



Unleash Innovation

2022 First Quarter Earnings Conference

April 14, 2022

Agenda

- **Welcome**
- **1Q22 Financial Results and 2Q22 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 16, 2021 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

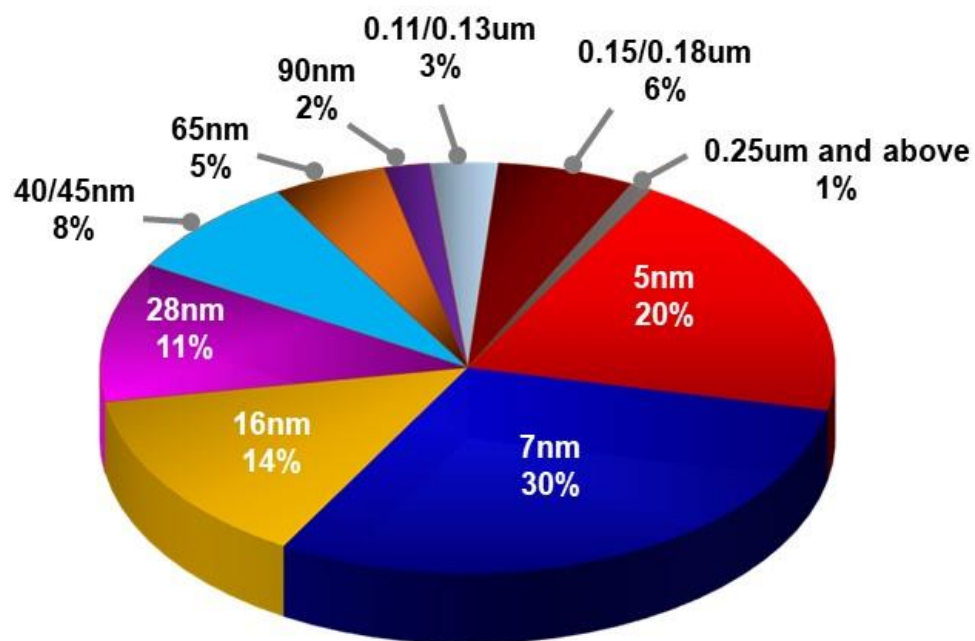
(In NT\$ billions unless otherwise noted)

	1Q22	1Q22 Guidance	4Q21	1Q21	1Q22 Over 4Q21	1Q22 Over 1Q21
Net Revenue (US\$ billions)	17.57	16.6-17.2	15.74	12.92	+11.6%	+36.0%
Net Revenue	491.08		438.19	362.41	+12.1%	+35.5%
Gross Margin	55.6%	53.0%-55.0%	52.7%	52.4%	+2.9 pts	+3.2 pts
Operating Expenses	(48.61)		(47.88)	(39.11)	+1.5%	+24.3%
Operating Margin	45.6%	42.0%-44.0%	41.7%	41.5%	+3.9 pts	+4.1 pts
Non-Operating Items	3.04		2.05	4.52	+48.6%	-32.8%
Net Income to Shareholders of the Parent Company	202.73		166.23	139.69	+22.0%	+45.1%
Net Profit Margin	41.3%		37.9%	38.6%	+3.4 pts	+2.7 pts
EPS (NT Dollar)	7.82		6.41	5.39	+22.0%	+45.1%
ROE	36.2%		31.3%	29.5%	+4.9 pts	+6.7 pts
Shipment (Kpcs, 12"-equiv. Wafer)	3,778		3,725	3,359	+1.4%	+12.5%
Average Exchange Rate--USD/NTD	27.95	27.60	27.85	28.05	+0.4%	-0.4%

