



Unleash Innovation

2023 Third Quarter Earnings Conference

October 19, 2023

Agenda

- **Welcome**
- **3Q23 Financial Results and 4Q23 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

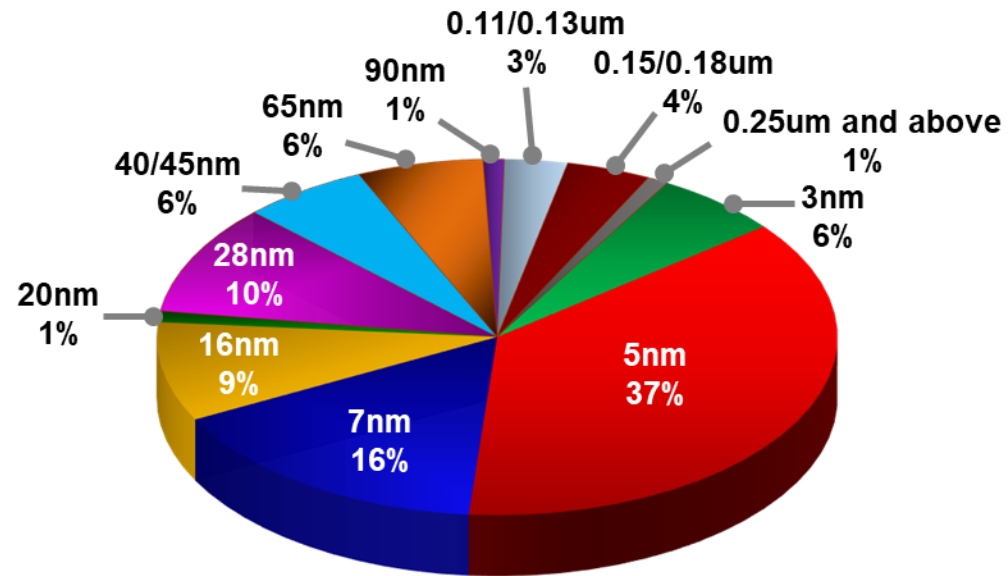
(In NT\$ billions unless otherwise noted)

	3Q23	3Q23 Guidance	2Q23	3Q22	3Q23 Over 2Q23	3Q23 Over 3Q22
Net Revenue (US\$ billions)	17.28	16.7-17.5	15.68	20.23	+10.2%	-14.6%
Net Revenue	546.73		480.84	613.14	+13.7%	-10.8%
Gross Margin	54.3%	51.5%-53.5%	54.1%	60.4%	+0.2 ppt	-6.1 ppts
Operating Expenses	(68.70)		(58.19)	(60.19)	+18.1%	+14.2%
Operating Margin	41.7%	38%-40%	42.0%	50.6%	-0.3 ppt	-8.9 ppts
Non-Operating Items	13.87		12.72	6.37	+9.1%	+117.9%
Net Income to Shareholders of the Parent Company	211.00		181.80	280.87	+16.1%	-24.9%
Net Profit Margin	38.6%		37.8%	45.8%	+0.8 ppt	-7.2 ppts
EPS (NT Dollar)	8.14		7.01	10.83	+16.1%	-24.9%
ROE	25.8%		23.2%	42.9%	+2.6 ppts	-17.1 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	2,902		2,916	3,974	-0.5%	-27.0%
Average Exchange Rate--USD/NTD	31.64	30.80	30.67	30.32	+3.2%	+4.4%

