



SMIC Q3 2024

Financial Presentation

November 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 cyclicalities 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, common intellectual property litigation in the semiconductor industry, macro-economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

3Q24 Financial Highlights (unaudited)

- **Revenue was \$2,171 million**
 - Up 14.2% QoQ from \$1,901 million in 2Q24
 - Up 34.0% YoY from \$1,621 million in 3Q23

- **Gross margin was 20.5%**
 - Compared to 13.9% in 2Q24
 - Compared to 19.8% in 3Q23

- **Profit from operations was \$170 million**
 - Compared to \$87 million in 2Q24
 - Compared to \$87 million in 3Q23

- **Profit attributable to SMIC was \$149 million**
 - Compared to \$165 million in 2Q24
 - Compared to \$94 million in 3Q23

- **EBITDA was \$1,157 million**
 - Compared to \$1,056 million in 2Q24
 - Compared to \$901 million in 3Q23

Income Statement

(US\$ thousands)	3Q24	2Q24	QoQ	3Q23	YoY
Revenue	2,171,188	1,901,276	14.2%	1,620,577	34.0%
Gross profit	444,160	265,093	67.5%	321,620	38.1%
Gross margin	20.5%	13.9%		19.8%	
Operating income(expenses)	(274,273)	(177,953)	54.1%	234,232	17.1%
<i>Research & Development</i>	<i>(179,386)</i>	<i>(180,748)</i>	-0.8%	172,836	3.8%
<i>General & Administrative</i>	<i>(136,182)</i>	<i>(160,630)</i>	-15.2%	128,128	6.3%
<i>Selling & Marketing</i>	<i>(9,601)</i>	<i>(9,737)</i>	-1.4%	9,454	1.6%
<i>Other operating income</i>	<i>51,516</i>	<i>172,137</i>	-70.1%	<i>(75,691)</i>	-31.9%
Profit from operations	169,887	87,140	95.0%	87,388	94.4%
Other income, net	72,985	99,875	-26.9%	80,426	-9.3%
Income tax credit (expense)	(19,602)	(14,753)	32.9%	(11,438)	71.4%
Profit (loss) attributable to SMIC	148,800	164,569	-9.6%	93,984	58.3%
Profit (loss) attributable to Non-controlling interests	74,470	7,693	868.0%	62,392	19.4%

- **Revenue** was \$2,171.2 million in 3Q24, an increase of 14.2% QoQ from \$1,901.3 million in 2Q24. The growth was mainly due to the product mix change in 3Q24.
- **General and administrative expenses** decreased to \$136.2 million in 3Q24 from \$160.6 million in 2Q24. The change was mainly due to the decrease in new fab start-up costs in 3Q24.

Capital Structure

(US\$ thousands)	As of	
	Sep 30, 2024	Jun 30, 2024
Cash and cash equivalents	3,651,385	3,694,277
Restricted cash	379,314	370,445
Financial assets at fair value through profit or loss - current ⁽¹⁾	232,983	101,109
Financial assets at amortised cost ⁽²⁾	8,368,227	8,814,627
Total cash on hand	12,631,909	12,980,458
Borrowings - current	1,436,334	1,361,165
Borrowings - non-current	8,322,826	8,424,725
Lease liabilities	34,387	42,483
Bonds payable	601,027	604,877
Total debt	10,394,574	10,433,250
Net debt ⁽³⁾	(2,237,335)	(2,547,208)
Equity	31,426,011	30,969,673
Debt to equity ratio ⁽⁴⁾	33.1%	33.7%
Net debt to equity ratio ⁽⁵⁾	-7.1%	-8.2%

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

(3) Total debt minus total cash on hand.

