

華碩電腦

2019年第4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。

本簡報中對未來的展望，反應本公司截至目前為止對於未來的看法。對於這些看法，未來若有任何變更或調整時，本公司並不負責隨時提醒或更新。

議程

- 2019年第4季財務結果
- 營運狀況摘要
- 策略與展望
- 問與答

2019年第4季財務結果

2019年第4季自結品牌損益

in NT\$ Mn	2019 4Q	2019 3Q	QoQ	2018 4Q	YoY
Net Revenue	89,288	88,467	1%	88,099	1%
COGS	(77,551)	(74,955)	3%	(84,446)	-8%
Gross Profit	11,737	13,512	-13%	3,653	221%
Operating Expenses	(10,747)	(9,150)	17%	(9,998)	7%
Operating Profit	991	4,362	-77%	(6,345)	116%
Non-OP Items	2,162	2,643	-18%	2,510	-14%
Pre-Tax Profit	3,153	7,005	-55%	(3,835)	182%
Tax	(514)	(1,372)	-63%	1,016	-151%
Net Profit	2,639	5,633	-53%	(2,819)	194%
EPS	3.6	7.6		(3.8)	
Gross Margin %	13.1%	15.3%		4.1%	
Operating Margin %	1.1%	4.9%		-7.2%	

2019年第4季自結品牌損益 (擬制報表 - 排除舊手機機種)

in NT\$ Mn	2019 4Q	Phone old models	Phone new models	W/O Phone
Net Revenue	89,288	1,898	3,437	83,953
COGS	(77,551)	(2,098)	(3,377)	(72,076)
Gross Profit	11,737	(200)	60	11,877
Operating Expenses	(10,747)	(173)	(862)	(9,712)
Operating Profit	991	(372)	(802)	2,165
Non-OP Items	2,162	(365)	(41)	2,569
Pre-Tax Profit	3,153	(738)	(844)	4,734
Tax	(514)	346	71	(932)
Net Profit	2,639	(391)	(773)	3,802
EPS	3.6	(0.5)	(1.0)	5.1
Gross Margin %	13.1%	-10.5%	1.7%	14.1%
Operating Margin %	1.1%	-19.6%	-23.3%	2.6%

2019年第4季自結品牌業外損益

Non-OP Items	2019 4Q	2019 3Q	QoQ	2018 4Q	YoY
Interest Income (net)	276	292	-5%	269	3%
Investment Income	491	44	1016%	517	-5%
<i>Askey</i>	123	(40)	403%	(319)	138%
<i>Others</i>	368	84	336%	837	-56%
Exchange Gain/(Loss)	1,053	(141)	846%	514	105%
Dividend Income		2,301			
Disposal Gain			-	1,212	-
Other Income (net)	342	148	131%	(3)	12118%
Total Non-OP items	2,162	2,643	-18%	2,510	-14%

2019年第4季自結品牌資產負債表

in NT\$ Mn	Dec 31, 2019	Sep 30, 2019	QoQ	Dec 31, 2018	YoY
Cash & equivalents	75,453	58,993	28%	55,773	35%
Accounts receivable	63,521	68,883	-8%	75,273	-16%
Inventories	68,937	73,452	-6%	86,694	-20%
Current Assets	216,631	212,462	2%	226,428	-4%
Long-term investments	78,279	69,232	13%	64,515	21%
Fixed assets	17,930	17,282	4%	11,855	51%
Total Assets	329,550	315,340	5%	318,283	4%
Accounts payable	53,362	50,658	5%	58,850	-9%
Current Liabilities	139,410	136,194	2%	145,620	-4%
Total Liabilities	152,690	147,832	3%	156,918	-3%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	176,860	167,508	6%	161,365	10%
Avg. Days of Inventory	84	90		93	
Avg. Days of AR	68	68		82	
Avg. Days of AP	65	61		73	
Avg. CCC Days	87	98		102	

2019年全年自結品牌損益

in NT\$ Mn	2019 1~12	%	2018 1~12	%	YoY
Net Revenue	332,530	100.0%	352,452	100.0%	-6%
COGS	(287,827)	(86.6%)	(315,030)	(89.4%)	-9%
Gross Profit	44,703	13.4%	37,422	10.6%	19%
Operating Expenses	(37,455)	(11.3%)	(34,641)	(9.8%)	8%
Operating Profit	7,248	2.2%	2,780	0.8%	161%
Non-OP Items	8,128	2.4%	2,928	0.8%	178%
Pre-Tax Profit	15,376	4.6%	5,709	1.6%	169%
Tax	(3,238)	(1.0%)	(1,474)	(0.4%)	120%
Net Profit	12,139	3.7%	4,235	1.2%	187%
EPS	16.3		5.7		
Non-OP Items	2019 1~12	%	2018 1~12	%	YoY
Interest Income (net)	1,174	0.4%	1,259	0.4%	-7%
Investment Income	814	0.2%	(284)	-0.1%	387%
Exchange Gain / (Loss)	2,610	0.8%	1	0.0%	397313%
Dividend Income	2,303	0.7%	2,483	0.7%	-7%
Disposal Gain			1,212	0.3%	-
Other Income (net)	1,228	0.4%	(1,743)	-0.5%	170%
Total Non-OP items	8,128	2.4%	2,928	0.8%	178%

