



TSMC Reports Fourth Quarter EPS of NT\$11.41

Hsinchu, Taiwan, R.O.C., January 12, 2023 -- TSMC today announced consolidated revenue of NT\$625.53 billion, net income of NT\$295.90 billion, and diluted earnings per share of NT\$11.41 (US\$1.82 per ADR unit) for the fourth quarter ended December 31, 2022.

Year-over-year, fourth quarter revenue increased 42.8% while net income and diluted EPS both increased 78.0%. Compared to third quarter 2022, fourth quarter results represented a 2.0% increase in revenue and a 5.4% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, fourth quarter revenue was \$19.93 billion, which increased 26.7% year-over-year but decreased 1.5% from the previous quarter.

Gross margin for the quarter was 62.2%, operating margin was 52.0%, and net profit margin was 47.3%.

In the fourth quarter, shipments of 5-nanometer accounted for 32% of total wafer revenue; 7-nanometer accounted for 22%. Advanced technologies, defined as 7-nanometer and more advanced technologies, accounted for 54% of total wafer revenue.

“Our fourth quarter business was dampened by end market demand softness, and customers’ inventory adjustment, despite the continued ramp-up for our industry-leading 5nm technologies,” said Wendell Huang, VP and Chief Financial Officer of TSMC. “Moving into first quarter 2023, as overall macroeconomic conditions remain weak, we expect our business to be further impacted by continued end market demand softness, and customers’ further inventory adjustment.”

Based on the Company’s current business outlook, management expects the overall performance for first quarter 2023 to be as follows:

- Revenue is expected to be between US\$16.7 billion and US\$17.5 billion;
- And, based on the exchange rate assumption of 1 US dollar to 30.7 NT dollars,
- Gross profit margin is expected to be between 53.5% and 55.5%;
 - Operating profit margin is expected to be between 41.5% and 43.5%.

The management further expects the 2023 capital budget to be between US\$32 billion and US\$36 billion.

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 288 distinct process technologies, and manufactured 12,698 products for 532 customers in 2022 by providing broadest range of advanced, specialty and advanced packaging technology services. The Company is headquartered in Hsinchu, Taiwan. For more information please visit <https://www.tsmc.com>.

(Management Report and Tables Follow)

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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 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.