



Unleash Innovation

2022 Third Quarter Earnings Conference

October 13, 2022

Agenda

- **Welcome**
- **3Q22 Financial Results and 4Q22 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 14, 2022 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

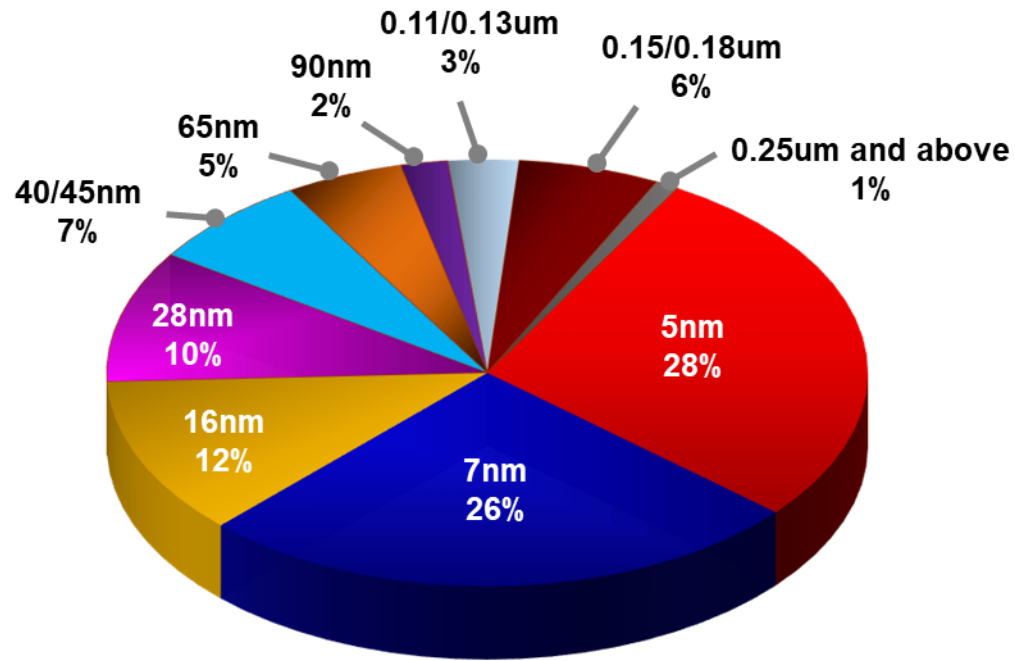
(In NT\$ billions unless otherwise noted)

	3Q22	3Q22 Guidance	2Q22	3Q21	3Q22 Over 2Q22	3Q22 Over 3Q21
Net Revenue (US\$ billions)	20.23	19.8-20.6	18.16	14.88	+11.4%	+35.9%
Net Revenue	613.14		534.14	414.67	+14.8%	+47.9%
Gross Margin	60.4%	57.5%-59.5%	59.1%	51.3%	+1.3 pts	+9.1 pts
Operating Expenses	(60.19)		(53.38)	(41.65)	+12.8%	+44.5%
Operating Margin	50.6%	47.0%-49.0%	49.1%	41.2%	+1.5 pts	+9.4 pts
Non-Operating Items	6.37		3.88	2.85	+64.4%	+123.6%
Net Income to Shareholders of the Parent Company	280.87		237.03	156.26	+18.5%	+79.7%
Net Profit Margin	45.8%		44.4%	37.7%	+1.4 pts	+8.1 pts
EPS (NT Dollar)	10.83		9.14	6.03	+18.5%	+79.8%
ROE	42.9%		39.4%	30.7%	+3.5 pts	+12.2 pts
Shipment (Kpcs, 12"-equiv. Wafer)	3,974		3,799	3,646	+4.6%	+9.0%
Average Exchange Rate--USD/NTD	30.32	29.70	29.42	27.87	+3.1%	+8.8%

