ASUSTeK

2Q 2017 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

• 2Q 2017 Financial Result
• Business Highlights
• Strategy & Outlook
• Q & A
2Q 2017 Financial Result
## 2Q 2017 Brand I/S

(unaudited brand consolidated financials)

<table>
<thead>
<tr>
<th></th>
<th>2017 2Q</th>
<th>2017 1Q</th>
<th>QoQ</th>
<th>2016 2Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>86,546</td>
<td>98,206</td>
<td>-12%</td>
<td>93,938</td>
<td>-8%</td>
</tr>
<tr>
<td>COGS</td>
<td>(76,549)</td>
<td>(85,055)</td>
<td>-10%</td>
<td>(81,355)</td>
<td>-6%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>9,997</td>
<td>13,151</td>
<td>-24%</td>
<td>12,583</td>
<td>-21%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(8,252)</td>
<td>(9,342)</td>
<td>-12%</td>
<td>(8,820)</td>
<td>-6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,746</td>
<td>3,809</td>
<td>-54%</td>
<td>3,762</td>
<td>-54%</td>
</tr>
<tr>
<td>Non-OP Items</td>
<td>718</td>
<td>855</td>
<td>-16%</td>
<td>1,542</td>
<td>-53%</td>
</tr>
<tr>
<td>Pre-Tax Income</td>
<td>2,463</td>
<td>4,664</td>
<td>-47%</td>
<td>5,305</td>
<td>-54%</td>
</tr>
<tr>
<td>Tax</td>
<td>(453)</td>
<td>(1,013)</td>
<td>-55%</td>
<td>(1,179)</td>
<td>-62%</td>
</tr>
<tr>
<td>Net Income</td>
<td>2,010</td>
<td>3,651</td>
<td>-45%</td>
<td>4,125</td>
<td>-51%</td>
</tr>
</tbody>
</table>

| EPS                      | 2.7      | 4.9      |       | 5.6      |
| Gross Margin %           | 11.6%    | 13.4%    | 13.4% |
| Operating Margin %       | 2.0%     | 3.9%     | 4.0%  |
# 2Q 2017 Non-OP Items

(unaudited brand consolidated financials)

<table>
<thead>
<tr>
<th>Non-OP Items</th>
<th>2017 2Q</th>
<th>2017 1Q</th>
<th>QoQ</th>
<th>2016 2Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income (net)</td>
<td>265</td>
<td>241</td>
<td>10%</td>
<td>194</td>
<td>36%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>10</td>
<td>(9)</td>
<td>211%</td>
<td>145</td>
<td>-93%</td>
</tr>
<tr>
<td>Askey</td>
<td>(166)</td>
<td>(137)</td>
<td>-21%</td>
<td>(6)</td>
<td>-2736%</td>
</tr>
<tr>
<td>Others</td>
<td>176</td>
<td>128</td>
<td>38%</td>
<td>151</td>
<td>17%</td>
</tr>
<tr>
<td>Exchange Gain/(Loss)</td>
<td>509</td>
<td>495</td>
<td>3%</td>
<td>942</td>
<td>-46%</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>5</td>
<td>#DIV/0!</td>
<td>41%</td>
<td>4</td>
<td>41%</td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>(72)</td>
<td>129</td>
<td>-156%</td>
<td>258</td>
<td>-128%</td>
</tr>
</tbody>
</table>

| Total Non-OP items    | 718     | 855     | -16% | 1,542   | -53% |
## 2Q 2017 Brand B/S

