

ASUSTeK

3Q 2017 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 2017 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

3Q 2017 Financial Result

3Q 2017 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	2017 3Q	2017 2Q	QoQ	2016 3Q	YoY
Net Revenue	104,203	86,546	20%	107,507	-3%
COGS	(89,240)	(76,549)	17%	(92,535)	-4%
Gross Profit	14,963	9,997	50%	14,972	0%
Operating Expenses	(11,969)	(8,252)	45%	(10,695)	12%
Operating Income	2,994	1,746	72%	4,277	-30%
Non-OP Items	4,134	718	476%	3,327	24%
Pre-Tax Income	7,128	2,463	189%	7,604	-6%
Tax	(1,291)	(453)	185%	(1,626)	-21%
Net Income	5,837	2,010	190%	5,979	-2%
EPS	7.9	2.7		8.0	
Gross Margin %	14.4%	11.6%		13.9%	
Operating Margin %	2.9%	2.0%		4.0%	

3Q 2017 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	2017 3Q	2017 2Q	QoQ	2016 3Q	YoY
Interest Income (net)	190	265	-28%	163	17%
Investment Income	148	10	1340%	161	-8%
<i>Askey</i>	<i>(293)</i>	<i>(166)</i>	<i>-77%</i>	<i>(52)</i>	<i>-459%</i>
<i>Others</i>	<i>441</i>	<i>176</i>	<i>151%</i>	<i>214</i>	<i>107%</i>
Exchange Gain/(Loss)	773	509	52%	55	1296%
Dividend Income	2,794	5	56350%	2,821	-1%
Other Income (net)	228	<i>(72)</i>	418%	127	79%
Total Non-OP items	4,134	718	476%	3,327	24%

