

SMIC Q4 2024

Financial Presentation

February 2025

Forward-Looking Statements

This presentation may contain, 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

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.

4Q24 Financial Highlights (unaudited)

- **Revenue was \$2,207 million**

 - Up 1.7% QoQ from \$2,171 million in 3Q24

 - Up 31.5% YoY from \$1,678 million in 4Q23

- **Gross margin was 22.6%**

 - Compared to 20.5% in 3Q24

 - Compared to 16.4% in 4Q23

- **Profit from operations was \$214 million**

 - Compared to \$170 million in 3Q24

 - Compared to \$107 million in 4Q23

- **Profit attributable to SMIC was \$108 million**

 - Compared to \$149 million in 3Q24

 - Compared to \$175 million in 4Q23

- **EBITDA was \$1,280 million**

 - Compared to \$1,157 million in 3Q24

 - Compared to \$1,011 million in 4Q23

2024 Financial Highlights (unaudited)

- **Revenue was \$8,030 million**
Compared to \$6,322 million in 2023

- **Gross margin was 18.0%**
Compared to 19.3% in 2023

- **Profit from operations was \$474 million**
Compared to \$358 million in 2023

- **Profit attributable to SMIC was \$493 million**
Compared to \$903 million in 2023

- **EBITDA was \$4,380 million**
Compared to \$4,064 million in 2023

Income Statement

(US\$ thousands)	4Q24	3Q24	QoQ	4Q23	YoY
Revenue	2,207,281	2,171,188	1.7%	1,678,299	31.5%
Gross profit	499,011	444,160	12.3%	274,955	81.5%
Gross margin	22.6%	20.5%		16.4%	
Operating income(expenses)	(284,544)	(274,273)	3.7%	(167,677)	69.7%
<i>Research & Development</i>	<i>(217,035)</i>	<i>(179,386)</i>	<i>21.0%</i>	<i>(189,138)</i>	<i>14.7%</i>
<i>General & Administrative</i>	<i>(166,851)</i>	<i>(136,182)</i>	<i>22.5%</i>	<i>(147,821)</i>	<i>12.9%</i>
<i>Selling & Marketing</i>	<i>(11,466)</i>	<i>(9,601)</i>	<i>19.4%</i>	<i>(9,348)</i>	<i>22.7%</i>
<i>Other operating income</i>	<i>110,306</i>	<i>51,516</i>	<i>114.1%</i>	<i>177,640</i>	<i>-37.9%</i>
Profit from operations	214,467	169,887	26.2%	107,278	99.9%
Other income, net	140,791	72,985	92.9%	140,703	0.1%
Income tax credit (expense)	(84,312)	(19,602)	330.1%	(10,713)	687.0%
Profit (loss) attributable to SMIC	107,587	148,800	-27.7%	174,678	-38.4%
Profit (loss) attributable to Non-controlling interests	163,359	74,470	119.4%	62,590	161.0%

- **General and administrative expenses** increased to \$166.9 million in 4Q24 from \$136.2 million in 3Q24. The change was mainly due to the increase in new fab start-up costs in 4Q24.

Capital Structure

(US\$ thousands)	As of	
	Dec 31, 2024	Sep 30, 2024
Cash and cash equivalents	6,364,189	3,651,385
Restricted cash	372,514	379,314
Financial assets at fair value through profit or loss - current ⁽¹⁾	272,257	232,983
Financial assets at amortised cost ⁽²⁾	7,954,060	8,368,227
Total cash on hand	14,963,020	12,631,909
Borrowings - current	2,926,311	1,436,334
Borrowings - non-current	8,038,148	8,322,826
Lease liabilities	26,280	34,387
Bonds payable	605,258	601,027
Total debt	11,595,997	10,394,574
Net debt ⁽³⁾	(3,367,023)	(2,237,335)
Equity	31,869,658	31,426,011
Debt to equity ratio ⁽⁴⁾	36.4%	33.1%
Net debt to equity ratio ⁽⁵⁾	-10.6%	-7.1%

