

ASUSTeK

1Q 2018 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

- **1Q 2018 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

1Q 2018 Financial Result

1Q 2018 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	2018 1Q	2017 4Q	QoQ	2017 1Q	YoY
Net Revenue	90,056	103,944	-13%	98,206	-8%
COGS	(77,480)	(89,719)	-14%	(85,055)	-9%
Gross Profit	12,577	14,225	-12%	13,151	-4%
Operating Expenses	(8,517)	(10,257)	-17%	(9,342)	-9%
Operating Profit	4,060	3,969	2%	3,809	7%
Non-OP Items*	(760)	1,114	-168%	855	-189%
Pre-Tax Profit	3,300	5,083	-35%	4,664	-29%
Tax	(920)	(1,037)	-11%	(1,013)	-9%
Net Profit	2,380	4,046	-41%	3,651	-35%
EPS	3.2	5.4		4.9	
Gross Margin %	14.0%	13.7%		13.4%	
Operating Margin %	4.5%	3.8%		3.9%	
Recurring Profit	4,471	4,046	11%	3,651	22%

* Including a provision of €65 million for EU investigation

1Q 2018 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	2018 1Q	2017 4Q	QoQ	2017 1Q	YoY
Interest Income (net)	300	219	37%	241	25%
Investment Income	(144)	(206)	30%	(9)	-1453%
<i>Askey</i>	(505)	(455)	-11%	(137)	-268%
<i>Others</i>	361	250	44%	128	182%
Exchange Gain/(Loss)	1,173	963	22%	495	137%
Other Income (net)	(2,089)	137	-1621%	129	-1725%
Total Non-OP items	(760)	1,114	-168%	855	-189%

