

ASUSTeK

3Q 2016 Investor Conference

Disclaimer

ASUSTeK's presentation contains forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.

The forward-looking statements in this release reflect the current belief of ASUS as of the date of this release, we undertake no obligation to update these forward-looking statements for new information, future events, or otherwise.

Agenda

- **3Q 2016 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

3Q 2016 Financial Result

3Q 2016 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	3Q 2016	2Q 2016	QoQ	3Q 2015	YoY
Net Revenue	107,507	93,938	14%	110,985	-3%
COGS	(92,535)	(81,355)	14%	(95,081)	-3%
Gross Profit	14,972	12,583	19%	15,904	-6%
Operating Expenses	(10,695)	(8,820)	21%	(10,877)	-2%
Operating Income	4,277	3,762	14%	5,027	-15%
Non-OP Items	3,327	1,542	116%	109	2948%
Pre-Tax Income	7,604	5,305	43%	5,136	48%
Tax	(1,626)	(1,179)	38%	(921)	77%
Net Income	5,979	4,125	45%	4,215	42%
EPS	8.0	5.6		5.7	
Gross Margin %	13.9%	13.4%		14.3%	
Operating Margin %	4.0%	4.0%		4.5%	

3Q 2016 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	3Q 2016	2Q 2016	QoQ	3Q 2015	YoY
Interest Income (net)	163	194	-16%	30	438%
Investment Income	161	145	11%	321	-50%
<i>Askey</i>	<i>(52)</i>	<i>(6)</i>	<i>-797%</i>	148	<i>-136%</i>
<i>Others</i>	214	151	42%	174	23%
Exchange Gain/(Loss)	55	942	-94%	(2,286)	102%
Dividend Income	2,821	4	80495%	1,826	54%
Other Income (net)	127	258	-51%	217	-41%
Total Non-OP items	3,327	1,542	116%	109	2948%

