



# Forward-Looking Statements

This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements -Chief Executive Officers are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words like "believe," "anticipate," "intend," "estimate," "expect," "project," "target," "going forward," "continue," "ought to," "may," "seek," "should," "plan," "could," "vision," "goals," "aim," "aspire," "objective," "schedules," "outlook" and similar expressions to identify forward looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessary estimates reflecting judgment of SMIC's senior management 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 cyclical and market conditions in the semiconductor industry, intense competition in the semiconductor industry, SMIC's reliance on a small number of customers, 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, industry overcapacity, shortages in equipment, components and raw materials, availability of manufacturing capacity, financial stability in end markets, orders or judgments from pending litigation, intensive intellectual property litigation in the semiconductor industry, general economic conditions and fluctuations in currency exchange rates.

In addition to the information contained in this presentation, you should also consider the information contained in our other filings with Hong Kong also could have material adverse effects on our future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this presentation may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this presentation. Except as required by applicable laws, SMIC undertakes no obligation and does not intend to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events after the date on which such statement is made or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or otherwise.

**About Non-**

**and is presented in accordance with IFRS unless otherwise stated.**

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.

## 2Q20 Financial Highlights

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- **Revenue was \$938 million, a record high**

  - Up 3.7% QoQ, compared to \$905 million in 1Q20

  - Up 18.7% YoY, compared to \$791 million in 2Q19

- **Gross margin was 26.5%**

  - Compared to 25.8% in 1Q20

  - Compared to 19.1% in 2Q19

- **Profit attributable to SMIC was \$138 million, a record high**

  - Compared to \$64 million in 1Q20

  - Compared to \$19 million in 2Q19

- **\$6.4 billion cash on hand, including financial assets and excluding restricted cash**

  - Compared to \$5.3 billion in 1Q20

  - Compared to \$3.7 billion in 2Q19

## 1H20 Financial Highlights (unaudited)

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- **Revenue was \$1,843 million, a record high**  
compared to \$1,460 million in 1H19
- **Gross profit was \$482 million, a record high**  
Compared to \$273 million in 1H19
- **Gross margin was 26.2%**  
Compared to 18.7% in 1H19
- **Profit attributable to SMIC was \$202 million, a record high**  
Compared to \$31 million in 1H19
- **EBITDA was \$839 million, a record high**  
Compared to \$600 million in 1H19

# Income Statement Highlights

(US\$ thousands)	2Q20	1Q20	QoQ	2Q19	YoY
<b>Total Revenue</b>	938,463	904,912	3.7%	790,882	18.7%
Gross Profit	248,589	233,585	6.4%	151,158	64.5%
<b>Gross Margin</b>	<b>26.5%</b>	<b>25.8%</b>	-	<b>19.1%</b>	-
<b>Operating Expenses</b>	(183,923)	(186,244)	-1.2%	(193,988)	-5.2%
<i>Research &amp; Development</i>	<i>(157,999)</i>	<i>(166,486)</i>	<i>-5.1%</i>	<i>(182,207)</i>	<i>-13.3%</i>
<i>General &amp; Administrative</i>	<i>(59,381)</i>	<i>(74,231)</i>	<i>-20.0%</i>	<i>(64,578)</i>	<i>-8.0%</i>
<i>Selling &amp; Marketing</i>	<i>(5,072)</i>	<i>(5,841)</i>	<i>-13.2%</i>	<i>(8,852)</i>	<i>-42.7%</i>
<i>Other operating income</i>	<i>40,453</i>	<i>59,212</i>	<i>-31.7%</i>	<i>62,276</i>	<i>-35.0%</i>
<b>Profit (loss) from operations</b>	<b>64,666</b>	<b>47,341</b>	<b>36.6%</b>	<b>(42,830)</b>	
Other income (expense), net	76,999	18,317	320.4%	18,379	
Income tax benefit (expense)	(16,029)	(14,340)	11.8%	(1,366)	

