



Unleash Innovation

2021 First Quarter Earnings Conference

April 15, 2021

Agenda

- **Welcome**
- **1Q21 Financial Results and 2Q21 Outlook**
- **Key Messages**

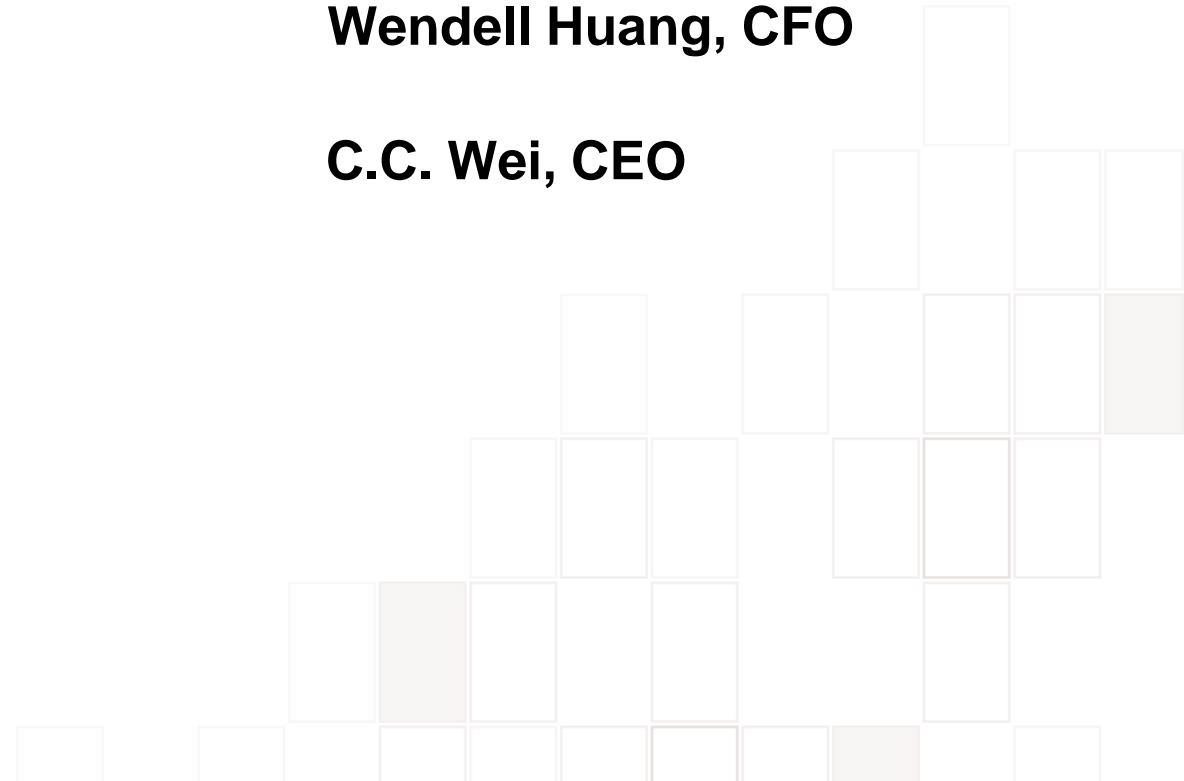
- **Q&A**

Jeff Su, IR Director

Wendell Huang, CFO

Wendell Huang, CFO

C.C. Wei, CEO



Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results to vary can be found in TSMC's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 15, 2020 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.

