

INVESTOR PRESENTATION

Q2 2020 RESULTS

July 28, 2020

Cautionary Note Regarding Forward-Looking Statements: All matters discussed in this presentation, except for any historical data, are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to, economic conditions and trends in the semiconductor industry generally and the timing of the industry cycles specifically, currency fluctuations, corporate transactions, financing and liquidity matters, the success of restructurings, the timing of significant orders, market acceptance of new products, competitive factors, litigation involving intellectual property, shareholders or other issues, commercial and economic disruption due to natural disasters, terrorist activity, armed conflict or political instability, epidemics and other risks indicated in the Company's reports and financial statements. The Company assumes no obligation nor intends to update or revise any forward-looking statements to reflect future developments or circumstances.

› Strong long term growth prospects

- ALD market expected to be a key growth market, ASMI has leadership position in ALD
- Driving structurally higher sales in the other product lines

› COVID-19 update

- The health and safety of our employees continues to be our key priority
- Supply chain and logistical conditions resulted in operating challenges during Q2, but started to improve towards the end of the quarter

› Healthy profitability

- Gross margin improved from 44.5% in Q1 to 48.3% in Q2, driven by exceptionally strong sales mix

› Strong balance sheet

- Solid cash position of €432m at the end of Q2, no debt
- €100m share buyback program started last June

2020 Q2 KEY RESULTS

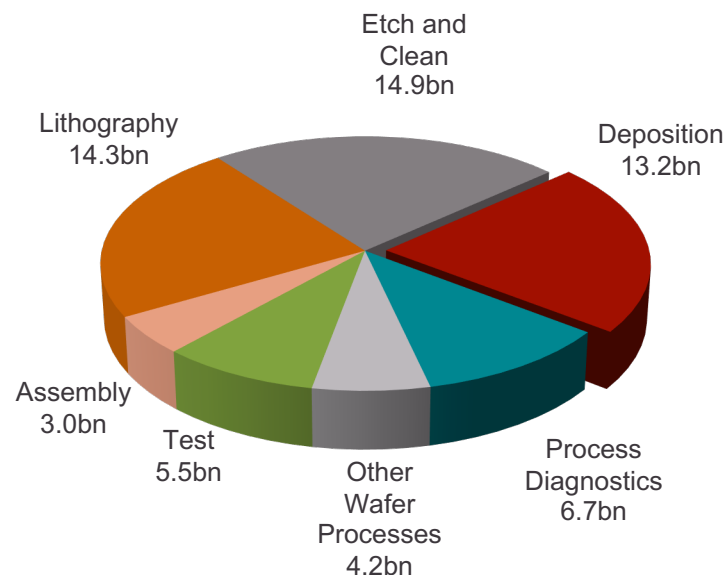


	Q2 2019*	Q1 2020	Q2 2020
New orders	269.9	333.5	298.0
Net sales	260.2	325.1	341.8
Gross profit margin %	42.8%	44.5%	48.3%
Operating results	47.0	78.1	87.6
Operating margin	18.1%	24.0%	25.6%
Normalized result from investments	2.0	0.7	10.7
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(3.4)	(3.5)	(3.3)
Net earnings	121.6	74.1	74.1
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013)	125.0	77.6	77.4

* Q2 2019 excludes gain from arbitration settlement, except for (normalized) net earnings

- > ASM is a market leader in ALD
- > Positions in Epitaxy, PECVD and Vertical Furnaces

Equipment market segments 2019 (US\$)



