



Unleash Innovation

2023 Fourth Quarter Earnings Conference

January 18, 2024

Agenda

- **Welcome**
- **4Q23 Financial Results and 1Q24 Outlook**
- **Key Messages**

- **Q&A**

Jeff Su, IR Director

Wendell Huang, CFO

Wendell Huang, CFO

C.C. Wei, CEO

Mark Liu, Chairman

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

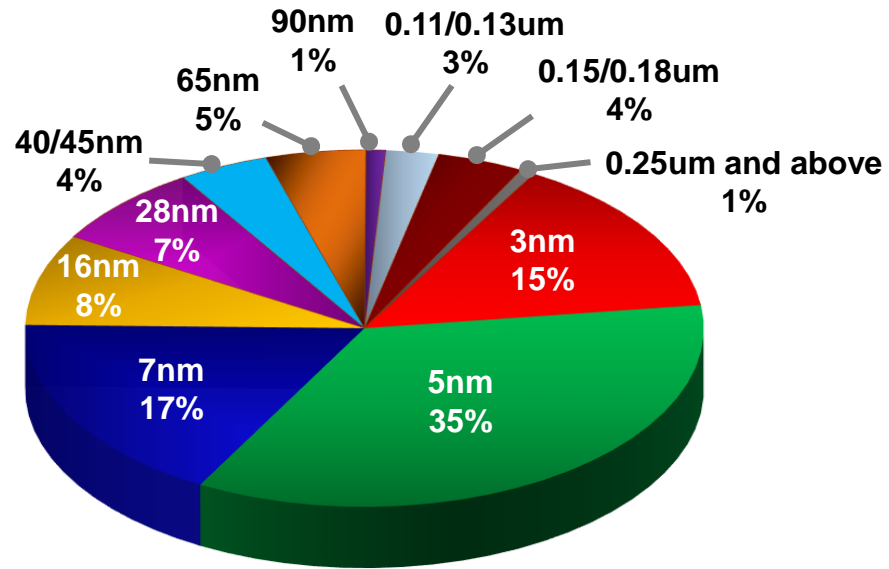
(In NT\$ billions unless otherwise noted)

	4Q23	4Q23 Guidance	3Q23	4Q22	4Q23 Over 3Q23	4Q23 Over 4Q22
Net Revenue (US\$ billions)	19.62	18.8-19.6	17.28	19.93	+13.6%	-1.5%
Net Revenue	625.53		546.73	625.53	+14.4%	0.0%
Gross Margin	53.0%	51.5%-53.5%	54.3%	62.2%	-1.3 pts	-9.2 pts
Operating Expenses	(71.62)		(68.70)	(64.54)	+4.2%	+11.0%
Operating Margin	41.6%	39.5%-41.5%	41.7%	52.0%	-0.1 ppt	-10.4 pts
Non-Operating Items	18.07		13.87	9.63	+30.3%	+87.7%
Net Income to Shareholders of the Parent Company	238.71		211.00	295.90	+13.1%	-19.3%
Net Profit Margin	38.2%		38.6%	47.3%	-0.4 ppt	-9.1 pts
EPS (NT Dollar)	9.21		8.14	11.41	+13.1%	-19.3%
ROE	28.1%		25.8%	41.7%	+2.3 pts	-13.6 pts
Shipment (Kpcs, 12"-equiv. Wafer)	2,957		2,902	3,702	+1.9%	-20.1%
Average Exchange Rate--USD/NTD	31.88	32.00	31.64	31.39	+0.7%	+1.6%

