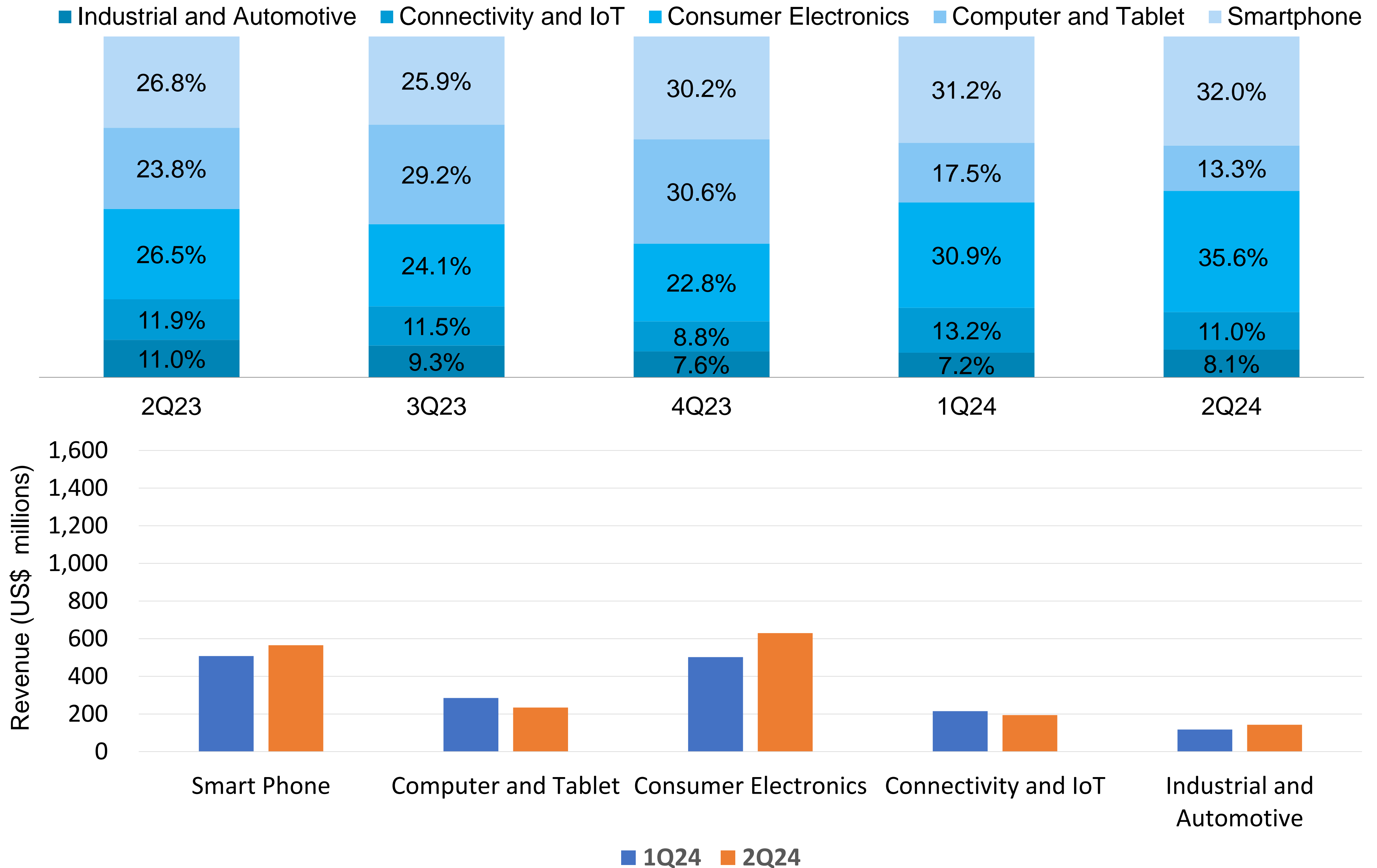
Net cash generated from operating activities (US\$ millions)



