

ASUSTeK

3Q 2020 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

- **2020 3Q Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

2020 3Q Financial Result

2020 1Q-3Q Brand P&L

in NT\$ Mn	2020 1Q-3Q	%	2019 1Q-3Q	%	YoY
Net Revenue	268,725	100.0%	243,242	100.0%	10%
COGS	(223,156)	(83.0%)	(210,276)	(86.4%)	6%
Gross Profit	45,569	17.0%	32,966	13.6%	38%
Operating Expenses	(28,449)	(10.6%)	(26,708)	(11.0%)	7%
Operating Profit	17,120	6.4%	6,258	2.6%	174%
Non-OP Items	5,277	2.0%	5,966	2.5%	-12%
Pre-Tax Profit	22,397	8.3%	12,224	5.0%	83%
Tax	(5,686)	(2.1%)	(2,724)	(1.1%)	109%
Net Profit	16,711	6.2%	9,500	3.9%	76%
EPS	22.5		12.8		

2020 3Q Brand P&L

in NT\$ Mn	2020 3Q	2020 2Q	QoQ	2019 3Q	YoY
Net Revenue	119,612	85,070	41%	88,467	35%
COGS	(98,455)	(71,191)	38%	(74,955)	31%
Gross Profit	21,157	13,879	52%	13,512	57%
Operating Expenses	(11,763)	(9,033)	30%	(9,150)	29%
Operating Profit	9,395	4,846	94%	4,362	115%
Non-OP Items	4,758	2,151	121%	2,643	80%
Pre-Tax Profit	14,152	6,998	102%	7,005	102%
Tax	(3,644)	(1,683)	117%	(1,372)	166%
Net Profit	10,508	5,315	98%	5,633	87%
EPS	14.1	7.2		7.6	
Gross Margin %	17.7%	16.3%		15.3%	
Operating Margin %	7.9%	5.7%		4.9%	

2020 3Q Brand P&L (pro forma – excluding phone's P&L)

in NT\$ Mn	2020 3Q	Phone old models	Phone new models	W/O Phone
Net Revenue	119,612	1,006	2,934	115,672
COGS	(98,455)	(316)	(2,857)	(95,281)
Gross Profit	21,157	689	77	20,391
Operating Expenses	(11,763)	58	(1,252)	(10,568)
Operating Profit	9,395	747	(1,175)	9,823
Non-OP Items	4,758	7	77	4,674
Pre-Tax Profit	14,152	754	(1,098)	14,496
Tax	(3,644)	(256)	(132)	(3,257)
Net Profit	10,508	498	(1,230)	11,239
EPS	14.1	0.7	(1.7)	15.1
Gross Margin %	17.7%	68.5%	2.6%	17.6%
Operating Margin %	7.9%	74.3%	-40.0%	8.5%

2020 3Q Brand Non-OP Items

Non-OP Items	2020 3Q	2020 2Q	QoQ	2019 3Q	YoY
Interest Income (net)	26	160	-84%	292	-91%
Investment Income	368	323	14%	44	736%
<i>Askey</i>	<i>(105)</i>	<i>(107)</i>	<i>2%</i>	<i>(40)</i>	<i>-160%</i>
<i>Others</i>	<i>473</i>	<i>430</i>	<i>10%</i>	<i>84</i>	<i>460%</i>
Exchange Gain/(Loss)	1,355	1,599	-15%	<i>(141)</i>	1060%
Dividend Income	2,847			2,301	24%
Other Income (net)	162	70	132%	148	9%
Total Non-OP items	4,758	2,151	121%	2,643	80%

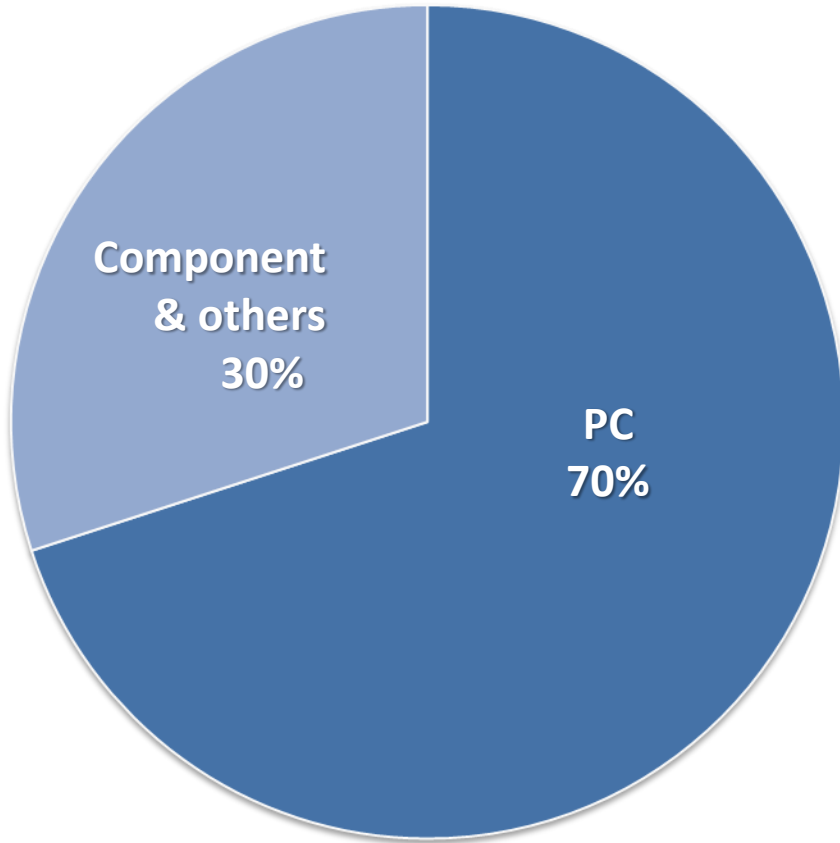
2020 3Q Brand Balance Sheet

in NT\$ Mn	Sep 30, 2020	Jun 30, 2020	QoQ	Sep 30, 2019	YoY
Cash & equivalents	71,281	62,178	15%	58,993	21%
Accounts receivable	77,726	71,853	8%	68,883	13%
Inventories	85,644	81,444	5%	73,452	17%
Current Assets	244,572	225,738	8%	212,462	15%
Long-term investments	81,802	78,618	4%	69,232	18%
Fixed assets	17,586	17,685	-1%	17,282	2%
Total Assets	360,977	339,086	6%	315,340	14%
Accounts payable	70,949	59,753	19%	50,658	40%
Current Liabilities	164,028	154,223	6%	136,194	20%
Total Liabilities	177,216	167,428	6%	147,832	20%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	183,762	171,658	7%	167,508	10%
Avg. Days of Inventory	77	101		90	
Avg. Days of AR	57	62		68	
Avg. Days of AP	65	67		61	
Avg. CCC Days	69	96		98	

