



SMIC Q1 2025

Financial Presentation

May 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 “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “target”, “going forward”, “continue”, “ought to”, “may”, “seek”, “should”, “plan”, “could”, “vision”, “goal”, “aim”, “aspire”, “objective”, “schedule”, “outlook” 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 cyclicity 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.

1Q25 Financial Highlights (unaudited)

- **Revenue was \$2,247 million**
 - Up 1.8% QoQ from \$2,207 million in 4Q24
 - Up 28.4% YoY from \$1,750 million in 1Q24

- **Gross margin was 22.5%**
 - Compared to 22.6% in 4Q24
 - Compared to 13.7% in 1Q24

- **Profit from operations was \$310 million**
 - Compared to \$214 million in 4Q24
 - Compared to \$2 million in 1Q24

- **Profit attributable to SMIC was \$188 million**
 - Compared to \$108 million in 4Q24
 - Compared to \$72 million in 1Q24

- **EBITDA was \$1,292 million**
 - Compared to \$1,280 million in 4Q24
 - Compared to \$887 million in 1Q24

Income Statement

(US\$ thousands)	1Q25	4Q24	QoQ	1Q24	YoY
Revenue	2,247,201	2,207,281	1.8%	1,750,176	28.4%
Gross profit	505,868	499,011	1.4%	239,704	111.0%
Gross margin	22.5%	22.6%		13.7%	
Operating income(expenses)	(196,297)	(284,544)	-31.0%	(237,298)	-17.3%
<i>Research & Development</i>	<i>(148,899)</i>	<i>(217,035)</i>	<i>-31.4%</i>	<i>(188,110)</i>	<i>-20.8%</i>
<i>General & Administrative</i>	<i>(149,318)</i>	<i>(166,851)</i>	<i>-10.5%</i>	<i>(116,378)</i>	<i>28.3%</i>
<i>Selling & Marketing</i>	<i>(11,362)</i>	<i>(11,466)</i>	<i>-0.9%</i>	<i>(9,043)</i>	<i>25.6%</i>
<i>Other operating income</i>	<i>113,527</i>	<i>110,306</i>	<i>2.9%</i>	<i>77,247</i>	<i>47.0%</i>
Profit from operations	309,571	214,467	44.3%	2,406	12,766.6%
Other income, net	39,705	140,791	-71.8%	72,007	-44.9%
Income tax credit (expense)	(25,854)	(84,312)	-69.3%	(10,898)	137.2%
Profit (loss) attributable to SMIC	188,035	107,587	74.8%	71,792	161.9%
Profit (loss) attributable to Non-controlling interests	135,387	163,359	-17.1%	(8,277)	N/A

- **Research and development expenses** decreased to \$148.9 million in 1Q25 from \$217.0 million in 4Q24. The change was mainly due to the lower level of R&D activities in 1Q25.
- **General and administrative expenses** decreased to \$149.3 million in 1Q25 from \$166.9 million in 4Q24. The change was mainly due to the increase in accrued employee bonus and the tax on the disposal of an associate in 4Q24, which did not occur in 1Q25.

Capital Structure

(US\$ thousands)	As of	
	Mar 31, 2025	Dec 31, 2024
Cash and cash equivalents	4,587,349	6,364,189
Restricted cash	375,807	372,514
Financial assets at fair value through profit or loss - current ⁽¹⁾	113,928	272,257
Financial assets at amortised cost ⁽²⁾	7,625,386	7,954,060
Total cash on hand	12,702,470	14,963,020
Borrowings - current	3,270,702	2,926,311
Borrowings - non-current	7,966,390	8,038,148
Lease liabilities	18,154	26,280
Bonds payable	-	605,258
Total debt	11,255,246	11,595,997
Net debt ⁽³⁾	(1,447,224)	(3,367,023)
Equity	32,226,482	31,869,658
Debt to equity ratio ⁽⁴⁾	34.9%	36.4%
Net debt to equity ratio ⁽⁵⁾	-4.5%	-10.6%

(1) Mainly contain structural deposits and monetary funds.

(2) Mainly contain bank deposits over 3 months.