<table>
<thead>
<tr>
<th><strong>in NT$ Mn</strong></th>
<th><strong>Jun 30, 2017</strong></th>
<th><strong>Mar 31, 2017</strong></th>
<th><strong>QoQ</strong></th>
<th><strong>Jun 30, 2016</strong></th>
<th><strong>YoY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; equivalents</td>
<td>65,250</td>
<td>68,304</td>
<td>-4%</td>
<td>60,329</td>
<td>8%</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>70,361</td>
<td>72,207</td>
<td>-3%</td>
<td>69,362</td>
<td>1%</td>
</tr>
<tr>
<td>Inventories</td>
<td>88,813</td>
<td>82,961</td>
<td>7%</td>
<td>81,463</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td><strong>231,496</strong></td>
<td><strong>229,275</strong></td>
<td><strong>1%</strong></td>
<td><strong>220,751</strong></td>
<td><strong>5%</strong></td>
</tr>
<tr>
<td>Long-term investments</td>
<td>80,795</td>
<td>81,971</td>
<td></td>
<td>71,471</td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>9,240</td>
<td>8,659</td>
<td></td>
<td>4,317</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>335,191</strong></td>
<td><strong>334,295</strong></td>
<td><strong>0%</strong></td>
<td><strong>307,306</strong></td>
<td><strong>9%</strong></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>56,298</td>
<td>55,450</td>
<td>2%</td>
<td>40,569</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td><strong>151,262</strong></td>
<td><strong>137,305</strong></td>
<td><strong>10%</strong></td>
<td><strong>133,130</strong></td>
<td><strong>14%</strong></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td><strong>161,354</strong></td>
<td><strong>147,461</strong></td>
<td><strong>9%</strong></td>
<td><strong>142,352</strong></td>
<td><strong>13%</strong></td>
</tr>
<tr>
<td>Paid-in capital</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><strong>173,835</strong></td>
<td><strong>186,833</strong></td>
<td><strong>-7%</strong></td>
<td><strong>164,954</strong></td>
<td><strong>5%</strong></td>
</tr>
<tr>
<td>Avg. Days of Inventory</td>
<td>102</td>
<td>88</td>
<td></td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AR</td>
<td>75</td>
<td>69</td>
<td></td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Avg. Days of AP</td>
<td>71</td>
<td>69</td>
<td></td>
<td>48</td>
<td></td>
</tr>
<tr>
<td><strong>Avg. CCC Days</strong></td>
<td><strong>106</strong></td>
<td><strong>87</strong></td>
<td></td>
<td><strong>116</strong></td>
<td></td>
</tr>
</tbody>
</table>
Business Highlights
Product Mix

2Q 2017

PC 63%*
Mobile 17%
Component 17%
IOT 3%

2Q 2016

PC 65%
Mobile 18%
Component 14%
IOT 3%

* Gaming PC accounts for 20%~25% of PC revenue
Region Mix

2Q 2017

- Americas: 24%
- EURP: 37%
- ASIA: 39%

2Q 2016

- Americas: 23%
- EURP: 35%
- ASIA: 42%
3Q 2017 Business Outlook

- PC QoQ +10% ~ +20%
- Mobile QoQ +20% ~ +30%
- Component QoQ +5% ~ +10%
Strategy & Outlook
創新迎戰 變中求勝

Evolution · Revolution
Consolidation • Focus

Profit & Position

PC

Stable Growth

Gaming

Ecosystem

Smartphone

Breakthrough
PC Strategy

Leading Innovation • WOW Experience

ZenBook

2in1

VivoBook

More Resources

Focus Hero
PC Hero Model

Ultimate Luxury
UX370
10.9mm 2in1

Empowering Luxury for Everyone
UX550
1050Ti Zenbook

Vivobook Pro
1050P Vivobook
ASUS ROG

- Experience
- Innovation
- Ecosystem
- Dedicated BU
ROG - Ecosystem
Build Ecosystem

From Zero to Hero
Build Ecosystem

Professional World-class Tournament

OR

Live Your esports Dream
Global
Launch global leagues for professionals and amateurs. Align with organizations that feature the highest level of play.

Local
Host and sponsor local LAN events. Sponsor top teams per region and invest in collegiate orgs. Acquire top streamers and deliver localized content.

Personal
Engage with fanbase on a personal level through communication at retail and pre/post sales interaction through social media.
ROG Innovation

GX501

Premium • Thin • Light • Cool • Quiet • GTX1080
“Gaming laptops will never be the same again”
- Engadget.

“The Zephyrus is a revolutionary gaming laptop design”
- Computer Shopper.

“It’s the best performing 15.6-inch notebook we’ve ever tested”
- Hot Hardware.
ROG Innovation
GX 8 0 0

NO.1 Performance
Hydro Overclocking System
“The Asus ROG GX800 is the craziest computer I’ve ever used... you absolutely don’t need one, but will want one all the same.” – Trusted Reviews
ROG Integrated Experience

COMING SOON
2017 IFA
ROG Integrated Experience
AURA Sync
ROG Integrated Experience
AURA Sync
Phone

Leading Product Cycle

Hero Product

Consolidation

Hero Country

To be somebody in selected countries
Phone

ASP Up, Volume Up

Tough Country: China, India
Phone

Ultimate Luxury
Zenfone AR  Zenfone 4 Pro

Premier Luxury
Zenfone 4

Empowering Luxury for Everyone
Zenfone 4 Max

WE ❤ PHOTO
華碩 ZenFone 4系列智慧型手機 8.17盛大登場

時間: 8/17 16:00 線上直播

與會國家:
台灣、馬來西亞、香港、印尼、菲律賓等亞太國家