



SMIC Q2 2021

Financial Presentation

SEHK: 00981

SSE STAR MARKET: 688981

SMIC Investor Relations
Aug 2021

Forward-Looking Statements

This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements under [“Forward-Looking Statements”](#) and the statements contained in the quotes of our Co-Chief Executive Officers and Chief Financial Officer are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words like

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In addition to the information contained in this presentation, you should also consider the information contained in our other filings with The Stock Exchange of Hong Kong Limited [“SMIC”](#) and Shanghai Stock Exchange [“SMIC”](#) from time to time. Other unknown or unpredictable factors 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 possible or actual occurrence of unanticipated events after the date on which such statement is made, whether as a result of new information, future events or otherwise.

About Non-International Financial Reporting Standards (“non-IFRS”) Financial Measures

The consolidated financial information is prepared in accordance with International Financial Reporting Standards (“IFRS”) 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 report.

2Q21 Financial Highlights

- **Revenue was \$1,344 million**

 - Up 21.8% QoQ, compared to \$1,104 million in 1Q21

 - Up 43.2% YoY, compared to \$938 million in 2Q20

- **Gross margin was 30.1%**

 - Compared to 22.7% in 1Q21

 - Compared to 26.5% in 2Q20

- **Profit from operations was 538 million**

 - Up 331.4% QoQ, compared to \$125 million in 1Q21

 - Up 731.6% YoY, compared to \$65 million in 2Q20

- **Profit attributable to SMIC was \$688 million**

 - Compared to \$159 million in 1Q21

 - Compared to \$138 million in 2Q20

- **EBITDA was \$1,176 million**

 - Compared to \$583 million in 1Q21

 - Compared to \$466 million in 2Q20

1H21 Financial Highlights (unaudited)

- **Revenue was \$2,448 million**
compared to \$1,843 million in 1H20
- **Gross profit was \$655 million**
Compared to \$482 million in 1H20
- **Gross margin was 26.8%**
Compared to 26.2% in 1H20
- **Profit attributable to SMIC was \$847 million**
Compared to \$202 million in 1H20
- **EBITDA was \$1759 million**
Compared to \$839 million in 1H20

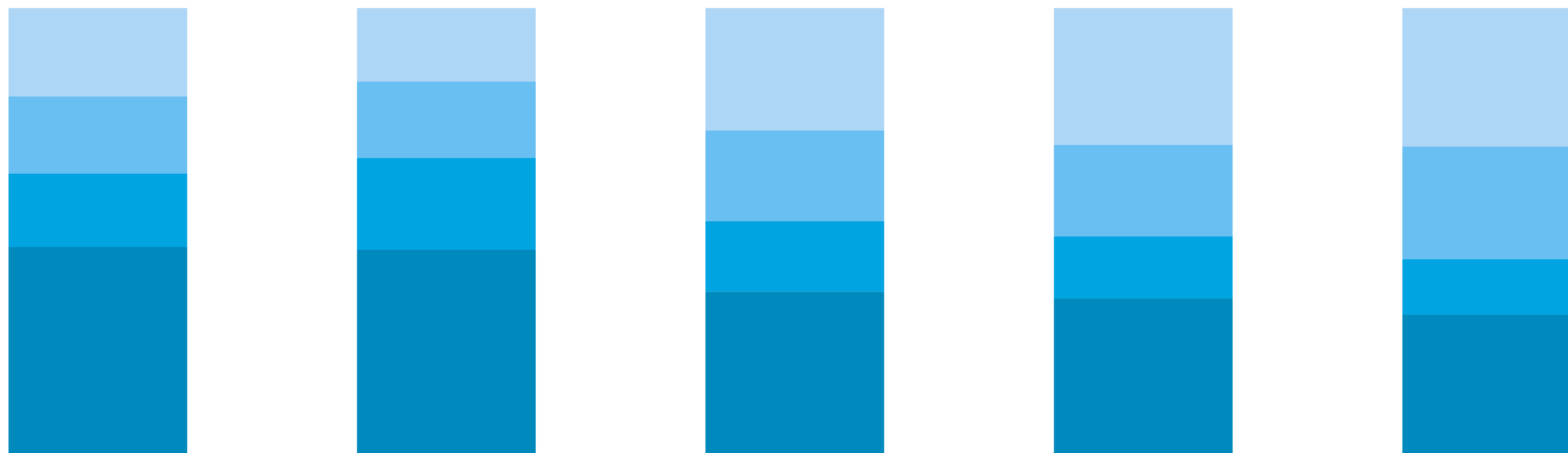
Income Statement Highlights

- Revenue was \$1,344.1 million in 2Q21, an increase of 21.8% QoQ compared to 1Q21. Revenue increased mainly due to the increase in wafer shipment and average selling price in 2Q21.
- **Development expenses** decreased by 8.5% to \$156.3 million in 2Q21 compared to \$156.3 million in 1Q21. The decrease was mainly caused by the decrease of R&D activities in 2Q21.
- The **operating income, net** was mainly