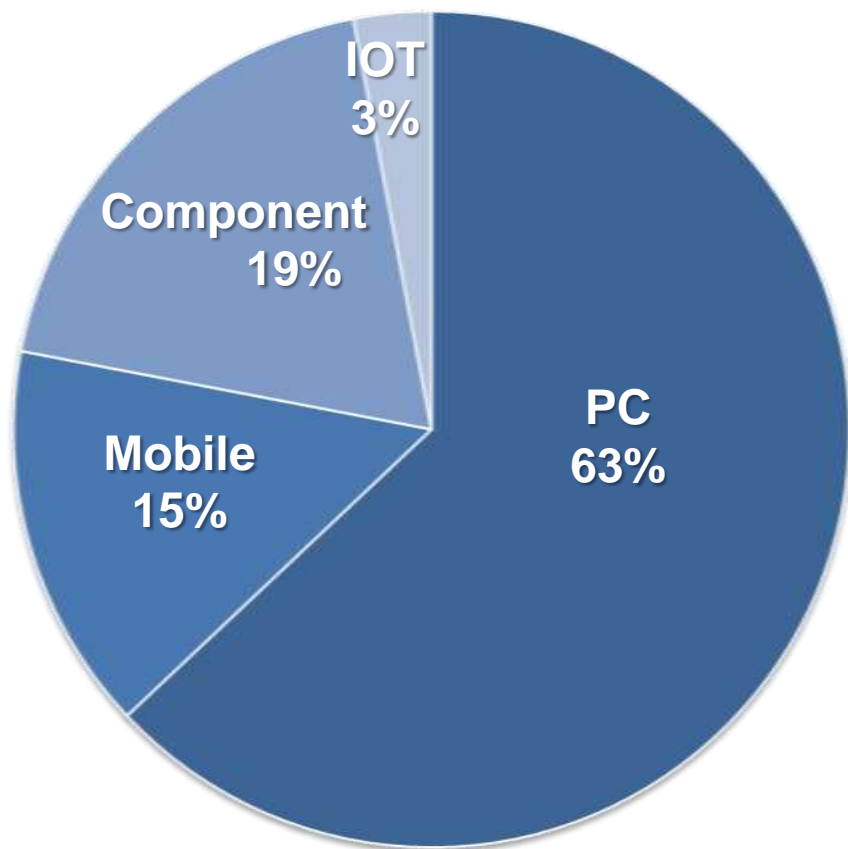
3Q 2017 Brand B/S

in NT\$ Mn	Sep 30, 2017	Jun 30, 2017	QoQ	Sep 30, 2016	YoY
Cash & equivalents	52,873	65,250	-19%	64,810	-18%
Accounts receivable	79,660	70,361	13%	73,253	9%
Inventories	84,314	88,813	-5%	74,965	12%
Current Assets	223,684	231,496	-3%	220,243	2%
Long-term investments	76,455	80,795		79,449	
Fixed assets	9,472	9,240		8,177	
Total Assets	323,461	335,191	-3%	322,522	0%
Accounts payable	53,746	56,298	-5%	52,683	2%
Current Liabilities	138,649	151,262	-8%	136,608	1%
Total Liabilities	148,749	161,355	-8%	145,551	2%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	174,711	173,835	1%	176,970	-1%
Avg. Days of Inventory	89	102		77	
Avg. Days of AR	66	75		61	
Avg. Days of AP	60	71		50	
Avg. CCC Days	94	106		88	

