

ASUSTeK

4Q 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

- **4Q 2017 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

4Q 2017 Financial Result

4Q 2017 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	2017 4Q	2017 3Q	QoQ	2016 4Q	YoY
Net Revenue	103,944	104,203	-0.2%	117,229	-11%
COGS	(89,719)	(89,240)	1%	(100,971)	-11%
Gross Profit	14,225	14,963	-5%	16,258	-13%
Operating Expenses	(10,257)	(11,969)	-14%	(11,601)	-12%
Operating Profit	3,969	2,994	33%	4,658	-15%
Non-OP Items	1,114	4,134	-73%	867	28%
Pre-Tax Profit	5,083	7,128	-29%	5,525	-8%
Tax	(1,037)	(1,291)	-20%	(588)	76%
Net Profit	4,046	5,837	-31%	4,937	-18%
EPS	5.4	7.9		6.6	
Gross Margin %	13.7%	14.4%		13.9%	
Operating Margin %	3.8%	2.9%		4.0%	

4Q 2017 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	2017 4Q	2017 3Q	QoQ	2016 4Q	YoY
Interest Income (net)	219	190	15%	267	-18%
Investment Income	(206)	148	-239%	425	-148%
<i>Askey</i>	(455)	(293)	-55%	129	-453%
<i>Others</i>	250	441	-43%	296	-15%
Exchange Gain/(Loss)	963	773	25%	(7)	14521%
Dividend Income		2,794	-100%		
Other Income (net)	137	228	-40%	182	-25%
Total Non-OP items	1,114	4,134	-73%	867	28%

4Q 2017 Brand B/S

in NT\$ Mn	Dec 31, 2017	Sep 30, 2017	QoQ	Dec 31, 2016	YoY
Cash & equivalents	67,377	52,873	27%	83,883	-20%
Accounts receivable	75,223	79,660	-6%	76,008	-1%
Inventories	76,110	84,314	-10%	80,468	-5%
Current Assets	227,154	223,684	2%	247,887	-8%
Long-term investments	72,547	76,455		76,653	
Fixed assets	9,695	9,472		8,746	
Total Assets	323,911	323,461	0%	347,636	-7%
Accounts payable	49,138	53,746	-9%	66,234	-26%
Current Liabilities	137,923	138,649	-1%	155,584	-11%
Total Liabilities	148,765	148,750	0%	166,150	-10%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	175,144	174,711	0%	181,485	-3%
Avg. Days of Inventory	82	89		70	
Avg. Days of AR	68	66		58	
Avg. Days of AP	56	60		58	
Avg. CCC Days	94	94		71	

