

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q1 2018 RESULTS

April 19, 2018

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› Strong growth prospects

- ALD market expected to grow by double digits, ASMI has leadership position in ALD
- ASMI sales grew at a CAGR of 14% since 2010 compared to 6%* for the WFE market
- Additional growth opportunities in Epitaxy and PECVD
- Order intake in Q1 remained at strong levels

› Healthy profitability

- Gross margin of 38% in Q1, impacted by newly introduced products, sales mix and costs associated with preparation for anticipated higher activity levels. Operating expenses in Q1 remained relatively stable compared to previous quarters

› Solid balance sheet

- Strong cash position, no debt
- €250m share buyback program started Sept 2017, completed per Mar 29, 2018
- Proposed capital return of €4 per share, cancellation of 6m shares and intention to start another €250m share buyback program announced in Feb 2018.
- Proposal to the AGM 2018 to raise dividend by 14% to €0.80 per share

* Source: Gartner Market Statistics, December 2017

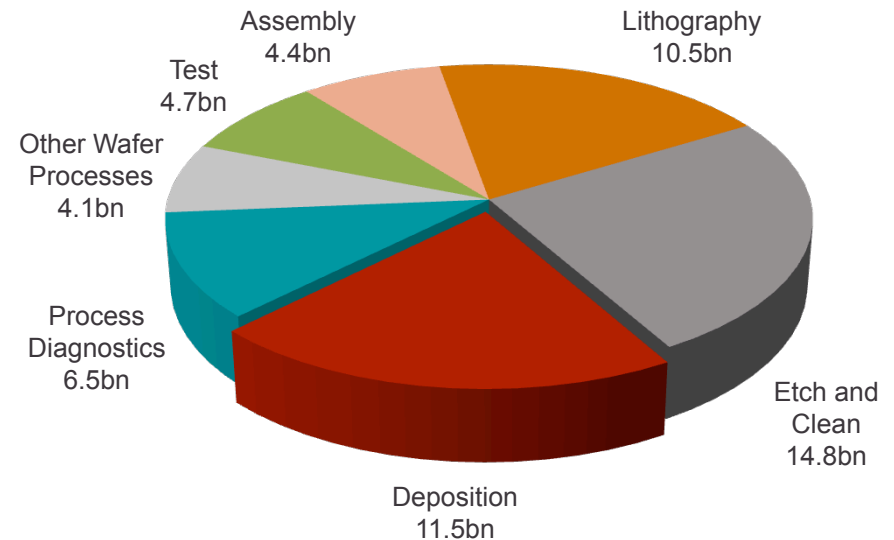
2018 Q1 KEY RESULTS



	<i>(restated)</i> Q1 2017	<i>(restated)</i> Q4 2017	Q1 2018
New orders	204.2	203.2	206.5
Net sales	156.8	181.5	159.0
Gross profit margin %	43.0%	39.6%	37.8%
Operating results	19.4	26.0	11.8
Normalized result from investments	35.4	14.0	16.3
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.8)	(4.6)	(3.8)
Result from the sale of ASMPT shares	-	183.9	-
Net earnings	40.4	215.9	15.0
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from the sale of ASMPT shares in 2017)	46.2	36.6	18.8

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

Equipment market segments (US\$)

