

ASUSTeK

3Q 2021 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

- **3Q 2021 Financial Result**
- **Strategy & Outlook**
- **Q & A**

3Q 2021 Financial Result

3Q 2021 Brand P&L

in NT\$ Mn	2021 3Q	2021 2Q	QoQ	2020 3Q	YoY
Net Revenue	130,091	120,376	8%	119,612	9%
COGS	(105,922)	(94,581)	12%	(98,455)	8%
Gross Profit	24,169	25,795	-6%	21,157	14%
Operating Expenses	(13,374)	(12,262)	9%	(11,763)	14%
Operating Profit	10,795	13,533	-20%	9,395	15%
Non-OP Items	4,256	1,423	199%	4,758	-11%
Pre-Tax Profit	15,051	14,956	1%	14,152	6%
Tax	(3,721)	(3,587)	4%	(3,644)	2%
Net Profit	11,330	11,370	0%	10,508	8%
EPS	15.3	15.3		14.1	
Gross Margin %	18.6%	21.4%		17.7%	
Operating Margin %	8.3%	11.2%		7.9%	

3Q 2021 Brand Non-OP Items

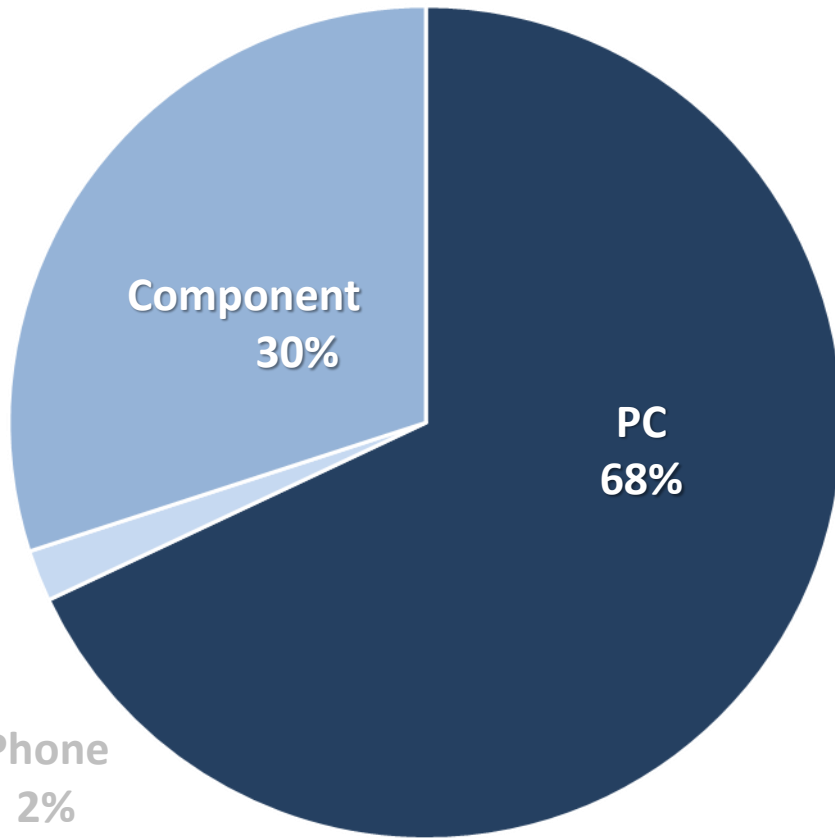
Non-OP Items	2021 3Q	2021 2Q	QoQ	2020 3Q	YoY
Interest Income (net)	87	140	-38%	26	236%
Investment Income	522	(348)	250%	368	42%
<i>Askey</i>	(180)	(884)	80%	(105)	-71%
<i>Others</i>	702	536	31%	473	48%
Exchange Gain/(Loss)	733	1,625	-55%	1,355	-46%
Dividend Income	2,818			2,847	-1%
Other Income (net)	96	7	1281%	162	-41%
Total Non-OP items	4,256	1,423	199%	4,758	-11%

3Q 2021 Brand Balance Sheet

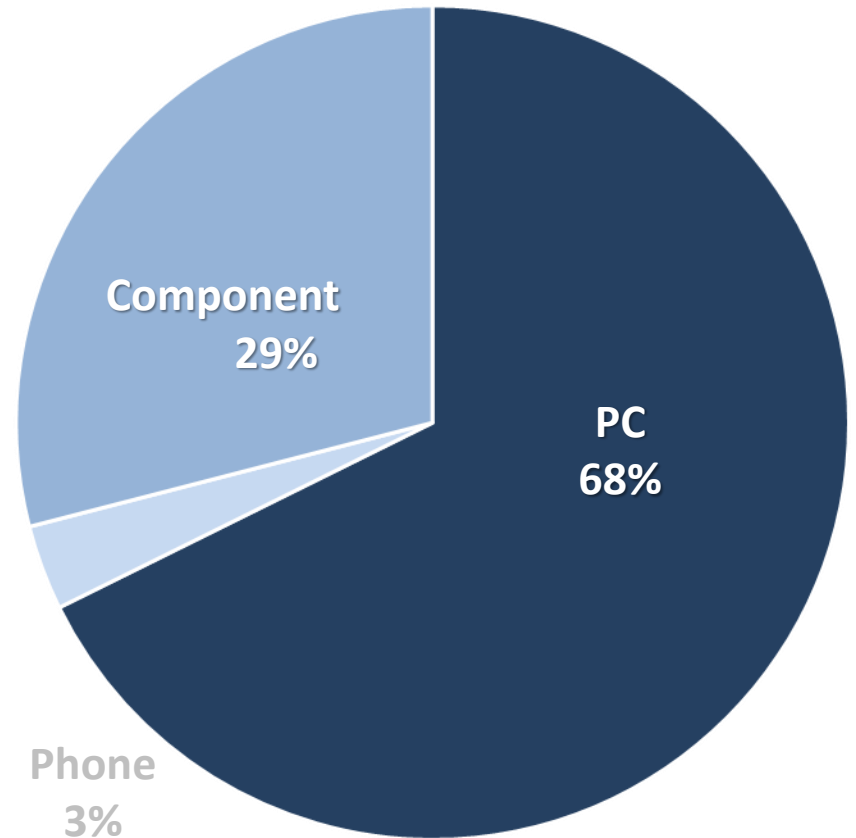
in NT\$ Mn	Sep 30, 2021	Jun 30, 2021	QoQ	Sep 30, 2020	YoY
Cash & equivalents	33,386	59,153	-44%	71,281	-53%
Accounts receivable	86,109	80,580	7%	77,726	11%
Inventories	150,577	129,447	16%	85,644	76%
Current Assets	283,253	287,046	-1%	244,572	16%
Long-term investments	102,567	101,851	1%	81,802	25%
Fixed assets	15,156	15,764	-4%	17,586	-14%
Total Assets	424,715	427,276	-1%	360,977	18%
Accounts payable	74,377	77,975	-5%	70,949	5%
Current Liabilities	193,205	208,624	-7%	164,028	18%
Total Liabilities	208,370	223,779	-7%	177,216	18%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	216,345	203,497	6%	183,762	18%
Avg. Days of Inventory	121	114		77	
Avg. Days of AR	58	57		57	
Avg. Days of AP	70	76		65	
Avg. CCC Days	109	95		69	

