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 2023 Financial Result
- Strategy & Outlook
- Q & A
1Q 2023 Financial Result
<table>
<thead>
<tr>
<th></th>
<th>2023 1Q</th>
<th>2022 4Q</th>
<th>QoQ</th>
<th>2022 1Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>102,376</td>
<td>117,359</td>
<td>-13%</td>
<td>127,962</td>
<td>-20%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>(94,128)</td>
<td>(107,768)</td>
<td>-13%</td>
<td>(104,074)</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>8,247</td>
<td>9,591</td>
<td>-14%</td>
<td>23,888</td>
<td>-65%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(11,900)</td>
<td>(14,563)</td>
<td>-18%</td>
<td>(13,817)</td>
<td>-14%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>(3,653)</td>
<td>(4,972)</td>
<td>-27%</td>
<td>10,072</td>
<td>-136%</td>
</tr>
<tr>
<td><strong>Non-OP Items</strong></td>
<td>1,703</td>
<td>1,034</td>
<td>65%</td>
<td>2,927</td>
<td>-42%</td>
</tr>
<tr>
<td><strong>Pre-Tax Profit</strong></td>
<td>(1,950)</td>
<td>(3,937)</td>
<td>-50%</td>
<td>12,999</td>
<td>-115%</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>268</td>
<td>114</td>
<td>134%</td>
<td>(2,569)</td>
<td>-110%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>(1,682)</td>
<td>(3,823)</td>
<td>-56%</td>
<td>10,430</td>
<td>-116%</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>(2.3)</td>
<td>(5.1)</td>
<td></td>
<td>14.0</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Margin %</strong></td>
<td>8.1%</td>
<td>8.2%</td>
<td></td>
<td>18.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin %</strong></td>
<td>-3.6%</td>
<td>-4.2%</td>
<td></td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Sales allowances</strong></td>
<td>-16.0%</td>
<td>-13.5%</td>
<td></td>
<td>-8.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Inventory allowances</strong></td>
<td>0.9%</td>
<td>-2.3%</td>
<td></td>
<td>-2.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-11.6%</td>
<td>-12.4%</td>
<td></td>
<td>-10.8%</td>
<td></td>
</tr>
</tbody>
</table>
# 2023 1Q Non-OP Items

<table>
<thead>
<tr>
<th></th>
<th>2023 1Q</th>
<th>2022 4Q</th>
<th>QoQ</th>
<th>2022 1Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income (net)</td>
<td>482</td>
<td>184</td>
<td>162%</td>
<td>138</td>
<td>250%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>290</td>
<td>485</td>
<td>-40%</td>
<td>862</td>
<td>-66%</td>
</tr>
<tr>
<td>Askey</td>
<td>(49)</td>
<td>149</td>
<td>-133%</td>
<td>(182)</td>
<td>73%</td>
</tr>
<tr>
<td>Others</td>
<td>339</td>
<td>336</td>
<td>1%</td>
<td>1,045</td>
<td>-68%</td>
</tr>
<tr>
<td>Exchange Gain/(Loss)</td>
<td>990</td>
<td>369</td>
<td>169%</td>
<td>1,091</td>
<td>-9%</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>9</td>
<td></td>
<td></td>
<td>1,019</td>
<td></td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>(67)</td>
<td>(3)</td>
<td>-2305%</td>
<td>837</td>
<td>-108%</td>
</tr>
<tr>
<td><strong>Total Non-OP items</strong></td>
<td><strong>1,703</strong></td>
<td><strong>1,034</strong></td>
<td><strong>65%</strong></td>
<td><strong>2,927</strong></td>
<td><strong>-42%</strong></td>
</tr>
</tbody>
</table>