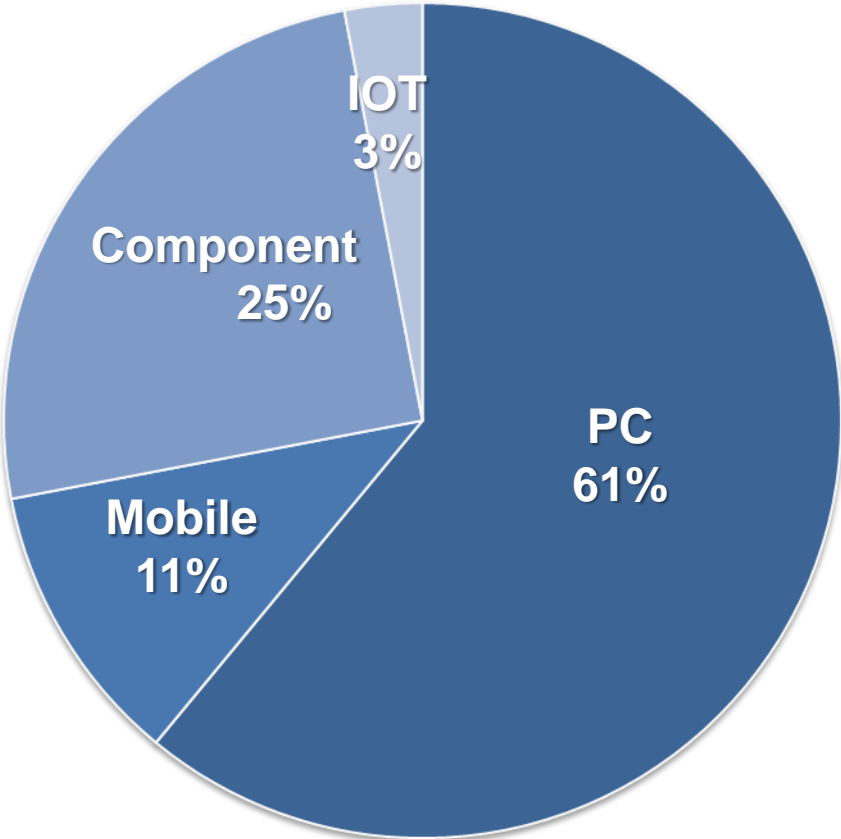
1Q 2018 Brand B/S

in NT\$ Mn	Mar 31, 2018	Dec 31, 2017	QoQ	Mar 31, 2017	YoY
Cash & equivalents	70,783	67,377	5%	68,304	4%
Accounts receivable	65,917	75,223	-12%	72,207	-9%
Inventories	77,983	76,110	2%	82,961	-6%
Current Assets	222,896	227,154	-2%	229,275	-3%
Long-term investments	72,997	72,547		81,971	
Fixed assets	10,031	9,695		8,659	
Total Assets	321,416	323,911	-1%	334,295	-4%
Accounts payable	47,733	49,138	-3%	55,450	-14%
Current Liabilities	133,001	137,923	-4%	137,305	-3%
Total Liabilities	144,258	148,766	-3%	147,461	-2%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	177,157	175,144	1%	186,833	-5%
Avg. Days of Inventory	91	82		88	
Avg. Days of AR	72	68		69	
Avg. Days of AP	60	56		69	
Avg. CCC Days	102	94		87	

