



SMIC Q1 2022

Financial Presentation

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SMIC Investor Relations
May 2022

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

1Q22 Financial Highlights

Revenue was \$1,842 million

| | | | |
|---|-------|--------|-----|
| - | 1 . % | \$1, 0 | 1 |
| - | . % % | \$1,10 | 1 1 |

Gross margin was 40.7%

| | | |
|---|-----|-----|
| - | .0% | 1 |
| - | % | 1 1 |

Profit from operations was \$536 million

| | | |
|---|------|-----|
| - | \$ 0 | 1 |
| - | \$1 | 1 1 |

Profit attributable to SMIC was \$447 million

| | | |
|---|-----|-----|
| - | \$ | 1 |
| - | \$1 | 1 1 |

EBITDA was \$1,136 million

| | | |
|---|-------|-----|
| - | \$1,1 | 1 |
| - | \$ | 1 1 |

Income Statement

| (\$) | 1 |
|--------|---|
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- **Revenue** was \$1,841.9 million in 1Q22, an increase of 16.6% QoQ from \$1,580.1 million in 4Q21. The growth was primarily attributable to product-mix change, price adjustment and shipment increase in 1Q22.
- **Gross margin** was 40.7% in 1Q22, compared to 35.0% in 4Q21. The fluctuation was mainly due to product-mix change, price adjustment and shipment increase in 1Q22.
- The change in **Other operating income** was mainly due to the income recognized in relation to government funding of \$45.0 million in 1Q22, compared to \$126.1 million in 4Q21.

Capital Structure

| (US\$ thousands) | As of | |
|--------------------------------------------------------------------------------|-------------------|-------------------|
| | Mar 31, 2022 | Dec 31, 2021 |
| Cash and cash equivalent | 6,099,908 | 8,581,746 |
| Restricted cash - Current | 266,045 | 214,191 |
| Financial assets at fair value through profit or loss - Current ⁽¹⁾ | 322,975 | 78,184 |
| Financial assets at amortized cost ⁽²⁾ | 10,586,163 | 7,564,091 |
| Total cash on hand | 17,275,091 | 16,438,212 |
| Borrowings - Current | 798,489 | 789,316 |
| Borrowings - Non-current | 5,109,660 | 4,937,671 |
| Lease liabilities | 183,110 | 210,224 |
| Medium-term notes | - | 235,515 |
| Convertible bonds | 1,989 | 1,978 |
| Bonds payable | 597,839 | 597,663 |
| Total debt | 6,691,087 | 6,772,367 |
| Net debt ⁽³⁾ | (10,584,004) | (9,665,845) |
| Equity | 26,317,641 | 25,438,143 |
| Total debt to equity ratio ⁽⁴⁾ | 25.4% | 26.6% |
| Net debt to equity ratio ⁽⁵⁾ | -40.2% | -38.0% |

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

(3) Total debt minus total cash on hand.

