

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q1 2020 RESULTS

April 21, 2020

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› 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

- Key priority is the health and safety of our employees and families, and our customers and partners. All appropriate actions taken to protect our staff and to maintain business operations for customers in a safe manner.
- Despite challenges in supply chain and logistics due to lockdowns and travel restrictions across the globe ASM sales in Q1 reached the high end of guidance

› Strong balance sheet

- Solid cash position of €529m at the end of Q1, no debt
- Healthy free cash flow of €41m in Q1 2020
- Proposed regular dividend of €1.50 per share over 2019, up 50% from 2018, and an extra-ordinary dividend of €1.50 per share over 2019

2020 Q1 KEY RESULTS

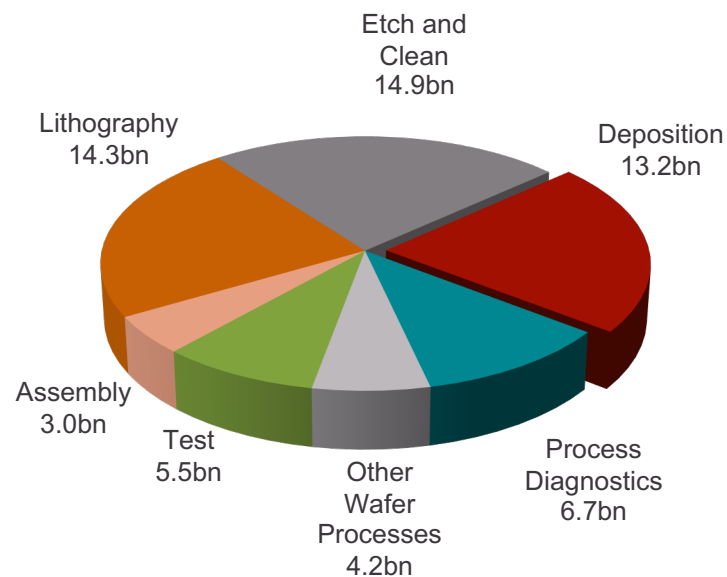


	Q1 2019	Q4 2019*	Q1 2020
New orders	235.0	373.0	333.5
Net sales	248.8	344.6	325.1
Gross profit margin %	41.3%	43.6%	44.5%
Operating results	47.0	74.9	78.1
Operating margin	18.9%	21.7%	24.0%
Normalized result from investments	3.1	6.4	0.7
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(3.4)	(3.5)	(3.5)
Net earnings	49.4	104.5	74.1
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013)	52.8	108.0	77.6

* Q4 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 1% decrease in WFE in 2020, followed by a 5% increase in 2021 (Dec 2019)
- › In March 2020, VLSI Research downgraded its forecast for WFE in 2020 to a decrease of 7% due to the market impact of COVID-19. In February 2020, VLSI still expected an increase of 5% in WFE for 2020. For 2021, it now forecasts a recovery of 19% in WFE.
- › ASMI's statement on the WFE outlook is as follows: "Providing a forecast for the WFE market for the year as a whole is very difficult given the current market uncertainties, but we expect ASMI to start the second half of the year with a strong order book."