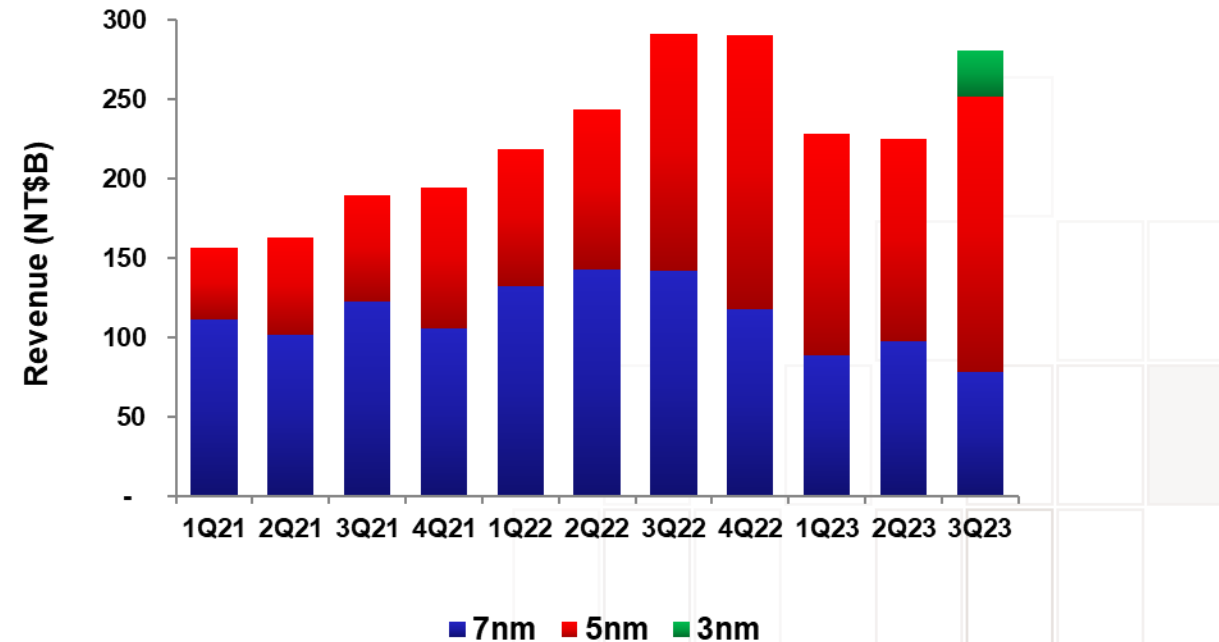
* Diluted weighted average outstanding shares were 25,929mn units in 3Q23

