



Unleash Innovation

2023 Second Quarter Earnings Conference

July 20, 2023

Agenda

- **Welcome**
- **2Q23 Financial Results and 3Q23 Outlook**
- **Key Messages**

- **Q&A**

Jeff Su, IR Director

Wendell Huang, CFO

Wendell Huang, CFO

C.C. Wei, CEO

Mark Liu, Chairman



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 2022 Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 20, 2023 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

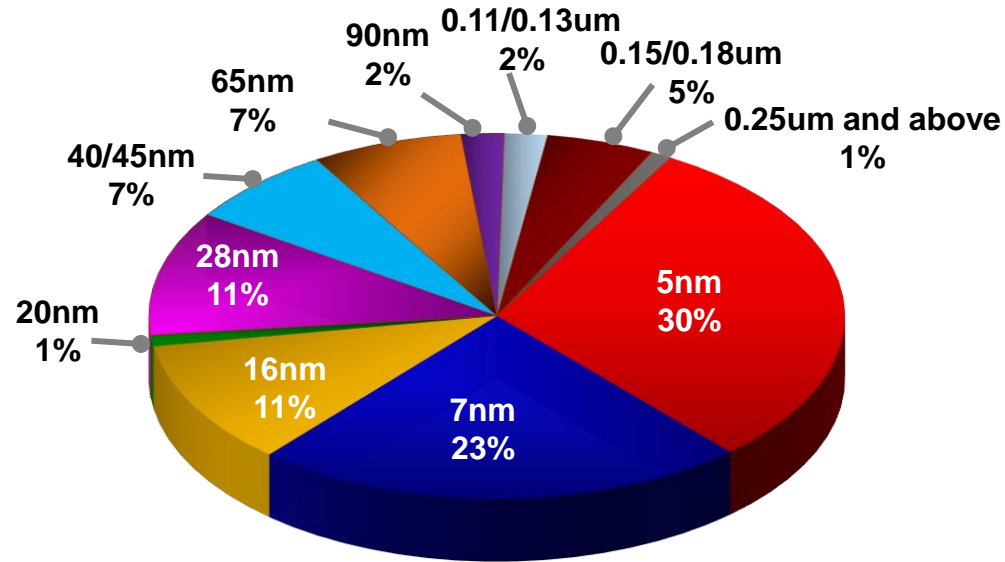
Selected Items from Statements of Comprehensive Income

<i>(In NT\$ billions unless otherwise noted)</i>	2Q23	2Q23 Guidance	1Q23	2Q22	2Q23 Over 1Q23	2Q23 Over 2Q22
Net Revenue (US\$ billions)	15.68	15.2-16.0	16.72	18.16	-6.2%	-13.7%
Net Revenue	480.84		508.63	534.14	-5.5%	-10.0%
Gross Margin	54.1%	52%-54%	56.3%	59.1%	-2.2 pts	-5.0 pts
Operating Expenses	(58.19)		(55.31)	(53.38)	+5.2%	+9.0%
Operating Margin	42.0%	39.5%-41.5%	45.5%	49.1%	-3.5 pts	-7.1 pts
Non-Operating Items	12.72		13.04	3.88	-2.5%	+228.3%
Net Income to Shareholders of the Parent Company	181.80		206.99	237.03	-12.2%	-23.3%
Net Profit Margin	37.8%		40.7%	44.4%	-2.9 pts	-6.6 pts
EPS (NT Dollar)	7.01		7.98	9.14	-12.2%	-23.3%
ROE	23.2%		27.5%	39.4%	-4.3 pts	-16.2 pts
Shipment (Kpcs, 12"-equiv. Wafer)	2,916		3,227	3,799	-9.6%	-23.2%
Average Exchange Rate--USD/NTD	30.67	30.40	30.42	29.42	+0.8%	+4.3%