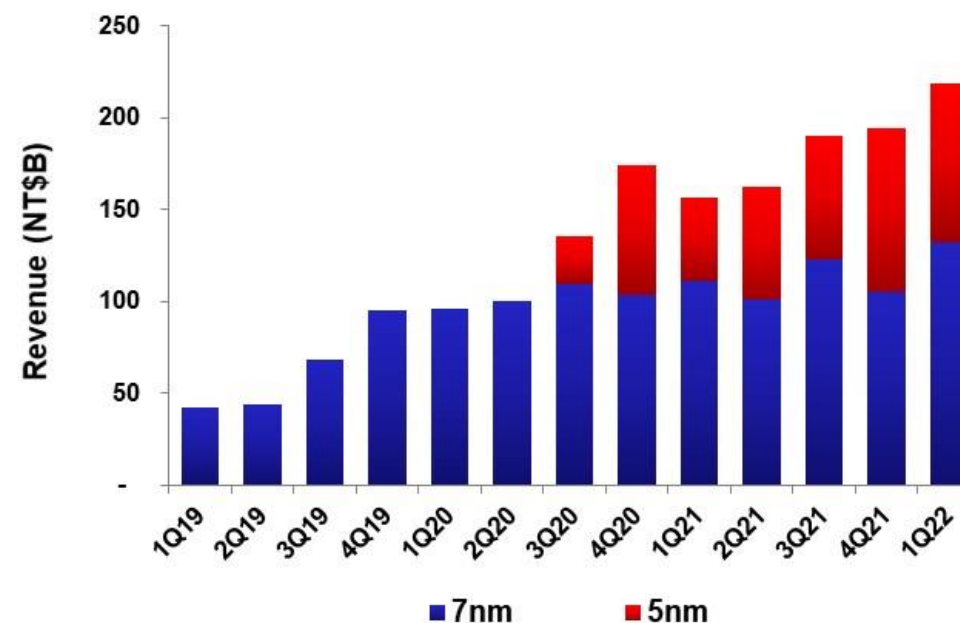
* Diluted weighted average outstanding shares were 25,930mn units in 1Q22.