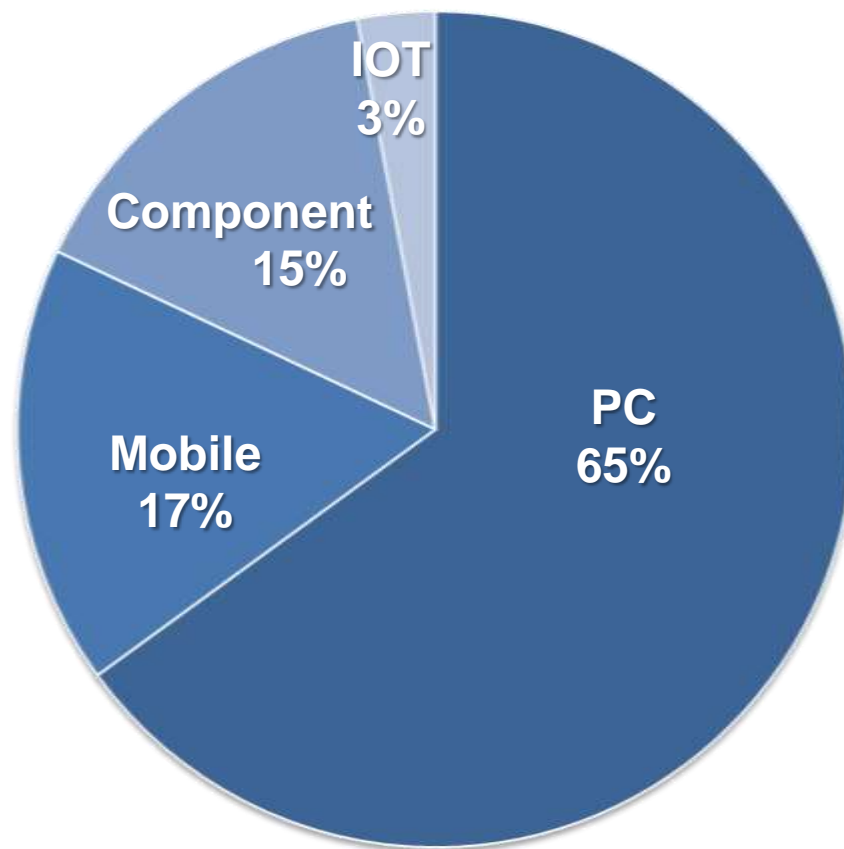
Business Highlights

Product Mix

3Q 2017

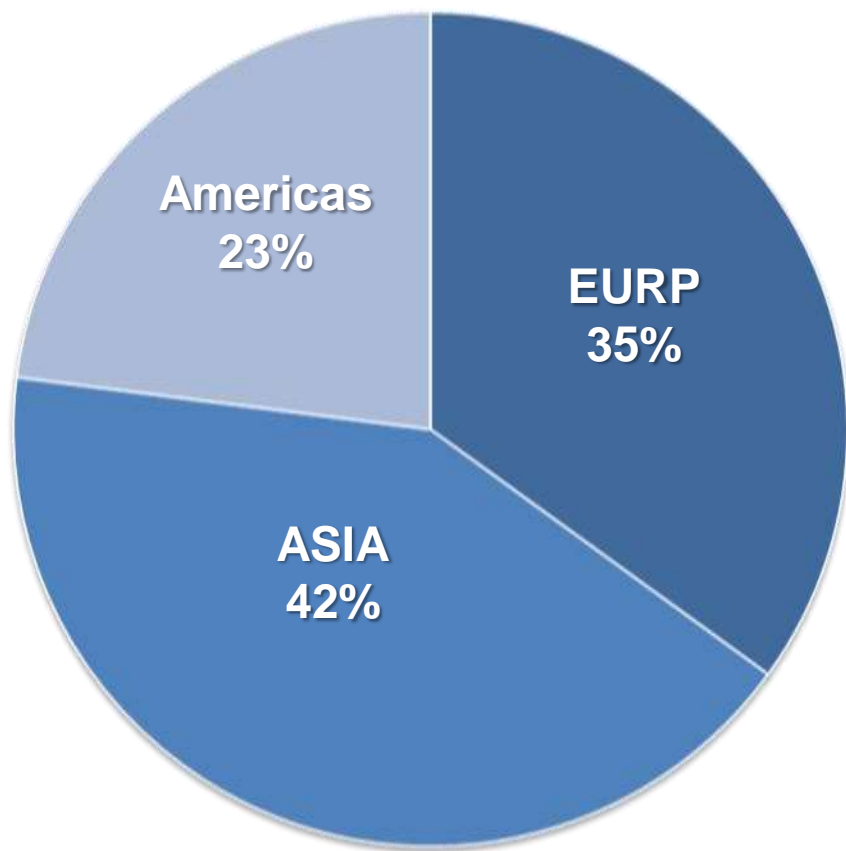


3Q 2016

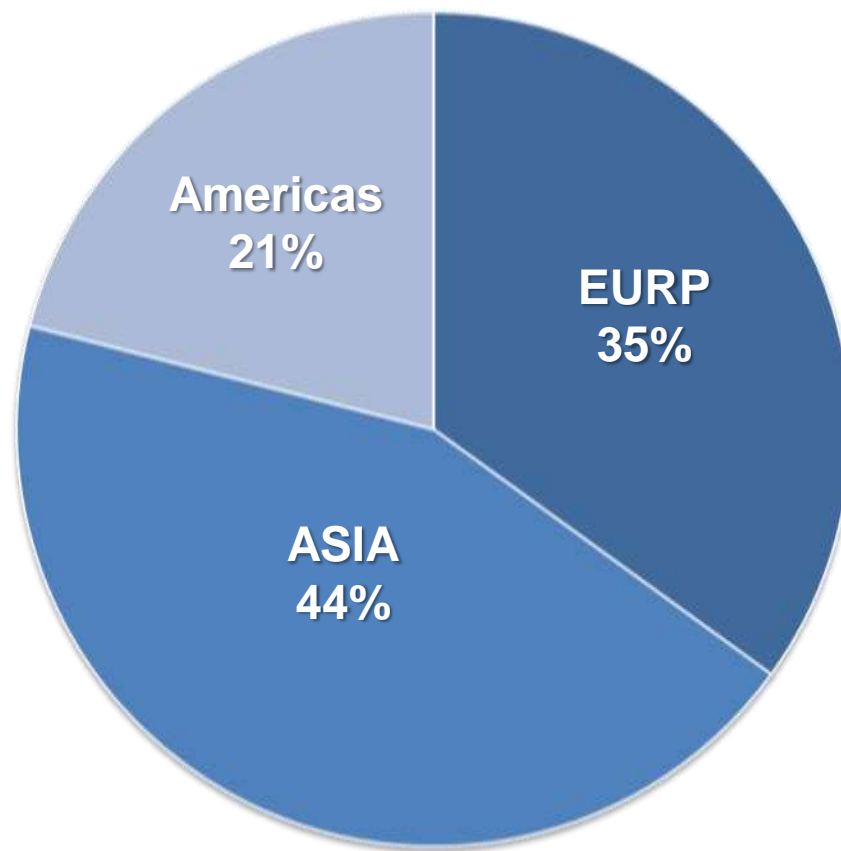


Region Mix

3Q 2017



3Q 2016



4Q 2017 Business Outlook

- **PC QoQ +5% ~ +10%**
- **Mobile QoQ +5% ~ +10%**
- **Component QoQ -10% ~ -20%**

Strategy & Outlook

