



Unleash Innovation

# 2024 Second Quarter Earnings Conference

July 18, 2024

# Agenda

- **Welcome**
- **2Q24 Financial Results and 3Q24 Outlook**
- **Key Messages**
  
- **Q&A**

**Jeff Su, IR Director**

**Wendell Huang, CFO**

**Wendell Huang, CFO**

**C.C. Wei, Chairman & 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 2023 Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 18, 2024 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

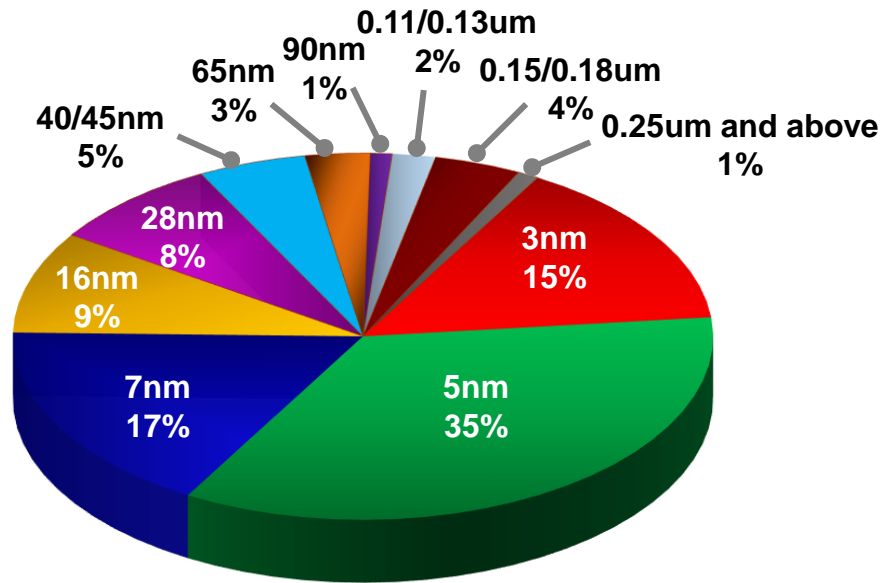
*(In NT\$ billions unless otherwise noted)*

	2Q24	2Q24 Guidance	1Q24	2Q23	2Q24 Over 1Q24	2Q24 Over 2Q23
Net Revenue (US\$ billions)	20.82	19.6-20.4	18.87	15.68	+10.3%	+32.8%
Net Revenue	673.51		592.64	480.84	+13.6%	+40.1%
<b>Gross Margin</b>	<b>53.2%</b>	<b>51%-53%</b>	<b>53.1%</b>	<b>54.1%</b>	<b>+0.1 ppt</b>	<b>-0.9 ppt</b>
Operating Expenses	(70.30)		(65.36)	(58.19)	+7.6%	+20.8%
<b>Operating Margin</b>	<b>42.5%</b>	<b>40%-42%</b>	<b>42.0%</b>	<b>42.0%</b>	<b>+0.5 ppt</b>	<b>+0.5 ppt</b>
Non-Operating Items	19.75		17.52	12.72	+12.7%	+55.3%
Net Income Attributable to Shareholders of the Parent Company	247.85		225.49	181.80	+9.9%	+36.3%
<b>Net Profit Margin</b>	<b>36.8%</b>		<b>38.0%</b>	<b>37.8%</b>	<b>-1.2 ppts</b>	<b>-1.0 ppt</b>
EPS (NT Dollar)	9.56		8.70	7.01	+9.9%	+36.3%
ROE	26.7%		25.4%	23.2%	+1.3 ppts	+3.5 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	3,125		3,030	2,916	+3.1%	+7.2%
Average Exchange Rate--USD/NTD	32.35	32.30	31.40	30.67	+3.0%	+5.5%