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

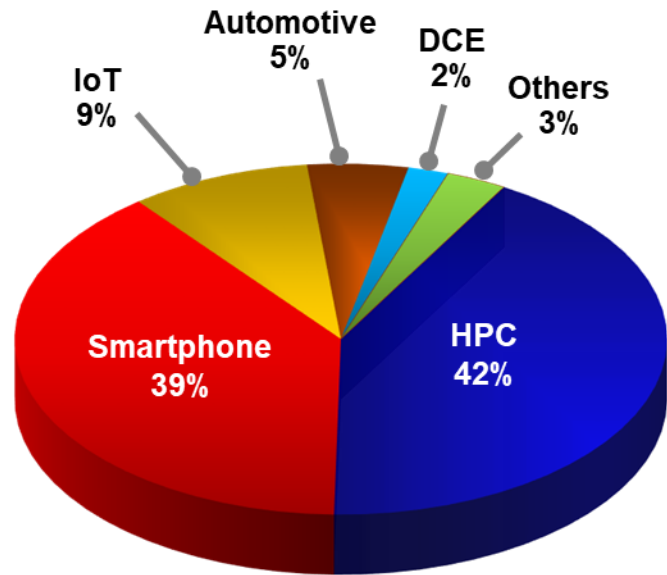
3Q23 Revenue by Technology



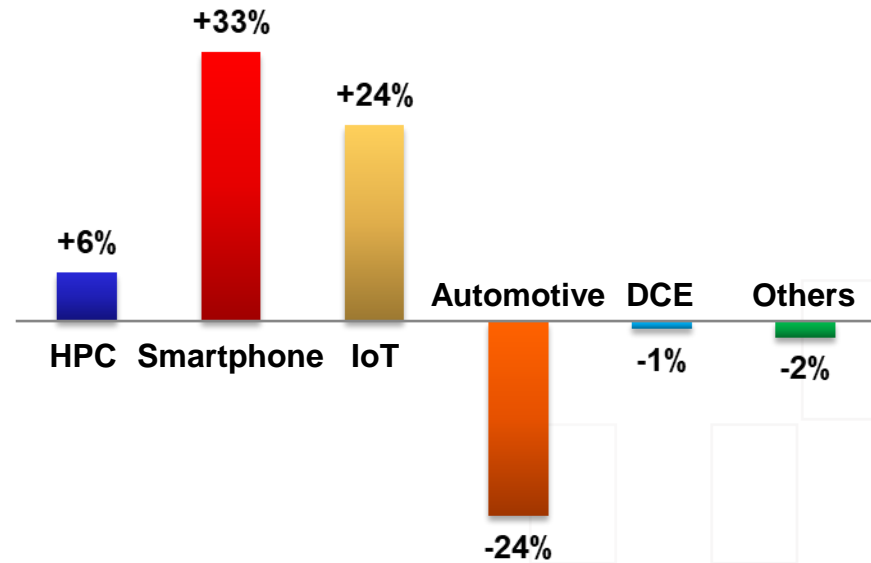
7nm and Below Revenue



3Q23 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,551.32	28.3%	1,489.96	28.9%	1,498.87	32.3%
Accounts Receivable	222.83	4.1%	191.03	3.7%	261.54	5.6%
Inventories	262.09	4.8%	234.33	4.6%	218.34	4.7%
Long-term Investments	116.35	2.1%	94.61	1.8%	75.80	1.6%
Net PP&E	3,132.66	57.1%	2,947.23	57.2%	2,411.49	51.9%
Total Assets	5,484.56	100.0%	5,149.47	100.0%	4,643.30	100.0%
Current Liabilities	970.04	17.7%	810.83	15.8%	807.43	17.4%
Long-term Interest-bearing Debts	937.49	17.1%	907.32	17.6%	845.44	18.2%
Total Liabilities	2,111.74	38.5%	1,944.00	37.8%	1,890.99	40.7%
Total Shareholders' Equity	3,372.82	61.5%	3,205.47	62.2%	2,752.31	59.3%
Key Indices						
A/R Turnover Days	35		32		36	
Inventory Turnover Days	96		99		90	
Current Ratio (x)	2.1		2.4		2.5	
Asset Productivity (x)	0.7		0.7		1.1	

* Total outstanding shares were 25,932mn units at 9/30/23

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

Cash Flows

<i>(In NT\$ billions)</i>	3Q23	2Q23	3Q22
Beginning Balance	1,276.72	1,385.23	1,253.19
Cash from operating activities	294.65	167.25	412.70
Capital expenditures	(226.62)	(250.53)	(265.97)
Cash dividends	(71.30)	(71.30)	(71.30)
Short-term loans	0.00	0.00	(116.01)
Bonds payable	9.80	40.70	59.65
Investments and others	28.56	5.37	23.75
Ending Balance	1,311.81	1,276.72	1,296.01
Free Cash Flow *	68.03	(83.28)	146.73

