

# 華碩電腦

2019年第1季投資人說明會

# 聲明

本簡報及同時發佈之相關訊息內含有從公司內部與外部來源所取得的預測性資訊。

本公司未來實際所發生的營運結果、財務狀況以及業務展望，可能與這些預測性資訊所明示或暗示的預估有所差異，其原因可能來自於各種本公司所不能掌控的風險。

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# 議程

- 2019年第1季財務結果
- 營運狀況摘要
- 策略與展望
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# 2019年第1季財務結果

# 2019年第1季自結品牌損益

(unaudited brand consolidated financials)

in NT\$ Mn	2019 1Q	2018 4Q	QoQ	2018 1Q	YoY
<b>Net Revenue</b>	<b>83,503</b>	<b>88,099</b>	-5%	<b>90,056</b>	-7%
COGS	(73,911)	(84,446)	-12%	(77,480)	-5%
<b>Gross Profit</b>	<b>9,592</b>	<b>3,653</b>	<b>163%</b>	<b>12,577</b>	<b>-24%</b>
Operating Expenses	(8,706)	(9,998)	-13%	(8,517)	2%
<b>Operating Profit</b>	<b>886</b>	<b>(6,345)</b>	<b>-114%</b>	<b>4,060</b>	<b>-78%</b>
Non-OP Items	2,140	2,510	-15%	(760)	-381%
<b>Pre-Tax Profit</b>	<b>3,026</b>	<b>(3,835)</b>	<b>-179%</b>	<b>3,300</b>	<b>-8%</b>
Tax	(839)	1,016	-183%	(920)	-9%
<b>Net Profit</b>	<b>2,187</b>	<b>(2,819)</b>	<b>-178%</b>	<b>2,380</b>	<b>-8%</b>
<b>EPS</b>	<b>2.9</b>	<b>(3.8)</b>		<b>3.2</b>	
<b>Gross Margin %</b>	<b>11.5%</b>	<b>4.1%</b>		<b>14.0%</b>	
<b>Operating Margin %</b>	<b>1.1%</b>	<b>-7.2%</b>		<b>4.5%</b>	

# 2019年第1季自結品牌損益 (擬制報表 - 排除手機損益)

(unaudited brand consolidated financials)

in NT\$ Mn	2019 1Q	Phone		W/O Phone
		old models	new models	
<b>Net Revenue</b>	<b>83,503</b>	<b>7,442</b>	<b>391</b>	<b>75,670</b>
COGS	(73,911)	(6,909)	(325)	(66,677)
<b>Gross Profit</b>	<b>9,592</b>	<b>533</b>	<b>66</b>	<b>8,993</b>
Operating Expenses	(8,706)	(993)	(313)	(7,400)
<b>Operating Profit</b>	<b>886</b>	<b>(460)</b>	<b>(247)</b>	<b>1,593</b>
Non-OP Items	2,140	251	15	1,873
<b>Pre-Tax Profit</b>	<b>3,026</b>	<b>(209)</b>	<b>(232)</b>	<b>3,467</b>
Tax	(839)	(152)	38	(725)
<b>Net Profit</b>	<b>2,187</b>	<b>(361)</b>	<b>(193)</b>	<b>2,741</b>
<b>EPS</b>	<b>2.9</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>3.7</b>
<b>Gross Margin %</b>	<b>11.5%</b>	<b>7.2%</b>	<b>16.8%</b>	<b>11.9%</b>
<b>Operating Margin %</b>	<b>1.1%</b>	<b>-6.2%</b>	<b>-63.1%</b>	<b>2.1%</b>

# 2019年第1季自結品牌業外損益

(unaudited brand consolidated financials)

Non-OP Items	2019 1Q	2018 4Q	QoQ	2018 1Q	YoY
Interest Income (net)	271	269	0%	300	-10%
Investment Income	142	517	-73%	(144)	198%
<i>Askey</i>	(61)	(319)	81%	(505)	88%
<i>Others</i>	203	837	-76%	361	-44%
Exchange Gain/(Loss)	1,387	514	170%	1,173	18%
Disposal Gain		1,212	-		-
Other Income (net)	340	(3)	12059%	(2,089)	116%
<b>Total Non-OP items</b>	<b>2,140</b>	<b>2,510</b>	<b>-15%</b>	<b>(760)</b>	<b>381%</b>

