

INVESTOR PRESENTATION

Q3 2020 RESULTS

October 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

- ASM sales primarily driven by WFE investments in the most advanced nodes
- ALD expected to be a key growth market, ASM has leadership positions 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 largely normalized again in Q3

› Healthy profitability

- Gross margin improved further from 48.3% in Q2 to 49.9%, again supported by an exceptionally strong sales mix. Operating margin of 26.7% in Q3

› Strong balance sheet

- Solid cash position of €430m at the end of Q3, no debt
- €100m share buyback program started last June, 40% completed as of October 23

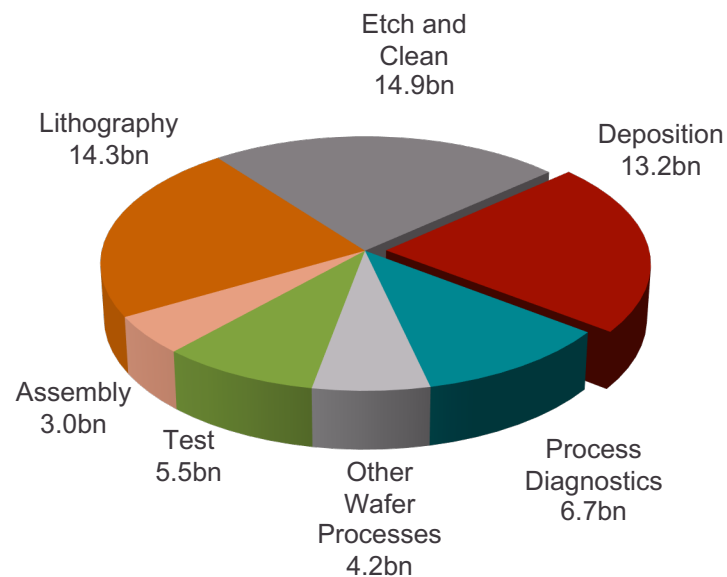
2020 Q3 KEY RESULTS



	Q3 2019	Q2 2020	Q3 2020
New orders	291.8	298.0	303.4
Net sales	271.2	341.8	314.6
Gross profit margin %	42.4%	48.3%	49.9%
Operating results	50.7	87.6	83.9
Operating margin	18.7%	25.6%	26.7%
Normalized result from investments	6.5	10.7	6.3
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(3.5)	(3.3)	(3.0)
Net earnings	53.5	74.1	58.1
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013)	56.9	77.4	61.2

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

Equipment market segments 2019 (US\$)



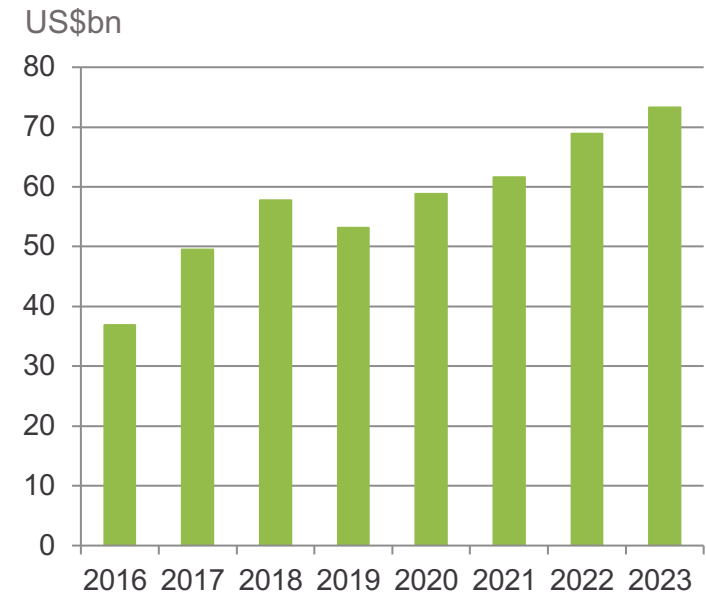
VLSI Research, March 2020

ASM's focus is on deposition equipment

EQUIPMENT MARKET OUTLOOK

- › Gartner expects a 5% increase in WFE in 2020, followed by a 4% increase in 2021 (Oct '20). Last July, Gartner still expected a 9% drop in WFE in 2020.
- › VLSI Research now expects WFE to increase by 11% in 2020, up from a forecast of +9% last July and a drop of 7% expected last March. For 2021, VLSI forecasts a further increase of 5% in WFE
- › ASMI's statement on the WFE outlook is as follows:
“Supported by a continued healthy market development in the second half we now expect the wafer fab equipment (WFE) market to grow with a high single to low double digit percentage in 2020.”