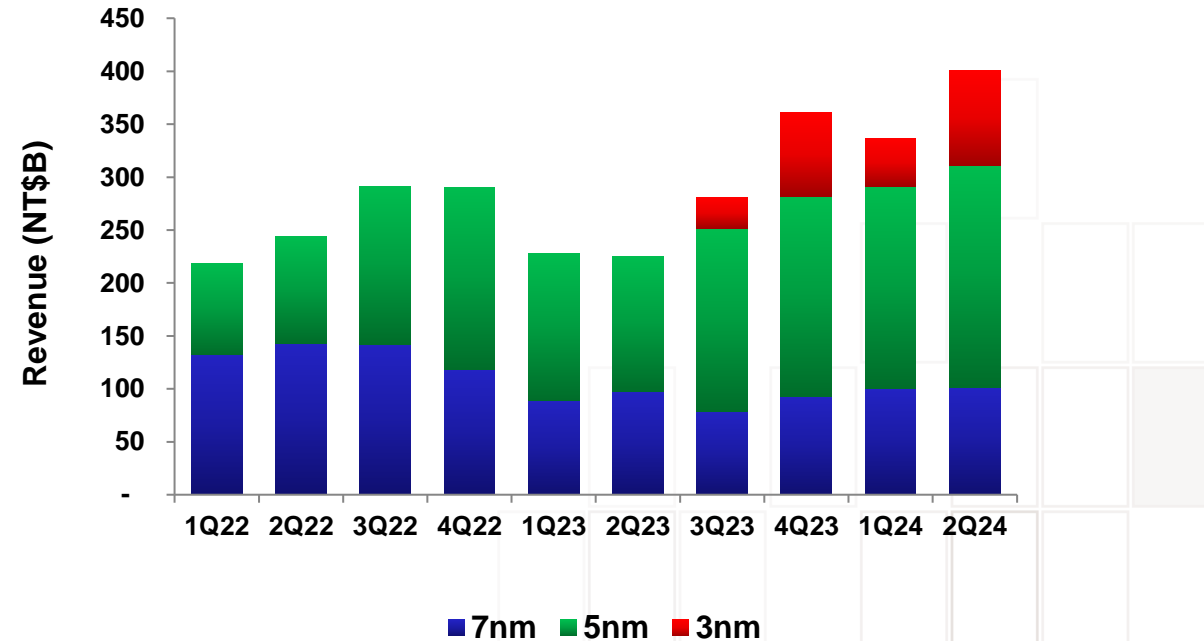
\* Diluted weighted average outstanding shares were 25,931mn units in 2Q24