3Q 2021 Product Mix

3Q 2021

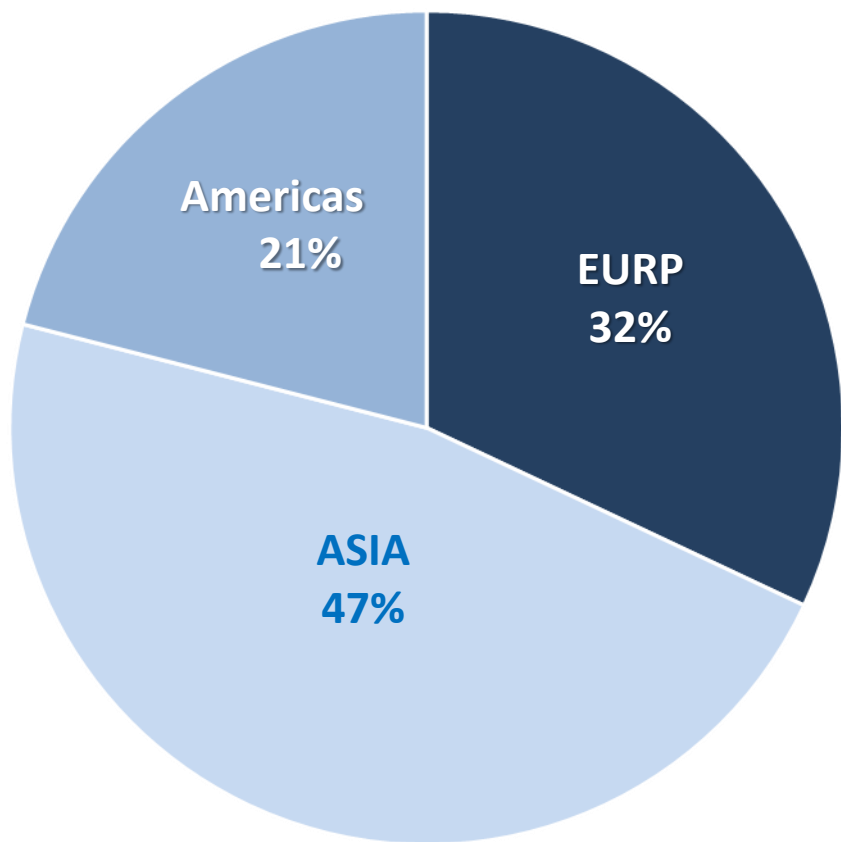


3Q 2020

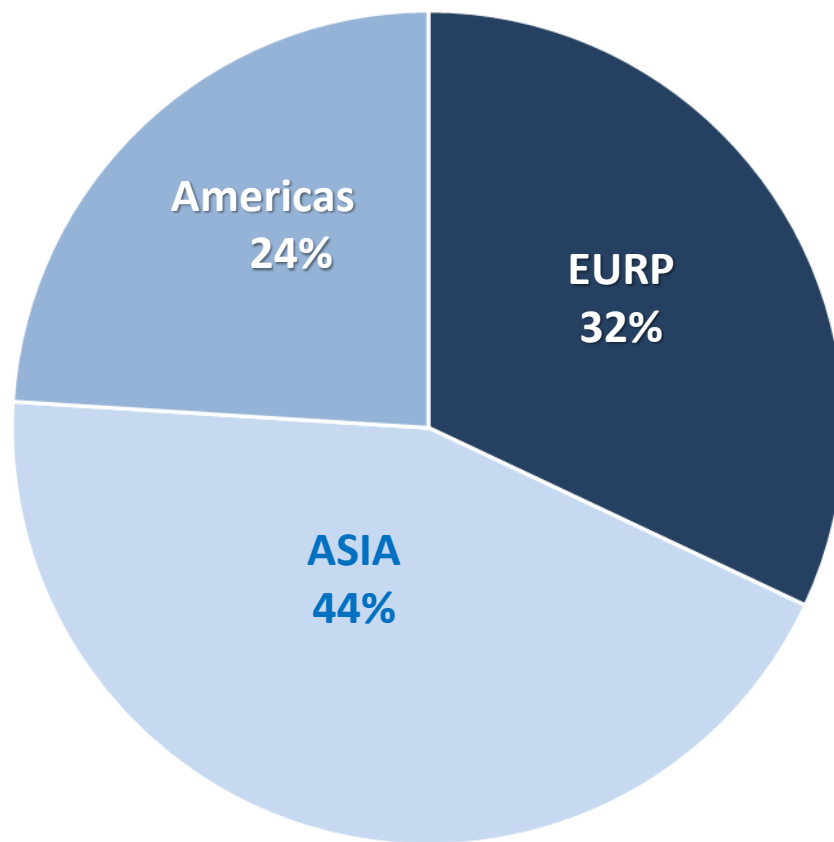


3Q 2021 Region Mix

3Q 2021



3Q 2020

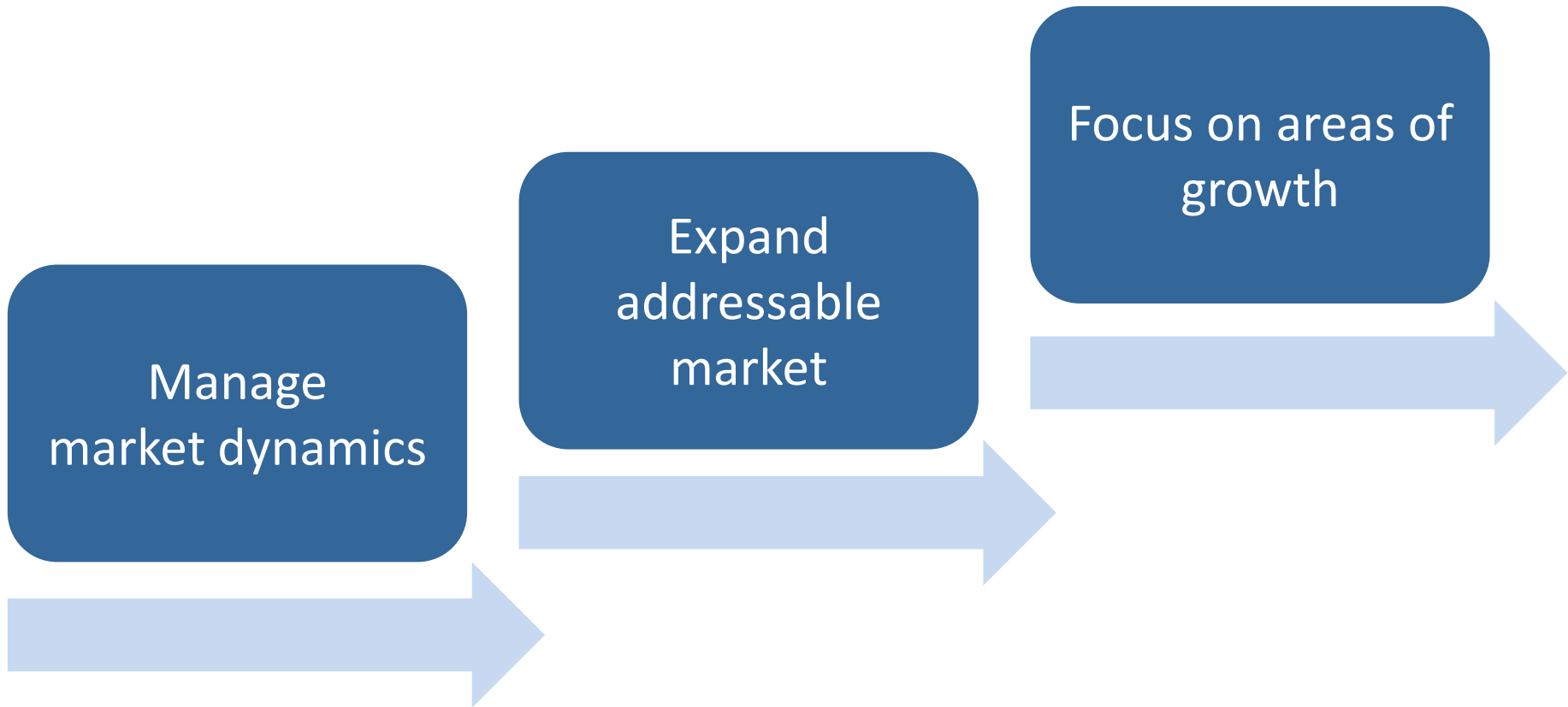


4Q 2021 Business Outlook

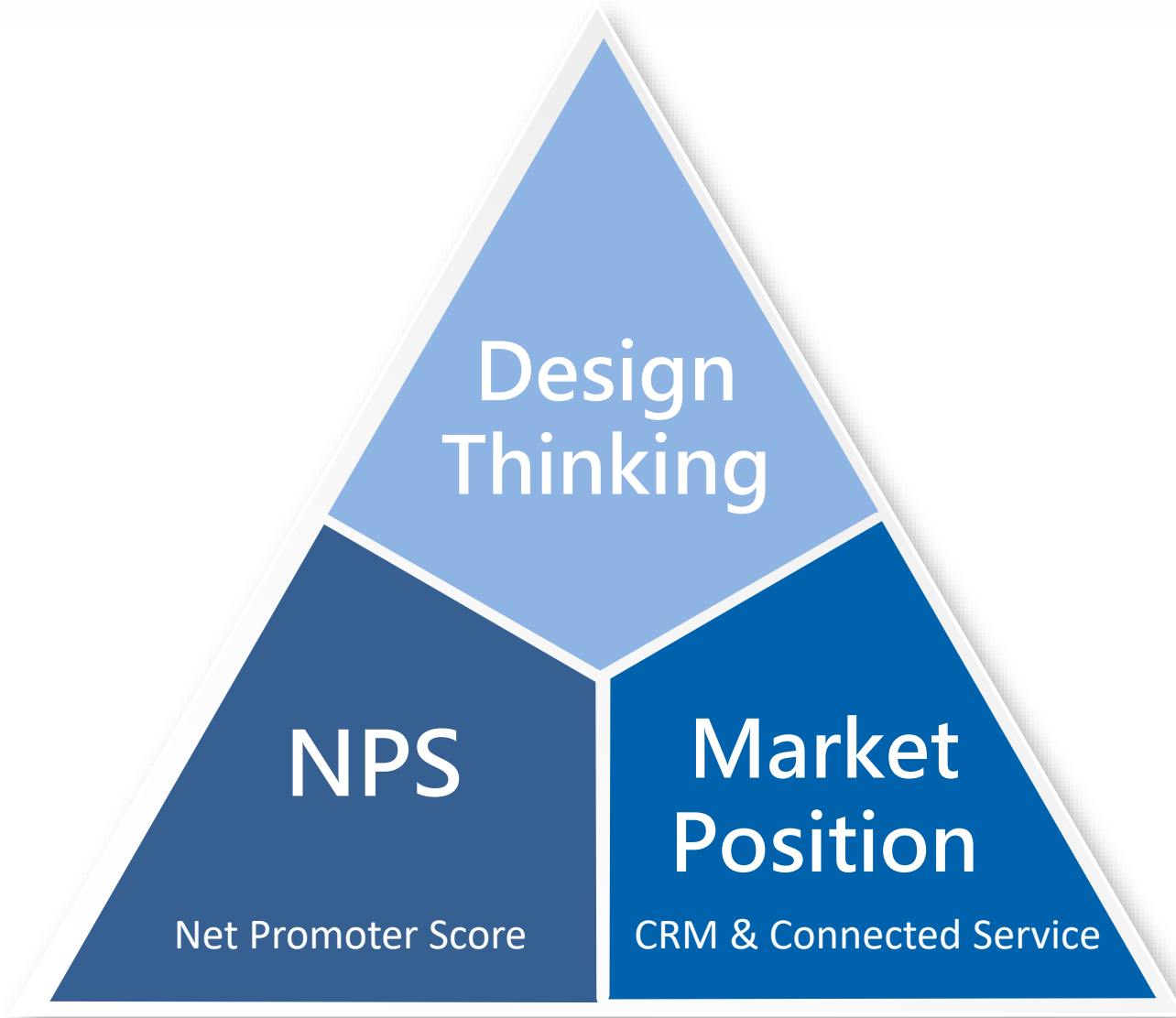
- **PC QoQ +5%, YoY +20% ~ 30%**
- **Component QoQ flattish, YoY +5%**