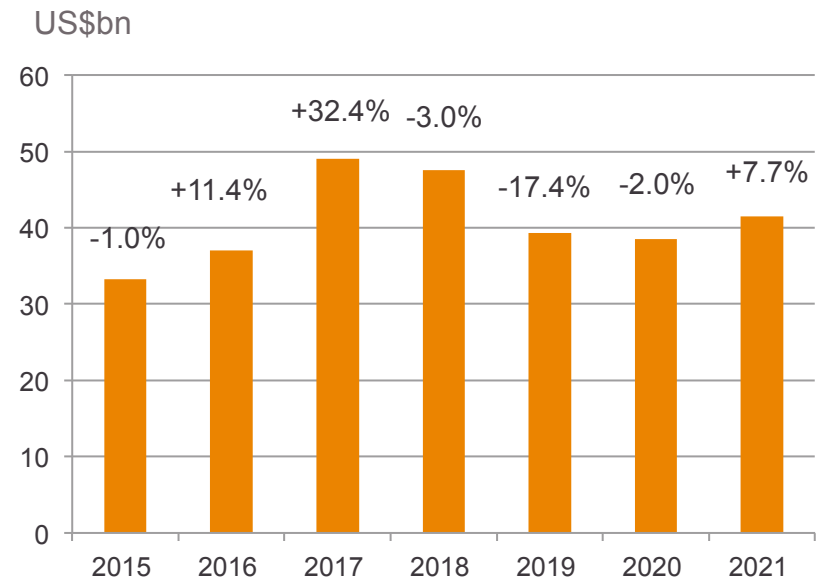


VLSI Research, April 2018

ASM's focus is on deposition equipment

- › WFE increased by 32% in 2017 according to Gartner
- › Investments in leading edge equipment remain the key driver

