



# ASUSTEK

*2Q 2023 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 2023 Financial Result*
- *Strategy & Outlook*
- *Q & A*



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# 2Q 2023 Financial Result

# 2023 2Q Brand Income Statement

in NT\$ Mn	2023 2Q	2023 1Q	QoQ	2022 2Q	YoY
<b>Net Revenue</b>	<b>107,488</b>	<b>102,376</b>	<b>5%</b>	<b>115,210</b>	<b>-7%</b>
COGS	(94,040)	(94,128)	0%	(101,153)	-7%
<b>Gross Profit</b>	<b>13,448</b>	<b>8,247</b>	<b>63%</b>	<b>14,056</b>	<b>-4%</b>
Operating Expenses	(12,229)	(11,900)	3%	(12,087)	1%
<b>Operating Profit</b>	<b>1,219</b>	<b>(3,653)</b>	<b>-133%</b>	<b>1,970</b>	<b>-38%</b>
Non-OP Items	1,202	1,703	-29%	450	167%
<b>Pre-Tax Profit</b>	<b>2,421</b>	<b>(1,950)</b>	<b>-224%</b>	<b>2,420</b>	<b>0%</b>
Tax	165	268	-38%	(524)	-132%
<b>Net Profit</b>	<b>2,586</b>	<b>(1,682)</b>	<b>-254%</b>	<b>1,896</b>	<b>36%</b>
<b>EPS</b>	<b>3.5</b>	<b>(2.3)</b>		<b>2.6</b>	
<b>Gross Margin %</b>	<b>12.5%</b>	<b>8.1%</b>		<b>12.2%</b>	
<b>Operating Margin %</b>	<b>1.1%</b>	<b>-3.6%</b>		<b>1.7%</b>	
<i>Sales allowances</i>	-17.7%	-16.0%		-9.3%	
<i>Inventory allowances</i>	2.6%	0.9%		-7.5%	

# 2023 2Q Non-OP Items

in NT\$ Mn	2023 2Q	2023 1Q	QoQ	2022 2Q	YoY
Interest Income (net)	571	482	18%	120	375%
Investment Income	351	290	21%	562	-38%
<i>Askey</i>	<i>(118)</i>	<i>(49)</i>	<i>-142%</i>	<i>(1)</i>	<i>-8109%</i>
<i>Others</i>	<i>469</i>	<i>339</i>	<i>38%</i>	<i>564</i>	<i>-17%</i>
Exchange Gain/(Loss)	<i>(73)</i>	990	-107%	<i>(699)</i>	90%
Dividend Income	2	9	-71%	7	-64%
Other Income (net)	351	<i>(67)</i>	623%	459	-24%
<b>Total Non-OP items</b>	<b>1,202</b>	<b>1,703</b>	<b>-29%</b>	<b>450</b>	<b>167%</b>