Strategy & Outlook

Key Business Objectives

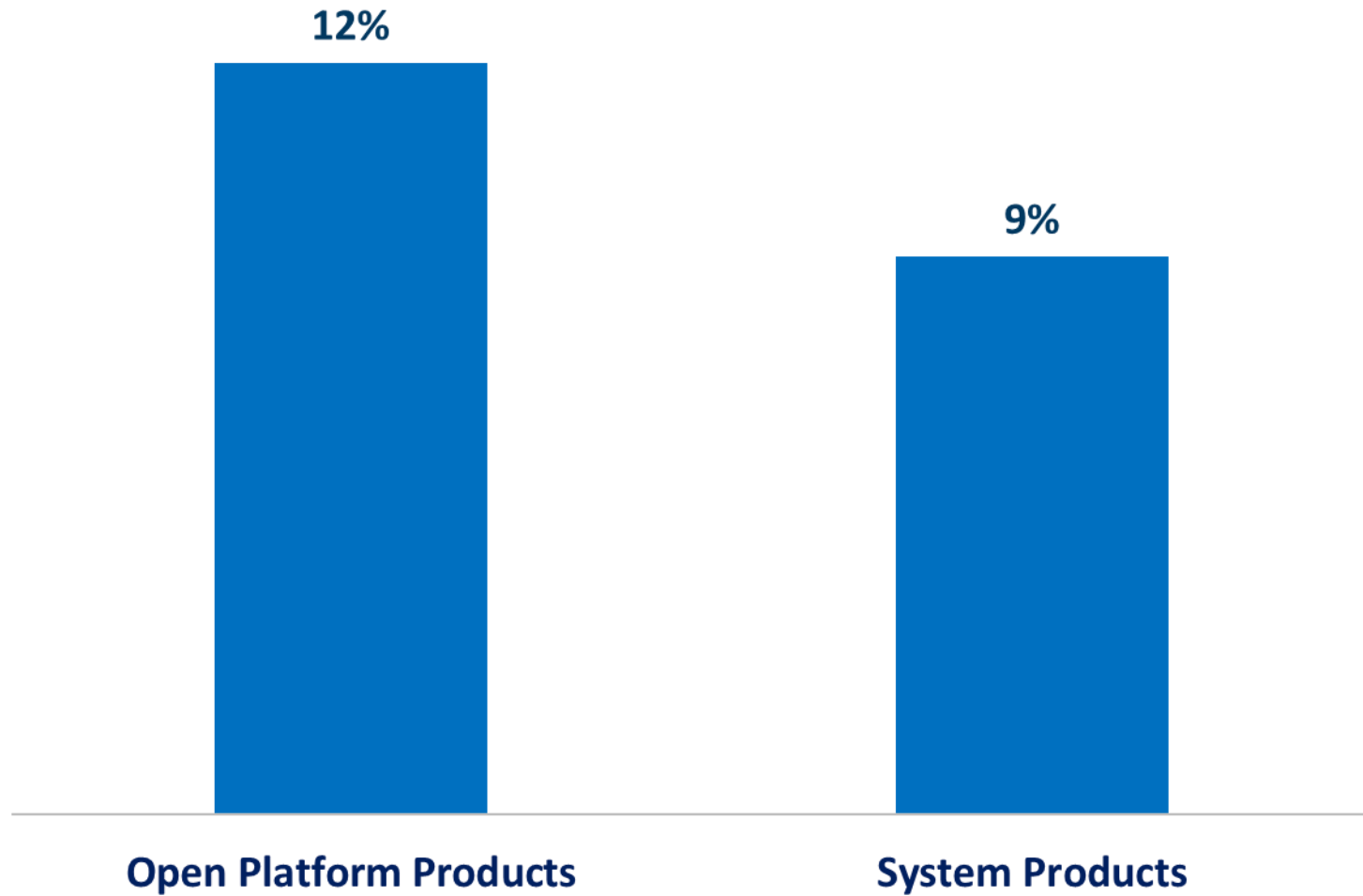


Golden Triangle of the ASUS Brand

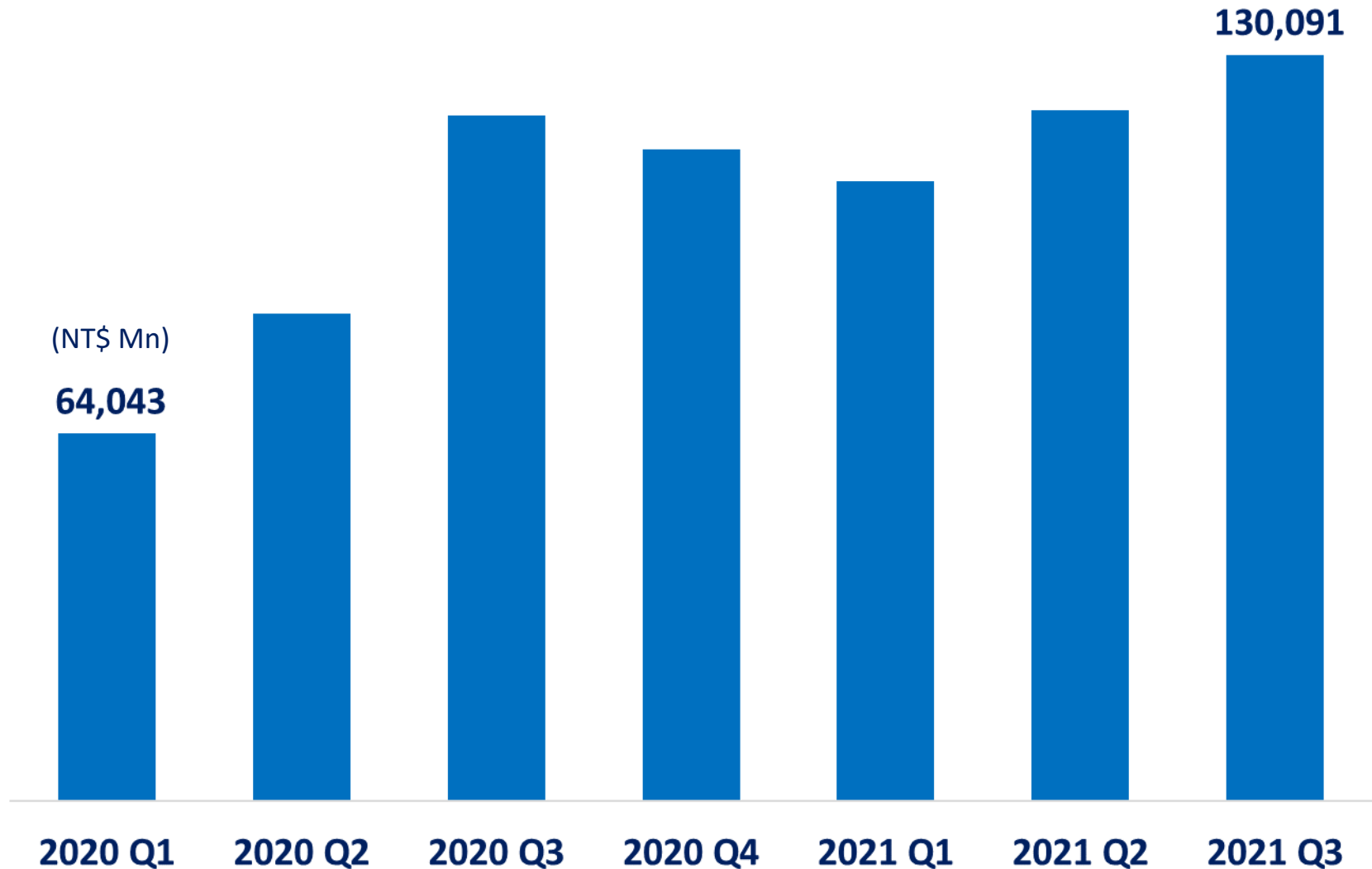


Strong Revenue Growth in Q3 2021

(Revenue YoY)



Strong and Consistent Revenue Growth



ASUS Leadership in Motherboards

>40% share in global market

ASUS remains absolute lead in both Intel and AMD motherboard market

Dominates in Intel Alder Lake-S Z690 Motherboards

Launched with >60% market share

Rock-solid foundation in next-gen technology

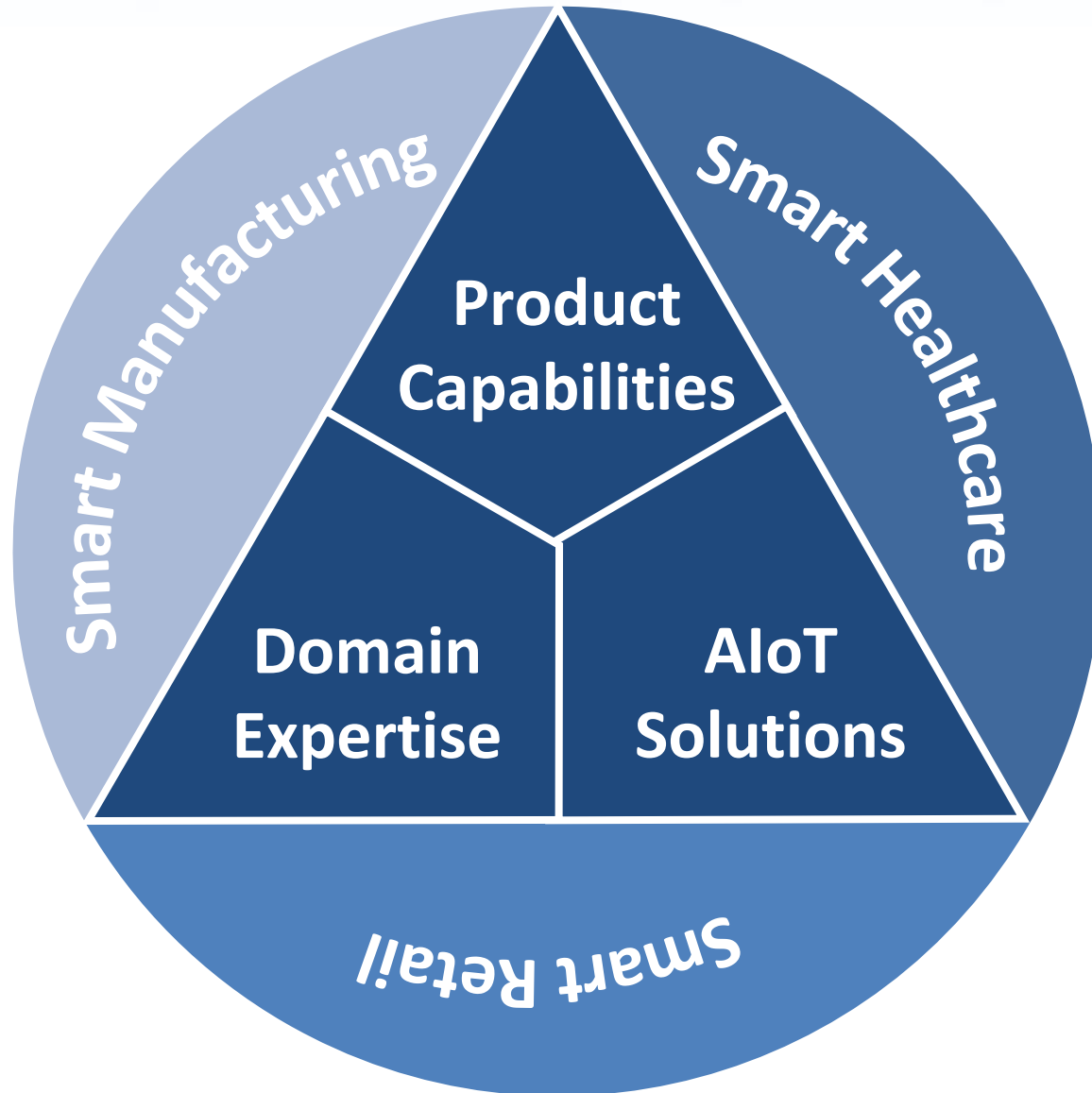
Comprehensive support for PCIe Gen 5, USB4, DDR5, WiFi 6E, and Windows 11

