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
2Q 2023 Financial Result
# 2023 2Q Brand Income Statement

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

(unaudited brand consolidated financials)
## 2023 2Q Non-OP Items

<table>
<thead>
<tr>
<th></th>
<th>2023 2Q</th>
<th>2023 1Q</th>
<th>QoQ</th>
<th>2022 2Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income (net)</td>
<td>571</td>
<td>482</td>
<td>18%</td>
<td>120</td>
<td>375%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>351</td>
<td>290</td>
<td>21%</td>
<td>562</td>
<td>-38%</td>
</tr>
<tr>
<td>Askey</td>
<td>(118)</td>
<td>(49)</td>
<td>-142%</td>
<td>(1)</td>
<td>-8109%</td>
</tr>
<tr>
<td>Others</td>
<td>469</td>
<td>339</td>
<td>38%</td>
<td>564</td>
<td>-17%</td>
</tr>
<tr>
<td>Exchange Gain/(Loss)</td>
<td>(73)</td>
<td>990</td>
<td>-107%</td>
<td>(699)</td>
<td>90%</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>2</td>
<td>9</td>
<td>-71%</td>
<td>7</td>
<td>-64%</td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>351</td>
<td>(67)</td>
<td>623%</td>
<td>459</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Total Non-OP items</strong></td>
<td><strong>1,202</strong></td>
<td><strong>1,703</strong></td>
<td><strong>-29%</strong></td>
<td><strong>450</strong></td>
<td><strong>167%</strong></td>
</tr>
</tbody>
</table>
# 2023 2Q Brand Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Jun 30, 2023</th>
<th>Mar 31, 2023</th>
<th>QoQ</th>
<th>Jun 30, 2022</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash &amp; equivalents</strong></td>
<td>54,704</td>
<td>58,829</td>
<td>-7%</td>
<td>27,299</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td>91,352</td>
<td>86,539</td>
<td>6%</td>
<td>92,629</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>117,520</td>
<td>115,845</td>
<td>1%</td>
<td>206,170</td>
<td>-43%</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>277,642</td>
<td>275,101</td>
<td>1%</td>
<td>340,814</td>
<td>-19%</td>
</tr>
<tr>
<td><strong>Long-term investments</strong></td>
<td>115,245</td>
<td>107,611</td>
<td>7%</td>
<td>97,531</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td>14,500</td>
<td>14,450</td>
<td>0%</td>
<td>14,322</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>437,651</td>
<td>427,370</td>
<td>2%</td>
<td>479,568</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Accounts payable</strong></td>
<td>62,780</td>
<td>56,113</td>
<td>12%</td>
<td>64,992</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>197,660</td>
<td>187,857</td>
<td>5%</td>
<td>251,955</td>
<td>-22%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>218,341</td>
<td>208,237</td>
<td>5%</td>
<td>270,227</td>
<td>-19%</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>219,311</td>
<td>219,132</td>
<td>0%</td>
<td>209,341</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Avg. Days of Inventory**                103          108          
**Avg. Days of AR**                        71           66           
**Avg. Days of AP**                        55           46           
**Avg. CCC Days**                           119          128          

(unaudited brand consolidated financials)
Product Mix

**2Q 2023**
- PC: 64%
- Component: 34%
- Phone: 2%

**2Q 2022**
- PC: 67%
- Component: 33%
- Phone: <1%
3Q 2023 Business Outlook

- PC QoQ +20%
- Component QoQ +10%
Business Stabilization

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Brand Revenue (NT$m)</th>
<th>Operating Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>22Q1</td>
<td>127,962</td>
<td>7.9%</td>
</tr>
<tr>
<td>22Q2</td>
<td>115,210</td>
<td>1.7%</td>
</tr>
<tr>
<td>22Q3</td>
<td>132,935</td>
<td>2.3%</td>
</tr>
<tr>
<td>22Q4</td>
<td>117,359</td>
<td>-4.2%</td>
</tr>
<tr>
<td>23Q1</td>
<td>102,376</td>
<td>-3.6%</td>
</tr>
<tr>
<td>23Q2</td>
<td>107,488</td>
<td>1.1%</td>
</tr>
<tr>
<td>23Q3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ASUS One PC Strategy

Consumer Business Unit
- Leadership

Commercial Business Unit
- Expansion

Gaming PC
- Agile and Synergistic Organization
- Value Stream Maximization

Consumer PC
- Empowered Strategy Execution

Commercial PC
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
Growth Enterprise Transformation

**Multiple Drivers**

- **Commercial PC**
  - *2X*
- **AIoT, Server, AI Server, AIHPC**
  - *5X*
- **Gaming PC, ROG Ally**
- **AI PC, ProArt Creator**
  - Innovation & Product Leadership
- **Graphics Card**
  - Robust Growth
- **Motherboard**
  - Brand Position & User Value

**Enterprise**
- ~ 10%

**Gamer**
- ~ 45%

**Consumer**
- ~ 45%
  - of 2022 revenue

* from 2022 to 2027
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

(System Business Group)

2023 Q2 Performance

- 5~10% YoY

23Q2 Revenue

Gaming NB Leadership

2021 2022 2023 YTD

Market share

Higher Share of High Value Products

>60% Premium PCs

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

2023 Q2 Performance

- 5% YoY

23Q2 Revenue

+ 10% YoY

Motherboard Shipment Growth

Enhanced Graphics Card Product Mix

ASP Growth + 0~5% YoY

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

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

2023 Q2 Performance

- 23Q2 Revenue + 60% YoY
- Introducing Co-Winning Approach to ASUS AloT Partner Alliance
  - Uniting over 60 solution providers

Business Highlights

- Fostering smart manufacturing upgrades through innovative 5G + AloT solutions, including factory war room and AR glasses system
- ASUS IoT introduced Co-Winning approach for the ASUS AloT 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

**INNOVATION**
- 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

**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%

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

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

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)
Q & A