



Unleash Innovation

2023 First Quarter Earnings Conference

April 20, 2023

Agenda

- **Welcome**
- **1Q23 Financial Results and 2Q23 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 2021 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

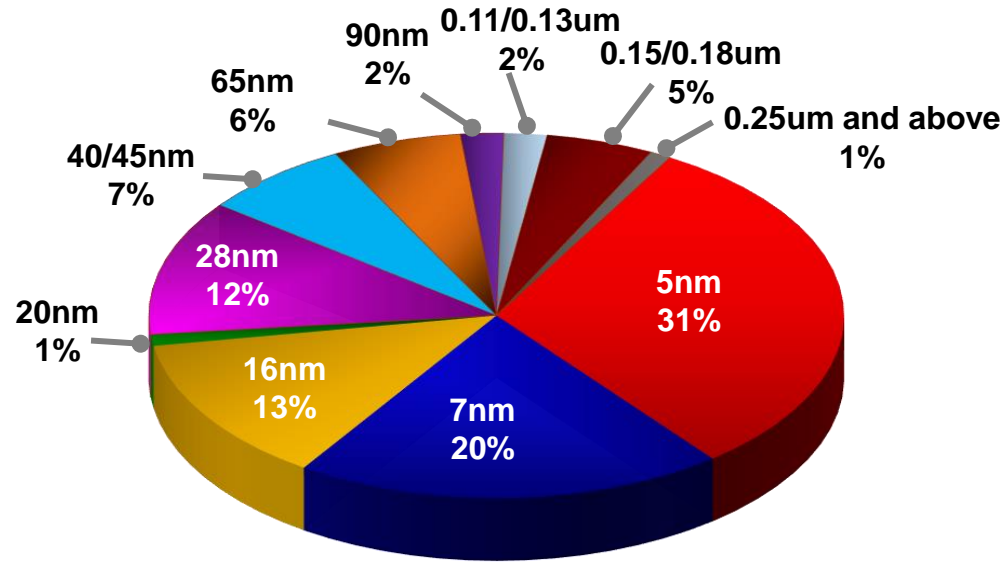
(In NT\$ billions unless otherwise noted)

	1Q23	1Q23 Guidance	4Q22	1Q22	1Q23 Over 4Q22	1Q23 Over 1Q22
Net Revenue (US\$ billions)	16.72	16.7-17.5	19.93	17.57	-16.1%	-4.8%
Net Revenue	508.63		625.53	491.08	-18.7%	+3.6%
Gross Margin	56.3%	53.5%-55.5%	62.2%	55.6%	-5.9 pts	+0.7 ppt
Operating Expenses	(55.31)		(64.54)	(48.61)	-14.3%	+13.8%
Operating Margin	45.5%	41.5%-43.5%	52.0%	45.6%	-6.5 pts	-0.1 ppt
Non-Operating Items	13.04		9.63	3.04	+35.4%	+328.6%
Net Income to Shareholders of the Parent Company	206.99		295.90	202.73	-30.0%	+2.1%
Net Profit Margin	40.7%		47.3%	41.3%	-6.6 pts	-0.6 ppt
EPS (NT Dollar)	7.98		11.41	7.82	-30.0%	+2.1%
ROE	27.5%		41.7%	36.2%	-14.2 pts	-8.7 pts
Shipment (Kpcs, 12"-equiv. Wafer)	3,227		3,702	3,778	-12.8%	-14.6%
Average Exchange Rate--USD/NTD	30.42	30.70	31.39	27.95	-3.1%	+8.8%

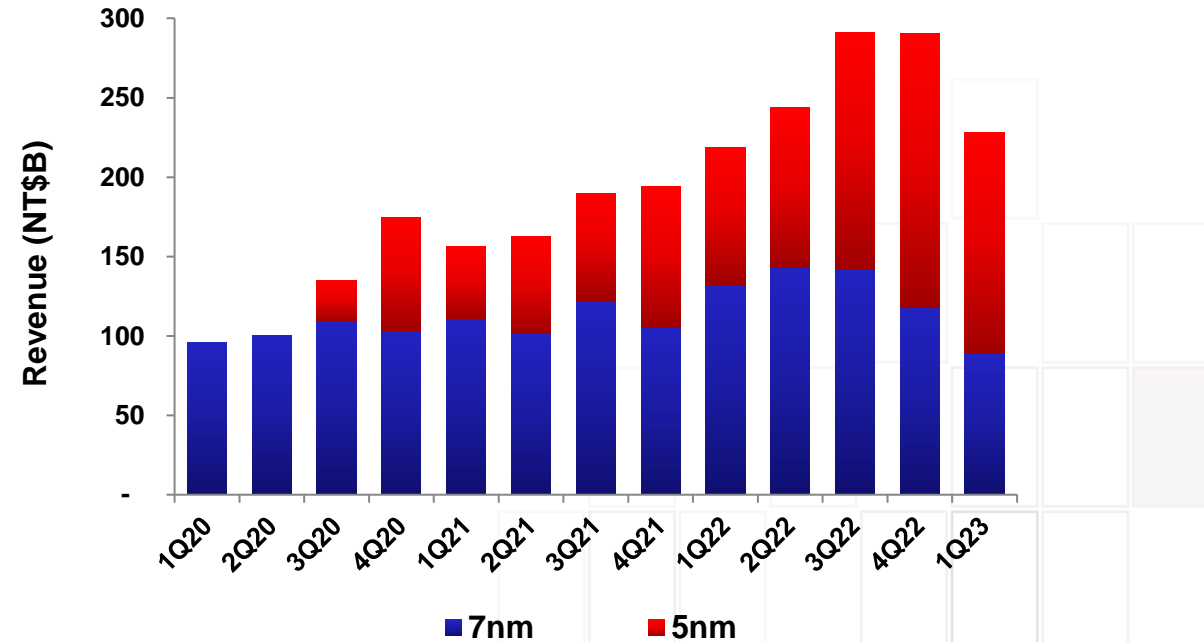
* Diluted weighted average outstanding shares were 25,929mn units in 1Q23.