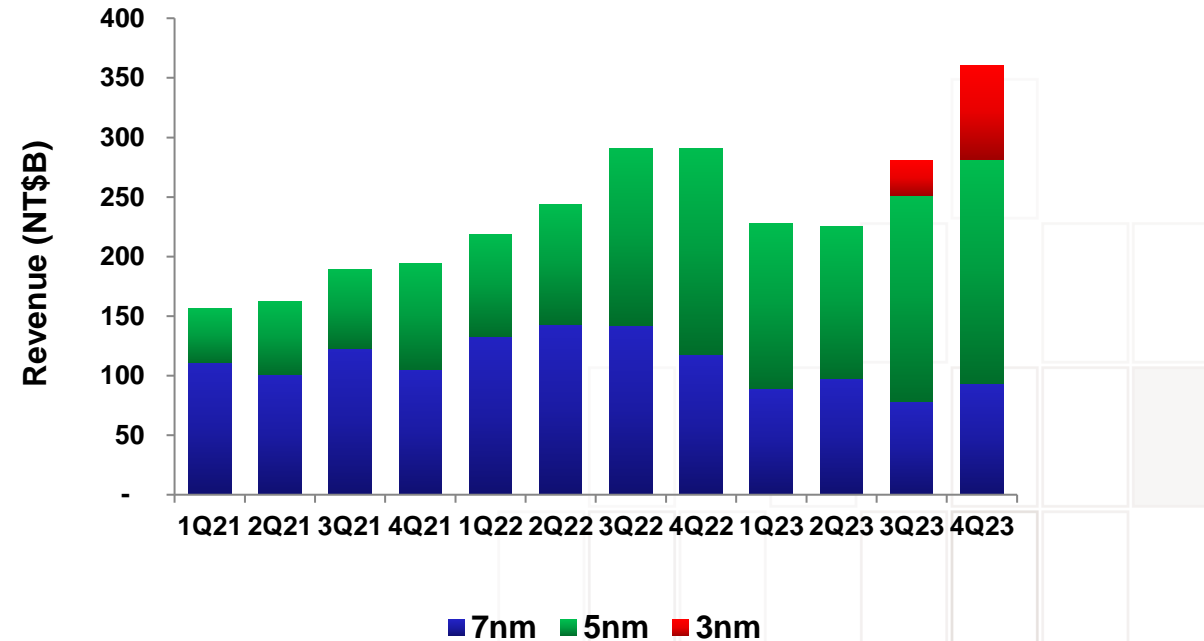
* Diluted weighted average outstanding shares were 25,929mn units in 4Q23

