

SMIC Investor Presentation

SEHK : 00981

SSE STAR MARKET : 688981

OTCQX : SMICY

SMIC Investor Relations

February 2021

FORWARD-LOOKING STATEMENTS

This presentation contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements under “Quarterly Guidance 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 "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 Stock Exchange Limited (“SEHK”) and Shanghai Stock Exchange (“SSE”) 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 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-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 adjusted EBITDA. For an explanation to the most directly comparable IFRS financial measures, please see our earnings release accordingly.

The 2020 results in this presentation are unaudited.

**I.
SMIC
Introduction**

**II.
Market
Opportunity**

**III.
SMIC
Performance**

SMIC: LARGEST AND MOST ADVANCED IC FOUNDRY IN PRC

Established
in 2000



Listed on SEHK and
SSE STAR MARKET



#1
in PRC



#5
Globally



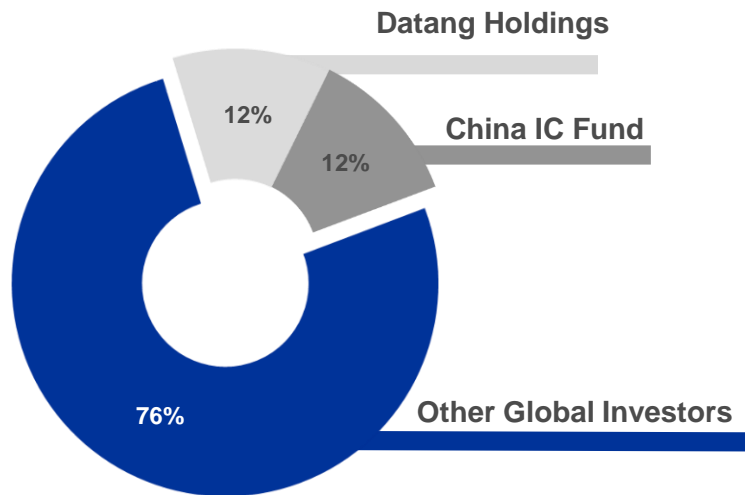
Annual Revenue US\$B
25 % growth
mid-to-high single
digit percentage
growth