Wafer Fab Equipment spending

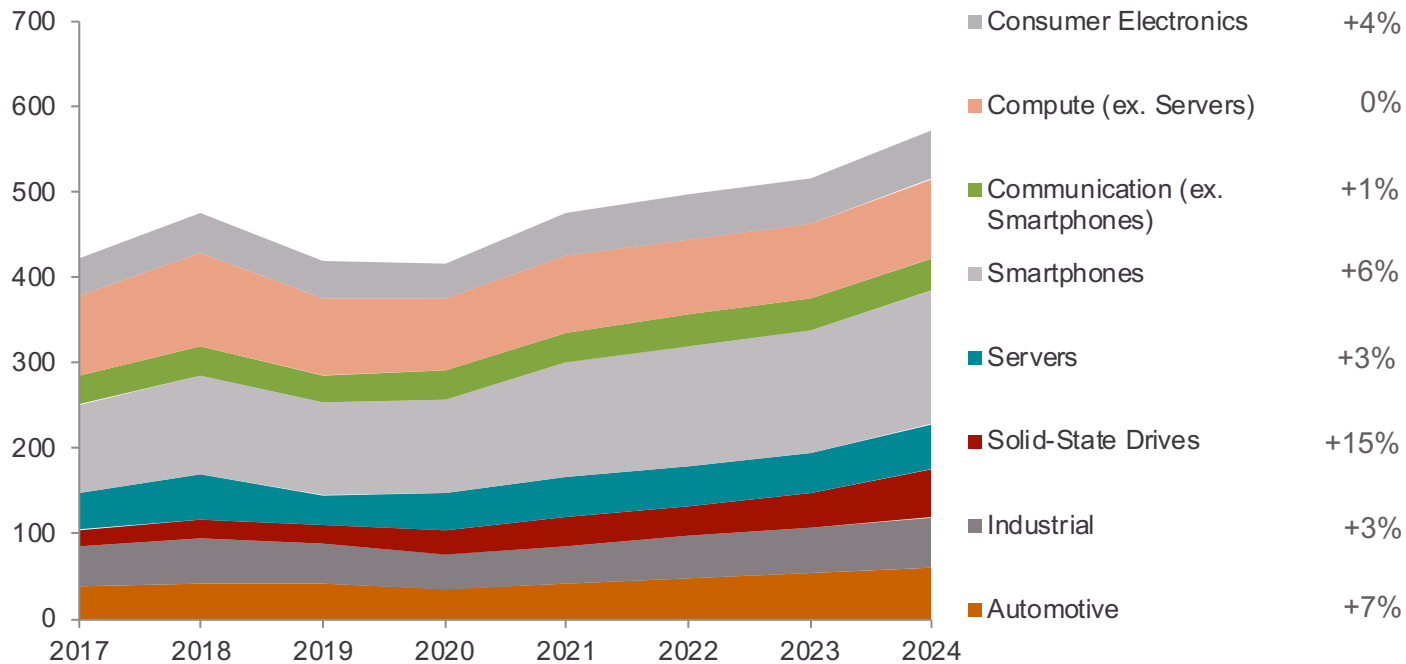


VLSI Research, March 2020

VLSI lowered its WFE forecast for 2020 due to COVID-19 related market impact

Semiconductor sales by key application

CAGR
'17-24

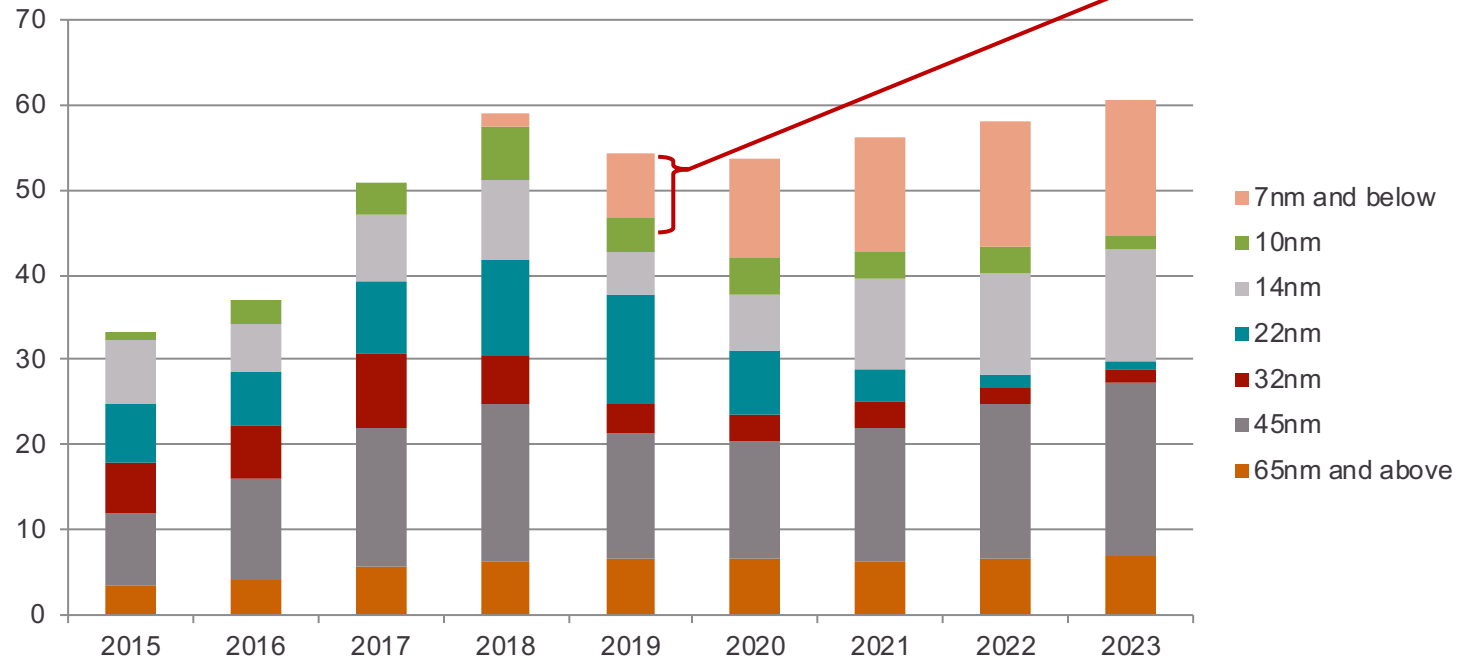


Gartner, April 2020

- > 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

US\$bn



Strongest growth in leading edge nodes

Gartner, December 2019

- > 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**

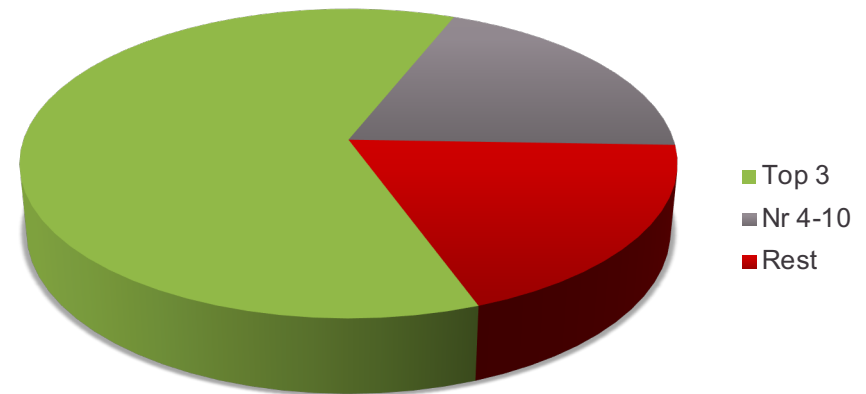
- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

COMPETITIVE ADVANTAGES

- › **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. All appropriate actions taken to protect our staff and to maintain business operations for customers in a safe manner
- Despite challenges in supply chain and logistics due to lockdowns and travel restrictions across the globe ASM sales in Q1 reached the high end of guidance
- Range of guidance for sales in Q2 widened due to risks related to possible disruptions in our supply chain and logistical operations as a result of additional COVID-19 related actions taken by governments so far

› 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

- Announcement of regular dividend of €1.50 per share over 2019, up 50% from 2018, plus an extra-ordinary dividend of €1.50 p.s., for a total dividend of €3.00 p.s. over 2019
- Authorization of a new €100m share buyback announced on Feb 25, 2020

ASMPT RESULTS

	Q1 2019	Q4 2019	Q1 2020
Net profit ASMPT (€ million, 100% based)	12	25	3
Normalized result from investments (including ASMI's share of ASMPT net profit)	3.1	6.4	0.7
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(3.4)	(3.5)	(3.5)