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

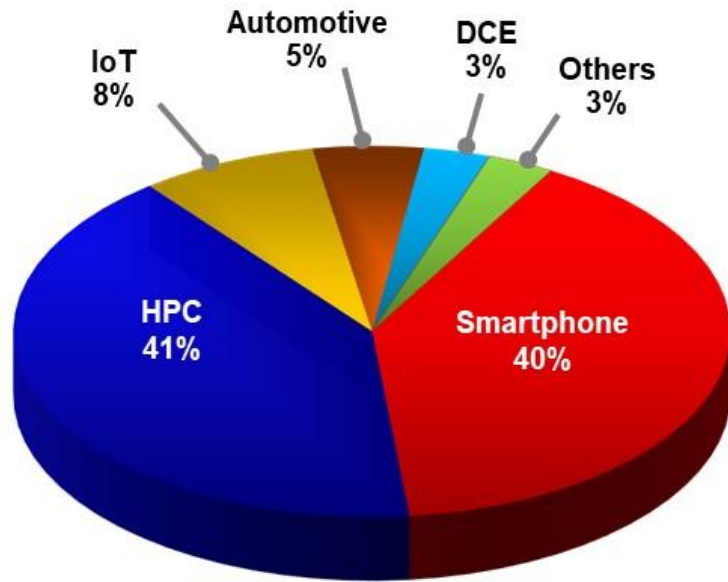
1Q22 Revenue by Technology



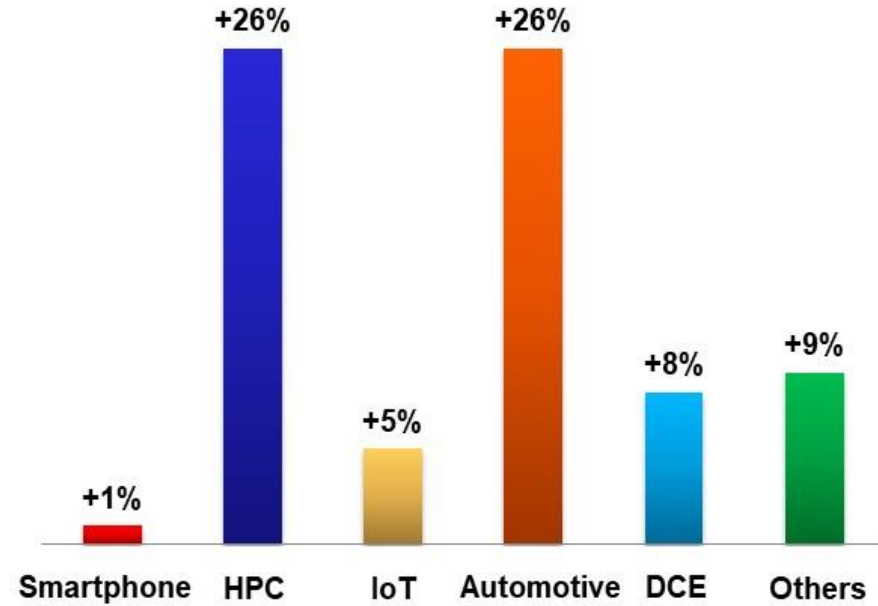
7nm and Below Revenue



1Q22 Revenue by Platform



Growth Rate by Platform (QoQ)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	1Q22		4Q21		1Q21	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,282.06	32.1%	1,188.46	31.9%	796.72	27.3%
Accounts Receivable	213.43	5.3%	198.30	5.3%	167.48	5.7%
Inventories	200.12	5.0%	193.10	5.2%	154.57	5.3%
Long-term Investments	45.74	1.2%	29.38	0.8%	29.13	1.0%
Net PP&E	2,104.33	52.7%	1,975.12	53.0%	1,658.55	56.8%
Total Assets	3,992.68	100.0%	3,725.50	100.0%	2,919.13	100.0%
Current Liabilities	822.87	20.6%	739.50	19.8%	661.65	22.7%
Long-term Interest-bearing Debts	632.74	15.8%	613.38	16.5%	279.47	9.6%
Total Liabilities	1,671.21	41.9%	1,554.77	41.7%	978.13	33.5%
Total Shareholders' Equity	2,321.47	58.1%	2,170.73	58.3%	1,941.00	66.5%
Key Indices						
A/R Turnover Days	38		40		40	
Inventory Turnover Days	88		88		83	
Current Ratio (x)	2.1		2.2		1.7	
Asset Productivity (x)	1.0		0.9		0.9	

* Total outstanding shares were 25,930 mn units at 3/31/22

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

Cash Flows

<i>(In NT\$ billions)</i>	1Q22	4Q21	1Q21
Beginning Balance	1,064.99	853.81	660.17
Cash from operating activities	372.17	378.20	227.82
Capital expenditures	(262.13)	(235.56)	(248.03)
Cash dividends	(71.31)	(71.31)	(64.83)
Short-term loans	30.53	(1.86)	52.07
Bonds payable	19.60	157.47	18.50
Investments and others	(2.26)	(15.76)	19.03
Ending Balance	1,151.59	1,064.99	664.73
Free Cash Flow *	110.04	142.64	(20.21)