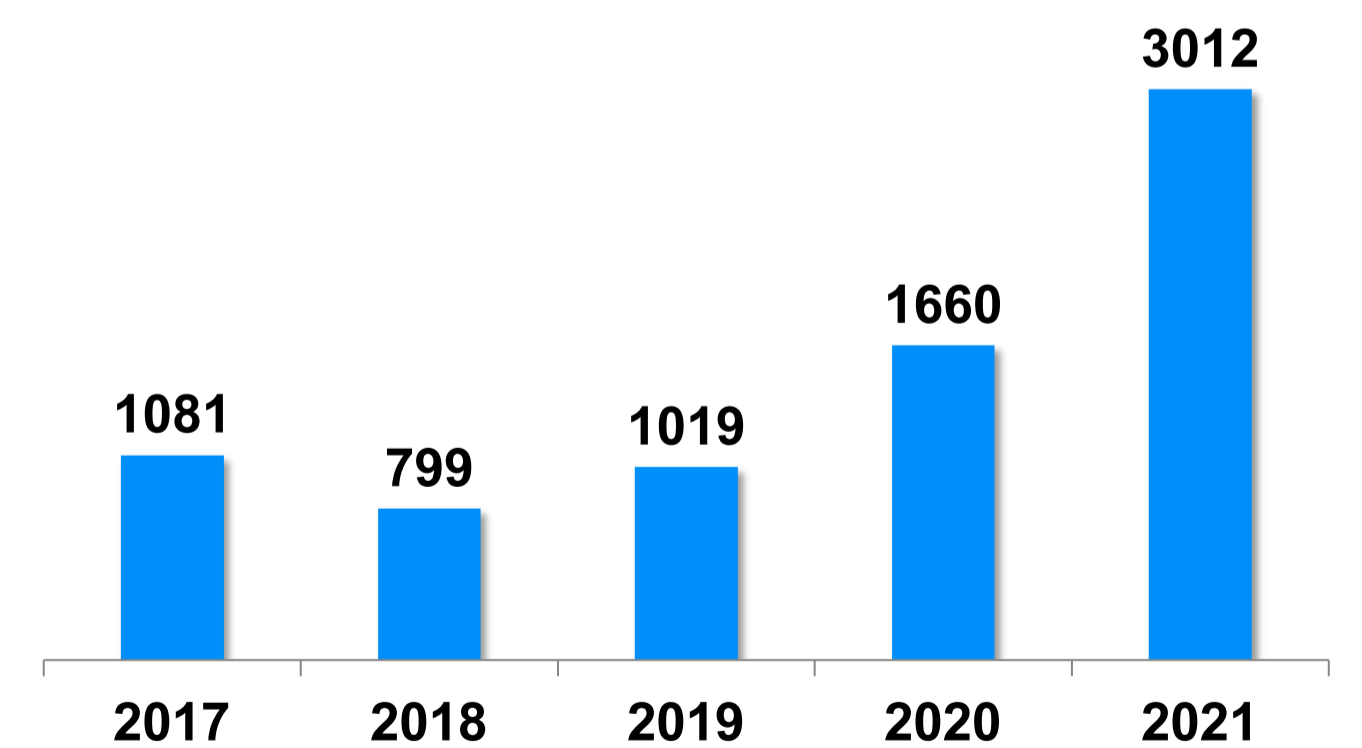