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

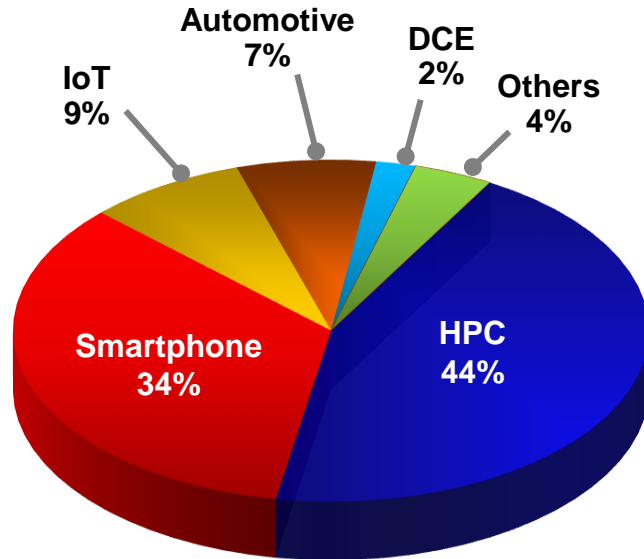
1Q23 Revenue by Technology



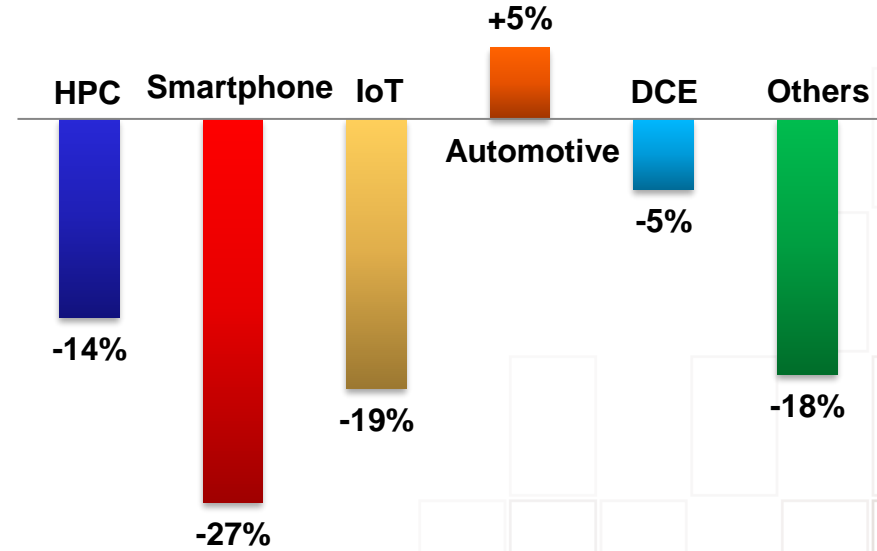
7nm and Below Revenue



1Q23 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	1Q23		4Q22		1Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,589.19	31.6%	1,561.49	31.4%	1,282.06	32.1%
Accounts Receivable	148.05	2.9%	231.34	4.7%	213.43	5.3%
Inventories	216.07	4.3%	221.15	4.4%	200.12	5.0%
Long-term Investments	69.91	1.4%	68.93	1.4%	45.74	1.2%
Net PP&E	2,833.40	56.1%	2,693.84	54.3%	2,104.33	52.7%
Total Assets	5,045.84	100.0%	4,964.78	100.0%	3,992.68	100.0%
Current Liabilities	873.09	17.3%	944.23	19.0%	822.87	20.6%
Long-term Interest-bearing Debts	854.79	16.9%	839.10	16.9%	632.74	15.8%
Total Liabilities	1,952.95	38.7%	2,004.29	40.4%	1,671.21	41.9%
Total Shareholders' Equity	3,092.89	61.3%	2,960.49	59.6%	2,321.47	58.1%
Key Indices						
A/R Turnover Days	34		36		38	
Inventory Turnover Days	96		93		88	
Current Ratio (x)	2.3		2.2		2.1	
Asset Productivity (x)	0.7		1.0		1.0	