2020

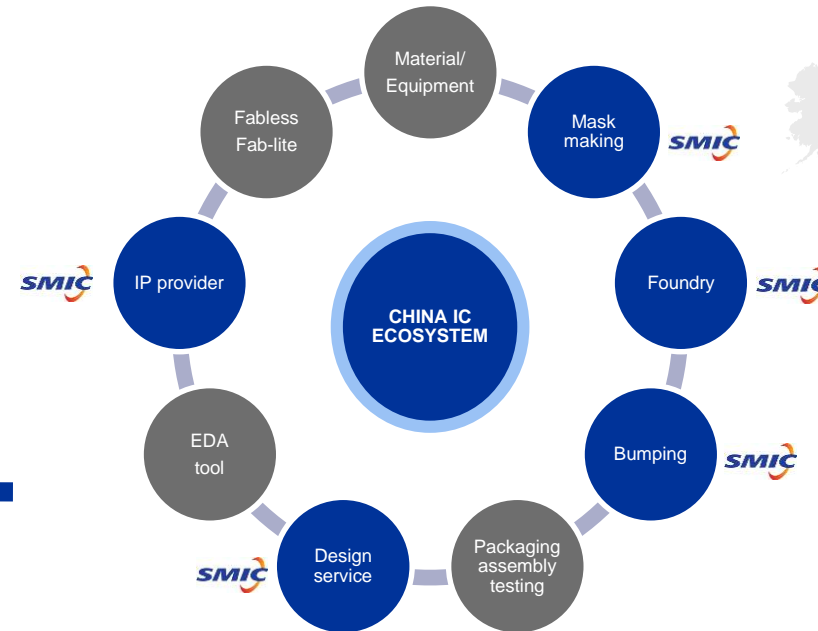
2021F

Shareholding Structure

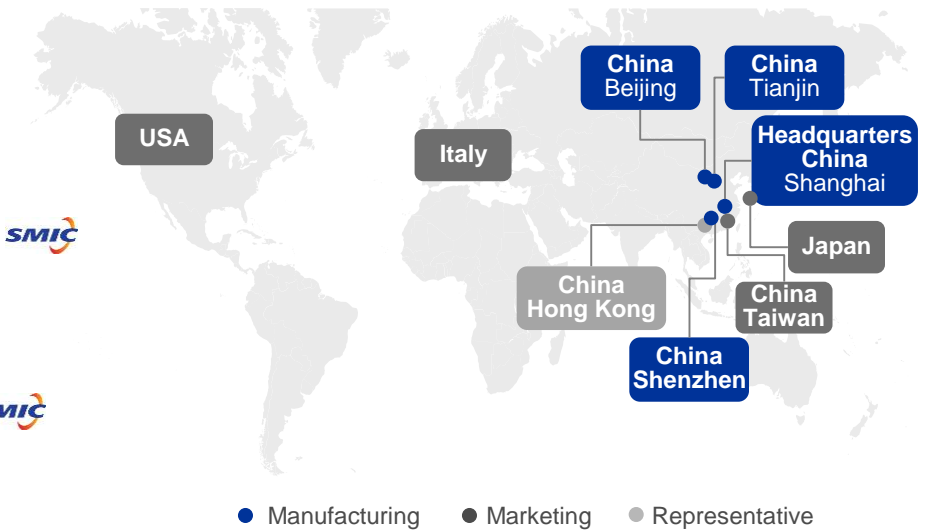


*As of December, 2020

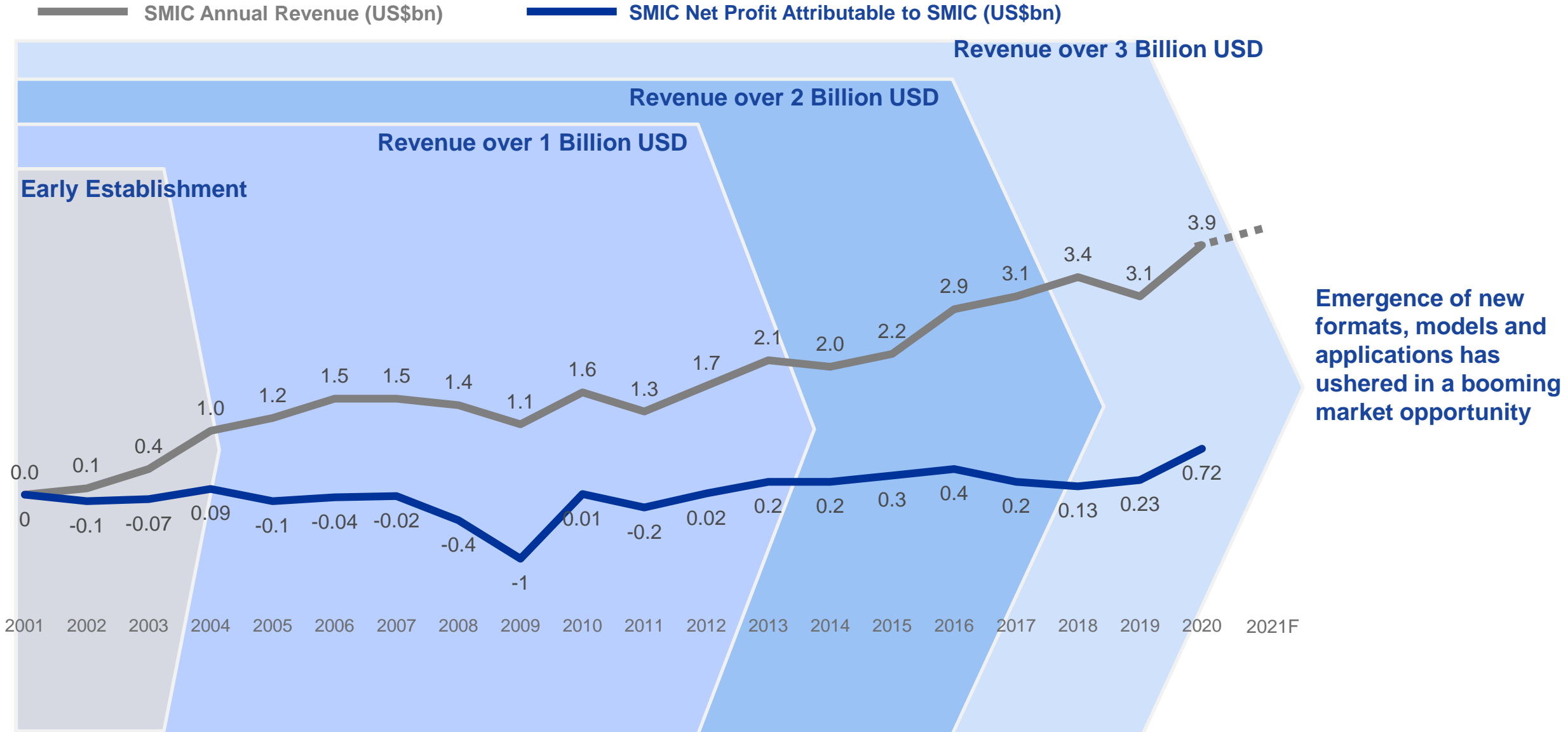
SMIC in China IC Ecosystem



Strong Global Presence



STEADY AND CONTINUOUS REVENUE GROWTH

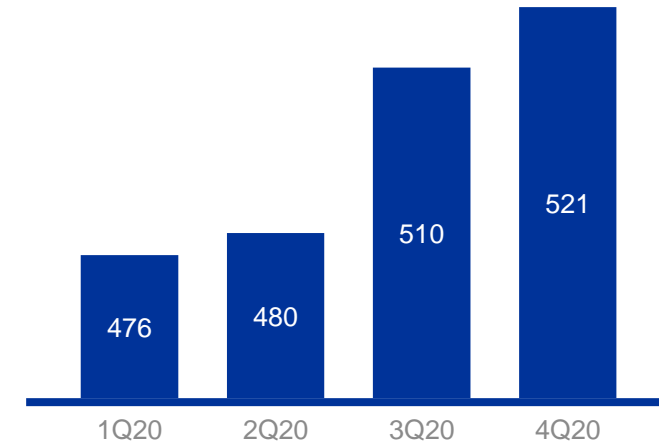