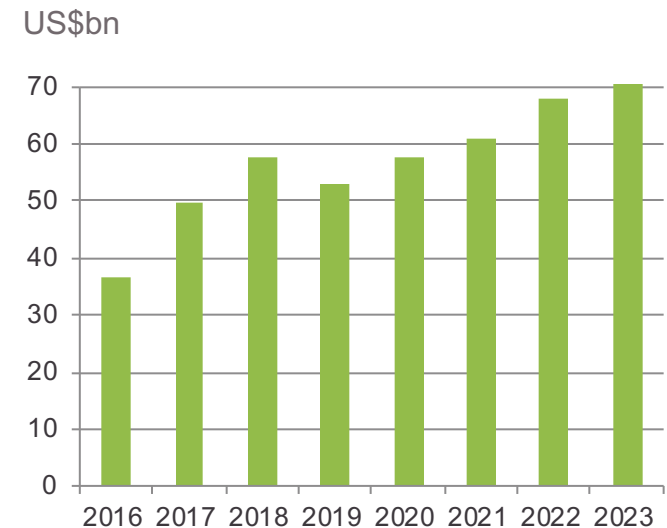
VLSI Research, March 2020

ASM's focus is on deposition equipment

EQUIPMENT MARKET OUTLOOK

- › Gartner expects a 9% decrease in WFE in 2020, followed by a 2% increase in 2021 (Jul '20)
- › After downgrading to a drop of 7% last March, VLSI Research upgraded its forecast for WFE 2020 and now expects an increase of 9% (Jul '20). For 2021, VLSI forecasts a further increase of 6% in WFE
- › ASMI's statement on the WFE outlook is as follows: "Based upon the current market developments we expect the wafer fab equipment (WFE) market to grow with a mid- to high single digit percentage in 2020."

