

ASUSTeK

2Q 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

- **2Q 2018 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

2Q 2018 Financial Result

2Q 2018 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	2018 2Q	2018 1Q	QoQ	2017 2Q	YoY
Net Revenue	80,525	90,056	-11%	86,546	-7%
COGS	(70,291)	(77,480)	-9%	(76,549)	-8%
Gross Profit	10,234	12,577	-19%	9,997	2%
Operating Expenses	(7,411)	(8,517)	-13%	(8,252)	-10%
Operating Profit	2,823	4,060	-30%	1,746	62%
Non-OP Items*	(996)	(760)	31%	718	-239%
Pre-Tax Profit	1,827	3,300	-45%	2,463	-26%
Tax	(496)	(920)	-46%	(453)	9%
Net Profit	1,332	2,380	-44%	2,010	-34%
EPS	1.8	3.2		2.7	
Gross Margin %	12.7%	14.0%		11.6%	
Operating Margin %	3.5%	4.5%		2.0%	

2Q 2018 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	2018 2Q	2018 1Q	QoQ	2017 2Q	YoY
Interest Income (net)	391	300	30%	265	48%
Investment Income	(161)	(144)	-12%	10	-1664%
<i>Askey</i>	(612)	(505)	-21%	(166)	-270%
<i>Others</i>	451	361	25%	176	156%
Exchange Gain/(Loss)	(1,407)	1,173	-220%	509	-376%
Other Income (net)	178	(2,089)	108%	(72)	348%
Total Non-OP items	(996)	(760)	-31%	718	-239%

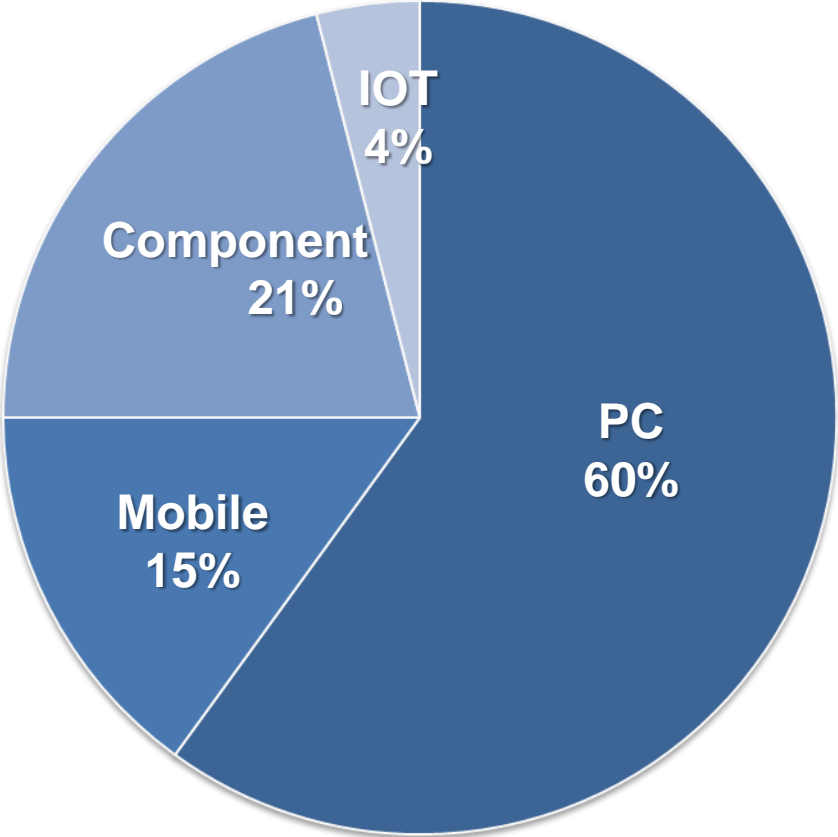
2Q 2018 Brand B/S

in NT\$ Mn	Jun 30, 2018	Mar 31, 2018	QoQ	Jun 30, 2017	YoY
Cash & equivalents	71,864	70,783	2%	65,250	10%
Accounts receivable	69,830	65,917	6%	70,361	-1%
Inventories	79,400	77,983	2%	88,813	-11%
Current Assets	230,875	222,896	4%	231,496	-0.3%
Long-term investments	66,973	72,997		80,795	
Fixed assets	10,715	10,031		9,240	
Total Assets	323,097	321,416	1%	335,191	-4%
Accounts payable	51,020	47,733	7%	56,298	-9%
Current Liabilities	147,005	133,001	11%	151,262	-3%
Total Liabilities	158,211	144,259	10%	161,355	-2%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	164,885	177,157	-7%	173,835	-5%
Avg. Days of Inventory	102	91		102	
Avg. Days of AR	77	72		75	
Avg. Days of AP	68	60		71	
Avg. CCC Days	111	102		106	