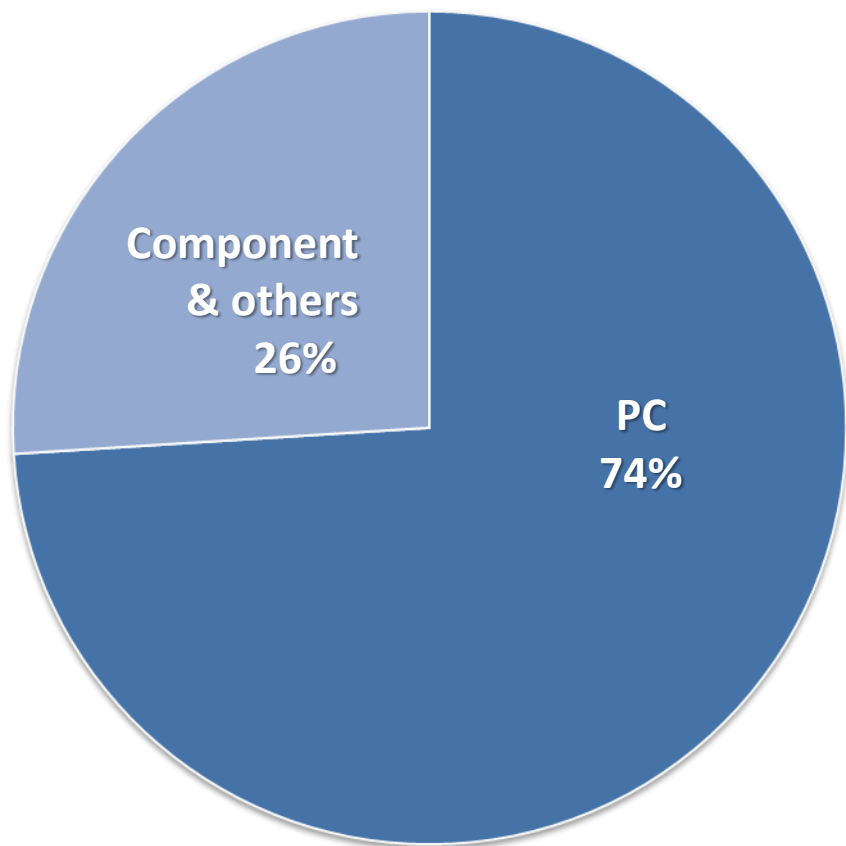
2019年全年自結品牌損益 (擬制報表 - 排除舊手機機種)

in NT\$ Mn	2019 1~12	Phone old models	Phone new models	W/O Phone
Net Revenue	332,530	17,139	6,360	309,031
COGS	(287,827)	(17,424)	(6,465)	(263,938)
Gross Profit	44,703	(285)	(105)	45,093
Operating Expenses	(37,455)	(2,108)	(2,678)	(32,669)
Operating Profit	7,248	(2,393)	(2,783)	12,424
Non-OP Items	8,128	(168)	5	8,290
Pre-Tax Profit	15,376	(2,560)	(2,778)	20,715
Tax	(3,238)	365	381	(3,984)
Net Profit	12,139	(2,195)	(2,397)	16,731
EPS	16.3	(3.0)	(3.2)	22.5
Gross Margin %	13.4%	-1.7%	-1.7%	14.6%
Operating Margin %	2.2%	-14.0%	-43.8%	4.0%