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

4Q23 Revenue by Technology

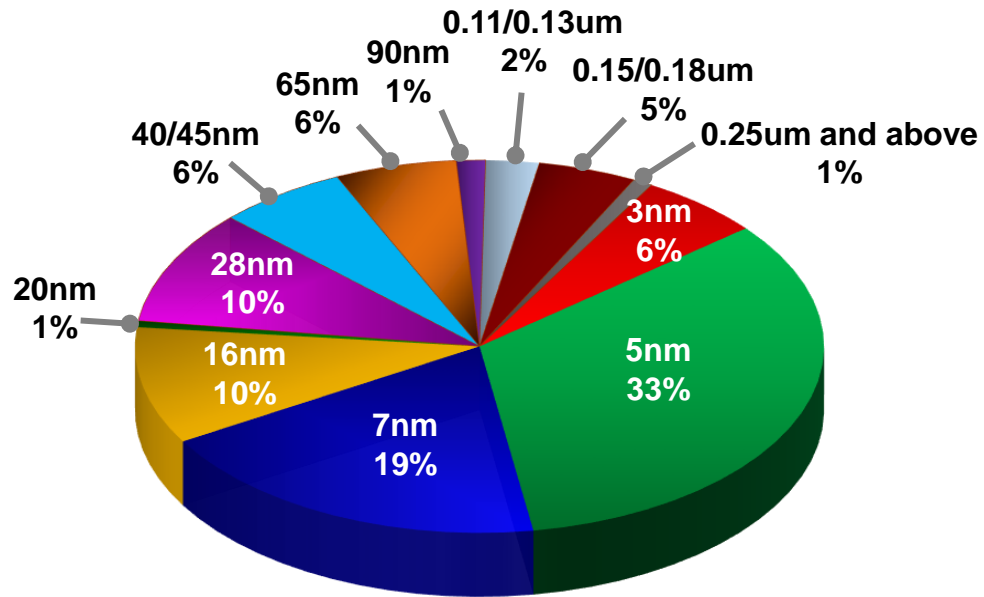


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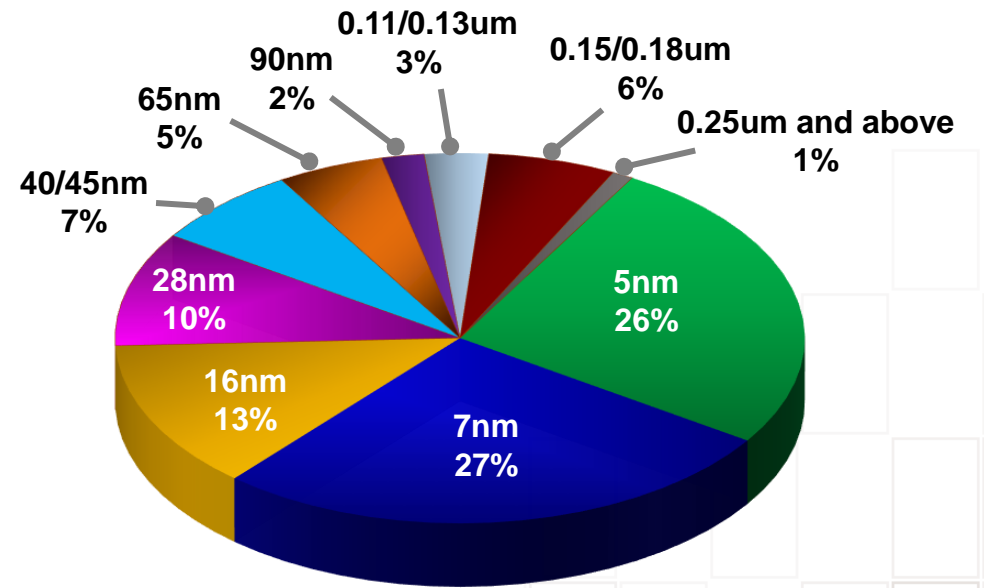