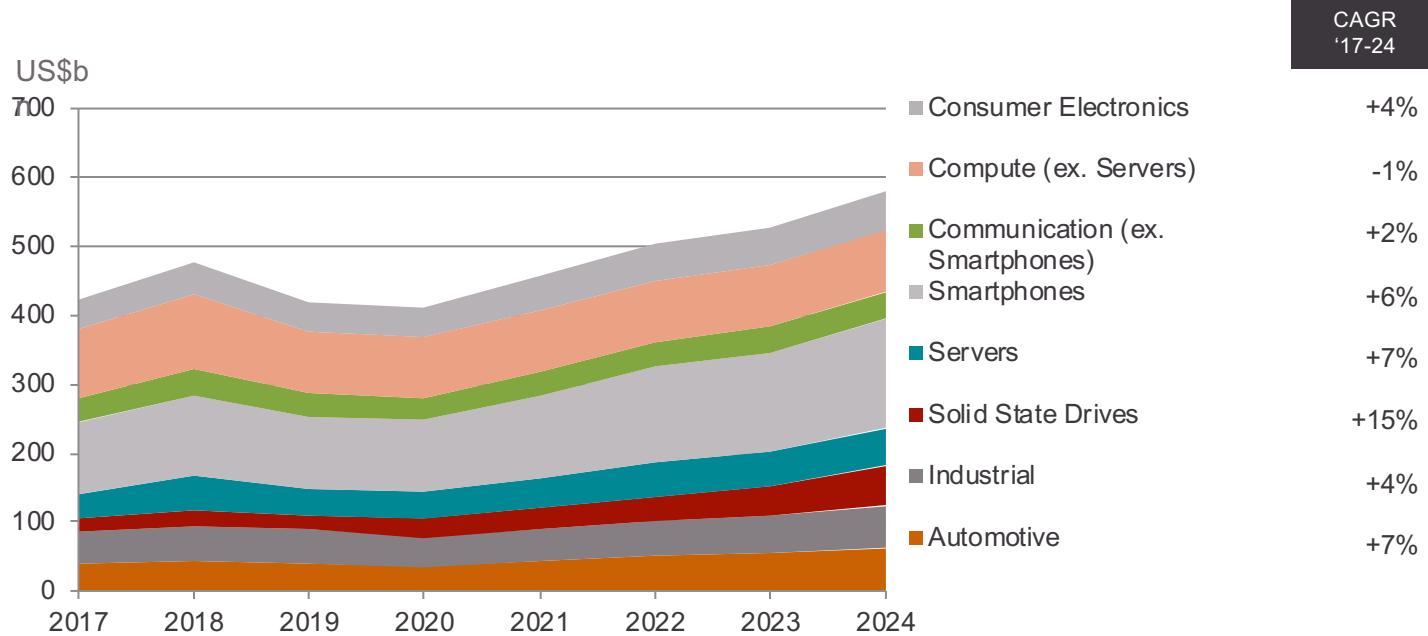
Wafer Fab Equipment spending



VLSI Research, July 2020

VLSI upgraded its WFE forecast for 2020 and now expects +9% growth

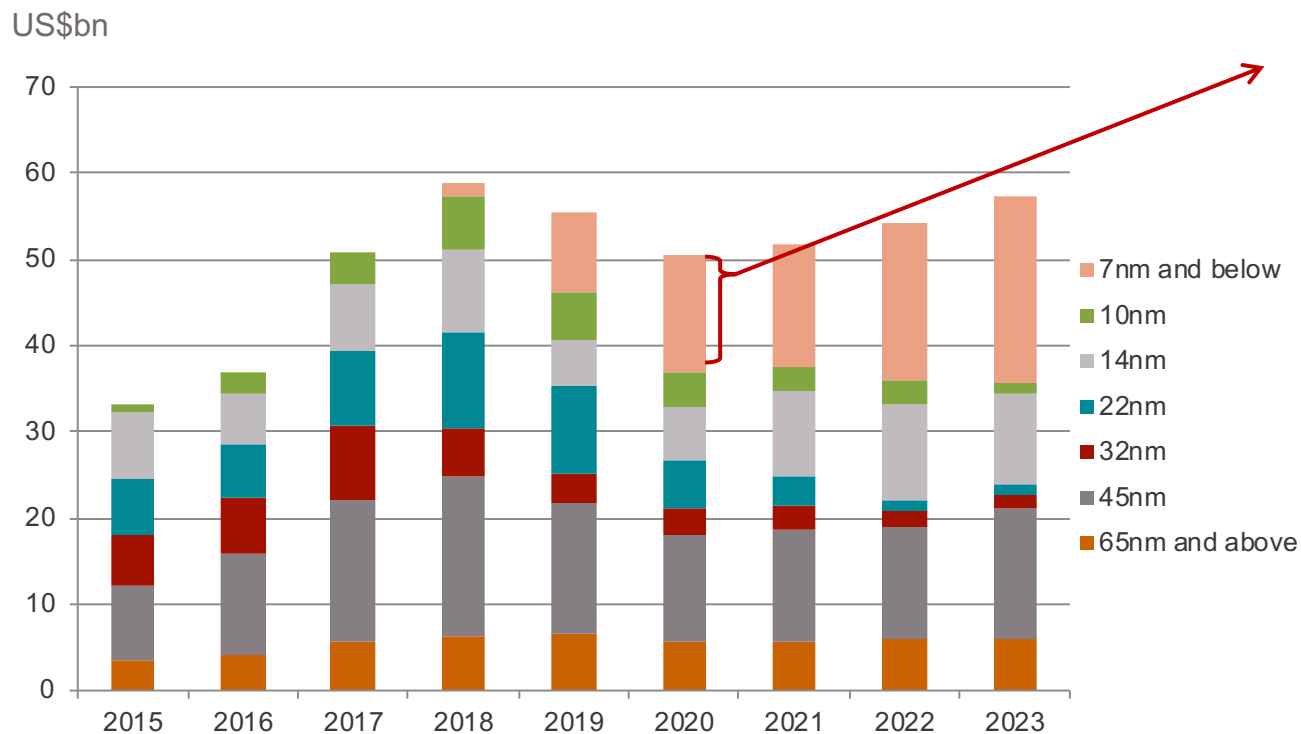
Semiconductor sales by key application



Gartner, June 2020

- › Smartphones expected to resume growth driven by 5G
- › New structural drivers are Solid State Drives, Servers, Industrial and Automotive

WAFER FAB EQUIPMENT SPENDING BY NODE



Strongest growth in leading edge nodes

Gartner, July 2020

- > Advanced nodes: market segments with high expected growth
- > 45nm mainly driven by 3D-NAND spending

› **ALD technology is a key enabler of Moore's Law**

- Strengths of Atomic Layer Deposition: high-precision deposition of smooth and conformal ultra-thin films, ability to deposit new materials
- Device scaling, new materials and 3D architectures drive increased demand for ALD

› **ASMI has leading positions in ALD**

- ASMI has strongest position in logic/foundry. Logic/foundry ALD market more than doubled from 14nm/16nm to 7nm
- ALD continued to account for more than half of ASM's equipment revenue in 2019
- Strong focus on increasing our addressable market within single wafer ALD