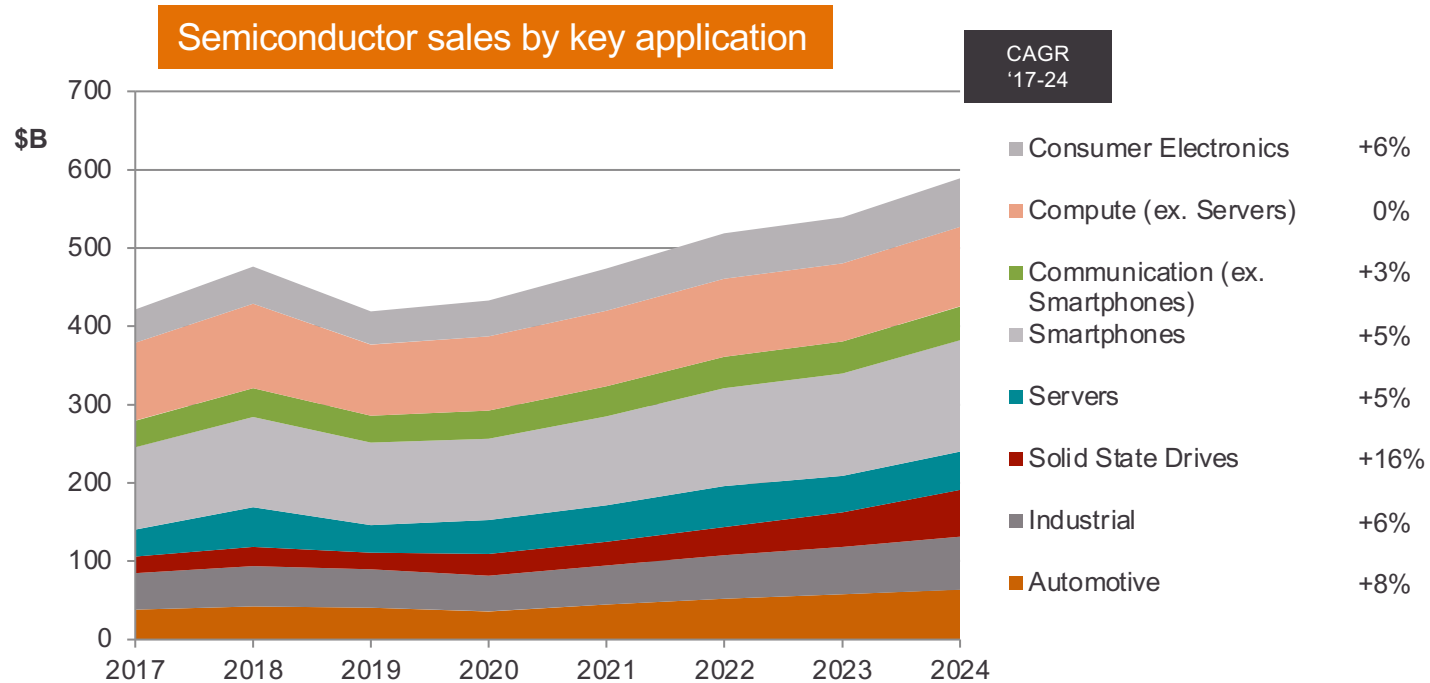
Wafer Fab Equipment spending



VLSI Research, October 2020

VLSI further increased its WFE forecast for 2020 and now expects +11% growth

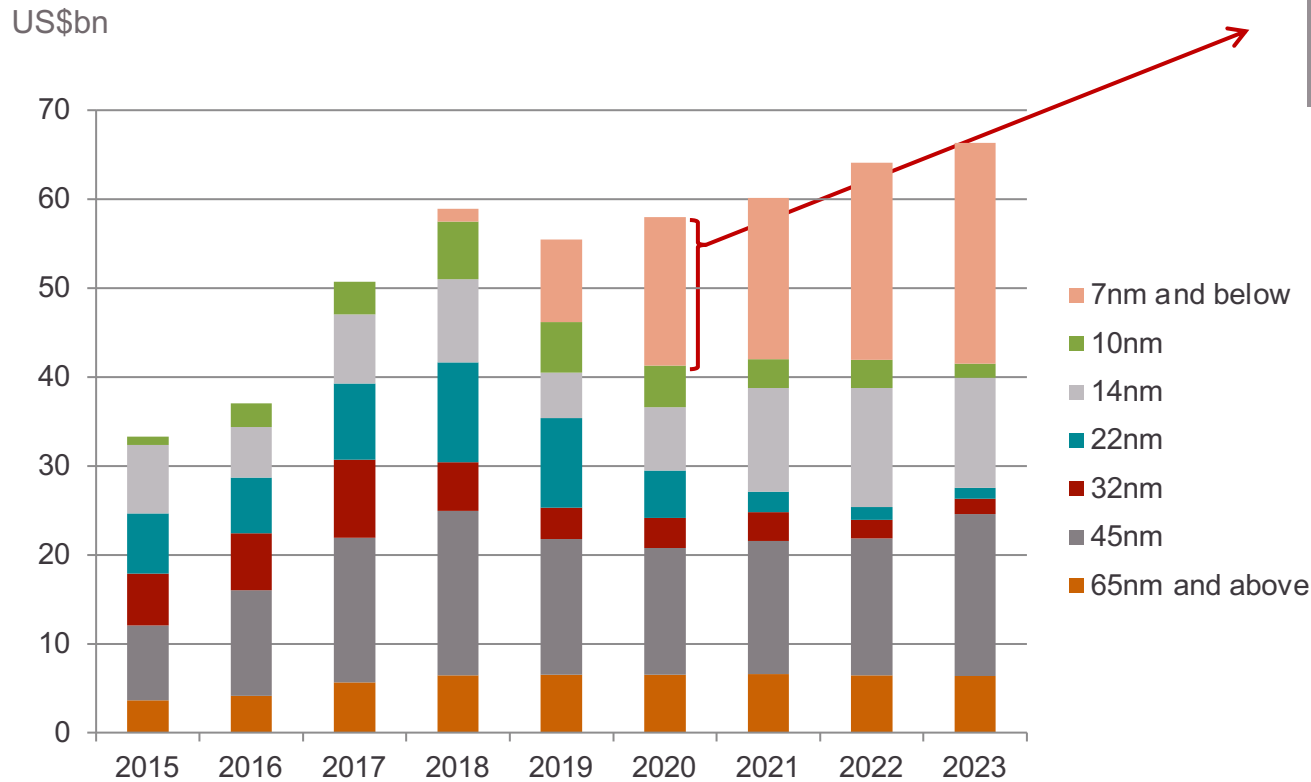
SEMICONDUCTOR MARKET GROWTH DRIVERS



Gartner, September 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, October 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**

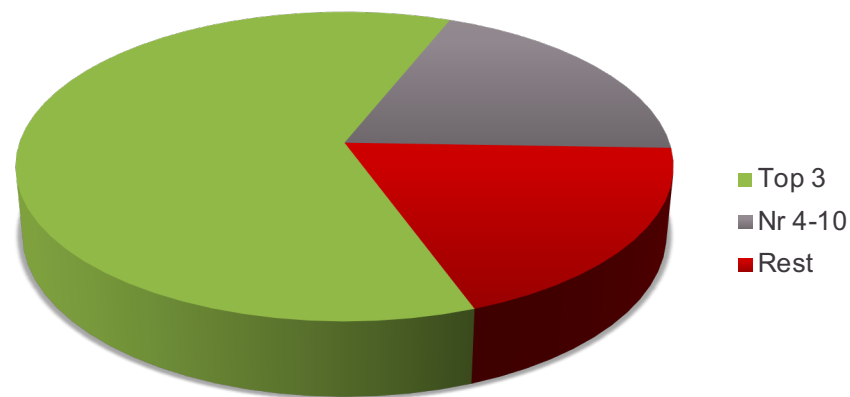
- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

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

- The health and safety of our employees continues to be our key priority
- Supply chain and logistical conditions largely normalized again in Q3

> Solid sales momentum in the first nine months of 2020

- Driven by the logic/foundry segment, solid growth in China and strong increases in our spares & services business
- ASM expects to outgrow the broader WFE market 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, and to grow substantially above that level in subsequent later years
- Focus on expanding our addressable market within the single wafer ALD space

> Shareholder remuneration

- We paid total dividends of €3.00 p.s. over 2019, including extraordinary dividend of €1.50 p.s.
- New €100m share buyback started on June 2, 2020; 40% completed as of October 23, 2020

ASMPT RESULTS

	Q3 2019	Q2 2020	Q3 2020
Net profit ASMPT (€ million, 100% based)	25	43	26
Normalized result from investments (including ASMI's share of ASMPT net profit)	6.5	10.7	6.3
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(3.5)	(3.3)	(3.0)
Results from investments after amortization	3.1	7.4	3.3

