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 2022 Financial Result
• Strategy & Outlook
• Q & A
4Q 2022 Financial Result
### 2022 4Q Brand P&L

<table>
<thead>
<tr>
<th></th>
<th>2022 4Q</th>
<th>2022 3Q</th>
<th>QoQ</th>
<th>2021 4Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>117,359</td>
<td>132,935</td>
<td>-12%</td>
<td>141,829</td>
<td>-17%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>(107,768)</td>
<td>(117,526)</td>
<td>-8%</td>
<td>(114,062)</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>9,591</td>
<td>15,409</td>
<td>-38%</td>
<td>27,767</td>
<td>-65%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(14,563)</td>
<td>(12,352)</td>
<td>18%</td>
<td>(15,442)</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>(4,972)</td>
<td>3,057</td>
<td>-263%</td>
<td>12,326</td>
<td>-140%</td>
</tr>
<tr>
<td><strong>Non-OP Items</strong></td>
<td>1,034</td>
<td>4,132</td>
<td>-75%</td>
<td>1,700</td>
<td>-39%</td>
</tr>
<tr>
<td><strong>Pre-Tax Profit</strong></td>
<td>(3,937)</td>
<td>7,189</td>
<td>-155%</td>
<td>14,026</td>
<td>-128%</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>114</td>
<td>(1,000)</td>
<td>-111%</td>
<td>(1,968)</td>
<td>-106%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>(3,823)</td>
<td>6,189</td>
<td>-162%</td>
<td>12,058</td>
<td>-132%</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>(5.1)</td>
<td>8.3</td>
<td></td>
<td>16.2</td>
<td></td>
</tr>
</tbody>
</table>

| **Gross Margin %**             | 8.2%      | 11.6%     |         | 19.6%     |         |
| **Operating Margin %**         | -4.2%     | 2.3%      |         | 8.7%      |         |

(unaudited brand consolidated financials)
<table>
<thead>
<tr>
<th></th>
<th>2022 1Q</th>
<th>2022 2Q</th>
<th>2022 3Q</th>
<th>2022 4Q</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>127,962</td>
<td>115,210</td>
<td>132,935</td>
<td>117,359</td>
<td>493,466</td>
<td>500,401</td>
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<tr>
<td><strong>COGS</strong></td>
<td>-104,074</td>
<td>-101,153</td>
<td>-117,526</td>
<td>-107,768</td>
<td>-430,522</td>
<td>-398,875</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>23,888</td>
<td>14,056</td>
<td>15,409</td>
<td>9,591</td>
<td>62,944</td>
<td>101,526</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>-13,817</td>
<td>-12,087</td>
<td>-12,352</td>
<td>-14,563</td>
<td>-52,818</td>
<td>-53,310</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>10,072</td>
<td>1,970</td>
<td>3,057</td>
<td>-4,972</td>
<td>10,127</td>
<td>48,215</td>
</tr>
<tr>
<td><strong>Non-OP Items</strong></td>
<td>2,927</td>
<td>450</td>
<td>4,132</td>
<td>1,034</td>
<td>8,543</td>
<td>8,063</td>
</tr>
<tr>
<td><strong>Pre-Tax Profit</strong></td>
<td>12,999</td>
<td>2,420</td>
<td>7,189</td>
<td>-3,937</td>
<td>18,670</td>
<td>56,279</td>
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<tr>
<td><strong>Tax</strong></td>
<td>-2,569</td>
<td>-524</td>
<td>-1,000</td>
<td>114</td>
<td>-3,979</td>
<td>-11,729</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>10,430</td>
<td>1,896</td>
<td>6,189</td>
<td>-3,823</td>
<td>14,691</td>
<td>44,550</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>14.0</td>
<td>2.6</td>
<td>8.3</td>
<td>-5.1</td>
<td>19.8</td>
<td>60.0</td>
</tr>
<tr>
<td><strong>Gross Margin %</strong></td>
<td>18.7%</td>
<td>12.2%</td>
<td>11.6%</td>
<td>8.2%</td>
<td>12.8%</td>
<td>20.3%</td>
</tr>
<tr>
<td><strong>Operating Margin %</strong></td>
<td>7.9%</td>
<td>1.7%</td>
<td>2.3%</td>
<td>-4.2%</td>
<td>2.1%</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Sales allowances</strong></td>
<td>-8.5%</td>
<td>-9.3%</td>
<td>-10.4%</td>
<td>-13.5%</td>
<td>-10.4%</td>
<td>-9.4%</td>
</tr>
<tr>
<td><strong>Inventory allowances</strong></td>
<td>-2.7%</td>
<td>-7.5%</td>
<td>-3.8%</td>
<td>-2.3%</td>
<td>-4.0%</td>
<td>-0.9%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-10.8%</td>
<td>-10.5%</td>
<td>-9.3%</td>
<td>-12.4%</td>
<td>-10.7%</td>
<td>-10.7%</td>
</tr>
<tr>
<td>in NT$ Mn</td>
<td>2022 4Q</td>
<td>2022 3Q</td>
<td>QoQ</td>
<td>2021 4Q</td>
<td>YoY</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>---------</td>
<td>---------</td>
<td>------</td>
<td>---------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>Interest Income (net)</td>
<td>184</td>
<td>(60)</td>
<td>405%</td>
<td>150</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>485</td>
<td>841</td>
<td>-42%</td>
<td>664</td>
<td>-27%</td>
<td></td>
</tr>
<tr>
<td>Askey</td>
<td>149</td>
<td>185</td>
<td>-20%</td>
<td>34</td>
<td>333%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>336</td>
<td>656</td>
<td>-49%</td>
<td>629</td>
<td>-47%</td>
<td></td>
</tr>
<tr>
<td>Exchange Gain/(Loss)</td>
<td>369</td>
<td>(24)</td>
<td>1642%</td>
<td>936</td>
<td>-61%</td>
<td></td>
</tr>
<tr>
<td>Dividend Income</td>
<td>3,083</td>
<td></td>
<td>-100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>(3)</td>
<td>292</td>
<td>-101%</td>
<td>(49)</td>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>Total Non-OP items</td>
<td>1,034</td>
<td>4,132</td>
<td>-75%</td>
<td>1,700</td>
<td>-39%</td>
<td></td>
</tr>
</tbody>
</table>
# 2022 4Q Brand Balance Sheet