# 2023 2Q Brand Balance Sheet

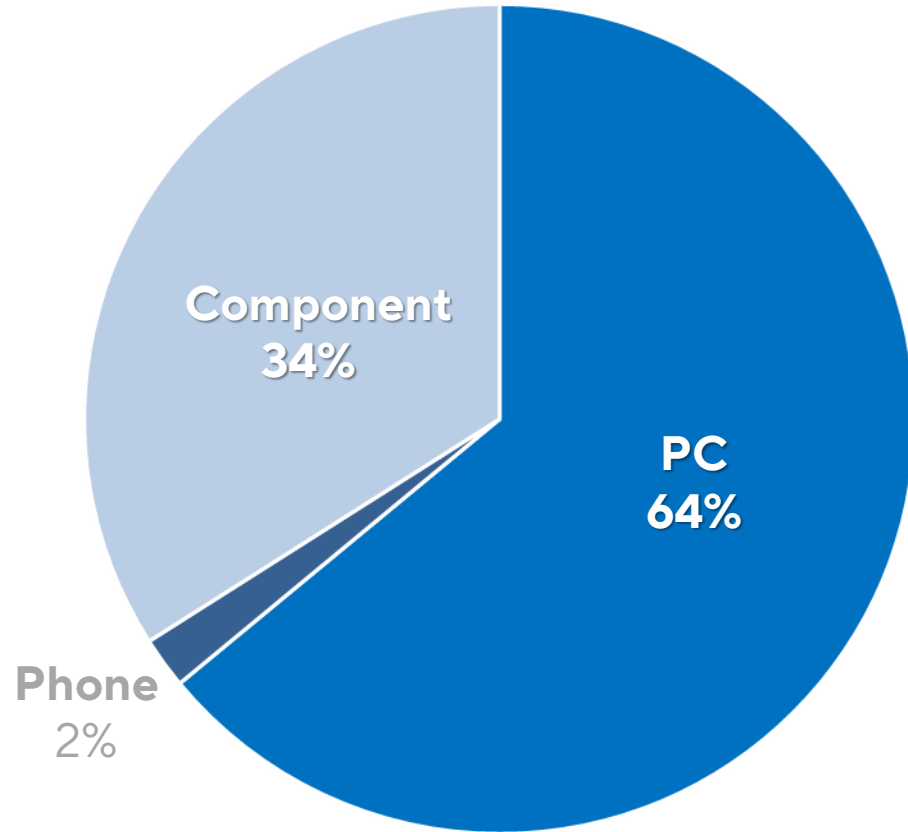
in NT\$ Mn	Jun 30, 2023	Mar 31, 2023	QoQ	Jun 30, 2022	YoY
Cash & equivalents	54,704	58,829	-7%	27,299	100%
Accounts receivable	91,352	86,539	6%	92,629	-1%
Inventories	117,520	115,845	1%	206,170	-43%
<b>Current Assets</b>	<b>277,642</b>	<b>275,101</b>	<b>1%</b>	<b>340,814</b>	<b>-19%</b>
Long-term investments	115,245	107,611	7%	97,531	18%
Fixed assets	14,500	14,450	0%	14,322	1%
<b>Total Assets</b>	<b>437,651</b>	<b>427,370</b>	<b>2%</b>	<b>479,568</b>	<b>-9%</b>
Accounts payable	62,780	56,113	12%	64,992	-3%
<b>Current Liabilities</b>	<b>197,660</b>	<b>187,857</b>	<b>5%</b>	<b>251,955</b>	<b>-22%</b>
<b>Total Liabilities</b>	<b>218,341</b>	<b>208,237</b>	<b>5%</b>	<b>270,227</b>	<b>-19%</b>
Paid-in capital	7,428	7,428		7,428	
<b>Stockholders' equity</b>	<b>219,311</b>	<b>219,132</b>	<b>0%</b>	<b>209,341</b>	<b>5%</b>
Avg. Days of Inventory	103	108		180	
Avg. Days of AR	71	66		72	
Avg. Days of AP	55	46		71	
<b>Avg. CCC Days</b>	<b>119</b>	<b>128</b>		<b>182</b>	

(unaudited brand consolidated financials)