(unaudited brand consolidated financials)
## 2023 1Q Brand Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2023</th>
<th>Dec 31, 2022</th>
<th>QoQ</th>
<th>Mar 31, 2022</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash &amp; equivalents</strong></td>
<td>58,829</td>
<td>60,949</td>
<td>-3%</td>
<td>28,794</td>
<td>104%</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td>86,539</td>
<td>83,763</td>
<td>3%</td>
<td>90,070</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>115,845</td>
<td>132,773</td>
<td>-13%</td>
<td>193,379</td>
<td>-40%</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>275,101</td>
<td>289,799</td>
<td>-5%</td>
<td>326,091</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Long-term investments</strong></td>
<td>107,611</td>
<td>100,454</td>
<td>7%</td>
<td>109,052</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td>14,450</td>
<td>14,458</td>
<td>-0%</td>
<td>14,293</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>427,370</td>
<td>433,810</td>
<td>-1%</td>
<td>476,341</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Accounts payable</strong></td>
<td>56,113</td>
<td>45,911</td>
<td>22%</td>
<td>84,010</td>
<td>-33%</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>187,857</td>
<td>201,051</td>
<td>-7%</td>
<td>212,221</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>208,237</td>
<td>221,429</td>
<td>-6%</td>
<td>230,478</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Paid-in capital</strong></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>219,132</td>
<td>212,380</td>
<td>3%</td>
<td>245,863</td>
<td>-11%</td>
</tr>
<tr>
<td>Avg. Days of Inventory</td>
<td>108</td>
<td>130</td>
<td></td>
<td>154</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AR</td>
<td>66</td>
<td>71</td>
<td></td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AP</td>
<td>46</td>
<td>45</td>
<td></td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Avg. CCC Days</td>
<td>128*</td>
<td>156</td>
<td></td>
<td>136</td>
<td></td>
</tr>
</tbody>
</table>

*Based on last twelve months income statement

(unaudited brand consolidated financials)
Region Mix

1Q 2023
- Americas: 21%
- EURP: 30%
- ASIA: 49%

1Q 2022
- Americas: 23%
- EURP: 30%
- ASIA: 47%
2Q 2023 Business Outlook

- PC QoQ +20%
- Component QoQ -5%
Strategy & Outlook
2023 Business Outlook

Confronting reality and best adapting to market dynamics, solid improvements to decision-making and management processes

Strong commitment to building a growth enterprise

Achieving high-quality growth in mind share and market share

Undergoing normalization to healthier inventory levels

2023 1H
Volatile operations

2023 2H
Drive growth
## Execution Strategy

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

### Core Business
- Motherboard – dominate the lion’s share of the market
- 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
Consistent Outperformance

Unit YoY %

- ASUS PC Sell-through (Activation)
- Market PC Sell-through (Activation)
- Market PC Sell-in

(Source: market research and industry data)
Accelerate Future Growth

- Brand Revenue (NT$m)

Q1: 127,962
Q2: 115,210
Q3: 132,935
Q4: 117,359
Q1: 102,376
Q2: (Increase indicated with an arrow)

ASUS
Business Growth Drivers

- **Brand Position and User Value**
  No.1 in gaming, motherboards, graphic cards
  Premium consumer PC brand

- **New Business Expansion**
  Commercial PC, AIoT, Server, AIHPC

- **Innovation and Product Leadership**
  ROG ALLY, ASUS Lumina OLED, ProArt creator
## AI 2.0, AIHPC, New Ecosystem

### AIHPC Core Technology
- HPC technology team with over 200 engineers and 6 years of experience
- Won government bid again for supercomputer - **TAIWANIA 4**

### Generative AI
- Launch ChatGPT-like **Foundation Model** and enterprise-grade generative AI solutions

### Precision Medicine
- Launch computational genomics services based on AIHPC

### Digital Twin
- Received government (MOEA) project funding to accelerate the development of the high-fidelity and digital twin fields

Announce AI 2.0 planning during AIHPCcon May 17th, at ASUS AI Cloud Innovation Center
Worldwide Recognition

Asus Named as one of The World’s Most Admired Companies 2023

2023 World’s Most Admired Companies

ASUS Breaks Records Again with 44 Wins at the 2023 Red Dot Product Design Awards

44 wins
2023 Red Dot Product Design Awards

ASUS Wins 26 iF Design Awards for 2023

26 wins
2023 iF Design Award
System Business Group

2023 Q1 Performance

- 25~30% YoY

Business Highlights

- Improved product portfolio with +0~5% YoY increase for PC ASP in 23Q1, above pre-pandemic level
- Gaming PC gained ~3% market share YoY in 23Q1 and strengthened its leadership
- NO. 1 OLED and creator PC brand:
  - OLED PCs accounted for >25% of regular PC revenue
  - Launched Zenbook S 13 OLED (UX5304) - world’s slimmest OLED ultraportable laptop

