



ASUSTEK

4Q 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

- *4Q 2023 Financial Result*
- *Strategy & Outlook*
- *Q & A*



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4Q 2023 Financial Result

2023 4Q Brand Income Statement

in NT\$ Mn	2023 4Q	2023 3Q	QoQ	2022 4Q	YoY
Net Revenue	111,943	126,236	-11%	117,359	-5%
COGS	(94,660)	(104,305)	-9%	(107,768)	-12%
Gross Profit	17,283	21,932	-21%	9,591	80%
Operating Expenses	(14,943)	(13,490)	11%	(14,563)	3%
Operating Profit	2,341	8,442	-72%	(4,972)	147%
Non-OP Items	3,251	4,903	-34%	1,034	214%
Pre-Tax Profit	5,591	13,345	-58%	(3,937)	242%
Tax	(1,664)	(2,248)	-26%	114	-1557%
Net Profit	3,927	11,097	-65%	(3,823)	203%
EPS	5.3	14.9		(5.1)	
Gross Margin %	15.4%	17.4%		8.2%	
Operating Margin %	2.1%	6.7%		-4.2%	
<i>Sales allowances</i>	<i>-17.9%</i>	<i>-15.4%</i>		<i>-13.5%</i>	
<i>Inventory allowances</i>	<i>2.6%</i>	<i>3.1%</i>		<i>-2.3%</i>	
<i>Operating expenses</i>	<i>-13.3%</i>	<i>-10.7%</i>		<i>-12.4%</i>	

2023 4Q Non-OP Items

in NT\$ Mn	2023 4Q	2023 3Q	QoQ	2022 4Q	YoY
Interest Income (net)	696	500	39%	184	279%
Investment Income	605	446	36%	485	25%
<i>Askey</i>	<i>(222)</i>	<i>(66)</i>	<i>-236%</i>	<i>149</i>	<i>-249%</i>
<i>Others</i>	<i>827</i>	<i>512</i>	<i>62%</i>	<i>336</i>	<i>146%</i>
Exchange Gain/(Loss)	1,411	1,023	38%	369	283%
Dividend Income		2,847	-100%		-
Other Income (net)	538	88	510%	<i>(3)</i>	19384%
Total Non-OP items	3,251	4,903	-34%	1,034	214%

2023 Brand Income Statement

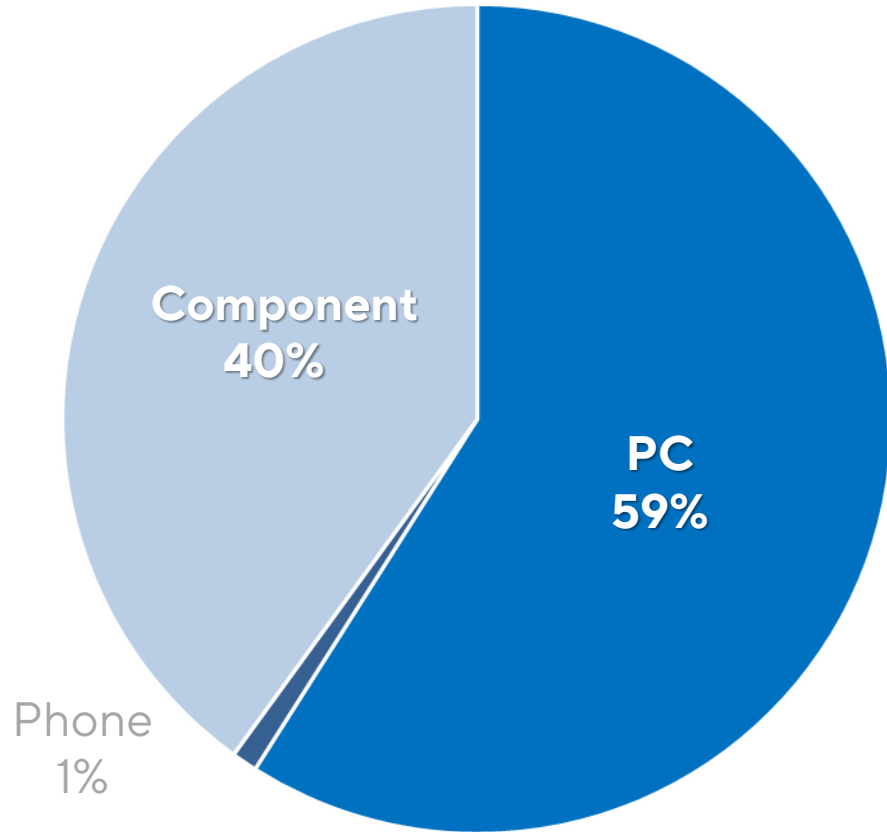
in NT\$ Mn	2023	%	2022	%	YoY
Net Revenue	448,043	100.0%	493,466	100.0%	-9%
COGS	(387,133)	(86.4%)	(430,522)	(87.2%)	-10%
Gross Profit	60,910	13.6%	62,944	12.8%	-3%
Operating Expenses	(52,561)	(11.7%)	(52,818)	(10.7%)	0%
Operating Profit	8,349	1.9%	10,127	2.1%	-18%
Non-OP Items	11,059	2.5%	8,543	1.7%	29%
Pre-Tax Profit	19,408	4.3%	18,670	3.8%	4%
Tax	(3,480)	(0.8%)	(3,979)	(0.8%)	-13%
Net Profit	15,928	3.6%	14,691	3.0%	8%
EPS	21.4		19.8		