Results from investments after amortization	(0.3)	2.9	(2.8)

- › 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

Q1 2020 FINANCIAL HIGHLIGHTS

- › Revenue was up 31% y-o-y and down 6% q-o-q (excluding the €56m gain from the arbitration settlement in Q4 2019)
- › Bookings up 42% y-o-y and down 11% q-o-q (excluding settlement in Q4). Book-to-bill ratio of 1.0. Q1 backlog of €365m up from €351m in Q4
- › Gross margin 44.5% in Q1 vs. 43.6% in Q4 (excl. settlement gain) driven by mix effects and efficiency improvements
- › SG&A decreased 12% q-o-q. Excluding €4m extra costs for variable employee compensation in Q4 2019 SG&A expenses were relatively stable
- › R&D decreased 12% q-o-q and were stable excluding impairment of €4m in Q4
- › Currency translation gain of €12m in Q1 2020 vs. translation loss of €14m in Q4
- › Normalized net earnings* of €78m in Q1 vs. €108m in Q4 (including settlement)
- › Free cash flow was €41m positive in Q1 2020, driven by solid profitability and despite an increase in working capital and relatively higher capex

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

Based upon the current backlog and our current visibility:

For Q2 on a currency comparable level we now expect sales of €300-350 million. We slightly widened the range by reducing the lower end compared to the earlier indicated range of €330-350 million. The widening of the range is fully attributable to risks related to possible disruptions in our supply chain and logistical operations as a result of additional COVID-19 related actions taken by governments so far. Q2 bookings, on a currency comparable level, are expected to be in the range of €280-310 million.