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Sep 30, 2022</th>
<th>QoQ</th>
<th>Dec 31, 2021</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; equivalents</td>
<td>60,949</td>
<td>35,585</td>
<td>71%</td>
<td>62,513</td>
<td>-3%</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>83,763</td>
<td>98,972</td>
<td>-15%</td>
<td>84,892</td>
<td>-1%</td>
</tr>
<tr>
<td>Inventories</td>
<td>132,773</td>
<td>174,506</td>
<td>-24%</td>
<td>158,154</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td><strong>289,799</strong></td>
<td><strong>324,328</strong></td>
<td><strong>-11%</strong></td>
<td><strong>319,877</strong></td>
<td><strong>-9%</strong></td>
</tr>
<tr>
<td>Long-term investments</td>
<td>100,454</td>
<td>95,017</td>
<td>6%</td>
<td>107,377</td>
<td>-6%</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>14,458</td>
<td>14,479</td>
<td>-0%</td>
<td>14,215</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>433,810</strong></td>
<td><strong>460,651</strong></td>
<td><strong>-6%</strong></td>
<td><strong>468,110</strong></td>
<td><strong>-7%</strong></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>45,911</td>
<td>57,957</td>
<td>-21%</td>
<td>89,512</td>
<td>-49%</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td><strong>201,051</strong></td>
<td><strong>225,239</strong></td>
<td><strong>-11%</strong></td>
<td><strong>217,591</strong></td>
<td><strong>-8%</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>221,429</strong></td>
<td><strong>244,216</strong></td>
<td><strong>-9%</strong></td>
<td><strong>235,779</strong></td>
<td><strong>-6%</strong></td>
</tr>
<tr>
<td>Paid-in capital</td>
<td>7,428</td>
<td>7,428</td>
<td></td>
<td>7,428</td>
<td></td>
</tr>
<tr>
<td><strong>Stockholders' equity</strong></td>
<td><strong>212,380</strong></td>
<td><strong>216,435</strong></td>
<td><strong>-2%</strong></td>
<td><strong>232,331</strong></td>
<td><strong>-9%</strong></td>
</tr>
<tr>
<td>Avg. Days of Inventory</td>
<td>130</td>
<td>148</td>
<td></td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AR</td>
<td>71</td>
<td>66</td>
<td></td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AP</td>
<td>45</td>
<td>49</td>
<td></td>
<td>69</td>
<td></td>
</tr>
<tr>
<td><strong>Avg. CCC Days</strong></td>
<td><strong>156</strong></td>
<td><strong>164</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*in NT$ Mn Dec 31, 2022 Sep 30, 2022 QoQ Dec 31, 2021 YoY*
Product Mix