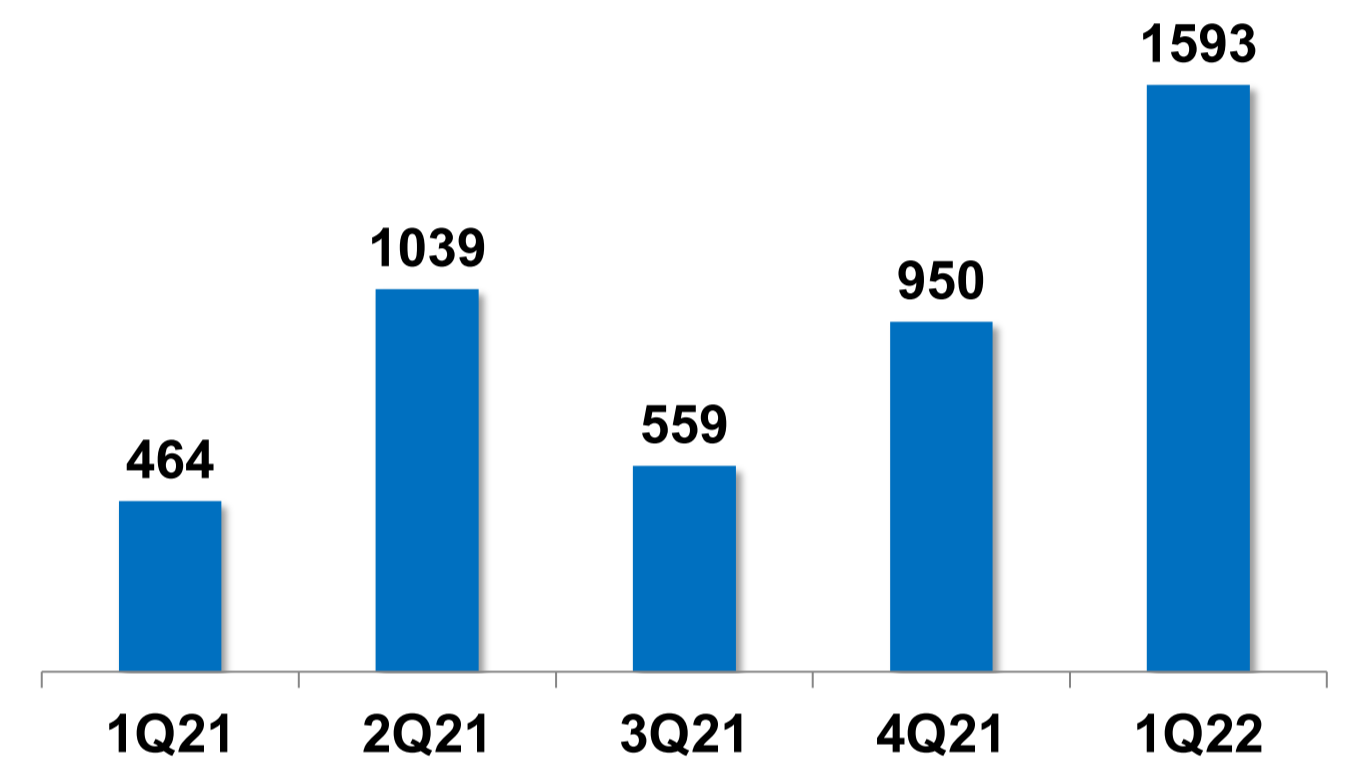
(4) Total debt divided by equity.