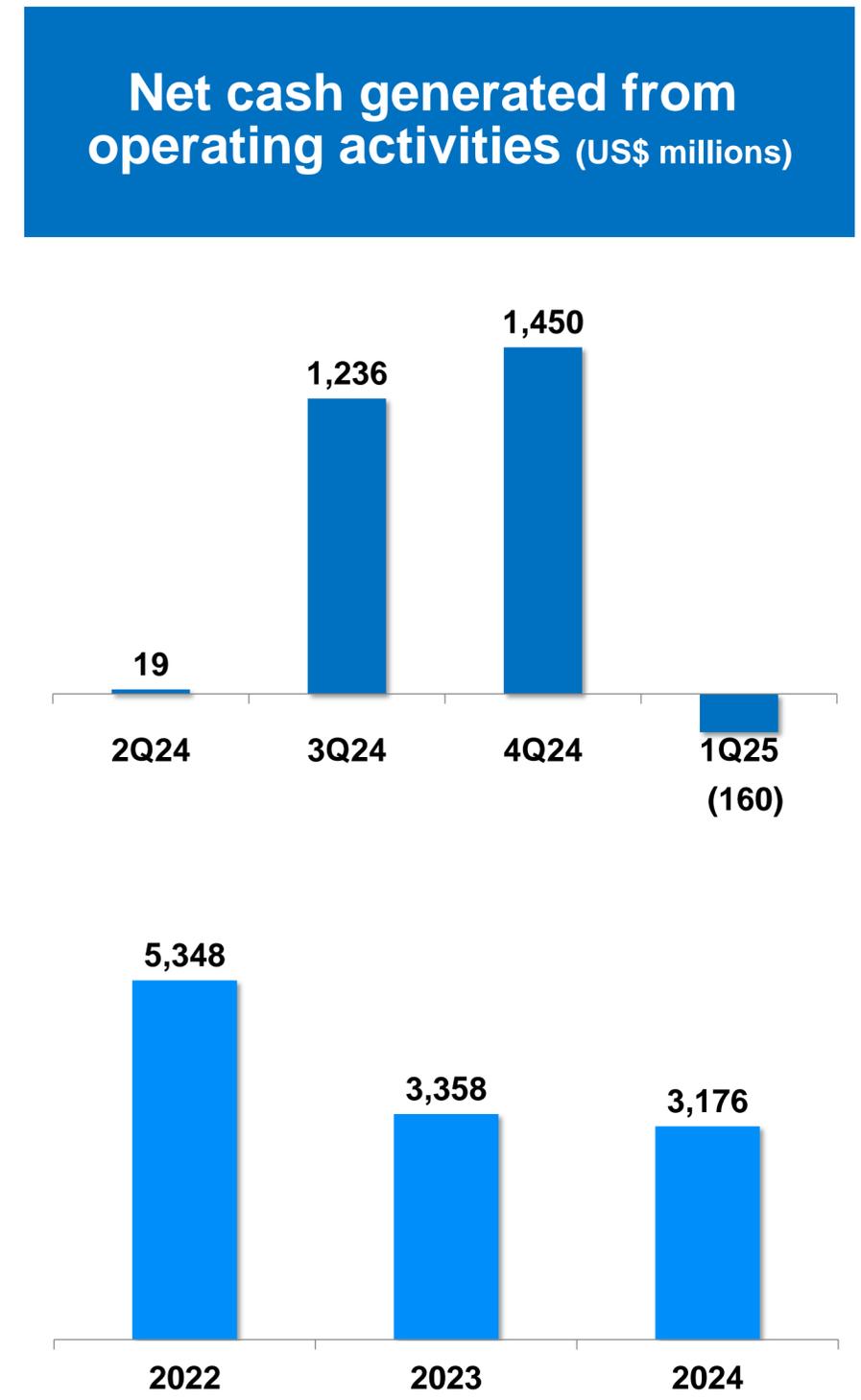
(3) Total debt minus total cash on hand.

(4) Total debt divided by equity.