Revenue

R&D expenses

General and administrative expenses

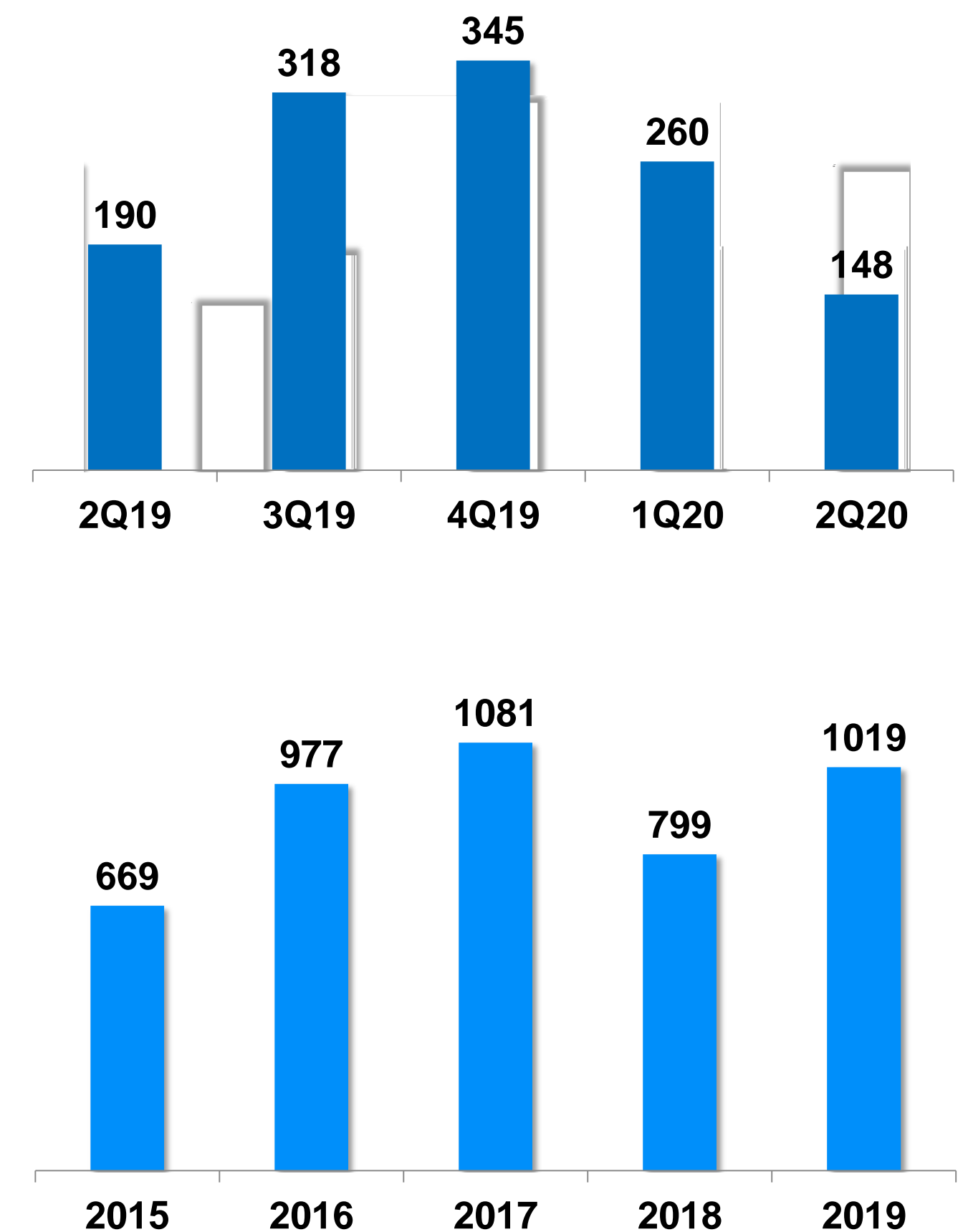
other operating income



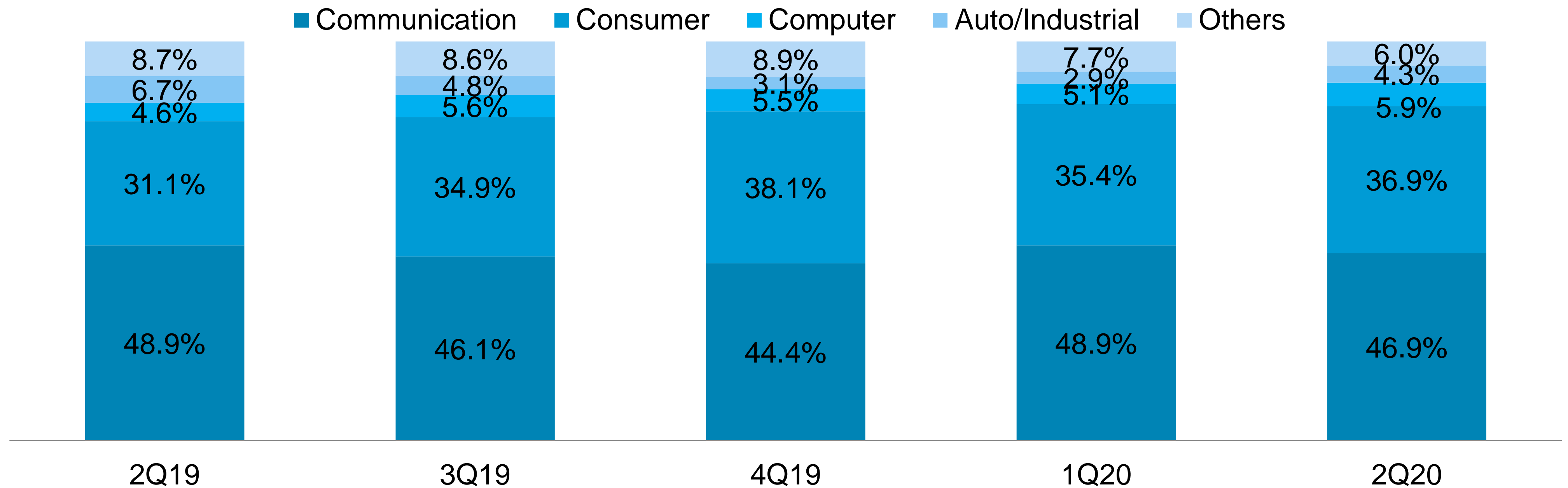
# Cash Flow Highlights

<i>(US\$ thousands)</i>	For the three months ended	
	June 30, 2020	Mar 31, 2020
Cash and cash equivalent, beginning of period	1,663,808	2,238,840
Net cash from operating activities	147,719	259,829