2017 Brand I/S

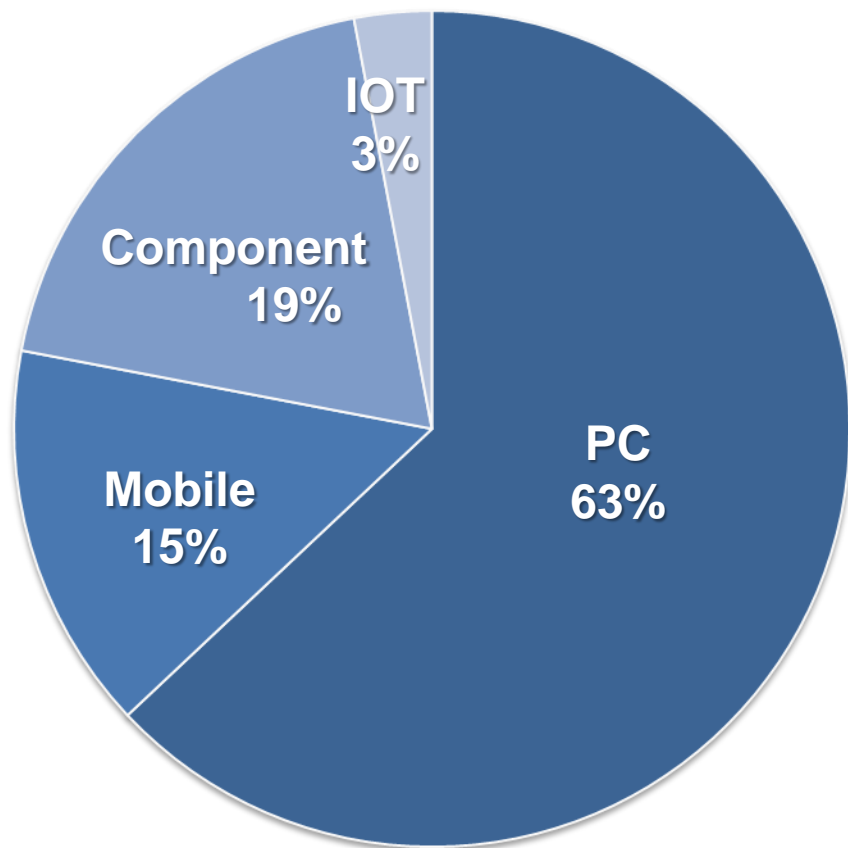
in NT\$ Mn	2017 1~12	%	2016 1~12	%	YoY
Net Revenue	392,899	100.0%	428,725	100.0%	-8%
COGS	(340,562)	(86.7%)	(370,543)	(86.4%)	-8%
Gross Profit	52,337	13.3%	58,182	13.6%	-10%
Operating Expenses	(39,819)	(10.1%)	(40,787)	(9.5%)	-2%
Operating Profit	12,518	3.2%	17,395	4.1%	-28%
Non-OP Items	6,821	1.7%	6,296	1.5%	8%
Pre-Tax Profit	19,339	4.9%	23,691	5.5%	-18%
Tax	(3,794)	(1.0%)	(4,488)	(1.0%)	-15%
Net Profit	15,545	4.0%	19,203	4.5%	-19%
EPS	20.9		25.9		-19%

Non-OP Items	2017 1~12	%	2016 1~12	%	YoY
Interest Income (net)	915	0.2%	776	0.2%	18%
Investment Income	(56)	-0.01%	912	0.2%	-106%
Exchange Gain / (Loss)	2,740	0.7%	1,070	0.2%	156%
Dividend Income	2,799	0.7%	2,824	0.7%	-1%
Other Income (net)	422	0.1%	715	0.2%	-41%
Total Non-OP items	6,821	1.7%	6,296	1.5%	8%