Wafer Fab Equipment Spending

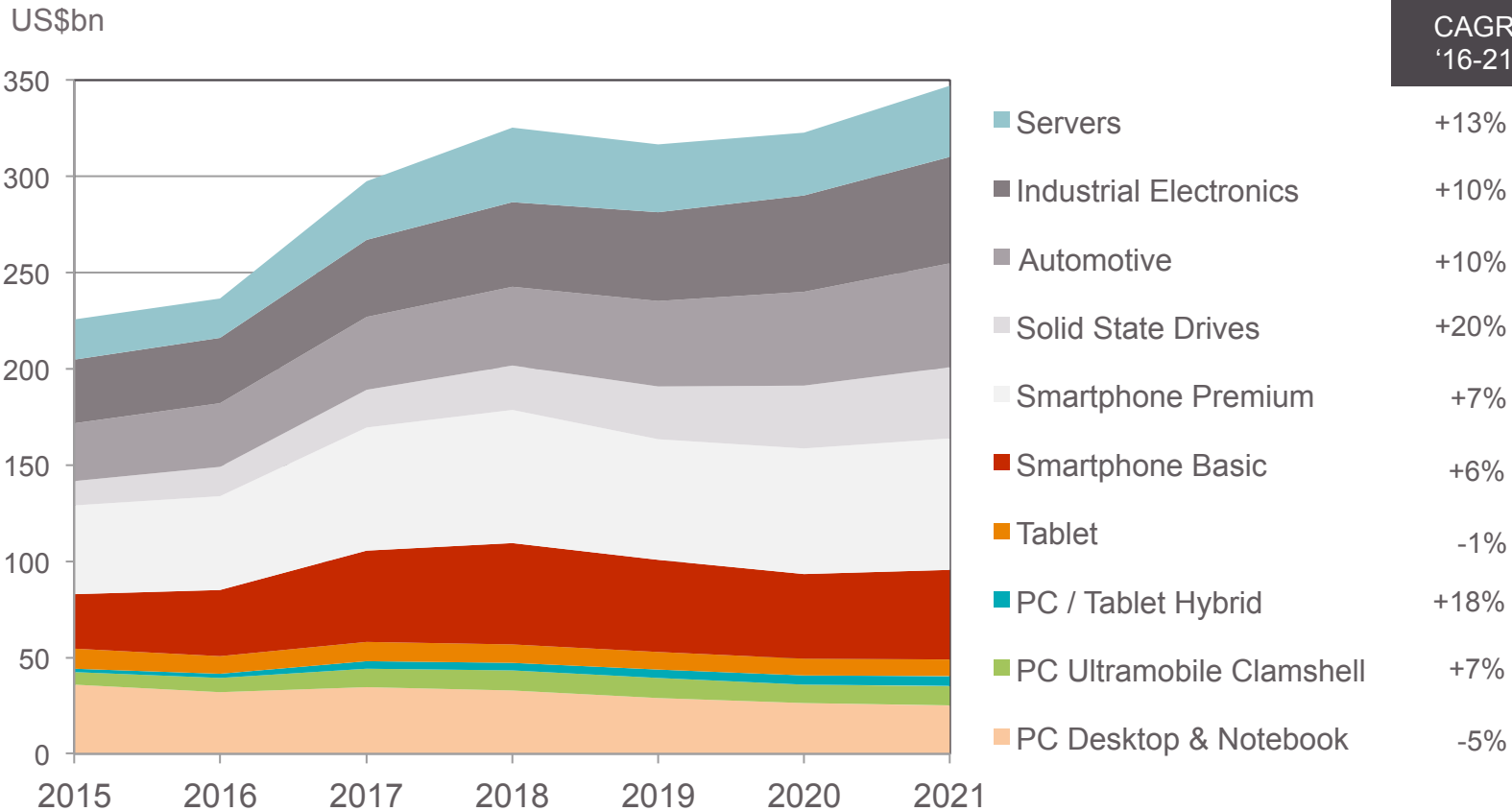


Gartner, December 2017

Gartner estimates the Wafer Fab Equipment market grew 32% in 2017 and forecasts a modest decline in 2018

