



ASUSTEK

3Q 2022 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 2022 Financial Result*
- *Strategy & Outlook*
- *Q & A*



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3Q 2022 Financial Result

2022 3Q Brand P&L

| in NT\$ Mn | 2022 3Q | 2022 2Q | QoQ | 2021 3Q | YoY |
|---------------------------|----------------|----------------|-------------|----------------|-------------|
| Net Revenue | 132,935 | 115,210 | 15% | 130,091 | 2% |
| COGS | (117,526) | (101,157) | 16% | (105,922) | 11% |
| Gross Profit | 15,409 | 14,053 | 10% | 24,169 | -36% |
| Operating Expenses | (12,352) | (12,093) | 2% | (13,374) | -8% |
| Operating Profit | 3,057 | 1,961 | 56% | 10,795 | -72% |
| Non-OP Items | 4,132 | 459 | 800% | 4,256 | -3% |
| Pre-Tax Profit | 7,189 | 2,420 | 197% | 15,051 | -52% |
| Tax | (1,000) | (524) | 91% | (3,721) | -73% |
| Net Profit | 6,189 | 1,896 | 226% | 11,330 | -45% |
| EPS | 8.3 | 2.6 | | 15.3 | |
| Gross Margin % | 11.6% | 12.2% | | 18.6% | |
| Operating Margin % | 2.3% | 1.7% | | 8.3% | |

2022 3Q Brand Non-OP Items

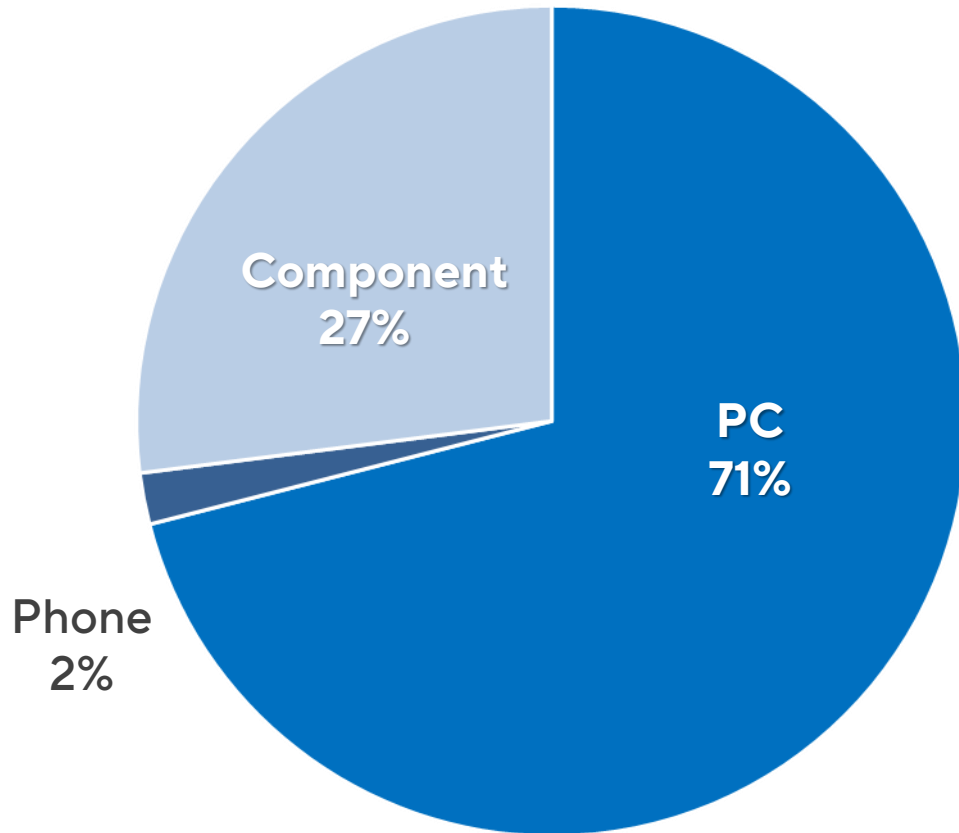
| in NT\$ Mn | 2022 3Q | 2022 2Q | QoQ | 2021 3Q | YoY |
|---------------------------|--------------|------------|-------------|--------------|------------|
| Interest Income (net) | (60) | 120 | -150% | 87 | -169% |
| Investment Income | 841 | 562 | 50% | 522 | 61% |
| <i>Askey</i> | 185 | (1) | 12973% | (180) | 203% |
| <i>Others</i> | 656 | 564 | 16% | 702 | -7% |
| Exchange Gain/(Loss) | (24) | (699) | 97% | 733 | -103% |
| Dividend Income | 3,083 | 7 | 44775% | 2,818 | 9% |
| Other Income (net) | 292 | 469 | -38% | 96 | 205% |
| Total Non-OP items | 4,132 | 459 | 800% | 4,256 | -3% |

