



Unleash Innovation

2021 Third Quarter Earnings Conference

October 14, 2021

Agenda

- **Welcome**
- **3Q21 Financial Results and 4Q21 Outlook**
- **Key Messages**

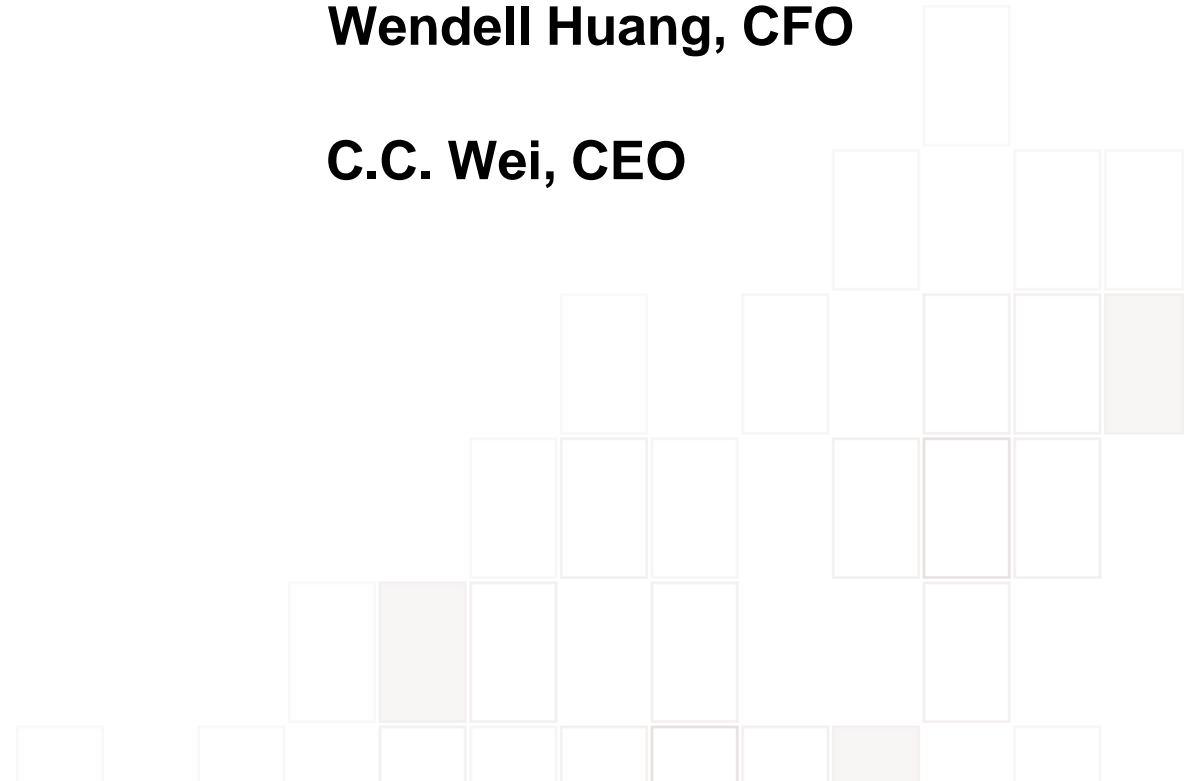
- **Q&A**

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 16, 2021 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

Selected Items from Statements of Comprehensive Income

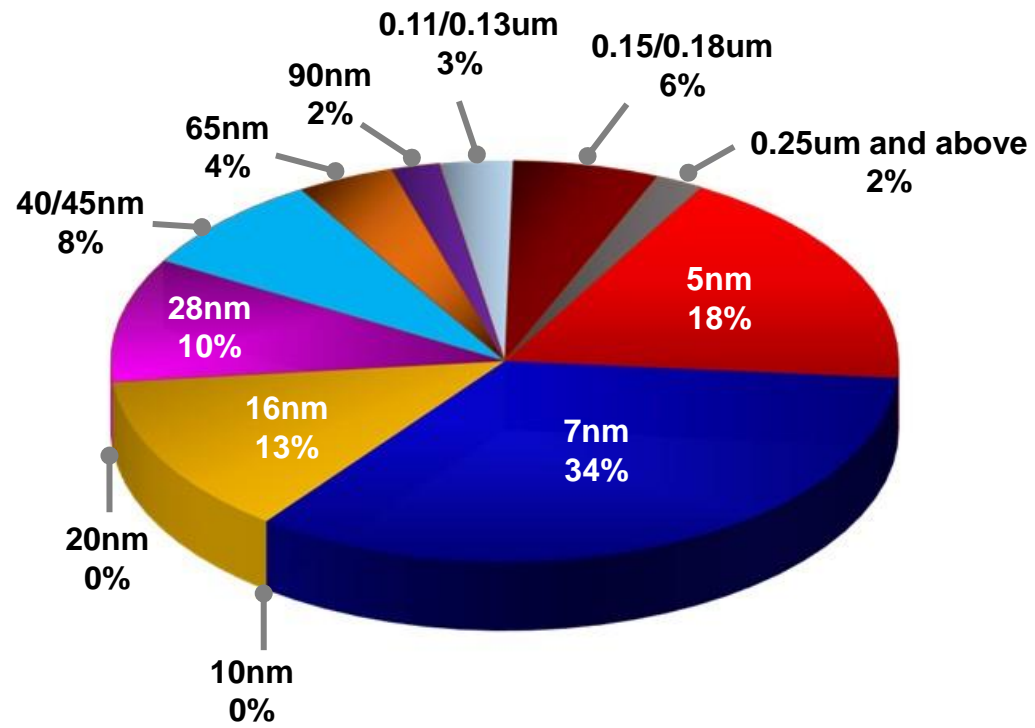
(In NT\$ billions unless otherwise noted)