2023 4Q Brand Balance Sheet

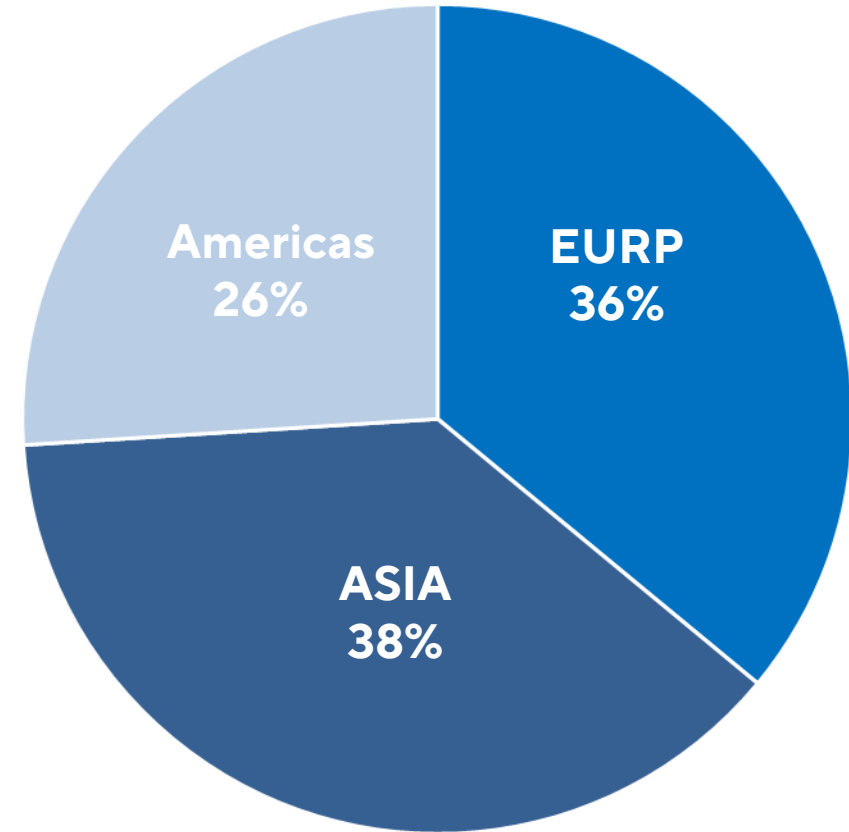
in NT\$ Mn	Dec 31, 2023	Sep 30, 2023	QoQ	Dec 31, 2022	YoY
Cash & equivalents	66,399	58,407	14%	60,949	9%
Accounts receivable	81,519	96,826	-16%	83,763	-3%
Inventories	116,388	120,296	-3%	132,773	-12%
Current Assets	278,975	290,896	-4%	289,799	-4%
Long-term investments	122,314	113,785	7%	100,454	22%
Fixed assets	14,540	14,652	-1%	14,458	1%
Total Assets	443,052	449,816	-2%	433,810	2%
Accounts payable	52,992	60,389	-12%	45,911	15%
Current Liabilities	181,453	195,536	-7%	201,051	-10%
Total Liabilities	203,236	216,938	-6%	221,429	-8%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	239,816	232,878	3%	212,380	13%
Avg. Days of Inventory	112	108		130	
Avg. Days of AR	73	76		71	
Avg. Days of AP	56	59		45	
Avg. CCC Days	128	125		156	