2022 3Q Brand Balance Sheet

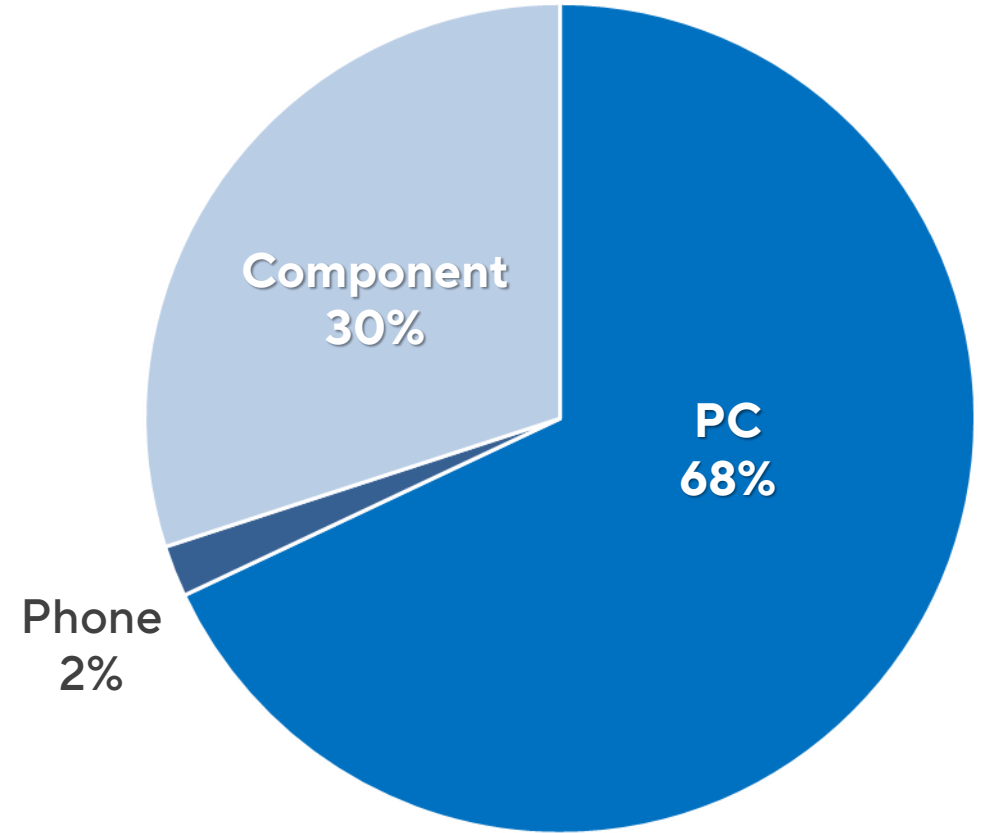
| in NT\$ Mn | Sep 30, 2022 | Jun 30, 2022 | QoQ | Sep 30, 2021 | YoY |
|-----------------------------|----------------|----------------|-------------|----------------|------------|
| Cash & equivalents | 35,585 | 24,290 | 47% | 33,386 | 7% |
| Accounts receivable | 98,972 | 92,629 | 7% | 86,109 | 15% |
| Inventories | 174,506 | 206,193 | -15% | 150,577 | 16% |
| Current Assets | 324,328 | 338,062 | -4% | 283,253 | 15% |
| Long-term investments | 95,017 | 100,533 | -5% | 102,567 | -7% |
| Fixed assets | 14,479 | 14,335 | 1% | 15,156 | -4% |
| Total Assets | 460,651 | 479,758 | -4% | 424,715 | 8% |
| Accounts payable | 57,957 | 65,015 | -11% | 74,377 | -22% |
| Current Liabilities | 225,239 | 252,552 | -11% | 193,205 | 17% |
| Total Liabilities | 244,216 | 270,417 | -10% | 208,370 | 17% |
| Paid-in capital | 7,428 | 7,428 | | 7,428 | |
| Stockholders' equity | 216,435 | 209,341 | 3% | 216,345 | 0% |
| Avg. Days of Inventory | 148 | 180 | | 121 | |
| Avg. Days of AR | 66 | 72 | | 58 | |
| Avg. Days of AP | 49 | 71 | | 70 | |
| Avg. CCC Days | 164 | 182 | | 109 | |