(5) Net debt divided by equity.

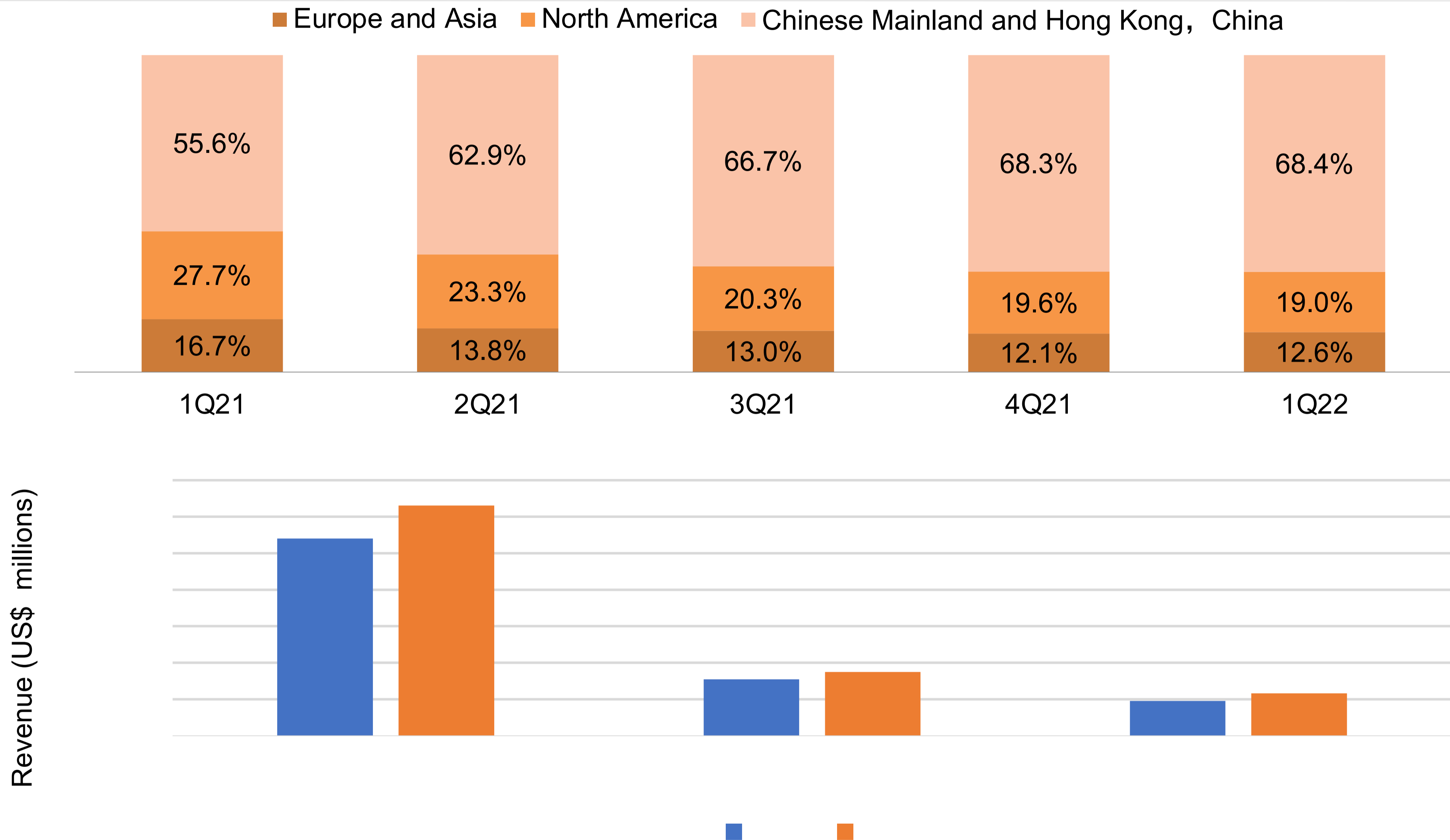
Cash Flow

| <i>(US\$ thousands)</i> | For the three months ended | |
|-----------------------------------------------|----------------------------|--------------|
| | Mar 31, 2022 | Dec 31, 2021 |
| Cash and cash equivalent, beginning of period | 8,581,746 | 7,503,520 |
| Net cash from operating activities | 1,592,970 | 949,558 |
| Net cash used in investing activities | (4,266,260) | (1,735,336) |
| Net cash from financing activities | 188,415 | 1,847,304 |
| Net change in cash and cash equivalent | (2,481,838) | 1,078,226 |
| Cash and cash equivalent, end of period | 6,099,908 | 8,581,746 |

Net cash from operating activities (US\$ millions)