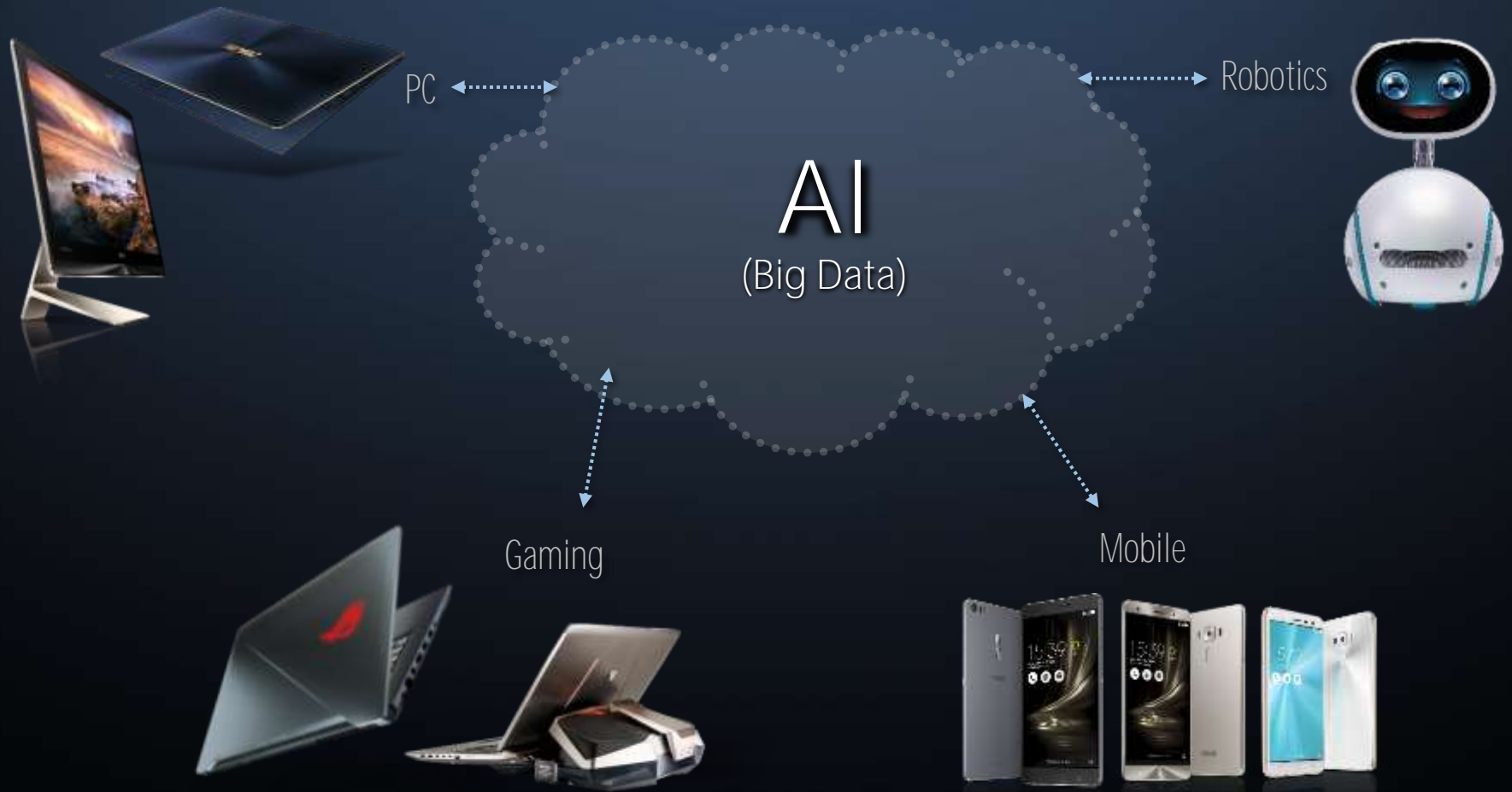
The ASUS logo is rendered in a white, bold, sans-serif font. It is positioned in the upper right quadrant of the image, above the main title. The background of the entire image is a dark blue, abstract digital space with glowing, curved lines and a grid pattern, suggesting a high-tech or futuristic environment.