Product Mix

3Q 2022

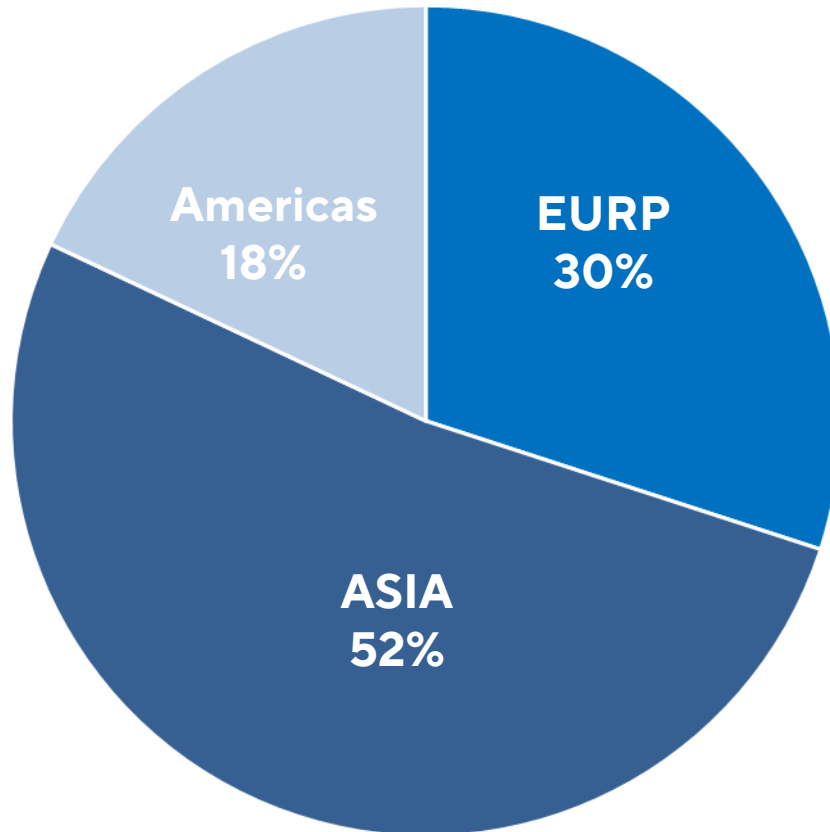


3Q 2021

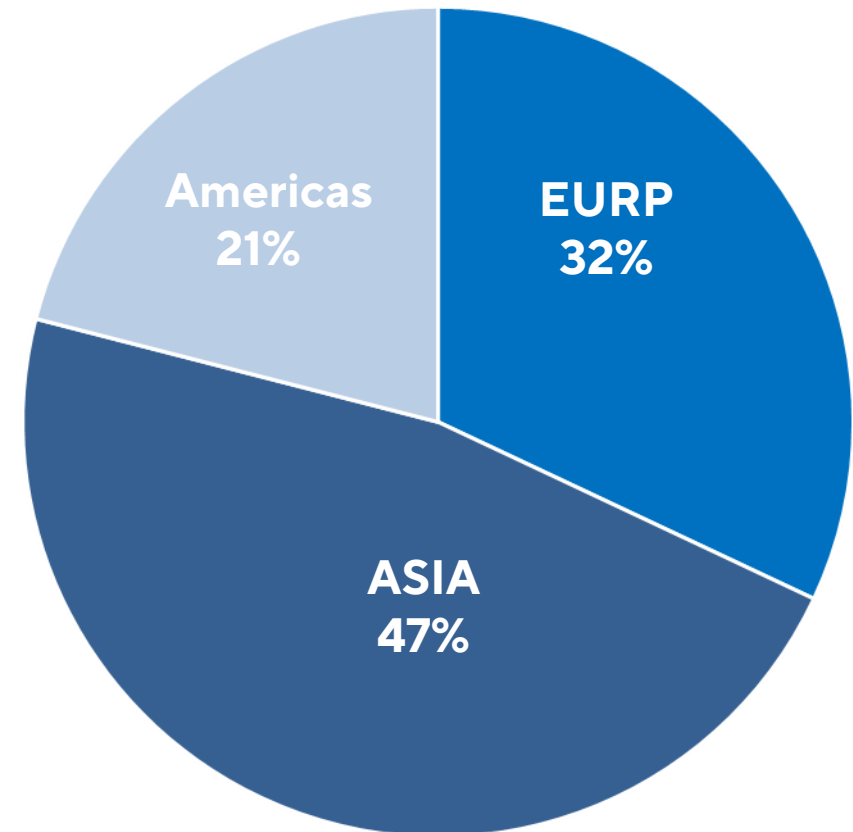


Region Mix

3Q 2022



3Q 2021



4Q 2022 Business Outlook

- **PC QoQ -15%**
- **Component QoQ +5%**



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Strategy & Outlook

Key Business Objectives

One ASUS

A unified team that trusts in radical truth and transparency, leveraging collective wisdom to achieve synergies across all business segments

Next Era of Innovation

Fostering product, process and operational innovation

Aspirational Targets

Setting aspirational growth targets that are respected by the industry

Executive Summary

Managing Market Dynamics

- Monitor and respond to widening impacts of macroeconomic uncertainties and weakening PC demand in near-term.

Strengthening Competitiveness

- Despite macro headwinds, ASUS PC shipments were up 1% YoY in Q1-Q3 2022, outperforming the market by 15%.

Creating Long-term Value

- Execute a proactive expansion strategy to address post-pandemic market.

Business Outlook

- Worse than expected near-term slowdown
- Weaker consumer & channel partner confidence

- **Accelerated corporate transformation and inventory correction**

- **Delivering strong sales and growth momentum**

- **Strengthened product portfolio and increased share of high-value products**

- **Solidly positioned to capture long-term growth opportunities**

Business Outlook

- Worse than expected near-term slowdown
- Weaker consumer & channel partner confidence

- **Accelerated corporate transformation and inventory correction**

4Q INV QoQ -20%

3Q Revenue YoY +2%

- **Delivering strong sales and growth momentum**

>50% of revenue

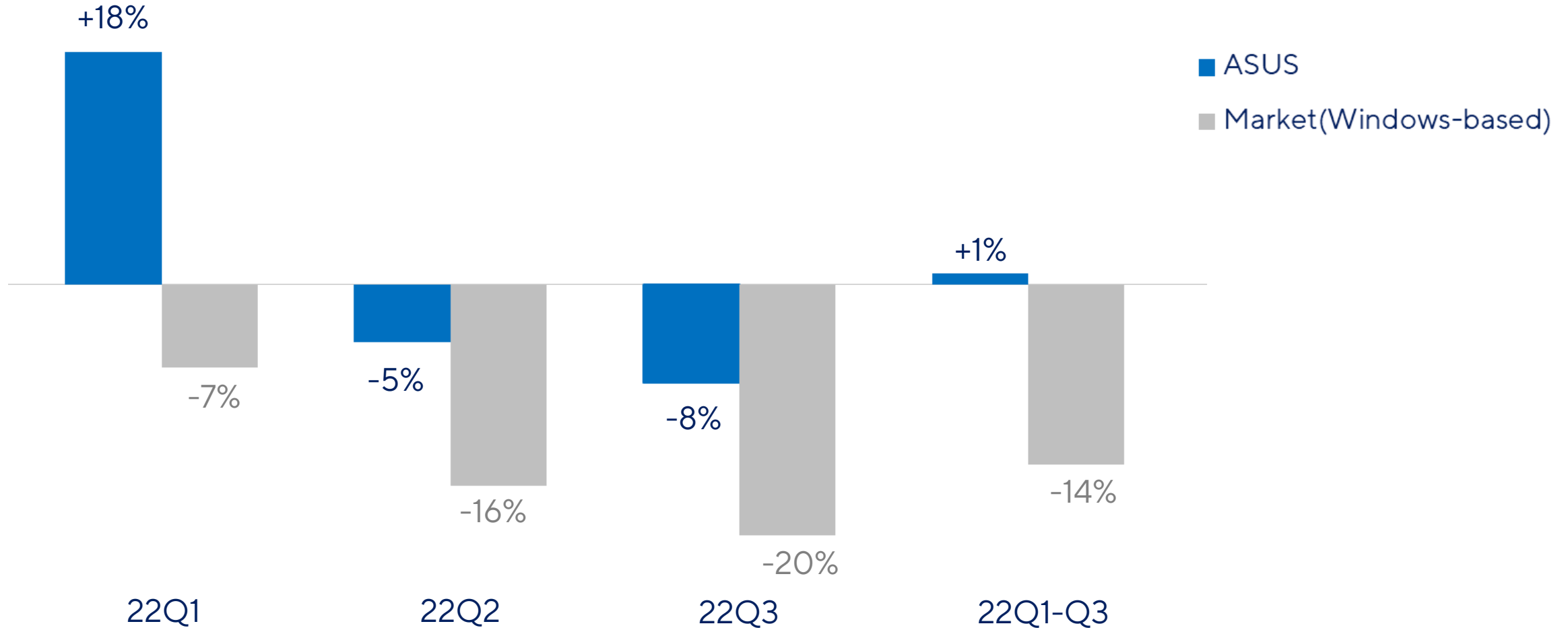
- **Strengthened product portfolio and increased share of high-value products**