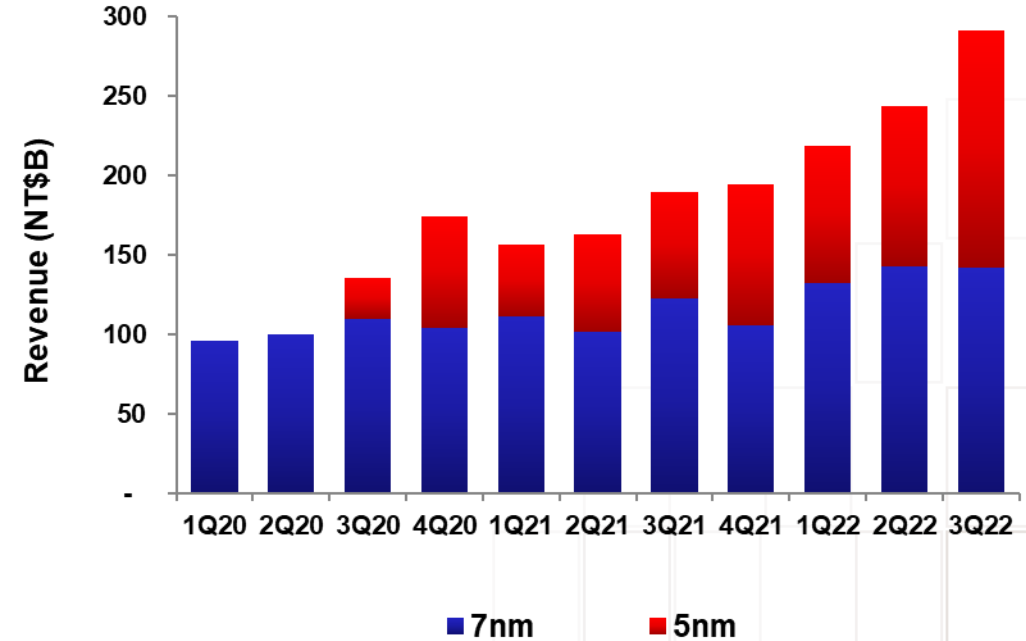
* Diluted weighted average outstanding shares were 25,929mn units in 3Q22.