4Q 2023 Revenue Mix

Product

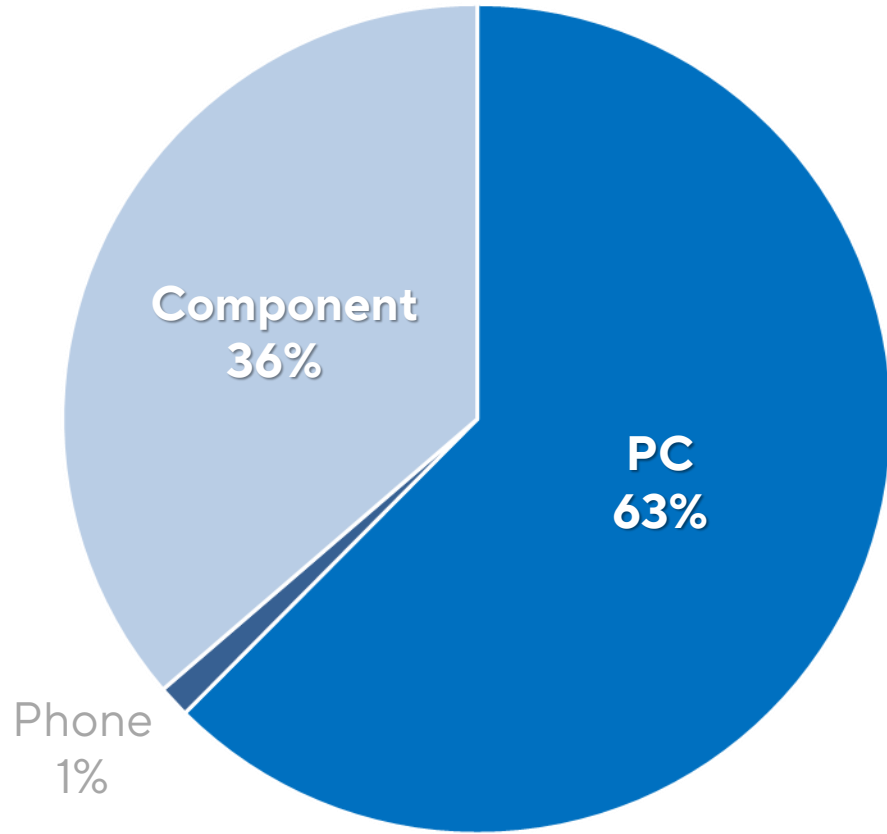


Region

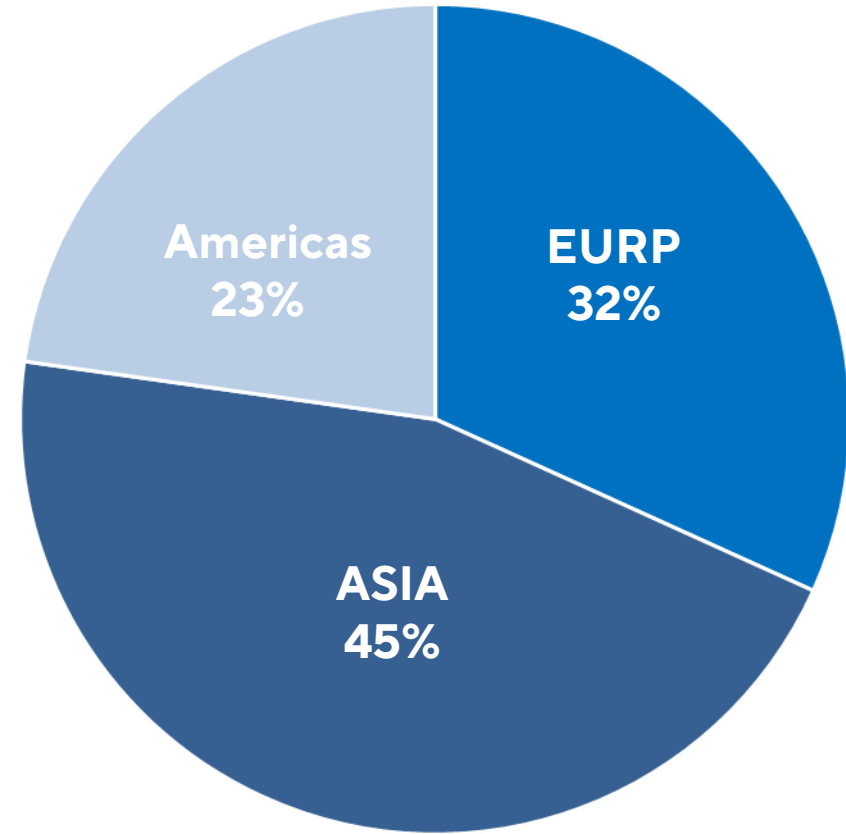


2023 Revenue Mix

Product



Region



1Q 2024 Business Outlook

- PC QoQ -10%
- Component QoQ +15~25%



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Strategy & Outlook

Executive Summary

2023

Back to the right track

Operation alignment

Strengthen talents and resources

Invest in growth initiatives

2024 & Beyond

Multiple growth drivers

Comprehensive AI Transformation

Leadership in AI devices and solutions

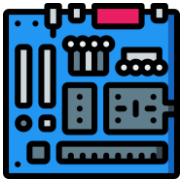
Growth cycle starts in 2H 2024

Execution Strategy



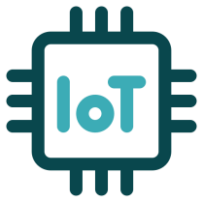
System Products

Leading the gaming and consumer PC market, we're dedicated to R&D and innovation, with the goal of becoming the top brand in AI PCs.



Open Platform Products

Consolidating our market leadership with premier R&D and innovation, while steadily investing in our server business to cultivate multiple profit pillars.