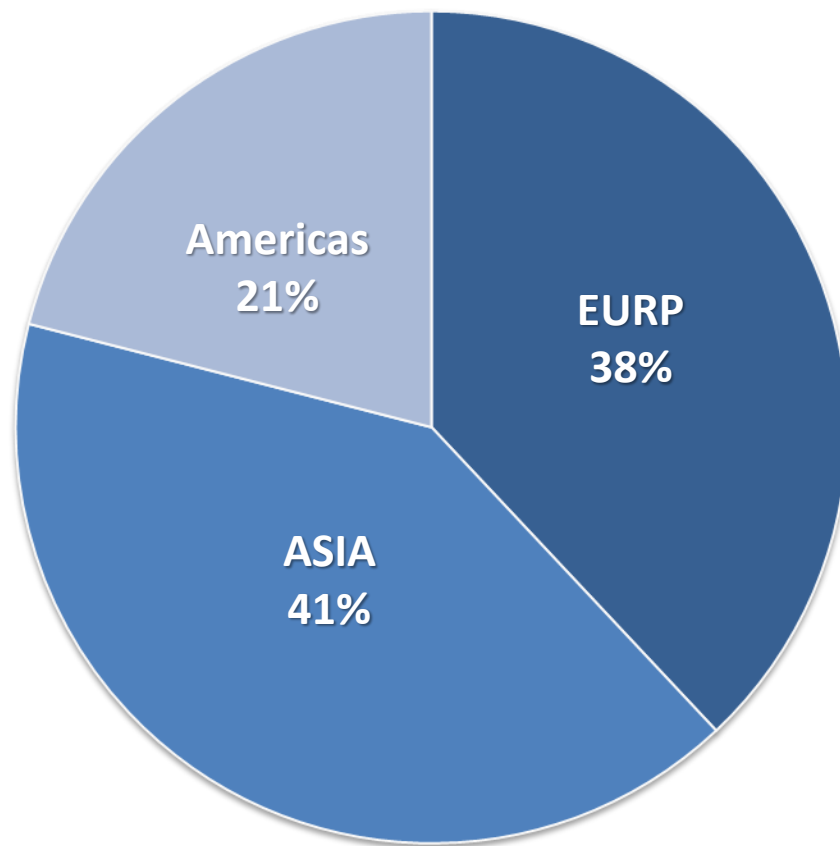
營運狀況摘要

4Q 2019 營收組合

By Product Group



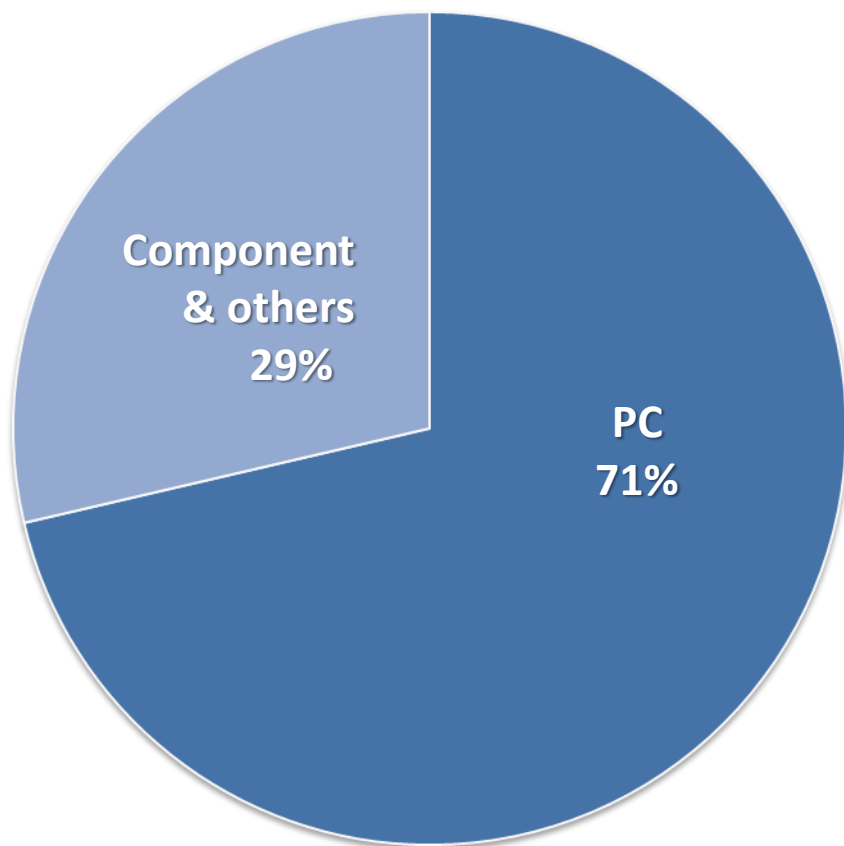
By Region



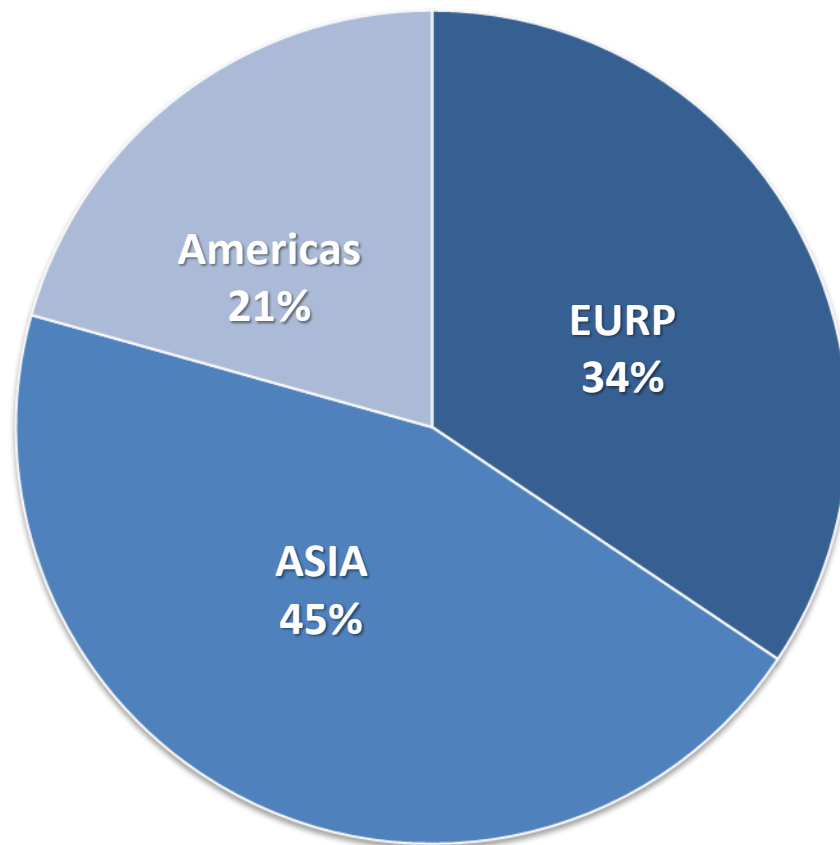
* Excluding revenue of smartphones

2019 營收組合

By Product Group



By Region