* Total outstanding shares were 25,932 mn units at 3/31/23

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

Cash Flows

<i>(In NT\$ billions)</i>	1Q23	4Q22	1Q22
Beginning Balance	1,342.81	1,296.01	1,064.99
Cash from operating activities	385.24	486.88	372.17
Capital expenditures	(302.50)	(336.84)	(262.13)
Cash dividends	(71.30)	(71.30)	(71.31)
Short-term loans	0.00	0.00	30.53
Bonds payable	7.30	5.80	19.60
Investments and others	23.68	(37.74)	(2.26)
Ending Balance	1,385.23	1,342.81	1,151.59
Free Cash Flow*	82.74	150.04	110.04

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

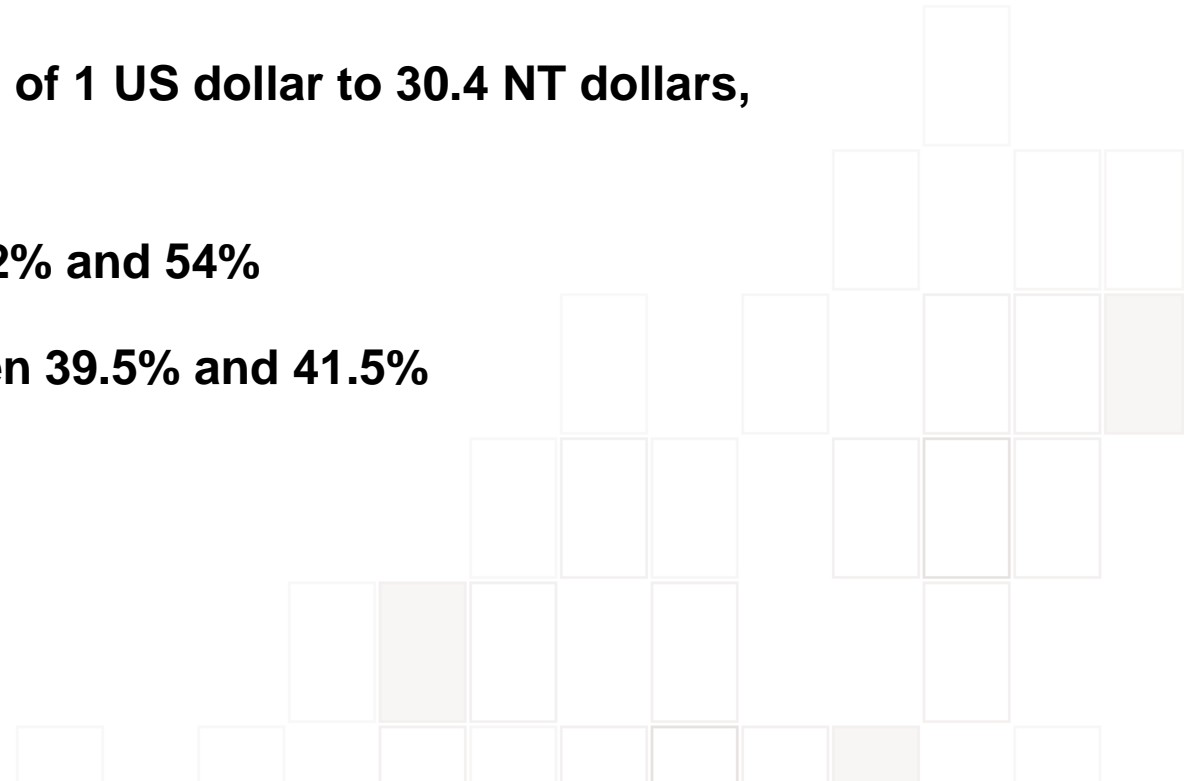
2Q23 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 15.2 billion and US\$ 16.0 billion

And, based on the exchange rate assumption of 1 US dollar to 30.4 NT dollars, management expects:

- Gross profit margin to be between 52% and 54%
- Operating profit margin to be between 39.5% and 41.5%



Recap of Recent Major Events

- **TSMC Board of Directors Approved NT\$2.75 Cash Dividend for the Fourth Quarter of 2022 and Set June 15 as the Ex-Dividend Date, June 21 as the Record Date and July 13, 2023 as the Distribution Date (2023/02/14)**
- **TSMC Board of Directors Approved the Issuance of Unsecured Corporate Bonds in the Domestic Market for An Amount Not to Exceed NT\$60 Billion (2023/02/14)**
- **TSMC Board of Directors Approved the Issuance of 2,110,000 Shares of 2022 Employee Restricted Stock Awards (RSAs). In Addition, the Board Approved the Issuance of No More Than 6,249,000 Common Shares of RSAs for the Year 2023, Which Will Be Submitted to the 2023 Annual Shareholders' Meeting for Approval (2023/02/14)**
- **TSMC Board of Directors Approved the Convening of the 2023 AGM on June 6, 2023 (2023/02/14)**
- **TSMC Offers the Industry's Most Successful FinFET Technology to Academia (2023/02/03)**
- **TSMC Presents 2022 Excellent Performance Award to Outstanding Suppliers (2023/01/18)**
- 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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