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

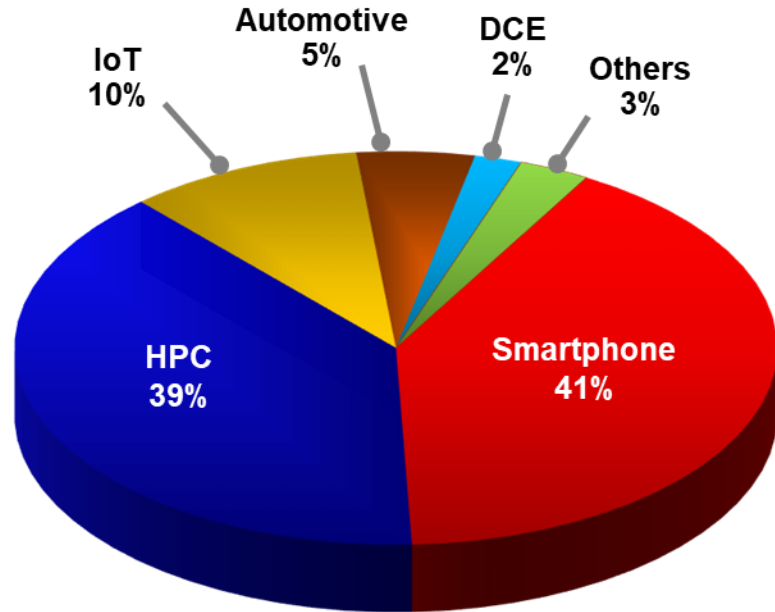
3Q22 Revenue by Technology



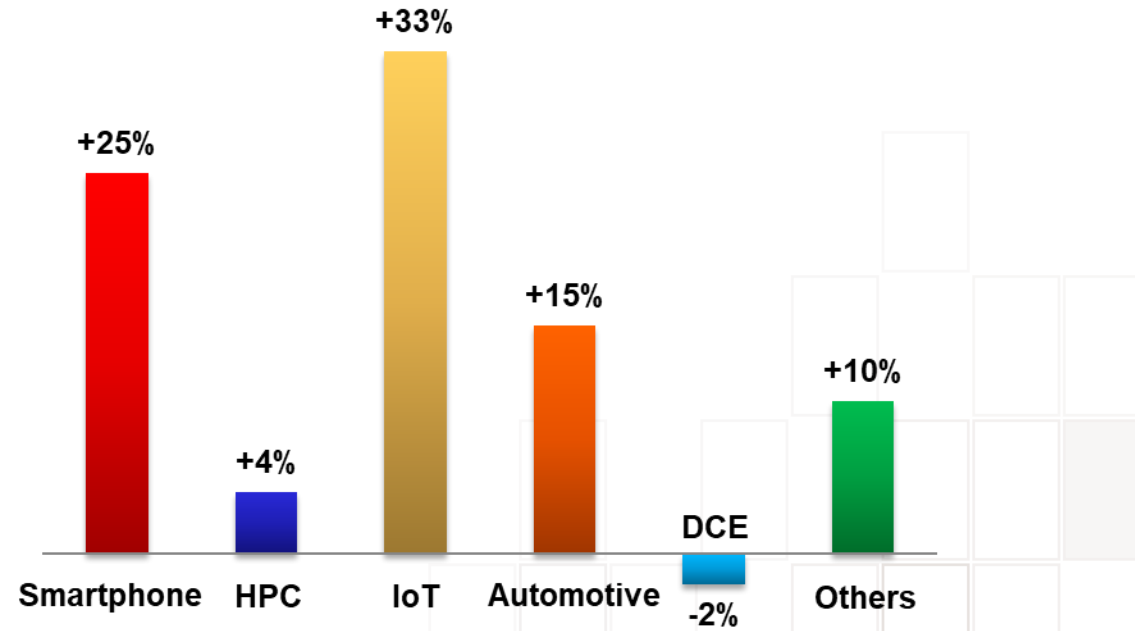
7nm and Below Revenue



3Q22 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	3Q22		2Q22		3Q21	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,498.87	32.3%	1,425.57	32.8%	975.82	29.2%
Accounts Receivable	261.54	5.6%	222.07	5.1%	187.17	5.6%
Inventories	218.34	4.7%	217.44	5.0%	182.23	5.5%
Long-term Investments	75.80	1.6%	64.44	1.5%	27.73	0.8%
Net PP&E	2,411.49	51.9%	2,248.32	51.7%	1,828.89	54.9%
Total Assets	4,643.30	100.0%	4,345.94	100.0%	3,332.31	100.0%
Current Liabilities	807.43	17.4%	845.24	19.4%	655.62	19.7%
Long-term Interest-bearing Debts	845.44	18.2%	757.21	17.4%	463.21	13.9%
Total Liabilities	1,890.99	40.7%	1,835.48	42.2%	1,253.99	37.6%
Total Shareholders' Equity	2,752.31	59.3%	2,510.46	57.8%	2,078.32	62.4%
Key Indices						
A/R Turnover Days	36		37		40	
Inventory Turnover Days	90		95		85	
Current Ratio (x)	2.5		2.3		2.1	
Asset Productivity (x)	1.1		1.0		0.9	

* Total outstanding shares were 25,930 mn units at 9/30/22

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

Cash Flows

<i>(In NT\$ billions)</i>	3Q22	2Q22	3Q21
Beginning Balance	1,253.19	1,151.59	747.98
Cash from operating activities	412.70	338.85	318.71
Capital expenditures	(265.97)	(217.73)	(188.64)
Cash dividends	(71.30)	(71.31)	(64.83)
Short-term loans	(116.01)	(26.48)	(18.09)
Bonds payable	59.65	108.84	49.32
Investments and others	23.75	(30.57)	9.36
Ending Balance	1,296.01	1,253.19	853.81
Free Cash Flow *	146.73	121.12	130.07