SEMICONDUCTOR GROWTH DRIVERS

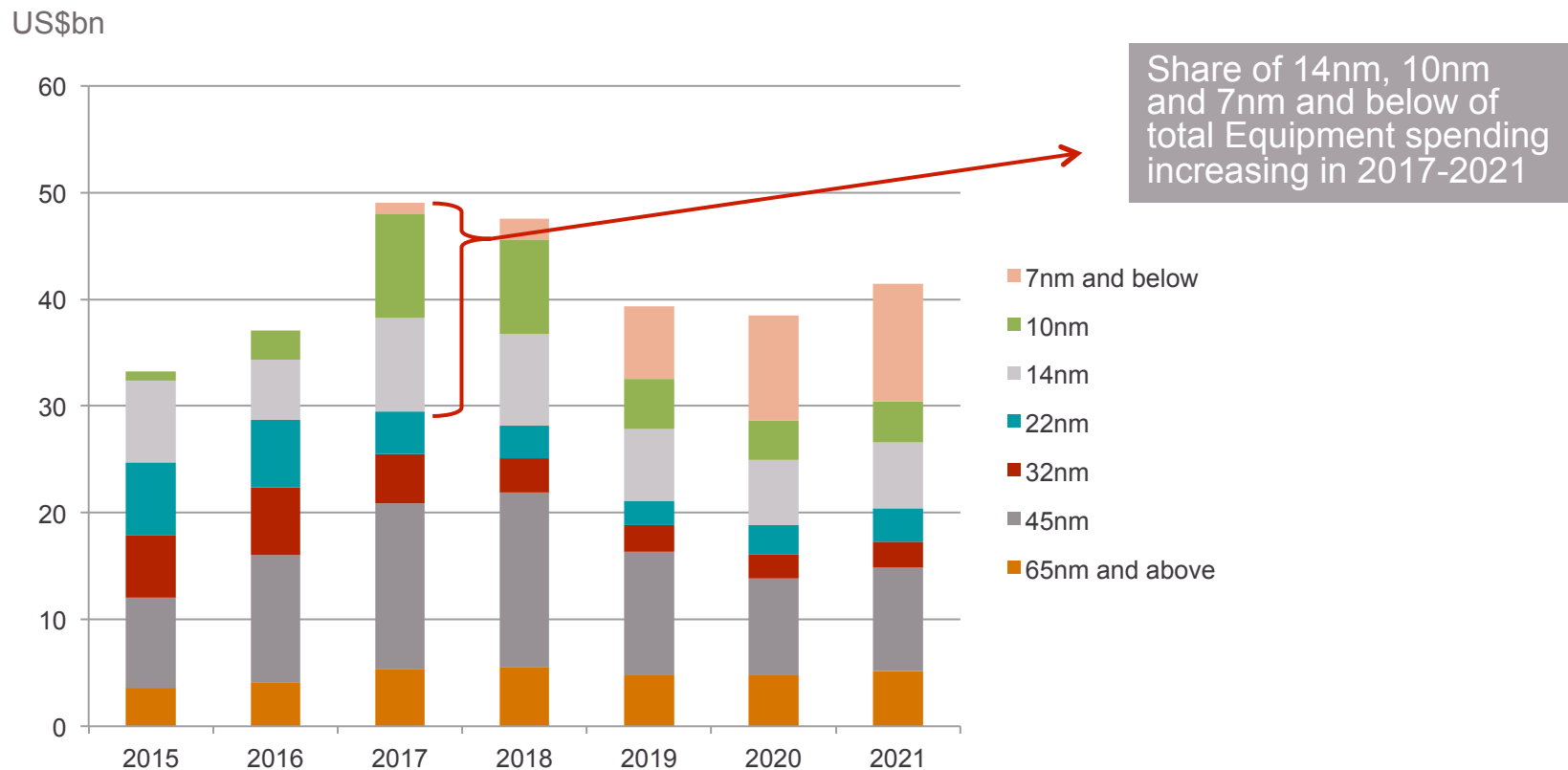
SEMICONDUCTOR SALES BY KEY APPLICATION



Gartner, December 2017

- > Current drivers are mobile devices, but long term growth rate is slowing
- > New growth drivers are Solid State Drives, Servers and Industrial/Automotive (MtM)

WAFER FAB EQUIPMENT SPENDING BY NODE



Gartner, December 2017

- > Advanced nodes: market segments with high expected growth
- > Continued strength in 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

- Leadership in high-k metal gate, spacer defined multiple patterning and several new applications
- ALD continued to account for clearly more than half of ASM's equipment revenue in 2017

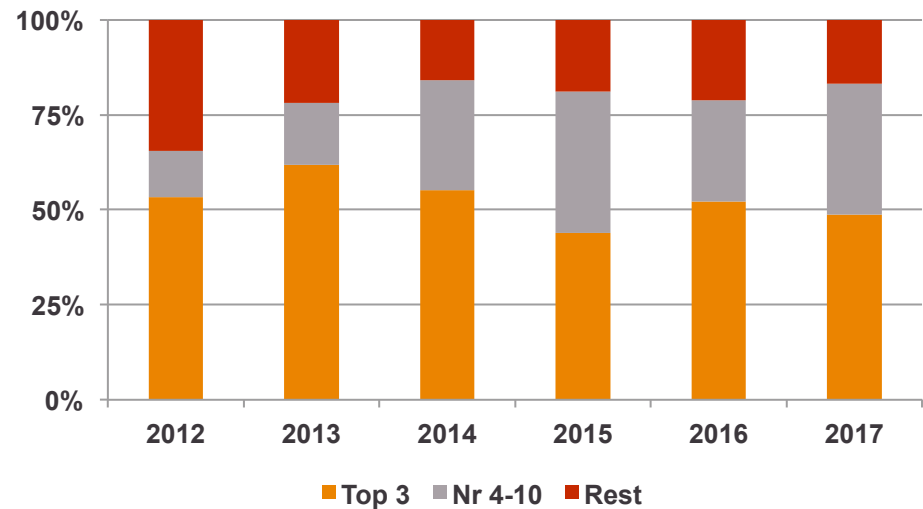
› Strong market outlook ALD

- Drivers are further deployment of ALD in volume manufacturing, new applications and process steps
- 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**

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

ASMI revenue



Growing share of wallet with top clients

› Solid growth expected for the ALD market

- Single wafer ALD market showed a clear improvement in 2017
- We expect the single wafer ALD market to reach a size of approx. US\$1.5 billion by 2020-2021

› Growth in newly introduced products

- Epitaxy and PECVD showed strong growth in 2017

› Shareholder remuneration

- €250m share buyback program started Sept 2017, completed per Mar 29, 2018
- ASMI plans a new €250m share buyback program and a tax efficient capital repayment of €4 per share as part of the €445m proceeds from the 9% stake in ASMPT that was sold last November
- Proposal to the AGM 2018 to cancel 6m treasury shares
- Proposal to raise dividend by 14% to €0.80 per share

STAKE IN ASMPT REDUCED TO 25% NOV '17

- › **On Nov 2, 2017, ASMI sold a 9% stake in ASMPT for proceeds of approx. €445 million**
 - 37 million shares in ASMPT were placed at a price of HK\$111 per share through an accelerated bookbuild offering
 - ASMI intends to distribute the proceeds through a new €250 million share buyback program and a tax efficient capital return of €4 per share

- › **With this 9% stake sale Management Board aims to take an important further step in creating long term value for the company**
 - Next to continuous efforts in strengthening the company's Front-end operations

- › **Management Board remains of the opinion that, at this moment, a significant stake in ASMPT is of strategic value to ASMI**
 - With a remaining stake of approximately 25% in ASMPT the company believes that this strategic value is still maintained