SMIC FAMILY OF IC MANUFACTURING

China-Based, Global Reach



Total Monthly Wafer Fabrication Capacity 521K 8" Equiv. 4Q20-end



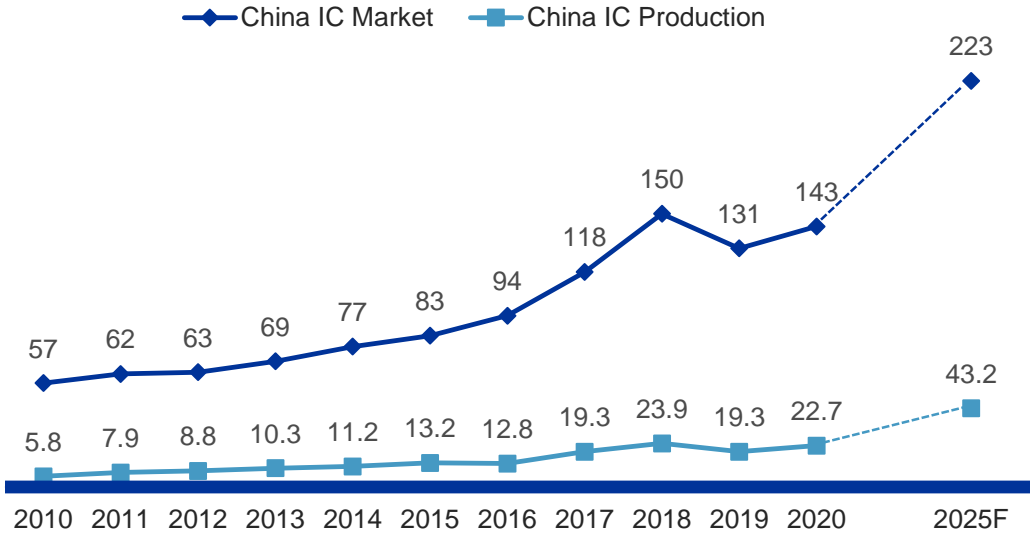
I.
SMIC
Introduction



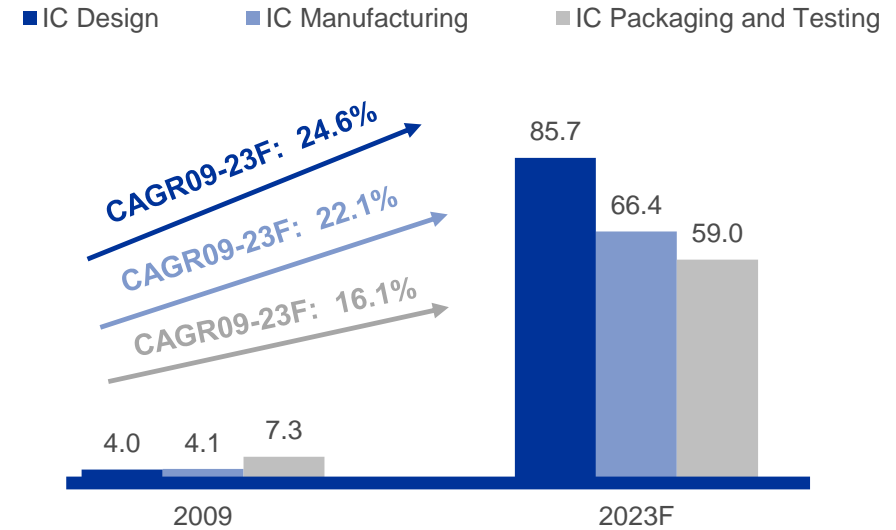
III.
SMIC
Performance

RAPID GROWTH OF THE CHINA IC MARKET

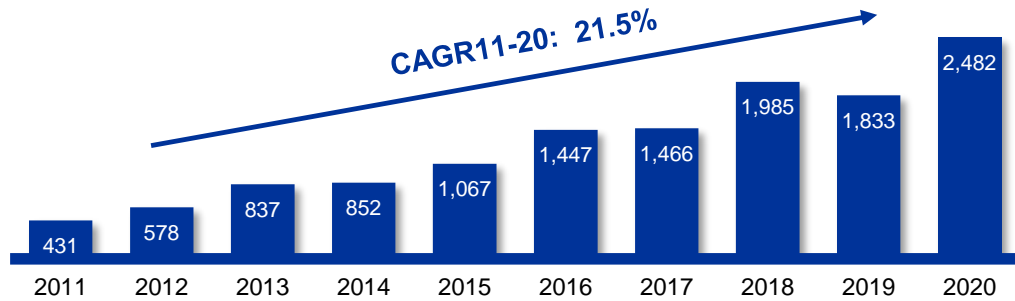
China IC Market vs. China IC Production Trends (US\$bn)



Chinese IC Industry Revenue Development (US\$bn)



SMIC's Rapid Revenue Growth from Local Clients* (US\$mn)



* incl. clients from Mainland China and Hong Kong

Local design

Local foundries

Local packaging

Companies pictured are examples of and are not limited to.

