



Unleash Innovation

2024 First Quarter Earnings Conference

April 18, 2024

Agenda

- **Welcome**
- **1Q24 Financial Results and 2Q24 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 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

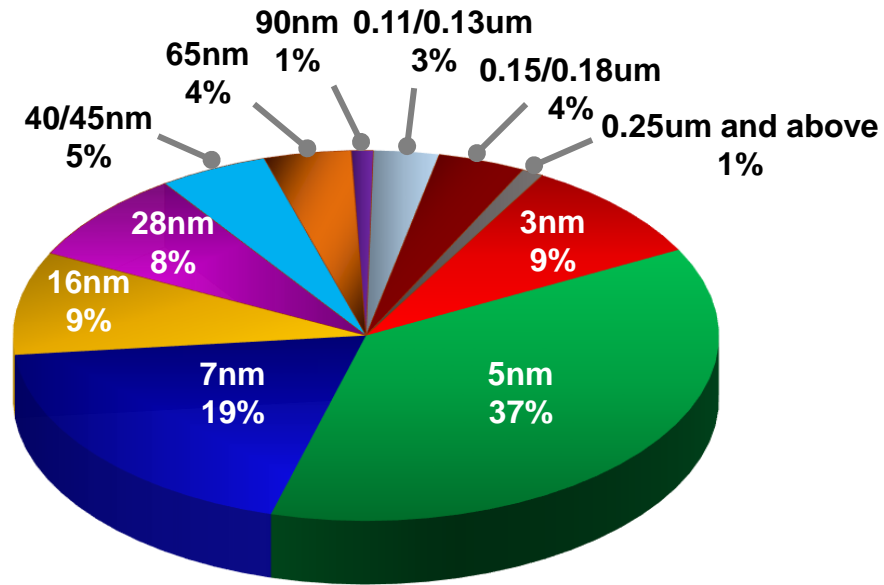
(In NT\$ billions unless otherwise noted)

	1Q24	1Q24 Guidance	4Q23	1Q23	1Q24 Over 4Q23	1Q24 Over 1Q23
Net Revenue (US\$ billions)	18.87	18.0-18.8	19.62	16.72	-3.8%	+12.9%
Net Revenue	592.64		625.53	508.63	-5.3%	+16.5%
Gross Margin	53.1%	52%-54%	53.0%	56.3%	+0.1 ppt	-3.2 ppts
Operating Expenses	(65.36)		(71.62)	(55.31)	-8.7%	+18.2%
Operating Margin	42.0%	40%-42%	41.6%	45.5%	+0.4 ppt	-3.5 ppts
Non-Operating Items	17.52		18.07	13.04	-3.0%	+34.4%
Net Income Attributable to Shareholders of the Parent Company	225.49		238.71	206.99	-5.5%	+8.9%
Net Profit Margin	38.0%		38.2%	40.7%	-0.2 ppt	-2.7 ppts
EPS (NT Dollar)	8.70		9.21	7.98	-5.5%	+8.9%
ROE	25.4%		28.1%	27.5%	-2.7 ppts	-2.1 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	3,030		2,957	3,227	+2.5%	-6.1%
Average Exchange Rate--USD/NTD	31.40	31.10	31.88	30.42	-1.5%	+3.2%