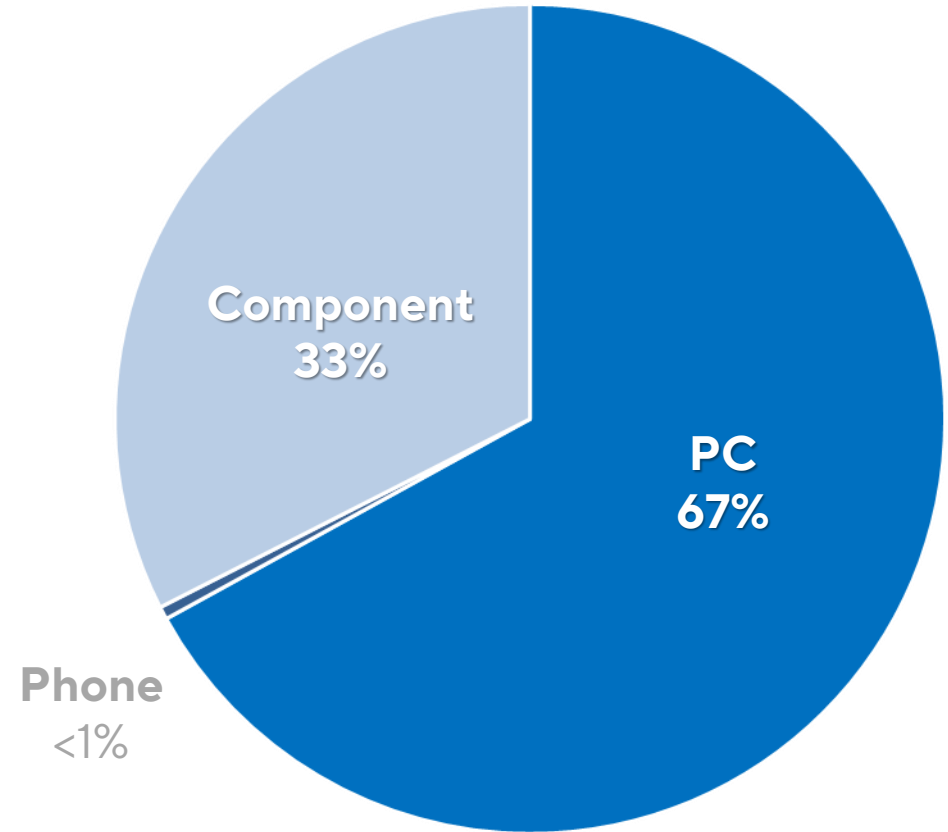


# Product Mix

2Q 2023



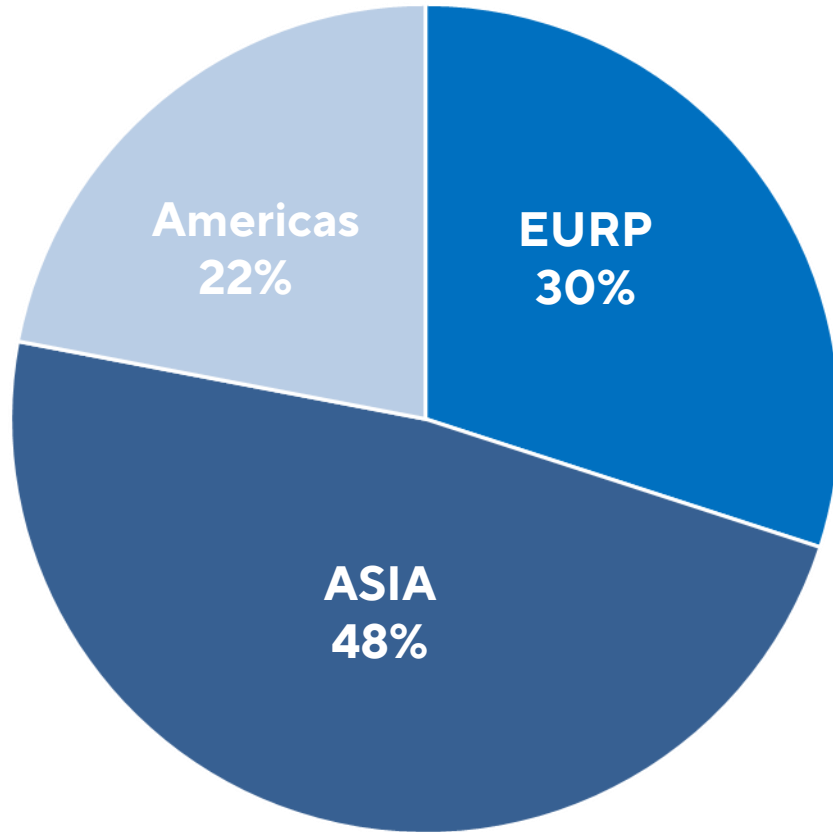
2Q 2022



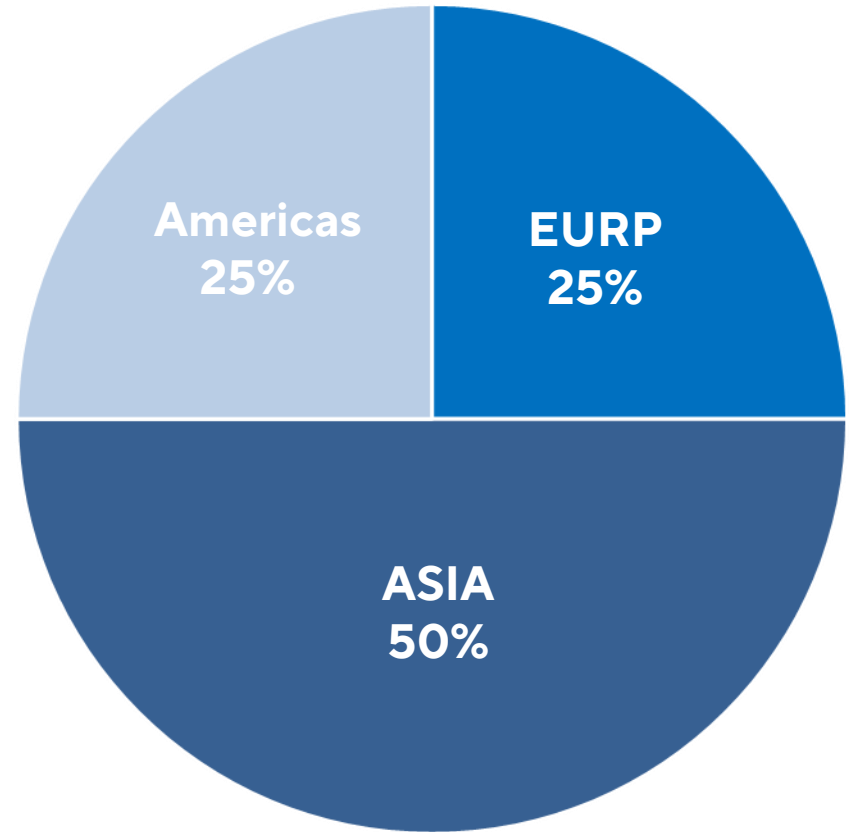