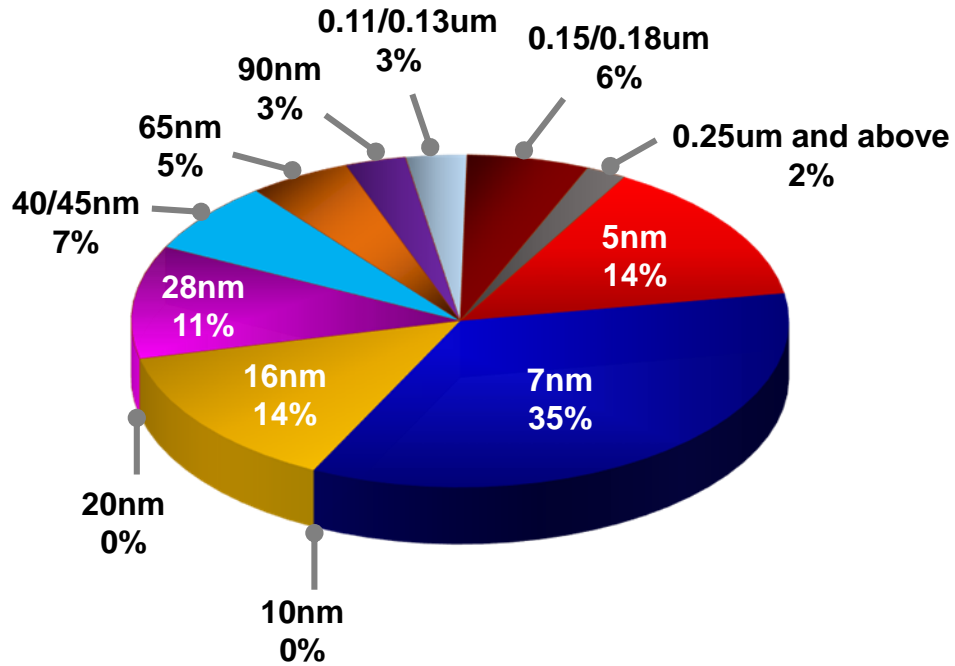
Statements of Comprehensive Income

	1Q21	1Q21 Guidance	4Q20	1Q20	1Q21 Over 4Q20	1Q21 Over 1Q20
<i>(In NT\$ billions unless otherwise noted)</i>						
Net Revenue (US\$ billions)	12.92	12.7-13.0	12.68	10.31	+1.9%	+25.4%
Net Revenue	362.41		361.53	310.60	+0.2%	+16.7%
Gross Margin	52.4%	50.5% - 52.5%	54.0%	51.8%	-1.6 pts	+0.6 ppt
Operating Expenses	(39.11)		(38.32)	(32.33)	+2.1%	+21.0%
Operating Margin	41.5%	39.5% - 41.5%	43.5%	41.4%	-2.0 pts	+0.1 ppt
Non-Operating Items	4.52		3.99	3.63	+13.5%	+24.9%
Net Income to Shareholders of the Parent Company	139.69		142.77	116.99	-2.2%	+19.4%
Net Profit Margin	38.6%		39.5%	37.7%	-0.9 ppt	+0.9 ppt
EPS (NT Dollar)	5.39		5.51	4.51	-2.2%	+19.4%
ROE	29.5%		31.4%	28.4%	-1.9 pts	+1.1 pts
Shipment (Kpcs, 12"-equiv. Wafer)	3,359		3,246	2,925	+3.5%	+14.8%
Average Exchange Rate--USD/NTD	28.05	27.95	28.52	30.14	-1.6%	-6.9%

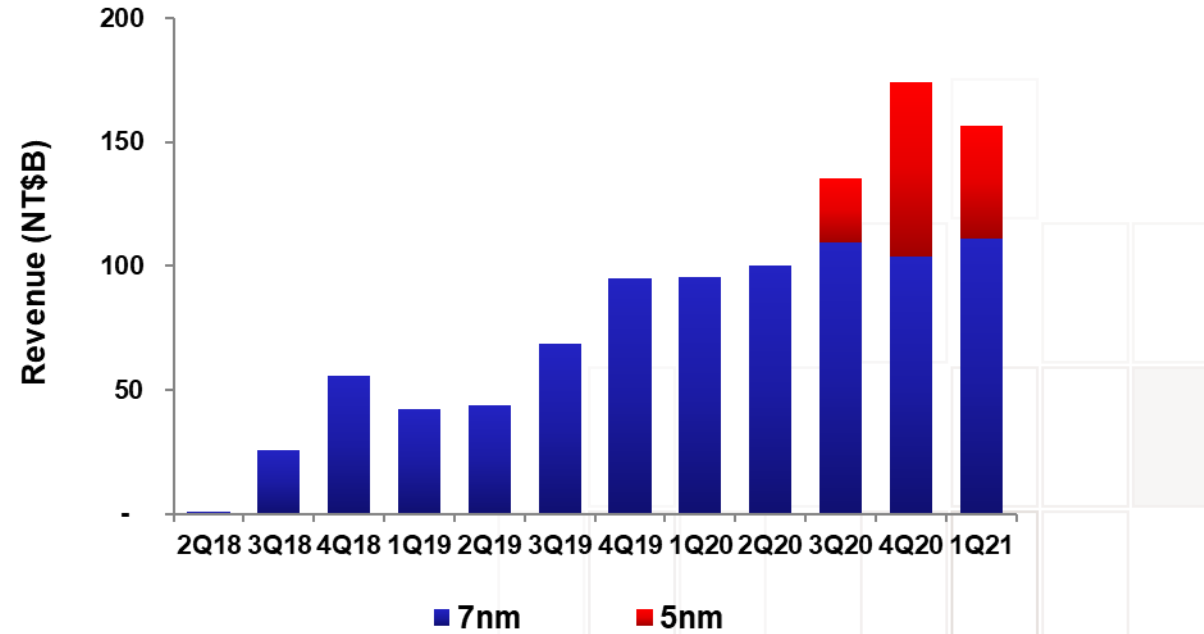
* Diluted weighted average outstanding shares were 25,930mn units in 1Q21.