	3Q21	3Q21 Guidance	2Q21	3Q20	3Q21 Over 2Q21	3Q21 Over 3Q20
Net Revenue (US\$ billions)	14.88	14.6-14.9	13.29	12.14	+12.0%	+22.6%
Net Revenue	414.67		372.15	356.43	+11.4%	+16.3%
Gross Margin	51.3%	49.5% - 51.5%	50.0%	53.4%	+1.3 pts	-2.1 pts
Operating Expenses	(41.65)		(40.58)	(40.89)	+2.6%	+1.9%
Operating Margin	41.2%	38.5% - 40.5%	39.1%	42.1%	+2.1 pts	-0.9 ppt
Non-Operating Items	2.85		3.72	5.07	-23.5%	-43.9%
Net Income to Shareholders of the Parent Company	156.26		134.36	137.31	+16.3%	+13.8%
Net Profit Margin	37.7%		36.1%	38.5%	+1.6 pts	-0.8 ppt
EPS (NT Dollar)	6.03		5.18	5.30	+16.3%	+13.8%
ROE	30.7%		27.3%	31.3%	+3.4 pts	-0.6 ppt
Shipment (Kpcs, 12"-equiv. Wafer)	3,646		3,449	3,240	+5.7%	+12.5%
Average Exchange Rate--USD/NTD	27.87	27.90	28.01	29.36	-0.5%	-5.1%

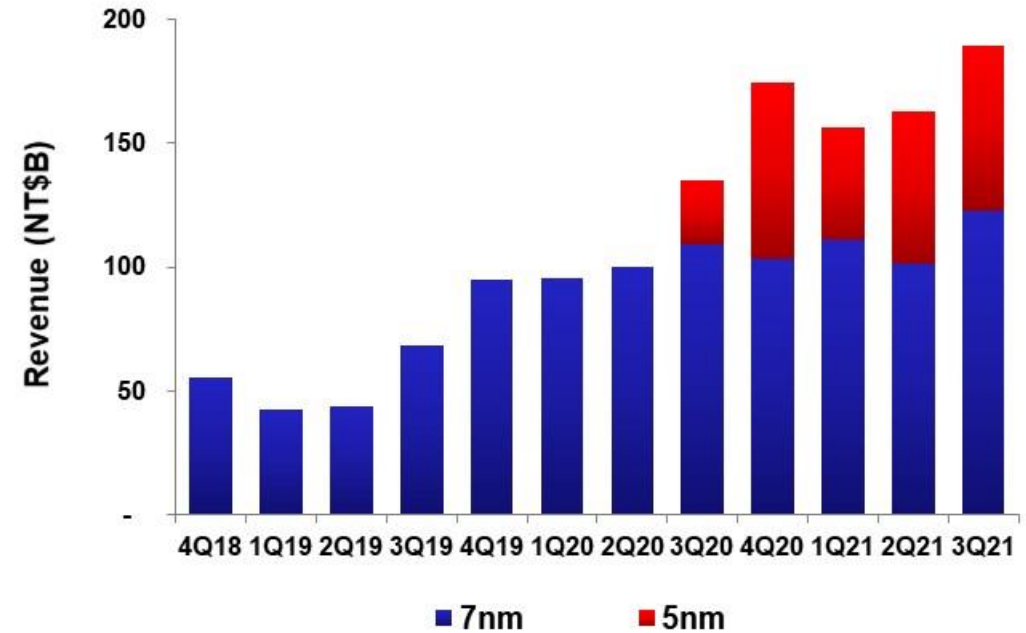
* Diluted weighted average outstanding shares were 25,930mn units in 3Q21.