Revenue by Technology

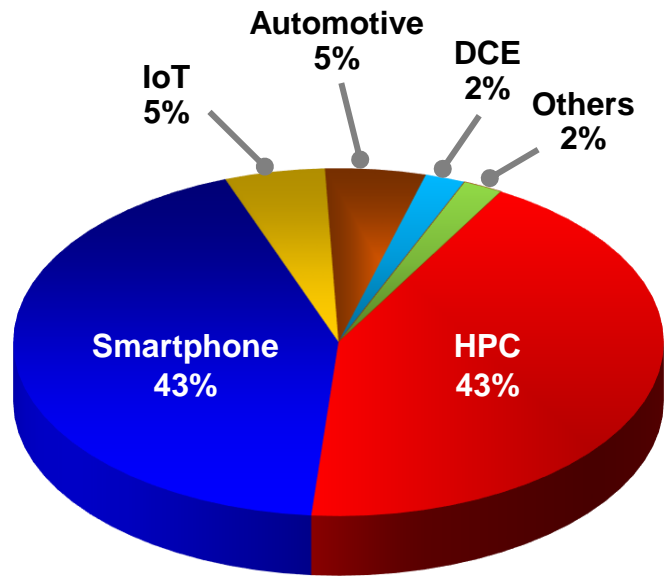
2023



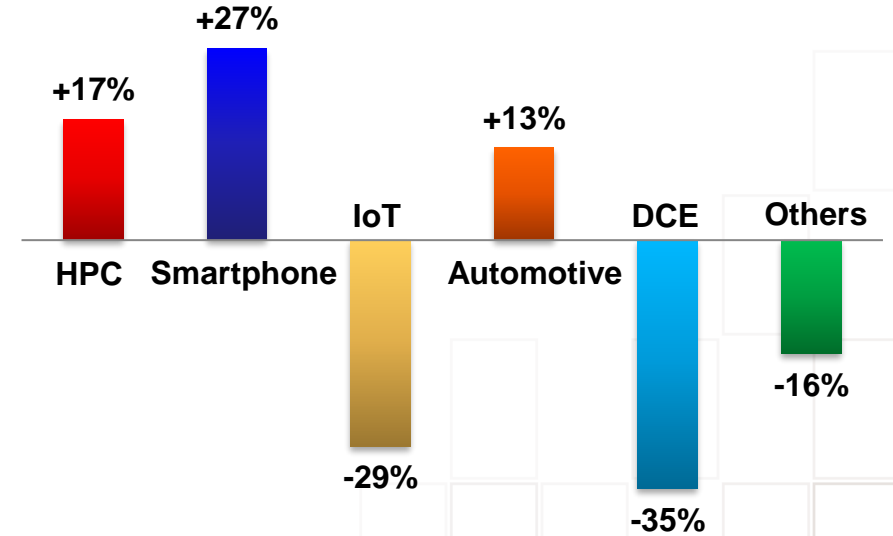
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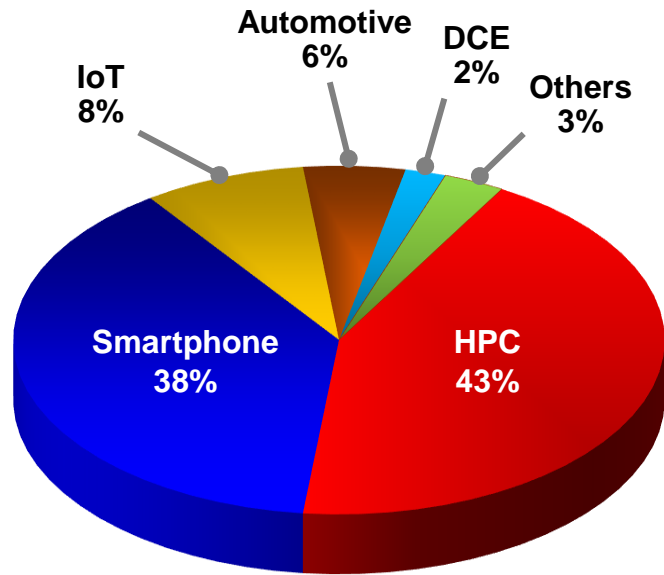
4Q23 Revenue by Platform



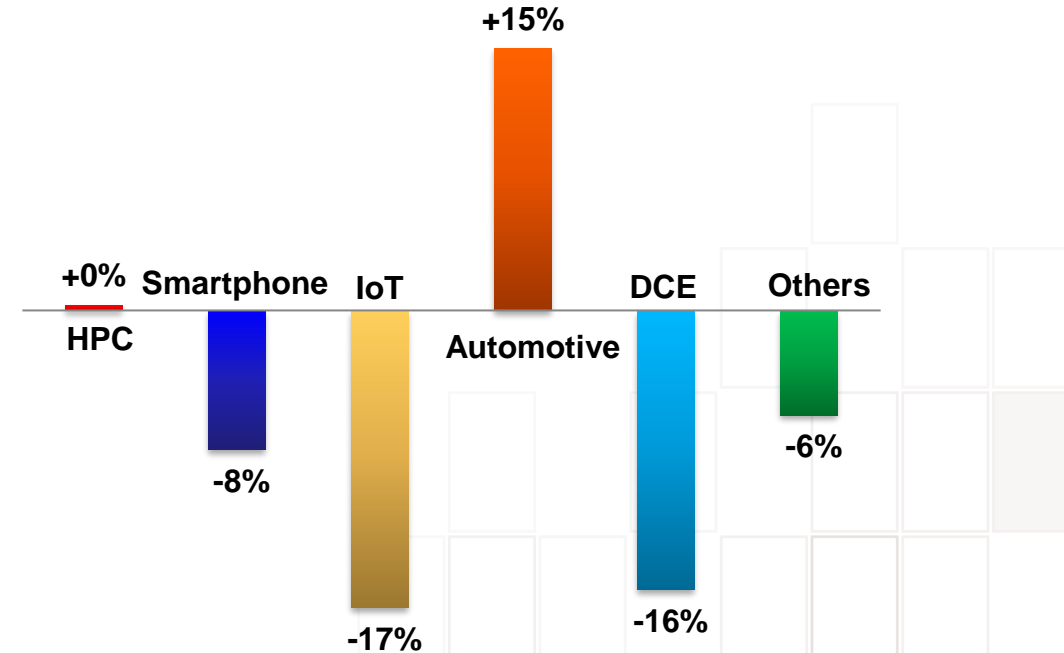
Growth Rate by Platform (QoQ)