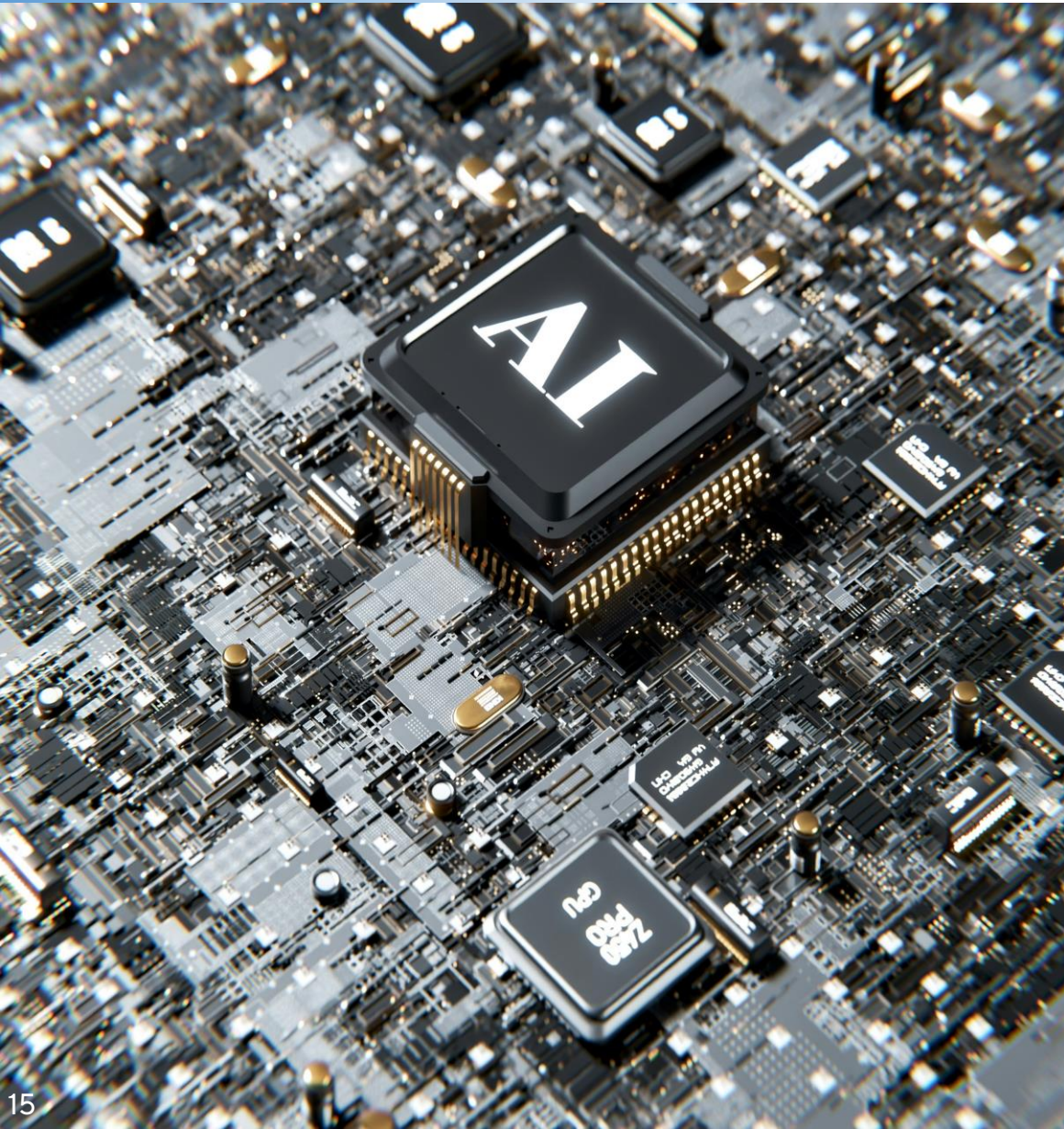
AIoT Solutions

Integrating new NUC product lines and continuously investing in ecosystems, technology, and talent to advance into the new era of AIoT.



ESG

Committed to ESG, we strive to be among the world-class green high-tech leaders, providing valuable contributions to humanity.



AI PC leadership

- Innovation capability & user recognition
- Design thinking
- Multiple silicon solutions and partnerships

AI PC purpose

- Personalized AI assistant
- Productivity leap forward
- A new era of work

Outlook

