



TSMC Reports First Quarter EPS of NT\$4.51

Hsinchu, Taiwan, R.O.C., April 16, 2020 – TSMC (TWSE: 2330, NYSE: TSM) today announced consolidated revenue of NT\$310.60 billion, net income of NT\$116.99 billion, and diluted earnings per share of NT\$4.51 (US\$0.75 per ADR unit) for the first quarter ended March 31, 2020.

Year-over-year, first quarter revenue increased 42.0% while net income and diluted EPS both increased 90.6%. Compared to fourth quarter 2019, first quarter results represented a 2.1% decrease in revenue and a 0.8% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, first quarter revenue was \$10.31 billion, which increased 45.2% year-over-year and decreased 0.8% from the previous quarter.

Gross margin for the quarter was 51.8%, operating margin was 41.4%, and net profit margin was 37.7%.

In the first quarter, shipments of 7-nanometer accounted for 35% of total wafer revenue and 10-nanometer process technology contributed 0.5% while 16-nanometer accounted for 19%. Advanced technologies, defined as 16-nanometer and more advanced technologies, accounted for 55% of total wafer revenue.

“Our first quarter business declined less than seasonality, due to the increase in HPC-related demand and the continued ramp of 5G smartphones,” said Wendell Huang, VP and Chief Financial Officer of TSMC. “Moving into second quarter 2020, we expect our revenue to be flattish, as weaker mobile product demand is expected to be balanced by continued 5G deployment and HPC-related product launches. Based on our current business outlook, management expects the overall performance for second quarter 2020 to be as follows”:

- Revenue is expected to be between US\$10.1 billion and US\$10.4 billion;
- And, based on the exchange rate assumption of 1 US dollar to 30.0 NT dollars,
- Gross profit margin is expected to be between 50% and 52%;
 - Operating profit margin is expected to be between 39% and 41%.



TSMC's 2020 first quarter consolidated results:

(Unit: NT\$ million, except for EPS)

	1Q20 Amount ^a	1Q19 Amount	YoY Inc. (Dec.) %	4Q19 Amount	QoQ Inc. (Dec.) %
Net sales	310,597	218,704	42.0	317,237	(2.1)
Gross profit	160,777	90,358	77.9	159,202	1.0
Income from operations	128,522	64,266	100	124,244	3.4
Income before tax	132,147	68,182	93.8	128,782	2.6
Net income	116,987	61,394	90.6	116,035	0.8
EPS (NT\$)	4.51 ^b	2.37 ^b	90.6	4.47 ^b	0.8

a: 1Q2020 figures have not been approved by Board of Directors

b: Based on 25,930 million weighted average outstanding shares

About TSMC

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 technology and portfolio of design enablement solutions to unleash innovation for the global semiconductor industry.

TSMC serves its customers with global capacity of about 13 million 12-inch equivalent wafers per year in 2020, and provides the broadest range of technologies from 2 micron all the way to foundry's most advanced processes, which is 7-nanometer today. TSMC is the first foundry to provide 7-nanometer production capabilities and the first to commercialize Extreme Ultraviolet (EUV) lithography technology in delivering customer products to market in high volume. TSMC is headquartered in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

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