Net cash used in investing activities	(247,602)	(1,816,977)
Net cash from (used in) financing activities	1,577,785	991,448
Net increase (decrease) in cash and cash equivalent	1,466,260	(575,032)
Cash and cash equivalent, end of period	3,130,068	1,663,808

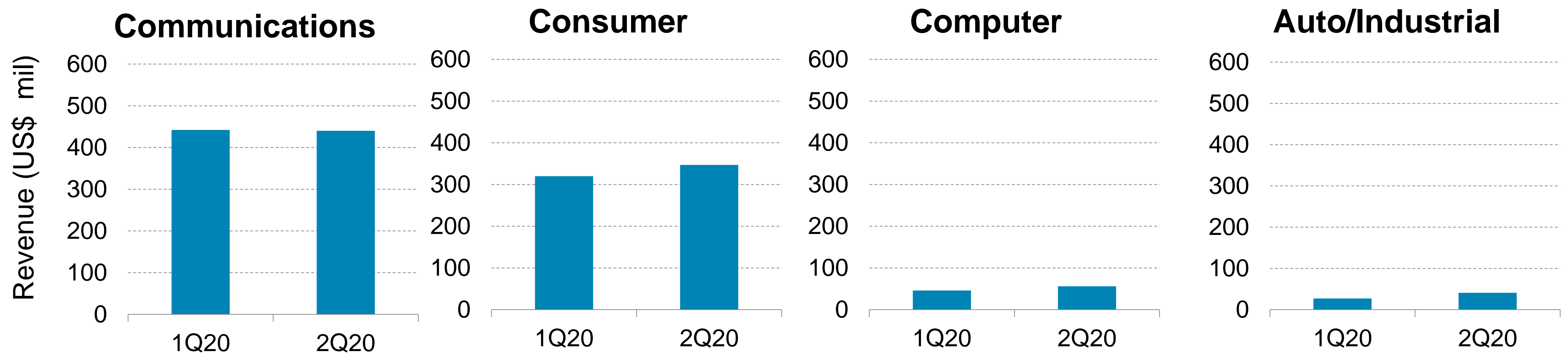
## Cash Flow from Operations *(US\$ millions)*