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

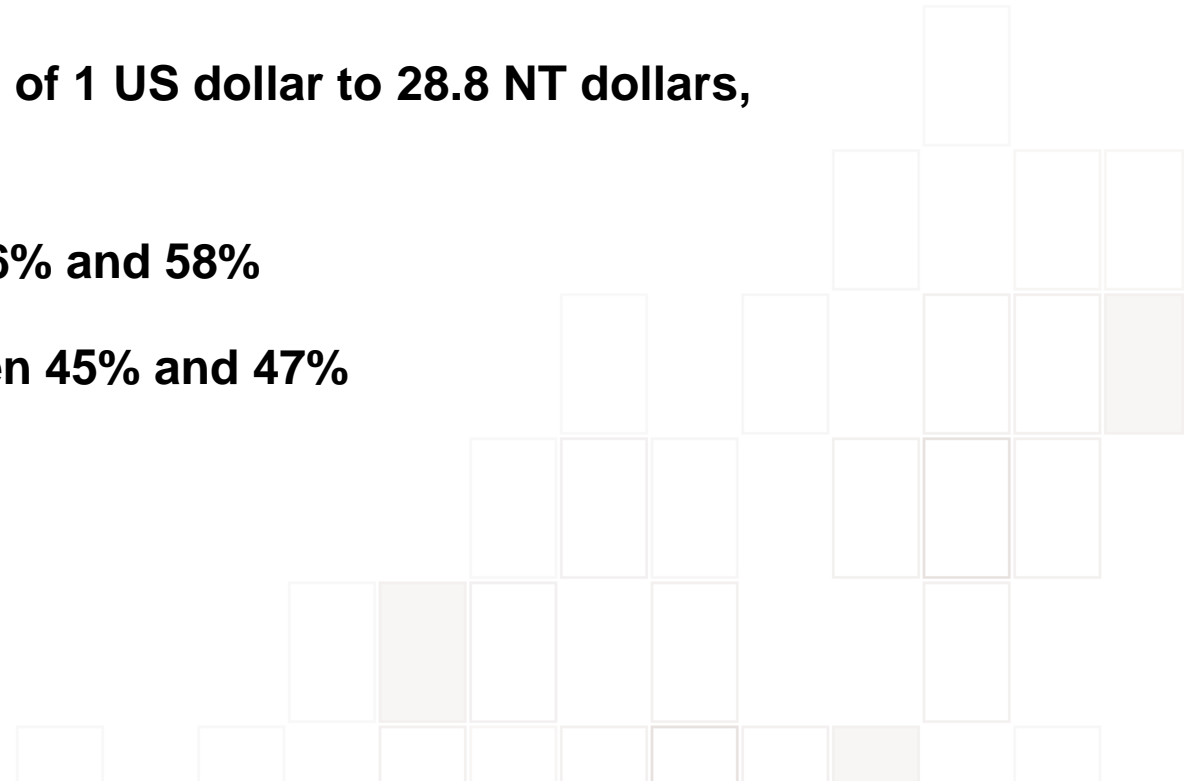
2Q22 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$ 17.6 billion and US\$ 18.2 billion

And, based on the exchange rate assumption of 1 US dollar to 28.8 NT dollars, management expects:

- Gross profit margin to be between 56% and 58%
- Operating profit margin to be between 45% and 47%



Recap of Recent Major Events

- **DENSO to Take Minority Stake in JASM with a US\$0.35 Billion Investment (2022/02/15)**
- **TSMC Board of Directors Approved the Issuance of 1,387,000 Shares of 2021 Employee Restricted Stock Awards (RSAs). In Order to Offset Dilution from the Increase of Outstanding Shares Due to the Above-mentioned Issuance, the Board Approved a Share Buyback Program for TSMC to Buy Back Its Common Shares on the Taiwan Stock Exchange. In Addition, the Board Approved the Issuance of No More Than 2,960,000 Common Shares of RSAs for the Year 2022, Which Will be Submitted to the 2022 Annual Shareholders' Meeting for Approval (2022/02/15)**
- **TSMC Board of Directors Approved the Issuance of Unsecured Corporate Bonds for an Amount Not to Exceed NT\$60 Billion (Approximately US\$2.26 Billion) and the Issuance of US Dollar-Denominated Unsecured Corporate Bonds for an Amount Not to Exceed US\$1 Billion (2022/02/15)**
- **TSMC Board of Directors Approved NT\$2.75 Cash Dividend for the Fourth Quarter of 2021 and Set June 16 as Ex-Dividend Date, June 22 as the Record Date and July 14, 2022 as the Distribution Date (2022/02/15)**
- 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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