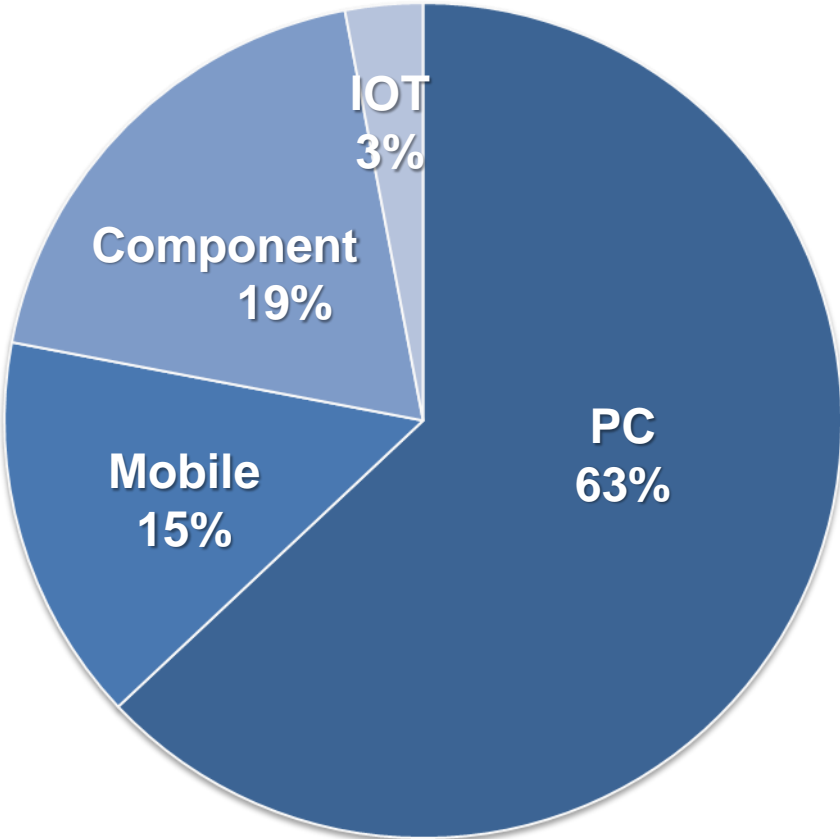
Business Highlights

Product Mix

1Q 2018

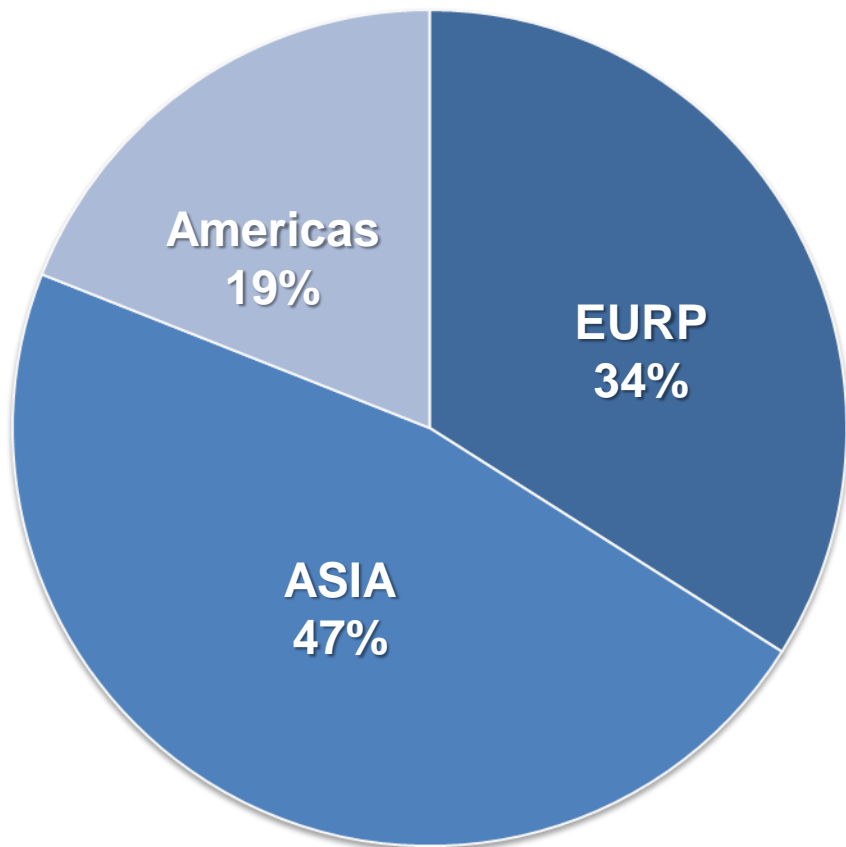


4Q 2017

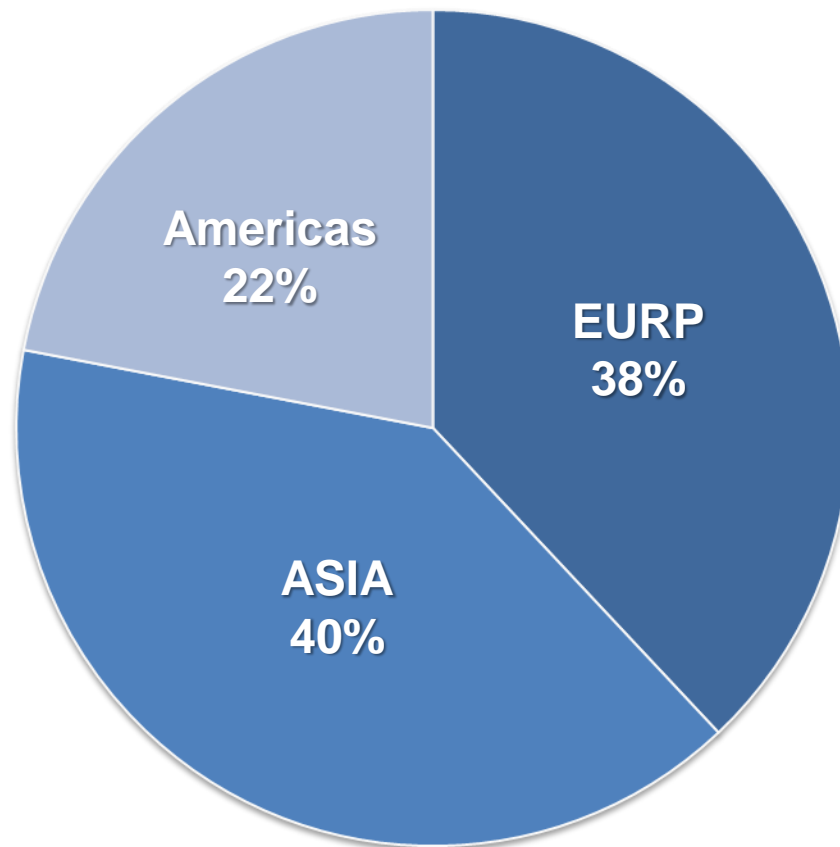


Region Mix

1Q 2018



4Q 2017



2Q 2018 Business Outlook

- **PC QoQ -10% \pm 2.5%**
- **Mobile QoQ +30% \pm 5%**
- **Component QoQ -20% \pm 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, above the main slogan. The background of the entire image is a dark blue, abstract digital landscape with glowing, curved lines and a grid pattern, suggesting a high-tech or data-driven environment.