Break all limits with innovations

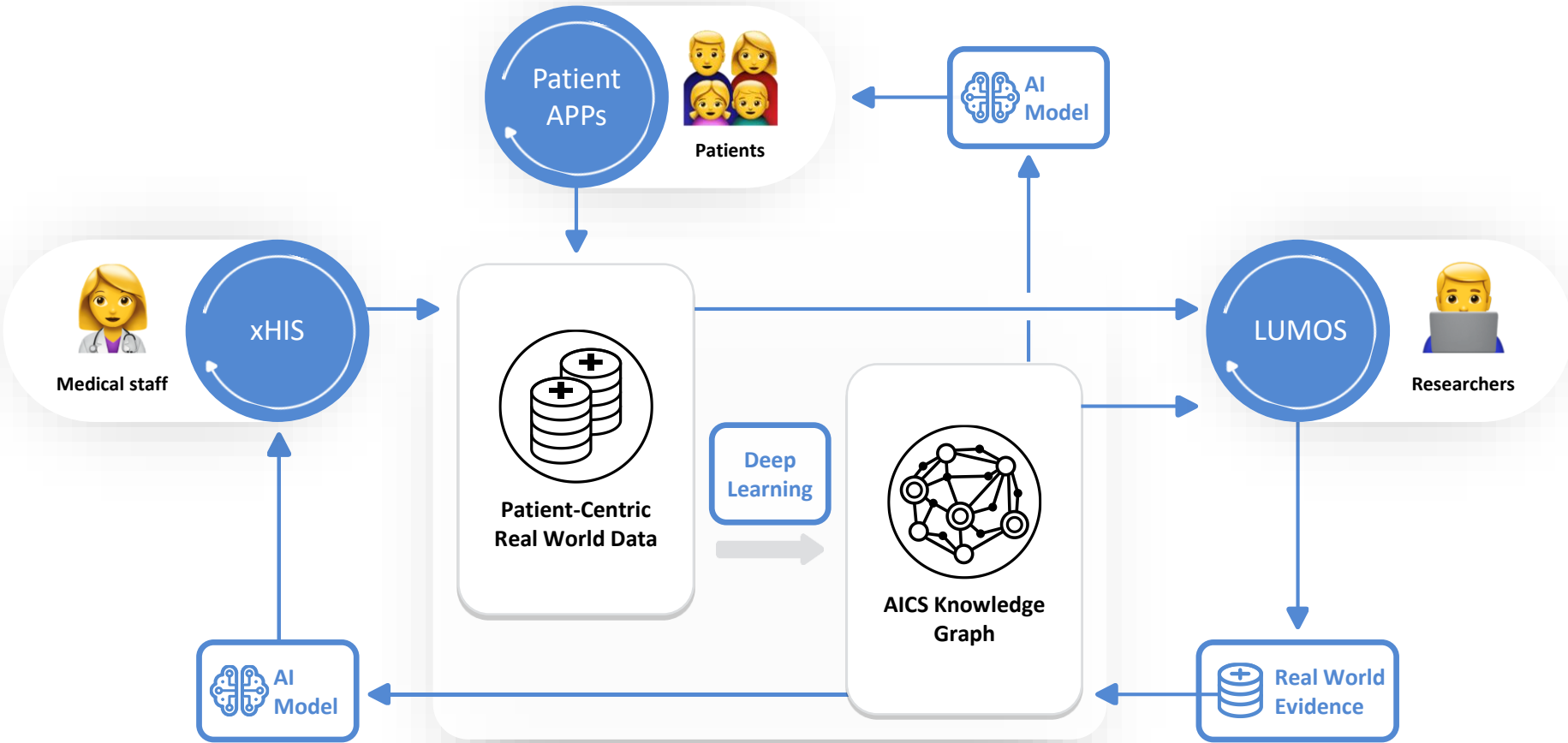
ASUS AI Overclocking technology; ASUS patented user friendly design PCIe Slot Q-Release, M.2 Q-Latch; Matrix LED lighting; front panel USB-C port with 60W fast-charging



ASUS AIoT Ecosystem

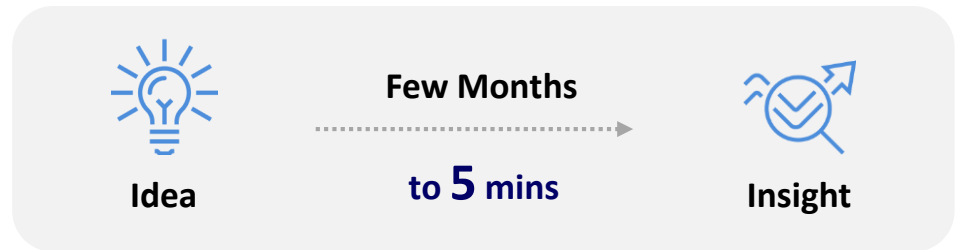
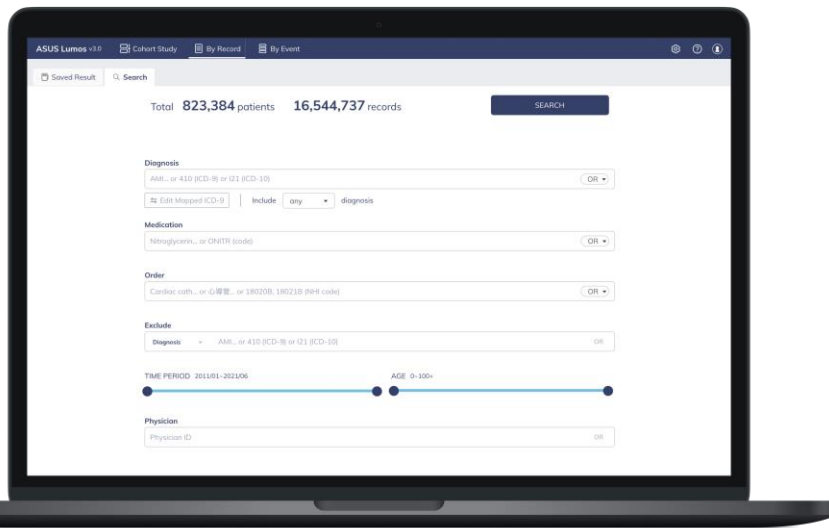


ASUS Healthcare Service Architecture



ASUS Smart Health Solutions

LUMOS The First Real-World Data Platform in Taiwan



Researcher:
Scientific Exploration



Pharma & Bio-tech:
Drug Development & Discovery



FDA & NHI:
Drug Monitoring & Management

Structuring Medical Records for
>20% Top Medical Centers in Taiwan

ASUS Smart Health Solutions

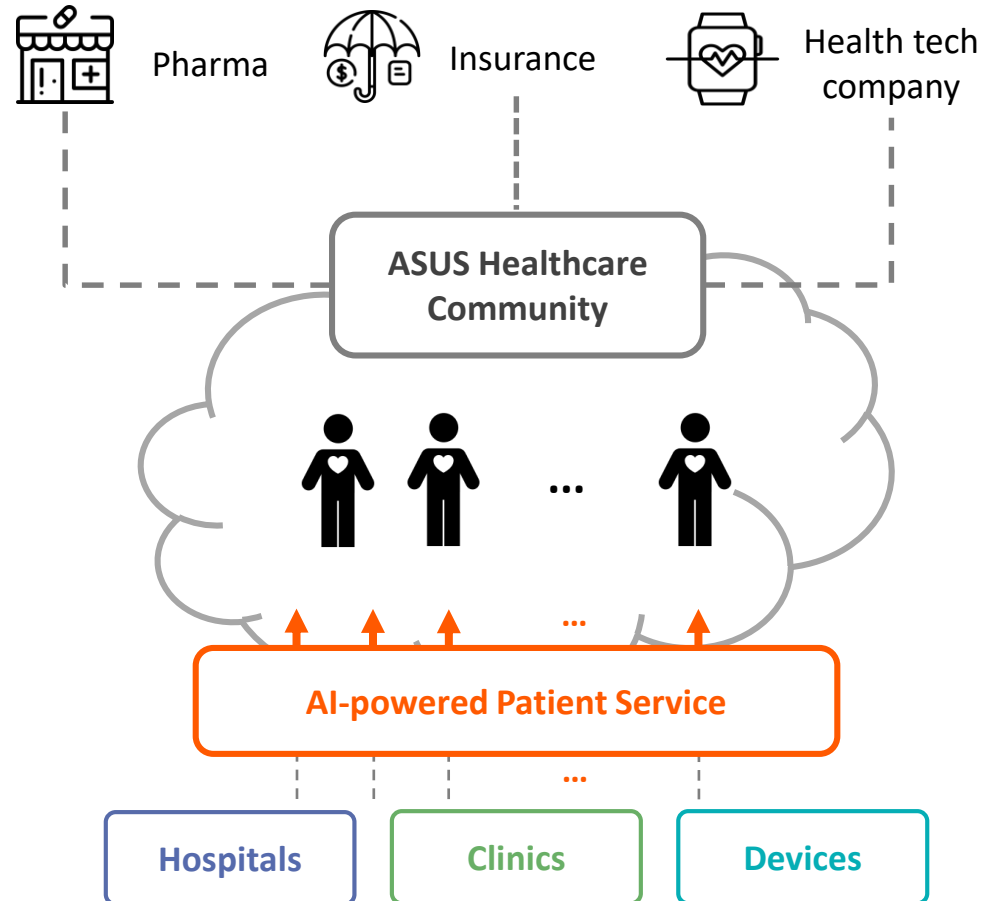
Patient-Centered healthcare, give doctor's time back to patient

