

# Financial Performance

TSMC believes prudent business plans, disciplined capital management and good financial performance can help create long-term economic value and build a solid financial foundation. 2023 was a challenging year for the global semiconductor industry as weakening global macroeconomic conditions and higher inflation and interest rates prolonged the semiconductor inventory adjustment cycle. In a challenging year like 2023, TSMC's strong financial foundation allowed the Company to continue to execute its corporate sustainability plans, and to give back to all its stakeholders, including shareholders/ investors, employees, customers, suppliers/contractors, government/industry associations, society, and others.

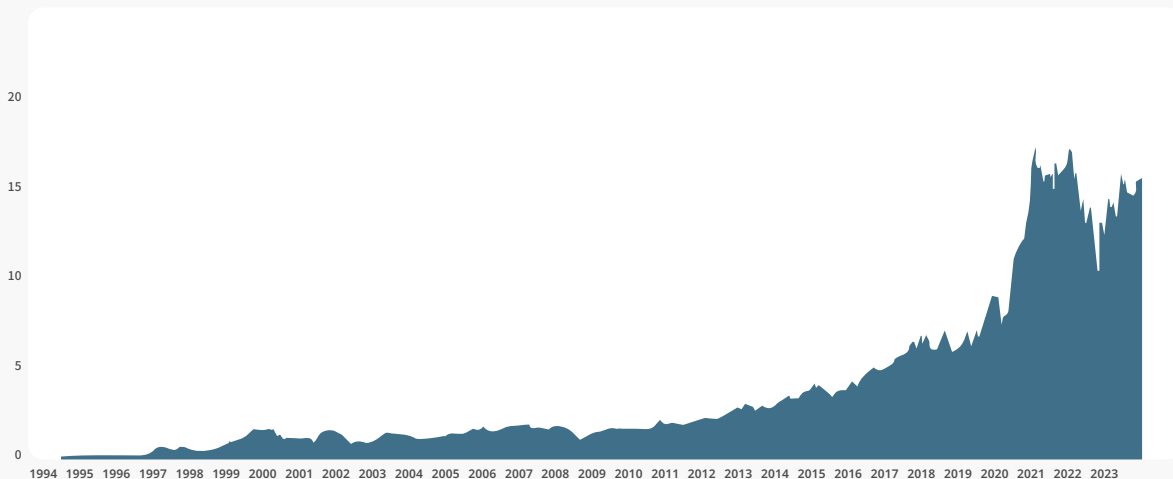
TSMC views transparency and timeliness of financial information as the key factors to facilitate better communication with investors, and strengthen their confidence in the Company's long-term investment value. Therefore, TSMC sets clear and measurable strategic financial objectives, in addition to regular

disclosures of its latest financial results, and stays on track to deliver results that are aligned with its long-term financial targets. TSMC is a key enabler of AI applications, and the surge in AI-related demand supports the Company's strong conviction on energy-efficient computing. Thus, the value of TSMC's technology position is increasing. Based on the long-term growth outlook, from 2021 to 2026 the Company expects (1) its long-term revenue growth, in US dollar terms, to be 15% to 20% CAGR, (2) its long-term gross margin to be 53% and higher, and (3) ROE to be 25% and higher across the cycle.

Given the funding requirements to address the business growth opportunities, and the need to maintain a solid financial foundation, since 2020, TSMC has issued a total of NT\$385.7 billion in NT dollar denominated and US\$17.5 billion in US dollar denominated corporate bonds, with favorable pricing terms. After the bond to issuances, TSMC continues maintain the semiconductor industry's highest credit ratings.

## Market Capitalization

Unit: NT\$ Trillion



## Four Strategies to Increase Long-term Investment Value

Strategy	Key Metric	Value	Period
Continue to invest in technology leadership	CAGR in R&D investment	13.7%	2014 - 2023
Provide excellent manufacturing services and capacity support	Total capacity exceeded 16 million 12"-equivalent wafers in 2023	16 Million	
Pursue revenue and market share growth	CAGR in net revenue	13.2%	2014 - 2023
Maintain or improve profitability and investment returns	CAGR in net income	16.1%	2014 - 2023
	CAGR in R&D headcounts	7.7%	2014 - 2023
	CAGR in capital expenditures	12.1%	2014 - 2023
	Of the world's semiconductor excluding memory output value produced in 2023	28%	
	Average ROE	27%	2014 - 2023
	Cumulative cash dividends (NT\$)	2.8 Trillion	2014 - 2023



Since the Company went public in 1994, TSMC has been profitable every year and TSMC's market capitalization has been growing steadily. As of December 31, 2023, TSMC's market capitalization reached NT\$15.6 trillion, or US\$507.2 billion.