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

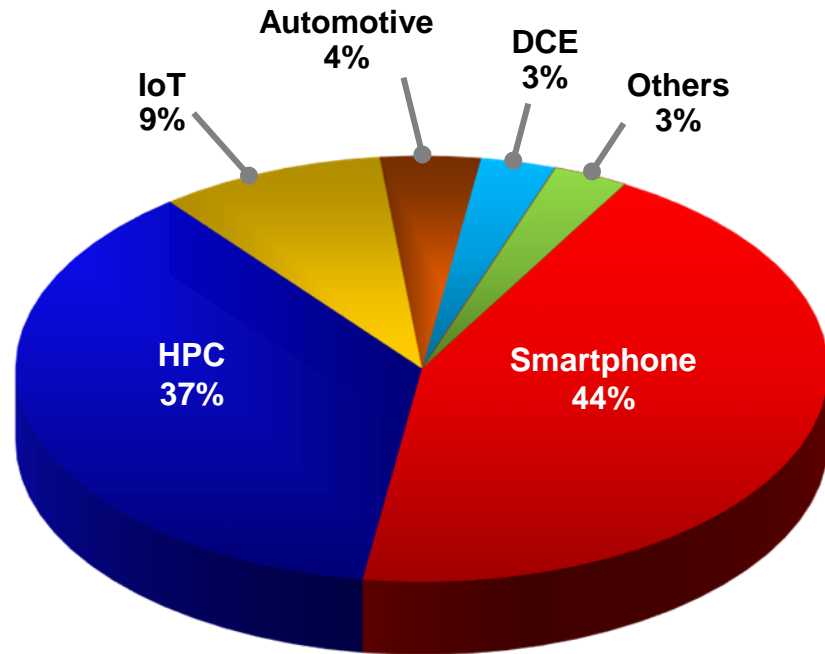
3Q21 Revenue by Technology



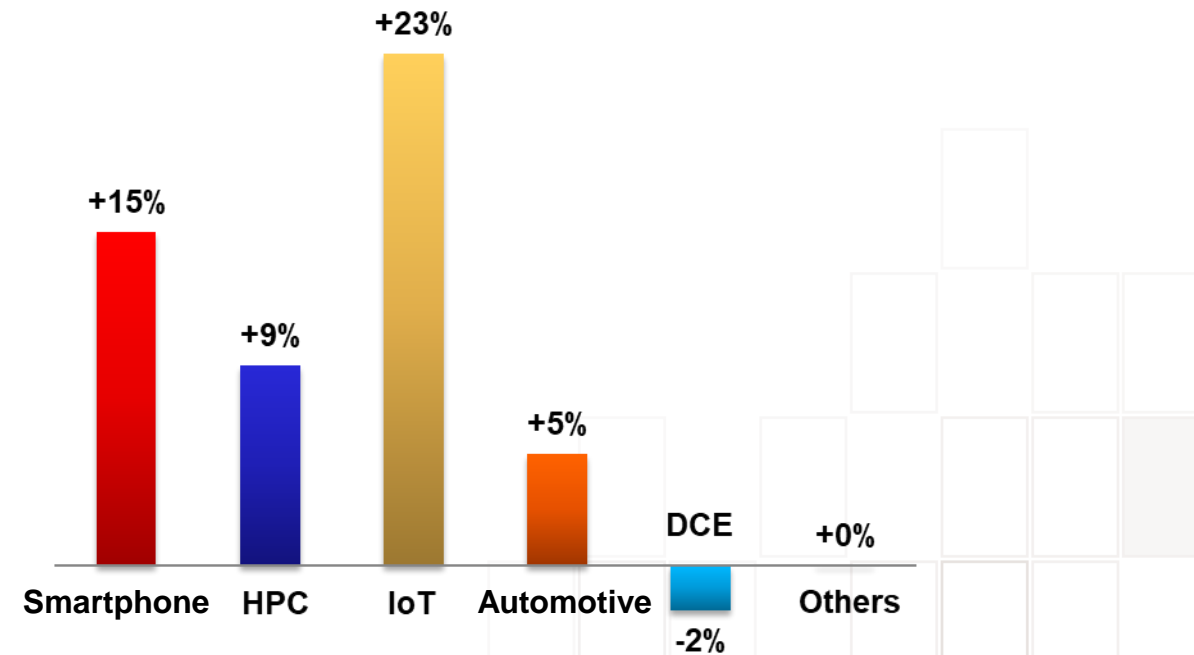
7nm and Below Revenue



3Q21 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	3Q21		2Q21		3Q20	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	975.82	29.2%	870.84	28.2%	742.42	28.1%
Accounts Receivable	187.17	5.6%	178.26	5.7%	162.58	6.2%
Inventories	182.23	5.5%	170.44	5.5%	109.51	4.2%
Long-term Investments	27.73	0.8%	29.06	1.0%	26.51	1.0%
Net PP&E	1,828.89	54.9%	1,722.68	55.7%	1,504.44	57.1%