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

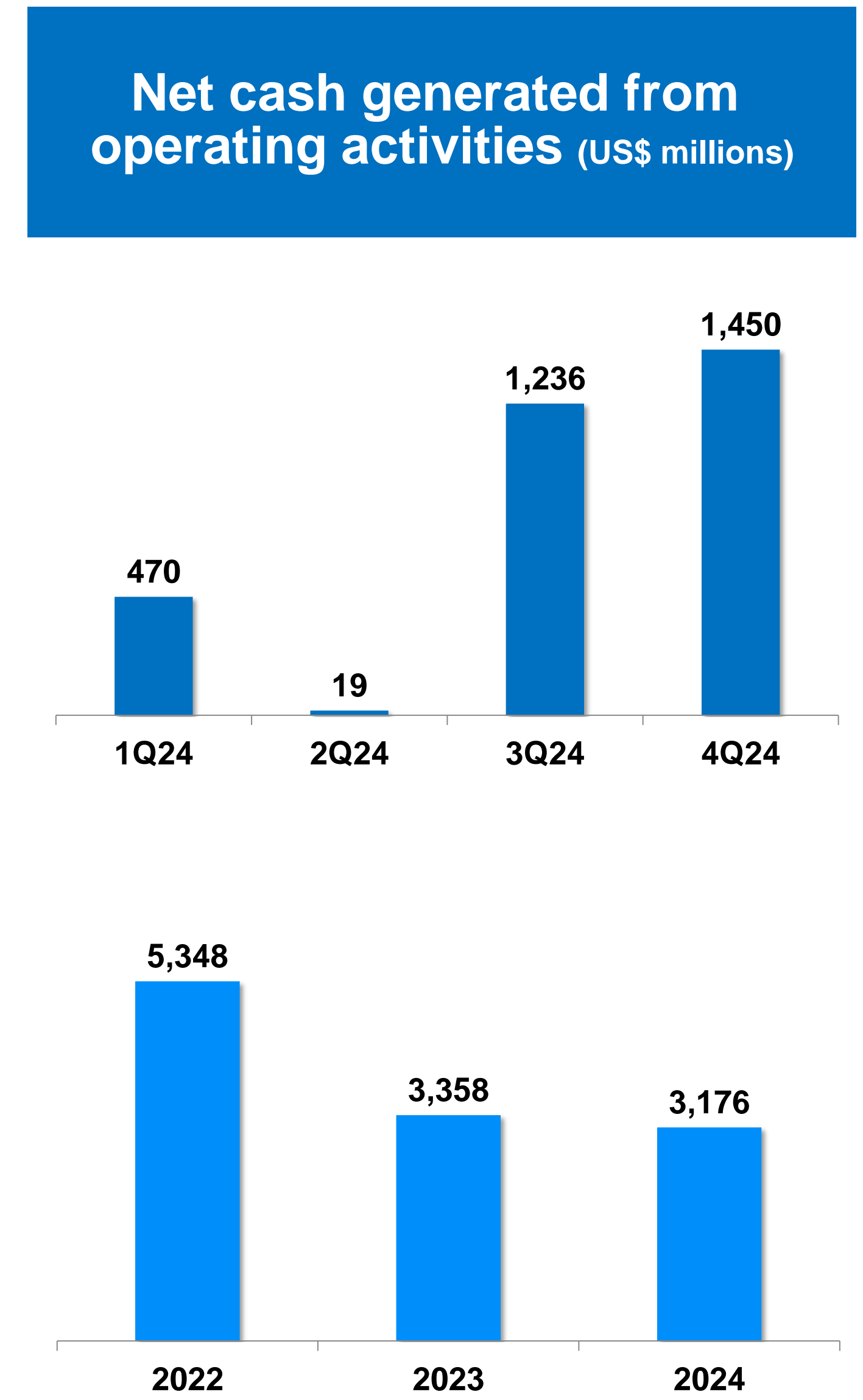
(3) Total debt minus total cash on hand.

(4) Total debt divided by equity.