* Excluding revenue of smartphones

1Q 2020 營運展望

- PC QoQ -40%
- Component QoQ -5%

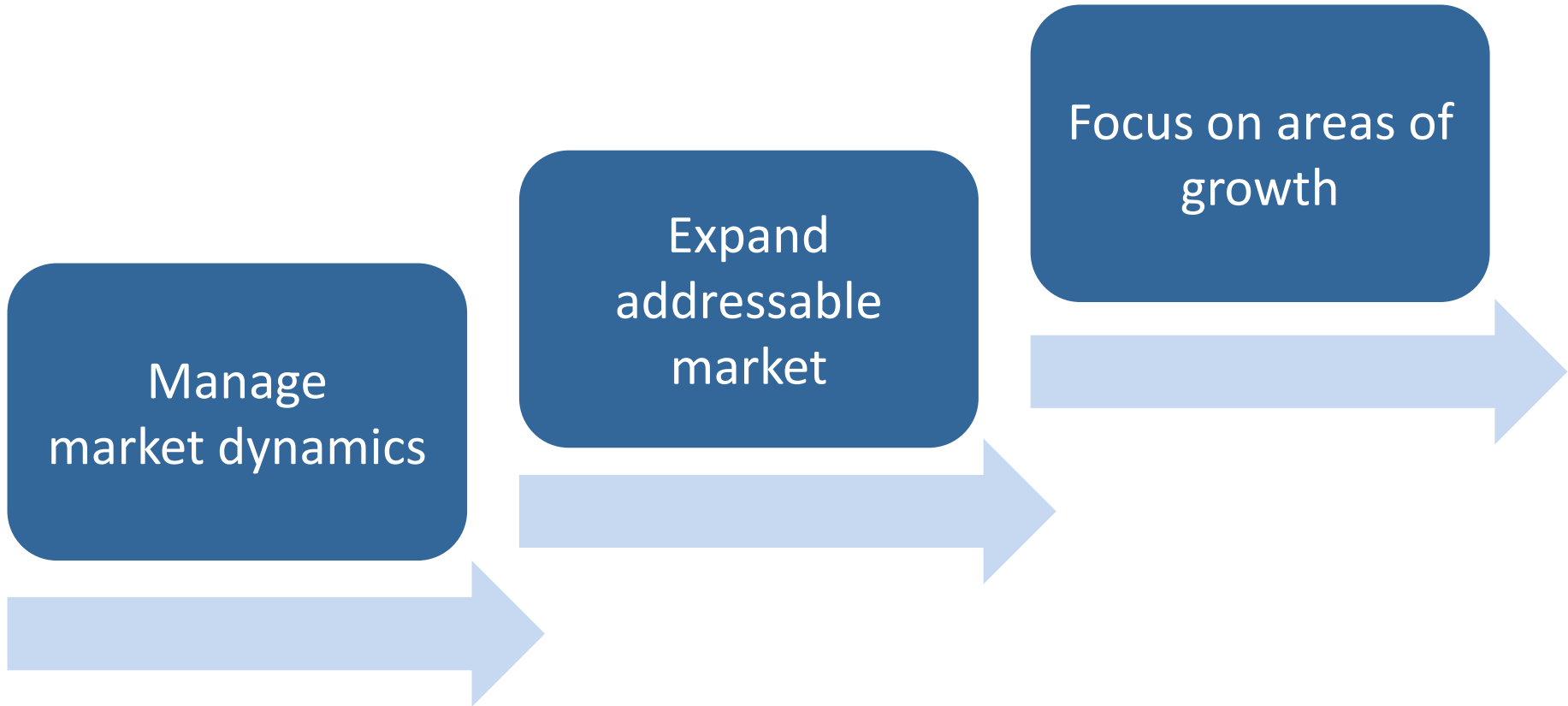
策略與展望

COVID-19 Assessment

- Employee health and customer needs are top priorities
- See the opportunity in every difficulty