- **Solidly positioned to capture long-term growth opportunities**



Consistent Outperformance

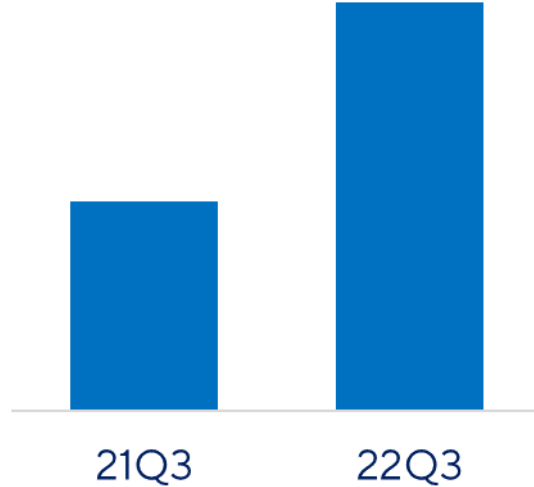
PC Shipments YoY%



AIoT Business Group

2022 Q3 Performance

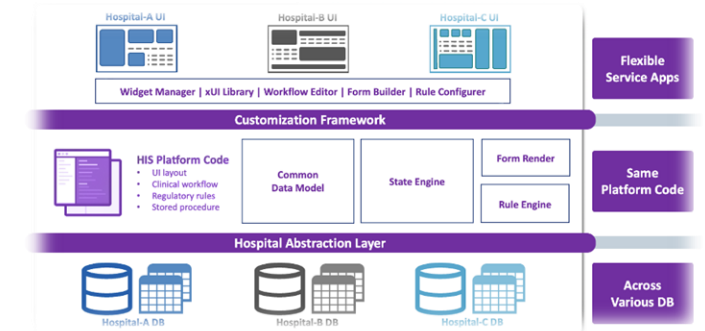
+ ~100% YoY Revenue Growth



Build the Cutting-edge AI-enabled Smart Factory



Smart Healthcare Development in xHIS Platform

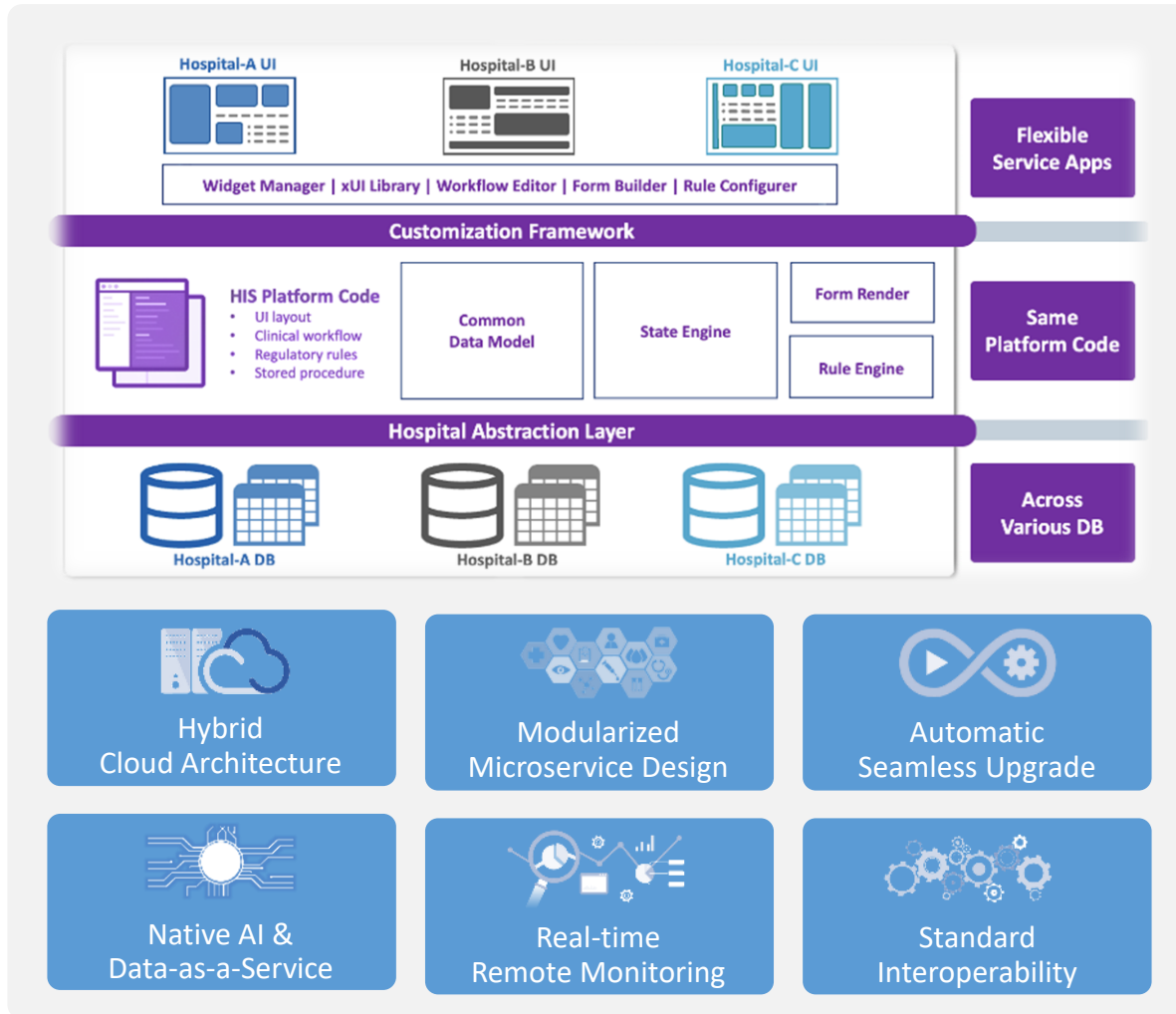


Strategic Drivers

- Increase R&D investment and strengthen domain knowledge to accelerate the advancement of AIoT solutions
- Build an evolving ecosystem with industry partners to create in-depth synergies and value enhancement for customers
- Build AI-enabled smart factory, accelerate the development of industry 4.0 solutions

ASUS xHIS Platform

xHIS Platformization (平台化架構)



ASUS Development

Feature Completed

- ✓ PRD compliant
- ✓ E2E-test passed