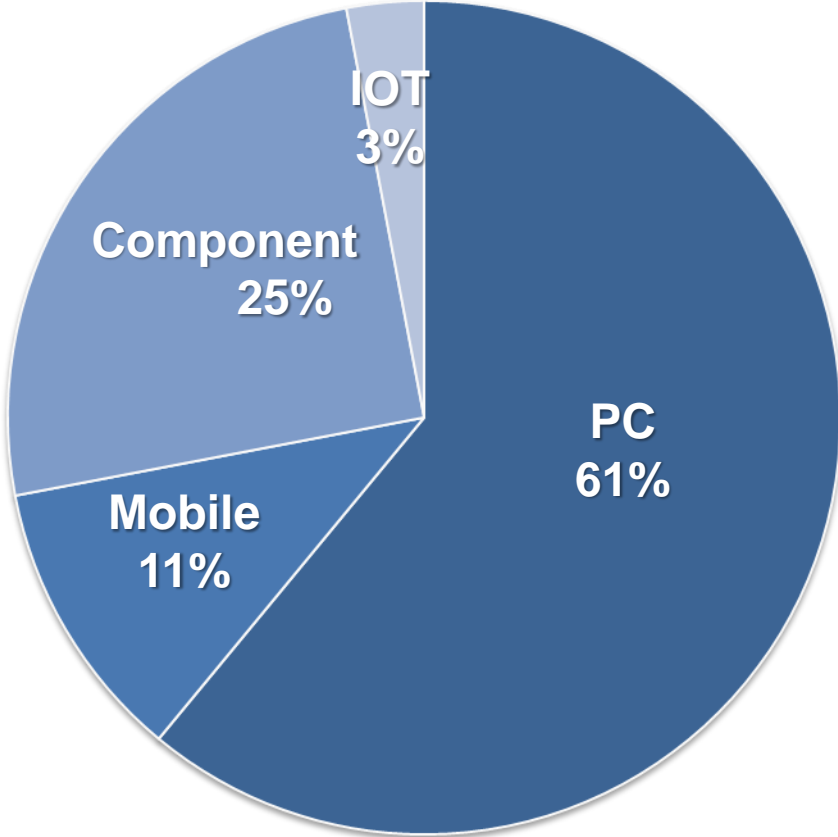
Business Highlights

Product Mix

2Q 2018

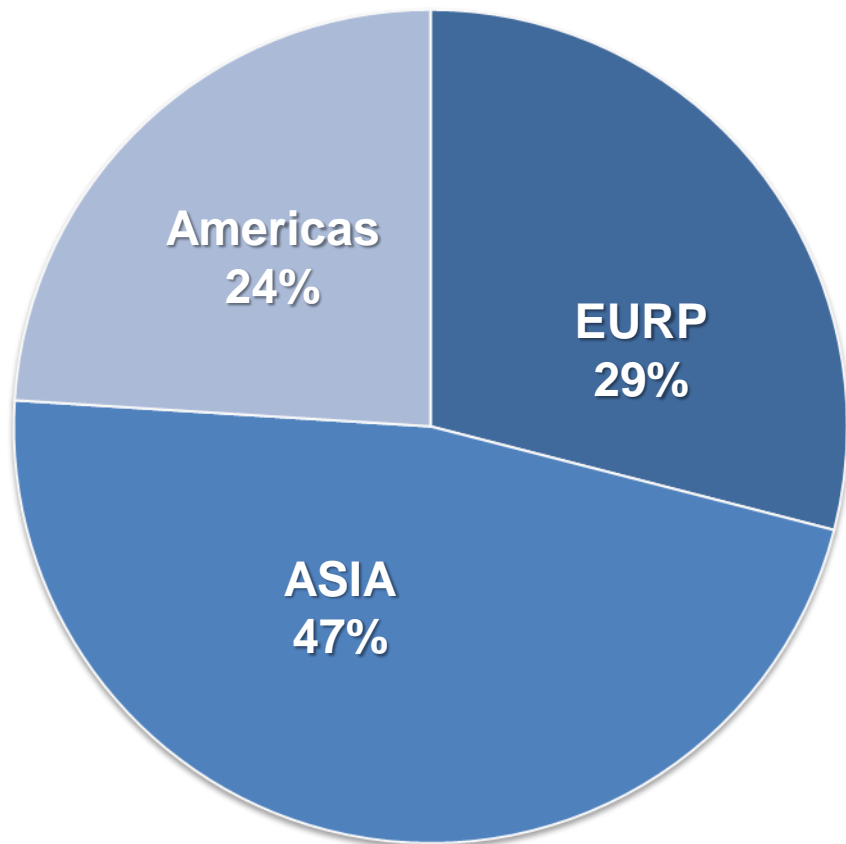


1Q 2018

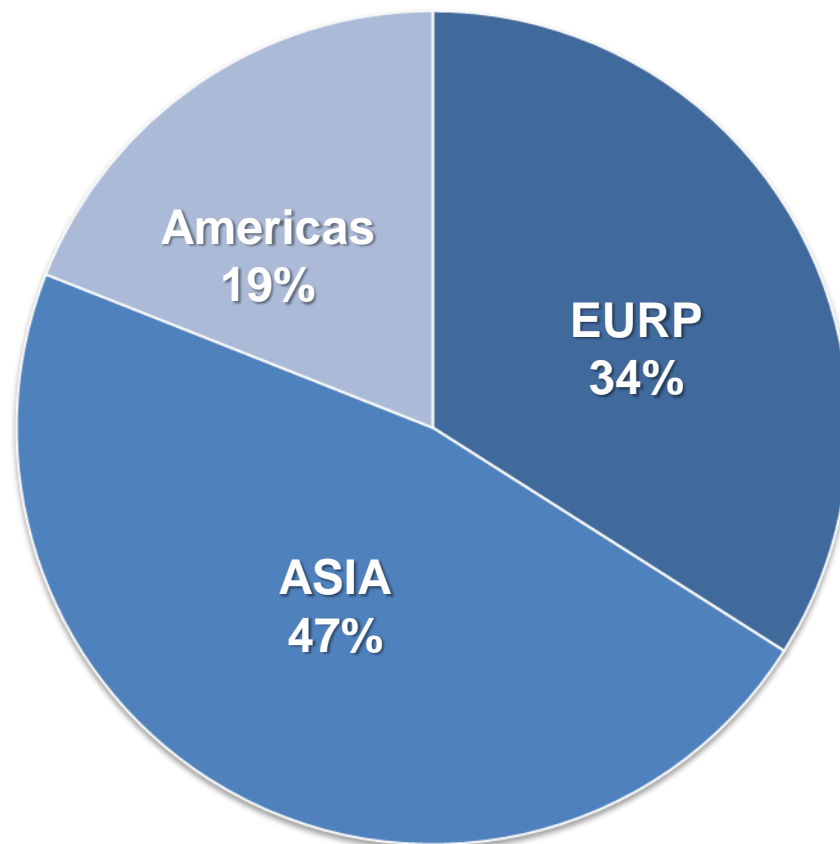


Region Mix

2Q 2018



1Q 2018



3Q 2018 Business Outlook

- **PC QoQ +20% \pm 5%**
- **Mobile QoQ +50% \pm 5%**
- **Component QoQ +10~15%**

Strategy & Outlook

The ASUS logo is rendered in a white, bold, sans-serif font. It is positioned in the upper right quadrant of the slide, above the main slogan. The background of the entire slide 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



