



## TSMC Reports Third Quarter EPS of NT\$5.30

Hsinchu, Taiwan, R.O.C., October 15, 2020 -- TSMC today announced consolidated revenue of NT\$356.43 billion, net income of NT\$137.31 billion, and diluted earnings per share of NT\$5.30 (US\$0.90 per ADR unit) for the third quarter ended September 30, 2020.

Year-over-year, third quarter revenue increased 21.6% while net income and diluted EPS both increased 35.9%. Compared to second quarter 2020, third quarter results represented a 14.7% increase in revenue and a 13.6% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, third quarter revenue was \$12.14 billion, which increased 29.2% year-over-year and increased 16.9% from the previous quarter.

Gross margin for the quarter was 53.4%, operating margin was 42.1%, and net profit margin was 38.5%.

In the third quarter, shipments of 5-nanometer accounted for 8% of total wafer revenue; 7-nanometer and 16-nanometer accounted for 35% and 18% respectively. Advanced technologies, defined as 16-nanometer and more advanced technologies, accounted for 61% of total wafer revenue.

“Our third quarter business benefitted from the strong demand for our advanced technologies and specialty technology solutions, driven by 5G smartphones, HPC and IoT-related applications,” said Wendell Huang, VP and Chief Financial Officer of TSMC. “Moving into fourth quarter 2020, we expect our sequential growth to be supported by strong demand for our industry-leading 5-nanometer technology, driven by 5G smartphone launches and HPC-related applications.”

Based on the Company’s current business outlook, management expects the overall performance for fourth quarter 2020 to be as follows:

- Revenue is expected to be between US\$12.4 billion and US\$12.7 billion;  
And, based on the exchange rate assumption of 1 US dollar to 28.75 NT dollars,
- Gross profit margin is expected to be between 51.5% and 53.5%;
- Operating profit margin is expected to be between 40.5% and 42.5%.

## Profile

TSMC pioneered the pure-play foundry business model when it was founded in 1987, and has been the world's largest dedicated semiconductor foundry ever since. The Company supports a thriving ecosystem of global customers and partners with the industry's leading process technologies and portfolio of design enablement solutions to unleash innovation for the global semiconductor industry. With global operations spanning Asia, Europe, and North America, TSMC serves as a committed corporate citizen around the world.

TSMC deployed 272 distinct process technologies, and manufactured 10,761 products for 499 customers in 2019 by providing broadest range of advanced, specialty and advanced packaging technology services. TSMC is the first foundry to provide 5-nanometer production capabilities, the most advanced semiconductor process technology available in the world. The Company is headquartered in Hsinchu, Taiwan. For more information please visit <https://www.tsmc.com>.

**(Management Report and Tables Follow)**

### CONTACT

**Jeff Su**

Investor Relations Division

TSMC

[invest@tsmc.com](mailto:invest@tsmc.com)

886-3-568-2089

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The statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. TSMC cautions readers that forward-looking statements are subject to significant risks and uncertainties and are based on TSMC's current expectations. Actual results may differ materially from those contained in such forward-looking statements for a variety of reasons including, among others, risks associated with cyclical and market conditions in the semiconductor industry; demand and supply for TSMC's foundry manufacturing capacity in particular and for foundry manufacturing capacity in general; intense competition; the failure of one or more significant customers to continue to place the same level of orders with us; TSMC's ability to remain a technological leader in the semiconductor industry; TSMC's ability to manage its capacity; TSMC's ability to obtain, preserve and defend its intellectual property rights; natural disasters and other unexpected events which may disrupt production; and exchange rate fluctuations. Additional information as to these and other risk factors that may cause TSMC's actual results to differ materially from TSMC's forward-looking statements may 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.