- ✓ UX confirmed by users
- ✓ No P1 scenario defect

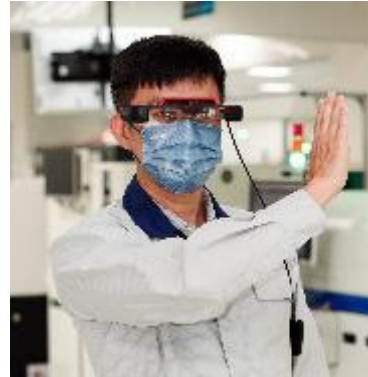
The Smart Medicine Industry-Academy Cooperation Project by NSTC (National Science and Technology Council)

北科生醫健康園區 Beitou Shilin Technology Park (BSTP)

臺北榮總 振興醫院 Microsoft ASUS

ASUS Cutting-edge AI-enabled Smart Factory

AI-driven, toward Industry 4.0



- Aim for Low-Volume High-Mix (LVHM) manufacturing and customization services
- Powered by AIoT technologies, including a 3D Digital Twin system, an augmented reality (AR) platform, autonomous mobile robots (AMR) for in-factory logistics, and an AI-driven defect inspection system
- Incorporates IoT and M2M communication technologies, improving product quality while also creating an intelligent and resilient manufacturing environment

Worldwide Recognition



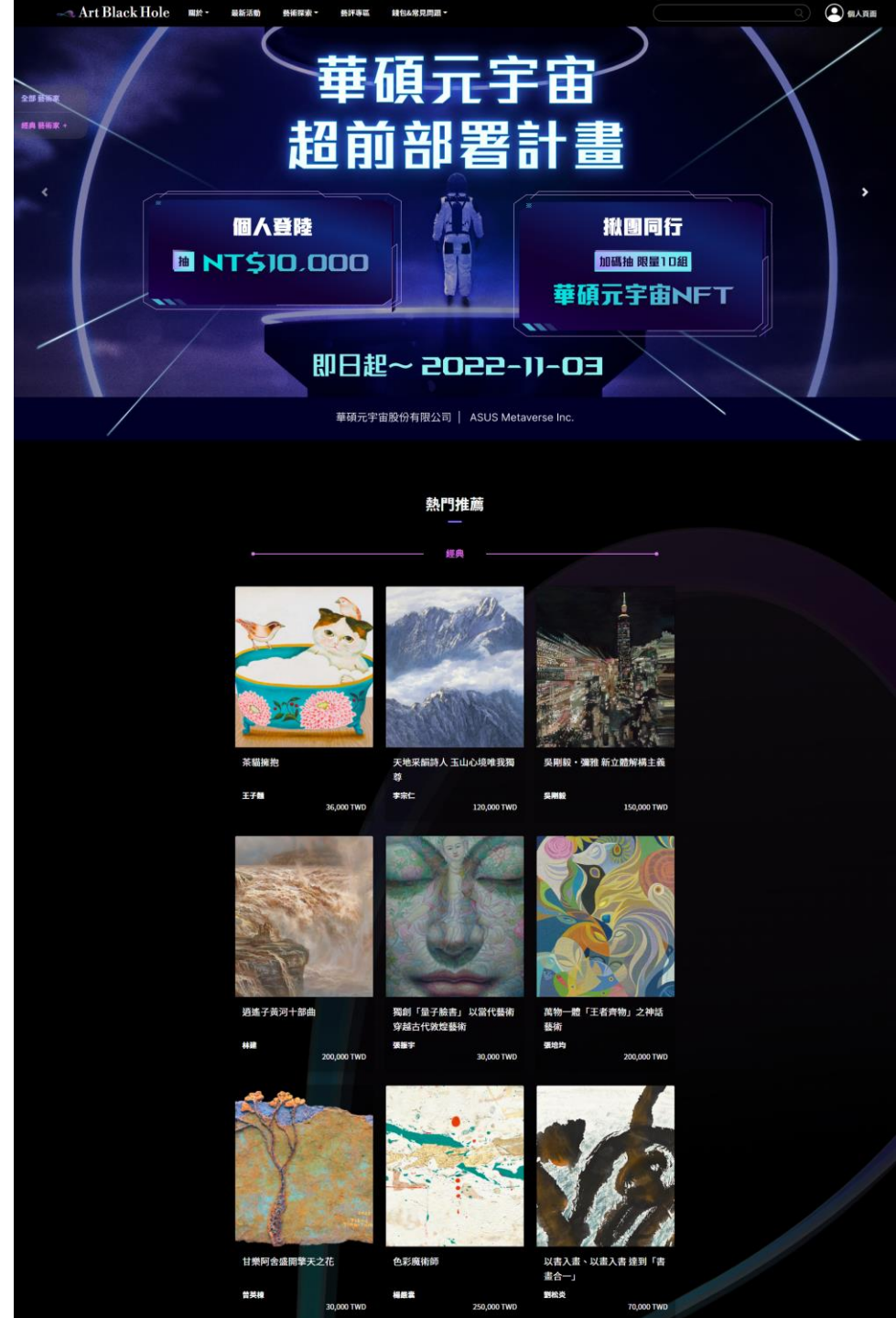
Zenbook 17
Fold OLED(UX9702)