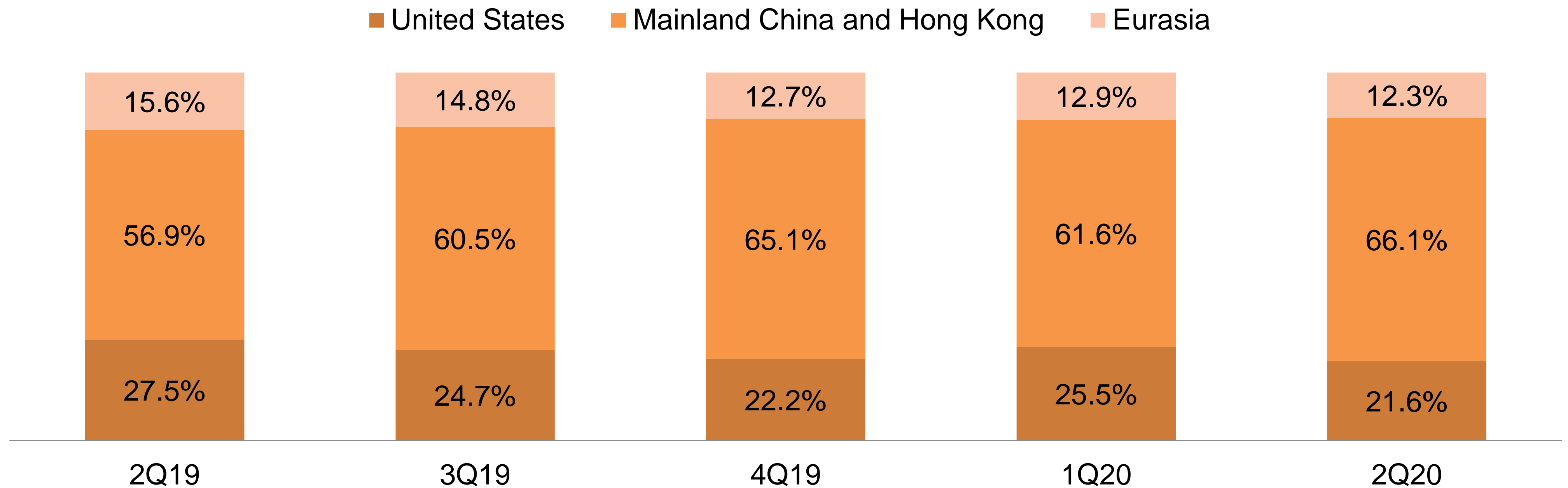
# Total Revenue Breakdown by Application