CSMU Hospital

35% penetration rate



Vision



Worldwide Recognition



**GOOD DESIGN
AWARD 2021**



**Taiwan's Most Awarded
Company**



reddot winner 2021



**Best-Ever Performance
Brands & Communication
Design Awards**

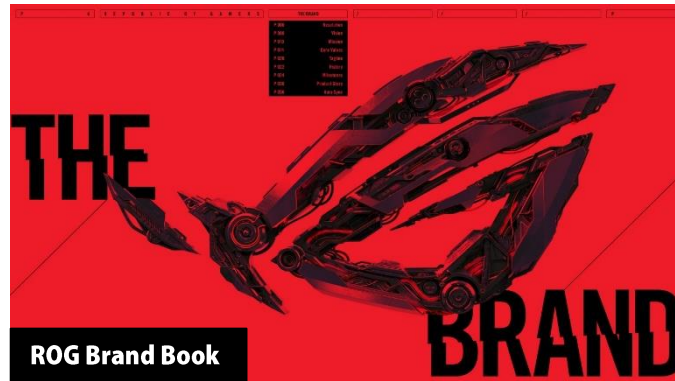
Worldwide Recognition



reddot award
brands & communication design



ROG Flow X13



ROG Brand Book



ASUS Zenfone 8

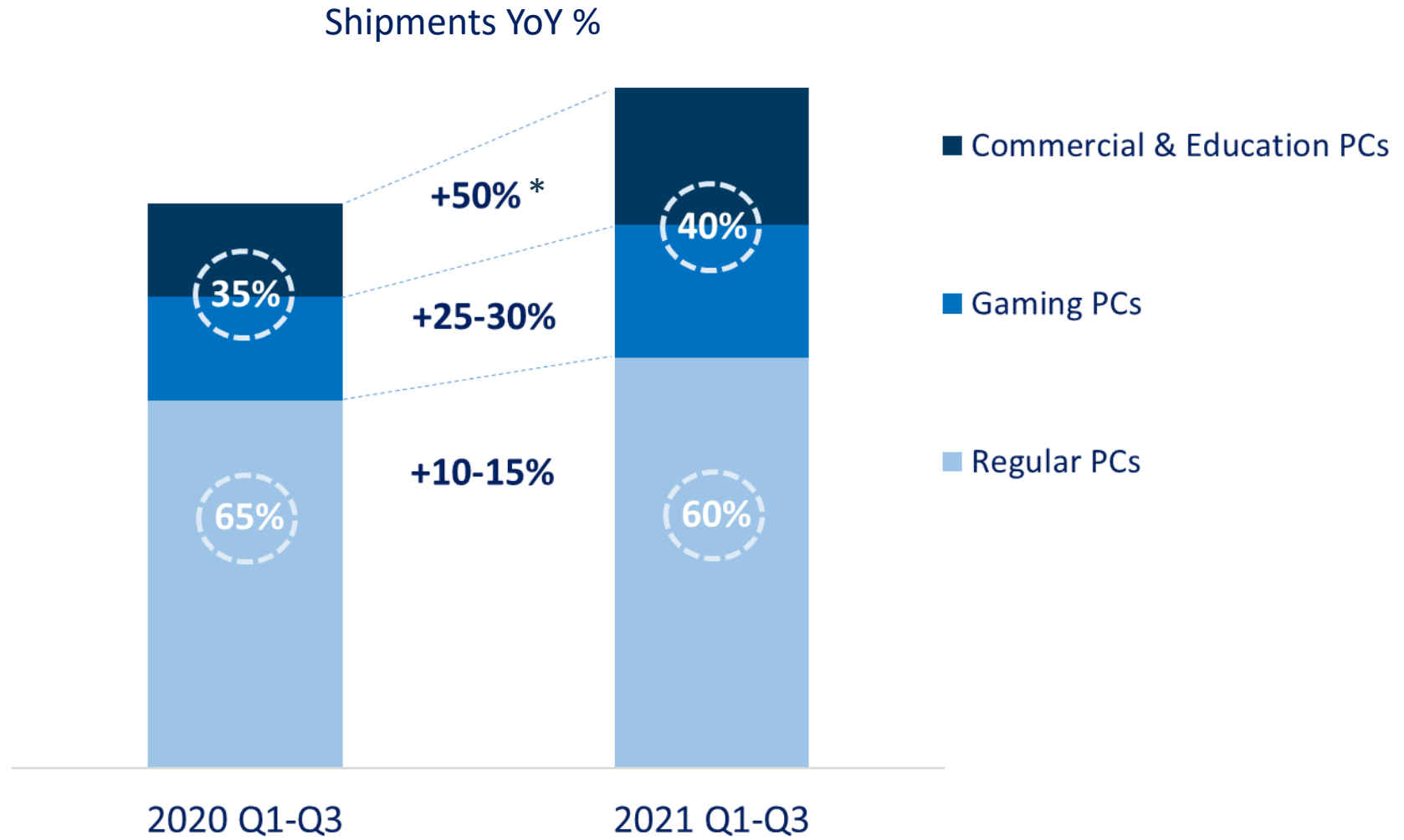


ROG Citadel XV



ROG Phone 5 Ultimate

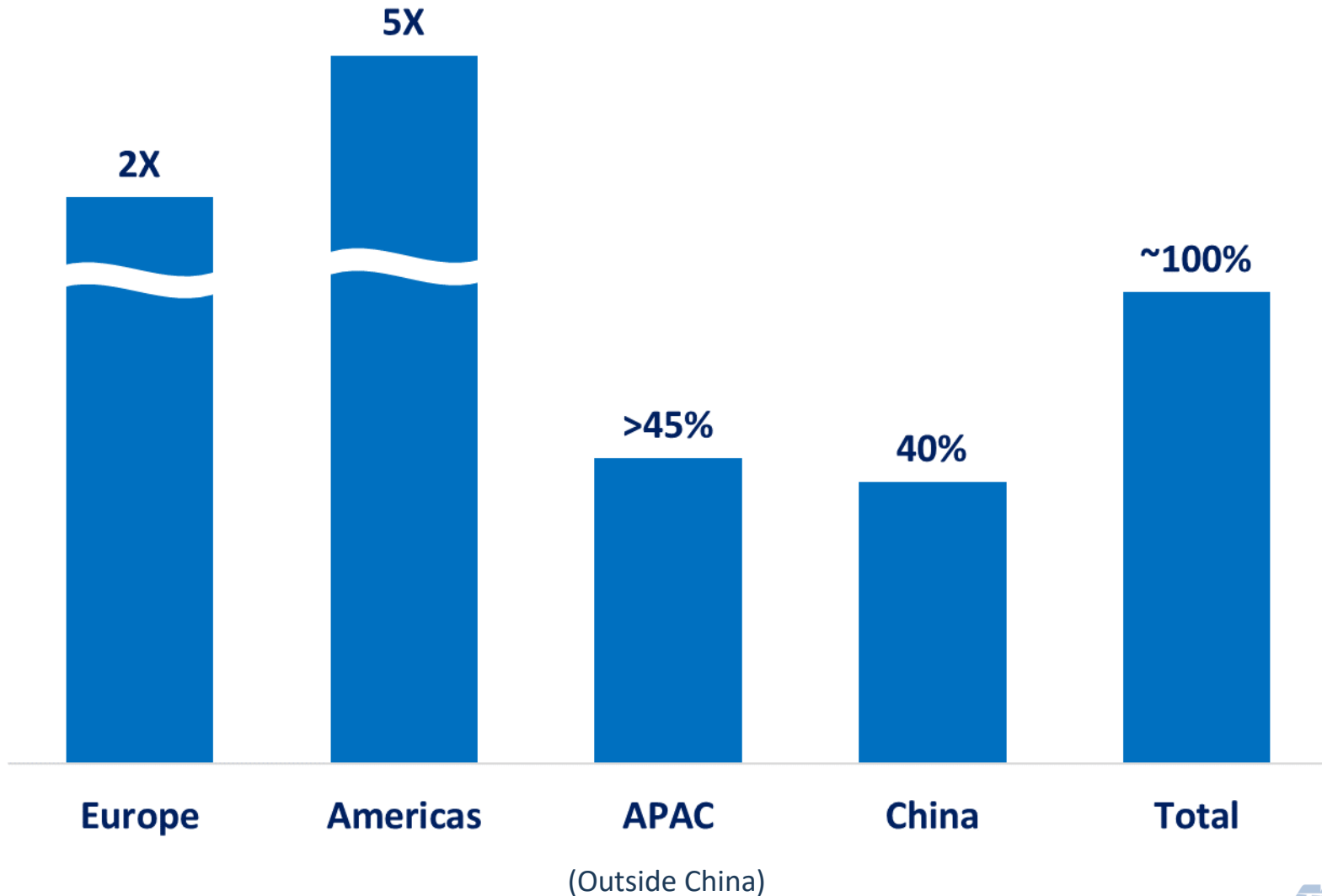
Leadership on Multiple Fronts



* Commercial PCs YoY growth ~100%

Expansion in Commercial PC Business

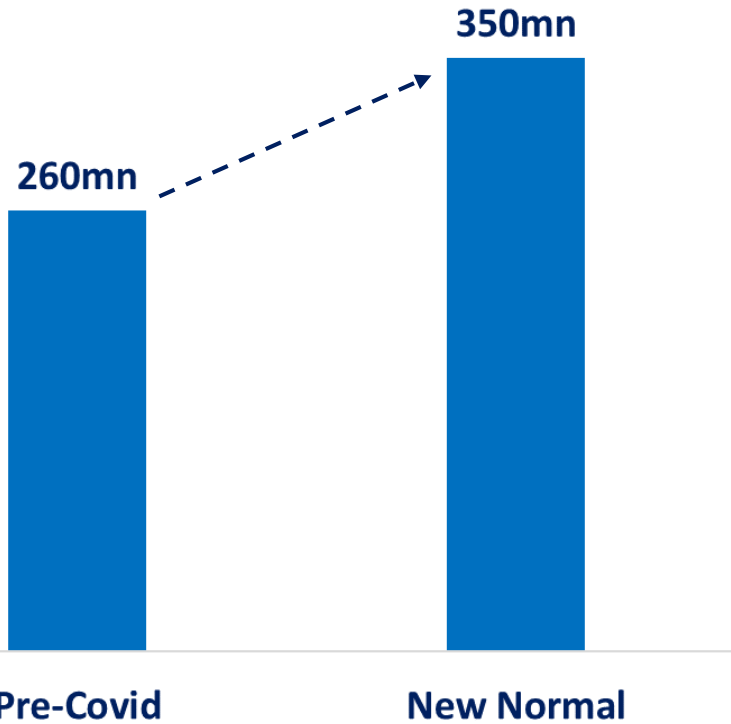
Q1-Q3 2021 YoY Growth of ASUS Commercial PC Shipments (excluding Chromebooks)