Source: SMIC analysis with 3rd party reference data, 4Q20

**I.
SMIC
Introduction**

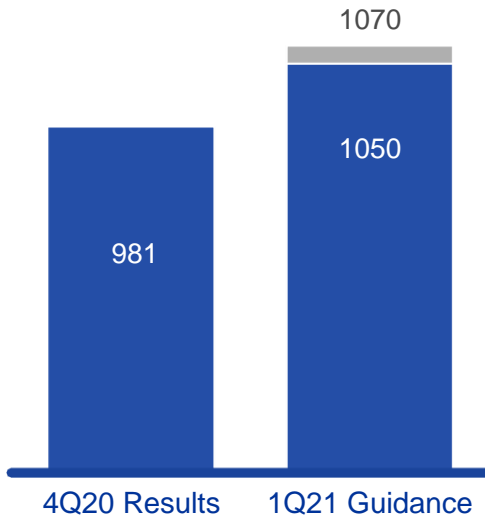
**II.
Market
Opportunity**

**III.
SMIC
Performance**

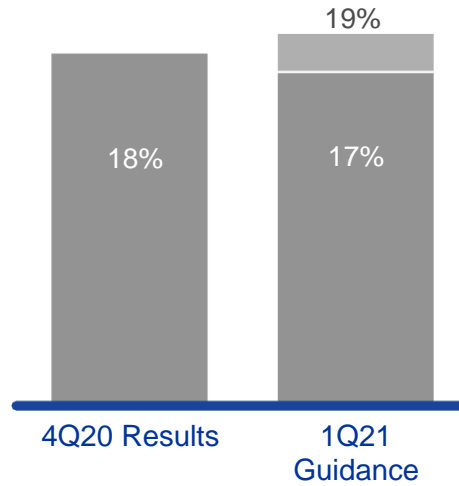
FINANCIAL SUMMARY AND INDEX



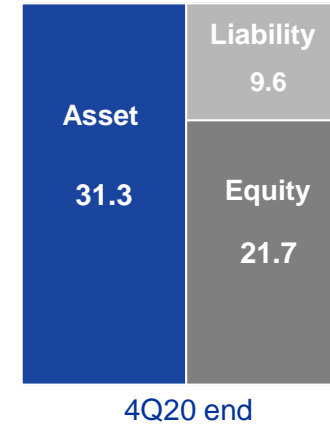
Revenue (US\$mm)



Gross Margin

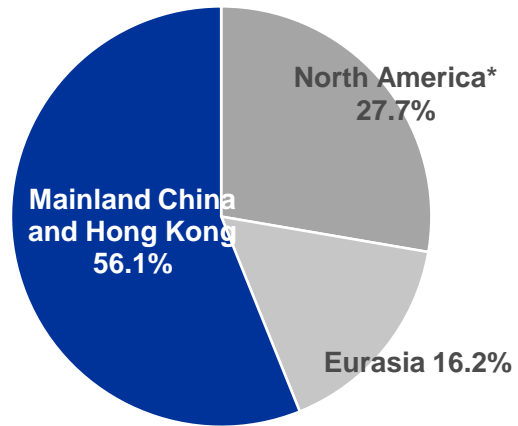


Balance Sheet (US\$bn)