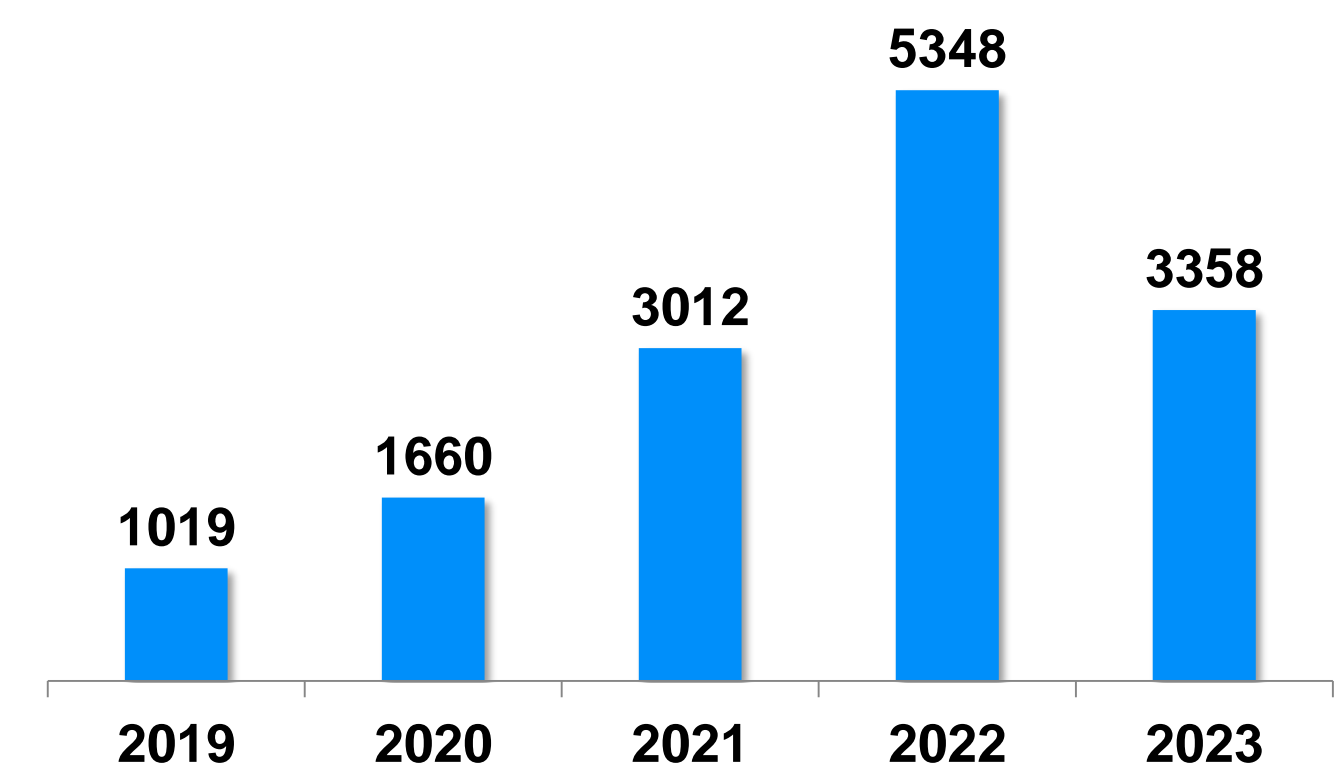