23Q1 Revenue

- 25~30% YoY

23Q1 Gaming NB Shipment YoY

- 6%
- 9%

Increased Share of High Value Products

- >60% Premium PCs

(Source: market research and internal data)
### Open Platform Business Group

**2023 Q1 Performance**

<table>
<thead>
<tr>
<th>23Q1 Revenue</th>
<th>Motherboard Shipment Growth</th>
<th>Graphics Card ASP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 5~10% YoY</td>
<td>+ 5~10% YoY</td>
<td>+ 5~10% YoY</td>
</tr>
<tr>
<td>22Q1</td>
<td>22Q1</td>
<td>22Q1</td>
</tr>
<tr>
<td>23Q1</td>
<td>23Q1</td>
<td>23Q1</td>
</tr>
</tbody>
</table>

**Business Highlights**

- Sustained worldwide No. 1 motherboard and graphics card position, significantly outperforming the market and continued to gain share
- Gaming motherboard revenue growth reached +40% YoY, workstation MB revenue up 55% YoY in 23Q1

(Source: market research and internal data)
### 2023 Q1 Performance

<table>
<thead>
<tr>
<th>22Q1</th>
<th>23Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="chart1.png" alt="Chart Image" /></td>
<td><img src="chart2.png" alt="Chart Image" /></td>
</tr>
</tbody>
</table>

+ 45% YoY

### Business Highlights

- ASUS Blood Pressure App was certified by TFDA, first self-developed wearable blood pressure application software in Taiwan
- ASUS IoT’s ongoing commitment to accelerating IoT technologies with its strong embedded portfolio, including new Tinker V SBC and Edge AI computers

### EndoAim AI Endoscopy System

Implemented in Taiwan Hospitals

### ASUS Complete Embedded Portfolio

(embedded world 2023)
LEADERSHIP

- The No.1 choice of gamers and enthusiasts around the world
- No.1 RTX 4080/4090 high-end NBs with over 50% market share

INNOVATION

- Gaming product revenue represented 50% of brand revenue in 23Q1
- Launched ROG’s first Windows gaming handheld to #playALLYourgames
- Gaming peripheral revenue increased 30% YoY in 23Q1, with ASP growing 8%

DIVERSITY

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

(Source: market research and internal data)
ROG ALLY FOR ALL YOUR GAMES

- Powered by AMD Ryzen™ Z1 Series Processor
- Windows 11 Gaming Handheld
  - Full Compatibility with Steam, EA App, Epic Games, and Xbox Game Pass
- Fast and Bright Display
  - Full HD 120Hz 500 nits
- Armoury Crate SE
  - Customizable Key Mapping
  - Control Panel Overlay
  - Performance Profile
- 608g Lightweight with Ergonomic Design
- Combine Your Ally with ROG Accessories
“The ROG ALLY is so much better than anything else we've seen in this space.” – D2D


“The ASUS ROG Ally might be the new most powerful handheld gaming PC.” – Engadget

“After spending a few hours with Asus ROG Ally, it is safe to say that Asus may have a real competitor in the handheld PC gaming space on its hands.” – Game Rant

“This handheld could very well dominate the on-the-go PC gaming space like nothing ever has before it.” – Windows central
## Sustaining an Incredible Future

### Key ESG Achievements

<table>
<thead>
<tr>
<th>Circular Economy</th>
<th>Climate Action</th>
<th>Responsible Manufacturing</th>
<th>Value Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>87 %</td>
<td>+ 34 %</td>
<td>100 %</td>
<td>20,000+</td>
</tr>
<tr>
<td>Eco-friendly product revenue mix in 2022</td>
<td>More energy efficient than ENERGY STAR standards, on average, for Notebook PCs in 2022</td>
<td>Key minerals sourced from qualified smelters since 2018</td>
<td>Computers donated to over 1,800 NPOs since 2008</td>
</tr>
</tbody>
</table>

### Notes

- Computers donated to over 1,800 NPOs since 2008
UX5304 Carbon-Neutral Consumer Laptop

- Chassis cover & bottom case: Recycled aluminum
- Keyboard cover: Recycled magnesium-aluminum alloy
- Keycap: Recycled plastics
- Speakers: Ocean-bound + recycled plastics
- Computer PCB & Touchpad PCB: Halogen-free

2023 90% of consumer laptops will meet EPEAT and ENERGY STAR® 8.0 standards
Celebrated for Sustainability

Climate Leaders
Asia-Pacific 2022

MSCI ESG RATINGS

Sustainability Yearbook
Member 2022

S&P Global

Corporate ESG Performance
Prime

FTSE4Good