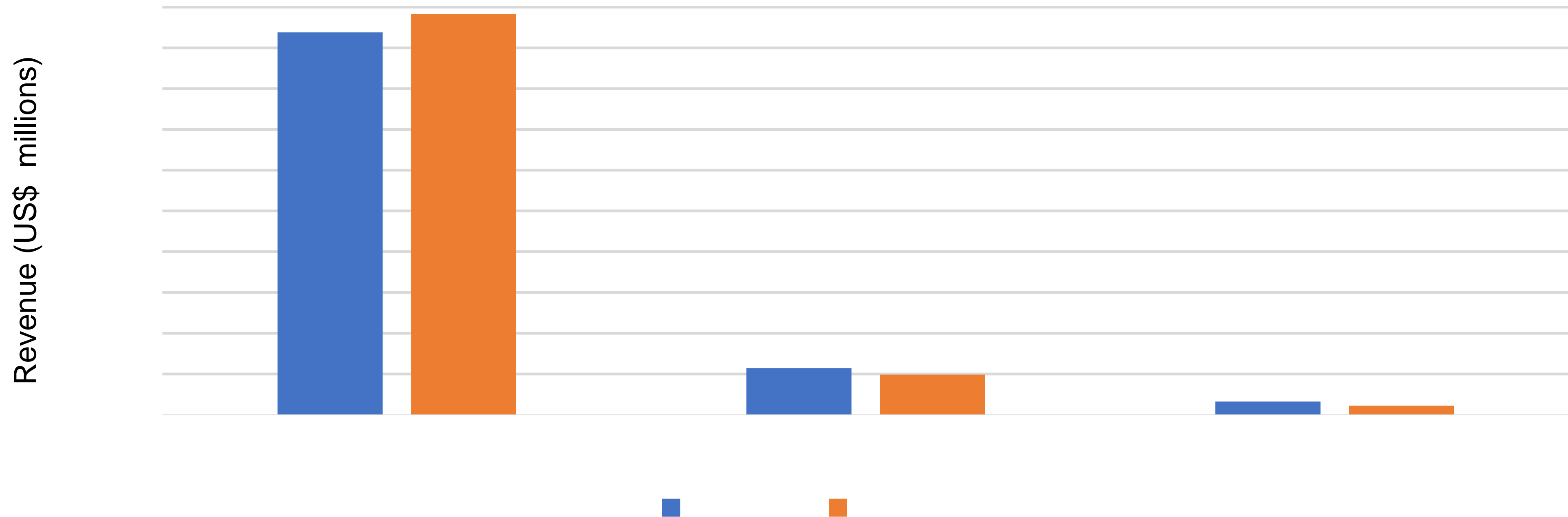
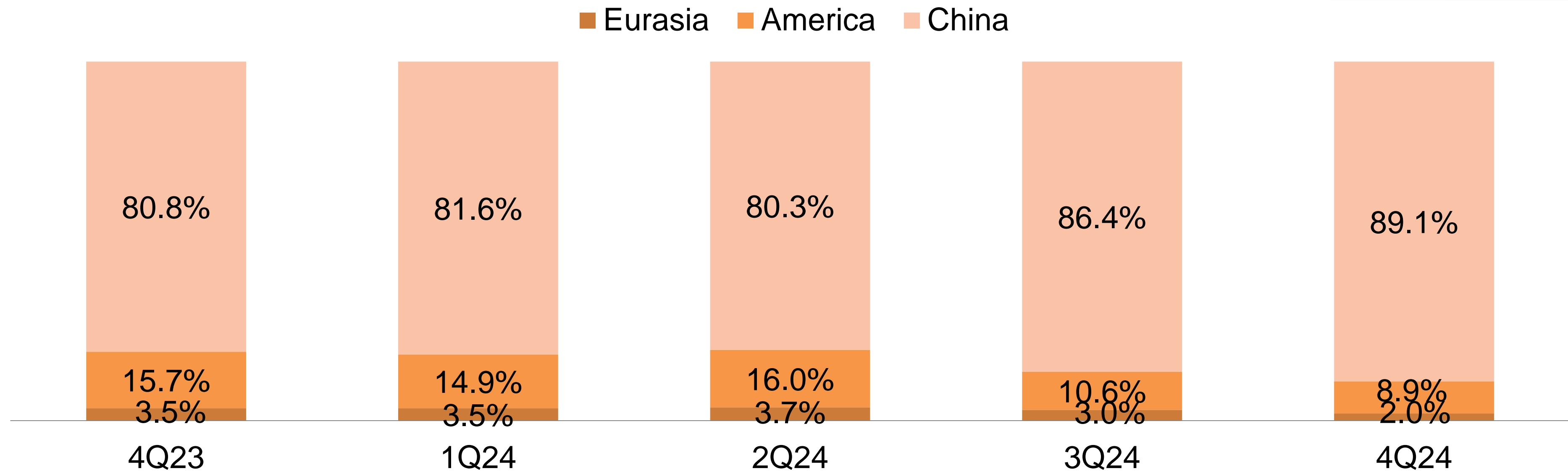
(5) Net debt divided by equity.