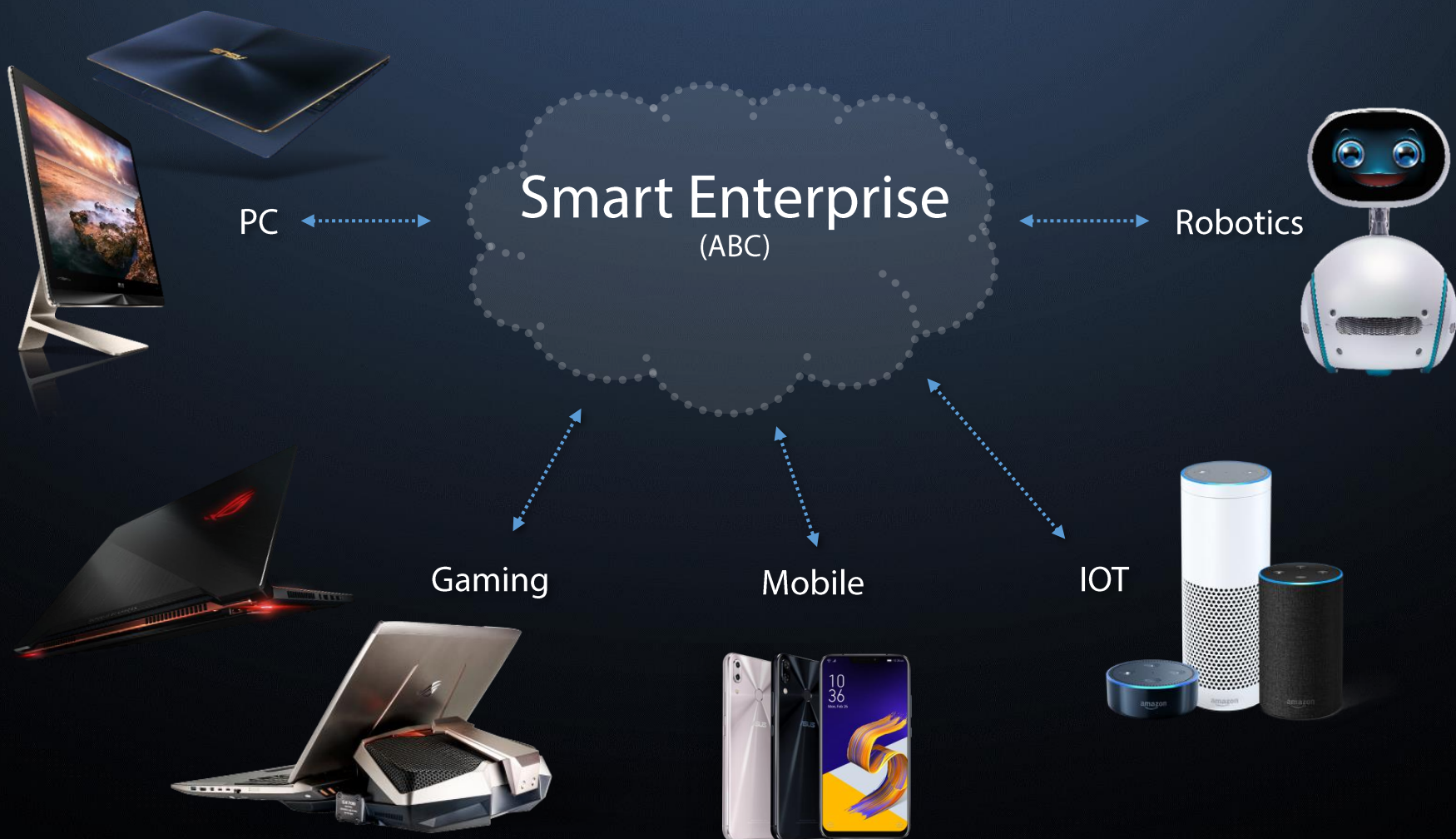
ASUS

創新 快速

Innovation · Agility

Connected Service & New Retail

與世界接軌



Modern PC

Fashion • Performance • Experience

ZenBook



2in1



VivoBook



X Series



Brand Position + Profitable Growth

Sustaining by attacking

Leading Innovation • WOW Experience

Profitable Growth (PG)

ASUS Rev YoY $> 5\%$

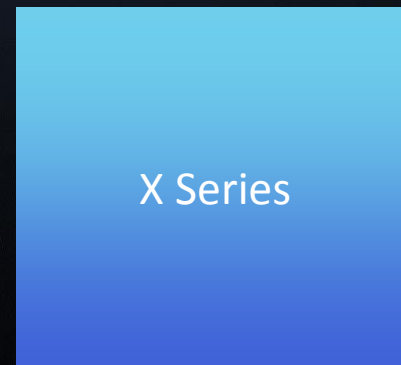
(TAM YoY 0~1%)