- Higher uncertainties in the short term without compromise to long-term growth objectives

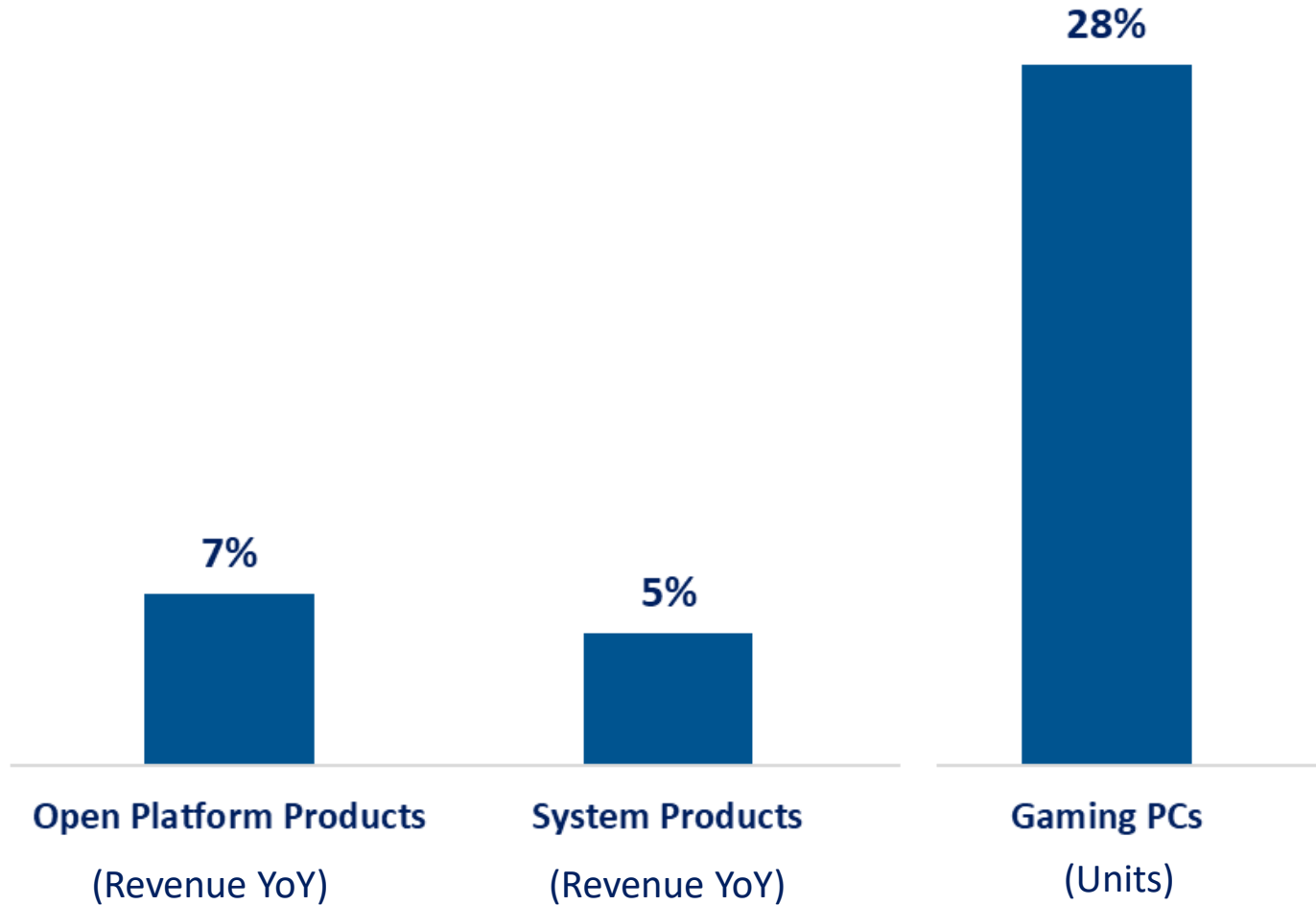
	Short Term	Long Term
Demand	Epidemic prevention	Stronger demand - Work from home - E-commerce, e-learning
Supply	Supply chain disruption	Leaner inventory Automation and efficiency