Total Assets	3,332.31	100.0%	3,092.82	100.0%	2,635.57	100.0%
Current Liabilities	655.62	19.7%	647.75	20.9%	588.24	22.3%
Long-term Interest-bearing Debts	463.21	13.9%	413.64	13.4%	228.03	8.7%
Total Liabilities	1,253.99	37.6%	1,098.85	35.5%	847.30	32.1%
Total Shareholders' Equity	2,078.32	62.4%	1,993.97	64.5%	1,788.27	67.9%
Key Indices						
A/R Turnover Days	40		42		40	
Inventory Turnover Days	85		85		58	
Current Ratio (x)	2.1		1.9		1.8	
Asset Productivity (x)	0.9		0.9		1.0	

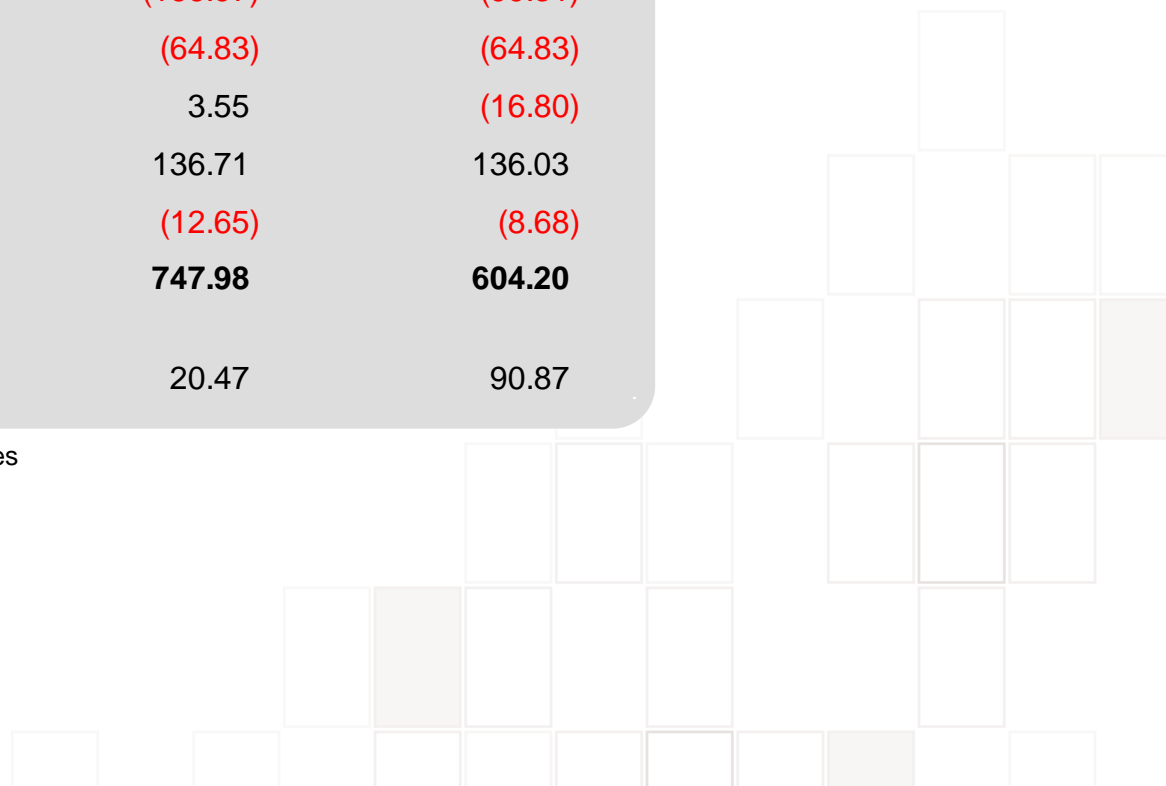
* Total outstanding shares were 25,930 mn units at 9/30/21