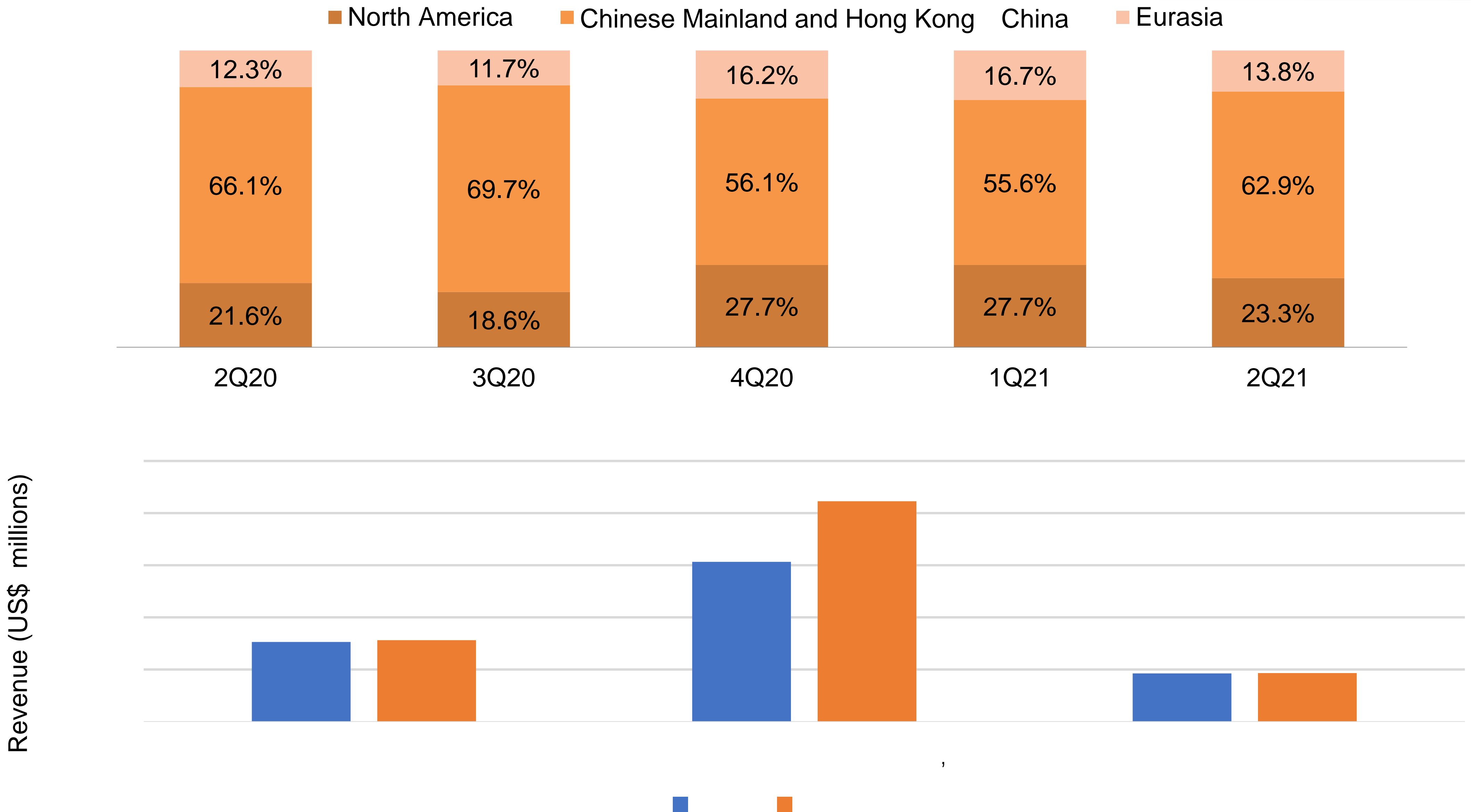
Balance Sheet Highlights

(US\$ thousands)	As of	
	Jun 30, 2021	Mar 31, 2021
Cash and cash equivalent	7,179,067	9,014,492
Restricted cash-Current	218,564	308,356
Financial assets at amortized cost -Current	4,628,937	2,734,618
Trade and other receivables	996,076	886,486
Inventories	973,004	889,832
Assets classified as held-for-sales	22,755	23,604
Other assets	18,154,291	16,950,402
Total assets	32,172,694	30,807,790
Borrowings-Current	399,358	464,723
Borrowings-Non-current	4,544,524	4,288,825
Lease Liabilities	261,764	221,563
Medium-term notes	232,082	228,198
Convertible bonds	1,957	1,947
Bonds payable	597,312	597,138
Total debt	6,036,997	5,802,394
Net debt	(9,414,494)	(8,526,045)
Total liabilities	9,391,063	8,622,543
Equity	22,781,631	22,185,247
Total debt to equity ratio	26.5%	26.2%
Net debt to equity ratio	-41.3%	-38.4%