ASUS

創新迎戰 變中求勝

Evolution · Revolution

New Ubiquitous Computing Era



EVOLUTION • REVOLUTION

Technology Roadmap
3 years

ID Roadmap
(CMF Roadmap)
3 years

Product Roadmap
Marketing Roadmap
1 years



Reinforce Value Stream

PC Strategy

Thin • Light • Narrow bezel • Cool • Quiet

ZenBook



2in1



VivoBook



X Series



Brand Position + Profitable Growth

Sustaining by attacking

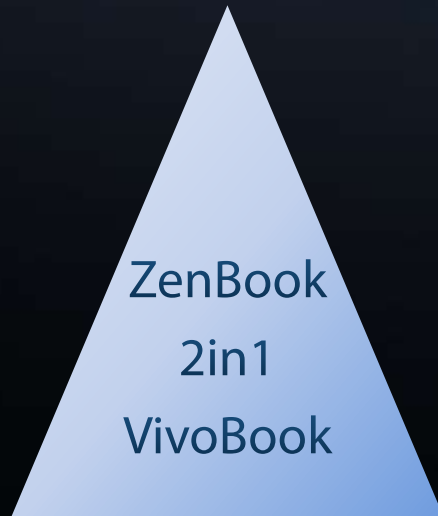
Leading Innovation • WOW Experience

2017 PC Rev Contribution

Brand Position + Profitable Growth

Sustaining by attacking

Q1	25 %	75 %
Q2	30 %	70 %
Q3	35 %	65 %



Leading Innovation • WOW Experience

Despite the industry, customers' happiness is always most important thing.