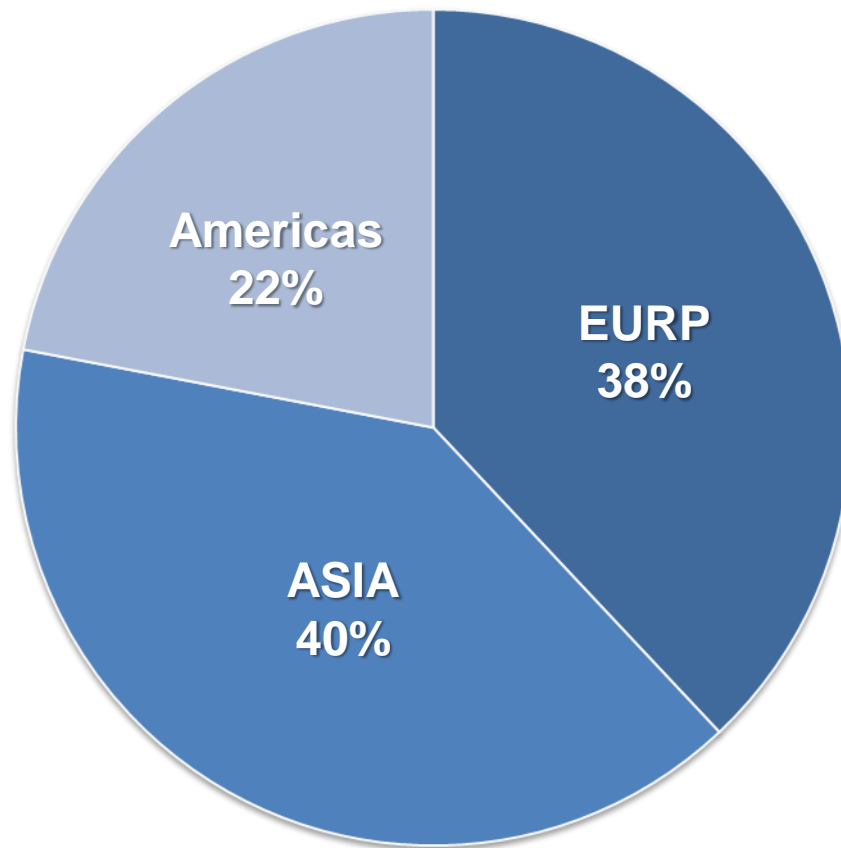
Business Highlights

4Q 2017 Revenue Mix

By Product

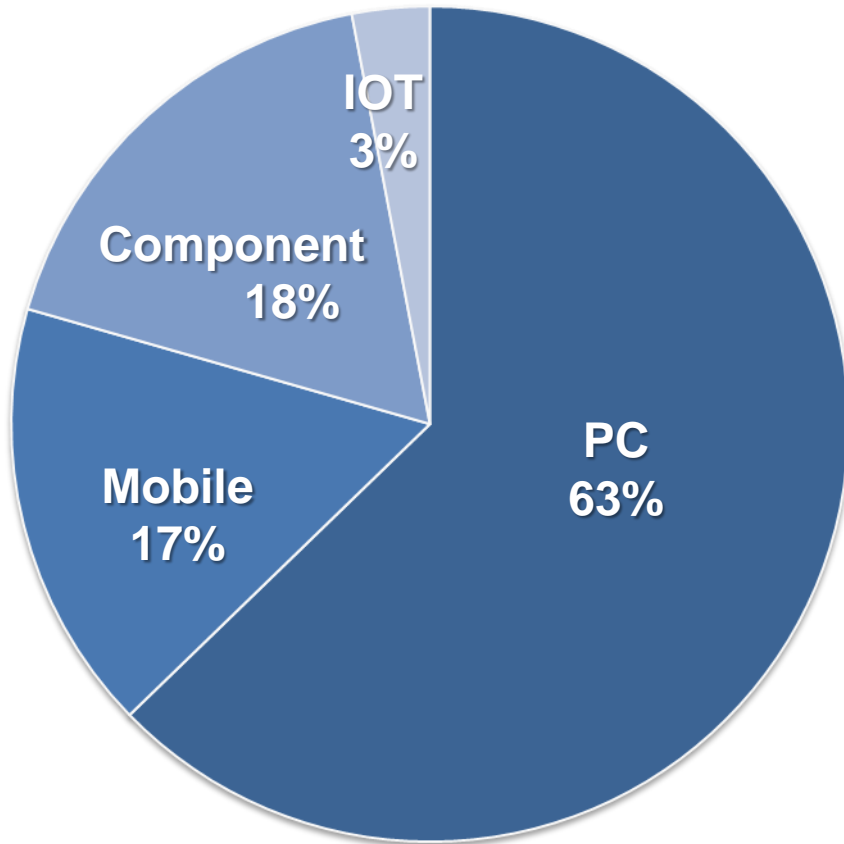


By Region

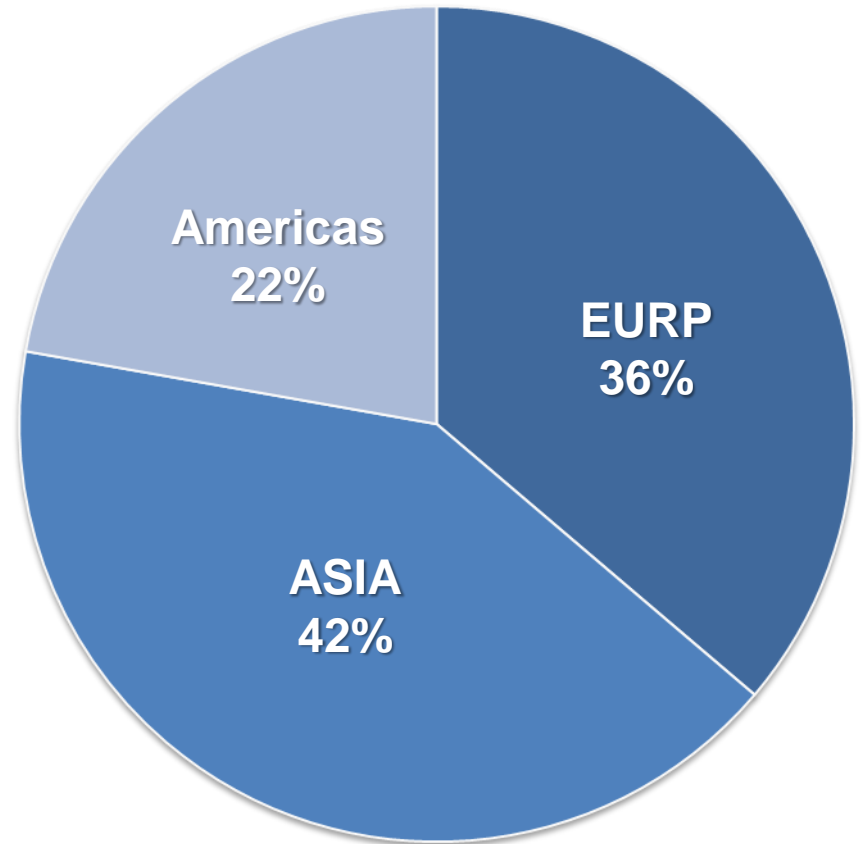


2017 Revenue Mix

By Product



By Region



1Q 2018 Business Outlook

- **PC QoQ -10% \pm 2.5%**
- **Mobile QoQ -10% \pm 2.5%**
- **Component QoQ -10% \pm 2.5%**

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, set against a dark blue background with a complex, glowing grid pattern of light blue and white lines that create a sense of depth and movement, resembling a digital or data space.

創新迎戰 變中求勝

Evolution • Revolution

Smart Enterprise



Modern PC

Fashion • Performance • Experience

ZenBook



2in1



VivoBook



X Series



Brand Position + Profitable Growth

Sustaining by attacking

Leading Innovation • WOW Experience

Profitable Growth

ASUS Qty YoY $> 5\%$

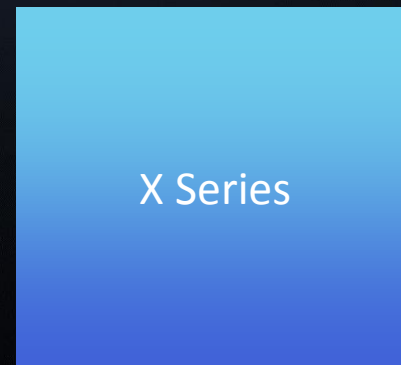
(TAM YoY $0\sim-5\%$)