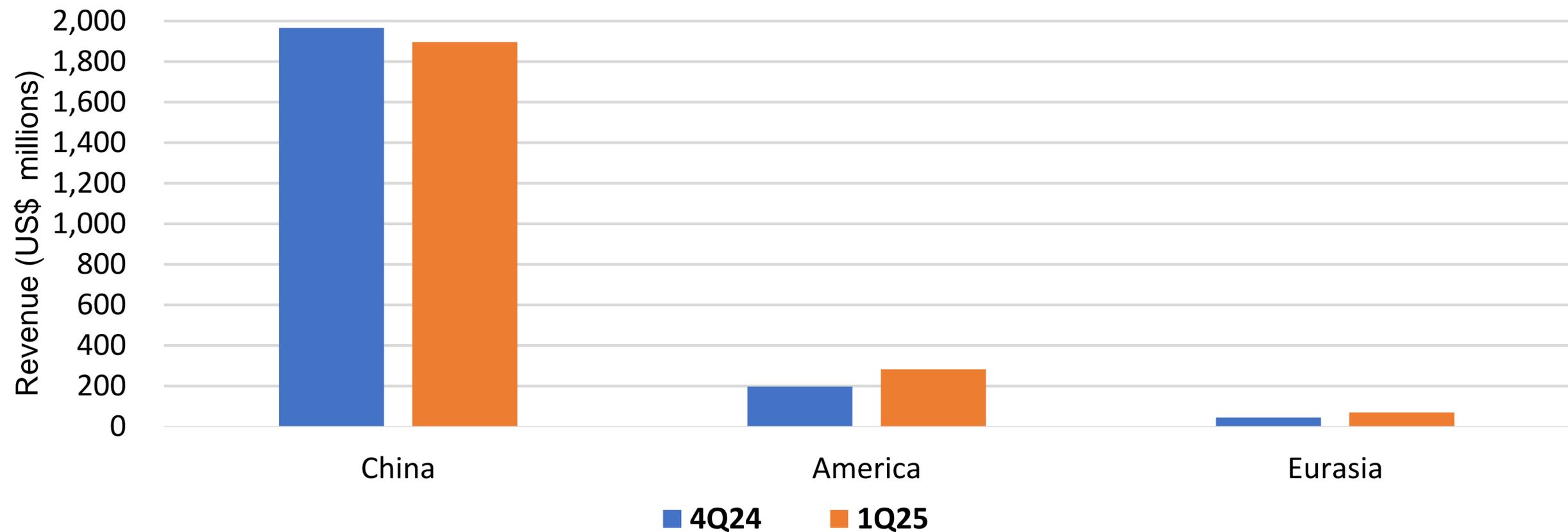
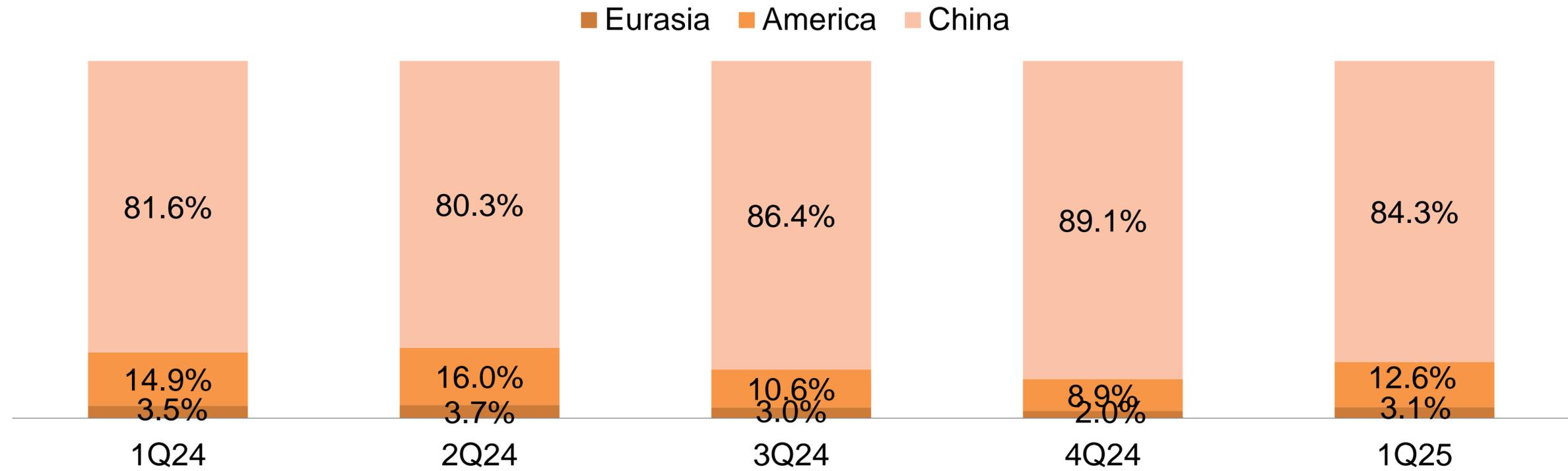
(5) Net debt divided by equity.