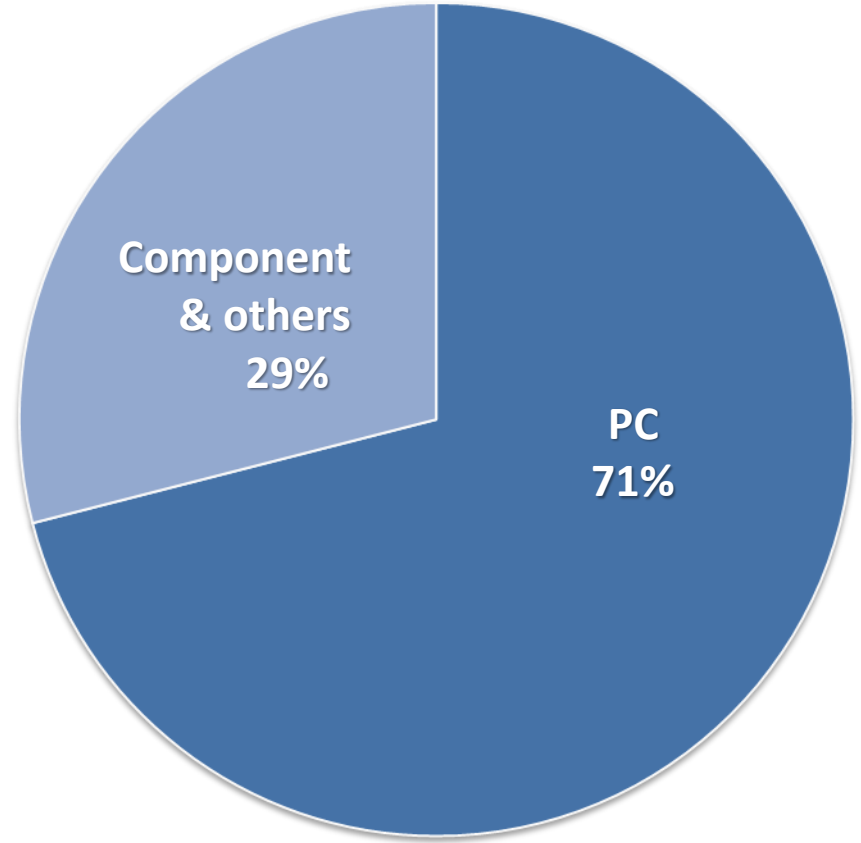
Business Highlights

3Q 2020 Product Mix

3Q 2020



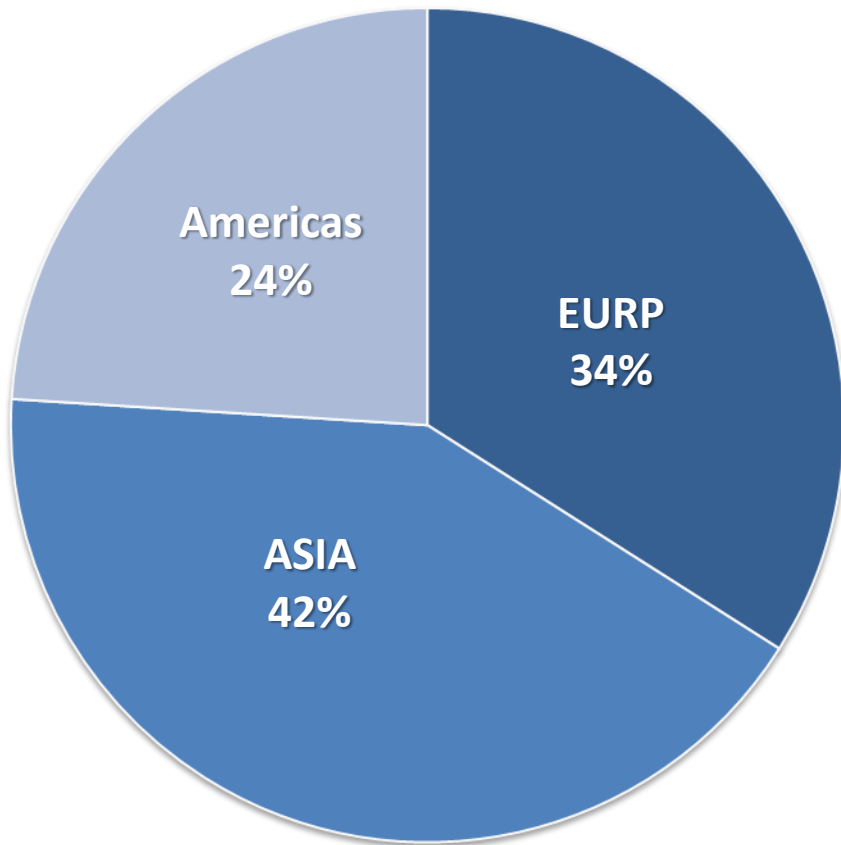
3Q 2019