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

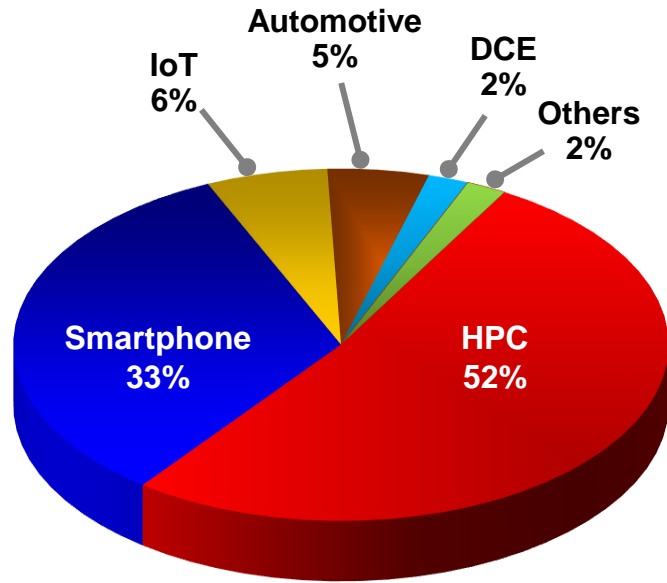
# 2Q24 Revenue by Technology



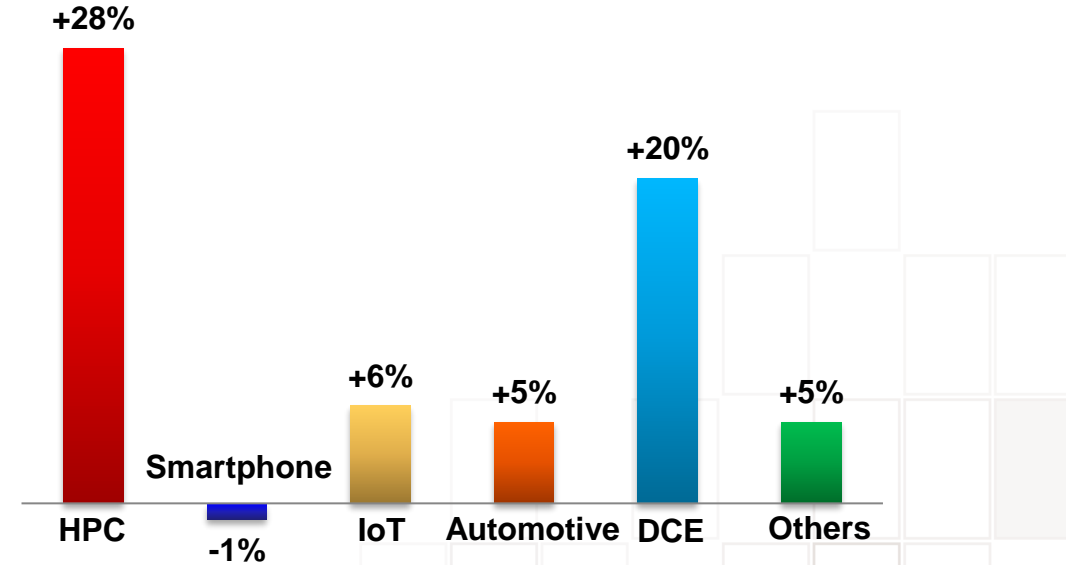
## 7nm and Below Revenue



# 2Q24 Revenue by Platform



### Growth Rate by Platform (QoQ)



# Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	2Q24		1Q24		2Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	2,048.64	34.3%	1,922.66	33.2%	1,489.96	28.9%
Accounts Receivable	210.21	3.5%	201.98	3.5%	191.03	3.7%
Inventories	272.49	4.5%	267.12	4.6%	234.33	4.6%
Long-term Investments	140.22	2.4%	138.47	2.4%	94.61	1.8%
Net PP&E	3,105.86	51.9%	3,051.85	52.7%	2,947.23	57.2%
<b>Total Assets</b>	<b>5,982.36</b>	<b>100.0%</b>	<b>5,787.89</b>	<b>100.0%</b>	<b>5,149.47</b>	<b>100.0%</b>
Current Liabilities	1,048.92	17.5%	1,026.18	17.7%	810.83	15.8%
Long-term Interest-bearing Debts	974.34	16.3%	965.56	16.7%	907.32	17.6%
<b>Total Liabilities</b>	<b>2,162.22</b>	<b>36.1%</b>	<b>2,122.18</b>	<b>36.7%</b>	<b>1,944.00</b>	<b>37.8%</b>
<b>Total Shareholders' Equity</b>	<b>3,820.14</b>	<b>63.9%</b>	<b>3,665.71</b>	<b>63.3%</b>	<b>3,205.47</b>	<b>62.2%</b>
<b>Key Indices</b>						
A/R Turnover Days	28		31		32	
Inventory Turnover Days	83		90		99	
Current Ratio (x)	2.5		2.4		2.4	
Asset Productivity (x)	0.9		0.8		0.7	

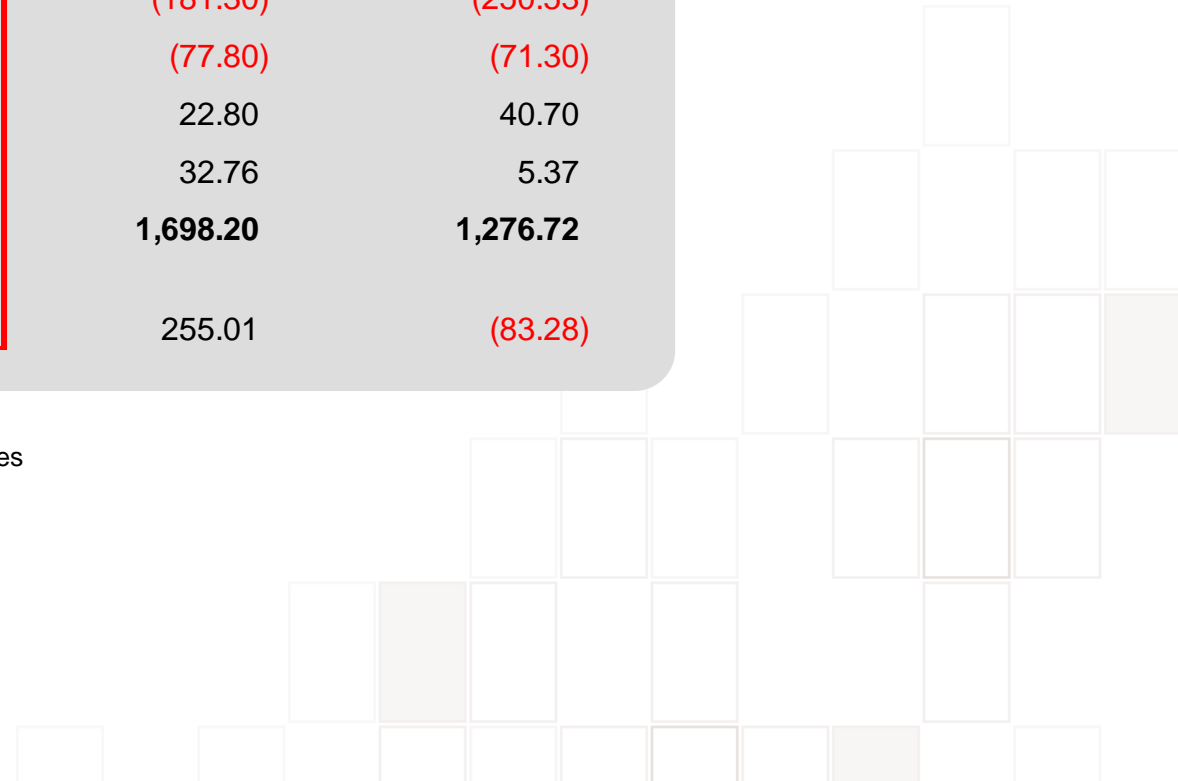
\* Total outstanding shares were 25,930mn units at 6/30/24