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



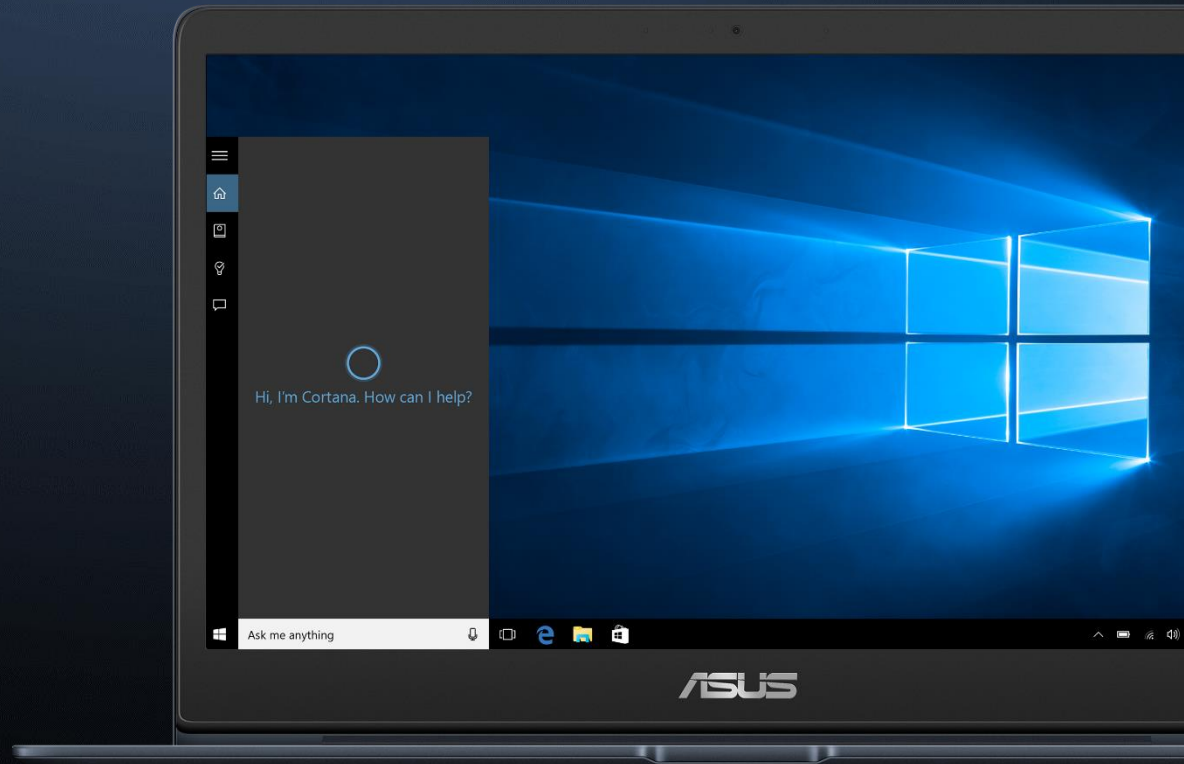
Performance

- SSD (PCIe x4)
- Gaming-Grade GPU
- Optane Cache
- Fast Charging
- 5G (mmWave)



Experience

- Windows Hello
- Cortana
- Stylus
- Incredible Audio
- Cool & Quiet
- Always Connected