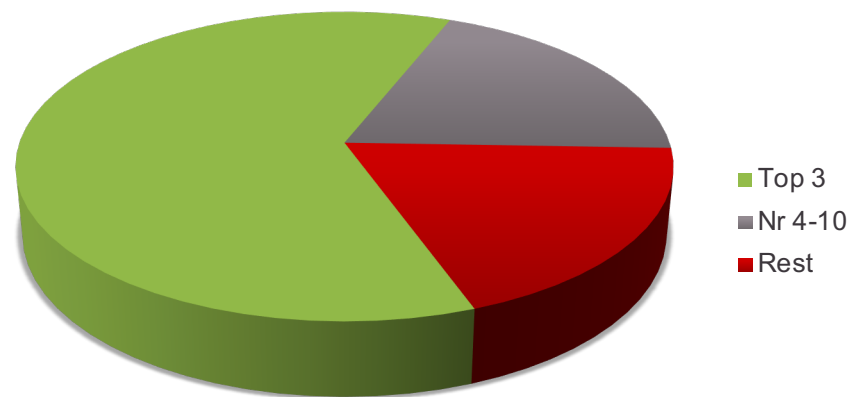
› **Strong market outlook ALD**

- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

- › **Focused player, differentiated technologies**
- › **Track record of innovation**
- › **Global network, streamlined operations**
- › **Leadership in ALD**
 - Developing ALD technology since 1999
 - Leading market share in ALD
- › **Close cooperation with the leading IC manufacturers**
- › **Strong IP portfolio**

ASMI sales 2019

- › Engaged with all of the top-10 semiconductor capital equipment spenders



Growing share of wallet with top clients

KEY POINTS DURING THE QUARTER

> COVID-19 update

- Health and safety are key priority at ASM
- ASM sales in Q2 reached the higher end of guidance, despite challenges in supply chain and logistics, which started to improve towards the end of the quarter

> Solid sales momentum in the first half

- Driven by the logic/foundry segment and record sales in China
- ASM expects to outgrow WFE in FY2020

> Solid growth expected for the ALD market

- We expect the single wafer ALD market to reach a size of approx. US\$1.5 billion by '20-'21
- Focus on expanding our addressable market within the single wafer ALD space

> Shareholder remuneration

- Final dividend of €2.00 per share paid last May (total dividend over 2019: €3.00 p.s., including extraordinary dividend of €1.50 p.s.)
- New €100m share buyback started on June 2, 2020; 10% completed as of July 24, 2020

ASMPT RESULTS

	Q2 2019	Q1 2020	Q2 2020
Net profit ASMPT (€ million, 100% based)	8	3	43
Normalized result from investments (including ASMI's share of ASMPT net profit)	2.0	0.7	10.7
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(3.4)	(3.5)	(3.3)
Results from investments after amortization	(1.4)	(2.8)	7.4

- › As of March 2013 our share in ASMPT's net earnings is included in 'result from investments'
- › ASMI's stake in ASMPT amounts to approximately 25%. In 2017, ASMI reduced its stake in two steps from 39% to 25%
- › Related amortization intangible assets is expected to amount to €13.4m in 2020

FINANCIAL OVERVIEW

Q2 2020 FINANCIAL HIGHLIGHTS

- › Revenue was up 5% q-o-q and up 32% y-o-y (excluding the €103m gain from the patent litigation settlement in Q2 2019)
- › Bookings down 11% q-o-q and up 10% y-o-y (excluding settlement in Q2 2019). Book-to-bill ratio of 0.9. Q2 backlog of €317m down from €365m in Q1
- › Gross margin 48.3% in Q2 vs. 44.5% in Q1 driven by exceptionally strong sales mix
- › SG&A increased 15% q-o-q due to higher bonus payments and one-offs
- › R&D increased 18% q-o-q mainly due to impairments of €5m in Q2
- › Currency translation loss of €6m in Q2 2020 vs. translation gain of €12m in Q1
- › Normalized net earnings* of €77m in Q2 vs. €78m in Q1
- › Free cash flow was €0m in Q2 vs. €41m positive in Q1, with solid profitability offset by an increase in working capital. The latter was mainly due higher accounts receivables as a relatively large part of sales was recorded towards the end of the quarter

* excluding amortization intangible assets resulting from the stake sale ASMPT in 2013

Based upon the current backlog and our current visibility:

For Q3, on a currency comparable level, we expect sales of €300-320 million. Q3 bookings, on a currency comparable level, are expected to be in the range of €280-300 million. Based upon the current market developments we expect the wafer fab equipment (WFE) market to grow with a mid- to high single digit percentage in 2020. Our Q4 sales are expected to be at least at the same level as in Q3, hence we expect to outgrow the WFE market in 2020.