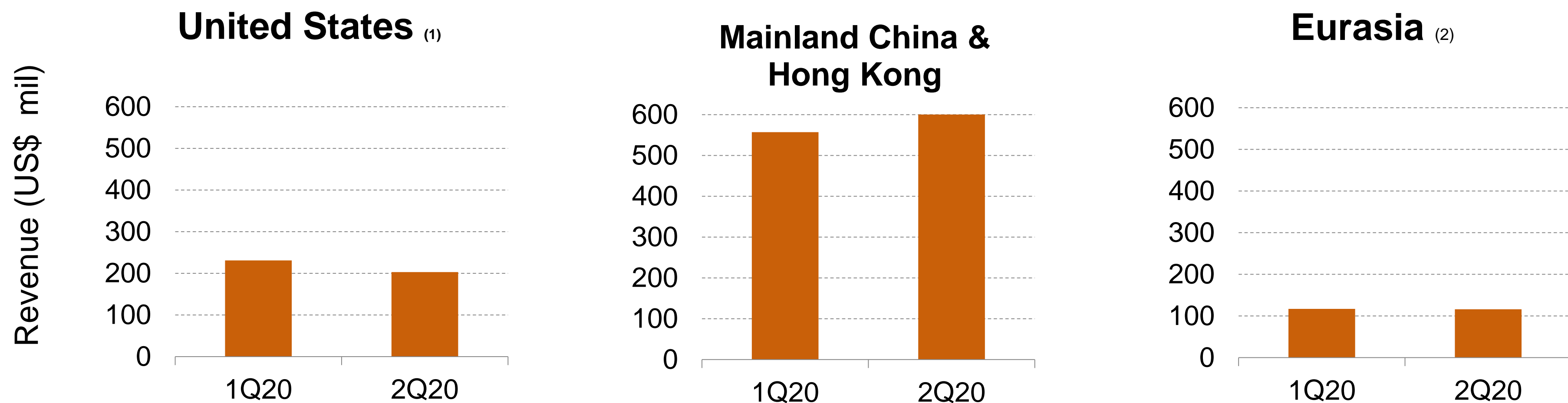
## 1Q20 vs. 2Q20



# Total Revenue Breakdown by Geography



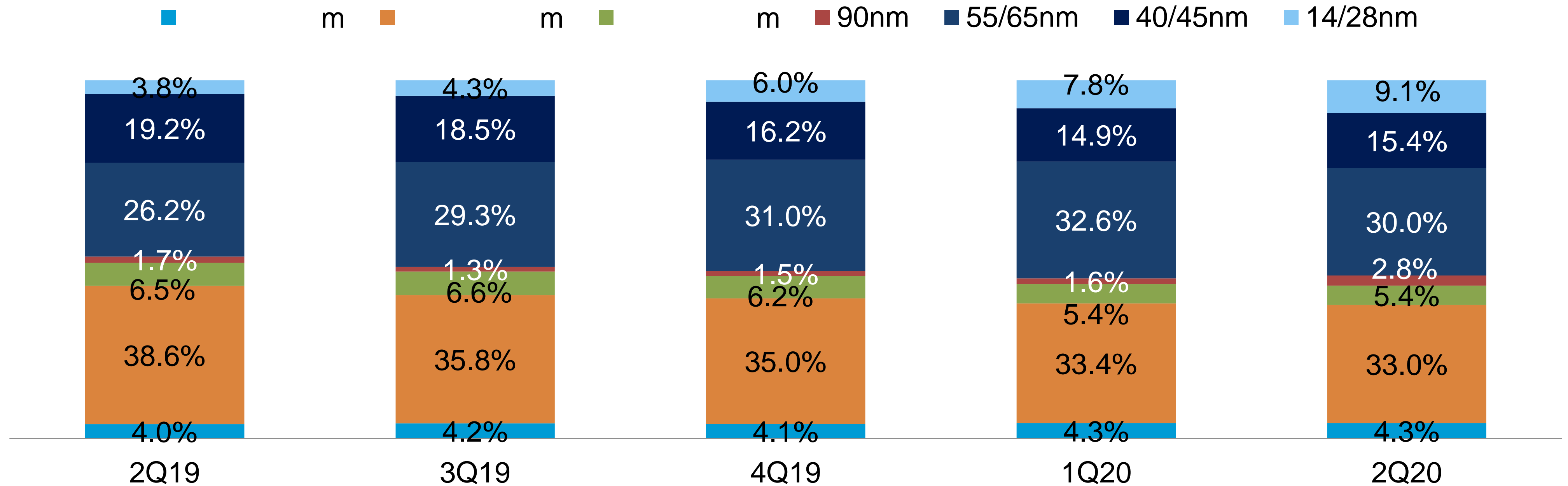
## 1Q20 vs. 2Q20



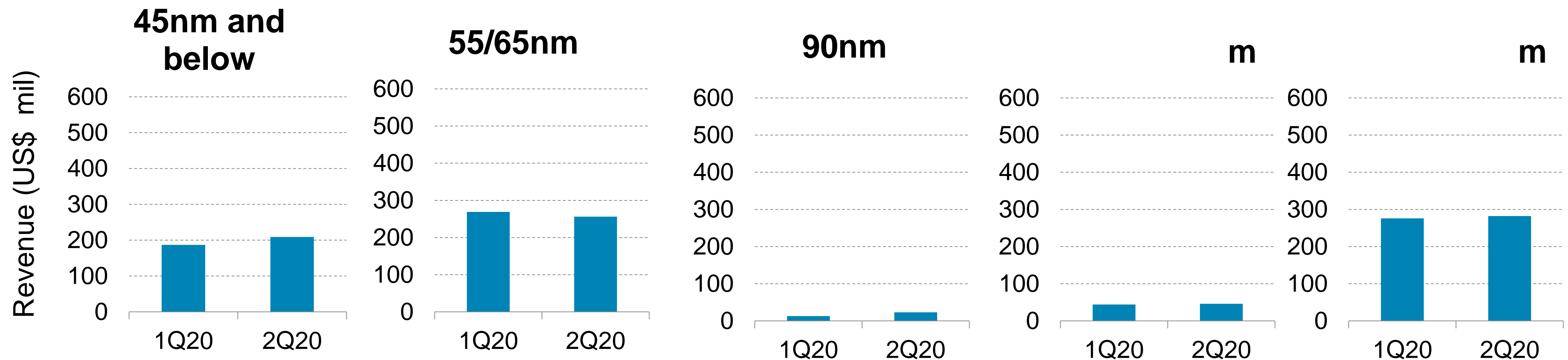
(1) Presenting the Revenue to those companies whose headquarters are in the United States, but ultimately selling and shipping the products to their global customers.