Cash Flow

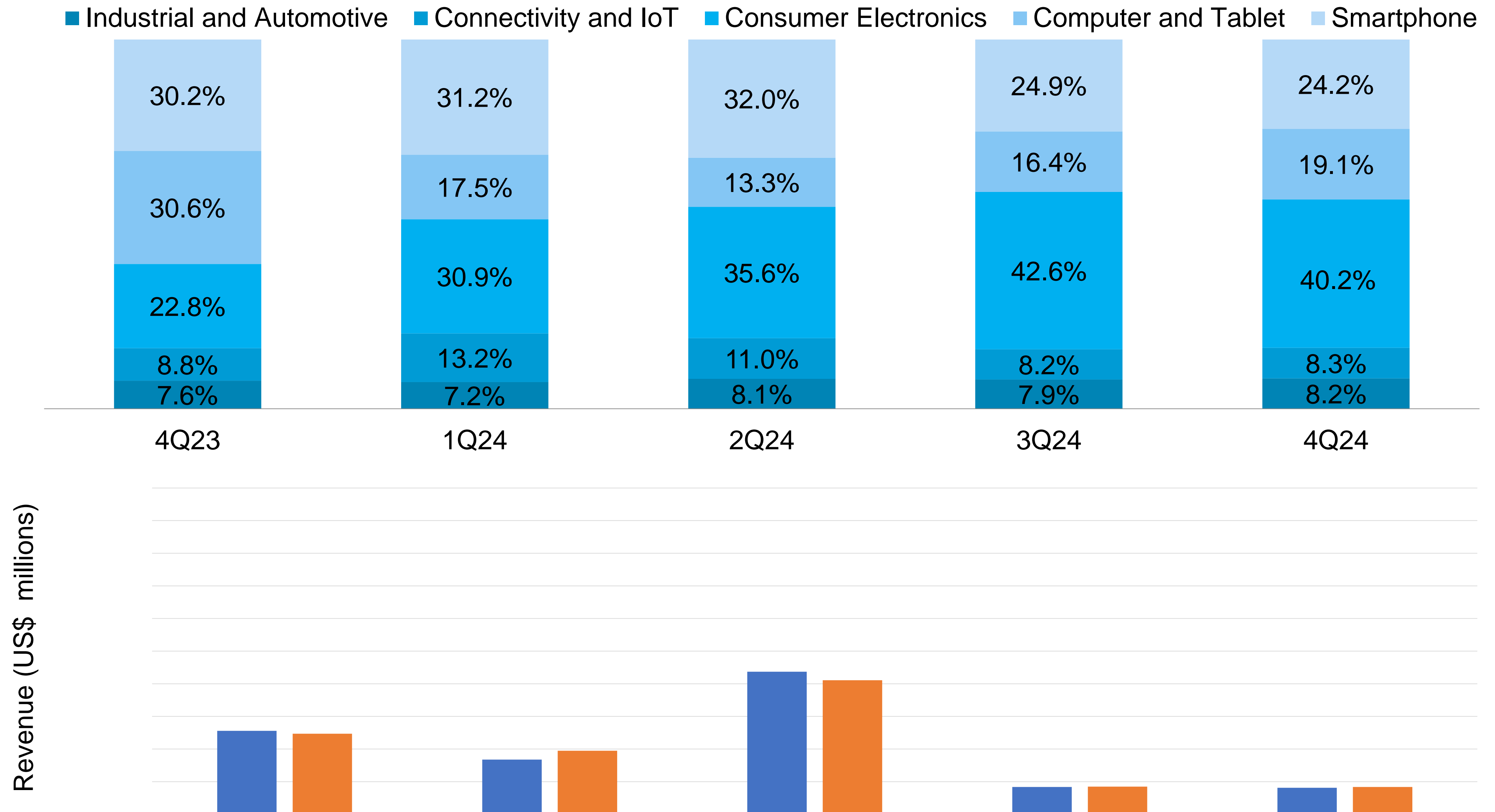
(US\$ thousands)	For the three months ended	
	Dec 31, 2024	Sep 30, 2024
Cash and cash equivalents, beginning of the period	3,651,385	3,694,277
Net cash generated from operating activities	1,449,842	1,236,416
Net cash used in investing activities	(207,300)	(1,345,115)
Net cash generated from/(used in) financing activities	1,614,792	(97,009)
Net increase/(decrease) in cash and cash equivalents	2,712,804	(42,892)
Cash and cash equivalents, end of the period	6,364,189	3,651,385



