



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 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, 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

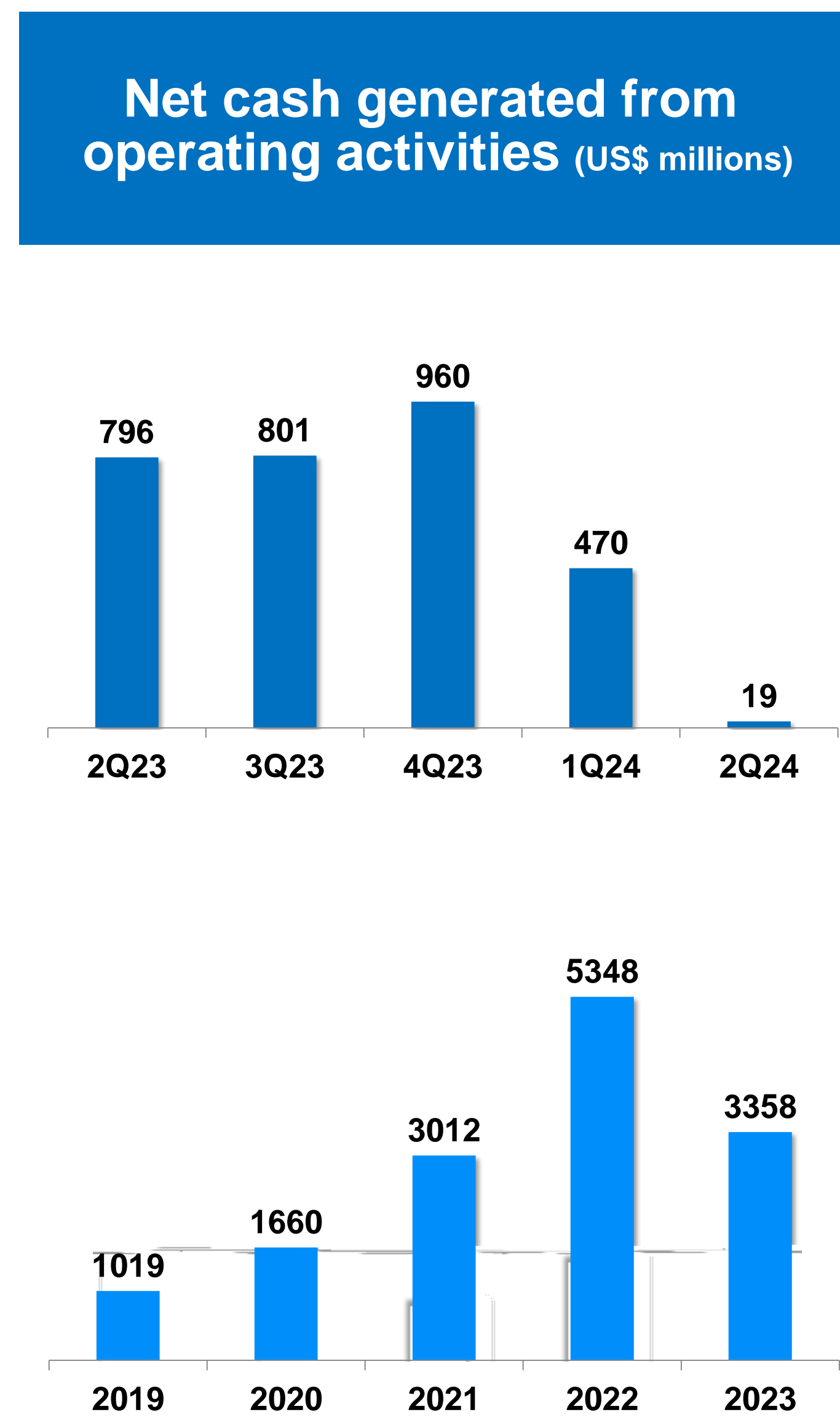
| (US\$ thousands) | 2Q24 | 1Q24 | QoQ | 2Q23 | YoY |
|---------------------------------------------------------|------------------|------------------|-----------------|------------------|---------------|
| Revenue | 1,901,276 | 1,750,176 | 8.6% | 1,560,396 | 21.8% |
| Gross profit | 265,093 | 239,704 | 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.