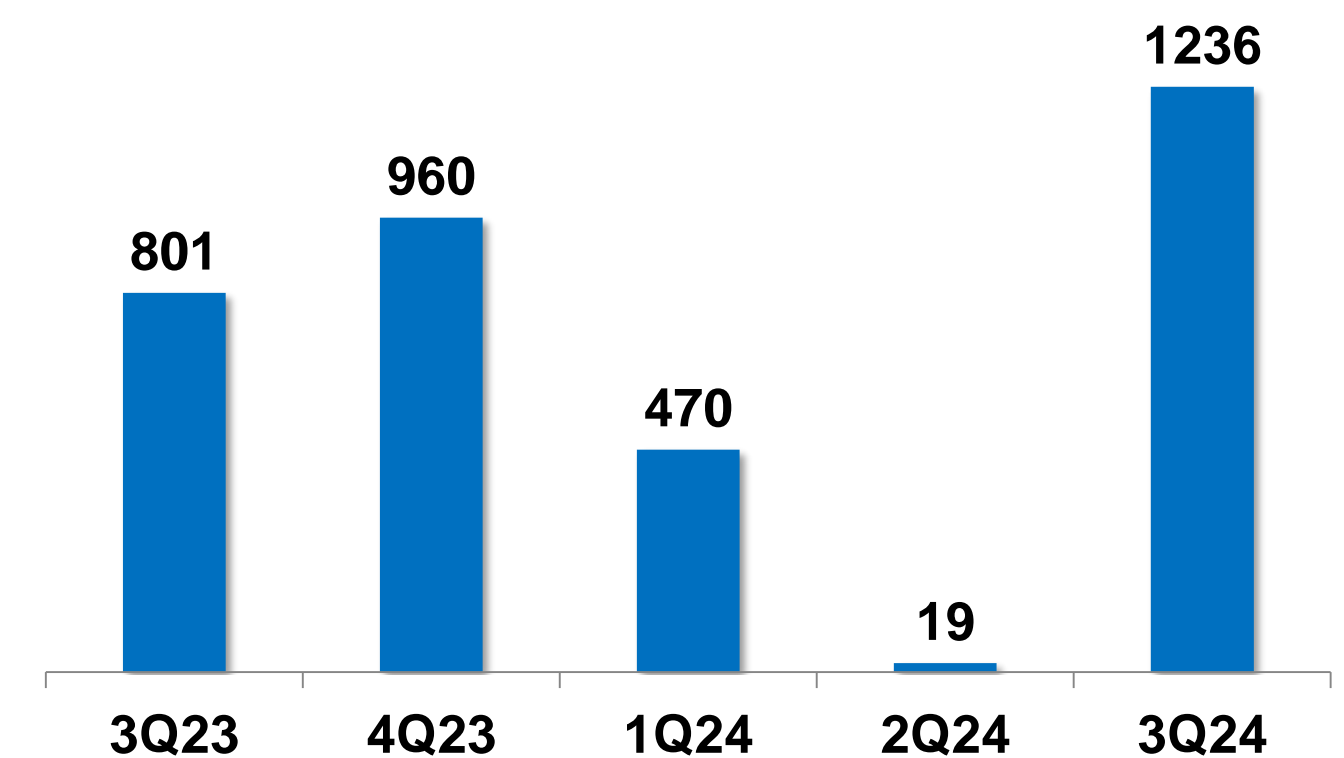
(4) Total debt divided by equity.