Gaming

Product

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

People

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



Gaming BU

Profitable Growth

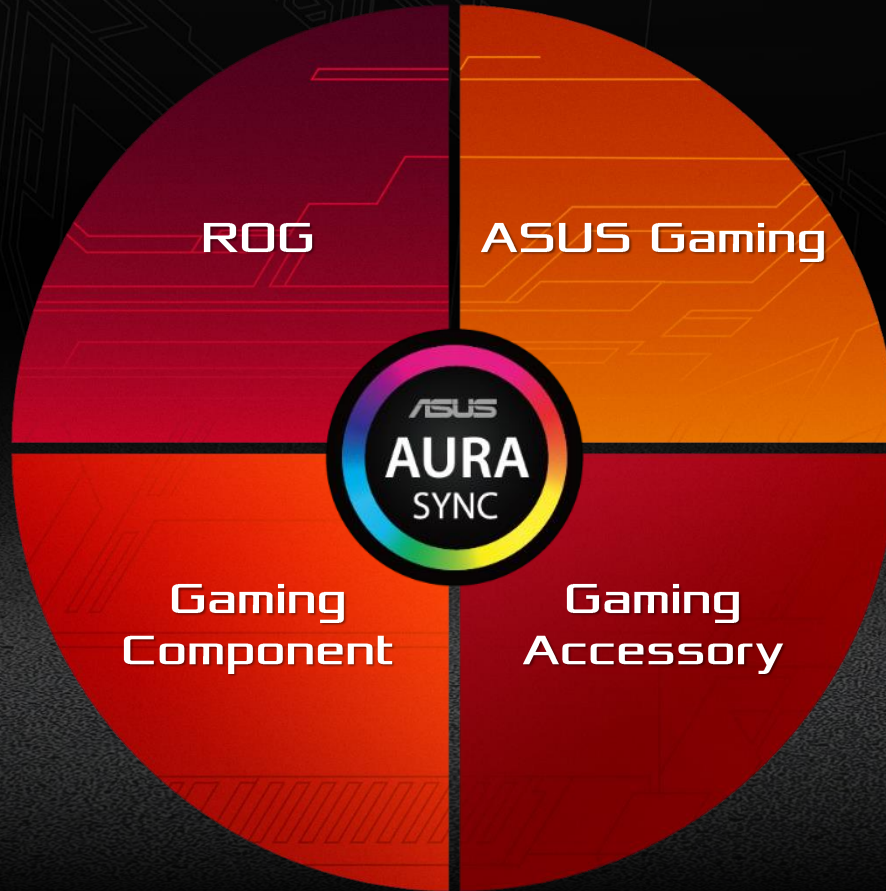
ASUS Rev YoY > 10% ~ 30%



Gaming Ecosystem Hardware

- Build ecosystem

- Motherboard
- VGA
- Display
- Router



- Volume driver

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

Gaming Seamless Integration

AURA Sync



Gaming Seamless Integration

AURA Sync



MB



Display



Mouse



Notebook



VGA



Network

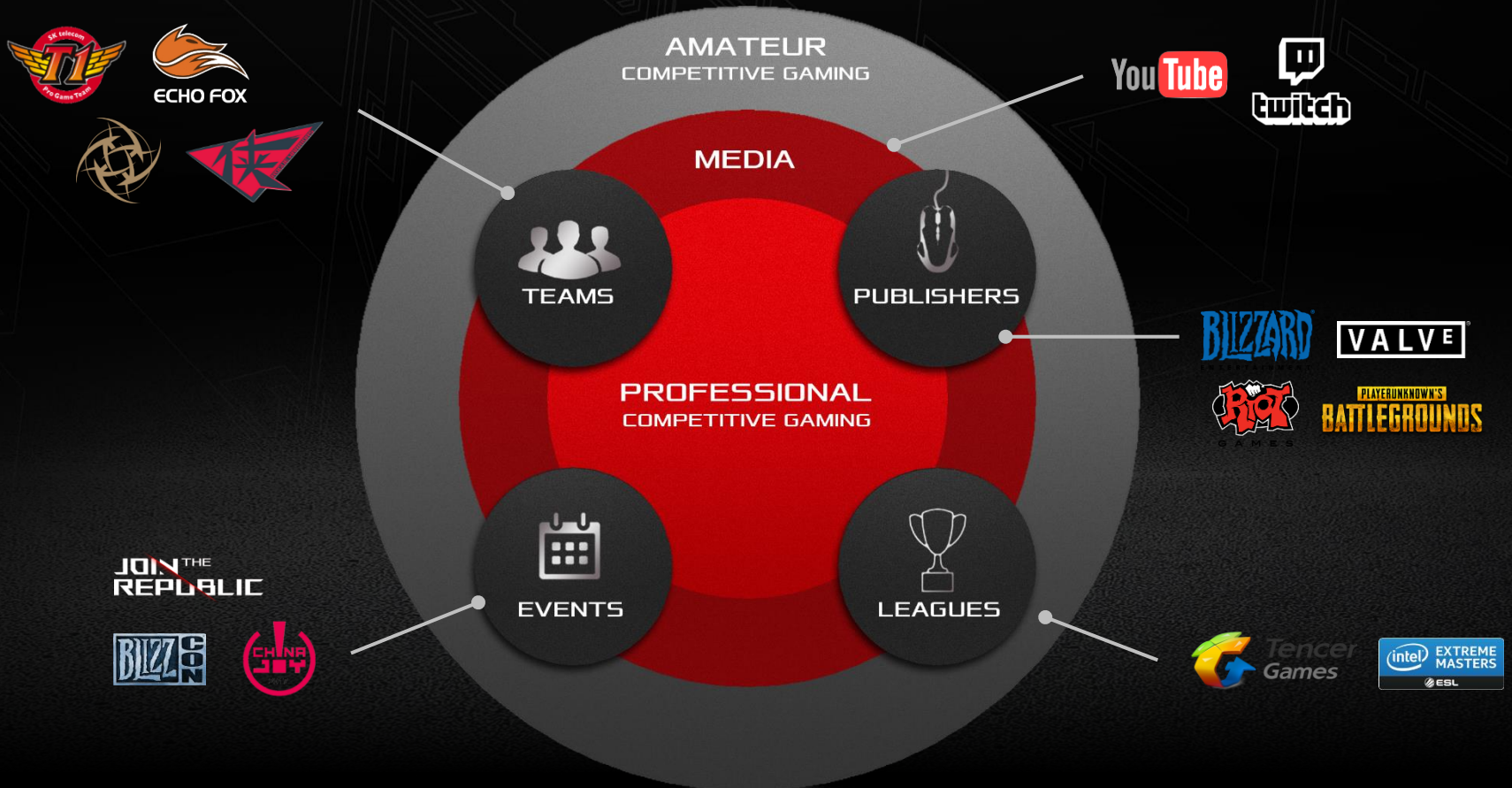


Keyboard



Desktop

Gaming Esport lifestyle



大中華區 LPL 戰隊 Rogue Warriors (RW)



大中華區LPL春季季後賽聯盟前四強
進入2018洲際賽

北美區 LCS 戰隊

Echo Fox



LCS 2018
ROSTER



HUNI



DARDOCH



FENIX



ALTEC



ADRIAN



ALLORIM