Position Building

Brand Position + Profitable Growth

Sustaining by attacking

2016	17%	83%
2017	25%	75%
2018	35%	65%



Fashion

- Thin
- Light
- Narrow Bezel
- Expressive Color
- Ergonomic Hinge Design



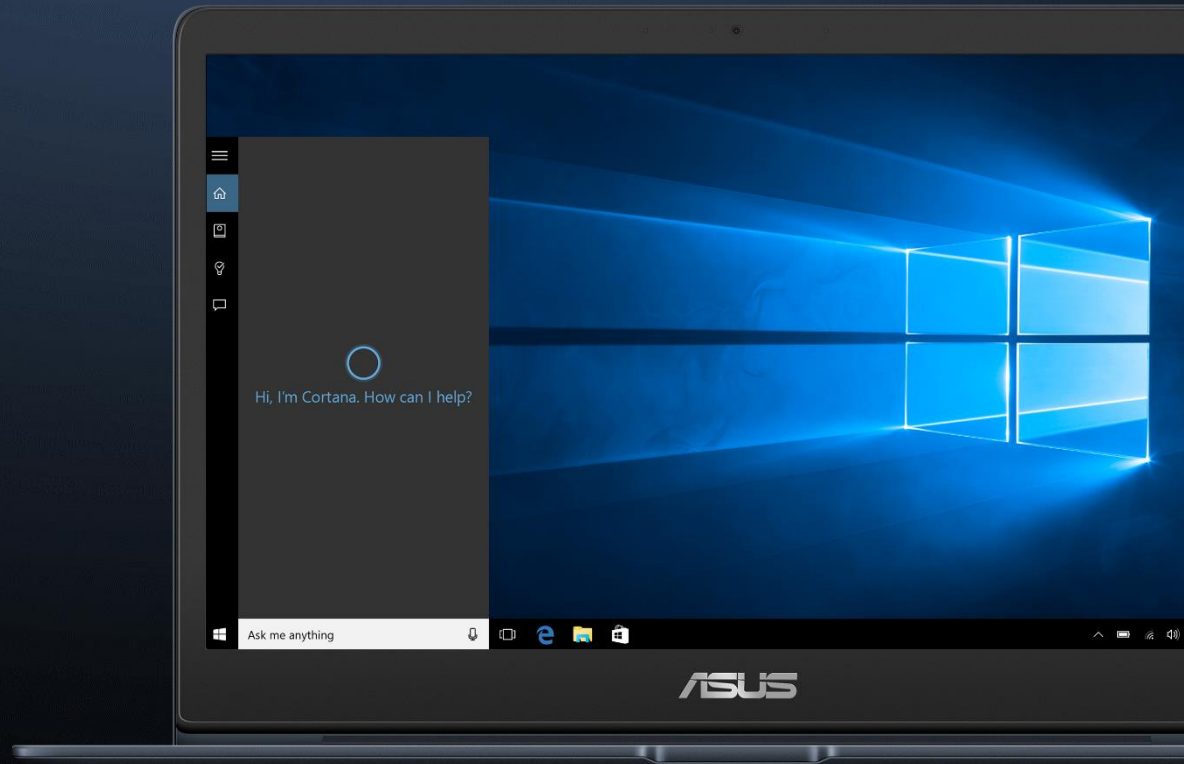
Performance

- SSD (PCIe x4)
- Gaming-Grade Graphics
- Optane Cache
- Fast Charging



Experience

- Fingerprint / Instant face login
- Cortana
- Stylus
- Cool & Quiet
- Always Connected





Gaming

Product

- Gaming Ecosystem Hardware
- 8 Product Lines
- Aura sync (Software)

People

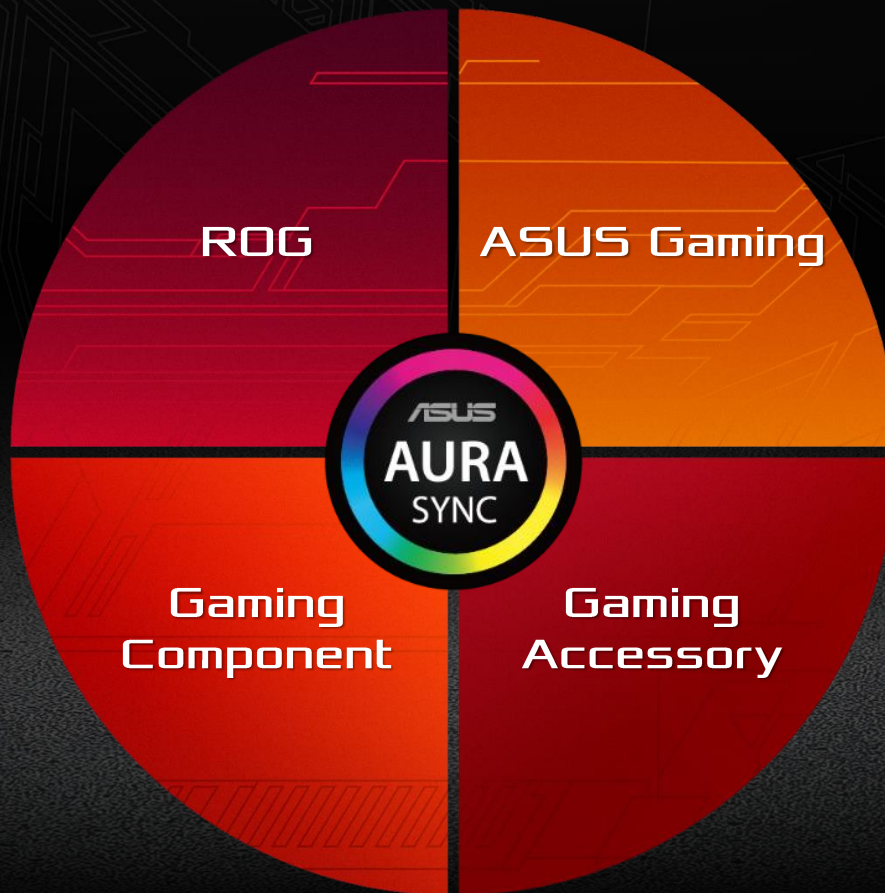
- Join The Republic
- Gaming Team (RW)
- Community