4Q 2022

- PC: 64%
- Component: 34%
- Phone: 2%

2022

- PC: 67%
- Component: 32%
- Phone: 1%
Region Mix

4Q 2022
- Americas: 25%
- EURP: 35%
- ASIA: 40%

2022
- Americas: 23%
- EURP: 30%
- ASIA: 47%
1Q 2023 Business Outlook

• PC QoQ -15% ~ -20%
• Component QoQ -5% ~ -10%
Strategy & Outlook
Market Trends

(Source: market research)
2022 Business Turbulence

2021 Profit

Set aspirational growth targets with appropriate risk management

Deteriorated macroeconomics, weaker than expected demand

Operational and inventory adjustments

2022 Profit
Aspirational Targets Achieved

- ASUS PC activation YoY trend has consistently outperformed the market by more than 10%

(Source: industry data)
2023 Business Outlook

- Confront reality and best adapt to market dynamics, solid improvements to decision-making and management processes
- Strong commitment to build a growth enterprise
- Achieving high-quality growth in mind share and market share
- Undergoing normalization to a healthier inventory level

2023 1H
Volatile operations

2023 2H
Drive growth
Execution Strategy

**Strategic Business**
- Commercial PC - expand business coverage
- AIoT, Server, Cloud - continue to develop next-generation solutions

**Core Business**
- Motherboard – maintain market giant/lion status
- Consumer PC – put design thinking into practice, drive innovation across product generations

**Growth Business**
- Gaming PC – expand leadership position
- Graphics Card – strong engagement with gamers to enhance mind share and market share
Worldwide Recognition

ASUS Named Most Valuable Taiwanese Brand for 2022 by Interbrand

ASUS Zenbook 17 Fold OLED

TIME's 2022 Best Inventions
System Business Group

2022 Performance

- **2022 Revenue + 0~5% YoY**
  - 2021
  - 2022

- **2022 PC shipment YoY**
  - ASUS: -6%
  - Market: -17%

- **2022 Gaming NB shipment YoY**
  - ASUS: 8%
  - Market: 1%

Business Highlights

- NO. 1 OLED and creator PC brand: OLED PC revenue up >100% YoY in 2022; creator PC revenue up 90% YoY in 2022
- Gaming PC reached no. 1 market share worldwide in December 2022
- Continued long-term growth plan to invest in consumer and commercial segments, despite the turbulence of 2022

(Source: market research and internal data)
2022 Performance

Motherboard Business

- Market share: +5%
- YoY growth: +10~15%
- ASP: 

Graphics Card Business

- Market share: +1%
- YoY growth: +5~10%
- ASP: 

Business Highlights

- Worldwide No. 1 motherboard and graphics card brand
- Component business sets the industry trends:
  - ROG Maximus Z790 APEX motherboard set new overclocking world record; the world’s first company to acquire WiFi 7 certification for a router; introduced liquid-cooling server solutions
- Cautiously optimistic about 2023 operations

(Source: market research and internal data)
AloT Business Group

2022 Performance

2022 Revenue + 90% YoY

2021 2022

Business Highlights

- Increase R&D investment and strengthen domain knowledge to accelerate the advancement of AloT solutions
- Build an evolving ecosystem with industry partners to create in-depth synergies and value enhancement for customers
- Build AI-enabled smart factory, accelerate the development of industry 4.0 solutions

Partnership with Roche to Develop Precision Medicine

Built Smart Healthcare Cyber-Physical System (CPS)
No.1 Gaming Brand and Ecosystem

BRAND

• ROG Core Values: Innovation, Diversity, Boldness

The No.1 choice of gamers and enthusiasts around the world

PRODUCTS

• Ensuring that ROG and every gamer stay ahead of the competition

• Gaming product revenue accounted for ~45% of brand revenue in 2022

COMMUNITY

• Driving integration of gaming, entertainment, sports, music, and lifestyle

ROG STRIX SCAR 18

CNET The Best Gaming Gear at CES

Asa Butterfield Karl-Anthony Towns
Son Heung-Min Alan Walker Nyjah Huston
Sustaining an Incredible Future
ASUS 2025 Sustainability Goals

Circular Economy
- Promote sustainable procurement and increase the use of environmentally friendly materials in products and packaging by 100%

Responsible Manufacturing
- Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensuring any necessary corrective actions are taken
- Use responsible minerals by sourcing 100% of tantalum, tin, tungsten, gold, and cobalt from qualified smelters

Climate Action
- Key products 30% above ENERGY STAR efficiency
- Key suppliers cut carbon intensity 30% by 2025
- 100% renewable energy use in Taiwan by 2030, globally by 2035

Value Creation
- Intensify digital transformation and innovation efforts with the goal of a 100% increase in sustainable value creation
- Strengthen industry/academia cooperative projects to cultivate more than 1,000 talents
Carbon-Neutral Business Laptop

Sustaining an Incredible Future

B9400CB
ISO 14067 + PAS 2060 Verified
Q & A