# Region Mix

2Q 2023



2Q 2022



# 3Q 2023 Business Outlook

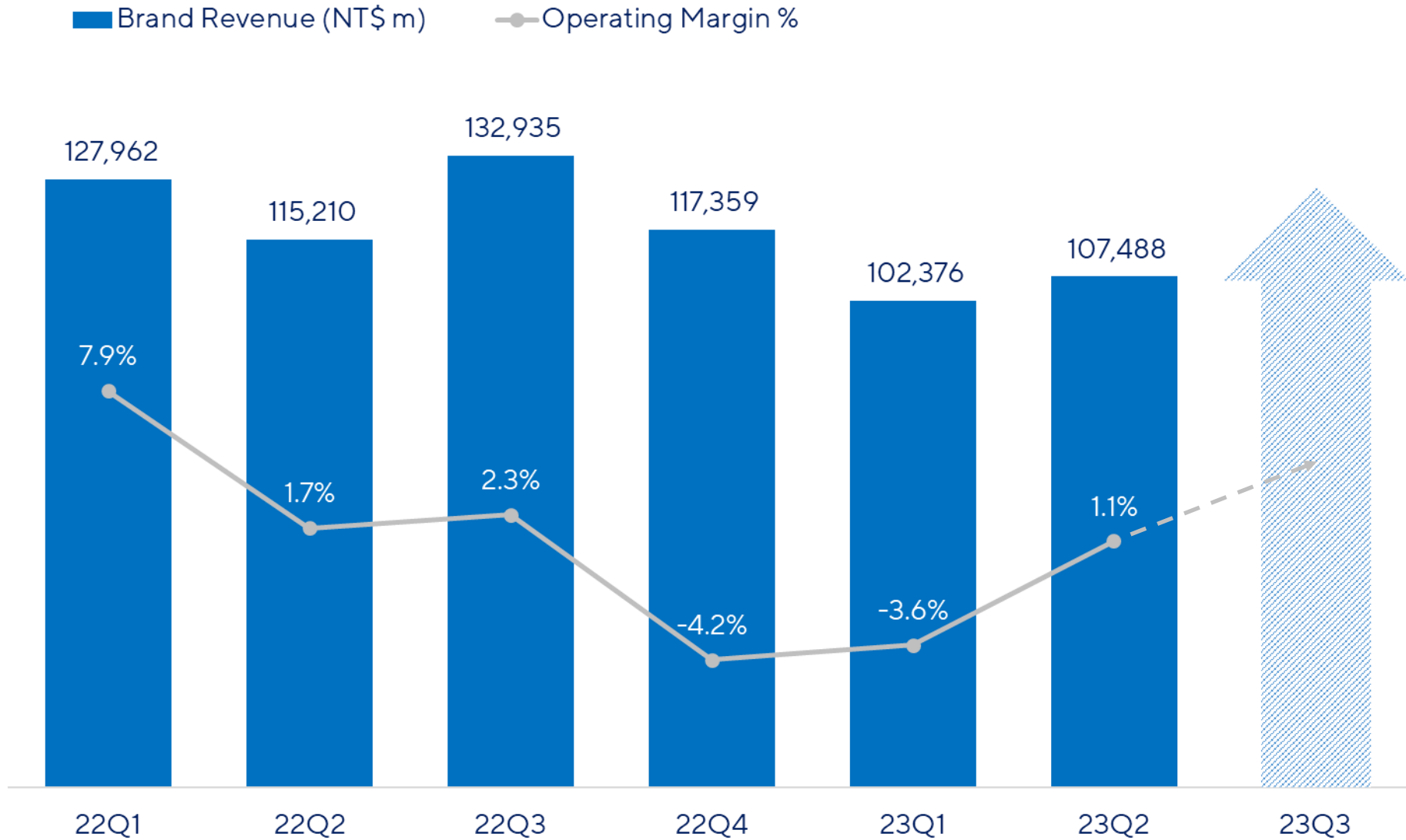
- **PC QoQ +20%**
- **Component QoQ +10%**