UX370

10.9mm 2in1

1100 g

The world's thinnest & lightest 13" Convertible PC



REPUBLIC OF GAMERS

GAMING ECOSYSTEM

HARDWARE

- Build ecosystem

ROG
ROG Strix

ASUS Gaming

- Volume driver

- Motherboard
- VGA
- Display
- Router

Component

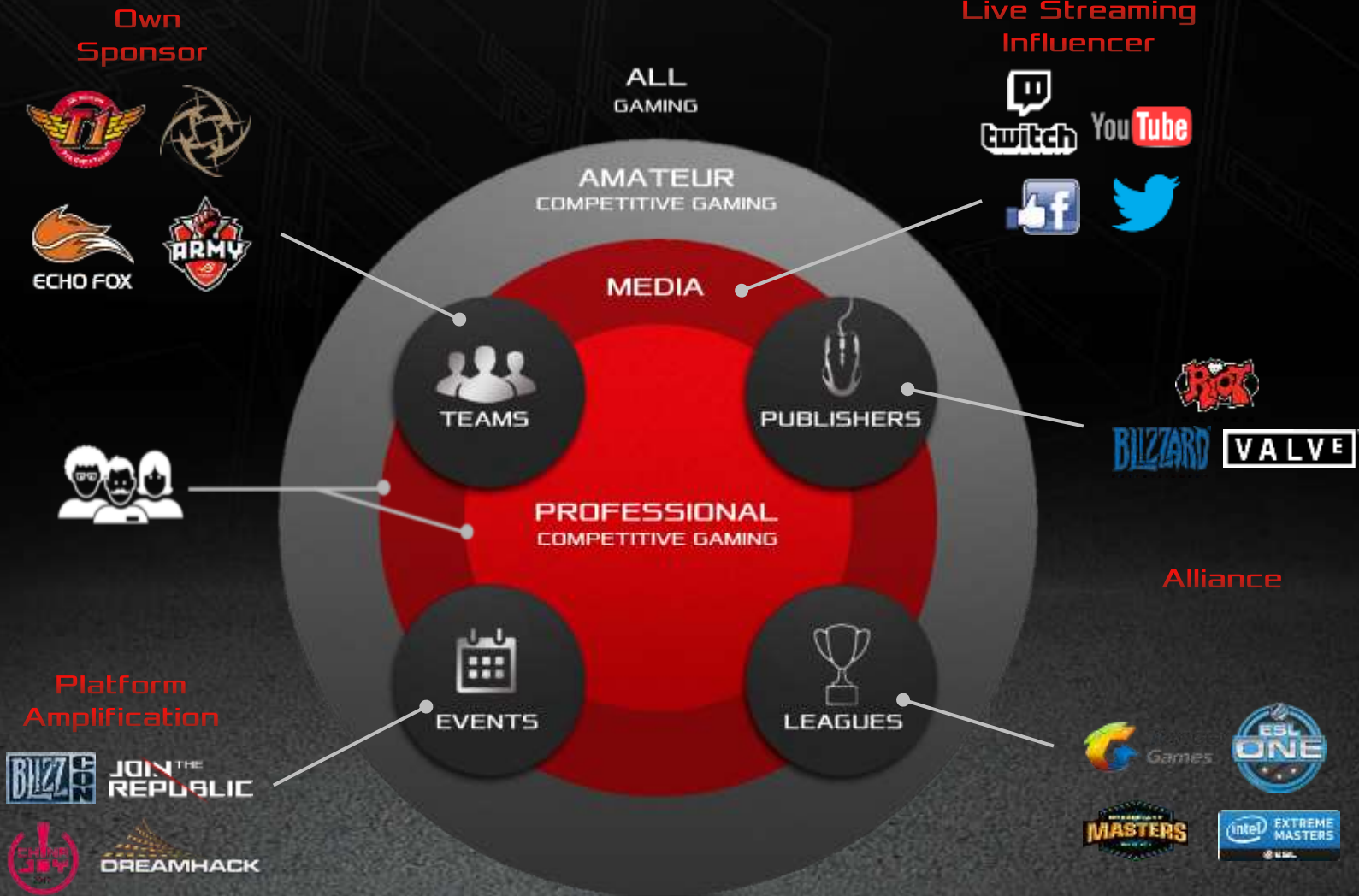
Accessory

- Keyboard
- Mouse
- Headset
- T-shirt
- Hat
- Chair
- Bag
- ...



GAMING ECOSYSTEM

ESPORT LIFESTYLE



JOIN THE REPUBLIC (JTR)

From Zero to Hero





REPUBLIC OF
GAMERS

ROG INNOVATION

GX501 (GTX1080)



Premium • Thin • Light • Cool • Quiet



ROG INNOVATION

GX501

"Gaming laptops will never be the same again"

- Engadget.

"The Zephyrus is a revolutionary gaming-laptop design"

- Computer Shopper.

"It's the best performing 15.6-inch notebook we've ever tested"

- Hot Hardware.