- › 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 €12.8m in 2020

FINANCIAL OVERVIEW

Q3 2020 FINANCIAL HIGHLIGHTS

- › Revenue was down 8% q-o-q (half of which due to negative currency impact) and up 16% y-o-y
- › Bookings up 2% q-o-q and up 4% y-o-y. Book-to-bill ratio of 1.0. Q3 backlog of €300m down from €317m in Q2
- › Gross margin 49.9% in Q3 vs. 48.3% in Q2, again driven by exceptionally strong sales mix
- › SG&A decreased 5% vs. the level in Q2 which included one-offs
- › R&D decreased 6% q-o-q mainly due to lower impairments that dropped from €5m in Q2 to €2m in Q3
- › Q3 results included a currency translation loss of €14m vs. a translation loss of €6m in Q2 and a translation gain of €14m in Q3 2019
- › Normalized net earnings* of €61m in Q3 vs. €77 in Q2
- › Free cash flow was €17m positive in Q3 vs. €0m in Q2, with solid profitability partly offset by an increase in working capital.

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

Based upon the current backlog and our current visibility:

For Q4, on a currency comparable level, we expect revenue of €330 - €350 million. Q4 bookings, on a currency comparable level, are expected to be in the range of €340 - €360 million.

Supported by a continued healthy market development in the second half we now expect the wafer fab equipment (WFE) market to grow with a high single to low double digit percentage in 2020. We expect to outgrow the WFE market in 2020.

NET EARNINGS

€ million	Q3 2019	Q2 2020	Q3 2020
New orders	291.8	298.0	303.4
Backlog	330.4	317.4	299.5
Book-to-bill	1.1	0.9	1.0
Net sales	271.2	341.8	314.6
Equipment sales	216.2	264.4	242.3
Spares & service	55.0	77.4	72.3
Patent litigation settlement	-	-	-
Gross profit	114.9	165.1	157.0
Gross profit margin %	42.4%	48.3%	49.9%
Selling, general and administrative expenses	(34.2)	(41.0)	(38.8)
Research and development expenses	(30.1)	(36.5)	(34.4)
Operating result	50.6	87.6	83.9
Operating margin %	18.7%	25.6%	26.7%
Net interest expenses	-	(0.4)	(0.5)
Currency translation gains / (losses)	13.8	(6.0)	(14.2)
Income tax	(14.1)	(14.6)	(14.4)
Normalized result from investments	6.5	10.7	6.3
Amort. intangibles resulting from the stake sale ASMPT 2013	(3.5)	(3.3)	(3.0)
Net earnings	53.5	74.1	58.1
Normalized net earnings (excl. amortization intangibles resulting from the stake sale ASMPT in 2013)	56.9	77.4	61.2

Numbers based on reported financials

R&D EXPENDITURE

€ million	Q3 2019	Q2 2020	Q3 2020
R&D expenditure	(38.4)	(42.2)	(43.5)
Capitalized development expenditure	13.1	15.8	16.4
Amortization capitalized development expenditure	(4.6)	(5.3)	(5.0)
Impairment capitalized development expenditure	(0.1)	(4.8)	(2.2)
R&D expenses	(30.1)	(36.5)	(34.4)