- AI PC upgrade cycle for multiple years
- Deliver stronger growth and enhance user experience

AI Server



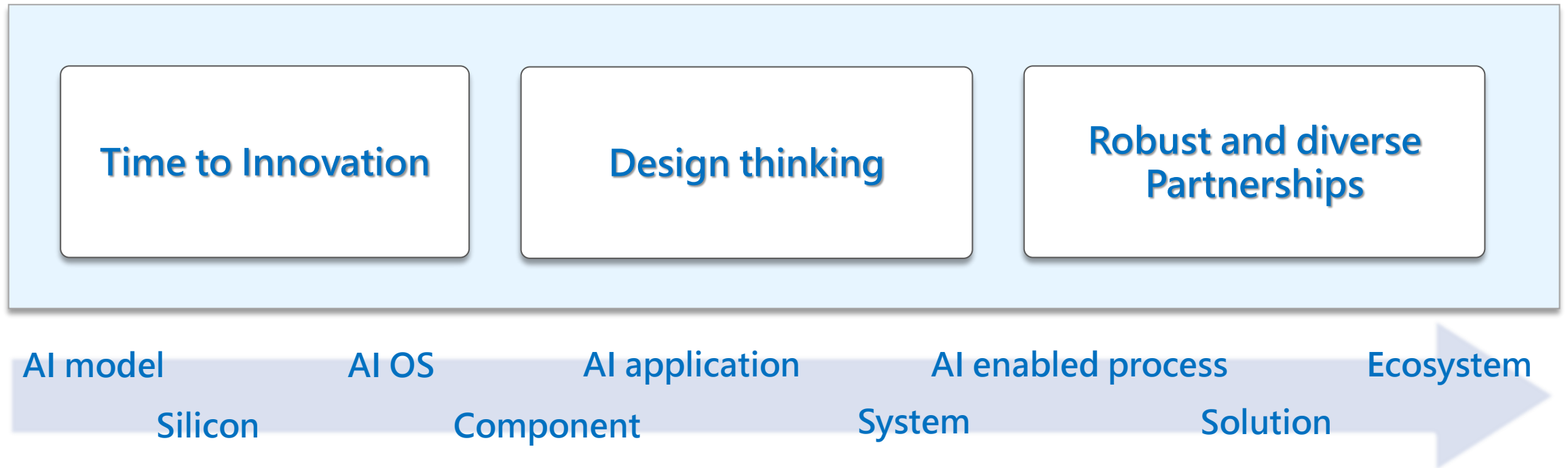
AI Server expansion plan

- Talent and resources
- In-house capacity (in process)
- Trust with vendor and customer
- Multiple silicon solution capability

Outlook

- 5X revenue in 5 years (2022 base)
- Outpacing targets in 1H 2024

ASUS to lead AI product upgrade cycle



A fast evolving industry

- Multiple silicon platforms & diverse product cycles
- Accelerated product upgrade and refresh
- Hybrid usage scenarios & design innovation