NET EARNINGS

€ million	Q2 2019	Q1 2020	Q2 2020
New orders	373.1	333.5	298.0
Backlog	299.6	365.3	317.4
Book-to-bill	1.0	1.0	0.9
Net sales	363.3	325.1	341.8
Equipment sales	207.7	269.3	264.4
Spares & service	52.5	55.8	77.4
Patent litigation settlement	103.1	-	-
Gross profit	214.4	144.8	165.1
Gross profit margin %	59.0%	44.5%	48.3%
Selling, general and administrative expenses	(40.3)	(35.8)	(41.0)
Research and development expenses	(23.8)	(31.0)	(36.5)
Operating result	150.2	78.1	87.6
Operating margin %	41.3%	24.0%	25.6%
Net interest expenses	-	(0.4)	(0.4)
Currency translation gains / (losses)	(4.5)	12.4	(6.0)
Income tax	(22.6)	(13.2)	(14.6)
Normalized result from investments	2.0	0.7	10.7
Amort. intangibles resulting from the stake sale ASMPT 2013	(3.4)	(3.5)	(3.3)
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Numbers based on reported financials

R&D EXPENDITURE

€ million	Q2 2019	Q1 2020	Q2 2020
R&D expenditure	(37.4)	(40.9)	(42.2)
Capitalized development expenditure	17.1	15.6	15.8
Amortization capitalized development expenditure	(3.4)	(5.5)	(5.3)
Impairment capitalized development expenditure	-	-	(4.8)
R&D expenses	(23.8)	(31.0)	(36.5)

CASH FLOW

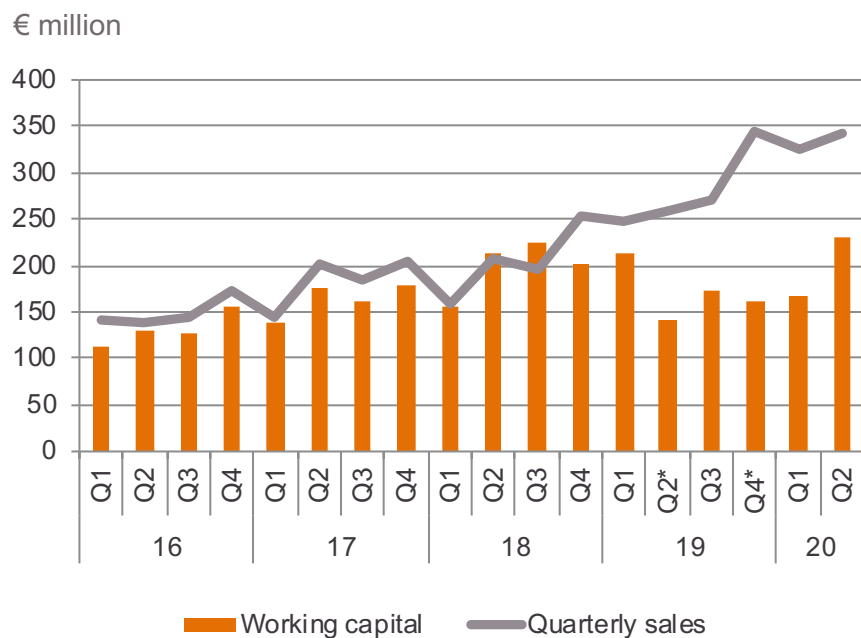
€ million	Q2 2019	Q1 2020	Q2 2020
Net earnings	121.6	74.1	74.1
Depreciation, amortization and impairments	17.4	19.2	24.1
Result from investments	1.4	2.8	(7.4)
Evaluation tools	1.4	(20.5)	(5.8)
Other adjustments	26.7	16.3	15.9
Change in working capital	(35.3)	(10.4)	(65.5)
Net cash from operating activities	133.3	81.4	35.5
Capital expenditure	(9.2)	(24.0)	(18.9)
Capitalized development expenditure	(17.1)	(15.6)	(15.8)
Dividend received from investments	16.5	-	8.4
Other	(0.1)	(0.6)	(1.3)
Net cash from investing activities	(9.9)	(40.2)	(27.6)
Payment of lease liabilities	(1.9)	(1.9)	(2.0)
Dividend paid and capital repaid to ASMI shareholders	(49.4)	(0.6)	98.1
Share buyback	-	(3.9)	(6.9)
Other	0.8	0.3	0.1
Net cash from financing activities	(50.5)	(6.1)	(107.0)