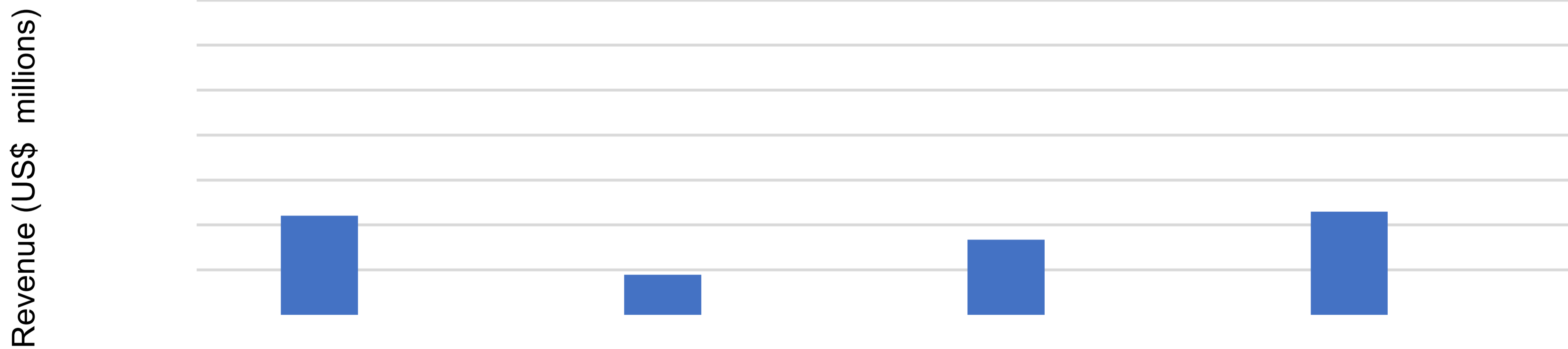
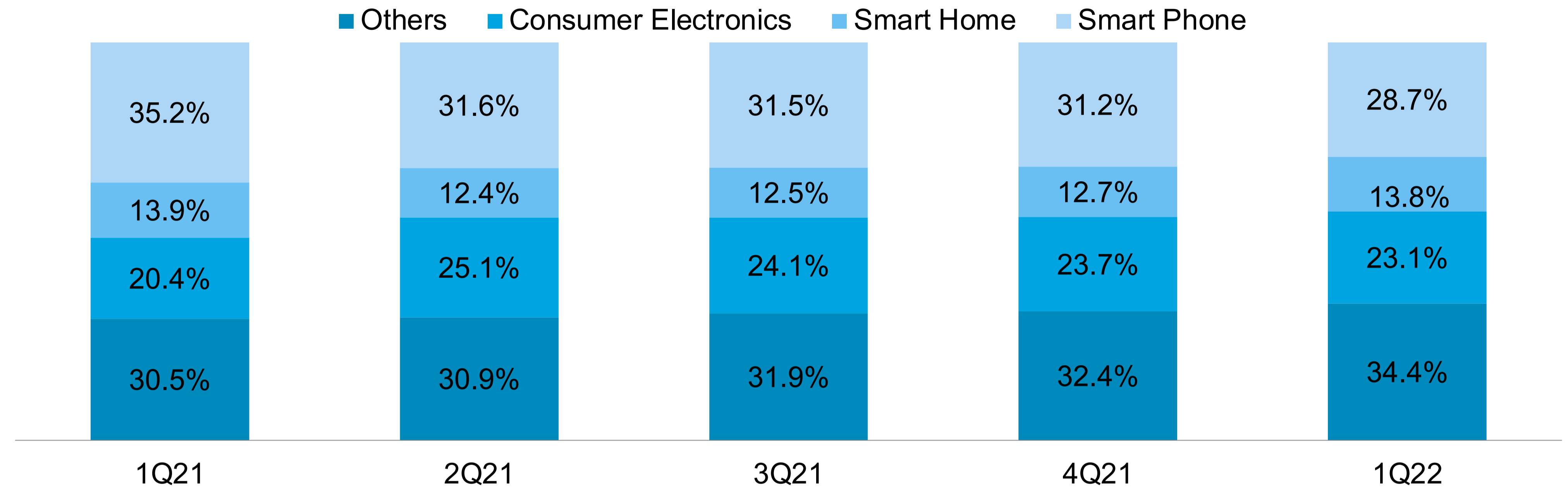
Total Revenue Breakdown by Geography⁽¹⁾