- › **Last April, ASMI sold a 5% stake in ASMPT for proceeds of €245 million**
 - Proceeds of this 5% stake sale were used for a new €250 million share buyback program that started in September

ASMPT RESULTS

	Q1 2017	Q4 2017	Q1 2018
Sales ASMPT (HK\$ million)	3,761	4,227	4,346
Net profit ASMPT (€ million, 100% based)	89	49	65
Normalized result from investments (including ASMI's share of ASMPT net profit)	35.4	14.0	16.3
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(5.8)	(4.6)	(3.8)
Result from sale of ASMPT shares	-	183.9	-

- › **As of March 2013 our share in ASMPT's net earnings is included in 'result from investments'**
- › **On November 2, 2017, we announced the sale of a stake of approximately 9%, reducing our holding in ASMPT from 34% to 25%. Net earnings in Q4 2017 included a result of €184m related to this stake sale**

FINANCIAL OVERVIEW

Q1 2018 HIGHLIGHTS

- › Revenues down 12% q-o-q and up 1% y-o-y
- › Bookings up 2% q-o-q and up 1% y-o-y. Book-to-bill ratio of 1.3
- › Q1 backlog of €218m up 27% q-o-q
- › Gross margin of 37.8% in Q1 was for 2%-points negatively impacted by initial costs related to new product introductions (vs. 5% and 3% points impact in Q3 and Q4 2017, resp.) next to a negative impact from sales mix and costs associated with preparation for higher anticipated activity levels
- › Operating margin of 7.4% in Q1 2018 vs. 14.3% in Q4 and 12.4% in Q1 2017
- › Free cash flow of €15m positive in Q1 2018
- › Normalized net earnings* of €19m in Q1 2018, down from €37m in Q4 and €46m in Q1 2017
- › Translation differences included in financial results were negative €8m in Q1 2018 vs. negative €5m in Q4 and negative €7m in Q1 2017

* *excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from the sale of ASMPT shares in 2017*

Based upon the current backlog and our current visibility:

For Q2, on a currency comparable level, we expect sales of €200-230 million, and we expect an order intake of €160-200 million. The broad ranges for Q2 reflect some uncertainty around the exact timing of individual tools.

For 2018, market watchers currently expect the wafer fab equipment market to increase with, on average, a high single digit percentage. We aim to outgrow the wafer fab equipment market in 2018.

NET EARNINGS

EUR million	(restated) Q1 2017	(restated) Q4 2017	Q1 2018	Q1 2018 vs Q4 2017	Q1 2018 vs Q1 2017
New orders	204.2	203.2	206.5	2%	1%
Backlog	194.3	171.2	217.9	27%	12%
Book-to-bill	1.3	1.1	1.3		
Net sales	156.8	181.5	159.0	(12)%	1%
Gross profit	67.4	71.8	60.2	(11.6)	(7.2)
Gross profit margin %	43.0%	39.6%	37.8%		
Selling, general and administrative expenses	(23.0)	(25.0)	(27.2)	9%	18%
Research and development expenses	(24.5)	(20.7)	(21.0)	2%	(14)%
Restructuring expenses	(0.5)	(0.1)	(0.1)	n/a	n/a
Operating result	19.4	26.0	11.8	(14.2)	(7.6)
Operating margin %	12.4%	14.3%	7.4%		
Financing costs	(7.3)	(5.1)	(8.0)	(2.9)	(0.7)
Income tax	(1.3)	1.6	(1.3)	(2.9)	-
Normalized result from investments	35.4	14.0	16.3	2.3	(19.1)
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.8)	(4.6)	(3.8)	0.8	2.0
Result from the sale of ASMPT shares	-	183.9	-	(183.9)	-
Net earnings	40.4	215.9	15.0	(200.9)	(25.4)
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from the sale of ASMPT shares in 2017)	46.2	36.6	18.8	(17.8)	(27.4)

R&D EXPENDITURE

EUR million	Q1 2017	Q4 2017	Q1 2018
R&D expenditure	(27.6)	(29.5)	(28.4)
Capitalized development expenditure	6.7	14.7	10.1
Amortization capitalized development expenditure	(3.6)	(2.9)	(2.8)
Impairment capitalized development expenditure	-	(3.0)	-
R&D expenses	(24.5)	(20.7)	(21.0)