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# Strategy & Outlook

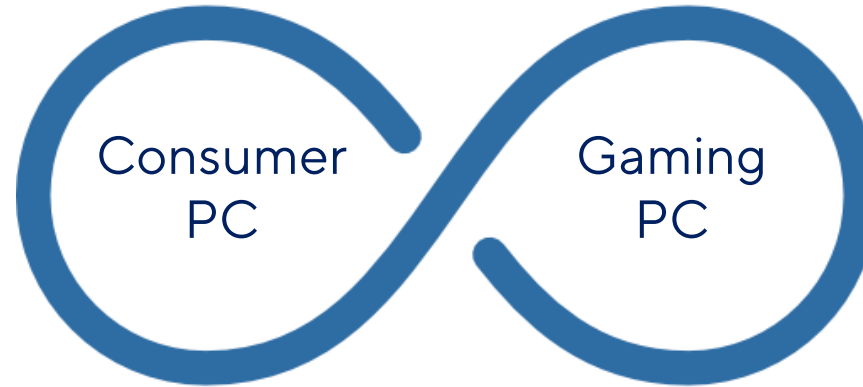
# Business Stabilization



# ASUS One PC Strategy

## Consumer Business Unit

Leadership



Agile and Synergistic Organization

Value Stream Maximization

## Commercial Business Unit

Expansion



Empowered Strategy Execution

# Powering the Next Generation of Computing

## AI Server

HPC Infrastructure

## Platform Service

AIHPC as a Service

## On-premise Solutions

Turn-key Solution  
for Enterprise GAI

## AI at the Edge

Enabling Real-time Insights

## AI on the PC

Redefining the PC with AI



A True Total Solutions Provider

Technology Capabilities &  
Synergistic Partnership

Embrace the Opportunity



# System Business Group

## 2023 Q2 Performance



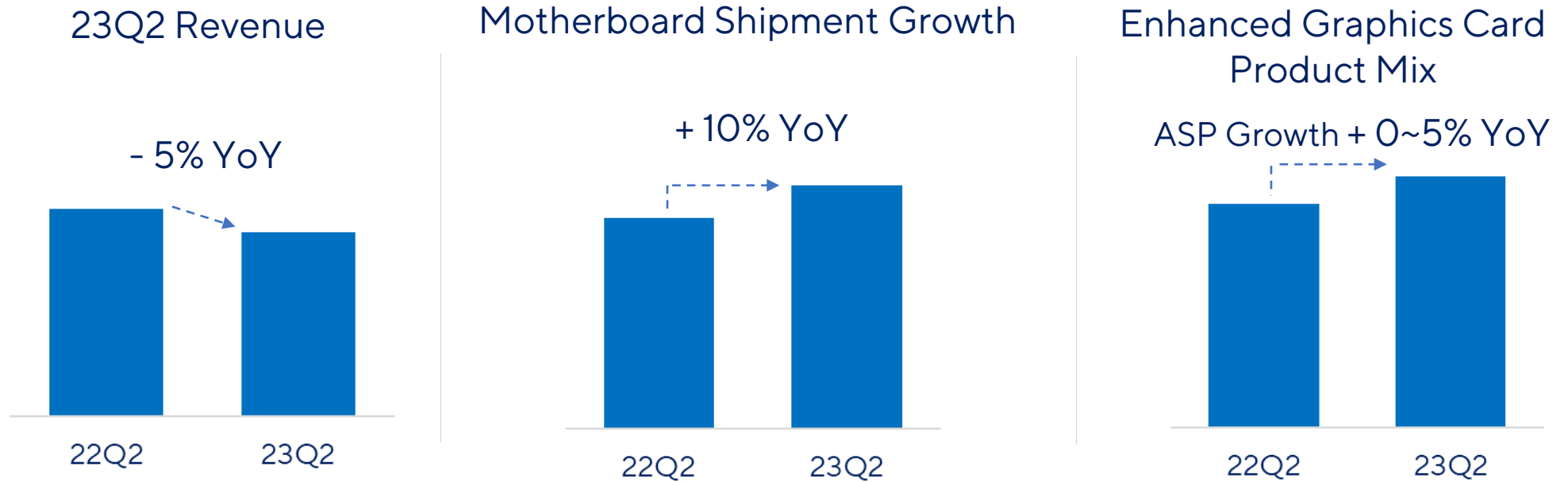
## Business Highlights

- ASUS One PC Strategy: transforming into a more agile and synergistic organization with dual focus on consumer and commercial products
- Solidifying leadership with worldwide No. 1 gaming NB market share
- Pioneered brand of AI-powered PC: unveiling a whole new realm of productivity & entertainment



# Open Platform Business Group

## 2023 Q2 Performance

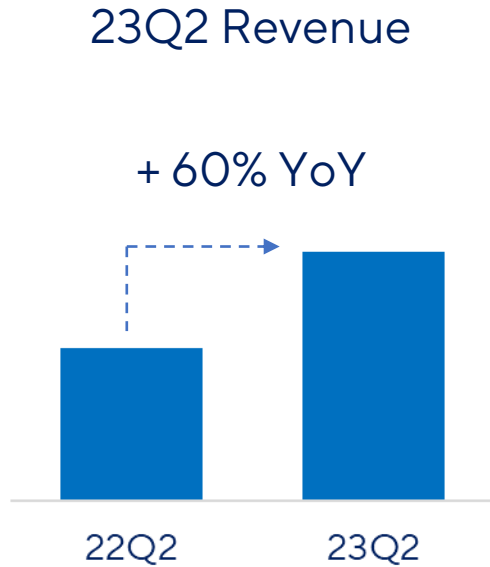


## Business Highlights

- No. 1 motherboard and graphics card: expanding gaming and ProArt creator lineups
- ASUS received PCMag's *The Best of COMPUTEX 2023* awards for graphics card and networking categories (ROG Matrix GeForce RTX 4090 and ASUS ExpertWiFi EBA63)