2018 PC
Innovation • Design • Performance

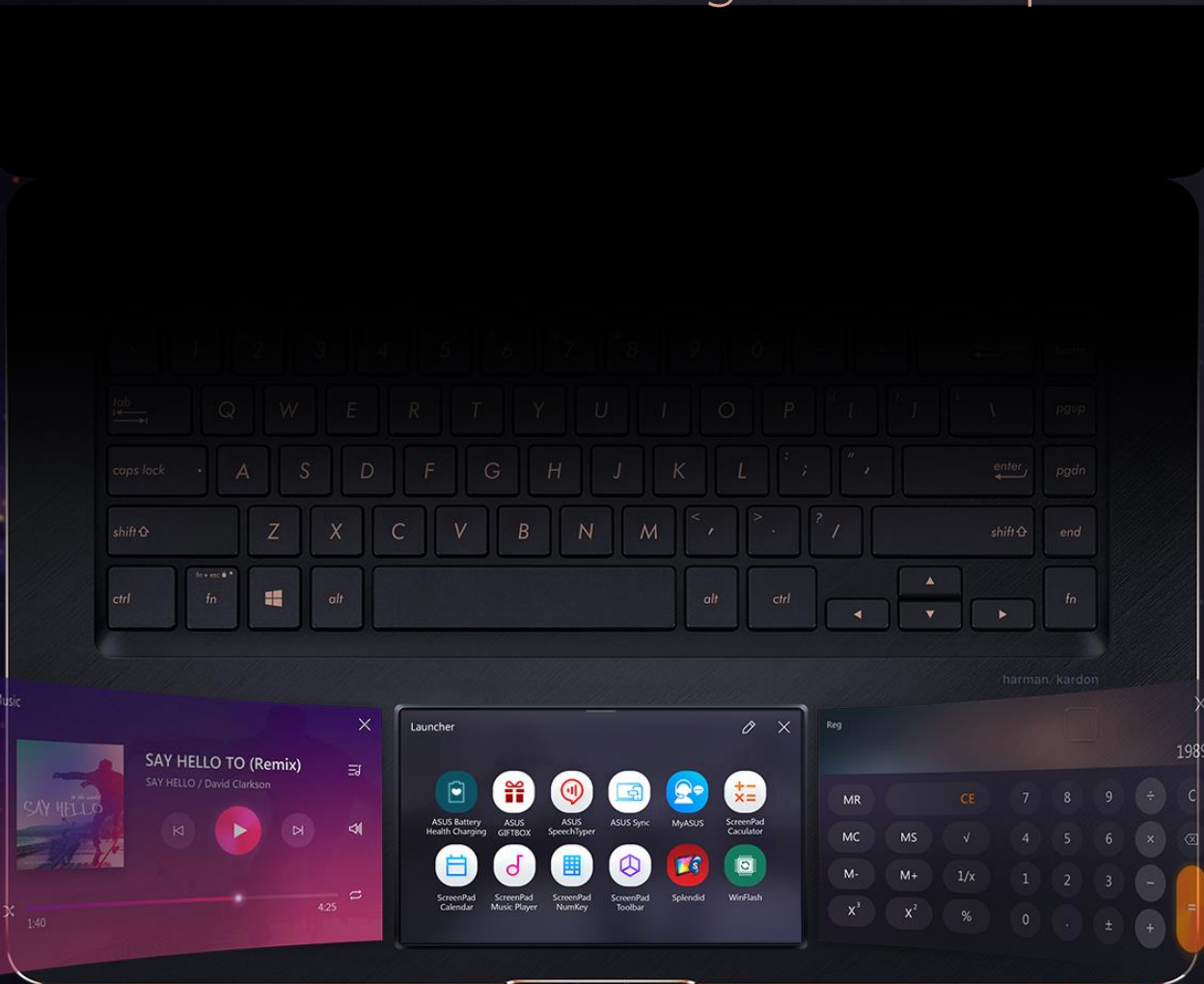
ASUS Rev YoY 0~-10%

Better Position (ASP↑)

(TAM YoY 0~-5%)

(PC) ScreenPad™

The world's 1st intelligent touchpad



PROJECT PRECOG PC



AI Face Recognition • AI Object Recognition • AI Keyboard • AI Charging
Stand Model • Tent Mode • Flat Mode • Book Mode

Commercial PC

Leading • Mobile • Durable

Desktop



Performance

Chromebook



Leading

Laptop



Thin & Light

Commercial PC

Focus • Profitable Growth

2018 Profit YoY > 15%

ROG (2018)

Trade off ? (Revenue • Profit)

Rev YoY > 10%



Pursuit of Leadership



**LITE
LETHAL**

**CORE i9
BEAST**

**SWIFT
DISPLAY**

**PLAY IT
COOL**

**FUTURI-
STIC**

Empowering Luxury For Everyone

Rog Phone



ROG PHONE

Ultimate Luxury



Zenfone **5z**

Premier Luxury



Zenfone Max Pro **M1**

Hero Model • Hero Country

2018 Phone

Qty YoY 15~20%

Profitable in Q4

Revenue Growth (MB)

2018 Rev YoY > TAM
(TAM YoY -4%)

World No.1 motherboard brand



ROG Strix



ROG MAXIMUS



PRIME Z370-A



Z370 Plus

Best-selling • Easy to use • Stable • Trusted

Revenue Growth (VGA)

2018 Rev YoY > TAM
(TAM YoY 0~1%)

Design for ASUS Future

轉型 · 傳承

Transformation · Development