CASH FLOW

EUR million	Q1 2017	Q1 2018
Normalized net earnings	35.9	15.0
Depreciation, amortization and impairments	11.9	11.5
Result from investments	(29.7)	(12.5)
Other adjustments	1.0	6.1
Change in working capital	14.3	13.4
Net cash from operating activities	33.4	33.5
Capital expenditure	(6.4)	(8.3)
Capitalized development expenditure	(6.7)	(10.1)
Dividend received from investments	-	-
Other	(0.8)	(0.3)
Net cash from investing activities	(13.9)	(18.7)
Dividend paid and capital repaid to ASMI shareholders	-	-
Share buyback	(30.5)	(102.5)
Other	6.8	1.0
Net cash from financing activities	(23.7)	(101.5)

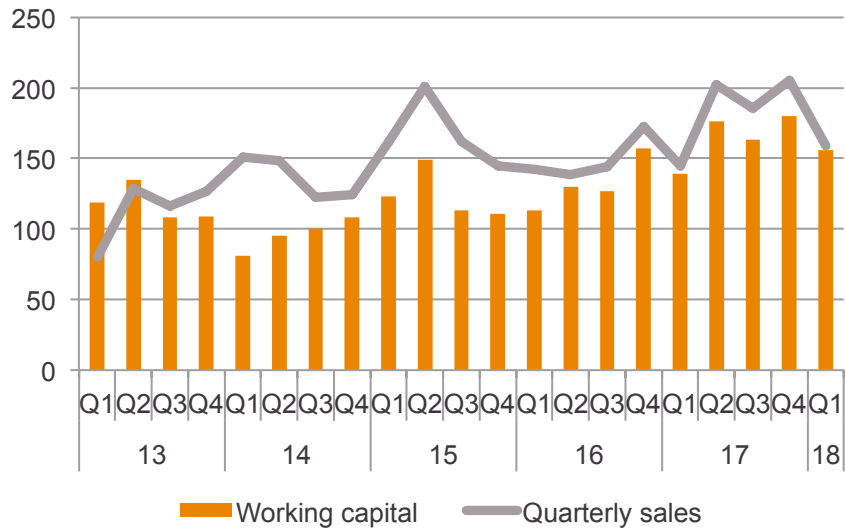
Numbers based on reported financials

BALANCE SHEET

EUR million	<i>(audited)</i> Dec 31, 2017	Mar 31, 2018
Cash and cash equivalents	836	741
Accounts receivable	163	128
Inventories	143	152
Other current assets	20	14
Investments and associates	731	726
Property, plant and equipment	107	108
Goodwill and other intangible assets	125	131
Other non-current assets	53	65
Total Assets	2,177	2,063
Accounts payable	79	86
Short-term debt	-	-
Other current liabilities	72	54
Long-term debt	-	-
Other non-current liabilities	14	14
Equity	2,012	1,908
Total Liabilities and Equity	2,177	2,063