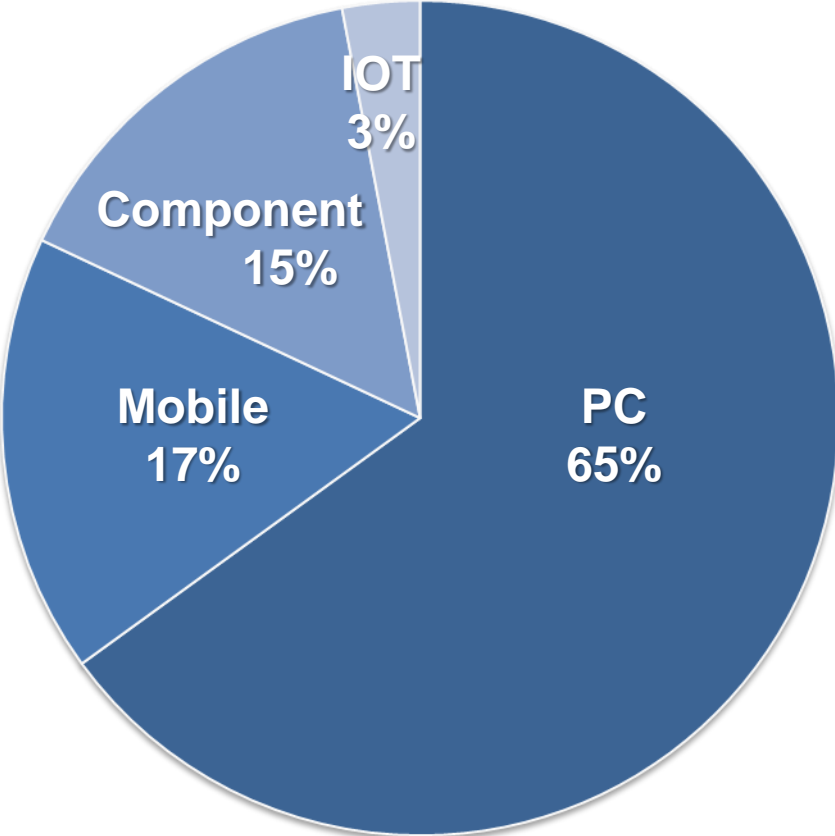
3Q 2016 Brand B/S

in NT\$ Mn	Sep 30, 2016	Jun 30, 2016	QoQ	Sep 30, 2015	YoY
Cash & equivalents	64,810	60,329	7%	59,343	9%
Accounts receivable	73,253	69,362	6%	76,889	-5%
Inventories	74,965	81,463	-8%	93,192	-20%
Current Assets	220,243	220,751	-0.2%	238,804	-8%
Long-term investments	79,449	71,471		77,647	
Fixed assets	8,177	4,317		3,632	
Total Assets	322,522	307,306	5%	330,097	-2%
Accounts payable	52,683	40,569	30%	67,114	-22%
Current Liabilities	136,608	133,130	3%	155,169	-12%
Total Liabilities	145,550	142,352	2%	162,620	-10%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	176,970	164,954	7%	167,478	6%
Avg. Days of Inventory	77	94		89	
Avg. Days of AR	61	70		59	
Avg. Days of AP	50	48		70	
Avg. CCC Days	88	116		78	