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

# Cash Flows

<i>(In NT\$ billions)</i>	<b>2Q24</b>	<b>1Q24</b>	<b>2Q23</b>
<b>Beginning Balance</b>	<b>1,698.20</b>	<b>1,465.43</b>	<b>1,385.23</b>
Cash from operating activities	377.67	436.31	167.25
Capital expenditures	(205.68)	(181.30)	(250.53)
Cash dividends	(90.76)	(77.80)	(71.30)
Bonds payable	11.50	22.80	40.70
Investments and others	8.20	32.76	5.37
<b>Ending Balance</b>	<b>1,799.13</b>	<b>1,698.20</b>	<b>1,276.72</b>
Free Cash Flow *	171.99	255.01	(83.28)

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





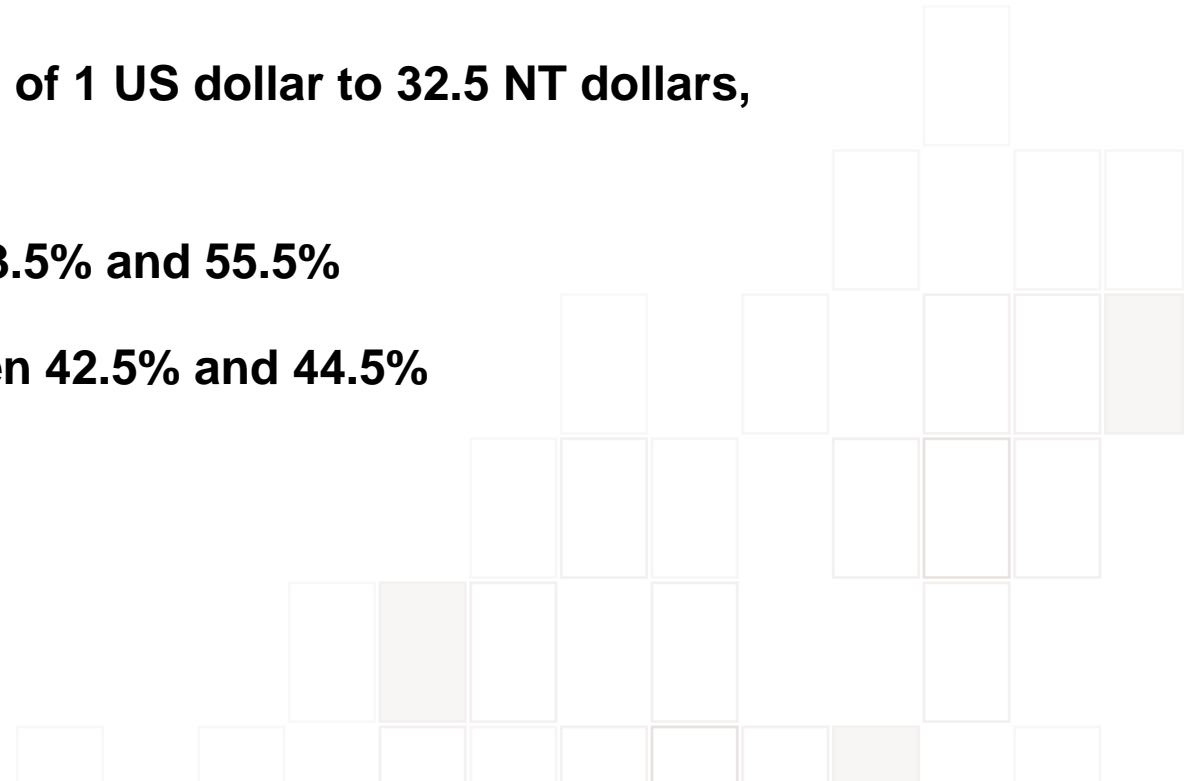
# 3Q24 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$22.4 billion and US\$23.2 billion

And, based on the exchange rate assumption of 1 US dollar to 32.5 NT dollars, management expects:

- Gross profit margin to be between 53.5% and 55.5%
- Operating profit margin to be between 42.5% and 44.5%



# Recap of Recent Major Events

- **TSMC Shareholders Elect Board of Directors; Board of Directors Unanimously Elects Dr. C.C. Wei as Chairman and CEO (2024/06/04)**
- **TSMC Board of Directors Approved NT\$4.00 Cash Dividend for the First Quarter of 2024 and Set September 12 as the Ex-Dividend Date, September 18 as the Record Date and October 9, 2024 as the Distribution Date (2024/05/10)**
- **TSMC Celebrates 30th North America Technology Symposium with Innovations Powering AI with Silicon Leadership (2024/04/24)**

- 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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