WORKING CAPITAL

EUR million



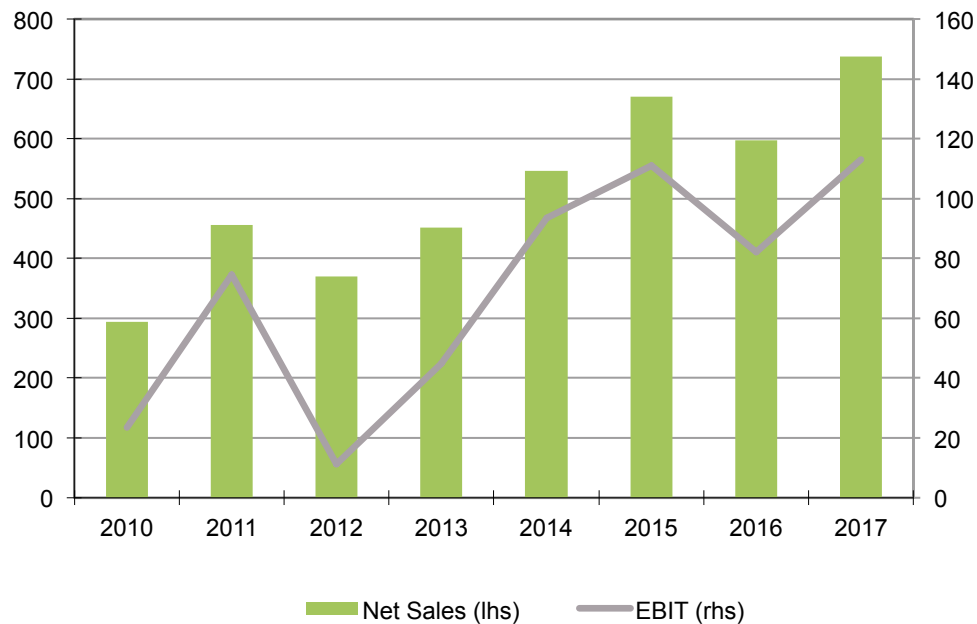
Days



Numbers based on reported financials

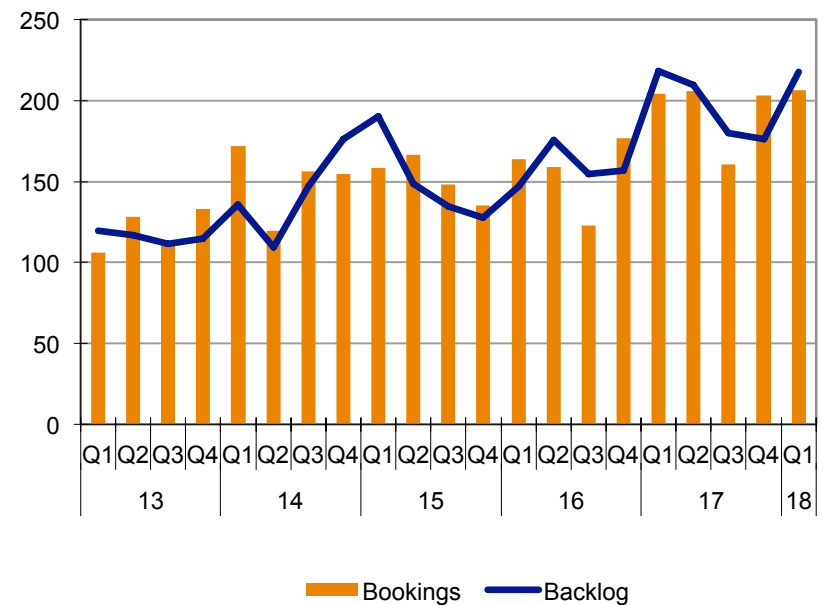
HISTORICAL DEVELOPMENT

EUR million



Numbers based on audited financials

EUR million



Numbers based on reported financials

BREAKDOWN SALES

	<i>(restated)</i> 17Q1	<i>(restated)</i> 17Q2	<i>(restated)</i> 17Q3	<i>(restated)</i> 17Q4	<i>(restated)</i> FY17	<i>(restated)</i> 18Q1
Equipment sales	119.4	172.5	136.9	138.5	567.3	120.3
Spares & services sales	37.4	42.0	41.2	43.0	163.6	38.6
Net sales	156.8	214.5	178.1	181.5	730.9	159.0

RESTATED QUARTERS 2017

	<i>(restated)</i> 17Q1	<i>(restated)</i> 17Q2	<i>(restated)</i> 17Q3	<i>(restated)</i> 17Q4	<i>(restated)</i> FY17	18Q1
New orders	204.2	205.9	160.4	203.2	773.7	206.5
Net sales	156.8	214.5	178.1	181.5	730.9	159.0
Gross profit margin %	43.0%	43.4%	38.8%	39.6%	41.3%	37.8%
Operating results	19.4	42.7	20.8	26.0	108.9	11.8
Normalized result from investments	35.4	30.9	32.1	14.0	112.4	16.3
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.8)	(7.3)	(5.4)	(4.6)	(23.1)	(3.8)
Result from the sale of ASMPT shares	-	101.0	-	183.9	284.9	-
Net earnings	40.4	154.5	37.3	215.9	448.1	15.0
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from the sale of ASMPT shares in 2017)	46.2	60.8	42.7	36.6	186.3	18.8