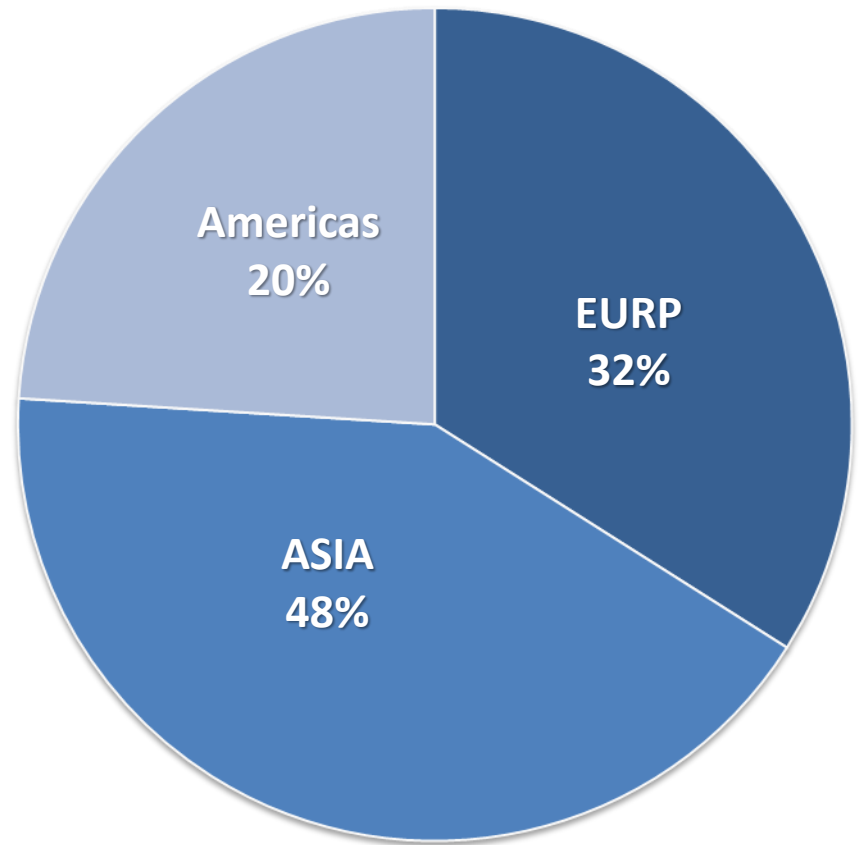
* Excluding revenue of smartphones

3Q 2020 Region Mix

3Q 2020



3Q 2019



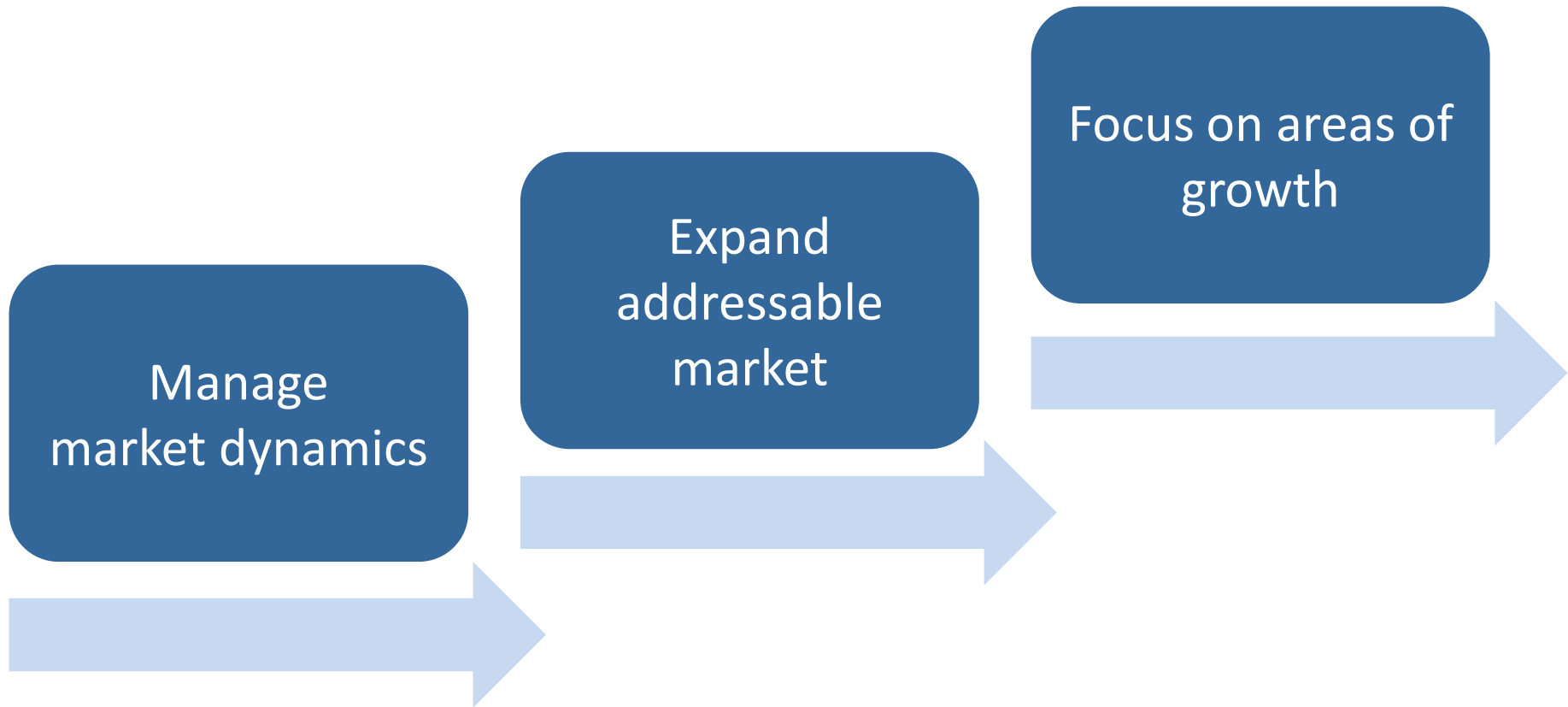
