Valve explains why it isn’t subsidizing the Steam Machine

While this might seem like an easy solution, it doesn’t align with our beliefs about how healthy ecosystems are built. If there’s anything we’re religious about at Valve, it’s our belief that open systems are better in the long run, for ourselves and customers. The openness of the PC ecosystem in particular has enabled it to be the primary driver of hardware and software innovation, because anyone with an idea for a way to do something better was able to take a shot at it. When companies sell their hardware under cost for competitive advantage, or buy exclusive content for it, they’re doing that to build a more closed system, one where you don’t get to choose what software you want to use.

We don’t want that for PC hardware, and we don’t think you should want it either. You shouldn’t feel like you have to buy Valve hardware; you should be able to view it as just one option alongside all the devices for playing games, and select the one that makes sense for you. This means you get to decide which device fits your personal tradeoffs around things like price, performance, form factor, peripheral support, and everything else you care about. That’s the strength of the open PC platform, and subsidizing hardware runs counter to it.

https://www.theverge.com/games/952004/valve-steam-machine-price-not-subsidizing