** ROE figures are annualized based on average equity attributable to shareholders of the parent company.

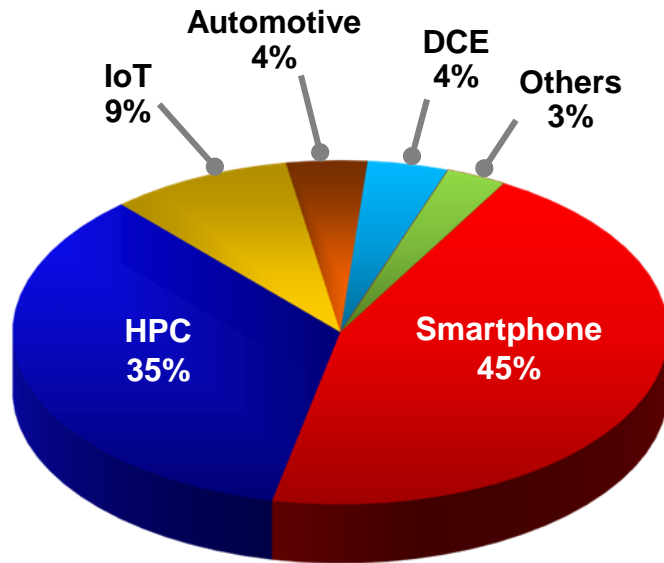
1Q21 Revenue by Technology



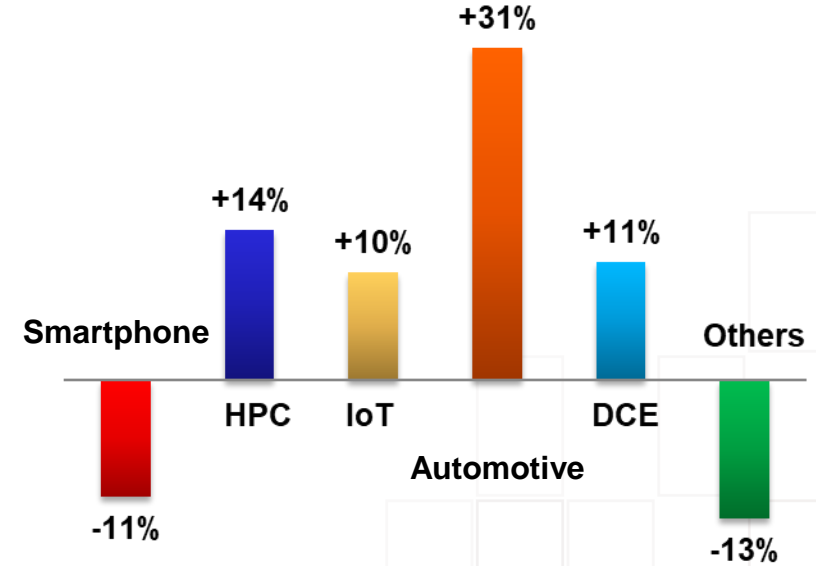
7nm and Below Revenue



1Q21 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	1Q21		4Q20		1Q20	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	796.72	27.3%	791.48	28.7%	561.55	24.0%
Accounts Receivable	167.48	5.7%	146.04	5.3%	146.42	6.2%
Inventories	154.57	5.3%	137.35	5.0%	78.28	3.3%
Long-term Investments	29.13	1.0%	27.73	1.0%	31.03	1.3%
Net PP&E	1,658.55	56.8%	1,555.59	56.3%	1,438.22	61.4%
Total Assets	2,919.13	100.0%	2,760.71	100.0%	2,343.30	100.0%
Current Liabilities	661.65	22.7%	617.15	22.4%	589.47	25.1%
Long-term Interest-bearing Debts	279.47	9.6%	256.07	9.3%	46.48	2.0%
Total Liabilities	978.13	33.5%	910.09	33.0%	666.27	28.4%
Total Shareholders' Equity	1,941.00	66.5%	1,850.62	67.0%	1,677.03	71.6%
Key Indices						
A/R Turnover Days	40		39		42	
Inventory Turnover Days	83		73		53	
Current Ratio (x)	1.7		1.8		1.4	
Asset Productivity (x)	0.9		0.9		0.9	

* Total outstanding shares were 25,930 mn units at 3/31/21.