ProArt Display
PA169CDV

ASUS Metaverse

- ASUS announced its first move into Web 3.0 with the launch of "Art Black hole", a new NFT platform
- Powered by the technological expertise of ASUS, especially cloud computing, AI, and the blockchain. ASUS Metaverse aims to create an all-encompassing metaverse experience

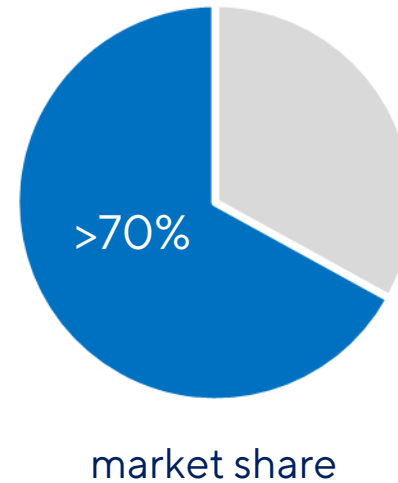


System Business Group

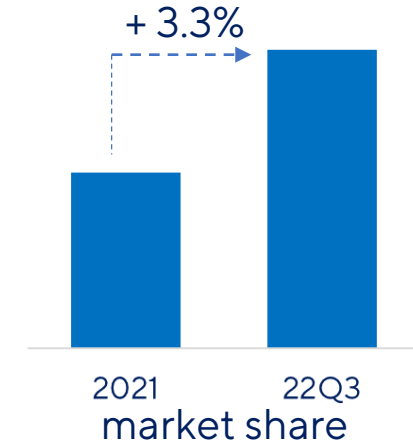
2022 Q3 Performance



No.1 OLED Laptop Brand



Strong Share Gain in Gaming Laptop

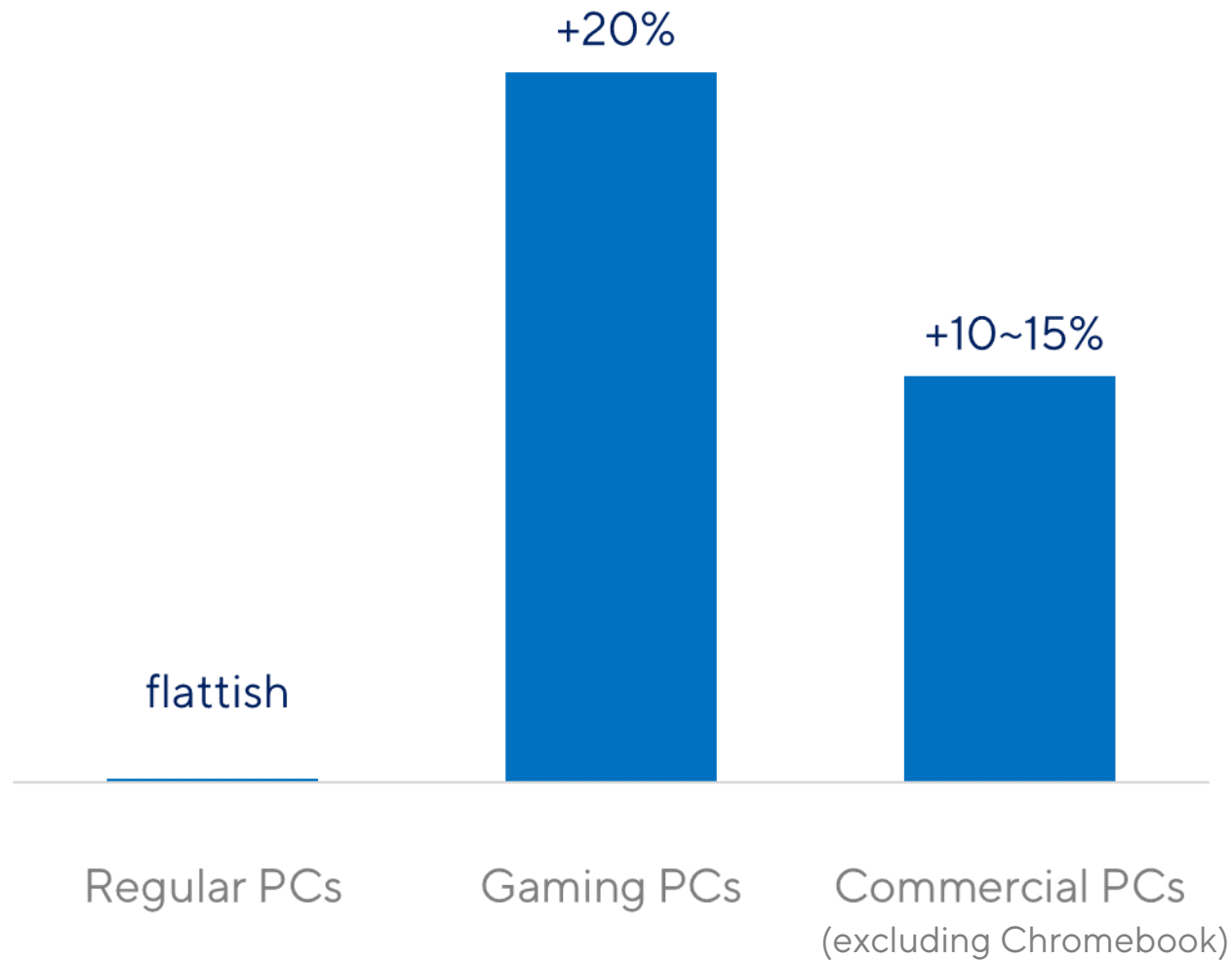


Strategic Drivers

- Sustain our leadership in OLED and creator laptops – NO.1 OLED and creator laptop brand
- Increase mix of premium PCs with double-digits ASP growth
- Expand ASUS gaming ecosystem, execute cross-industry collaboration, and deliver strong market share gain