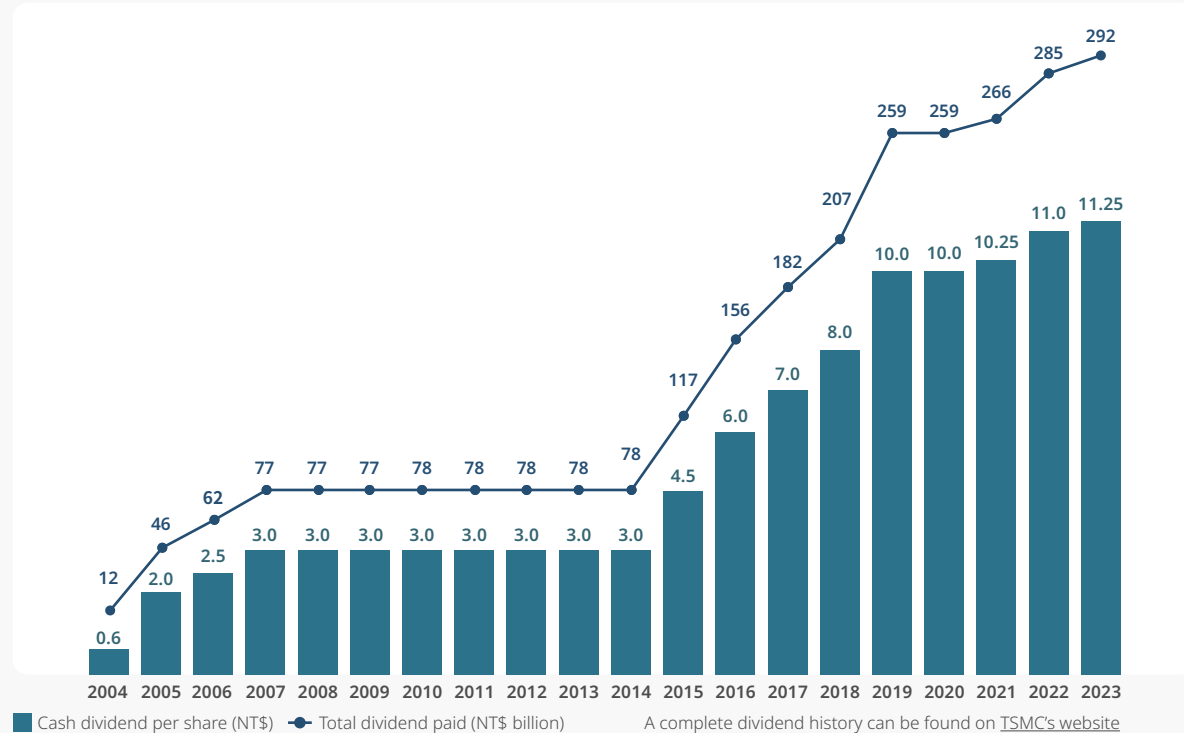
TSMC's solid financial performance enables the Company to distribute profits to shareholders in the form of cash dividends. In 2023, TSMC's Board of Directors approved the increase in quarterly cash dividend twice – from NT\$2.75 to NT\$3.00 per share in

in May, and further raised to NT\$3.50 per share in November. Therefore, TSMC's shareholders received a total of NT\$11.25 per share in cash dividends in 2023, and will receive at least NT\$13.5 per share in 2024. From 2004 to 2023, TSMC has paid out a total of NT\$2.8 trillion, or US\$90.8 billion, in cash dividends.

In the future, TSMC intends to maintain a sustainable quarterly cash dividend, and to distribute the cash dividend each year at a level not lower than the year before.



### Cash Dividend



### Financial Performance

Unit: NT\$ Billion