# 2019年第1季自結品牌資產負債表

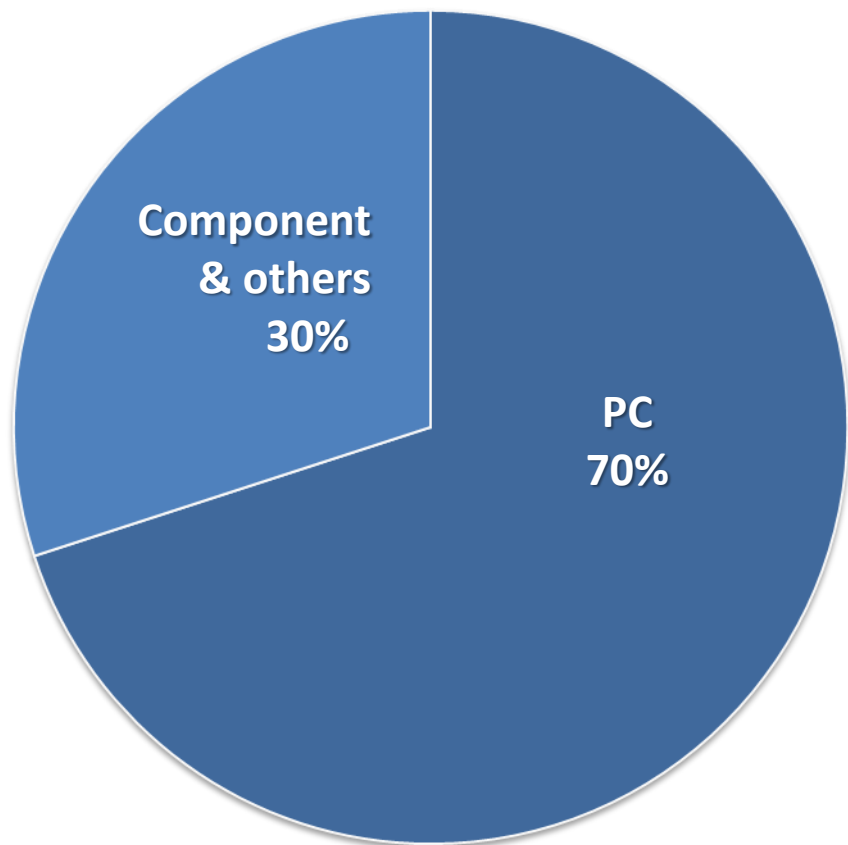
in NT\$ Mn	Mar 31, 2019	Dec 31, 2018	QoQ	Mar 31, 2018	YoY
Cash & equivalents	52,838	55,773	-5%	70,783	-25%
Accounts receivable	71,681	75,273	-5%	65,917	9%
Inventories	80,775	86,694	-7%	77,983	4%
<b>Current Assets</b>	<b>212,149</b>	<b>226,428</b>	<b>-6%</b>	<b>222,896</b>	<b>-4.8%</b>
Long-term investments	67,380	64,515		72,997	
Fixed assets	13,050	11,855		10,031	
<b>Total Assets</b>	<b>309,284</b>	<b>318,283</b>	<b>-3%</b>	<b>321,416</b>	<b>-4%</b>
Accounts payable	45,348	58,850	-23%	47,733	-5%
<b>Current Liabilities</b>	<b>128,466</b>	<b>145,620</b>	<b>-12%</b>	<b>133,001</b>	<b>-3%</b>
<b>Total Liabilities</b>	<b>140,073</b>	<b>156,918</b>	<b>-11%</b>	<b>144,259</b>	<b>-3%</b>
Paid-in capital	7,428	7,428		7,428	
<b>Stockholders' equity</b>	<b>169,210</b>	<b>161,365</b>	<b>5%</b>	<b>177,157</b>	<b>-4%</b>
Avg. Days of Inventory	103	93		91	
Avg. Days of AR	80	82		72	
Avg. Days of AP	68	73		60	
<b>Avg. CCC Days</b>	<b>115</b>	<b>102</b>		<b>102</b>	