Numbers based on reported financials

BALANCE SHEET

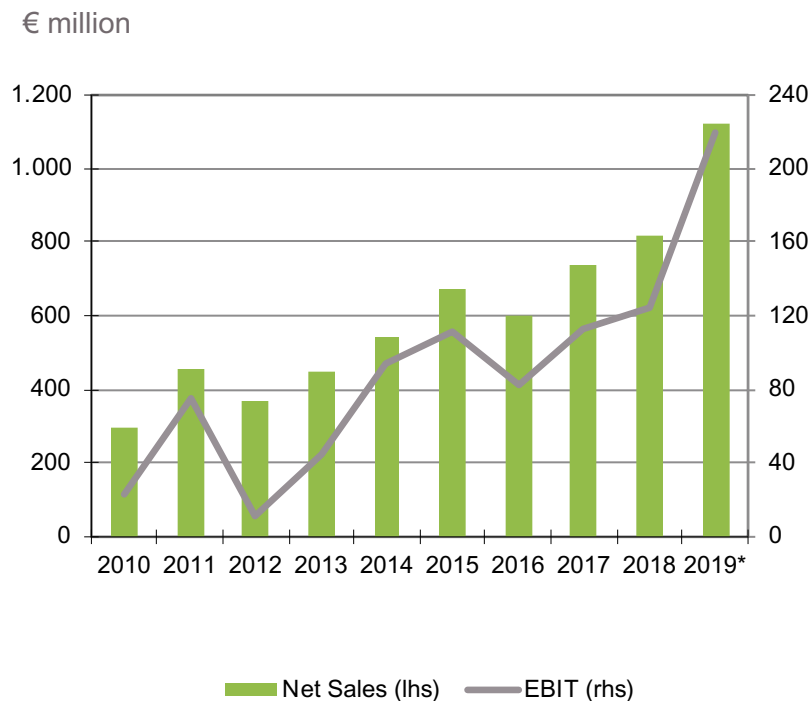
€ million	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020
Cash and cash equivalents	498	529	432
Accounts receivable	200	188	244
Inventories	173	162	176
Other current assets	75	90	85
Right-of-use assets	28	26	28
Investments in associates	778	792	776
Property, plant and equipment	165	180	188
Goodwill and other intangible assets	200	212	215
Evaluation tools at customers	47	66	68
Other non-current assets	11	12	12
Total Assets	2,175	2,256	2,223
Accounts payable	120	132	130
Short-term debt	-	-	-
Other current liabilities	201	182	203
Long-term debt	-	-	-
Other non-current liabilities	36	35	36
Equity	1,819	1,907	1,855
Total Liabilities and Equity	2,175	2,256	2,223

WORKING CAPITAL

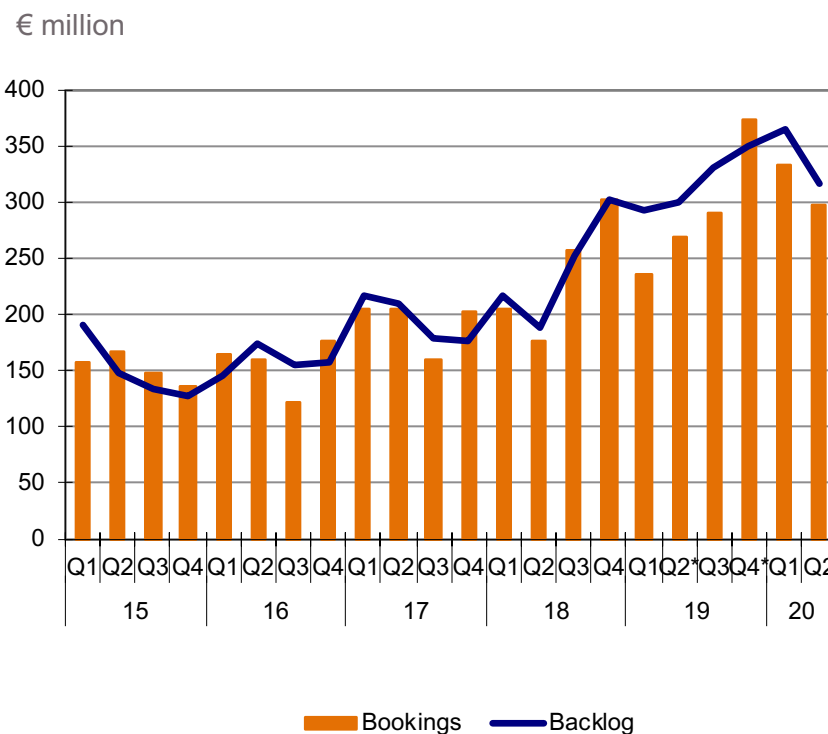


Numbers based on reported financials; * excludes impact patent litigation & arbitration settlements

HISTORICAL DEVELOPMENT



* 2019 excludes settlement gains of €159m



Numbers based on reported financials;
* excludes impact patent litigation & arbitration settlements