* Excluding revenue of smartphones

4Q 2020 Business Outlook

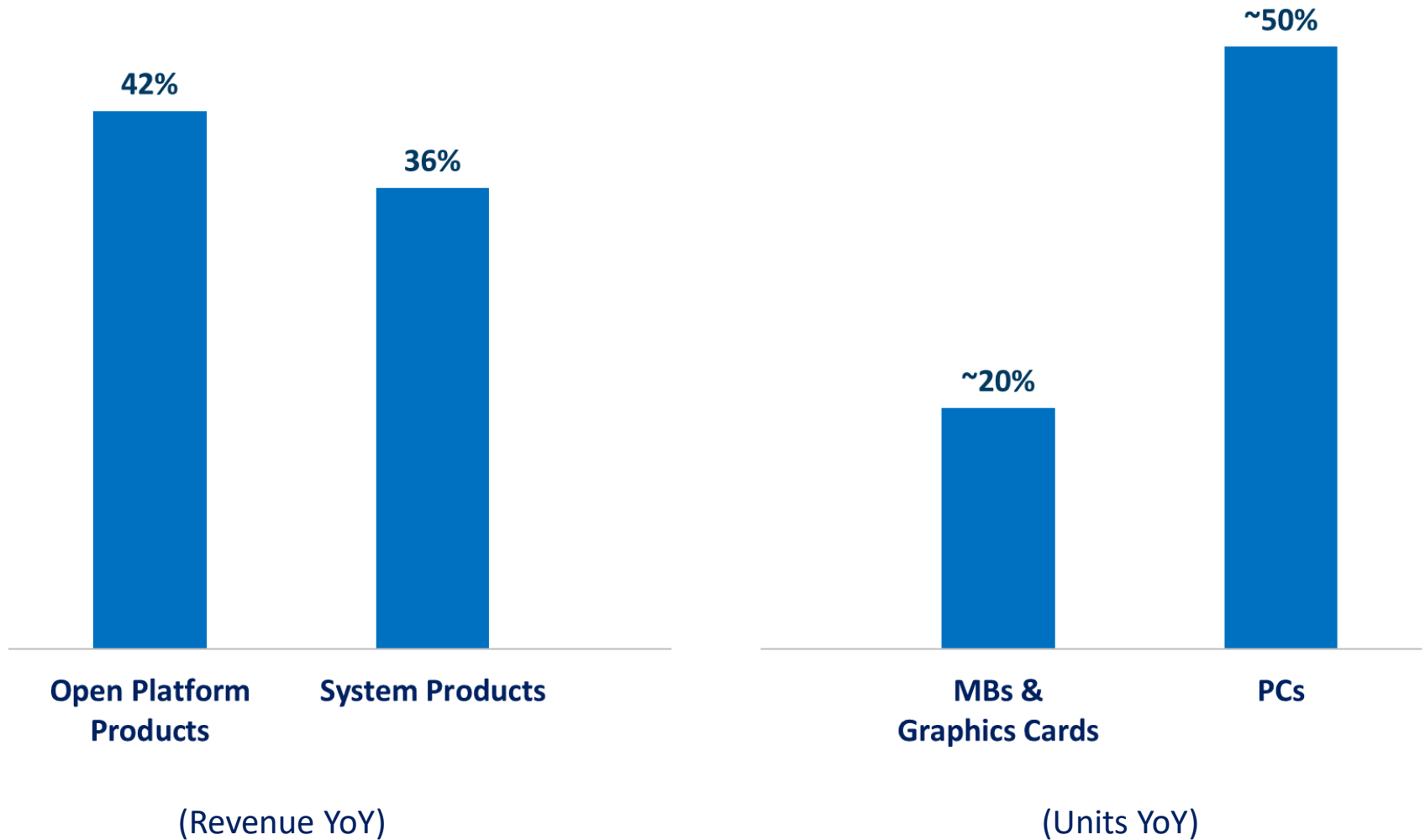
- **PC QoQ -10% , YoY +20%**
- **Component QoQ -10%, YoY +40%**