Cash Flow

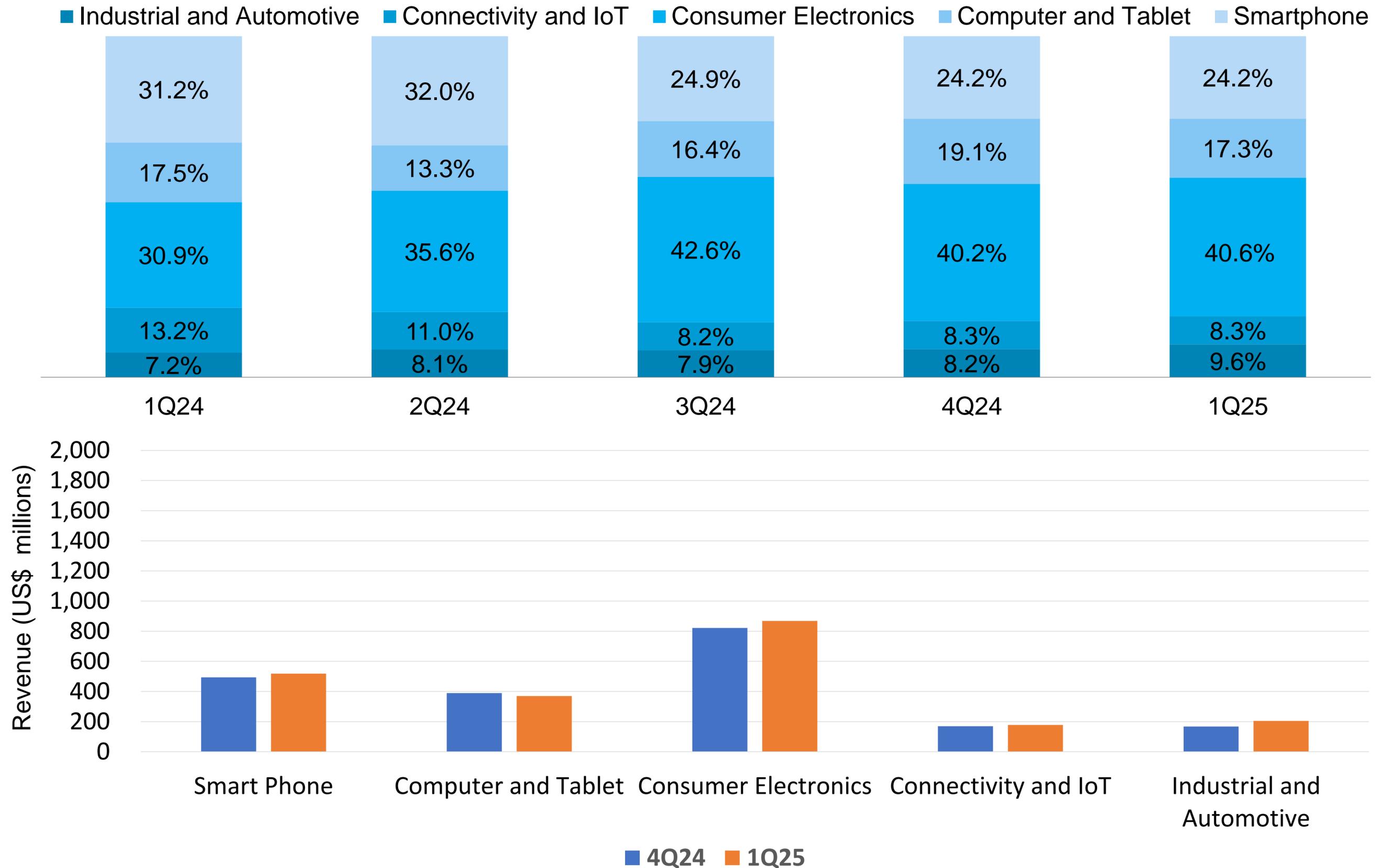
(US\$ thousands)	For the three months ended	
	Mar 31, 2025	Dec 31, 2024
Cash and cash equivalents, beginning of the period	6,364,189	3,651,385
Net cash (used in)/generated from operating activities	(160,415)	1,449,842
Net cash used in investing activities	(1,327,526)	(207,300)
Net cash (used in)/generated from financing activities	(353,914)	1,614,792
Net (decrease)/increase in cash and cash equivalents	(1,776,840)	2,712,804
Cash and cash equivalents, end of the period	4,587,349	6,364,189