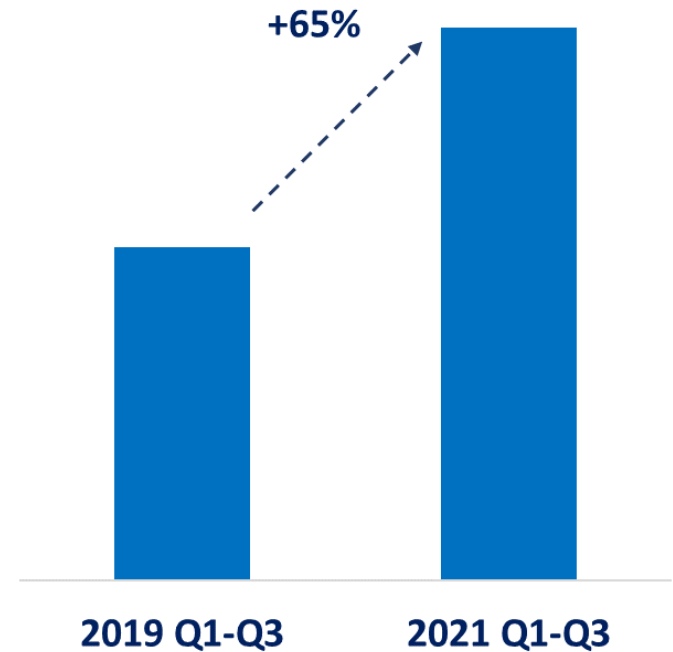
Evolved Market and Value Creation

- Focus on areas of growth including Premium Consumer PCs, Gaming PCs, Creator PCs, and High-end Chromebooks

PC Market TAM



ASUS Premium PCs Revenue Growth

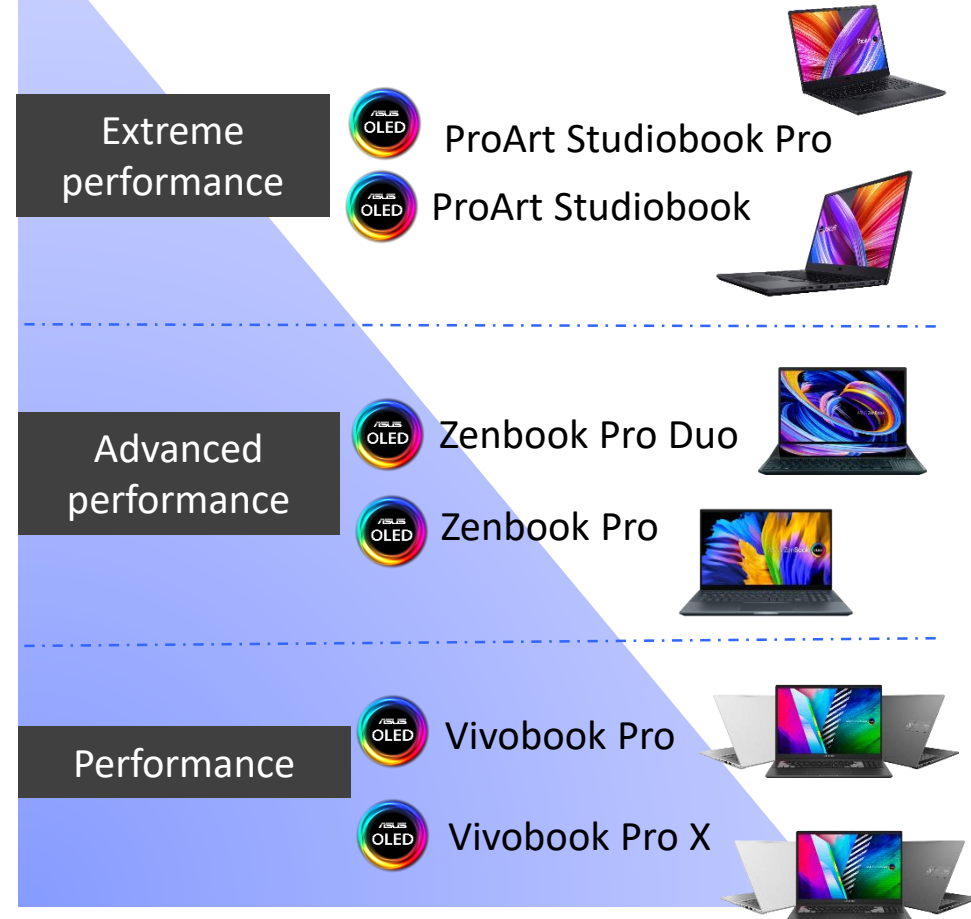


The Most Complete OLED Laptop Solutions

Thin & Light Laptops



Creator Laptops



ASUS Vivobook 13 Slate OLED

WOW THE WORLD Global Launch Event

ASUS announced **Vivobook 13 Slate OLED (T3300)**, the world's **first 13.3" OLED Windows detachable laptop** that packs entertainment and productivity into a versatile fun-filled device, at the event on Nov 3rd.