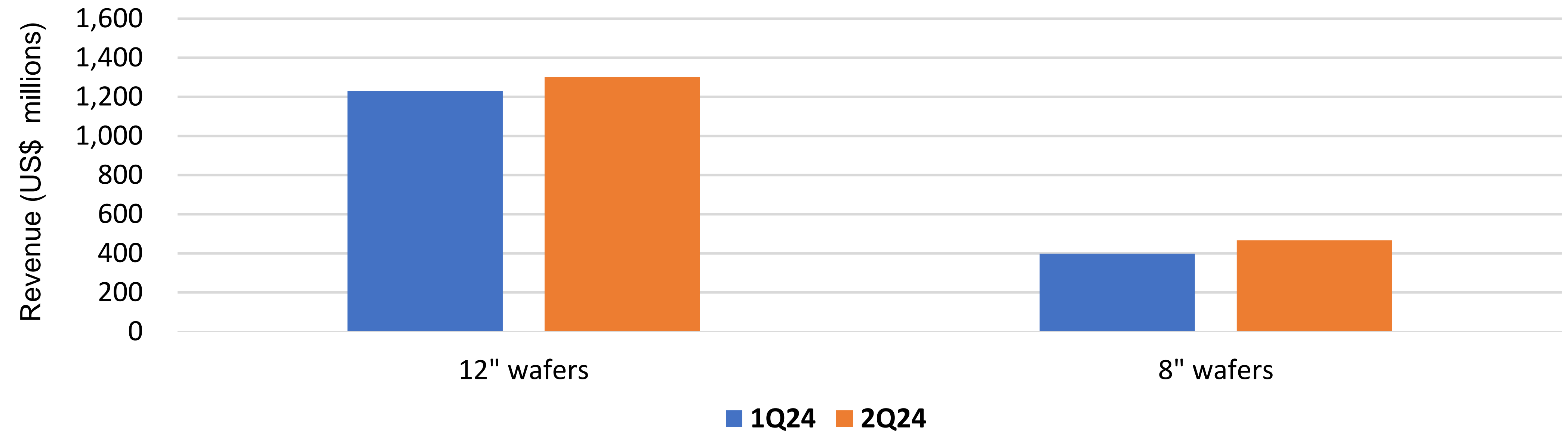
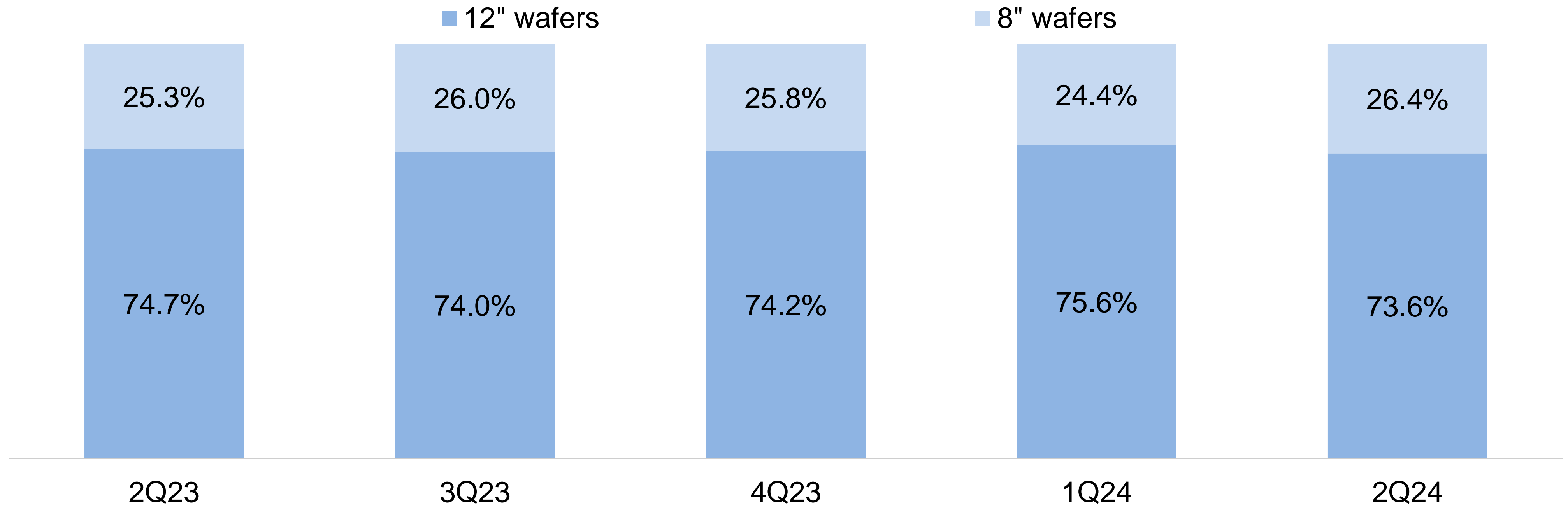
Total Revenue By Geography