(5) Net debt divided by equity.

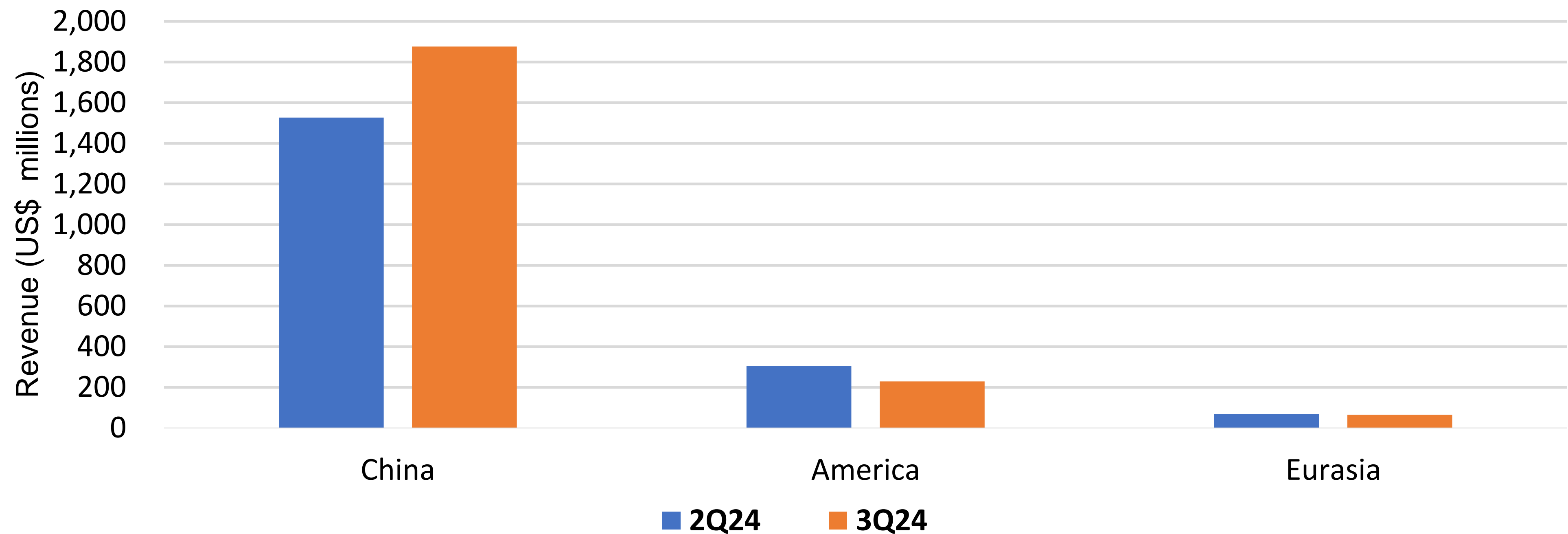
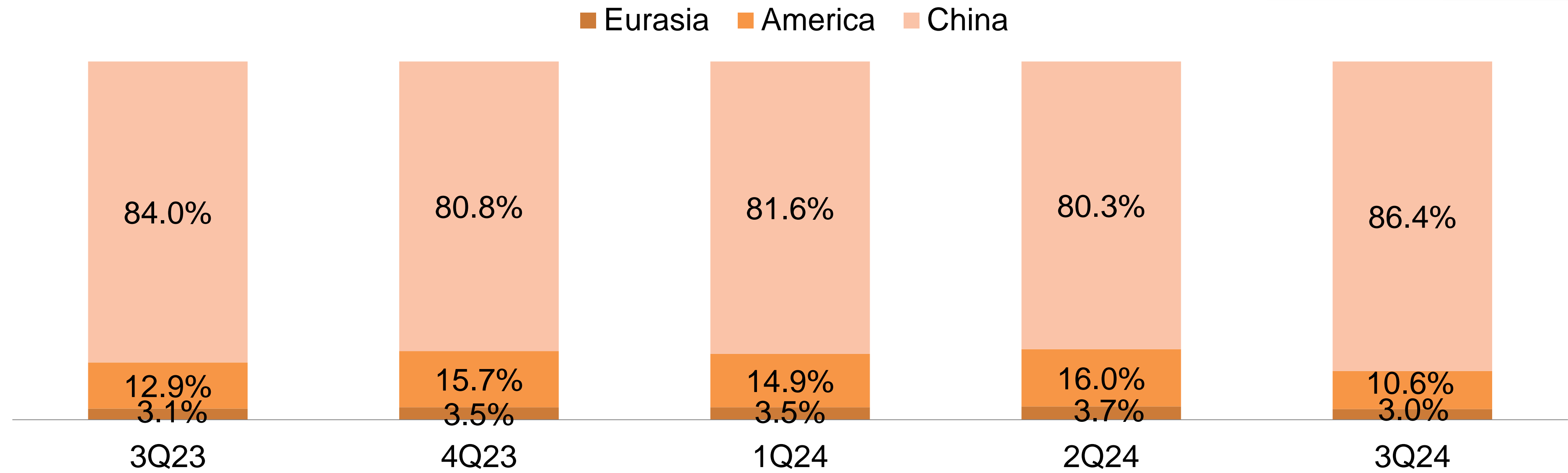
Cash Flow

(US\$ thousands)	For the three months ended	
	Sep 30, 2024	Jun 30, 2024
Cash and cash equivalents, beginning of the period	3,694,277	5,348,718
Net cash generated from operating activities	1,236,416	19,275
Net cash used in investing activities	(1,345,115)	(1,637,666)
Net cash used in financing activities	(97,009)	46,379
Net decrease in cash and cash equivalents	(42,892)	(1,654,441)
Cash and cash equivalents, end of the period	3,651,385	3,694,277