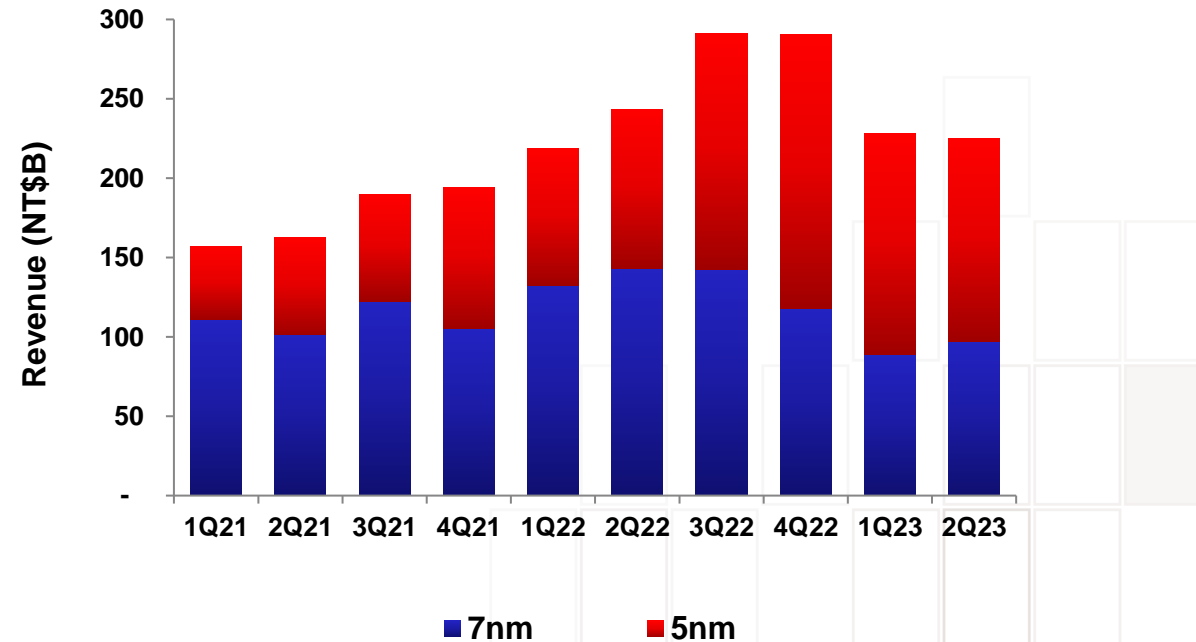
* Diluted weighted average outstanding shares were 25,929mn units in 2Q23.