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

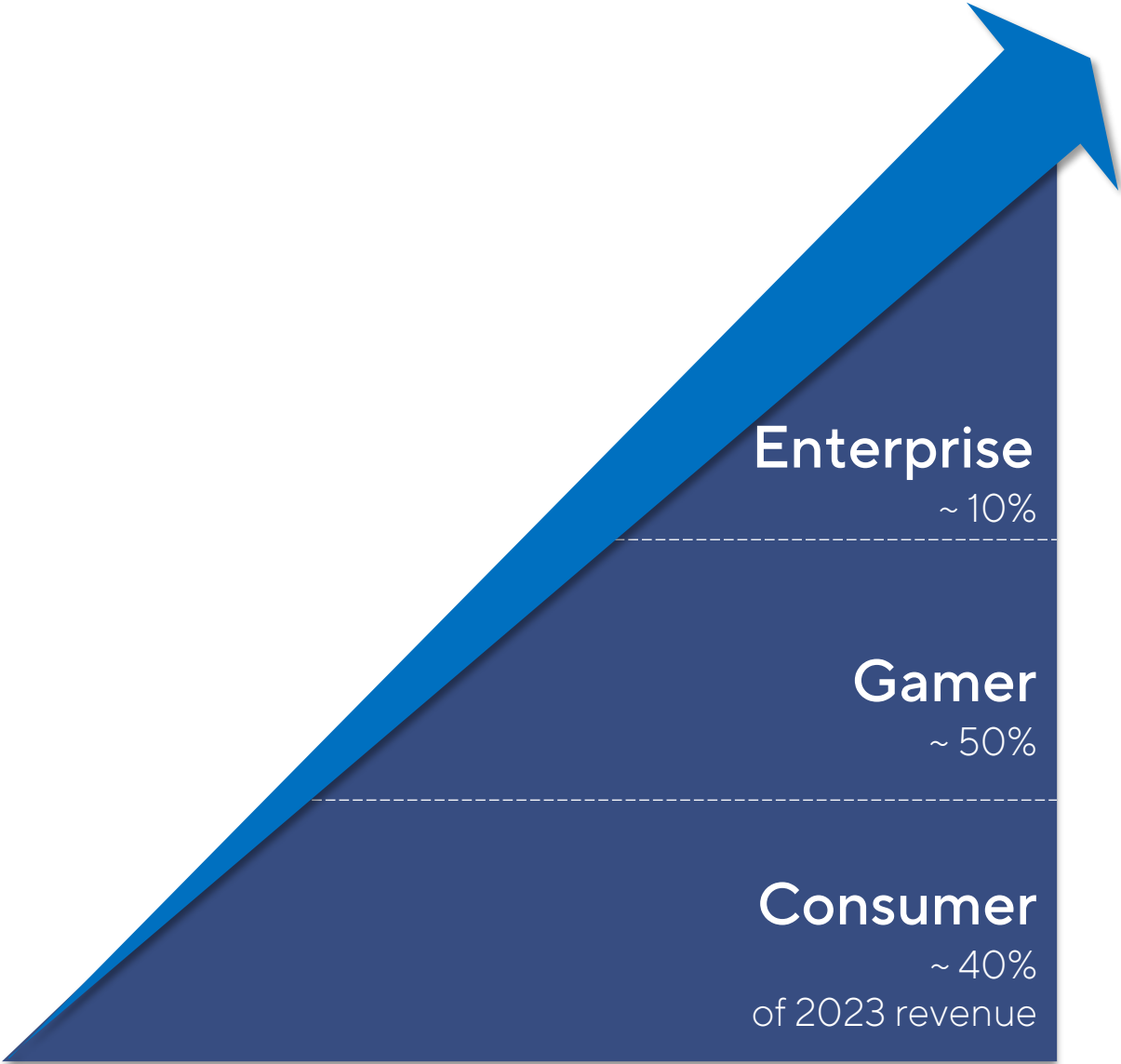


A True Total Solutions Provider

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

* from 2022 to 2027

System Business Group

2023 Q4 Performance

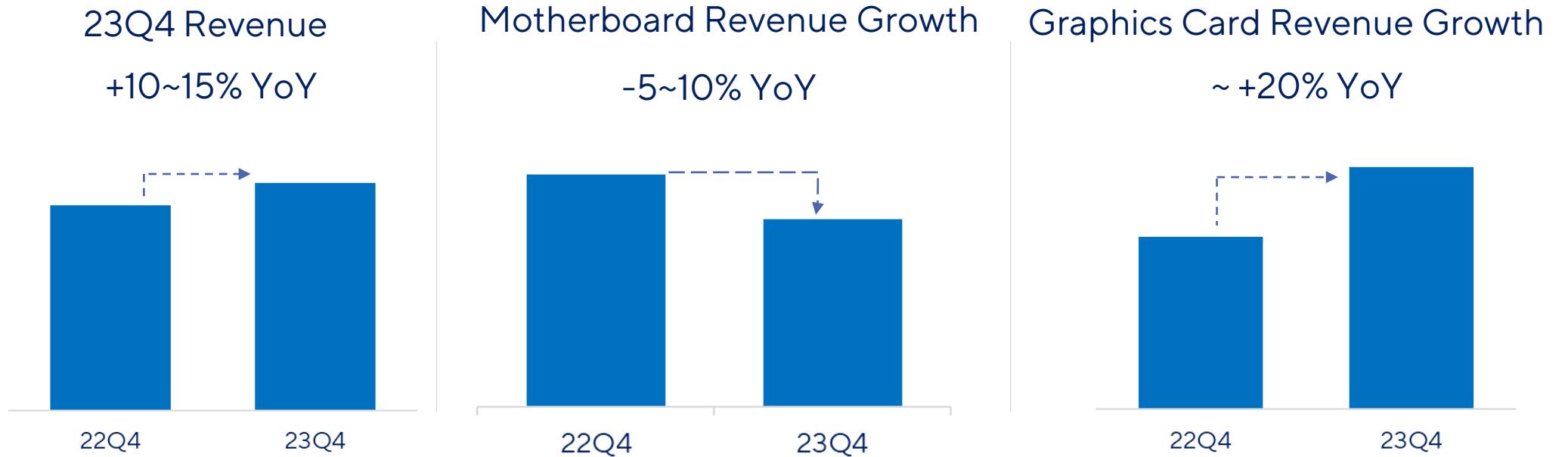


Business Highlights

- ASUS One PC Strategy: topnotch PC brand leader in both brand position and market share
- Worldwide No. 1 gaming NB market share, continuously outperforming the market in gaming sector