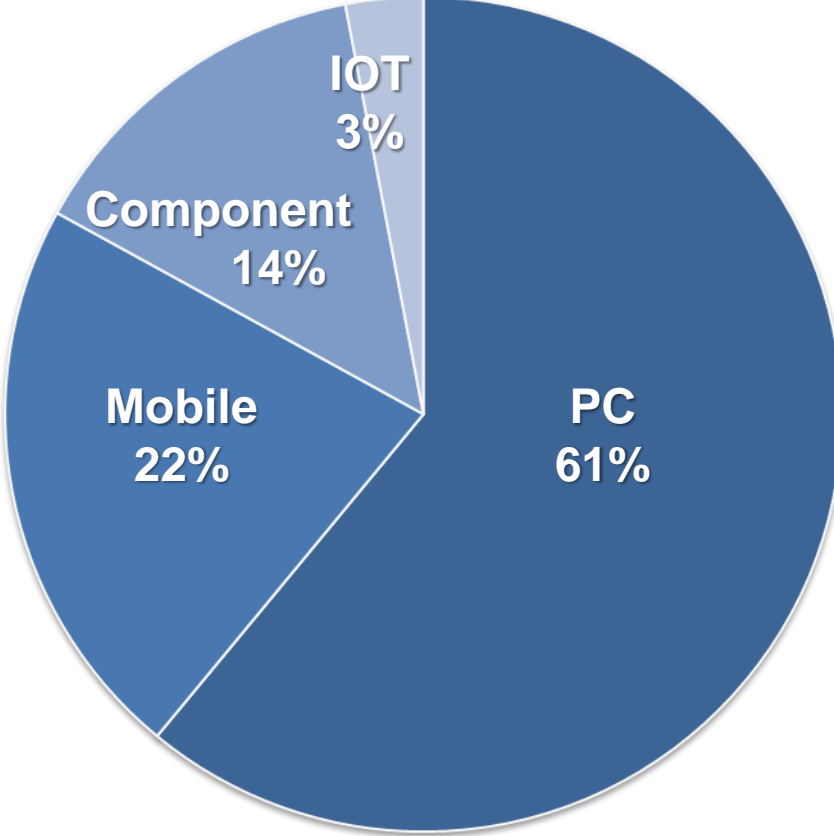
Business Highlights

Product Mix

3Q 2016

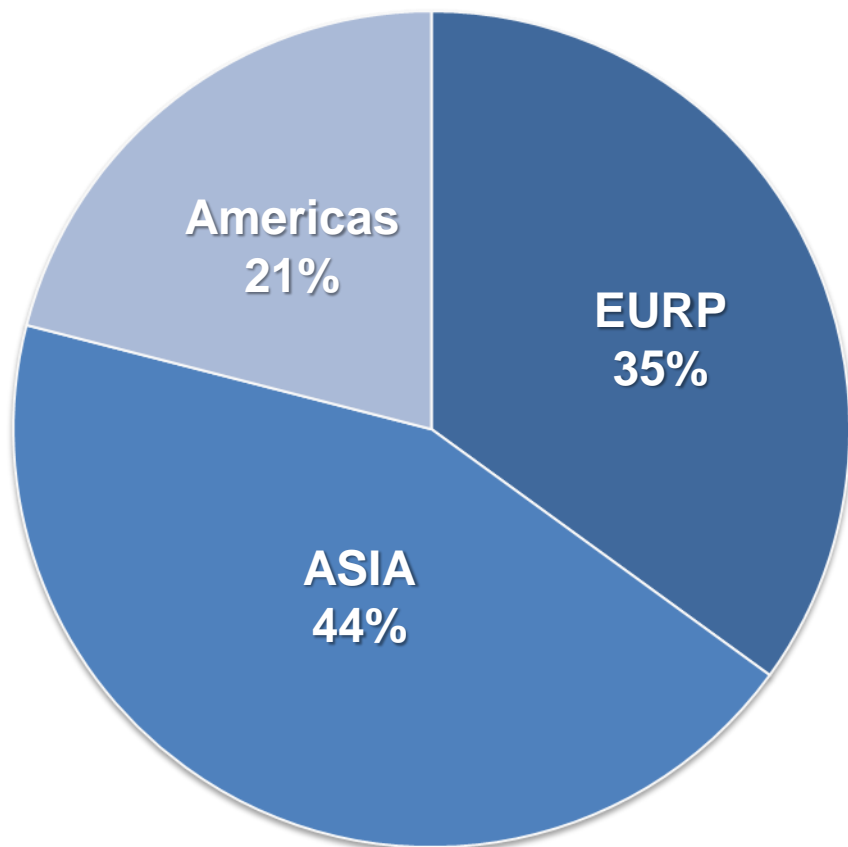


3Q 2015

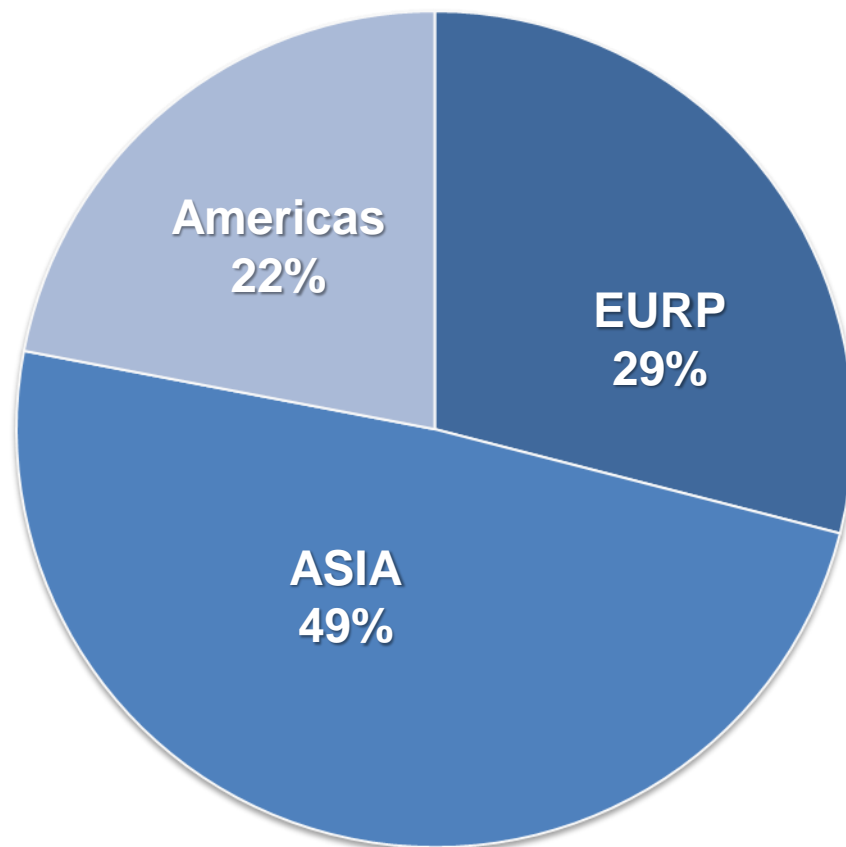


Region Mix

3Q 2016



3Q 2015



4Q 2016 Business Outlook

- **Brand revenue to be ~NT\$ 105bn \pm 5bn**
 - PC revenue QoQ +0%~5%
 - Mobile revenue QoQ +10%~+20%
 - Component revenue QoQ -5%~-10%
- **Gross profit margin to be ~13% \pm 1%**
- **Operating profit margin to be ~4.0% \pm 0.25%**

Strategy & Outlook

Ubiquitous Computing

Evolution. Revolution



New Ubiquitous Computing Era



ASUS NB Growth Engine

2 in 1

ZenBook

GAMING



Leading Innovation • Wow Experience



REPUBLIC OF
GAMERS

Gaming since 2006



YoY > 60% in 2016(e)



REPUBLIC OF
GAMERS

Gaming Notebook won

1,175 award globally



reddot

2016

design award

ROG GX700VO | ROG G752 | ROG GL502



Gaming



"Never reviewed a PC – desktop or laptop – that runs games faster."



"As new gaming laptops with 1070 GPUs come out this fall, the G752V OC has set a higher bar for what other laptop makers will have to beat."



"I put the G752 up against some of this year's fastest notebooks and it consistently came out on top, sometimes by a country mile."



"Born for 4K. Asus GX800 is definitely a very impressive device."





GX800

NO. 1 Performance





REPUBLIC OF
GAMERS

New Gaming Model

Compact • Slim • Powerful

COMING SOON

2017 CES



ZenBook



YoY > 40% in 2016 (e)

The Best Zenvolution Journey

ZenBook won **1147** awards globally