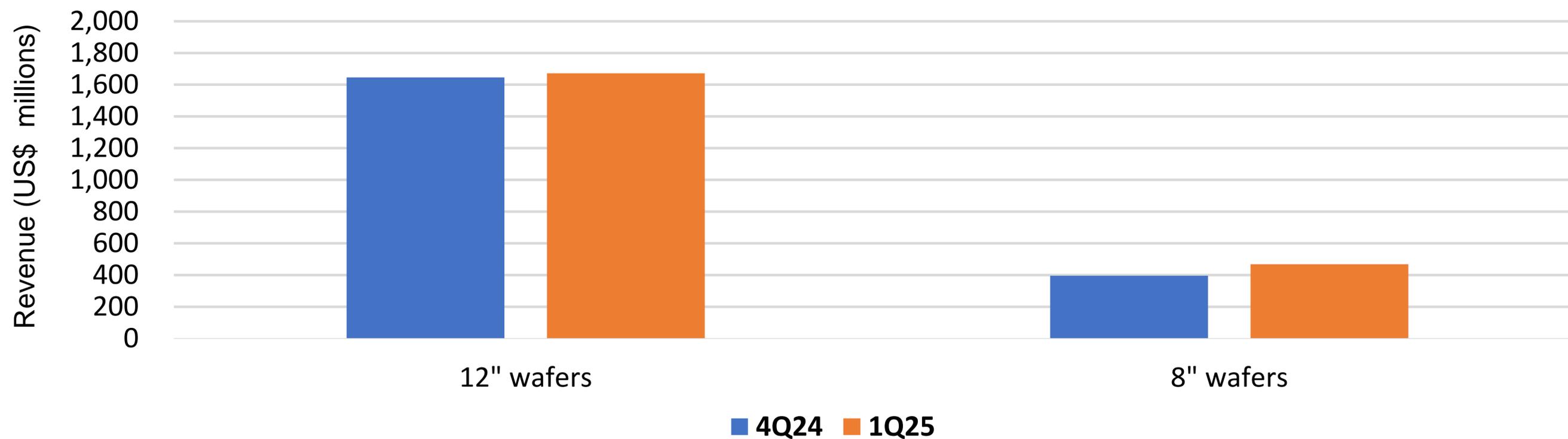
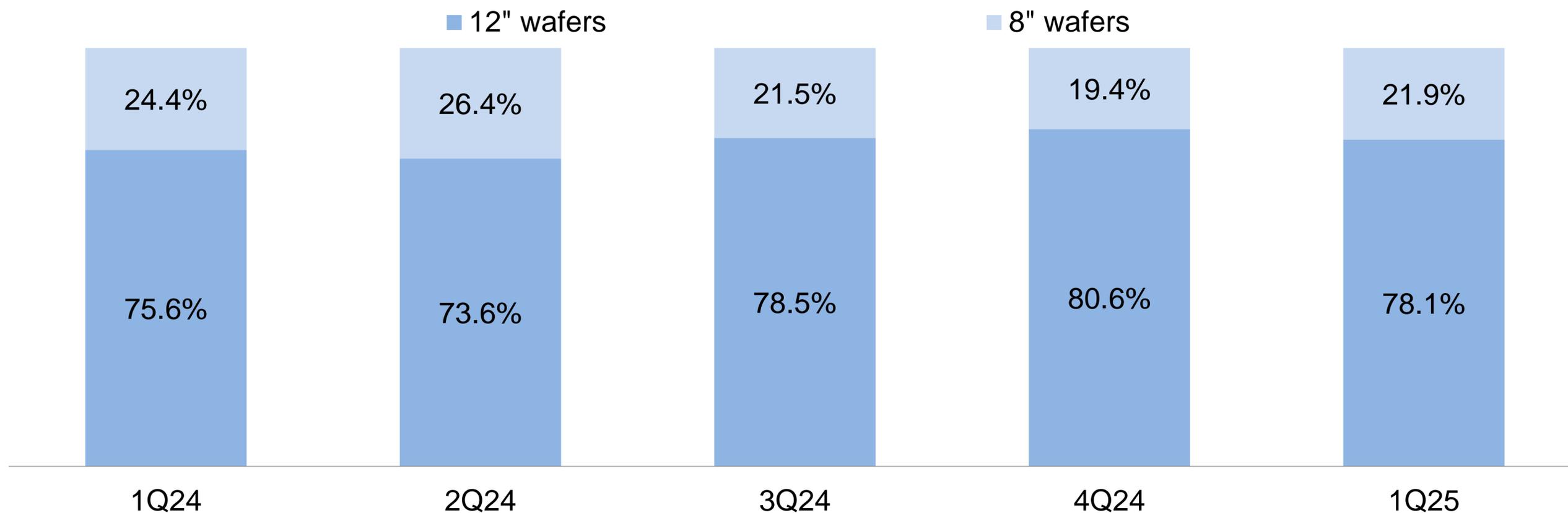
Total Revenue By Geography