Gaming Ecosystem Hardware

- Build ecosystem

- Motherboard
- VGA
- Display
- Router



- Volume driver

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

ROG Integrated Experience AURA Sync



ROG Integrated Experience AURA Sync



MB



Display



Mouse



Notebook



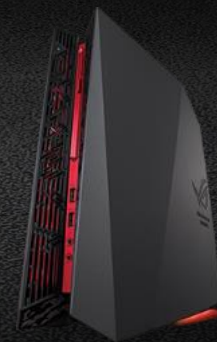
VGA



Network



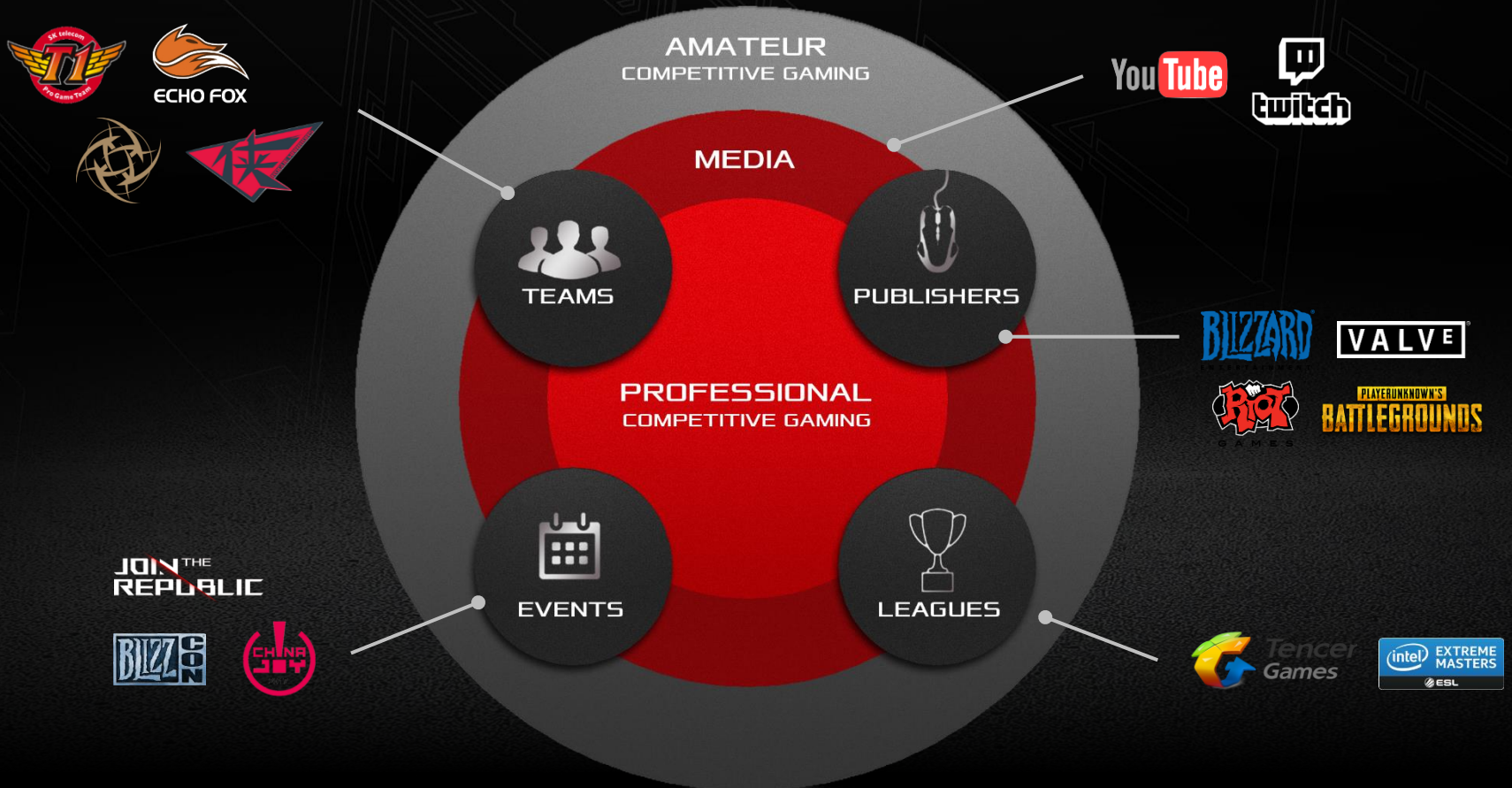
Keyboard



Desktop

Gaming ecosystem

Esport lifestyle



Join The Republic (JTR)

From Zero to Hero



星途聯盟

Rogue Warriors



LPL East Division No.2
90,000 fans in 1 month