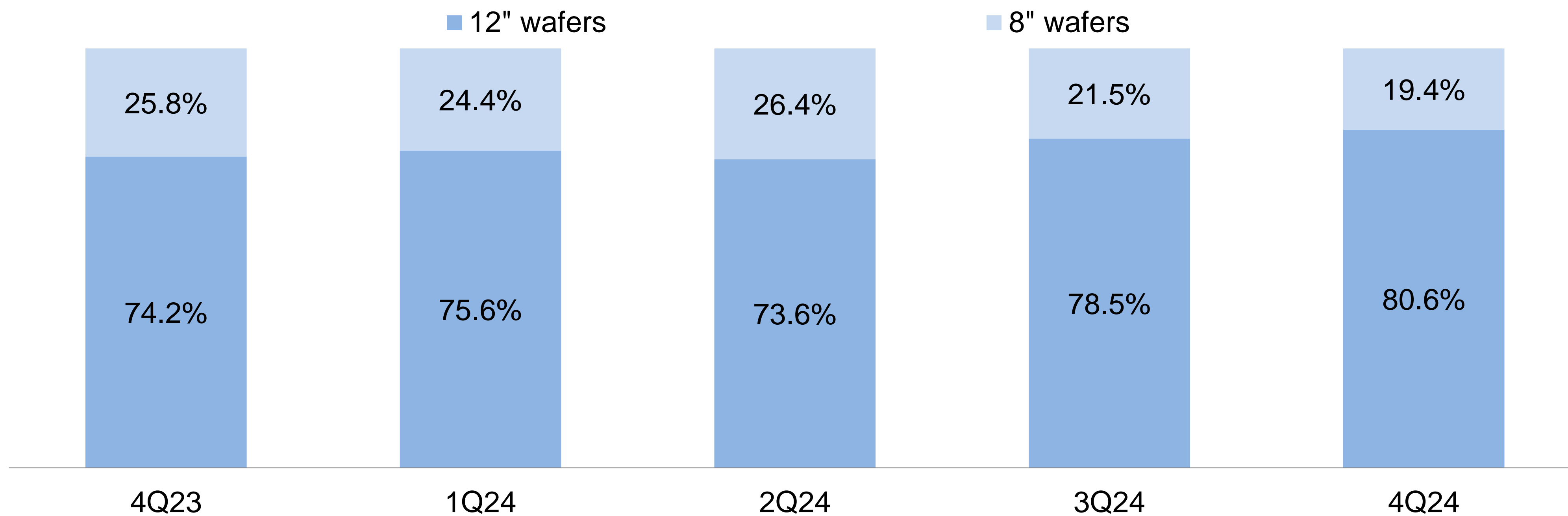
Total Revenue By Geography



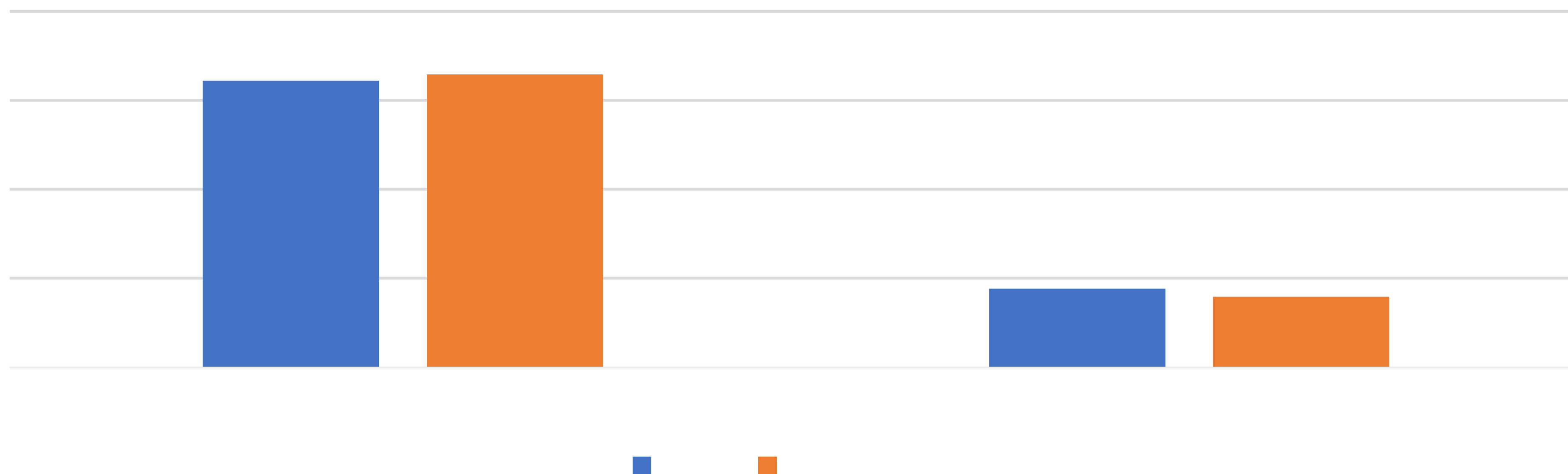
Wafer Revenue By Application



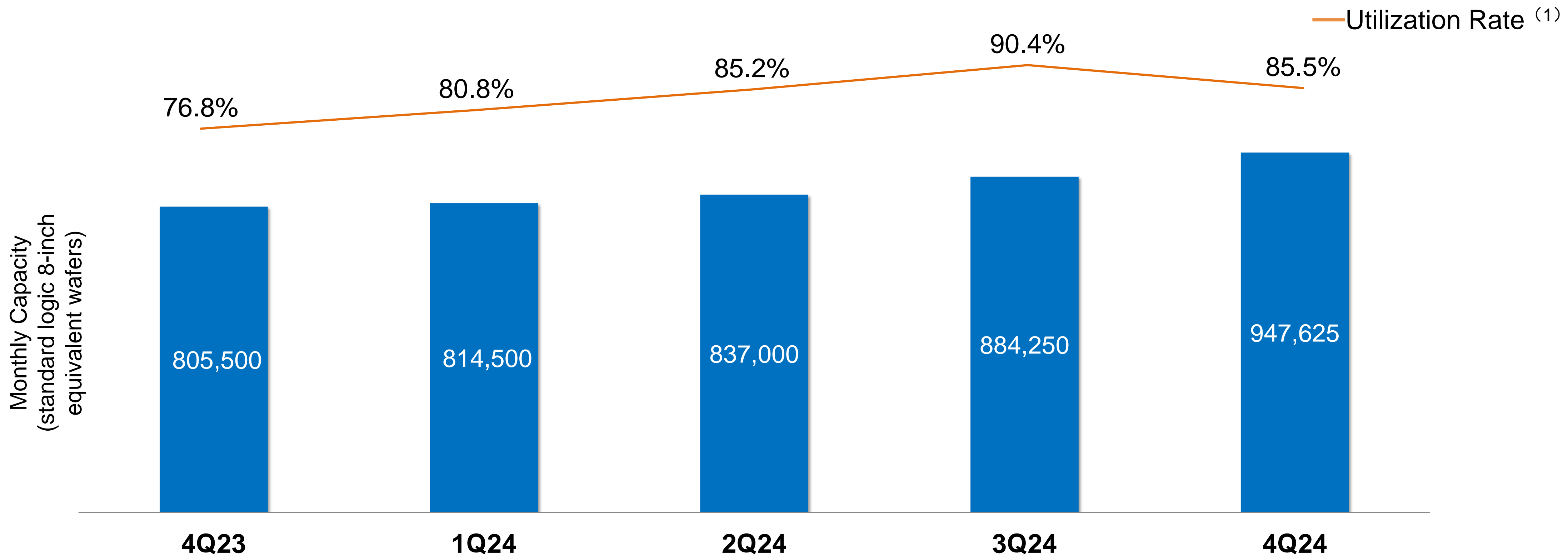
Wafer Revenue By Size



Revenue (US\$ millions)



Capacity, Utilization and Shipment



	4Q23	1Q24	2Q24	3Q24	4Q24
Wafer Shipments (standard logic 8-inch equivalent wafers)	1,675,002	1,794,891	2,111,880	2,122,266	1,991,761

(1) Utilization rate is reported based on total wafers out divided by estimated total quarterly capacity.

1Q 2025 Guidance

1Q 2025 Guidance

Revenue

+6% to +8% QoQ

Gross Margin

19% to 21%

2025 Guidance

2025 Guidance

Revenue

The revenue growth is expected to be higher than industry average in the same markets.

Capex

Roughly flat compared to 2024

Appendix

4Q 2024 Results and Guidance

	4Q 2024 Guidance	4Q 2024 Results
Revenue	flat to up 2% QoQ	+1.7% QoQ
Gross Margin	18% to 20%	22.6%

Capital Expenditure and Depreciation

(US\$ millions)	1Q24	2Q24	3Q24	4Q24	2024 (unaudited)
Capital Expenditure	2,235	2,252	1,179	1,660	7,326
Depreciation & Amortisation	746	797	831	849	3,223

Thank You!

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