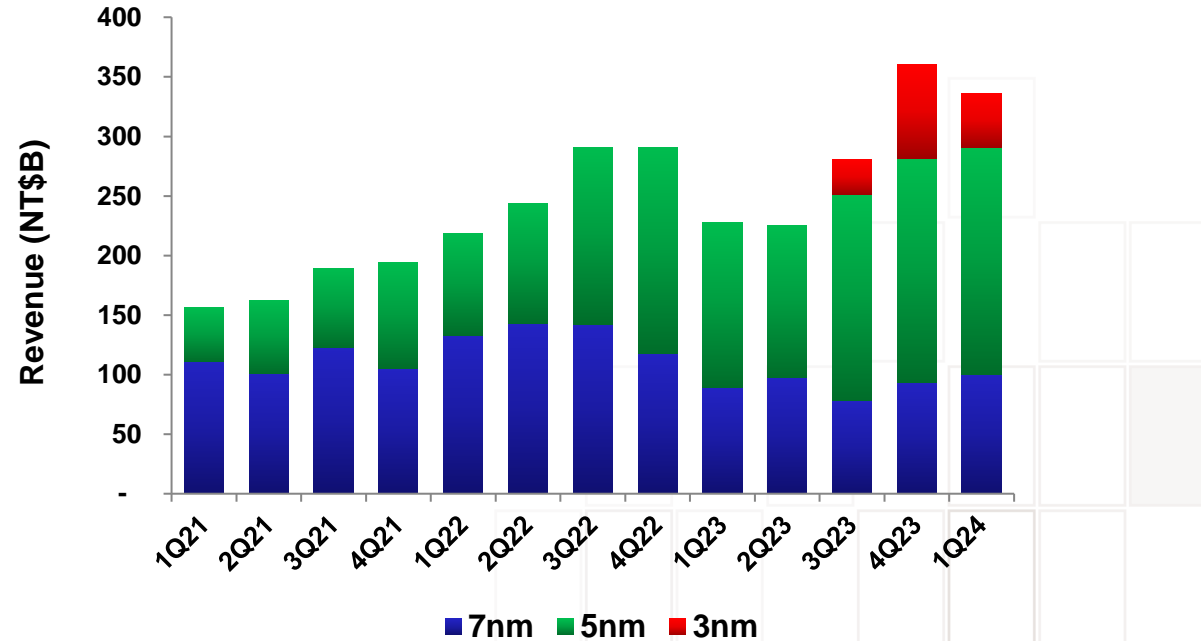
* Diluted weighted average outstanding shares were 25,930mn units in 1Q24