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

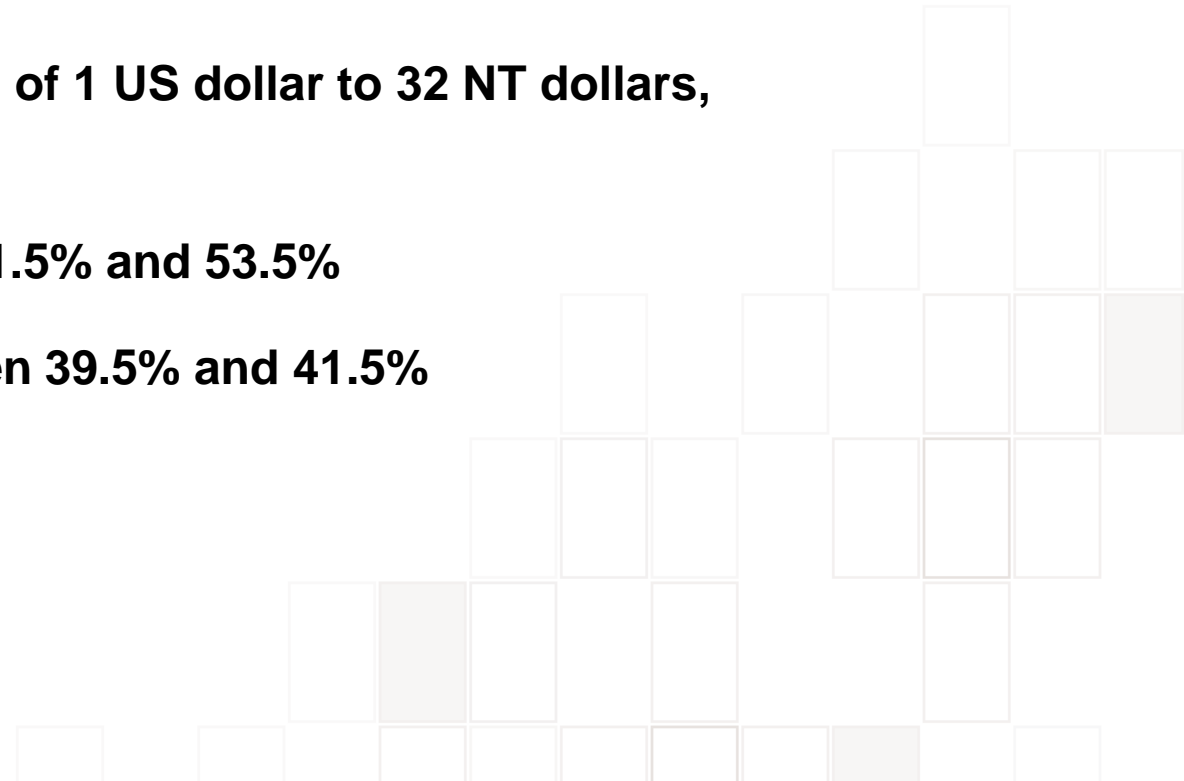
4Q23 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 18.8 billion and US\$ 19.6 billion

And, based on the exchange rate assumption of 1 US dollar to 32 NT dollars, management expects:

- Gross profit margin to be between 51.5% and 53.5%
- Operating profit margin to be between 39.5% and 41.5%



Recap of Recent Major Events

- **TSMC Announces Breakthrough Set to Redefine the Future of 3D IC. New 3Dblox 2.0 and 3DFabric Alliance Achievements Were Detailed at 2023 OIP Ecosystem Forum (2023/09/28)**
- **TSMC Accelerates Renewable Energy Adoption and Moves RE100 Target Forward to 2040 (2023/09/15)**
- **TSMC Board of Directors Approved the Purchase of 10% Equity Interest in IMS Nanofabrication Global, LLC from Intel Corporation for an Amount Not Exceeding US\$432.8 Million (2023/09/12)**
- **TSMC Board of Directors Approved an Investment in Arm Holdings plc in an Amount Not Exceeding US\$100 Million Based on Arm's Share Price at IPO (2023/09/12)**
- **MediaTek Successfully Develops First Chip Using TSMC's 3nm Process, Set for Volume Production in 2024 (2023/09/07)**
- **TSMC, Bosch, Infineon, and NXP Establish Joint Venture European Semiconductor Manufacturing Company (ESMC) to Bring Advanced Semiconductor Manufacturing to Europe (2023/08/08)**
- **TSMC Board of Directors Approved NT\$3.00 Cash Dividend for the Second Quarter of 2023 and Set December 14 as the Ex-Dividend Date, December 20 as the Record Date and January 11, 2024 as the Distribution Date (2023/08/08)**
- **TSMC Inaugurates Global R&D Center, Celebrating Its Newest Hub for Technology Innovation (2023/07/28)**
- 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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