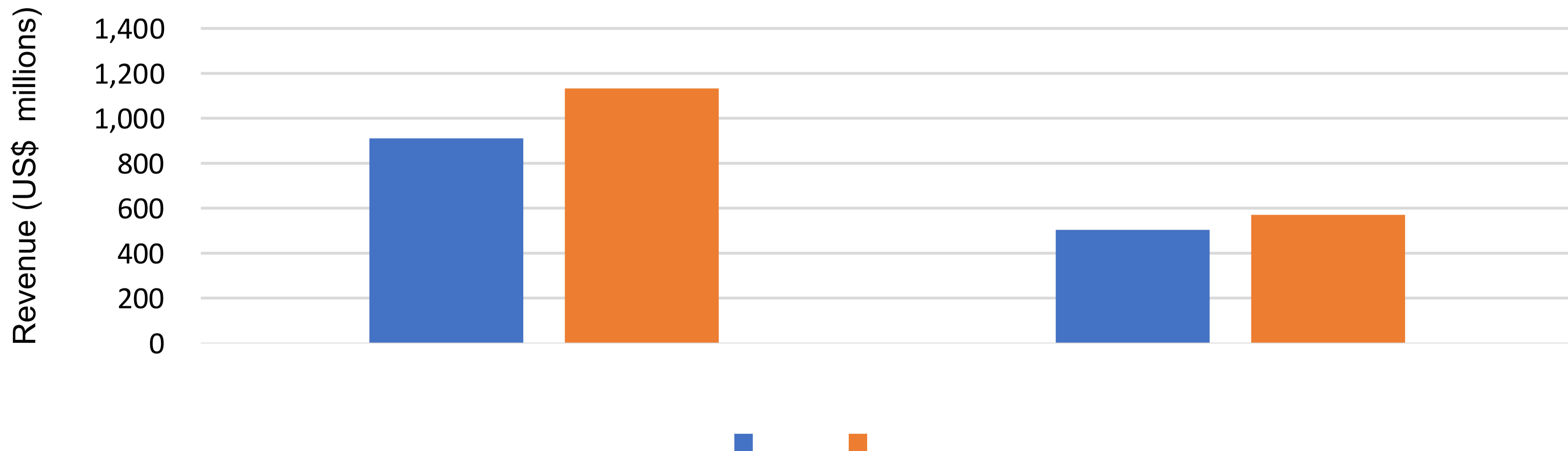
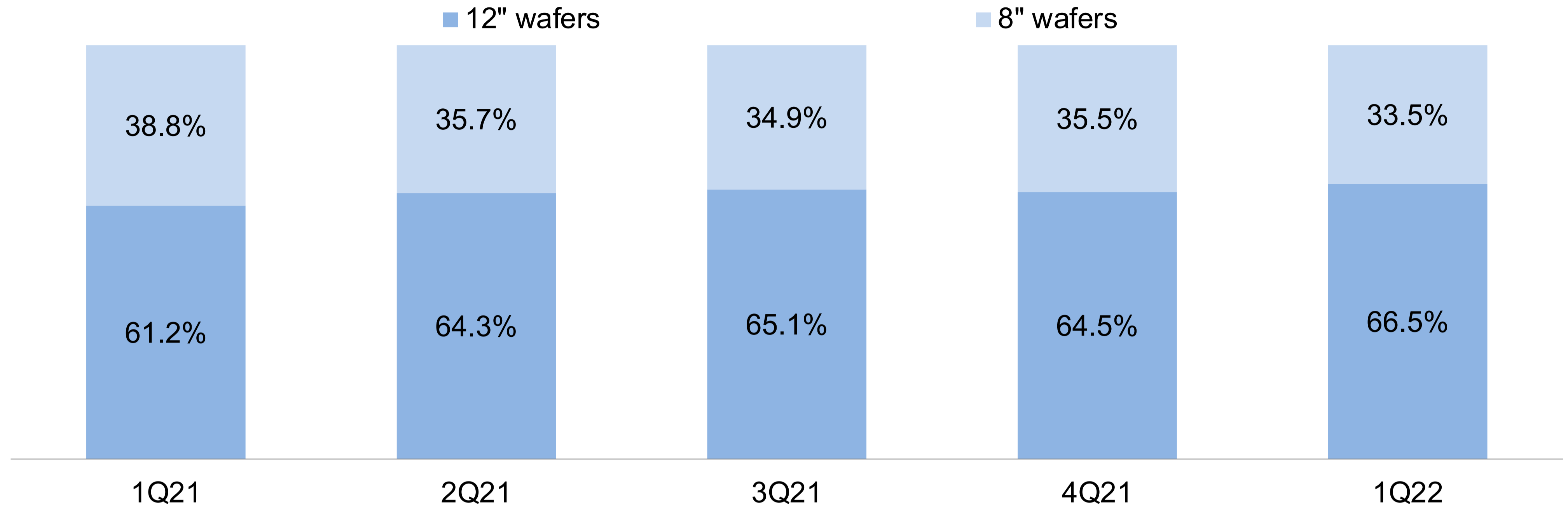
(1) Presenting the revenue to those companies whose headquarters are in this area, but ultimately selling and shipping the products to their global customers.