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

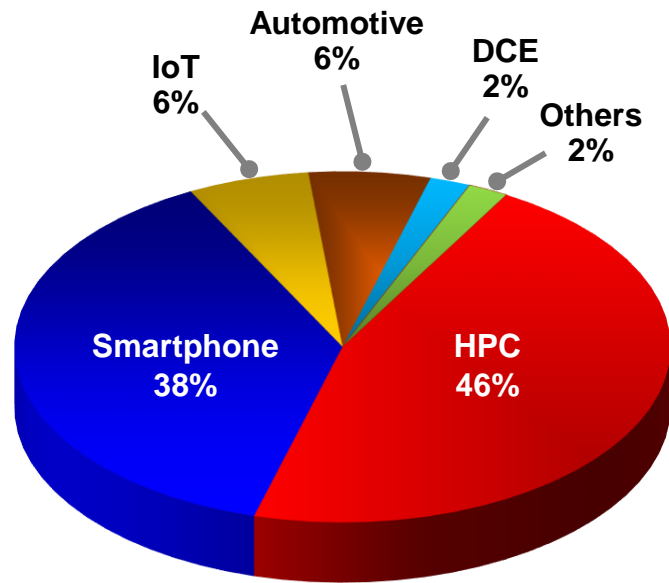
1Q24 Revenue by Technology



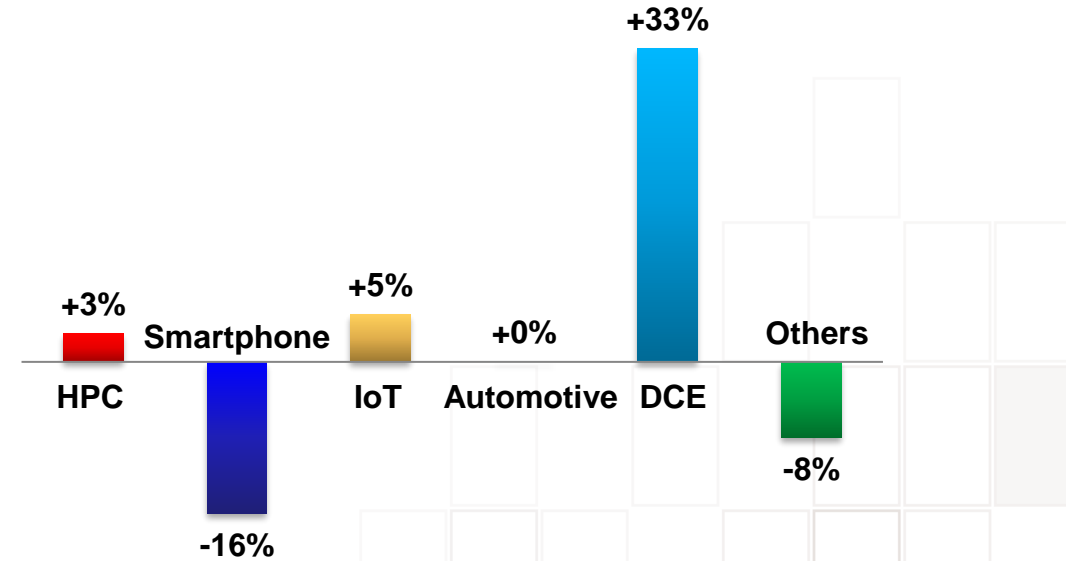
7nm and Below Revenue



1Q24 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,922.66	33.2%	1,687.65	30.5%	1,589.19	31.6%
Accounts Receivable	201.98	3.5%	201.94	3.7%	148.05	2.9%
Inventories	267.12	4.6%	250.99	4.5%	216.07	4.3%
Long-term Investments	138.47	2.4%	129.44	2.3%	69.91	1.4%
Net PP&E	3,051.85	52.7%	3,064.48	55.4%	2,833.40	56.1%
Total Assets	5,787.89	100.0%	5,532.37	100.0%	5,045.84	100.0%
Current Liabilities	1,026.18	17.7%	913.58	16.5%	873.09	17.3%
Long-term Interest-bearing Debts	965.56	16.7%	918.28	16.6%	854.79	16.9%
Total Liabilities	2,122.18	36.7%	2,049.11	37.0%	1,952.95	38.7%
Total Shareholders' Equity	3,665.71	63.3%	3,483.26	63.0%	3,092.89	61.3%
Key Indices						
A/R Turnover Days	31		31		34	
Inventory Turnover Days	90		85		96	
Current Ratio (x)	2.4		2.4		2.3	
Asset Productivity (x)	0.8		0.8		0.7	

* Total outstanding shares were 25,934mn units at 3/31/24

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

Cash Flows

(In NT\$ billions)

	1Q24	4Q23	1Q23
Beginning Balance	1,465.43	1,311.81	1,342.81
Cash from operating activities	436.31	394.83	385.24
Capital expenditures	(181.30)	(170.16)	(302.50)
Cash dividends	(77.80)	(77.80)	(71.30)
Bonds payable	22.80	9.80	7.30
Investments and others	32.76	(3.05)	23.68
Ending Balance	1,698.20	1,465.43	1,385.23
Free Cash Flow*	255.01	224.67	82.74