REPUBLIC OF
GAMERS

2017 GAMING PC

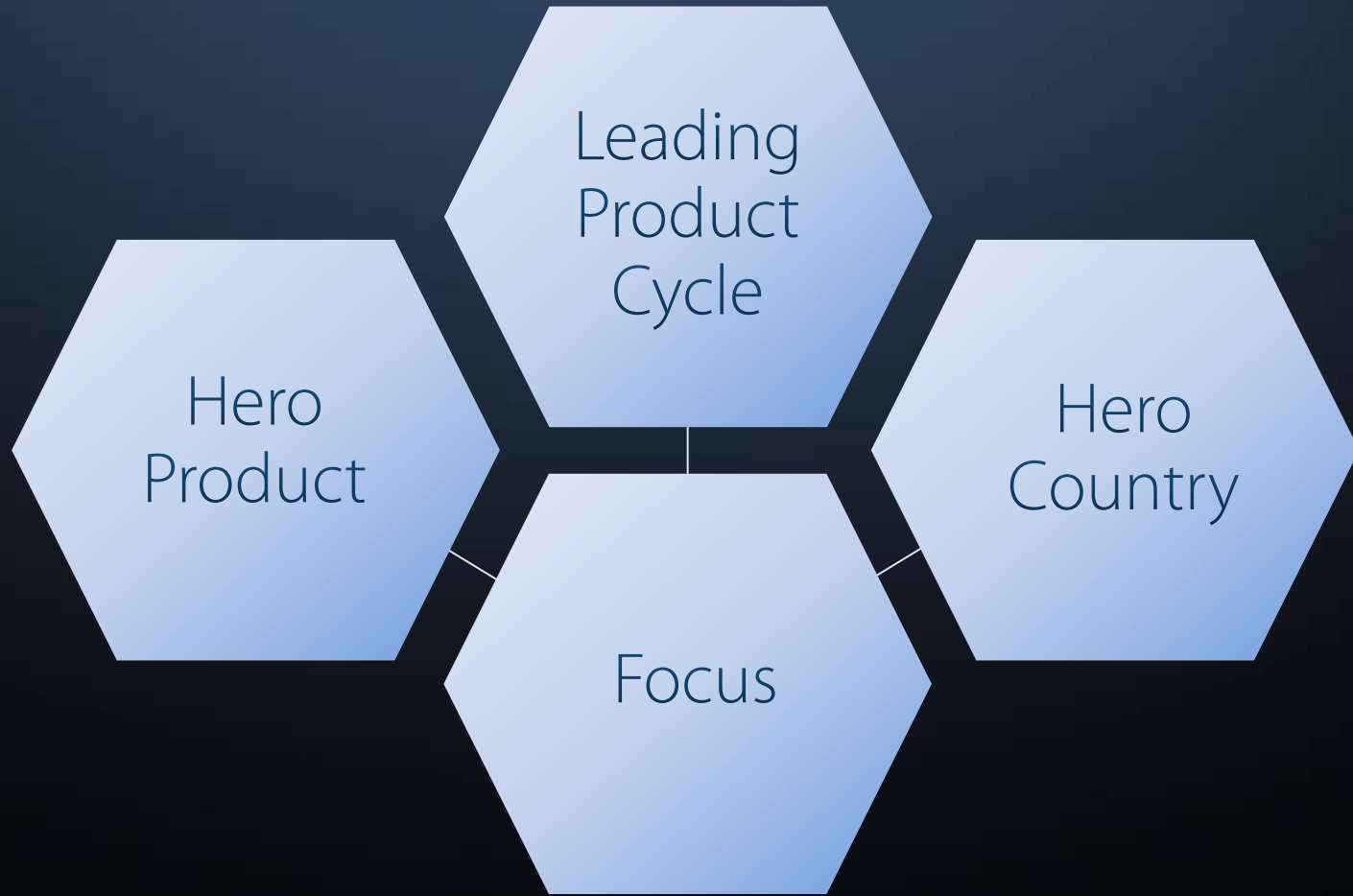


Rev YoY 20~25% (e)



ROG for esports

Phone



To be somebody in selected countries

Phone

ASP UP



Phone

Ultimate Luxury

Zenfone **4** Pro

Gbit LTE / Wifi
Dual Camera



Premier Luxury

Zenfone **4**

Dual Camera
5X light sensitivity



Empowering Luxury
for Everyone

Zenfone **4** Max

5000mAh
Dual Camera



WE  PHOTO

Phone

ASUS

Zenfone **4** Series

ASUSTeK

3Q 2017 Investor Conference