** Asset productivity = Annualized net revenue / Average net PP&E

Cash Flows

(In NT\$ billions)

	1Q21	4Q20	1Q20
Beginning Balance	660.17	604.20	455.40
Cash from operating activities	227.82	259.13	203.03
Capital expenditures	(248.03)	(88.68)	(192.56)
Cash dividends	(64.83)	(64.83)	(64.83)
Short-term loans	52.07	(67.35)	20.35
Bonds payable	18.50	30.50	2.40
Investments and others	19.03	(12.80)	6.99
Ending Balance	664.73	660.17	430.78
Free Cash Flow *	(20.21)	170.45	10.47

* Free cash flow = Cash from operating activities – Capital expenditures

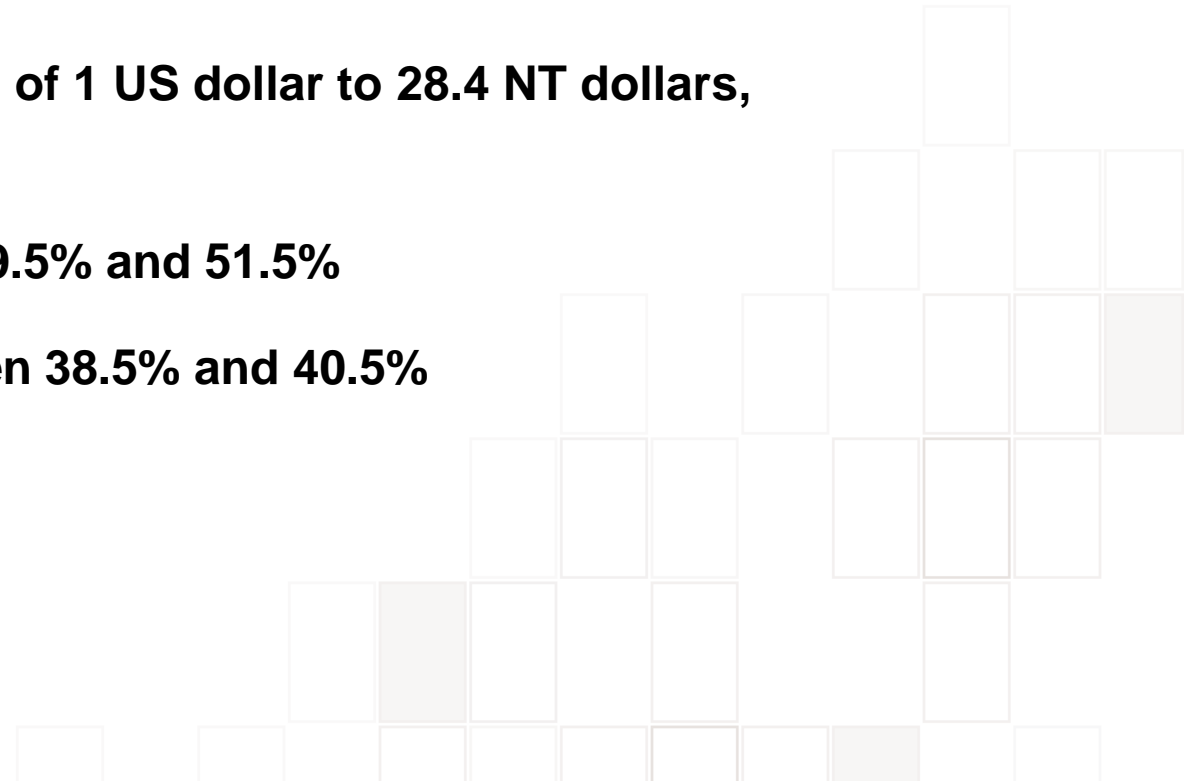
2Q21 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 12.9 billion and US\$ 13.2 billion

And, based on the exchange rate assumption of 1 US dollar to 28.4 NT dollars, management expects:

- Gross profit margin to be between 49.5% and 51.5%
- Operating profit margin to be between 38.5% and 40.5%



Recap of Recent Major Events

- **TSMC Board of Directors Approved the Convening of the 2021 AGM on June 8, 2021 (2021/02/09)**
- **TSMC Board of Directors Approved the Issuance of Unsecured Corporate Bonds in the Domestic Market for an Amount Not to Exceed NT\$120 Billion (approximately US\$4.4 billion) and US Dollar-Denominated Senior Unsecured Corporate Bonds for an Amount Not to Exceed US\$4.5 Billion (2021/02/09)**
- **TSMC Board of Directors Approved the Establishment of a Wholly-Owned Subsidiary in Japan to Expand TSMC's 3DIC Material Research, with a Paid-in Capital of not More than ¥18.6 Billion (approximately US\$186 million) (2021/02/09)**
- **TSMC Board of Directors Approved NT\$2.5 Cash Dividend for the Fourth Quarter of 2020 and Set June 17 as the Ex-Dividend Date, June 23 as the Record Date and July 15, 2021 as the Distribution Date (2021/02/09)**
- Please visit TSMC's website (<https://www.tsmc.com>) and Market Observation Post System (<https://mops.twse.com.tw>) for details and other announcements



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