2023 Revenue by Platform



Growth rate by Platform (YoY)



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,687.65	30.5%	1,551.32	28.3%	1,561.49	31.4%
Accounts Receivable	201.94	3.7%	222.83	4.1%	231.34	4.7%
Inventories	250.99	4.5%	262.09	4.8%	221.15	4.4%
Long-term Investments	129.44	2.3%	116.35	2.1%	68.93	1.4%
Net PP&E	3,064.48	55.4%	3,132.66	57.1%	2,693.84	54.3%
Total Assets	5,532.37	100.0%	5,484.56	100.0%	4,964.78	100.0%
Current Liabilities	913.58	16.5%	970.04	17.7%	944.23	19.0%
Long-term Interest-bearing Debts	918.28	16.6%	937.49	17.1%	839.10	16.9%
Total Liabilities	2,049.11	37.0%	2,111.74	38.5%	2,004.29	40.4%
Total Shareholders' Equity	3,483.26	63.0%	3,372.82	61.5%	2,960.49	59.6%
Key Indices						
AR Turnover Days	31		35		36	
Inventory Turnover Days	85		96		93	
Current Ratio (x)	2.4		2.1		2.2	
Asset Productivity (x)	0.8		0.7		1.0	

* Total outstanding shares were 25,932mn units at 12/31/23

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

Cash Flows

<i>(In NT\$ billions)</i>	4Q23	3Q23	4Q22
Beginning Balance	1,311.81	1,276.72	1,296.01
Cash from operating activities	394.83	294.65	486.88
Capital expenditures	(170.16)	(226.62)	(336.84)
Cash dividends	(77.80)	(71.30)	(71.30)
Bonds payable	9.80	9.80	5.80
Investments and others	(3.05)	28.56	(37.74)
Ending Balance	1,465.43	1,311.81	1,342.81
Free Cash Flow*	224.67	68.03	150.04

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

2023 Financial Highlights

<i>(In NT\$ billions unless otherwise noted)</i>	2023	2022	YoY
Net Revenue (US\$ billions)	69.30	75.88	-8.7%
Net Revenue	2,161.74	2,263.89	-4.5%
Gross Margin	54.4%	59.6%	-5.2 pts
Operating Margin	42.6%	49.5%	-6.9 pts
Income before Tax	979.17	1,144.19	-14.4%
EPS - Diluted (NT\$)	32.34	39.20	-17.5%
Operating Cash Flow	1,241.97	1,610.60	-22.9%
Capital Expenditures	949.82	1,082.67	-12.3%
Free Cash Flow (FCF)	292.15	527.93	-44.7%
Cash Dividends	291.72	285.24	+2.3%
Cash & Marketable Securities	1,687.65	1,561.49	+8.1%
ROE	26.2%	39.8%	-13.6 pts