ROG for esports



LCS 2018 ROSTER



HUNI



DARDOCH



FENIX



ALTEC



ADRIAN



ALLORIM



THEODD
ORANGE



DAMONTE



LOST



PAPACHAU

Echo Fox NA LCS No. 1

Phone

2015 - 2017 ASP ↗

2018 - 2020 Position → • Volume ↗



Phone

Ultimate Luxury

Premier Luxury

Empowering Luxury
for Everyone

Zenfone 5z

(Launch in Jun)

Zenfone 5

(Launch in March)

Zenfone Max Pro[™]

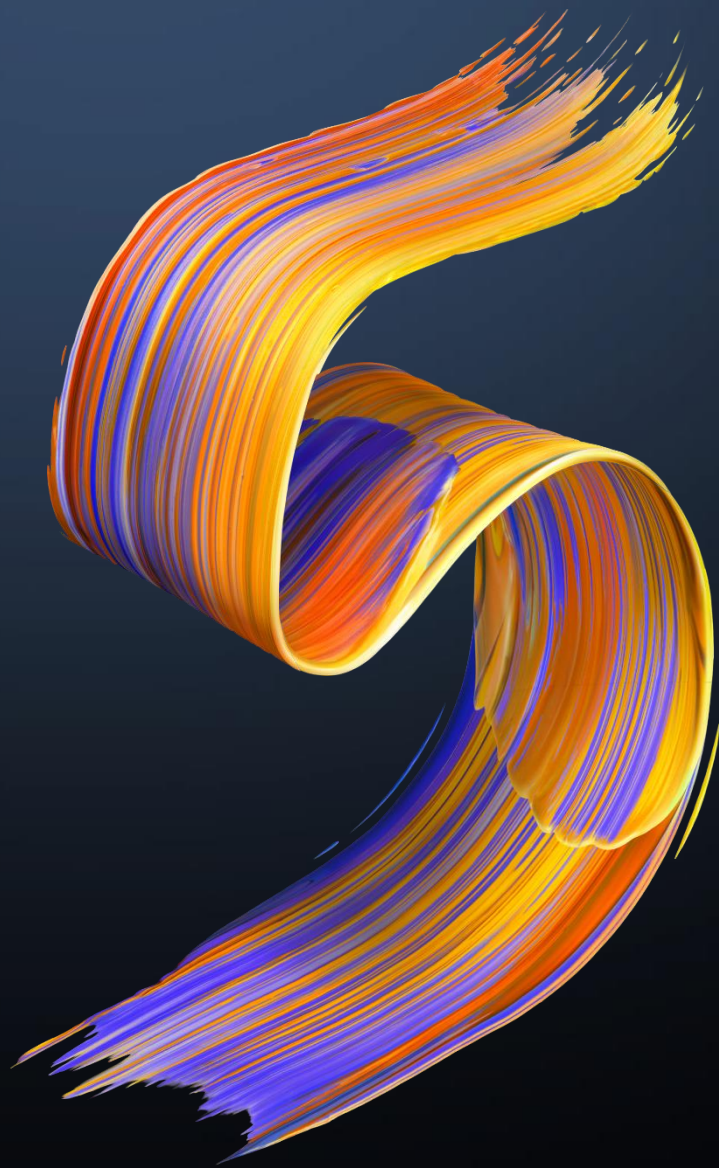
(Launch in March)



WE  PHOTO

Zenfone

U N V E I L



WE  PHOTO

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