**THEODD
ORANGE**



DAMONTE



LOST



PAPACHAU

2018 NA LCS Spring Playoffs No.3

PUBG 預備隊

Rogue Warriors (RW)



RWT(PUBG) 戰隊首次參與(虎牙天命杯·絕地求生) 賞金賽

隊伍排名第一

Phone

Ultimate Luxury

Zenfone 5z



Premier Luxury

Zenfone 5



Empowering Luxury
for Everyone

Zenfone Max Pro (M1)



WE  PHOTO

Phone (TW)

狂賀!!!
感謝支持!

上市24小時
突破「12000」台



1st **12K** sold in
24 Hours!!

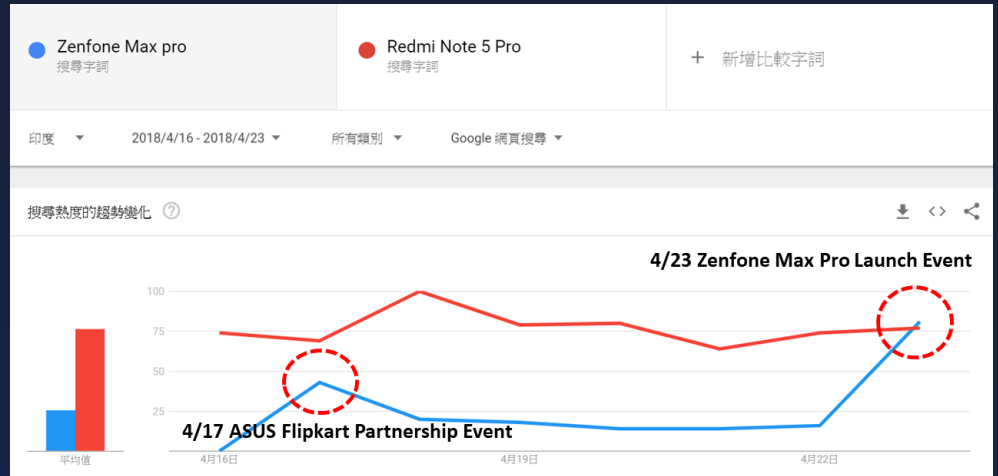
No.1 Smartphone in TW

WE  PHOTO

Phone (India)



Strong Partnership with Flipkart



Google Trend in India

1st 30K sold in 2 minutes!!

Phone (Indonesia)



Strong Partnership with Lazada



Google Trend in Indonesia

1st 4K sold in 30 seconds!!

ROG Phone

REDEFINE your Gaming Expectations



COMING SOON in Computex

ASUSTeK

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