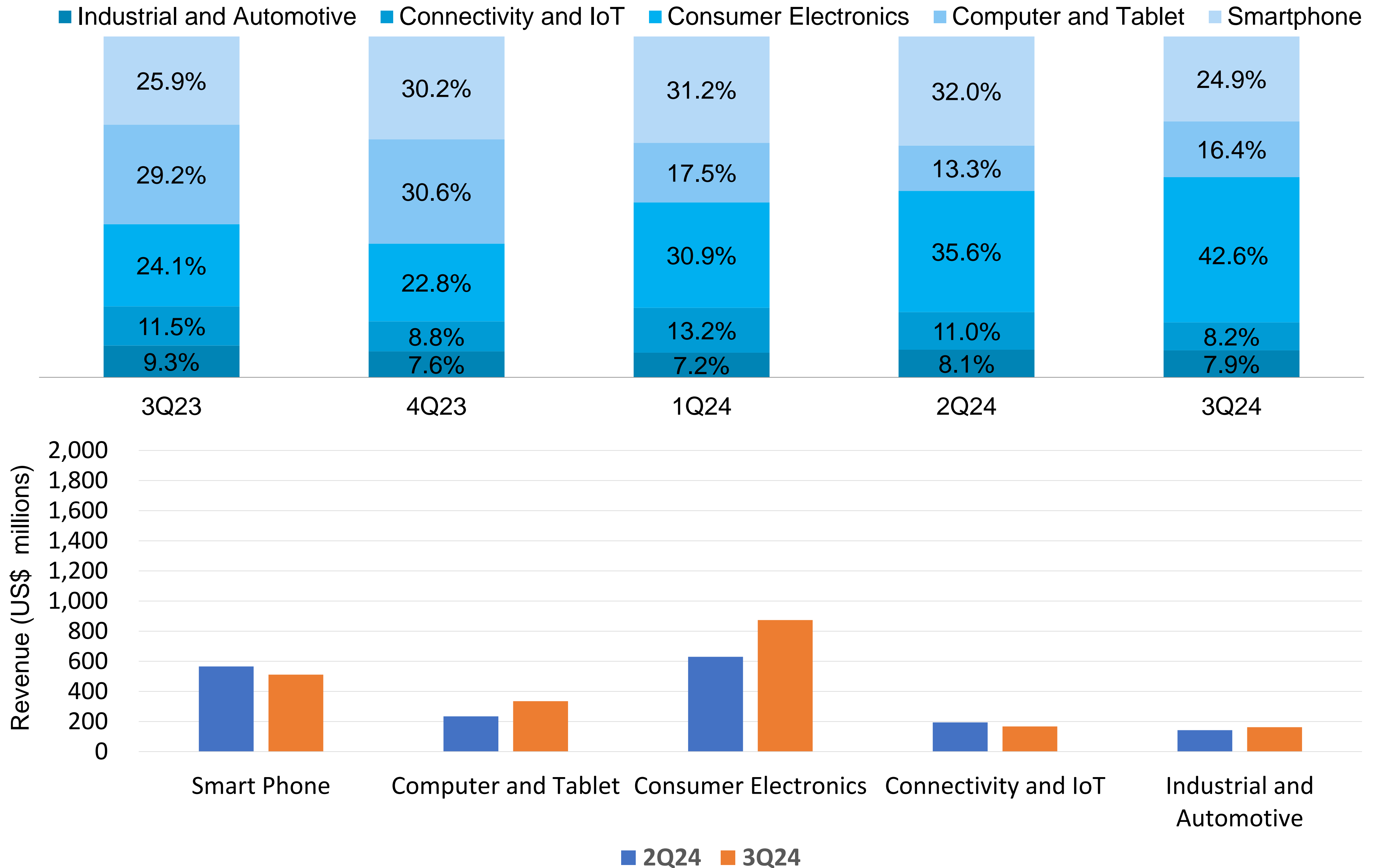
Net cash generated from operating activities (US\$ millions)