Strategy & Outlook

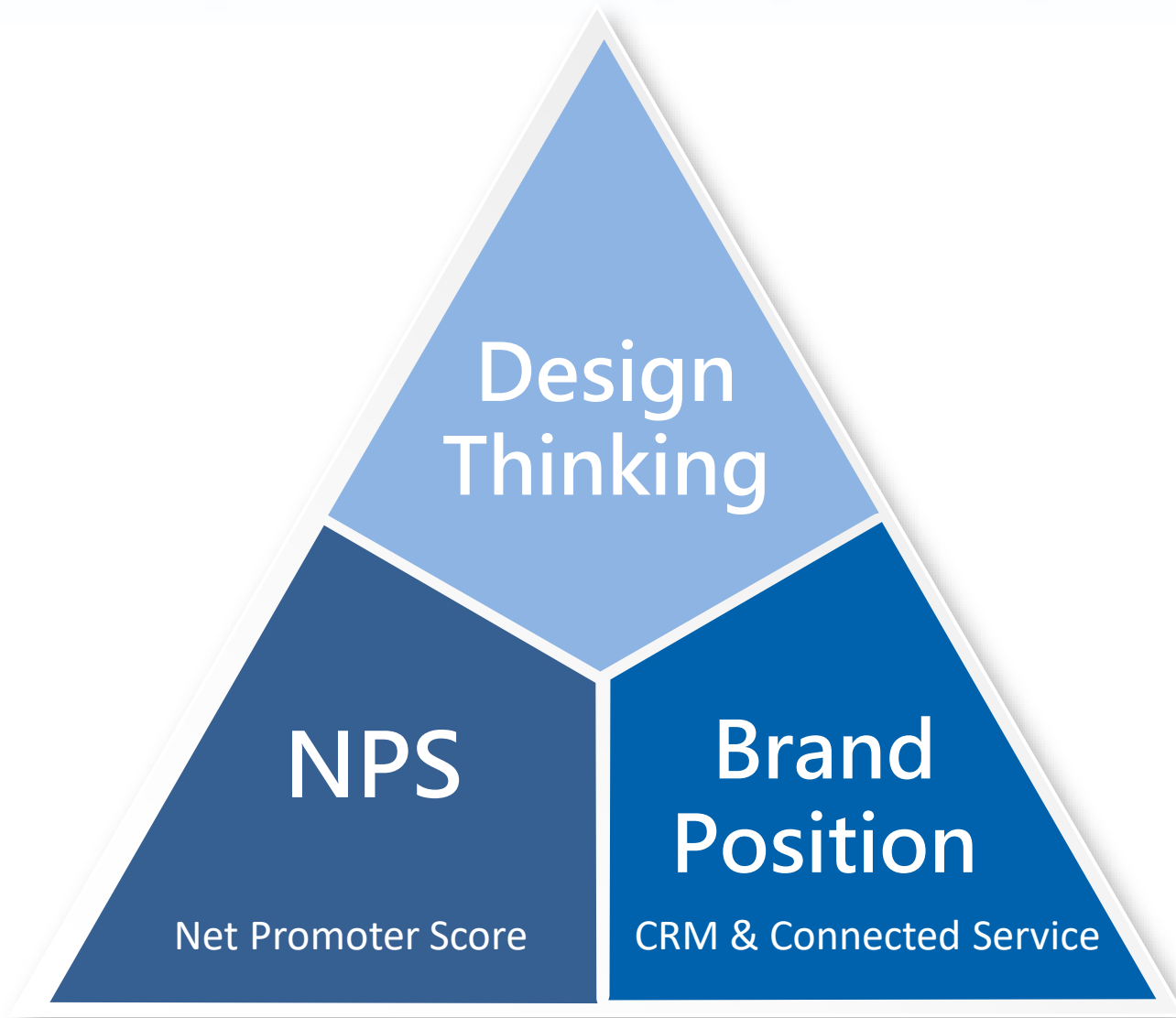
Key Business Objectives



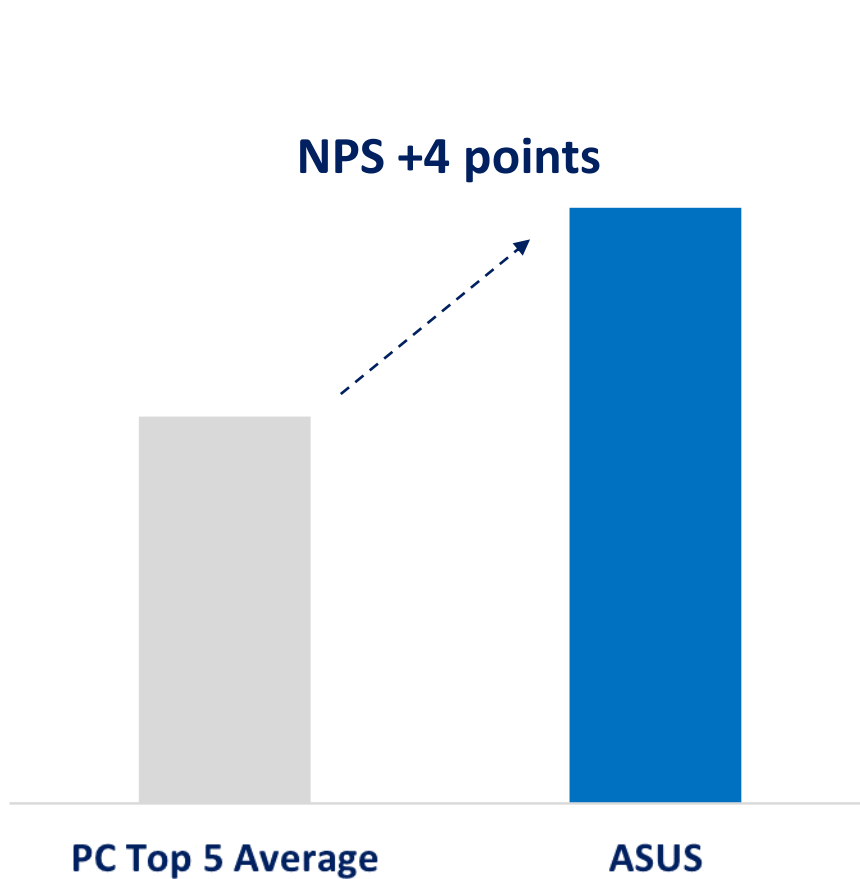
Strong Growth in 3Q 2020



ASUS Brand Strategy



No. 1 NPS Among Top 5 PC Brands



Accelerated AIoT Developments

Smart Manufacturing



Intelligent Cloud