- Server business revenue grew over 40% YoY in Q2 2023; aiming to achieve 5X growth over 5 years

# AIoT Business Group

## 2023 Q2 Performance



5G + AIoT  
Smart Manufacturing Upgrades



Introducing Co-Winning Approach to  
ASUS AIoT Partner Alliance



Uniting over 60 solution providers

## Business Highlights

- Fostering smart manufacturing upgrades through innovative 5G + AIoT solutions, including factory war room and AR glasses system
- ASUS IoT introduced Co-Winning approach for the ASUS AIoT Partner Alliance Program, shaping the future of AI and IoT with expertise from its ecosystem partners

# No.1 Gaming Brand and Ecosystem



## LEADERSHIP

- The No. 1 choice of gamers and enthusiasts around the world
- No. 1 Gaming NBs and RTX 40 series high-end NBs



- The gaming handheld ROG Ally was ranked No. 1 in PC Gaming sales at major 3C channels in North America
- Launched ROG Matrix RTX 4090 graphics card with world's first 4.0 GHZ OC record



ROG ALLY



## INNOVATION

## DIVERSITY

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



# 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

# Sustaining an Incredible Future

## Transparency and Accountability



Recognition by  
*Asia-Pacific Climate Leaders*  
for the Second Consecutive Time



Three Consecutive Years of  
Recognition by the  
*Asia Sustainability Reporting Awards*



2022 Sustainability Report



TCFD Report  
(Task Force on Climate-related  
Financial Disclosures Report)



EP&L Report  
(Environmental Profit and Loss)



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Q & A