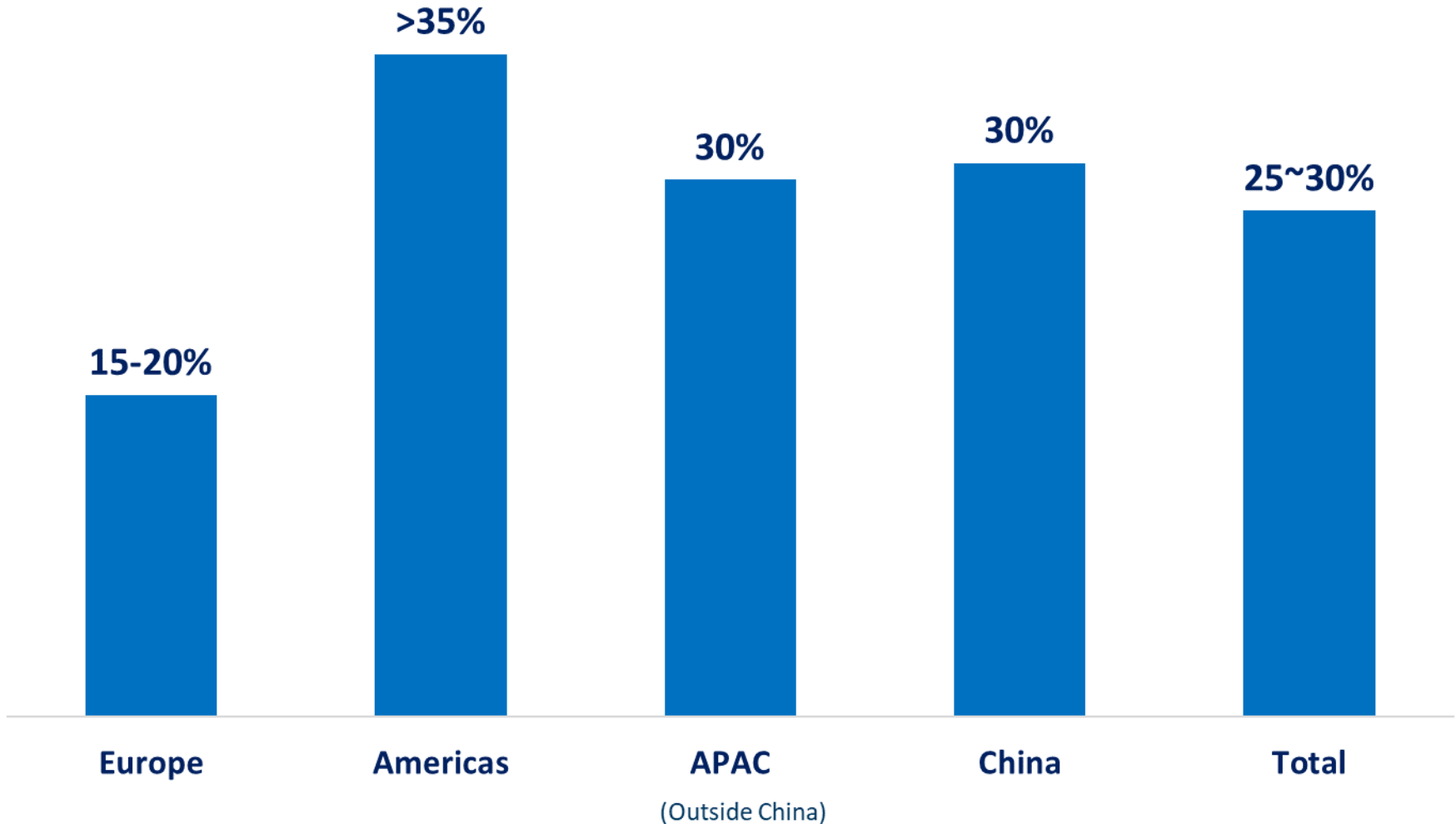
Your PC, Your OLED TV

ASUS Vivobook 13 Slate OLED



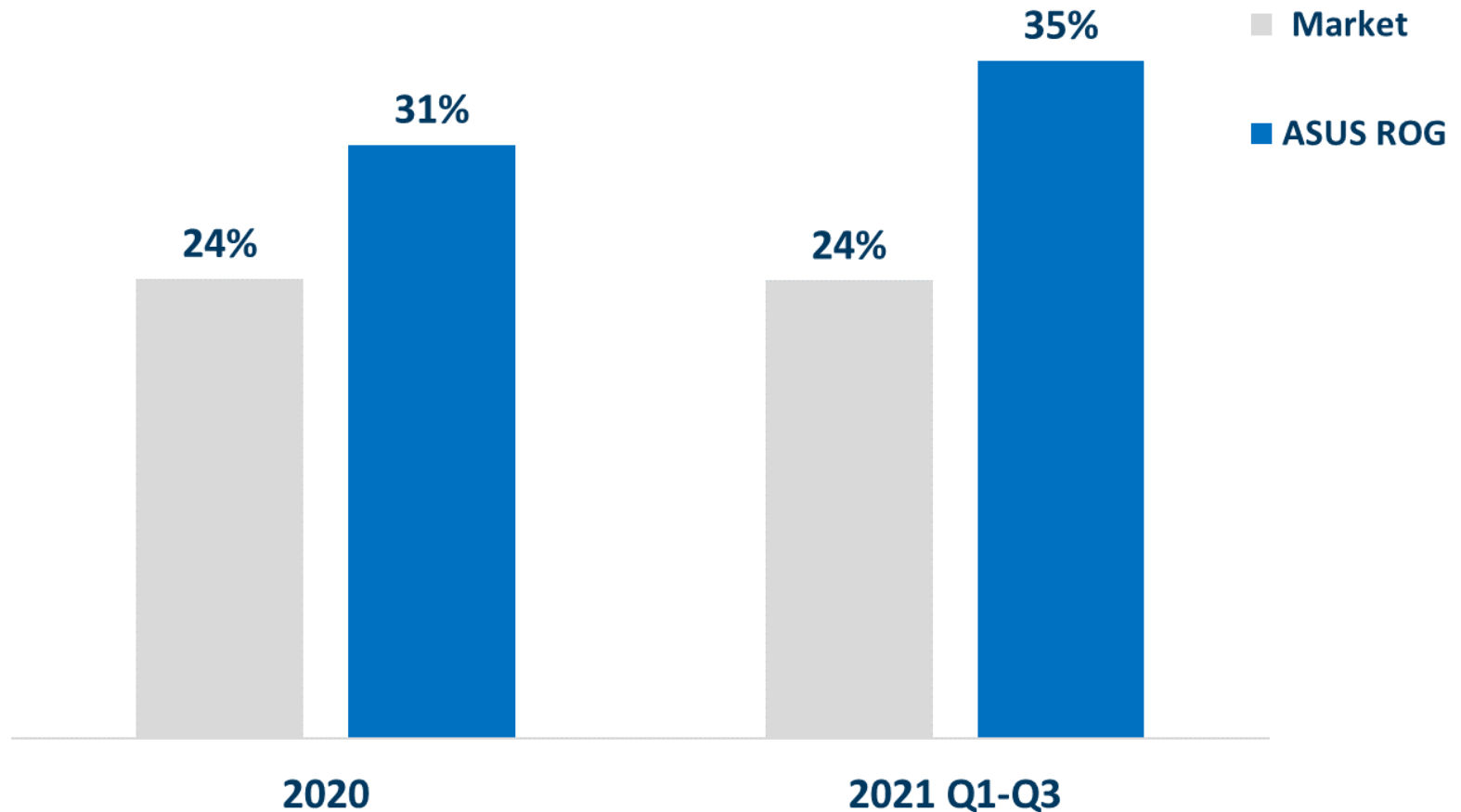
Hypergrowth in Gaming PC Business

Q1-Q3 2021 YoY Growth of ASUS Gaming PC Shipments

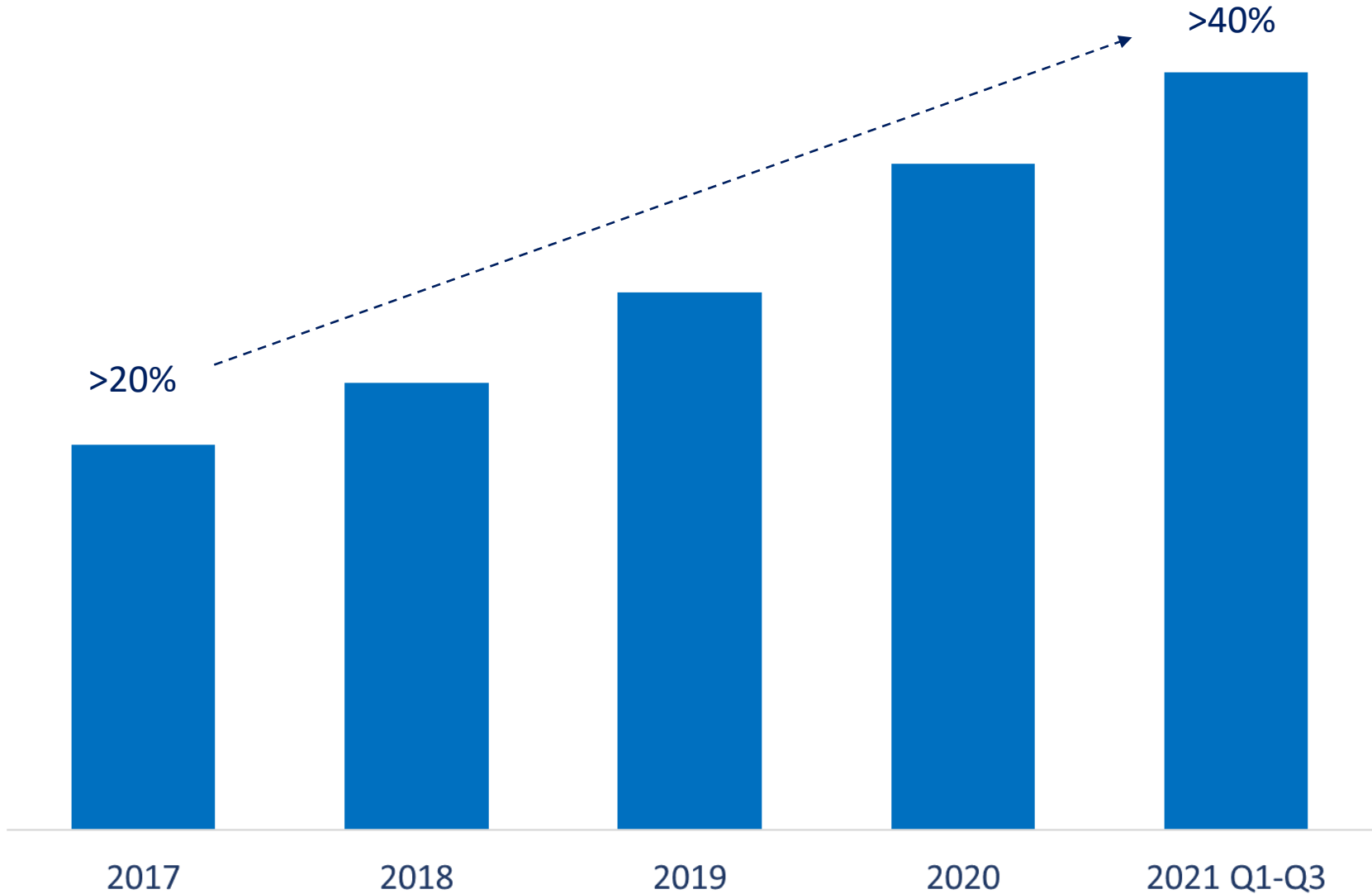


Leader in Gaming Notebooks

Premium Gaming NB as % of total Gaming NB Shipments



Accelerated Gaming Product Revenue



NO.1 GAMING BRAND AND ECOSYSTEM



NO. 1 GAMING PORTFOLIO



**ROG Strix LC
GeForce RTX™ 3080 Ti**



ROG Zephyrus G14 AW SE



ROG Phone 5



ROG SWIFT PG32UQ



ROG Archer Series



**ROG MAXIMUS Z690
EXTREME GLACIAL**



**ROG STRIX Z690-E
GAMING WIFI**



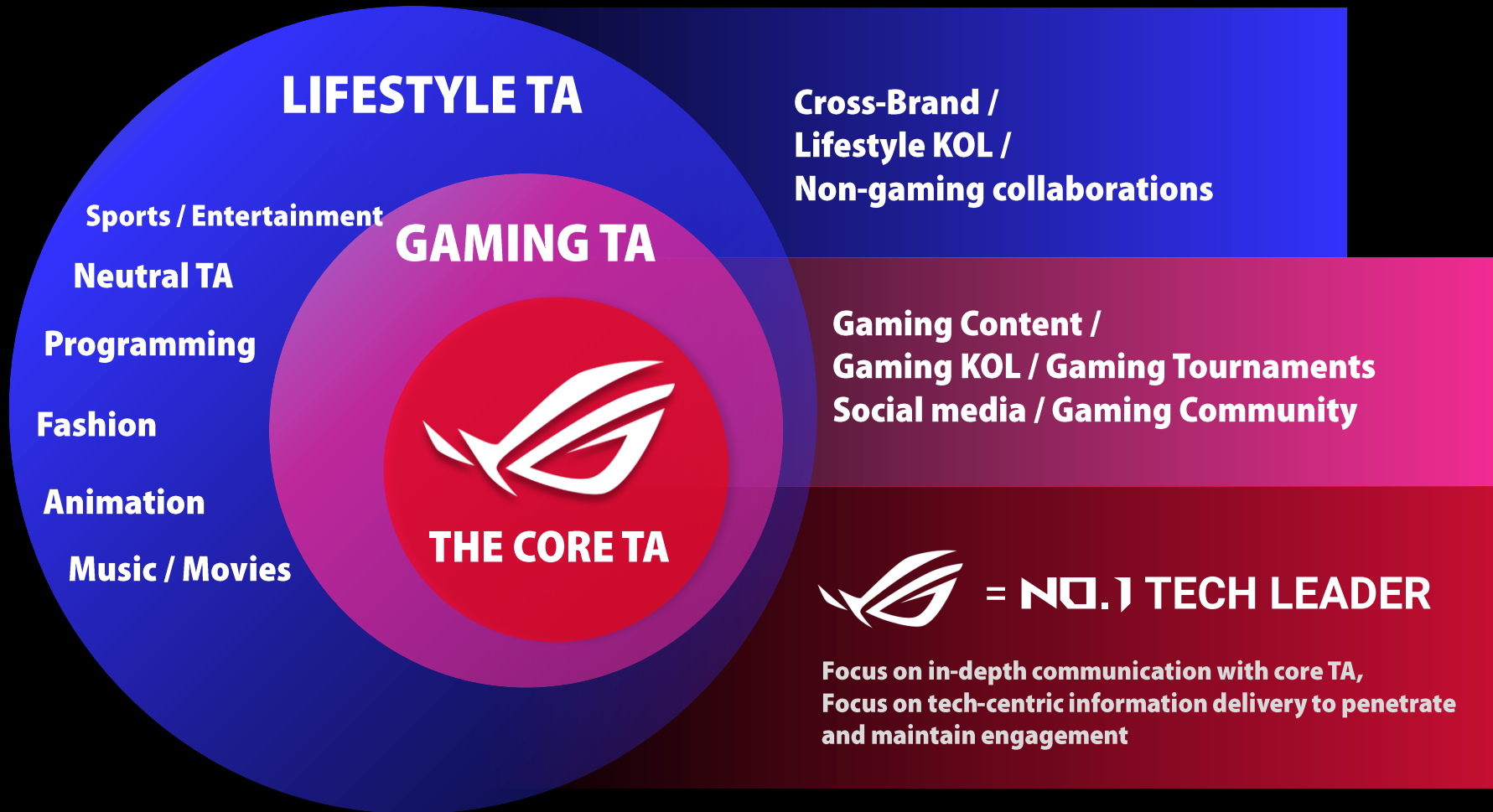
ROG Claymore II



**ROG Gladius III
Wireless**



FOSTERING EVOLUTION OF THE GAMING ECOSYSTEM





Music

ROG x Alan Walker



Sports

ROG x Nyjah Huston



Fashion

ROG x Acronym **ACRONYM®**



Lifestyle

ROG x IKEA **IKEA®**



The Most Complete Creator Solutions

No 1. Creator Portfolio

ProArt
Power Up Your Imagination



ProArt Station & MiniPC

Professional Creator Laptops



ProArt Studiobook

Advanced Creator Laptops



Zenbook Pro Duo 15 OLED

Zenbook Pro 15

Casual Creator Laptops



Vivobook Pro 14X / 16X OLED

Vivobook Pro 14 / 15 OLED

ProArt Motherboards

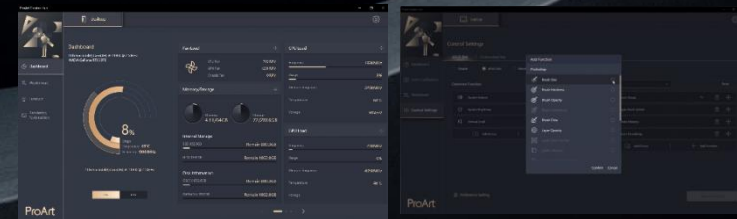


ProArt Display



ProArt Projector

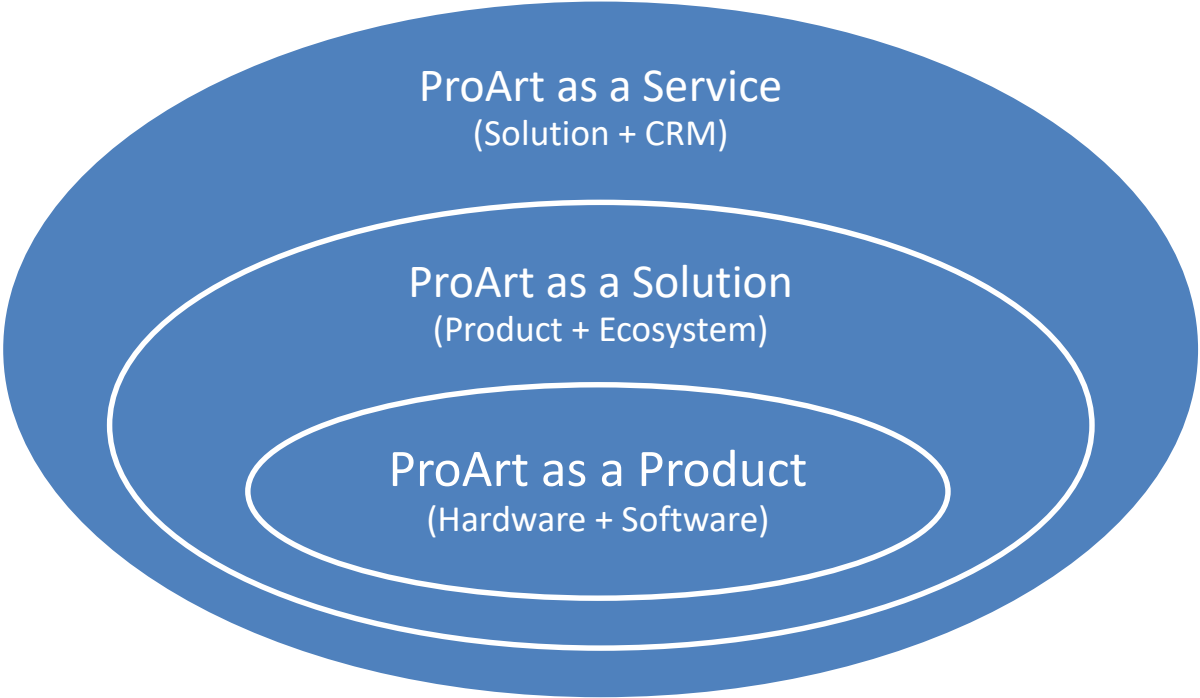
ProArt Creator Hub



ProArt Mouse & Mouse Pad



Creator: From Product to Solution & Service



ASUS Dial across Creator segments



Dial
on ProArt Studiobook



Dial Pad
on Vivobook Pro



3rd party apps support

Adobe Photography



Edit, organize, store and share photos



Create photos, graphics and arts

Adobe Video post-production



Video and film editing