Key Business Objectives



Business Growth

YoY growth by product in 4Q 2019



ASUS AIoT

- Evolution and revolution
- Aspirational goals for the next three years
- Value creation through AI talent and domain experts

Smart
Manufacturing

Smart
Healthcare

Smart
Retail

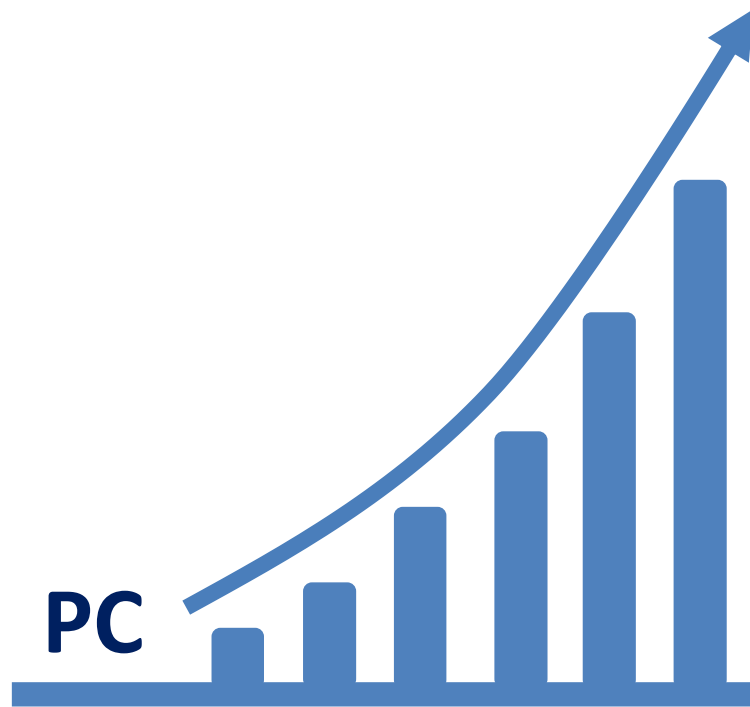
State-of-the-Art AI

Domain Expertise

Standardized Solutions

Consumer PCs

- Brand and product strength
- Expand addressable market
- Best user experience



Commercial

Build comprehensive product portfolio and channel partners



ExpertBook B9450



Chromebook Flip C436

AIoT

Enable the transformation of computing solutions for commercial and industrial domains