Smart Medical



ICD-10
Coding
Assistant



CDSS &
Patient Representation

EMR
Search

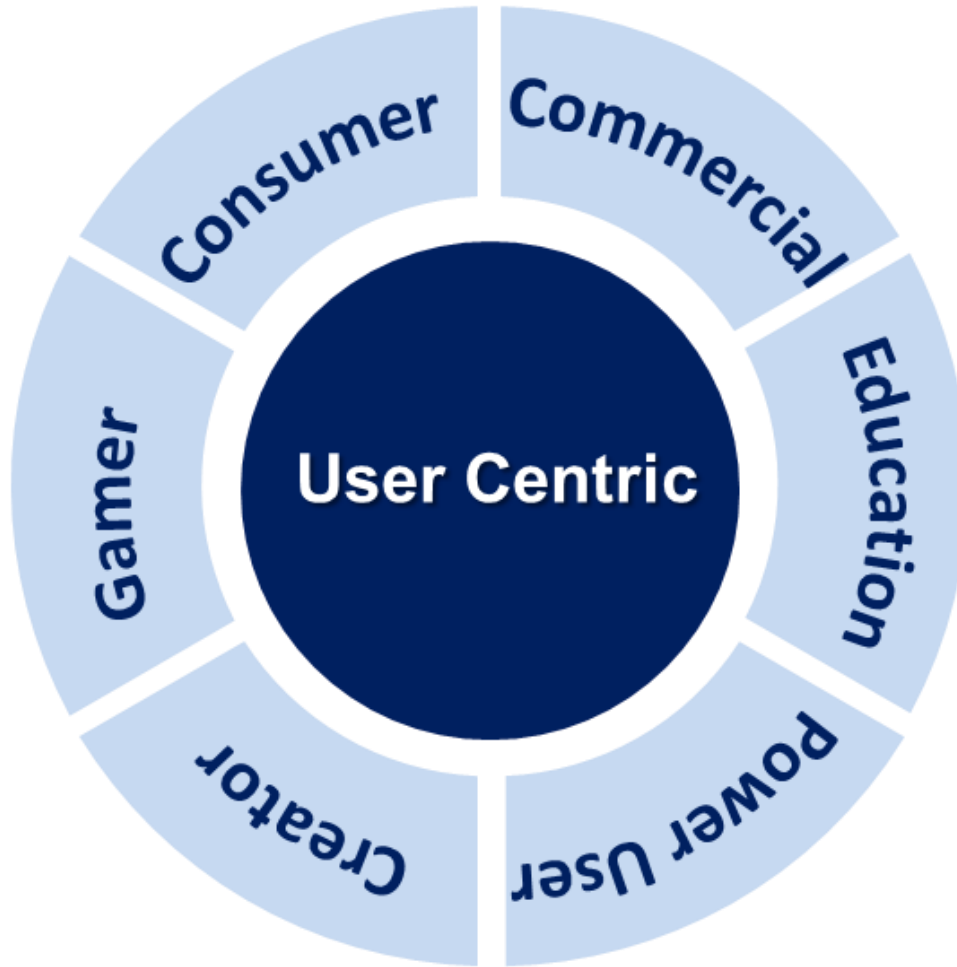


ASUS VivoWatch SP

精采人生·隨心律動



From Product Centric to User Centric



World's No. 1 Laptop Brand of 2020



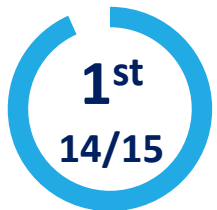