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

Cash Flows

<i>(In NT\$ billions)</i>	3Q21	2Q21	3Q20
Beginning Balance	747.98	664.73	467.61
Cash from operating activities	318.71	187.44	190.18
Capital expenditures	(188.64)	(166.97)	(99.31)
Cash dividends	(64.83)	(64.83)	(64.83)
Short-term loans	(18.09)	3.55	(16.80)
Bonds payable	49.32	136.71	136.03
Investments and others	9.36	(12.65)	(8.68)
Ending Balance	853.81	747.98	604.20
Free Cash Flow *	130.07	20.47	90.87

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



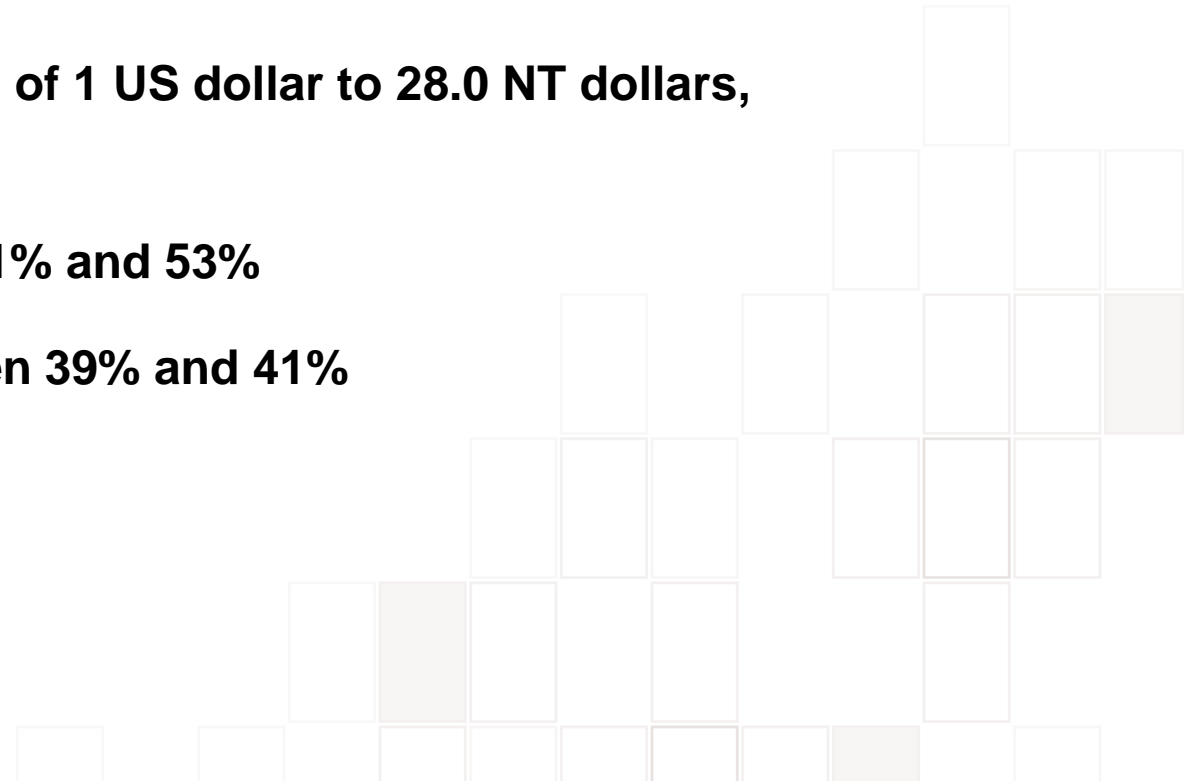
4Q21 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 15.4 billion and US\$ 15.7 billion

And, based on the exchange rate assumption of 1 US dollar to 28.0 NT dollars, management expects:

- Gross profit margin to be between 51% and 53%
- Operating profit margin to be between 39% and 41%



Recap of Recent Major Events

- **TSMC Commits to Reach Net Zero Emissions by 2050, Acting on Responsibility to Environmental Sustainability (2021/09/16)**
 - **TSMC Board of Directors Approved the Issuance of US Dollar-Denominated Unsecured Corporate Bonds for an Amount Not to Exceed US\$1 Billion and the Issuance of US Dollar-Denominated Senior Unsecured Corporate Bonds for an Amount Not to Exceed US\$8 Billion to Finance TSMC's Capacity Expansion (2021/08/10)**
 - **TSMC Board of Directors Approved NT\$2.75 Cash Dividend for the Second Quarter of 2021 and Set December 16 as Ex-Dividend Date, December 22 as the Record Date and January 13, 2022 as the Distribution Date (2021/08/10)**
 - **TSMC Shareholders Elect Board of Directors; Board of Directors Unanimously Re-elects Dr. Mark Liu as Chairman and Dr. C.C. Wei as CEO and Vice Chairman (2021/07/26)**
- 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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