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

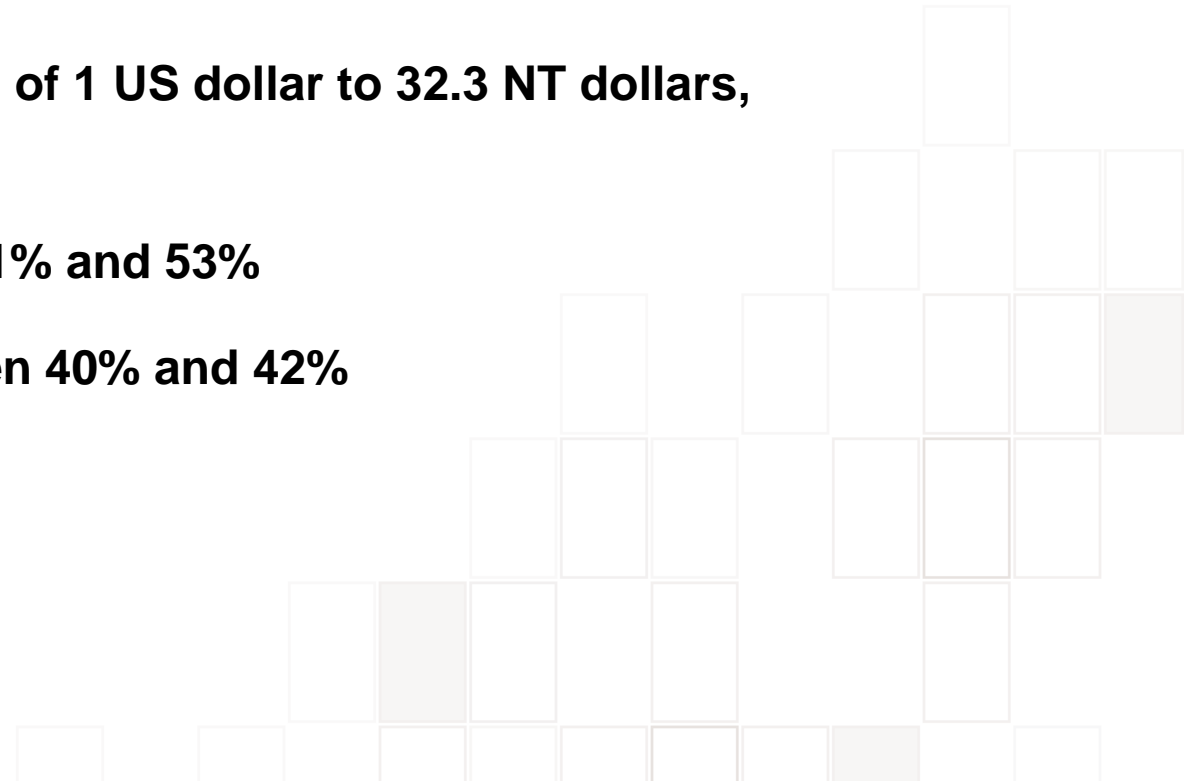
2Q24 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$19.6 billion and US\$20.4 billion

And, based on the exchange rate assumption of 1 US dollar to 32.3 NT dollars, management expects:

- Gross profit margin to be between 51% and 53%
- Operating profit margin to be between 40% and 42%



Recap of Recent Major Events

- **TSMC Announces Candidates for Board of Directors (2024/04/12)**
- **TSMC Arizona and U.S. Department of Commerce Announce up to US\$6.6 Billion in Proposed CHIPS Act Direct Funding, the Company Plans Third Leading-Edge Fab in Phoenix (2024/04/08)**
- **TSMC Board of Directors Hold a Special Meeting and Approve the Appointment of Senior Vice President of R&D Dr. Y.J. Mii and Senior Vice President of Operations Mr. Y.P. Chyn as Executive Vice Presidents and Co-Chief Operating Officers of TSMC (2024/02/29)**
- **TSMC Celebrates the Opening of JASM in Kumamoto, Japan (2024/02/24)**
- **JASM Set to Expand in Kumamoto, Japan (2024/02/06)**
- **TSMC Board of Directors Approved NT\$3.50 Cash Dividend for the Fourth Quarter of 2023 and Set June 13, 2024 as Ex-Dividend Date, June 19, 2024 as the Record Date, and July 11, 2024 as the Distribution Date (2024/02/06)**
- **TSMC Board of Directors Approved the Convening of the 2024 Annual Shareholders' Meeting on June 4, 2024, at Which an Election for its Ten-Member Board of Directors Will Be Held (2024/02/06)**
- 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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