Innovation



Design

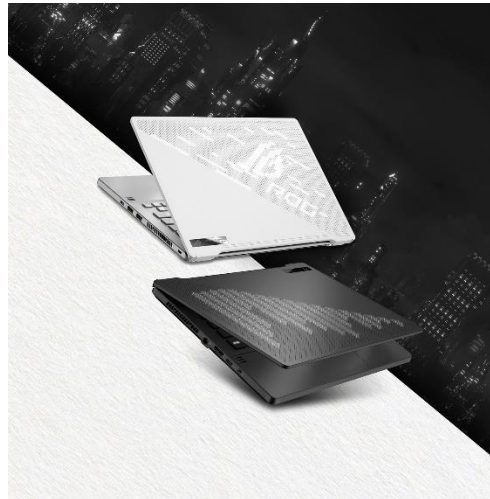


Product Reviews

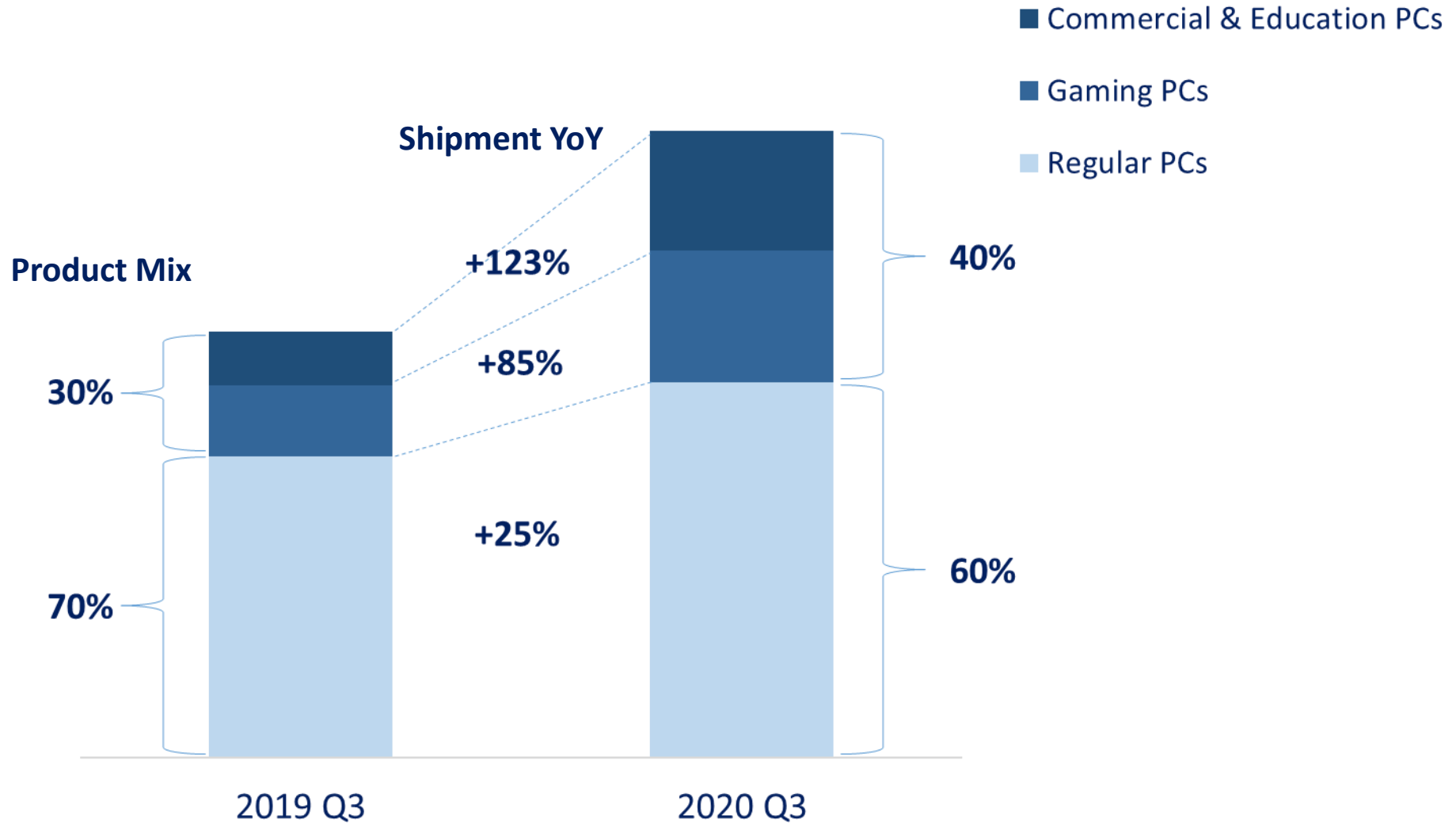


Value & Selection

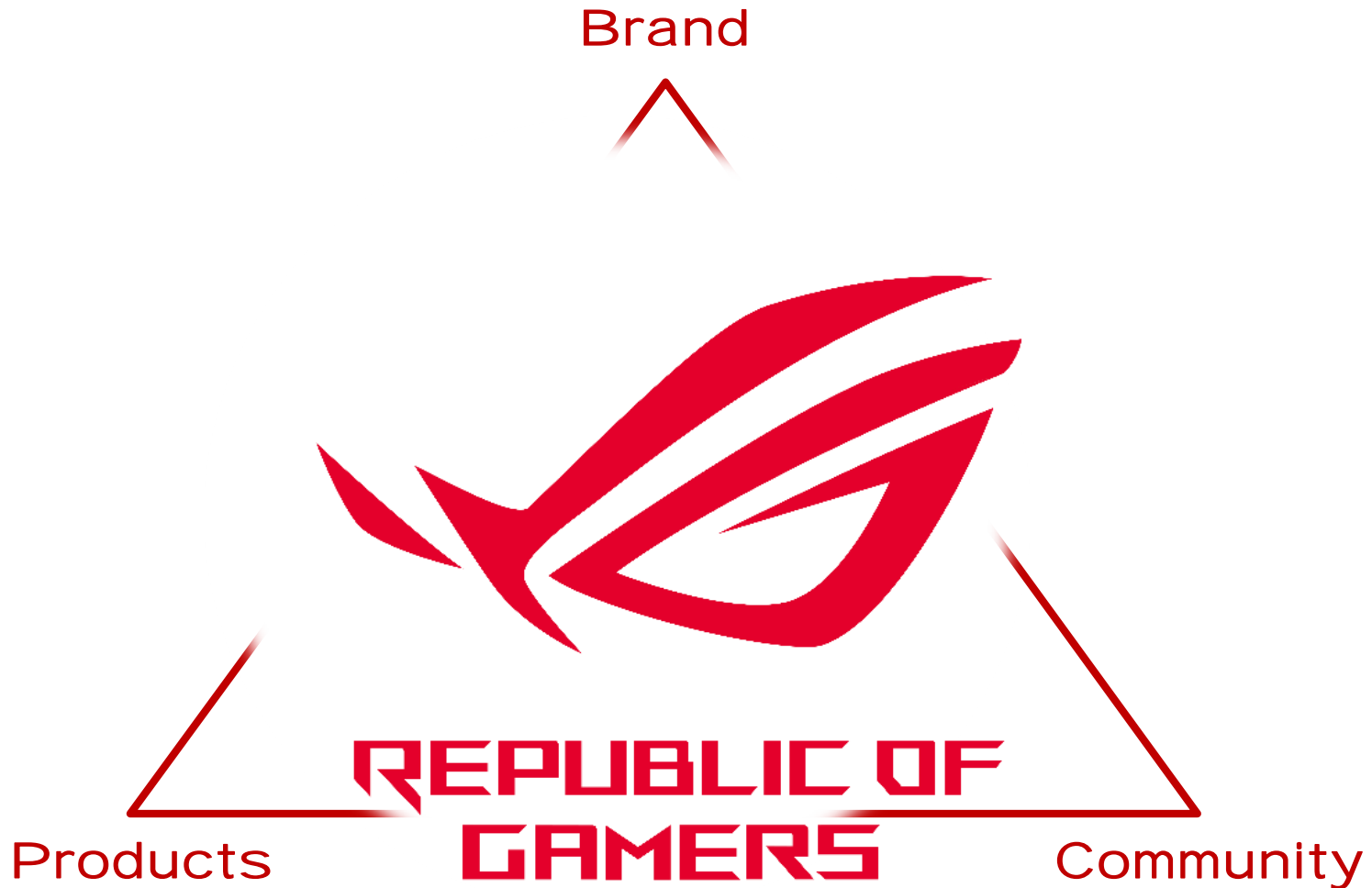
ASUS has been named as the world's no. 1 laptop brand of 2020 among 11 brands by Laptop Magazine.