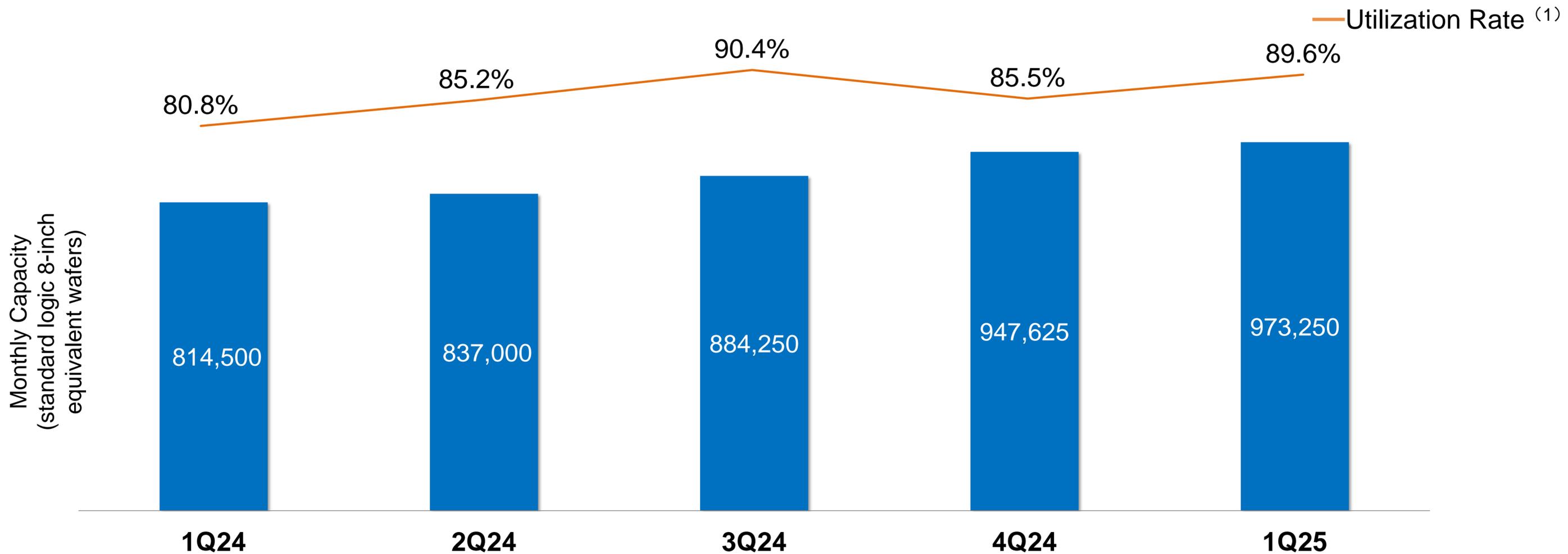
Wafer Revenue By Application



Wafer Revenue By Size



Capacity, Utilization and Shipment



	1Q24	2Q24	3Q24	4Q24	1Q25
Wafer Shipments (standard logic 8-inch equivalent wafers)	1,794,891	2,111,880	2,122,266	1,991,761	2,292,153

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

2Q 2025 Guidance

2Q 2025 Guidance	
Revenue	-4% to -6% QoQ
Gross Margin	18% to 20%

Appendix

1Q 2025 Results and Guidance

	1Q 2025 Guidance	1Q 2025 Results
Revenue	+6% to +8% QoQ	+1.8% QoQ
Gross Margin	19% to 21%	22.5%

Capital Expenditure & Depreciation and amortisation

(US\$ millions)	1Q24	2Q24	3Q24	4Q24	1Q25
Capital Expenditure	2,235	2,252	1,179	1,660	1,416
Depreciation and amortisation	746	797	831	849	866

Thank You!

Contact us: ir@smics.com