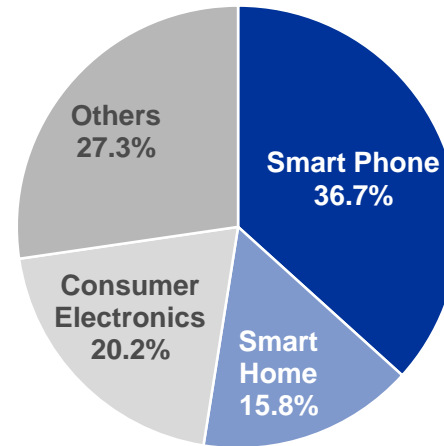


DIVERSIFIED REVENUE SOURCES: 4Q 2020

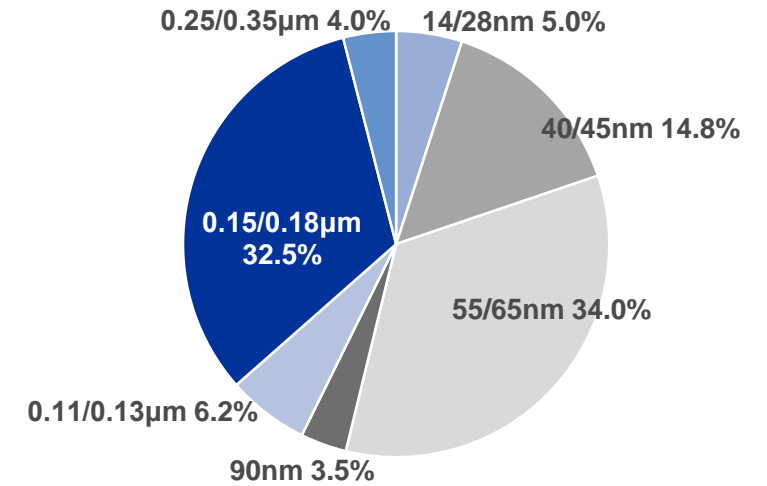
Revenue by Geography



Wafer Revenue by Application



Wafer Revenue by Technology

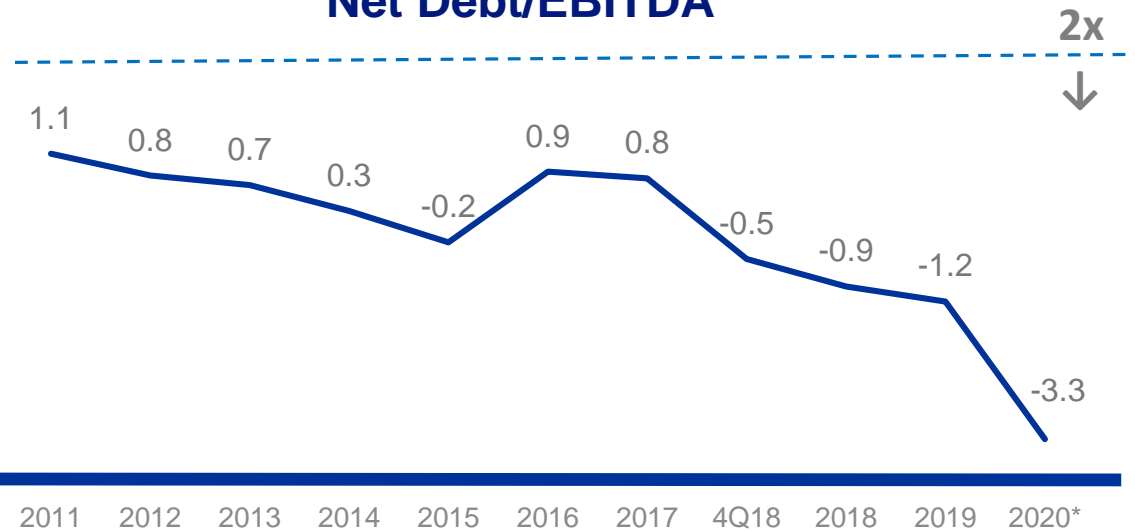


*Presenting the Revenue to those companies whose headquarters are in North America, but ultimately selling and shipping the products to their global customers

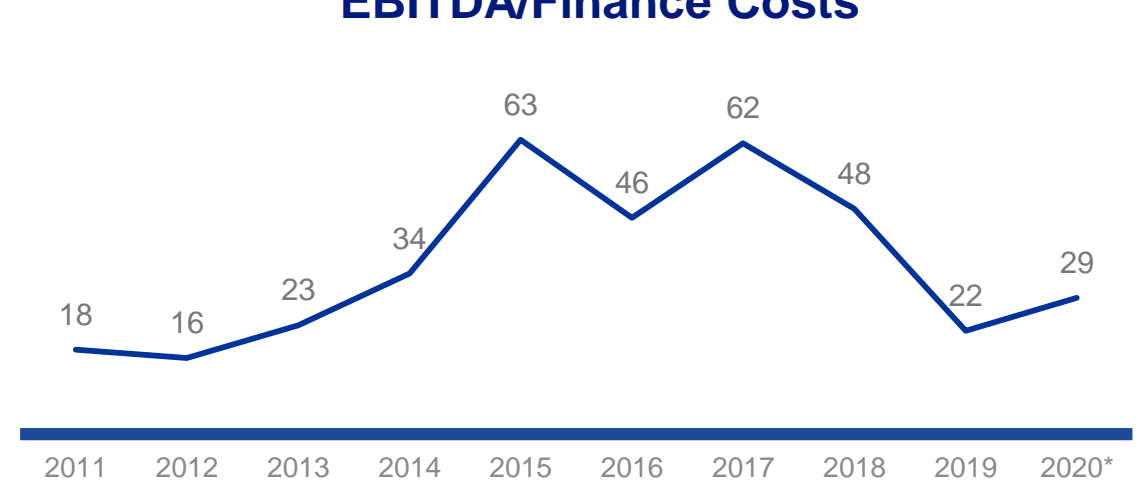
INVESTMENT GRADE CREDIT RATING

- ✓ S&P investment grade BBB- long-term corporate credit rating since Oct 2013
- ✓ Moody's investment grade Baa3 corporate credit rating since Oct 2015
- ✓ China Chengxin International Credit Rating Agency's triple A rating since Nov 2015
- ✓ Committed to Net Debt/EBITDA less than 2x to maintain rating

Net Debt/EBITDA



EBITDA/Finance Costs



* 2020 Net Debt definition has been updated, please reference to 2020Q4 Earning Release

Thank You

Contact us: ir@smics.com