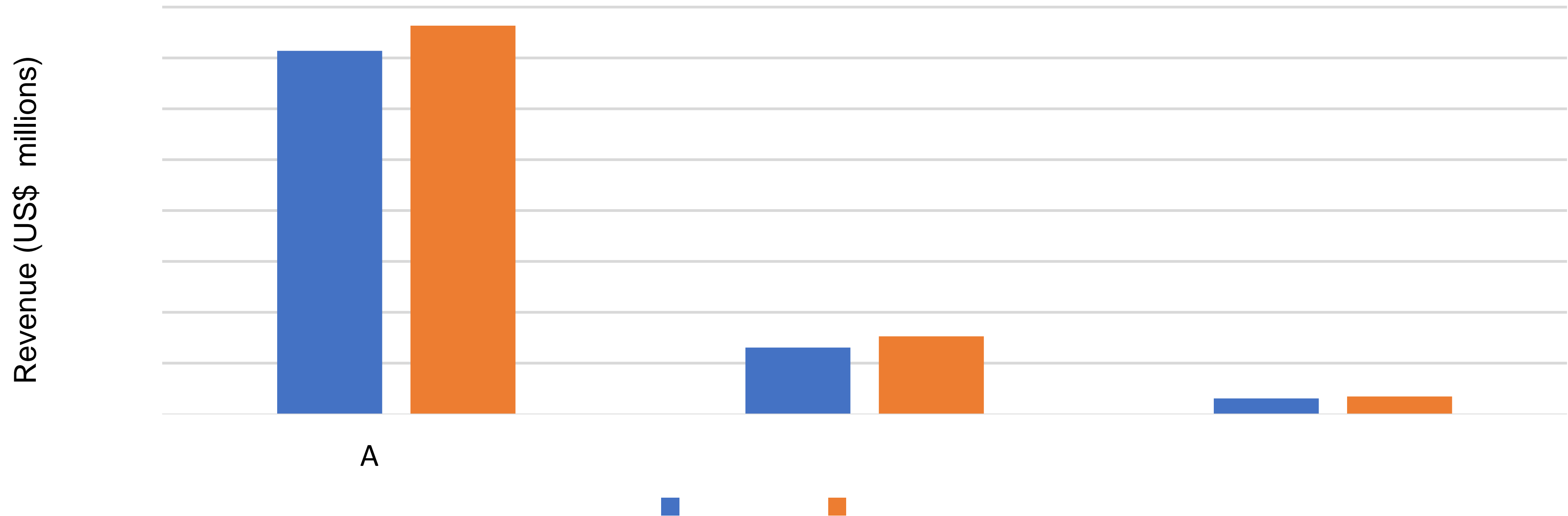
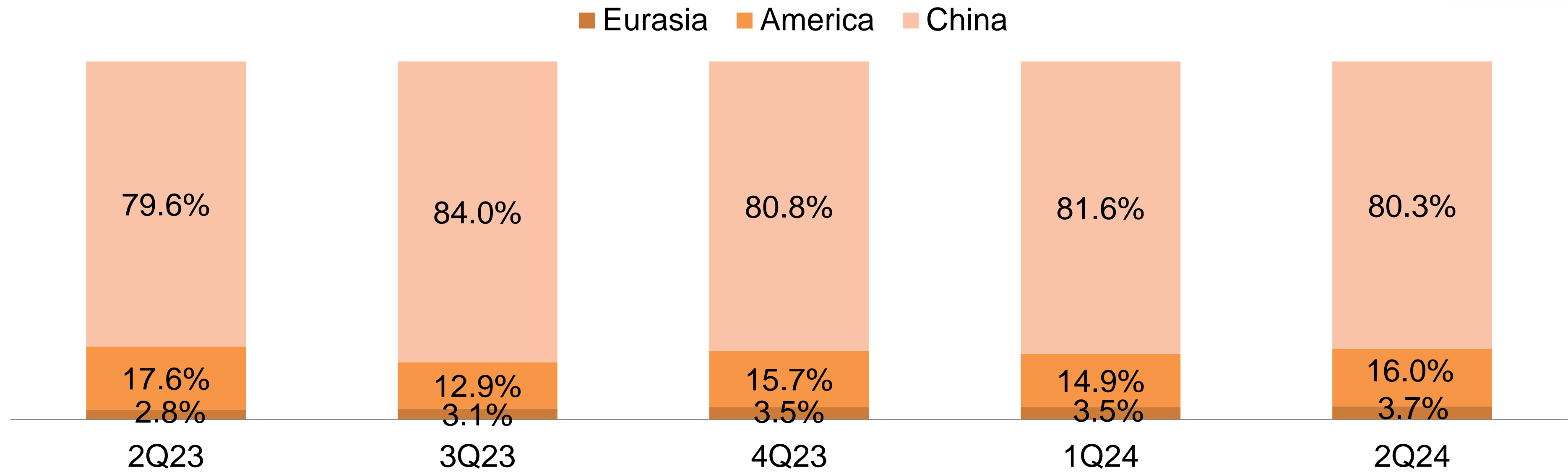