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

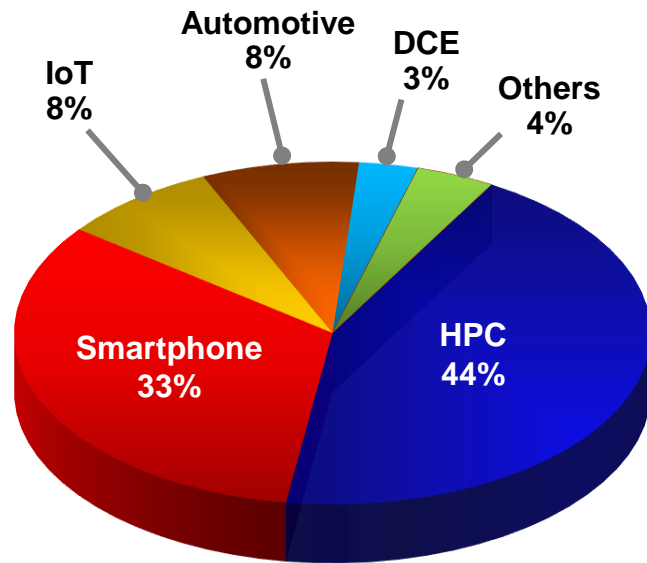
2Q23 Revenue by Technology



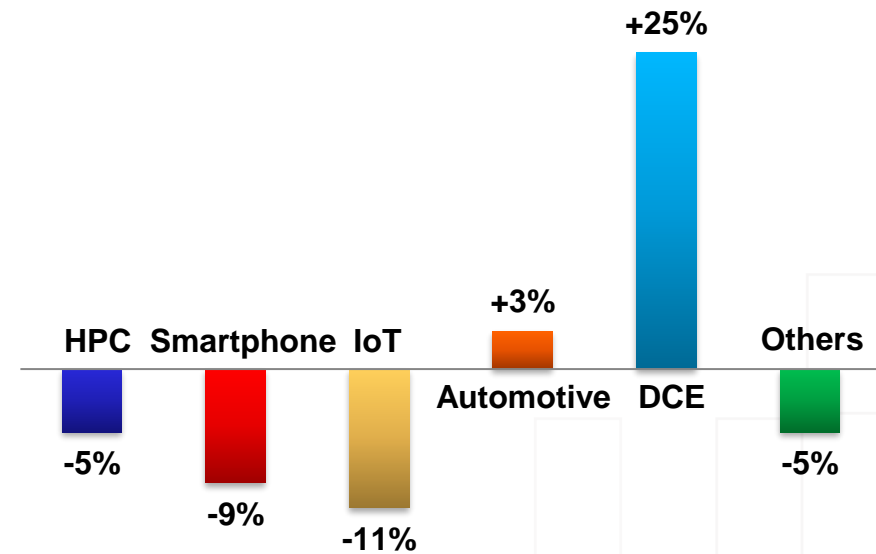
7nm and Below Revenue



2Q23 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	2Q23		1Q23		2Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,489.96	28.9%	1,589.19	31.6%	1,425.57	32.8%
Accounts Receivable	191.03	3.7%	148.05	2.9%	222.07	5.1%
Inventories	234.33	4.6%	216.07	4.3%	217.44	5.0%
Long-term Investments	94.61	1.8%	69.91	1.4%	64.44	1.5%
Net PP&E	2,947.23	57.2%	2,833.40	56.1%	2,248.32	51.7%
Total Assets	5,149.47	100.0%	5,045.84	100.0%	4,345.94	100.0%
Current Liabilities	810.83	15.8%	873.09	17.3%	845.24	19.4%
Long-term Interest-bearing Debts	907.32	17.6%	854.79	16.9%	757.21	17.4%
Total Liabilities	1,944.00	37.8%	1,952.95	38.7%	1,835.48	42.2%
Total Shareholders' Equity	3,205.47	62.2%	3,092.89	61.3%	2,510.46	57.8%
Key Indices						
A/R Turnover Days	32		34		37	
Inventory Turnover Days	99		96		95	
Current Ratio (x)	2.4		2.3		2.3	
Asset Productivity (x)	0.7		0.7		1.0	

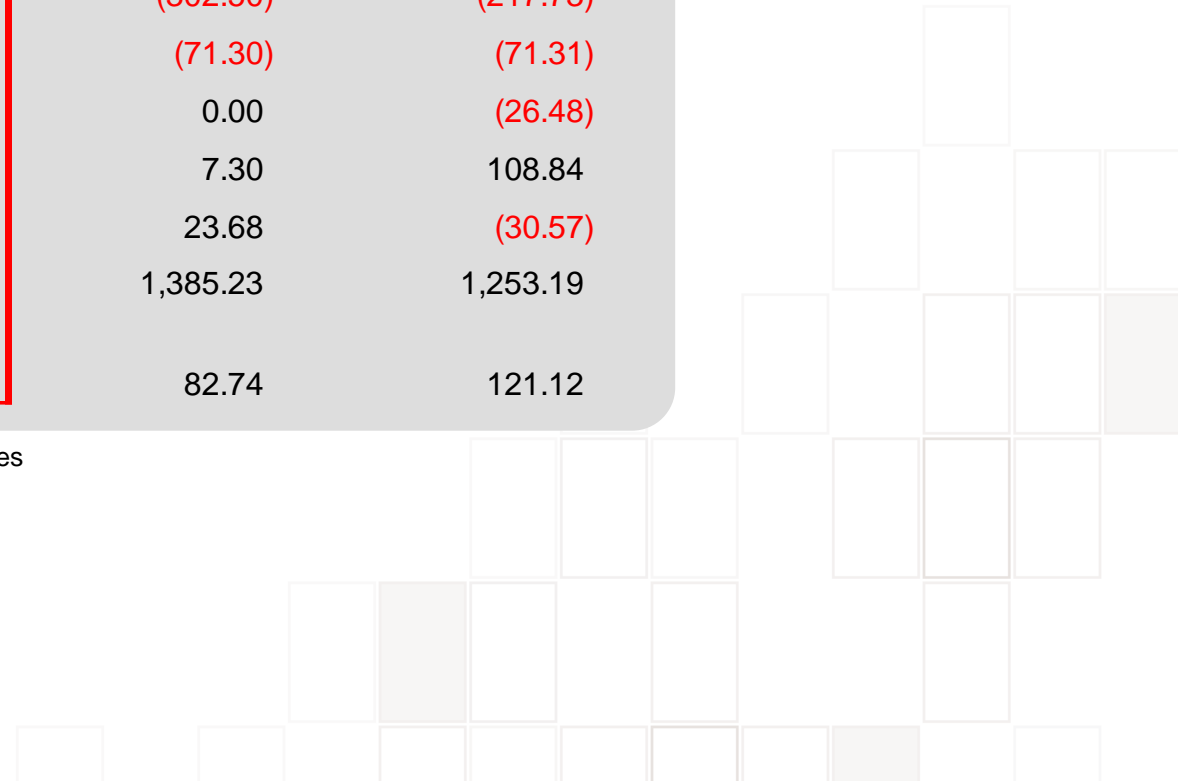
* Total outstanding shares were 25,932 mn units at 6/30/23