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

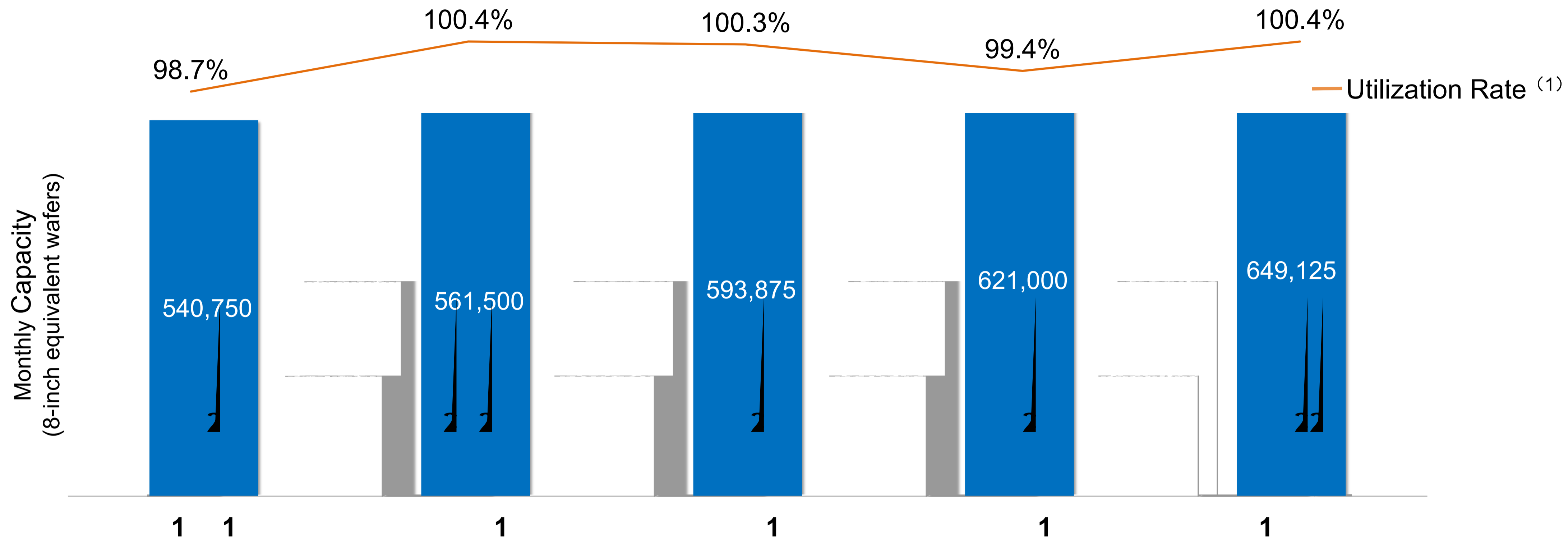
Wafer Revenue Breakdown by Application



Wafer Revenue By Size



Capacity, Utilization and Shipment



| | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Wafer Shipments | 1,558,893 | 1,745,194 | 1,719,743 | 1,723,360 | 1,840,189 |

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

2Q 2022 Guidance and 2022 Capex Guidance

| | | 2022 G ^B | 2022 C |
|--------------|--------------|---------------------|--------|
| ^B | | +1% | |
| | | +3% | |
| GB | ^B | 37% | \$5.0B |
| | ^B | 39% | |

Appendix

Capital Expenditures & Depreciation

| <i>(US\$ millions)</i> | | | 1 21 | 2 21 | 3 21 | 4 21 | 1 22 |
|------------------------|----------|----------|------|------|-------|-------|------|
| C | | | 534 | 771 | 1,081 | 2,130 | 869 |
| D | B | B | 420 | 462 | 480 | 508 | 534 |
| & | | | | | | | |
| A | B | B | | | | | |



Thank You!

Contact us: ir@smics.com