Smart Manufacturing



Production
Scheduling



Equipment



MES



Factory
Management



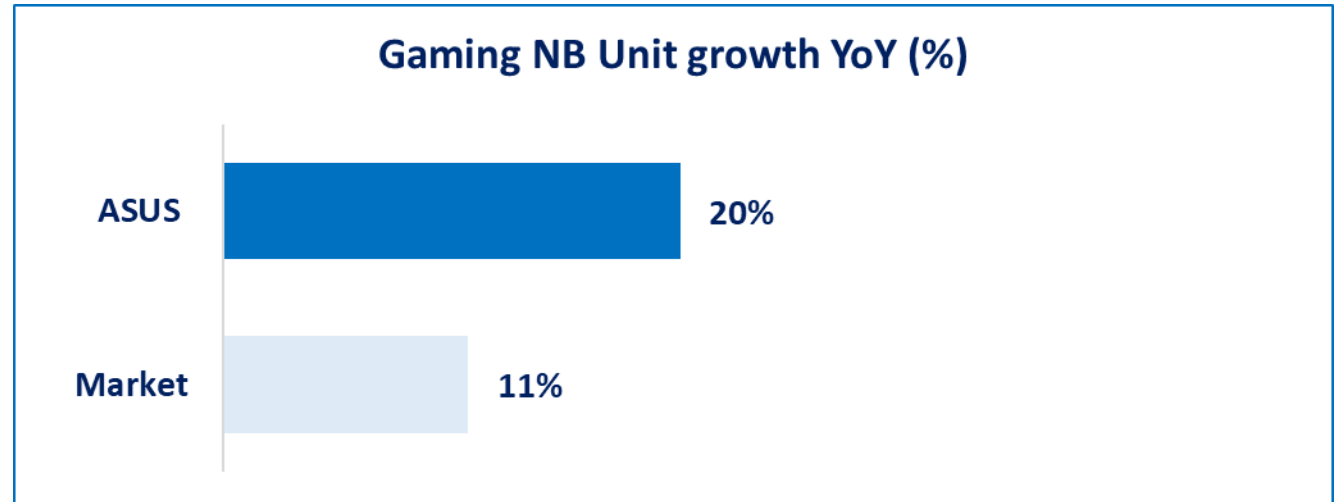
Quality
Inspection



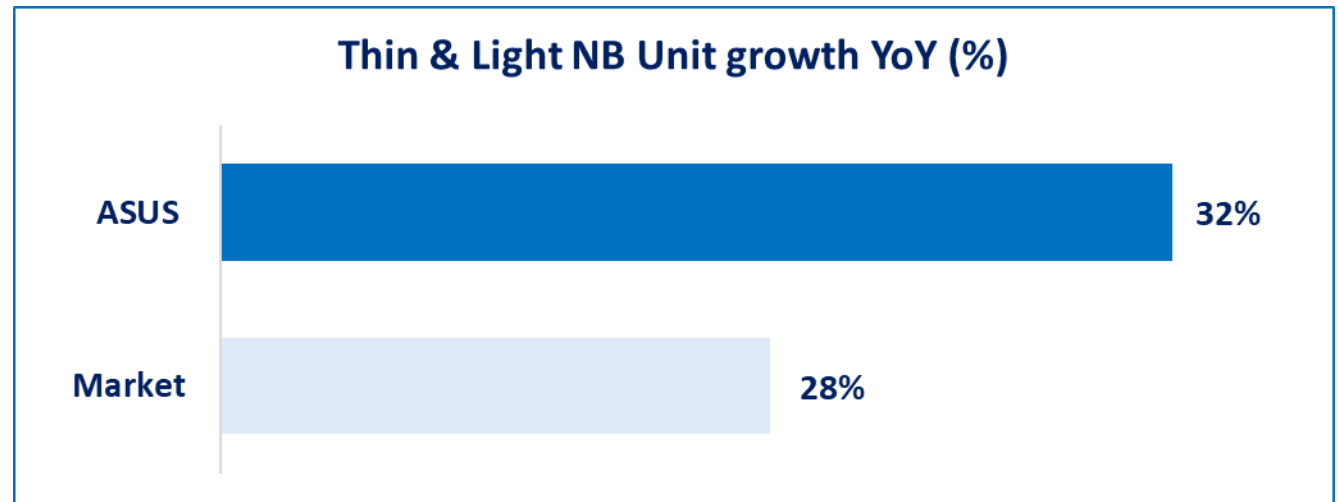
Logistics

ASUS Notebook Shipment Growth in 2019

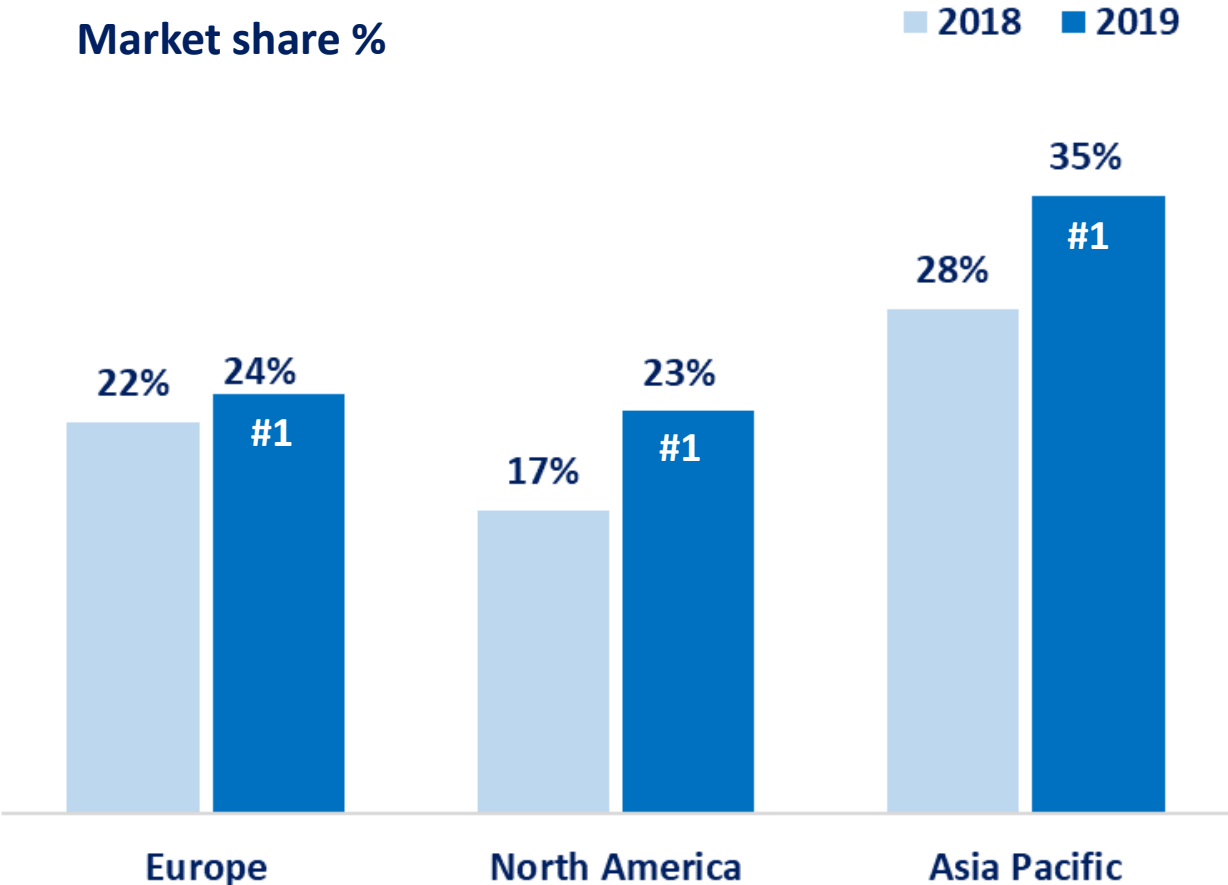
Gaming Notebooks



Thin & Light Notebooks



Gaming Notebook Growth by Region



問與答

1. As the supply chain utilization rate is recovering in March, why does 1Q 2020 guidance imply the revenue in March to be flat month-over-month?
2. What was the main reason that the operating expense in 4Q 2019 has climbed up significantly compared to last year?

3. What is the impact of Covid-19 in the first half this year? On the demand side, do you see an increase in demand due to work from home or gaming? Or do you see decrease in demand due to the economic fluctuation and decline?

4. What was the revenue contribution and the year-over-year growth rate of gaming PC in 2019? What is the growth target in 2020? Is the gross margin higher than 10%?

5. Can you explain why the other income in non-OP items showed a significant difference between 2019 and 2018? And what is your view on 1Q 2020 operating margin?

6. The price of components such as MLCC and memory has been increasing recently. Can ASUS reflect the pressure of rising cost on the pricing of products? Or it can not be transferred to the end users and thus more pressure on profit.

7. Can you provide the financial guidance of the smartphone business in 2020? Will the inventory adjustment of old smartphone be completed by 2Q 2020 as planned under the influence of COVID-19? As the operating loss of new smartphone was NT\$2.8bn last year, can it further reduce in 2020?