Cash Flow

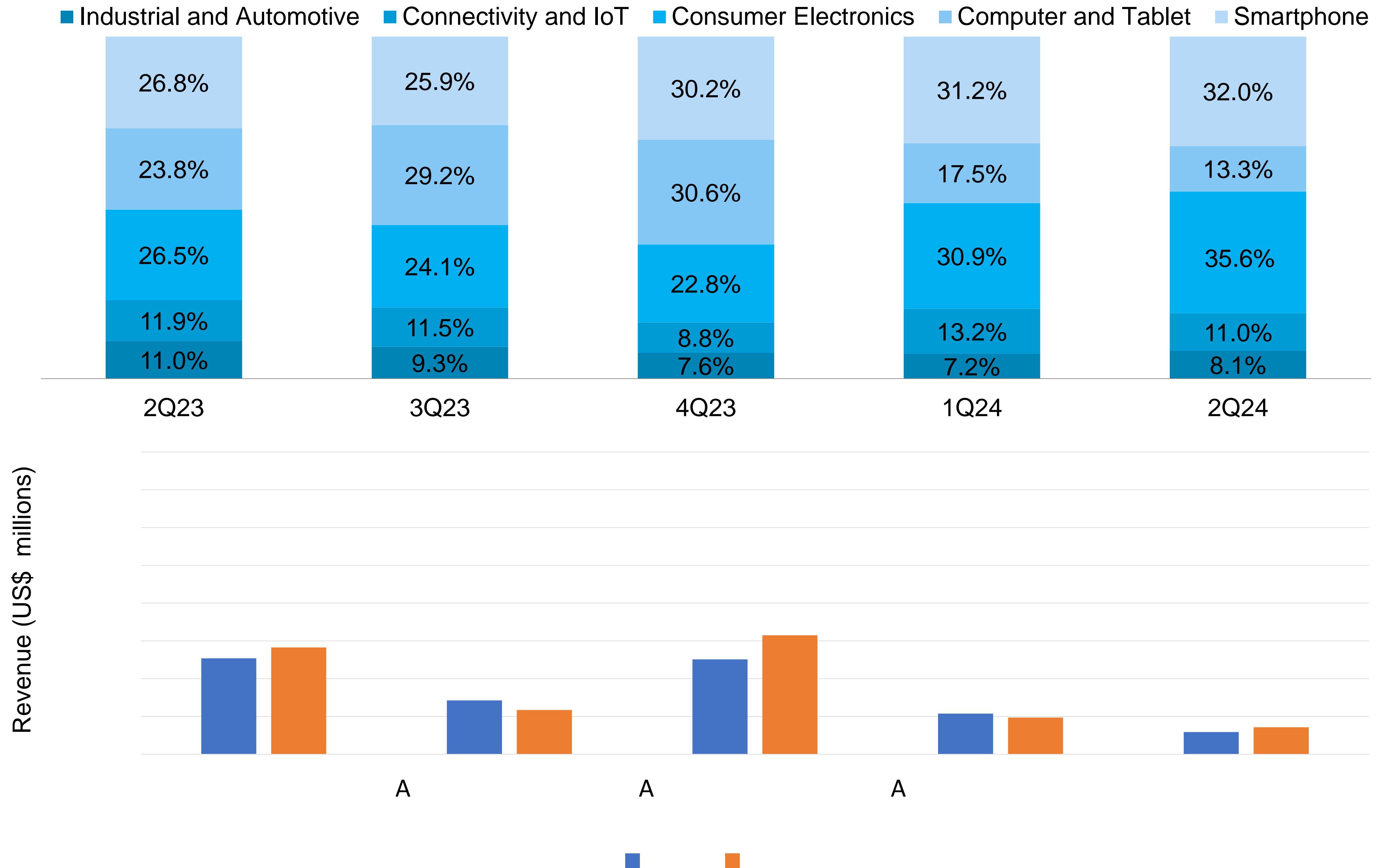
| (US\$ thousands) | For the three months ended | |
|----------------------------------------------------|----------------------------|--------------|
| | June 30, 2024 | Mar 31, 2024 |
| Cash and cash equivalents, beginning of the period | 5,348,718 | 6,215,058 |
| Net cash generated from operating 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 |