(2) Excluding Mainland China and Hong Kong.

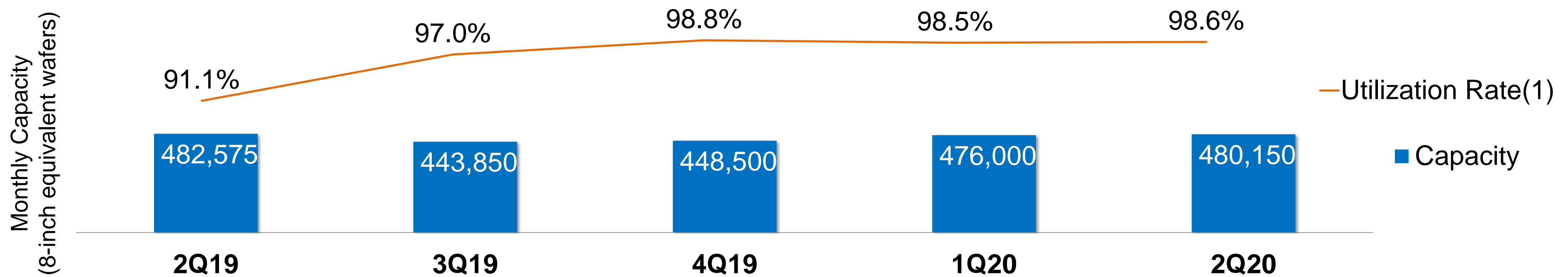
# Wafer Revenue Breakdown by Technology



## 1Q20 vs. 2Q20



# Capacity, Utilization and Shipment



	2Q19	3Q19	4Q19	1Q20	2Q20
Shanghai 200mm Fab	115,000	112,000	115,000	115,000	115,000
Shanghai 300mm Fab	8,000	8,000	2,000	2,000	1,400
Beijing 300mm Fab	50,000	50,000	52,000	52,000	52,000
Tianjin 200mm Fab	57,000	58,000	58,000	63,000	73,000
Shenzhen 200mm Fab	50,000	52,000	55,000	55,000	46,000
Shenzhen 300mm Fab	3,000	3,000	-	-	-
Majority-Owned Beijing 300mm Fab	36,000	37,600	41,000	50,000	50,000
Majority-Owned Shanghai 300mm Fab	-	-	3,000	4,000	6,000
Majority-Owned Avezzano 200mm Fab (2)	42,325	-	-	-	-
<b>Monthly Capacity (8-inch equivalent wafers)</b>	<b>482,575</b>	<b>443,850</b>	<b>448,500</b>	<b>476,000</b>	<b>480,150</b>
Wafer Shipments	1,284,451	1,315,443	1,339,400	1,406,714	1,435,591

(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

# 3Q 2020 Guidance and 2020 Capex Guidance

## 3Q 2020 Guidance

## 2020 Capex <sup>(2)</sup>

Revenue

+1% to +3% QoQ

Revenue

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# Appendix

# Results vs Original Guidance

	2Q 2020 Guidance	2Q 2020 Results
Revenue	<b>+3% to +5% QoQ</b> <b>\$932 to \$950 million</b>	3.7% QoQ \$938 million
Gross Margin	<b>26% to 28%</b>	26.5%
Non-IFRS Operating Expenses <sup>(1)</sup>	<b>\$240 to \$245 million</b>	\$ 215 million
Non-controlling interests	<b>\$0 to \$10 million</b>	\$12 million

# Capital Expenditures & Depreciation

<i>(US\$ millions)</i>	2Q19	3Q19	4Q19	1Q20	2Q20
<b>Capex</b>	908	190	492	777	1,342
<b>Depreciation &amp; Amortization</b>	284	280	286	290	306

# Thank You!

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