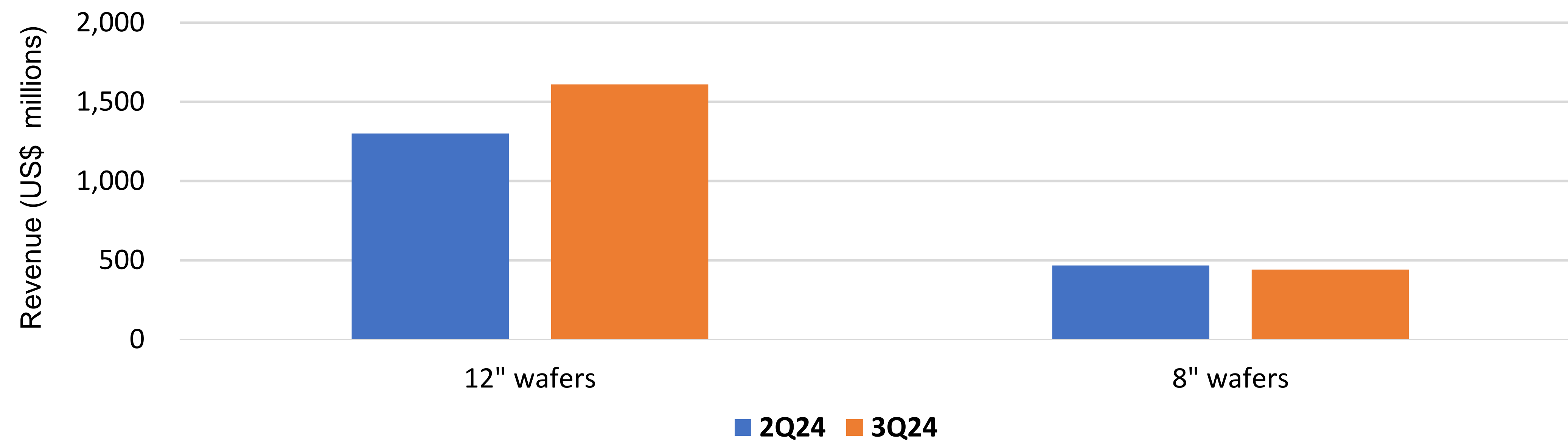
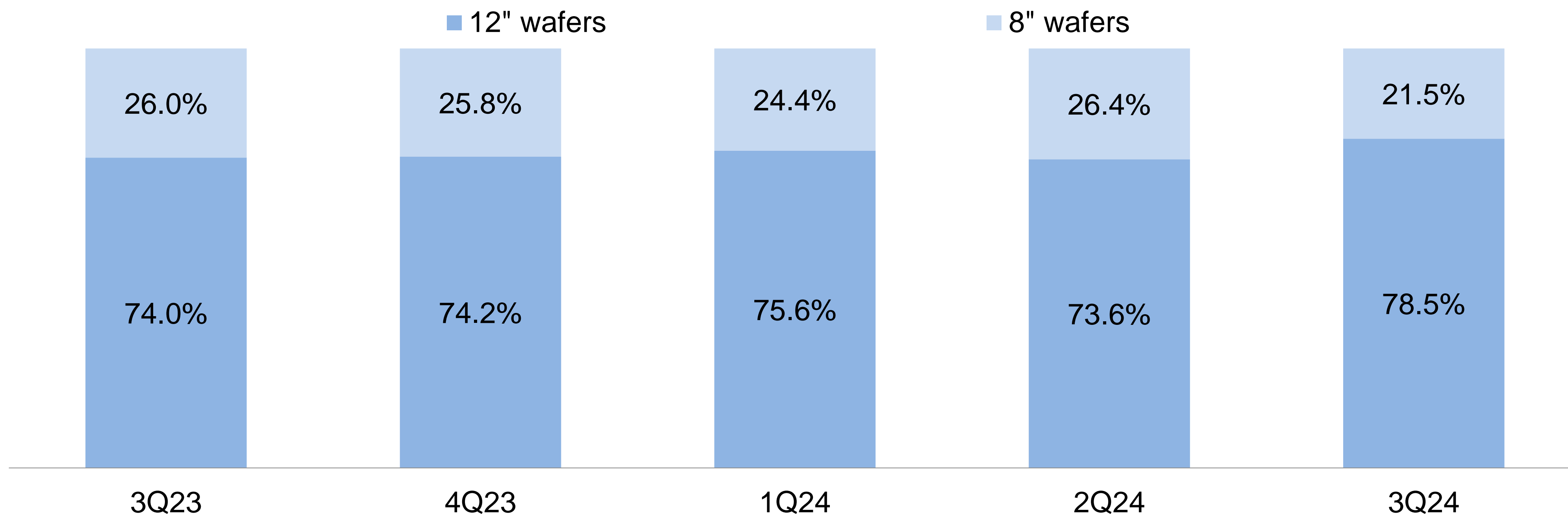
Total Revenue By Geography