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

Cash Flows

<i>(In NT\$ billions)</i>	2Q23	1Q23	2Q22
Beginning Balance	1,385.23	1,342.81	1,151.59
Cash from operating activities	167.25	385.24	338.85
Capital expenditures	(250.53)	(302.50)	(217.73)
Cash dividends	(71.30)	(71.30)	(71.31)
Short-term loans	0.00	0.00	(26.48)
Bonds payable	40.70	7.30	108.84
Investments and others	5.37	23.68	(30.57)
Ending Balance	1,276.72	1,385.23	1,253.19
Free Cash Flow*	(83.28)	82.74	121.12

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



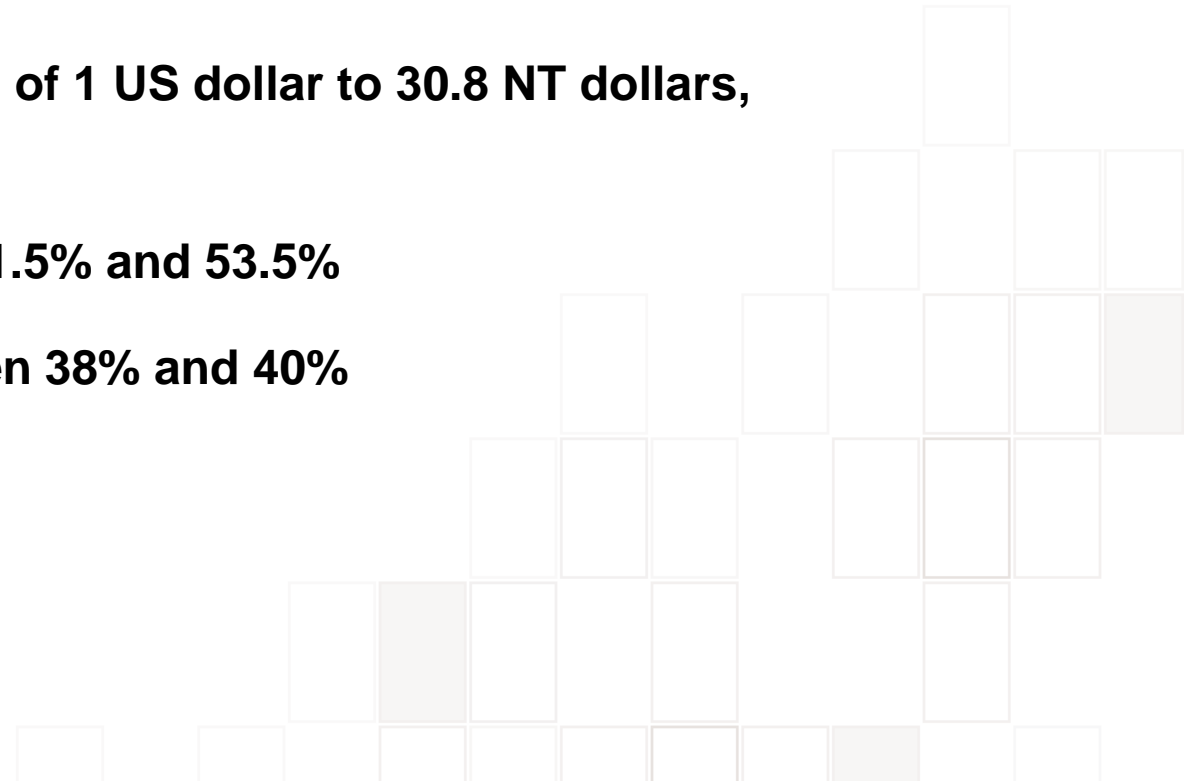
3Q23 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 16.7 billion and US\$ 17.5 billion

And, based on the exchange rate assumption of 1 US dollar to 30.8 NT dollars, management expects:

- Gross profit margin to be between 51.5% and 53.5%
- Operating profit margin to be between 38% and 40%



Recap of Recent Major Events

- **TSMC Announces the Opening of Advanced Backend Fab 6, Marking a Milestone in the Expansion of 3DFabric™ System Integration Technology (2023/06/08)**
- **TSMC Board of Directors Approved NT\$3.00 Cash Dividend for the First Quarter of 2023 and Set September 14 as the Ex-Dividend Date, September 20 as the Record Date and October 12, 2023 as the Distribution Date (2023/05/09)**
- **TSMC Board of Directors Approved the Issuance of Unsecured Corporate Bonds in the Domestic Market for An Amount Not to Exceed NT\$60 Billion (2023/05/09)**
- **TSMC Debuts Enhanced N3P Process, HPC-Focused N3X Process, N3AE Auto Early Program, and Updates 2nm and TSMC 3DFabric™ Progress at 2023 North America Technology Symposium (2023/4/27)**
- **TSMC Signs 20,000 GWh Renewable Energy Joint Procurement Contract with ARK Power (2023/04/21)**
- 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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