Providing a forecast for the WFE market for the year as a whole is very difficult given the current market uncertainties, but we expect ASMI to start the second half of the year with a strong order book.

NET EARNINGS

€ million	Q1 2019	Q4 2019	Q1 2020
New orders	235.0	429.0	333.5
Backlog	292.0	351.2	365.3
Book-to-bill	0.9	1.1	1.0
Net sales	248.8	400.6	325.1
Equipment sales	196.8	288.8	269.3
Spares & service	51.9	55.8	55.8
Patent litigation settlement	-	56.0	-
Gross profit	102.8	206.3	144.8
Gross profit margin %	41.3%	51.5%	44.5%
Selling, general and administrative expenses	(33.9)	(40.4)	(35.8)
Research and development expenses	(21.9)	(35.1)	(31.0)
Operating result	47.0	130.9	78.1
Operating margin %	18.9%	32.7%	24.0%
Net interest expenses	-	(0.2)	(0.4)
Currency translation gains / (losses)	4.3	(13.7)	12.4
Income tax	(1.6)	(15.3)	(13.2)
Normalized result from investments	3.1	6.4	0.7
Amort. intangibles resulting from the stake sale ASMPT 2013	(3.4)	(3.5)	(3.5)
Net earnings	49.4	104.5	74.1
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Numbers based on reported financials

R&D EXPENDITURE

€ million	Q1 2019	Q4 2019	Q1 2020
R&D expenditure	(33.4)	(41.4)	(40.9)
Capitalized development expenditure	15.3	14.7	15.6
Amortization capitalized development expenditure	(3.0)	(4.6)	(5.5)
Impairment capitalized development expenditure	(0.8)	(3.8)	-
R&D expenses	(21.9)	(35.1)	(31.0)

CASH FLOW

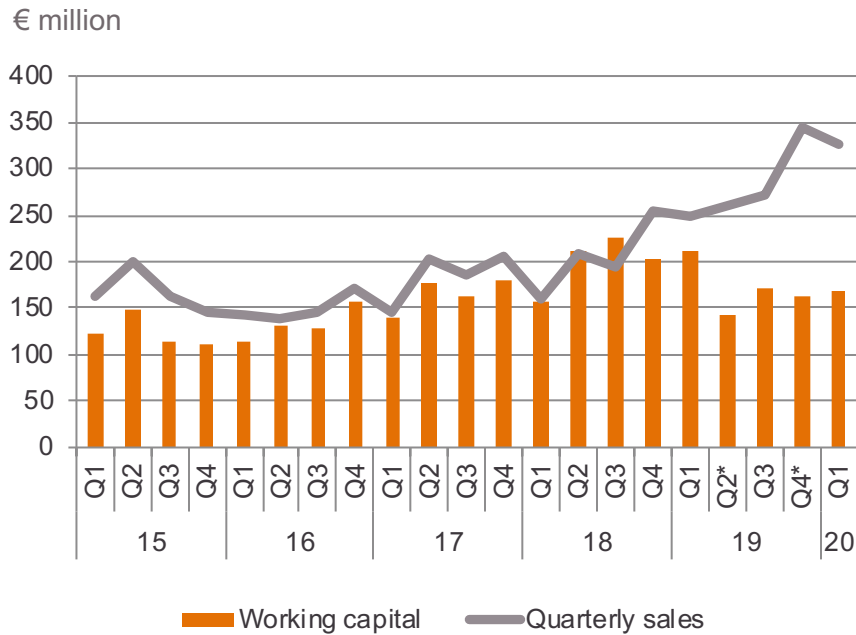
€ million	Q1 2019	Q1 2020
Net earnings	49.4	74.1
Depreciation, amortization and impairments	17.1	19.2
Result from investments	0.3	2.8
Evaluation tools	(1.4)	(20.5)
Other adjustments	(2.5)	16.3
Change in working capital	(10.7)	(10.4)
Net cash from operating activities	52.1	81.4
Capital expenditure	(12.5)	(24.0)
Capitalized development expenditure	(15.3)	(15.6)
Dividend received from investments	-	-
Other	(1.6)	(0.6)
Net cash from investing activities	(29.5)	(40.2)
Payment of lease liabilities	(1.7)	(1.9)
Dividend paid and capital repaid to ASMI shareholders	(1.1)	(0.6)
Share buyback	-	(3.9)
Other	0.2	0.3
Net cash from financing activities	(2.6)	(6.1)