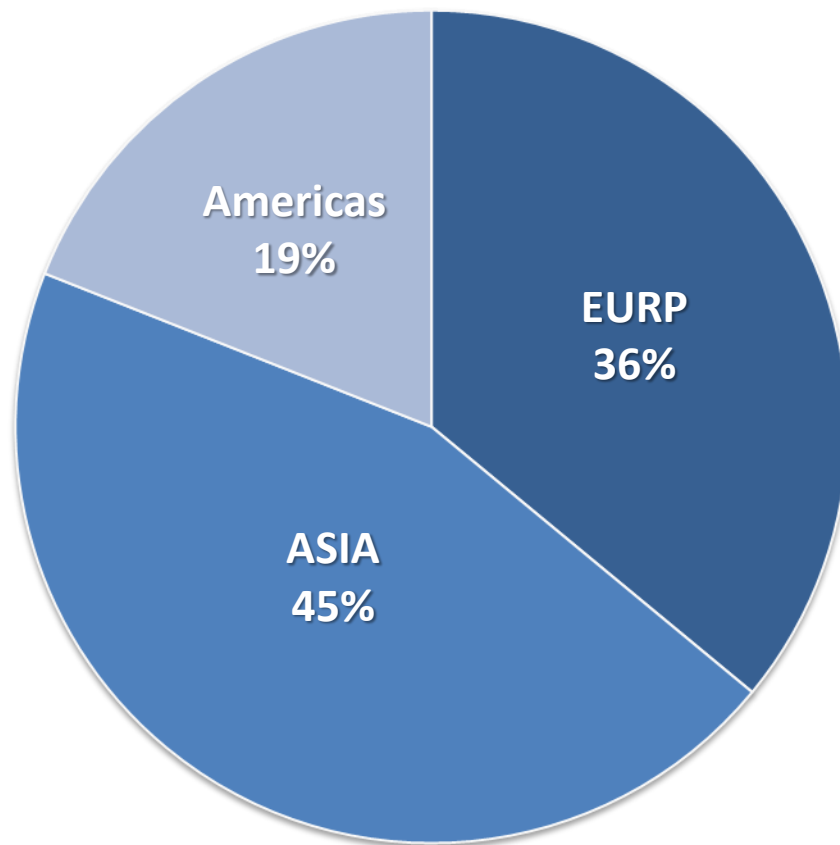
# 營運狀況摘要

# 1Q 2019 營收組合

## By Product Group



## By Region



\* Excluding revenue of smartphones

# 2Q 2019 營運展望

- PC QoQ 0% ~ -5%
- Component QoQ 0% ~ -5%

# 策略與展望

# Key Business Objectives

## Transformation

- Proactively managed component shortages to achieve a better product mix and average selling price. The cryptocurrency-related inventory adjustment was on track.
- Smartphone business transformation to be completed in 1H 2019. ZenFone 6 and ROG Phone 2 to deliver a strong fresh start in 2H 2019.
- Continued execution on culture and organization evolution. Business strategy and decision making were based on team wisdom and idea meritocracy.

## Leadership & growth initiatives

- No. 1 in MB & graphics cards with the best brand and product quality. Extended the brand premium and quality management to other component products over time.
- Thin & light NB grew to 40-50% of total NB shipments. New notebook models to be introduced in late 2Q 2019, pioneering new product features to upgrade the user experience to a new level.
- No. 1 in gaming notebooks with 20% year-over-year unit growth in 1Q 2019. Strong product lineup and user recognition to bring consequent growth in 2Q 2019.

# 問與答

1. Regarding the US China trade war, if the tariff raises to 25% on this Friday, what is the impact on motherboard and PC products exported to US? Which product will be impacted the most? How will Asus handle the issue with the suppliers?
2. What is your view on the CPU shortages issue? When will it be solved? Will you adopt other CPU brands and at what percentage?

3. Why is the operating expense rate still over 10.4% in 1Q19? Will gross profit margin come back over 13% after 2H19?
4. Can you give us an idea of how big is the scale of your new smartphone business in terms of units?
5. Does the consolidated profit of 1Q19 announced include the phone's P&L?



6. How will the revenue and profit of phone business be recognized in 2019?
  
7. Assuming that the remaining 325 billion USD worth of goods(including PCs, mobile phones, and other consumer products) will be imposed tariffs in the future, how would the company react to that?
  
8. How will the price decrease of the components impact on the gross profit margin in 2Q19 ?

9. As the CEO mentioned that the investment in ROG will be larger in this year, has the company set the KPI to evaluate the performance of phone business? Please give us more colors on the cooperation between ROG phone and ROG PC Business to achieve synergy, on marketing expense for example.
  
10. What is the main reason that Asus has experienced the largest decline in NB shipments among the top 6 PC players, as the impact of shortage has narrowed quarter by quarter? Can we expect NB shipments to rebound this year?

11. What is the main focused market of ROG phone business? Please explain on the market rumors of the cooperation with major China software company.
12. What is the outlook of Gaming NB in 2Q19 while the shipments grew 20% in 1Q19?
13. Thin and light NB accounted for 50% of all NB products. What are the percentages of gaming NB and creator NB?

14. Since the launch of the ROG Phone, could you talk about what your phone users care most about in terms of the ROG phone (display pixel, refresh rate, thermal, etc)?
  
15. From your point of view, do you think the customers who have bought ROG phone are users who are switching to a new phone? Or are they just buying an additional phone for gaming?

16. How do you expect the contribution of the commercial NB market? What is the main market?
17. Will Asus invest in the content of mobile gaming?
18. Revenue of 2Q19 has a chance to be flattish or slightly increase year over year. Is it based on the revenue excluding phone business? If so, what is the revenue of 2Q18 excluding phone business?

19. As the phone business transformed to focus on ROG and power user market, what is the scale of revenue to breakeven?
  
20. The folding mobile phone is quite popular at CES this year, but there are also a lot of defects found. Can you talk about the challenge of folding mobile phone? Is the user experience of the slider phone better than folding mobile phone?