Create motion graphics and visual effects

Adobe Illustration



Create vector arts and illustrations

General



System settings and windows management

All apps



Customized key bindings

Usage Scenarios

ASUS Dial intuitive Software interface



Adobe Photoshop : Pen Brush size adjustment

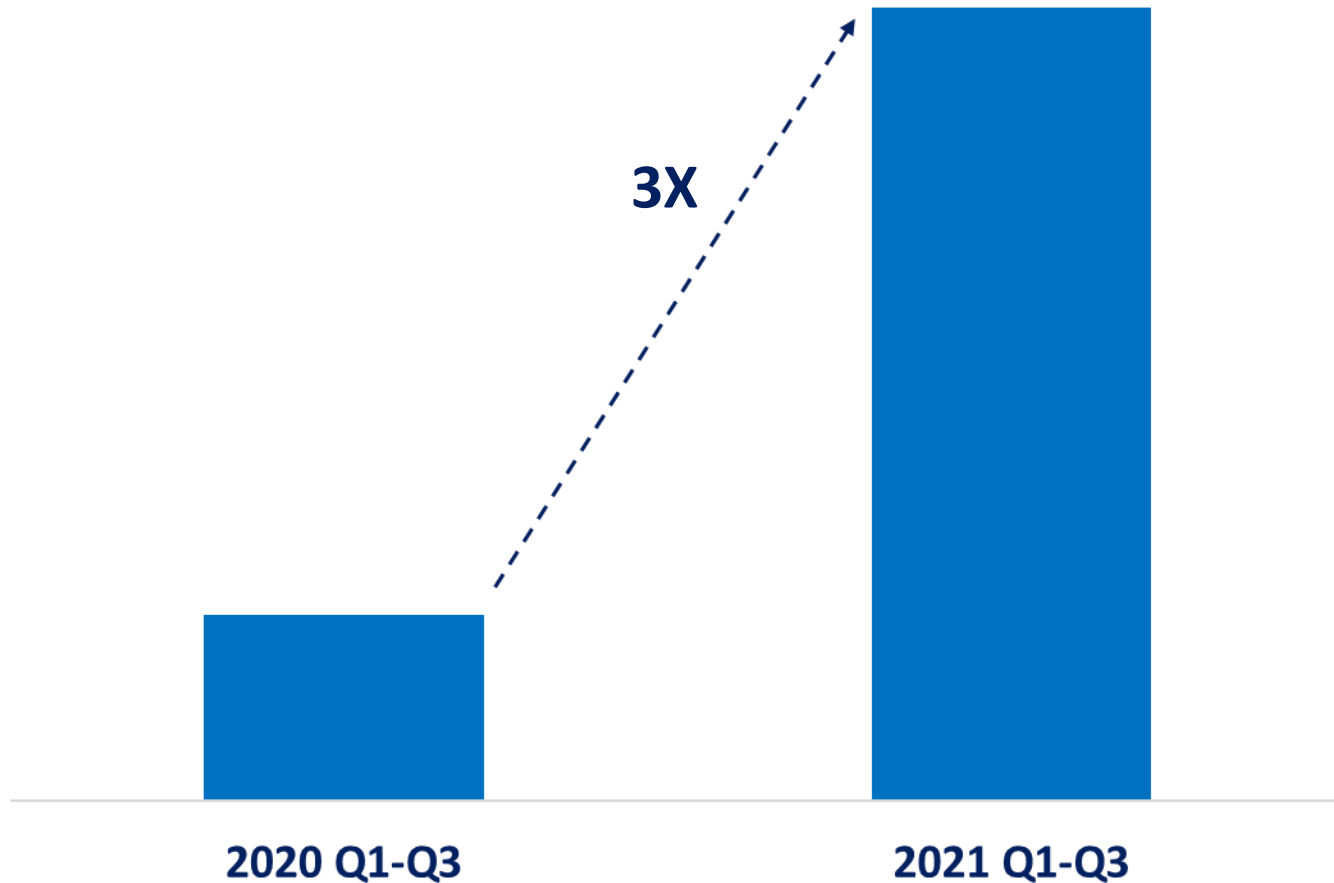


Adobe Premiere/After effect : Time line adjustment



ASUS Creator Solutions Ramp up

YoY Revenue Growth of ASUS Creator Solutions



Q & A

1. What components are currently in shortage for PC market? Will the shortage and the price increase of semiconductor components impact on gross profit? Are you able to reflect the cost increase on the products' selling pricing?
2. Does China's limitation on mobile gaming time make any impact on ASUS's gaming phone business? Will the phone business maintain its profitability target and turnaround plan?

3. Can you explain ASUS's growth strategy next year for each PC segment, education, consumer, and commercial? Especially in the commercial PC business, would you elaborate about ASUS's strategy to expand in the commercial PC market? How would ASUS differentiate from the current established commercial PC leaders? And what's your expectation and plan for the profitability of Commercial PC business?

4. ASUS has a strong position in graphics card market and also made some development in AR and VR products in the past. Does ASUS have long-term view and roadmap for the Metaverse topic? What's your long-term strategy for graphics card business?

5. According to other PC companies, the channel inventory level has returned to normal now. Does ASUS also see a similar trend? Looking into Q4 2021, what percentage of orders is not able to fulfill or in supply constraint?