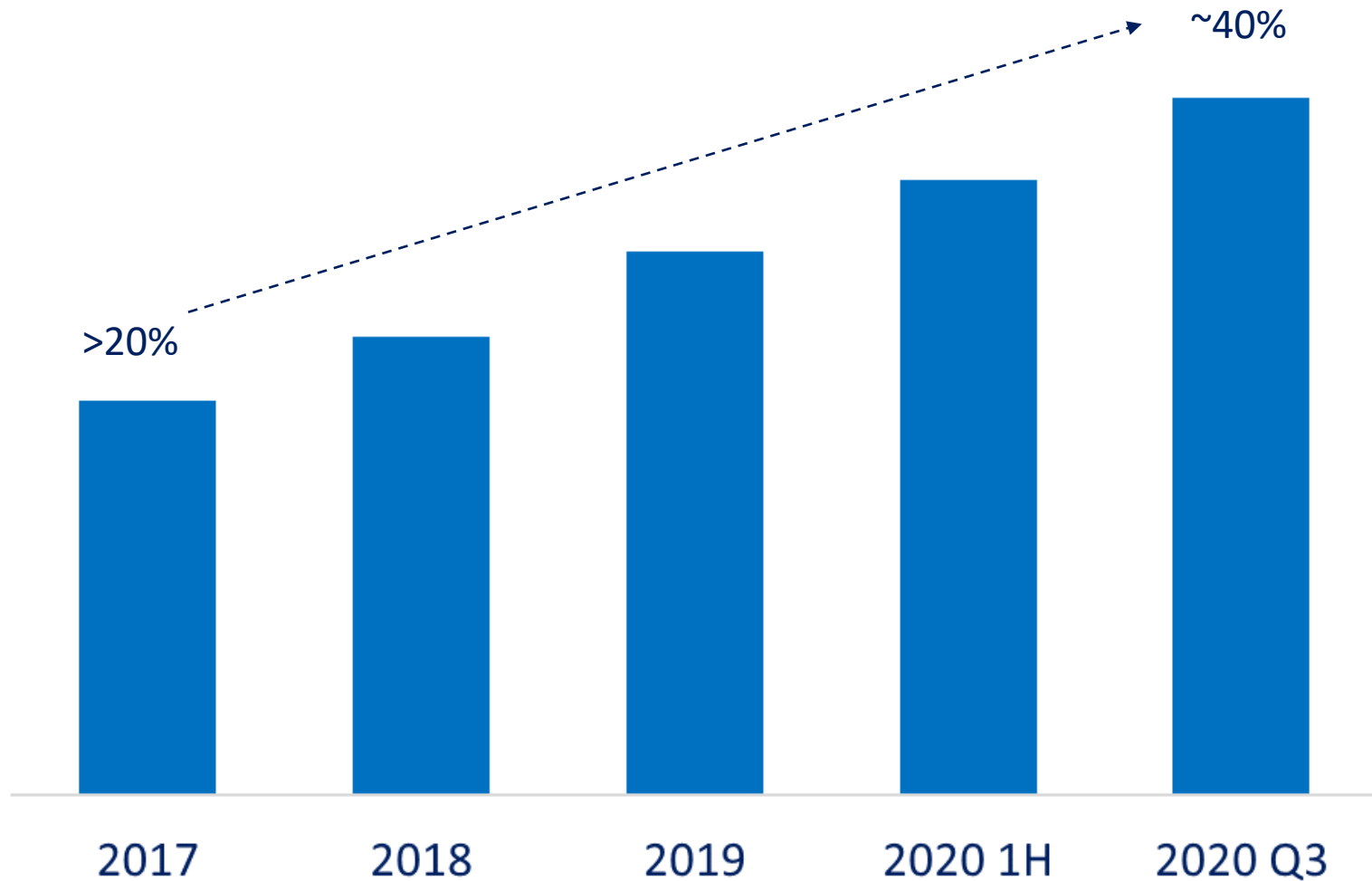
Strong Growth Across All PC Segments



No. 1 Gaming Brand and Ecosystem

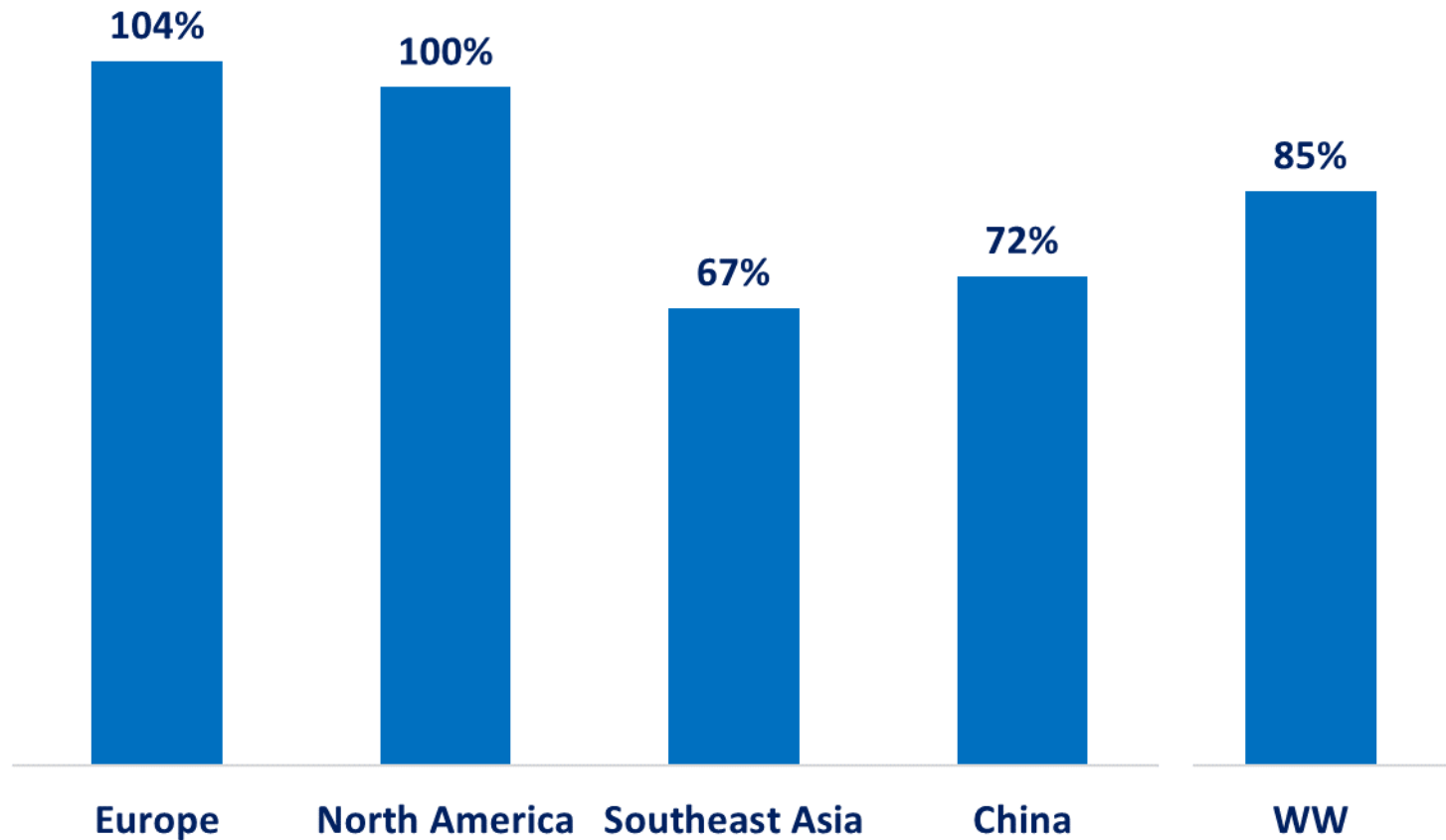


Gaming is 40% of ASUS Brand Revenue



Hypergrowth in Gaming PC Business

3Q 2020 YoY Growth of ASUS Gaming PC Shipments



Q & A