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

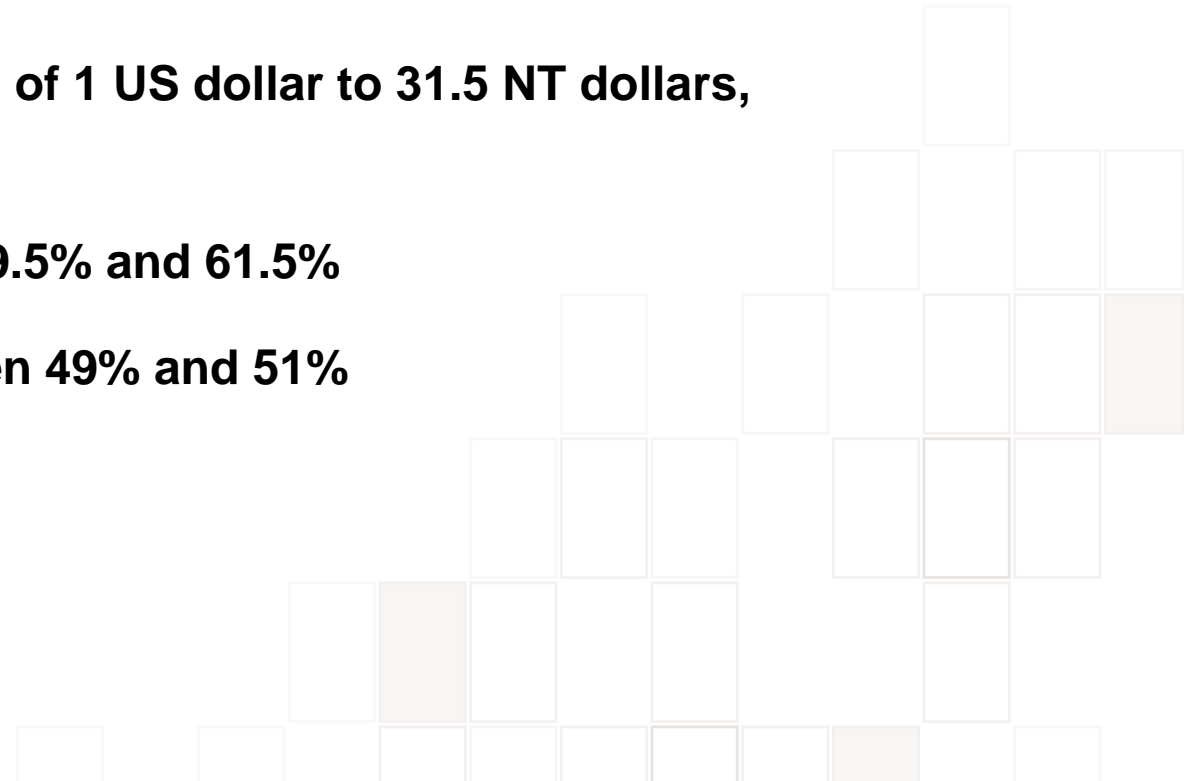
4Q22 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 19.9 billion and US\$ 20.7 billion

And, based on the exchange rate assumption of 1 US dollar to 31.5 NT dollars, management expects:

- Gross profit margin to be between 59.5% and 61.5%
- Operating profit margin to be between 49% and 51%



Recap of Recent Major Events

- **TSMC Board of Directors Approved the Issuance of US Dollar-Denominated Senior Unsecured Corporate Bonds for an Amount Not to Exceed US\$4 Billion to Finance TSMC's Capacity Expansion (2022/08/09)**
- **TSMC Board of Directors Approved NT\$2.75 Cash Dividend for the Second Quarter of 2022 and Set December 15 as Ex-Dividend Date, December 21 as the Record Date and January 12, 2023 as the Distribution Date (2022/08/09)**

- 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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