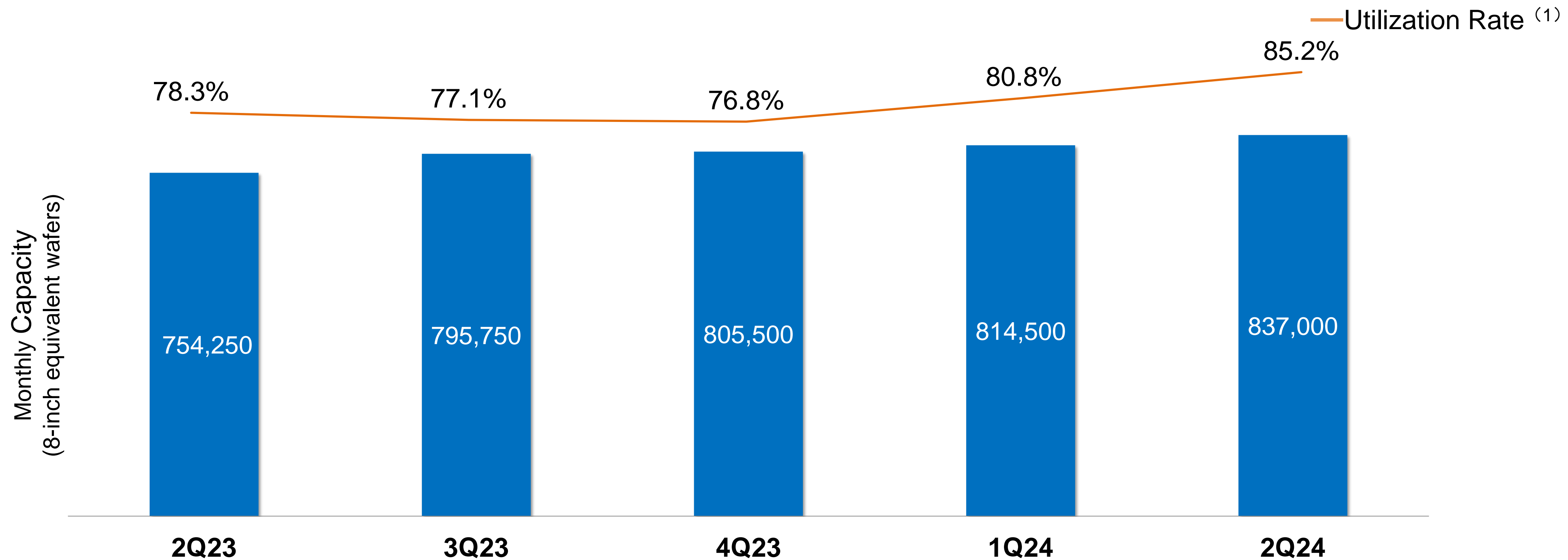
Wafer Revenue By Application



Wafer Revenue By Size



Capacity, Utilization and Shipment



	2Q23	3Q23	4Q23	1Q24	2Q24
Wafer Shipments (8-inch equivalent wafers)	1,403,121	1,536,845	1,675,002	1,794,891	2,111,880

(1) Capacity utilization rate is reported based on total 8" equivalent wafers out divided by estimated total quarterly capacity.

3Q 2024 Guidance

3Q 2024 Guidance	
Revenue	+13% to +15% QoQ
Gross Margin	18% to 20%

Appendix

2Q 2024 Results and Guidance

	2Q 2024 Guidance	2Q 2024 Results
Revenue	+5% to +7% QoQ	+8.6% QoQ
Gross Margin	9% to 11%	13.9%

Capital Expenditure and Depreciation

(US\$ millions)	2Q23	3Q23	4Q23	1Q24	2Q24
Capital Expenditure	1,732	2,135	2,341	2,235	2,252
Depreciation & Amortization	656	679	700	746	797

Thank You!

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