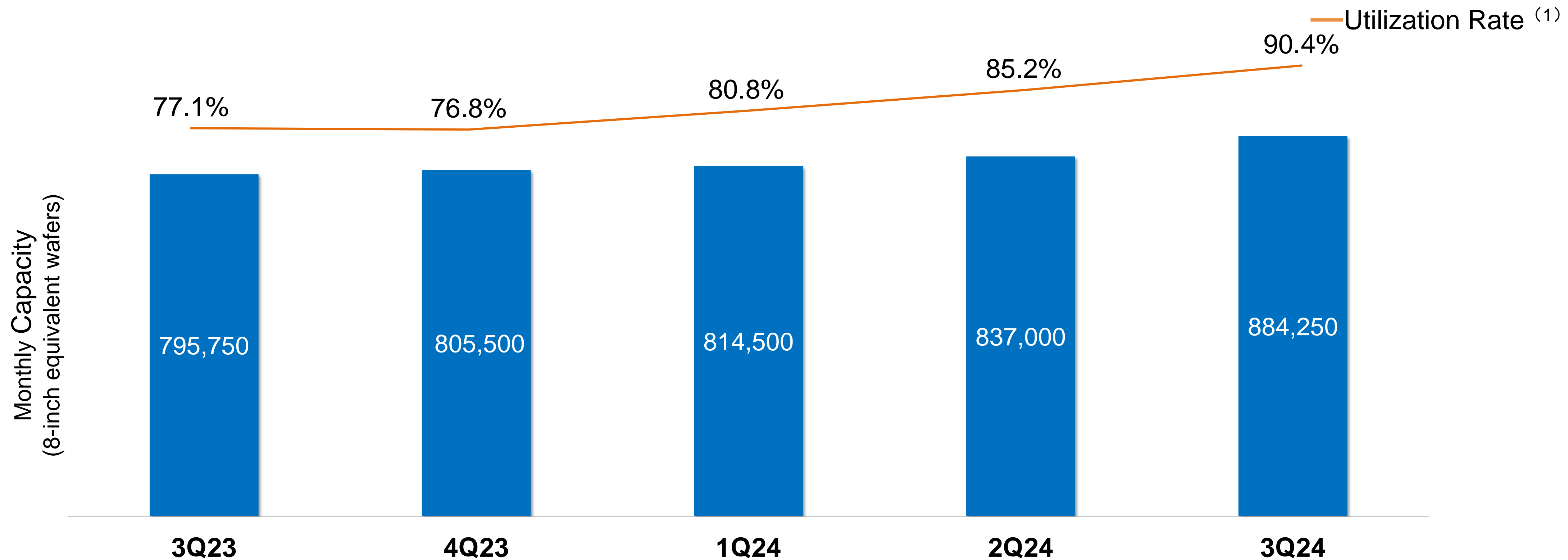
Wafer Revenue By Application



Wafer Revenue By Size



Capacity, Utilization and Shipment



	3Q23	4Q23	1Q24	2Q24	3Q24
Wafer Shipments (8-inch equivalent wafers)	1,536,845	1,675,002	1,794,891	2,111,880	2,122,266

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

4Q 2024 Guidance

4Q 2024 Guidance	
Revenue	flat to +2% QoQ
Gross Margin	18% to 20%

Appendix

3Q 2024 Results and Guidance

	3Q 2024 Guidance	3Q 2024 Results
Revenue	+13% to +15% QoQ	+14.2% QoQ
Gross Margin	18% to 20%	20.5%

Capital Expenditure and Depreciation

(US\$ millions)	3Q23	4Q23	1Q24	2Q24	3Q24
Capital Expenditure	2,135	2,341	2,235	2,252	1,179
Depreciation & Amortisation	679	700	746	797	831

Thank You!

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