ASUS ZenBook **3** Praised by Prestigious Media across the World



"Fast, slim, and handsome, Asus' Zenbook 3 is the super-slim laptop to beat."

– DIGITAL TRENDS



"Asus ZenBook 3 is a stylish and capable ultra-thin laptop."

– THE STRAITS TIMES DIGITAL EDITOR'S CHOICE



"The ZenBook 3 meets or exceeds our expectations for premium ultraportable laptops."

– PCMAG.COM EDITORS' CHOICE



"If you're looking for an extremely portable laptop that's also capable of serious work, the ZenBook 3 is tough to argue against."

– COMPUTER SHOPPER EDITORS' CHOICE



中國ZenBook 3 華碩靈耀電商首發



华硕灵耀3采用第七代智能英特尔®酷睿™ i7处理器
英特尔®，让性能更超凡

ASUS
华硕品质·坚若磐石

华硕灵耀 3

薄然心动 9.26京东强势首发

- ☑ 移动端首发享好价
- ☑ 购买送好礼
- ☑ 晒单返E卡
- ☑ 白条6期免息

井柏然
华硕轻薄笔记本代言人



靈耀3首發戰報 首批到貨當日全部售罄

預約量：**39,557** 台

NB Trend

- Thin • Light • Slim-bezel
- Gaming
- Always connected (LTE, 5G)
- Immersive (VR/AR)
- Windows Hello • Windows Ink • Cortana

Zenfone

Empowering Luxury
for Everyone

Hero model • Hero country

Zenfone Core Competence

Design

Camera

Audio & Video



Zenfone 3



Zenfone 3 Ultra



Zenfone 3 Deluxe



Zenfone 3 Max



Zenfone Go

Design

Pure Metal Technology

World's 1st invisible antenna design

Perfect symmetry

Dual 2.5D Glass, Slim metal frame

Zenfone™ 3



Zenfone™ 3 Deluxe



380 International awards 2001- now



113



137



80



15

Camera

- Dedicated camera team from da Vinci Lab
- State-of-the-art camera technology
 - 0.03 sec tri- tech auto focus
 - OIS / EIS
 - 4K video recording
 - Pre ISP
 - Zoom
 - Dual camera
 - VR/AR

