



## **TSMC Reports Third Quarter EPS of NT\$3.90**

Hsinchu, Taiwan, R.O.C., October 17, 2019 -- TSMC today announced consolidated revenue of NT\$293.05 billion, net income of NT\$101.07 billion, and diluted earnings per share of NT\$3.90 (US\$0.62 per ADR unit) for the third quarter ended September 30, 2019.

Year-over-year, third quarter revenue increased 12.6% while net income and diluted EPS both increased 13.5%. Compared to second quarter 2019, third quarter results represented a 21.6% increase in revenue and a 51.4% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, third quarter revenue was \$9.40 billion, which increased 10.7% year-over-year and increased 21.3% from the previous quarter.

Gross margin for the quarter was 47.6%, operating margin was 36.8%, and net profit margin was 34.5%.

In the third quarter, shipments of 7-nanometer accounted for 27% of total wafer revenue and 10-nanometer process technology contributed 2% while 16-nanometer accounted for 22%. Advanced technologies, defined as 16-nanometer and more advanced technologies, accounted for 51% of total wafer revenue.

“Our third quarter business benefited from new product launches both in premium smartphones and high performance computing applications using TSMC’s industry-leading 7-nanometer technology,” said Wendell Huang, VP and Chief Financial Officer of TSMC. “We expect the strength of demand for our 7-nanometer technology will continue, driven by high-end smartphones, initial 5G deployment and HPC-related applications. Based on our current business outlook, management expects the overall performance for fourth quarter 2019 to be as follows”:

- Revenue is expected to be between US\$10.2 billion and US\$10.3 billion;  
And, based on the exchange rate assumption of 1 US dollar to 30.6 NT dollars,
- Gross profit margin is expected to be between 48% and 50%;
- Operating profit margin is expected to be between 37% and 39%.

The management further expects the 2019 capital budget to be between US\$14 billion and US\$15 billion.

## **Profile**

TSMC pioneered the pure-play foundry business model when it was founded in 1987, and has been the world's largest dedicated semiconductor foundry ever since. The company supports a thriving ecosystem of global customers and partners with the industry's leading process technology and portfolio of design enablement solutions to unleash innovation for the global semiconductor industry.

TSMC serves its customers with global capacity of more than 12 million 12-inch equivalent wafers per year in 2019, and provides the broadest range of technologies from 2 micron all the way to foundry's most advanced processes, which is 7-nanometer today. TSMC is the first foundry to provide 7-nanometer production capabilities and the first to commercialize Extreme Ultraviolet (EUV) lithography technology in delivering customer products to market in high volume. TSMC is headquartered in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

### **(Management Report and Tables Follow)**

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#### ***Safe Harbor Notice:***

The statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. TSMC cautions readers that forward-looking statements are subject to significant risks and uncertainties and are based on TSMC's current expectations. Actual results may differ materially from those contained in such forward-looking statements for a variety of reasons including, among others, risks associated with cyclical market conditions in the semiconductor industry; demand and supply for TSMC's foundry manufacturing capacity in particular and for foundry manufacturing capacity in general; intense competition; the failure of one or more significant customers to continue to place the same level of orders with us; TSMC's ability to remain a technological leader in the semiconductor industry; TSMC's ability to manage its capacity; TSMC's ability to obtain, preserve and defend its intellectual property rights; natural disasters and other unexpected events which may disrupt production; and exchange rate fluctuations. Additional information as to these and other risk factors that may cause TSMC's actual results to differ materially from TSMC's forward-looking statements may be found in TSMC's Annual Report on Form 20-F, filed with the United States Securities and Exchange Commission (the "SEC") on April 17, 2019, and such other documents as TSMC may file with, or submit to, the SEC from time to time. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.