Numbers based on reported financials

BALANCE SHEET

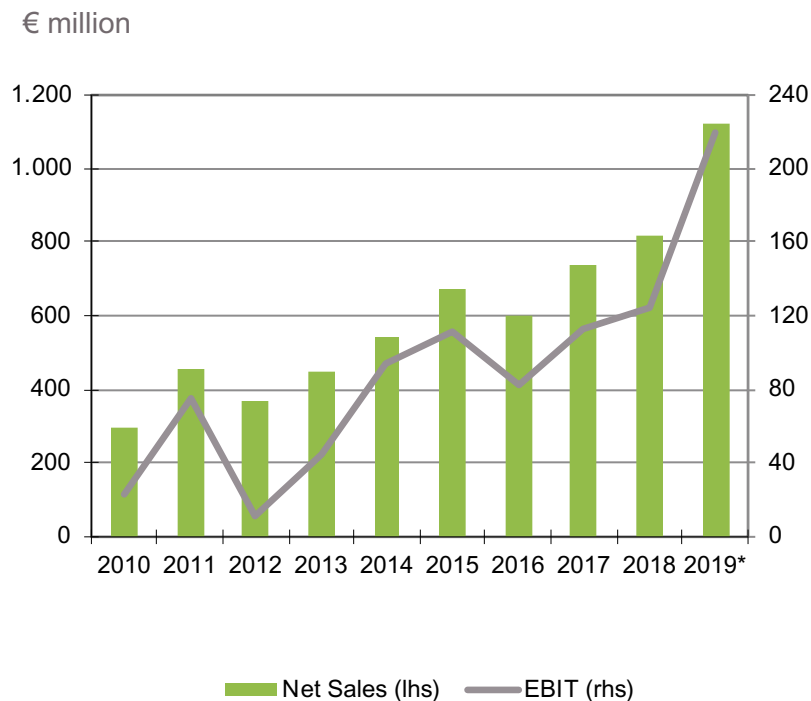
€ million	Dec 31, 2019	Mar 31, 2020
Cash and cash equivalents	498	529
Accounts receivable	200	188
Inventories	173	162
Other current assets	75	90
Right-of-use Assets - net	28	26
Investments in associates	778	792
Property, plant and equipment	165	180
Goodwill and other intangible assets	200	212
Evaluation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

WORKING CAPITAL

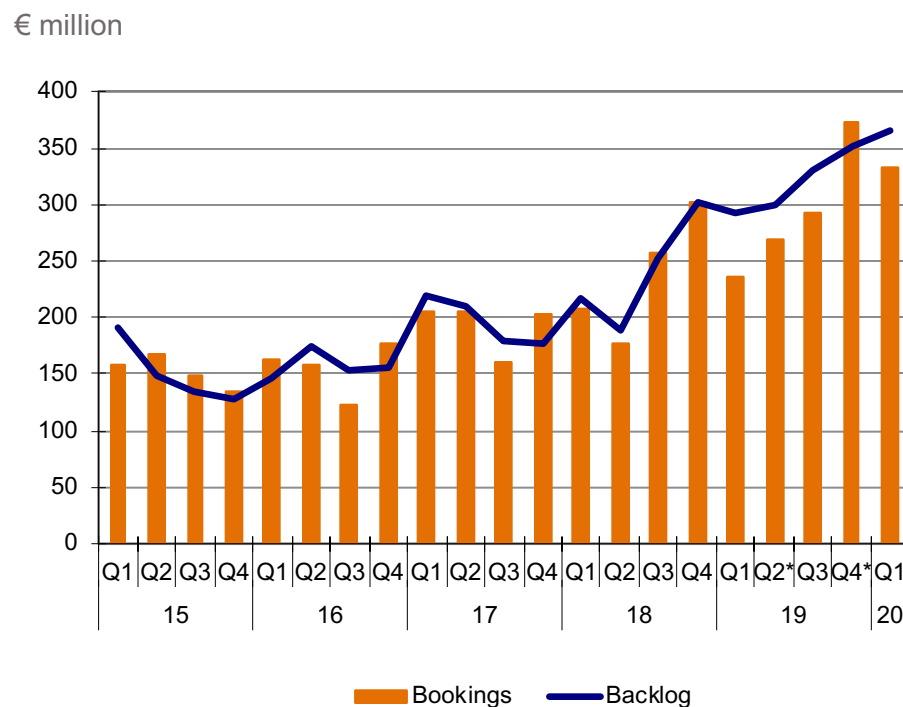


Numbers based on reported financials; * excludes impact patent litigation & arbitration settlements

HISTORICAL DEVELOPMENT



* 2019 excludes settlement gains of €159m



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