PixelMaster 3.0 Camera – 20 Modes



Auto



Manual



HDR Pro



Beautification



Super Resolution



Children



Low Light (4M)



QR code



Night



Depth of Field



Effect



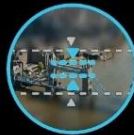
Selfie



GIF Animation



Panorama



Miniature



Time Rewind



Smart Remove



All Smiles



Slow motion

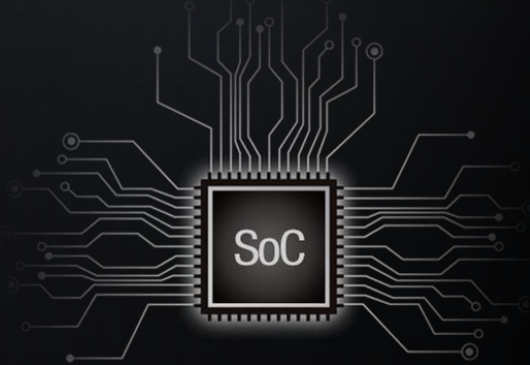


Time Lapse

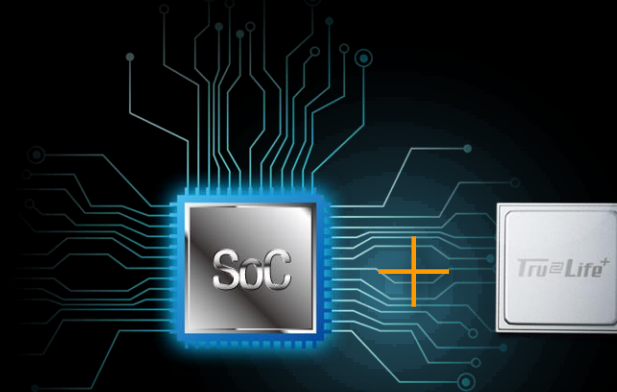
Video

ASUS Tru2Life+ Technology

Other brands



ASUS Tru2Life+ Technology



Contrast & Sharpness

Blur-Free Motion

Outdoor Readability

Audio

New 5-magnet speaker with Smart AMP

14% low-frequency extension

12% less distortion

400% Higher Output power



Zenfone™ 3 Deluxe

All Metal • Pure Beauty

World's 1st
Invisible Antenna Design

World's 1st
Snapdragon 821 2.4GHz

World's 1st
6GB RAM +
256GB UFS 2.0 ROM





ZenfoneTM 3

Built for Photography

OIS/EIS

optical / electronic
image stabilization

0.03s TriTech AF

ultrafast and precise
auto-focus

4K Videos

With ultra-long
recording time



**GOOD
DESIGN**

Zenfone 3 Max

Big battery • Mega pixel



4100 mAh
with reverse charging

0.03s Laser AF / PDAF
16MP camera

EIS
Steady video recording

Amazing Journey • Incredible Achievement



Zenfone™ won **721** award globally

Amazing Journey • Incredible Achievement

Zenfone™ **3** Series **praised by Prestigious Media**

Forbes

“ASUS ZenFone 3 Deluxe redefines Android superphone category”

engadget

“ASUS’s ZenFone 3 looks and feels twice its price”



“ASUS ZenFone 3 crams plenty of great features into a new glass-clad chassis”

THE VERGE

BGR

Stuff



indiatoday **in** tech

Zenfone™ 3

Hero Country



Zenfone 3 Breakthrough

Zenfone™ 3 Max



Empowering Luxury
For everyone

Zenfone™ 3



Premier Luxury

Zenfone™ 3 Deluxe



Ultimate Luxury



**IN SEARCH OF
INCREDIBLE**

ASUSTeK

3Q 2016 Investor Conference

Thank you