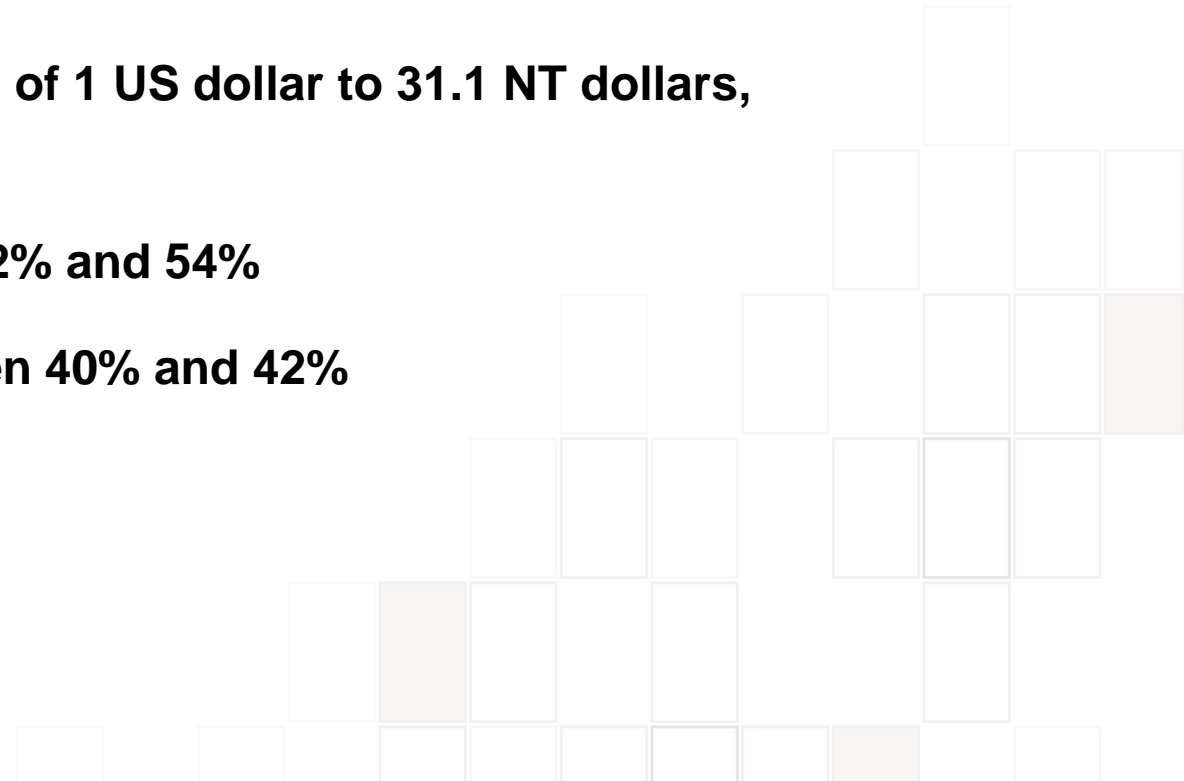
1Q24 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US\$18.0 billion and US\$18.8 billion

And, based on the exchange rate assumption of 1 US dollar to 31.1 NT dollars, management expects:

- Gross profit margin to be between 52% and 54%
- Operating profit margin to be between 40% and 42%



Recap of Recent Major Events

- **TSMC Announces Dr. Mark Liu Not to Participate in Next Board of Directors Election (2023/12/19)**
- **WaferTech Celebrates its Name Change to TSMC Washington (2023/12/15)**
- **TSMC 2023 Supply Chain Management Forum Presents Awards to Outstanding Suppliers (2023/12/07)**
- **TSMC Board of Directors Approved NT\$3.50 Cash Dividend for the Third Quarter of 2023 and Set March 18 as Ex-Dividend Date, March 24 as the Record Date and April 11, 2024 as the Distribution Date (2023/11/14)**

- 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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