8. In terms of the 1Q 2020 guidance of Component business, why does it guide a 5% quarter-over-quarter decline which is smaller albeit the impact of COVID-19?

9. Has ASUS encountered difficulties in logistics due to the border control in various countries? What is the inventory level at the overseas channel?

10. Amazon has announced the suspension on the sales of 3C products while taken the supply of daily necessities as priority. And what is your view on US market?

11. Considering the current situation, can you give us more color on 2020 dividend policy?
12. Will the launch of new products be delayed in 2020? How does the company plan on it?
13. After the outbreak of COVID-19, has ASUS reviewed the supply chain and planned on the decentralization of manufacturing operations? What is the proportion of China and outside-China production for now?

14. How is the supply situation of CPU? Is there still supply shortage issue?

15. AS Nvidia has cancelled the GTC event, will it affect the growth outlook of Gaming PCs and Component business?

16. As we have heard that there is shortage on notebooks and tablets in the market, will the company consider to increase the pricing of products?

17. Considering the worst scenario, will the company experience a loss in 1Q 2020?
18. Will the seasonality in 2Q 2020 be different from the past and show a quarter-over-quarter revenue growth?
19. Can you give us more color on the overall business outlook for 2Q 2020?

20. What was the profit of gaming phone business in 2019? As Tencent has also collaborated with other vendor on gaming phone, how does it impact on ASUS? When will the ROG Phone 3 be launched?