Wafer Revenue Breakdown by Application



Total Revenue Breakdown by Geography



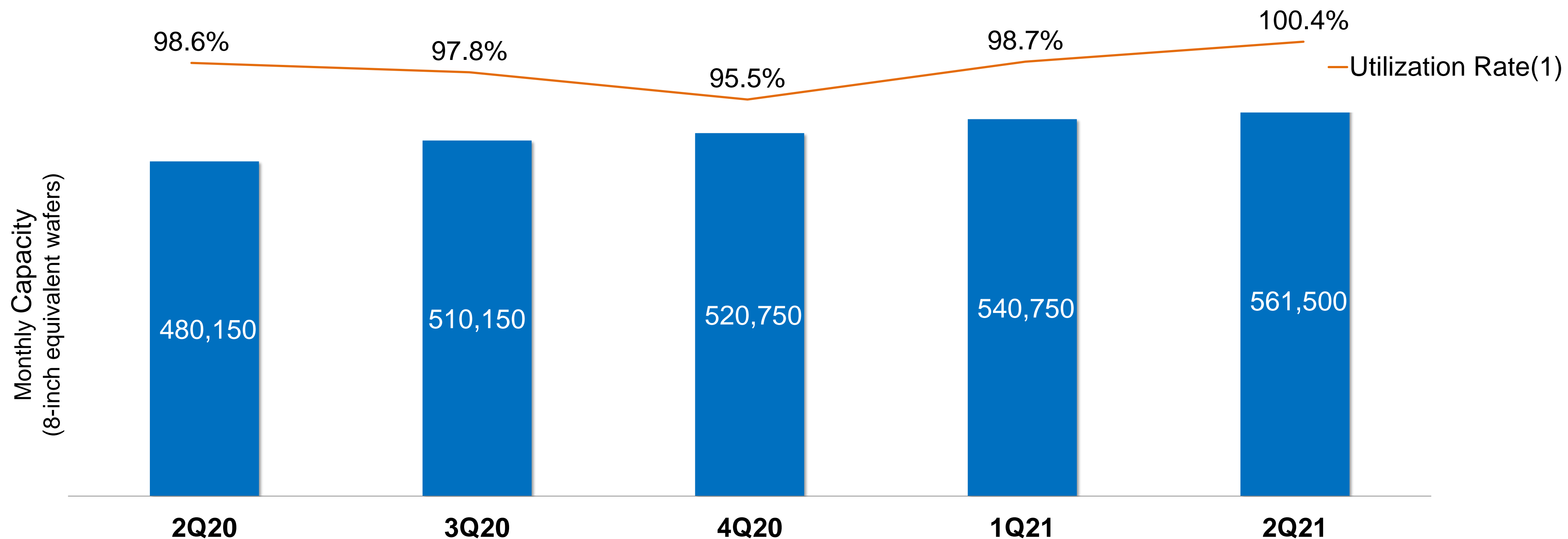
(1) Presenting the revenue to those companies whose headquarters are in the United States, but ultimately selling and shipping the products to their global customers.

(2) Excluding Chinese Mainland and Hong Kong, China.

Wafer Revenue Breakdown by Technology



Capacity, Utilization and Shipment



	2Q20	3Q20	4Q20	1Q21	2Q21
Wafer Shipments	1,435,591	1,440,531	1,415,788	1,558,893	1,745,194

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

3Q 2021 Guidance and 2021 Capex Guidance

	3Q 2021 Guidance	2021 Capex ⁽¹⁾
Revenue	+2% to +4% QoQ	\$4.3B
Gross Margin	32% to 34%	

(1)The planned 2021 capital expenditures are approximately \$4.3 billion, the majority of which is for mature technology capacity expansion, and the remaining is for advanced technology, the infrastructure of the new Beijing joint-venture project and others.

Appendix

2Q Results vs Guidance

	2Q 2021 Guidance	2Q 2021 Results
Revenue	+17% to +19% QoQ	+21.8% QoQ \$1,344 million
Gross Margin	25% to 27%	30.1%

Capital Expenditures & Depreciation



Thank You!

Contact us: ir@smics.com