PC Growth by Segment in 2022 Q3

Revenue Growth YoY %



- Regular PC shipments outperformed market, Creator PC revenue up >100% YoY
- Gaming PCs revenue up 20% YoY with strong market share gains in China and North America
- Gaming PCs, Creator PCs, and premium PCs accounted for more than half of PC revenue
- Consistent growth in commercial PCs, achieving double-digits market share in APAC

Open Platform Business Group

2022 Q3 Performance

Motherboard Revenue Growth High-teens YoY



Graphics Card Revenue Declined Double-digits YoY



21Q3

22Q3

Mid-single digits YoY Motherboard Market Share Gain



21Q1-Q3

22Q1-Q3

Voted Best graphics Card Brand



Strategic Drivers

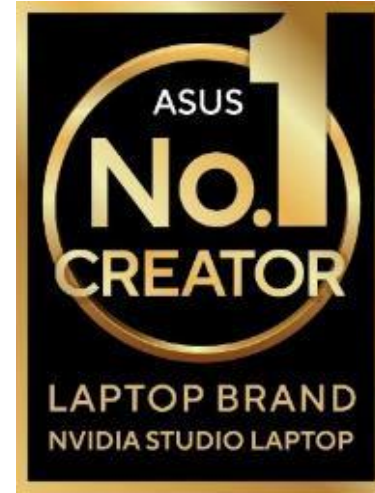
- Sustain our leadership in motherboards and graphics cards with No.1 market share in the global market
- Dominate in recent AMD X670 high-end motherboards with > 50% market share worldwide
- ASUS Z790 motherboard hit overclocking world record, with CPU frequency 8.8GHz & DDR5 frequency 11,130MT/S