- Pioneered Brand of AI PC: Committed to becoming the Leading Brand in AI PCs

Open Platform Business Group

2023 Q4 Performance

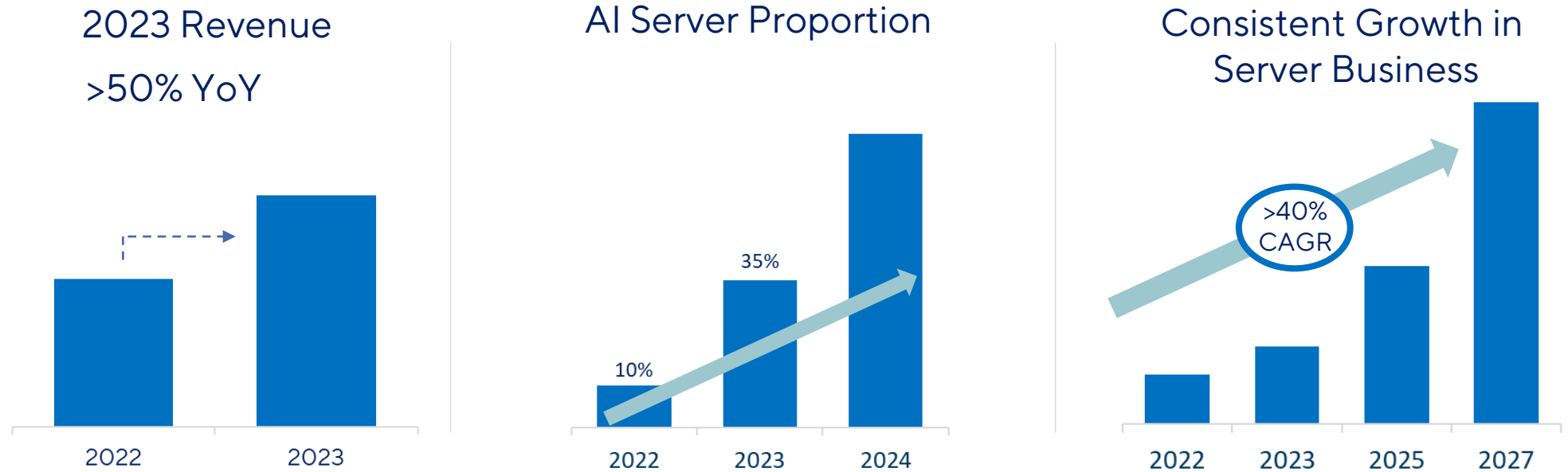


Business Highlights

- Strengthened our leadership in motherboards and graphics cards, with No.1 market share
- Commercial motherboard revenue +23% YoY, workstation MB revenue +43% YoY
- ROG Maximus Z790 APEX Encore set a new world record with a 9,044 GHz CPU frequency for Intel processors, and ROG Crosshair X670E Gene achieved a DDR5 frequency of 10,600 MHz on AMD platforms