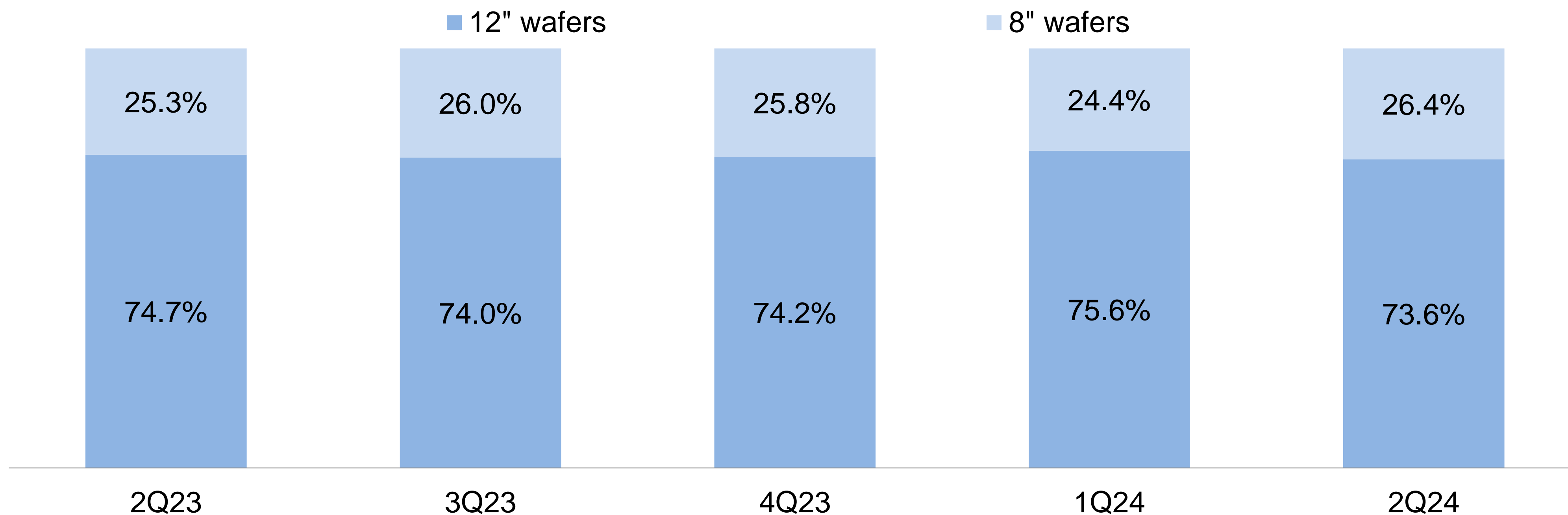
Total Revenue By Geography



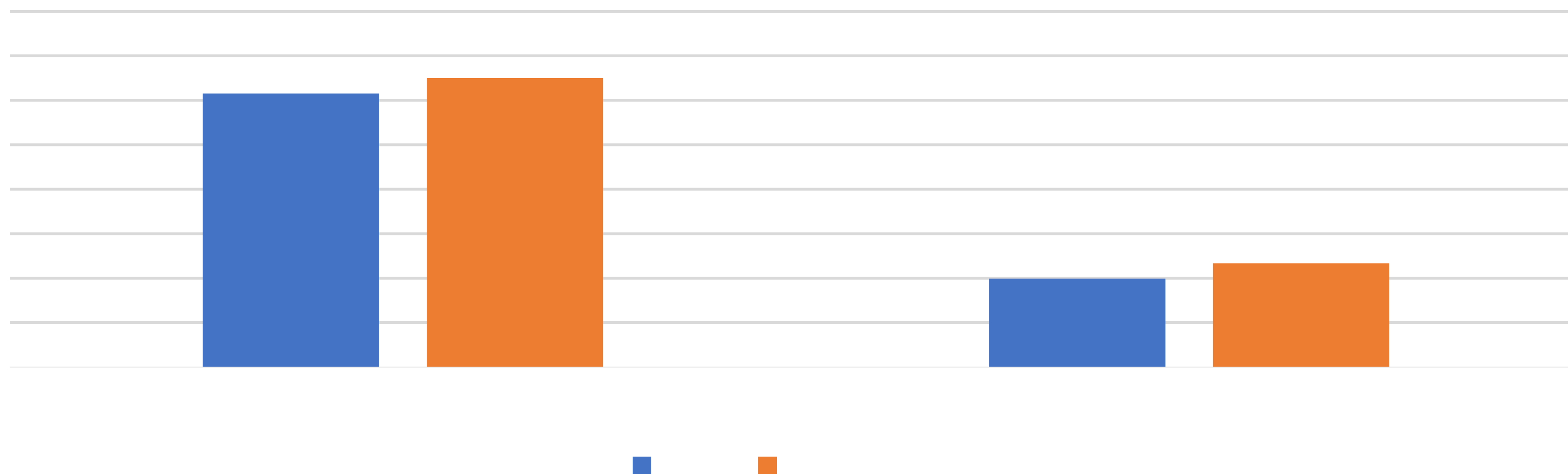
Wafer Revenue By Application



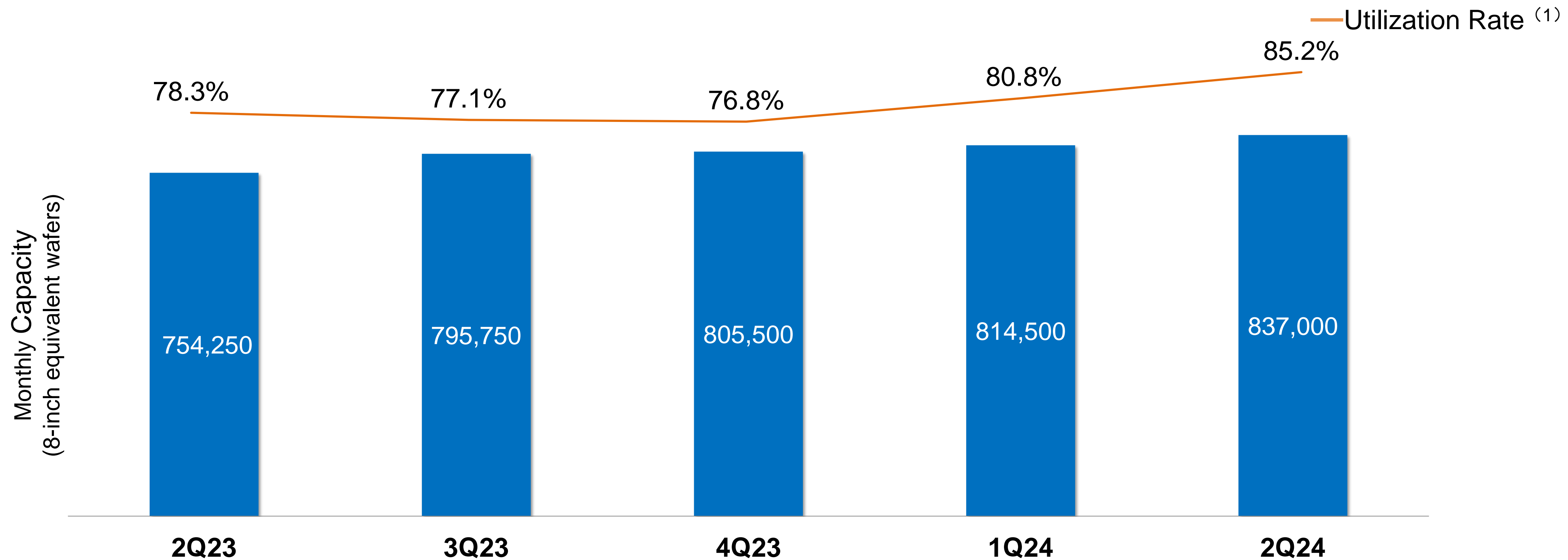
Wafer Revenue By Size



Revenue (US\$ millions)



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

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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