ASUS Complete Creator Ecosystem

ProArt Display OLED PA32DC



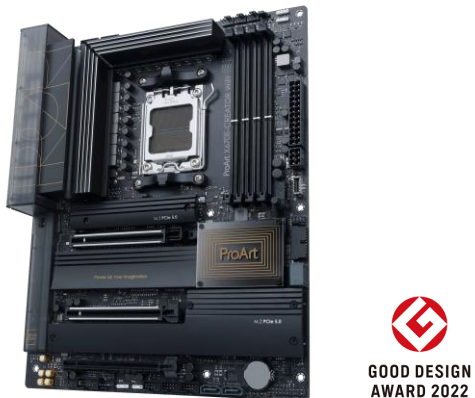
ProArt Studiobook Pro 16 OLED



No.1 Creator Laptop Brand

- More than 35% market share
- No.1 in EMEA, APAC, LATAM

ProArt X670E-CREATOR WIFI

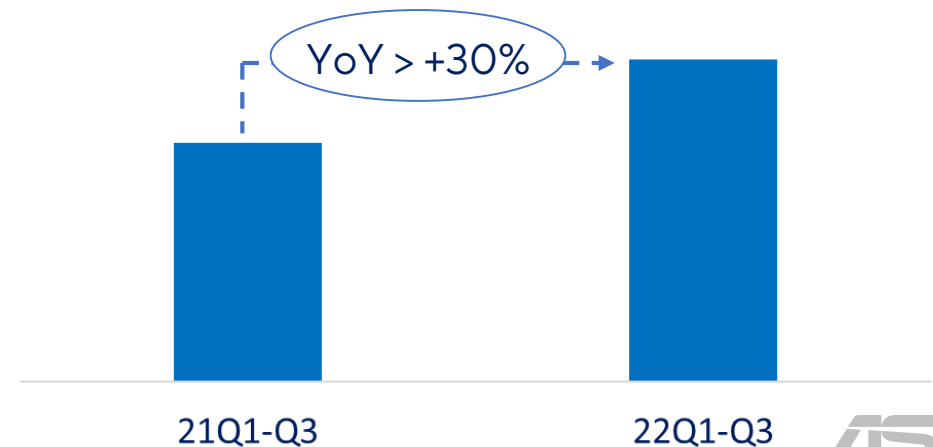


ProArt Projector A1

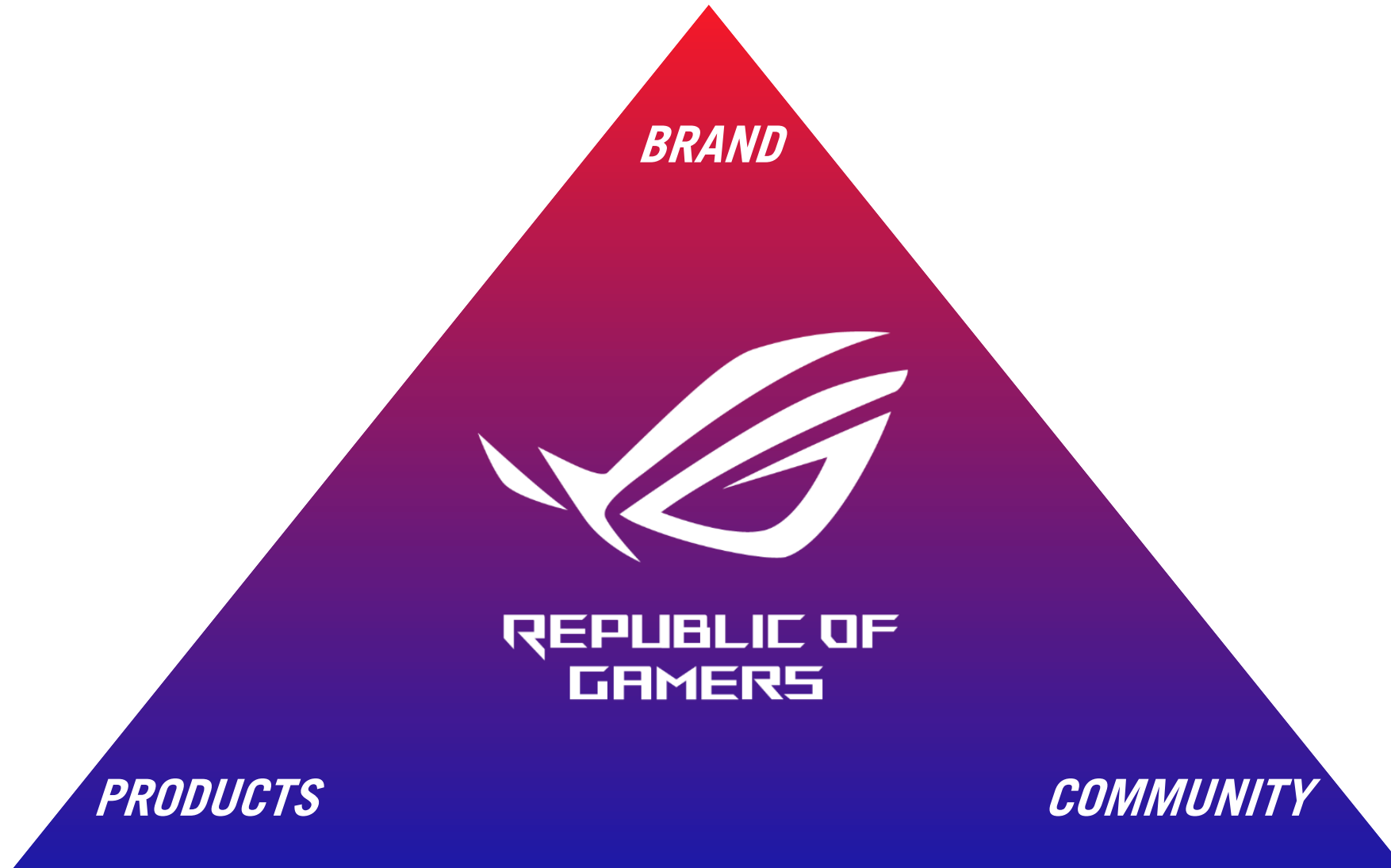


ProArt Station PD5

ProArt Display Shipments



No.1 Gaming Brand and Ecosystem





REPUBLIC OF GAMERS

BRAND

- ROG Core Values: Innovation, Diversity, Boldness
- The No.1 choice of gamers and enthusiasts around the world

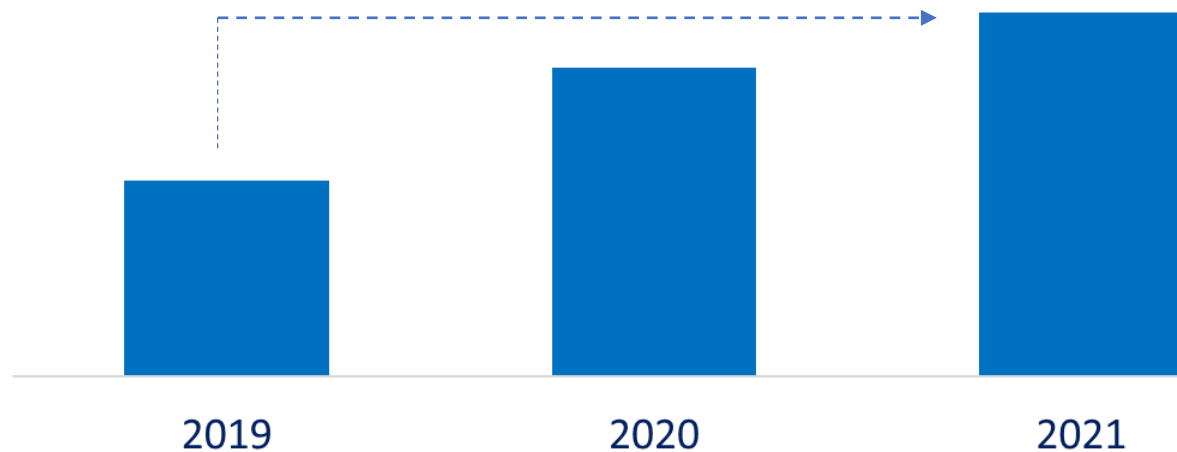


ROG x EVANGELION

ROG x Alan Walker



ASUS Gaming Product Shipments CAGR >30%





REPUBLIC OF GAMERS

PRODUCTS

- Ensuring that ROG and every gamer stay ahead of the competition — building personalized and top notch gaming solutions
- The No.1 gaming brand. Gaming product revenue was over 1.8bn USD in Q3 2022

The Most Comprehensive Gaming Ecosystem



ROG Maximus Z790 Extreme



ROG Strix GeForce RTX™ 4090



ROG Strix SCAR 17 SE

ROG Flow X16



ROG Phone 6/6 Pro Series



ROG Rapture GT-AXE16000



ROG Cetra True Wireless



ROG SWIFT OLED PG42UQ & PG48UQ

ROG Falchion Ace



ROG Keris Wireless AimPoint





REPUBLIC OF GAMERS

COMMUNITY

- Driving integration of gaming, entertainment, sports, music, and lifestyle
- Actively engaging with gaming community, including esports tournaments ESL Challenger and ROG Masters APAC 2022





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Q & A