Server Business

2023 Q4 Performance

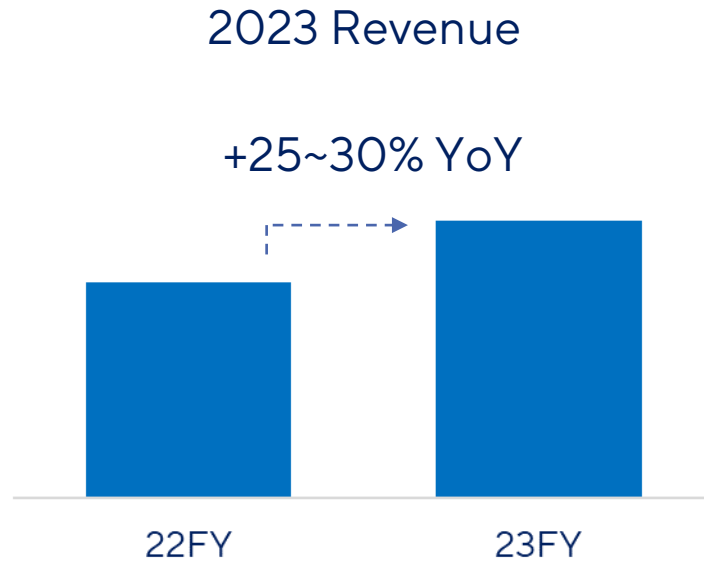


Business Highlights

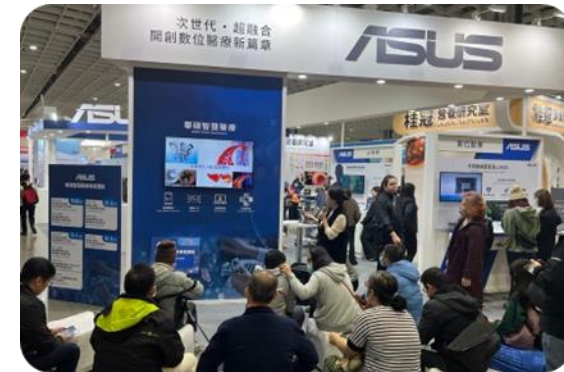
- Server business revenue grew >50% in 2023, driven by the robust demand for AI servers
- ASUS is well-prepared to capture the AI opportunities in hybrid cloud and edge computing

AIoT Business Group

2023 Q4 Performance



Drive Smart Healthcare 4.0, integrating cutting-edge AI technology into digital healthcare solutions



Business Highlights

- Our new NUC product lines have begun to contribute to revenue, enhancing our offerings in the gaming, prosumer, commercial and industrial markets
- Continually collaborated with industry partners to create synergies and value enhancement for customers
- Drive Smart Healthcare 4.0, integrating cutting-edge AI technology into digital healthcare solutions

No.1 Gaming Brand and Ecosystem



LEADERSHIP

- ROG unveils award-winning products at CES 2024, including 20 accolades for ROG Zephyrus laptops and 17 for the ROG Phone 8.
- No.1 market share in gaming laptop category (Dec. 24).



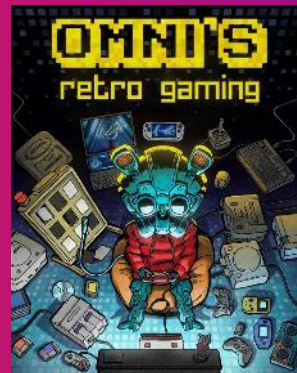
- ROG transcends what is deemed possible with the latest laptops and gaming gear, the new ROG Phone 8 and the innovative BTF ecosystem.



INNOVATION

DIVERSITY

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



Climate leadership in 2024



ASUS's second consecutive inclusion in the list, ranked among top 25 in the 2024 Clean200 index, recognized for its clean revenue driven by eco-friendly solutions.



Listed in leadership band by CDP 2023 for its climate change disclosures and supplier engagement rating, showcasing its transparency and environmental accountability throughout the value chain.



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Q & A