CASH FLOW

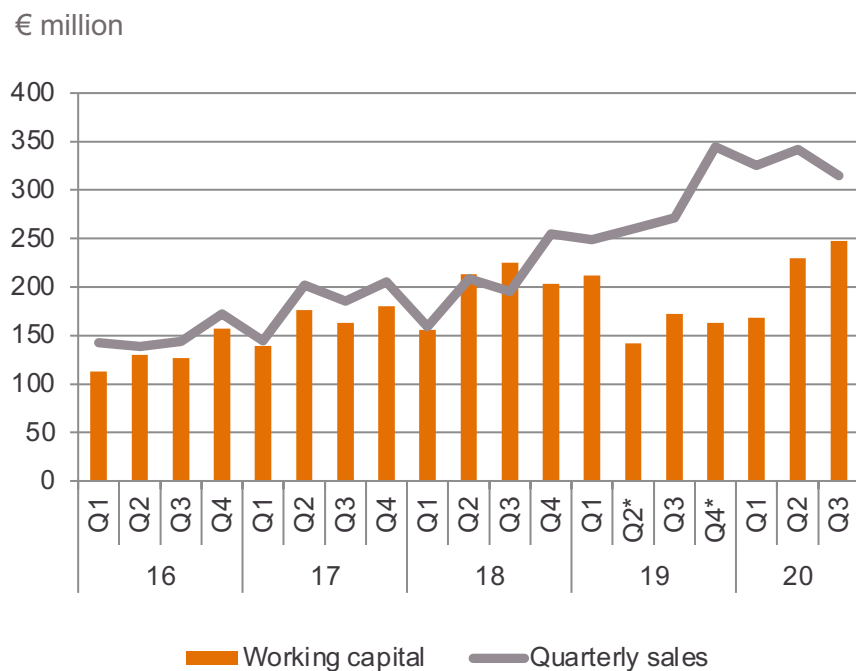
€ million	Q3 2019	Q2 2020	Q3 2020
Net earnings	53.5	74.1	58.1
Depreciation, amortization and impairments	19.1	24.1	21.2
Result from investments	(3.1)	(7.4)	(3.3)
Evaluation tools	(9.7)	(5.8)	(8.9)
Other adjustments	4.9	15.9	10.8
Change in working capital	27.4	(65.5)	(25.9)
Net cash from operating activities	94.1	35.5	52.0
Capital expenditure	(10.2)	(18.9)	(18.8)
Capitalized development expenditure	(13.1)	(15.8)	(16.4)
Dividend received from investments	15.5	8.4	7.8
Other	(0.3)	(1.3)	(0.3)
Net cash from investing activities	(8.1)	(27.6)	(27.7)
Payment of lease liabilities	(2.0)	(2.0)	(1.9)
Dividend paid and capital repaid to ASMI shareholders	(0.1)	(98.1)	-
Share buyback	-	(6.9)	(27.7)
Other	1.2	0.1	1.8
Net cash from financing activities	(0.9)	(107.0)	(27.7)

Numbers based on reported financials

BALANCE SHEET

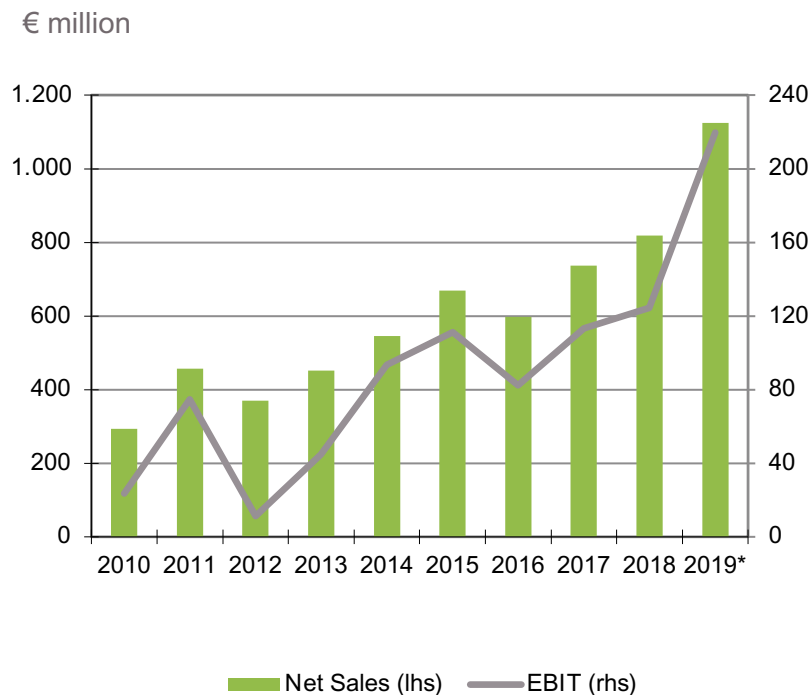
€ million	Dec 31, 2019	Jun 30, 2020	Sept 30, 2020
Cash and cash equivalents	498	432	430
Accounts receivable	200	244	255
Inventories	173	176	176
Other current assets	75	85	77
Right-of-use assets	28	28	26
Investments in associates	778	776	747
Property, plant and equipment	165	188	194
Goodwill and other intangible assets	200	215	218
Evaluation tools at customers	47	68	71
Other non-current assets	11	12	12
Total Assets	2,175	2,223	2,206
Accounts payable	120	130	117
Short-term debt	-	-	-
Other current liabilities	201	203	213
Long-term debt	-	-	-
Other non-current liabilities	36	36	34
Equity	1,819	1,855	1,842
Total Liabilities and Equity	2,175	2,223	2,206

WORKING CAPITAL

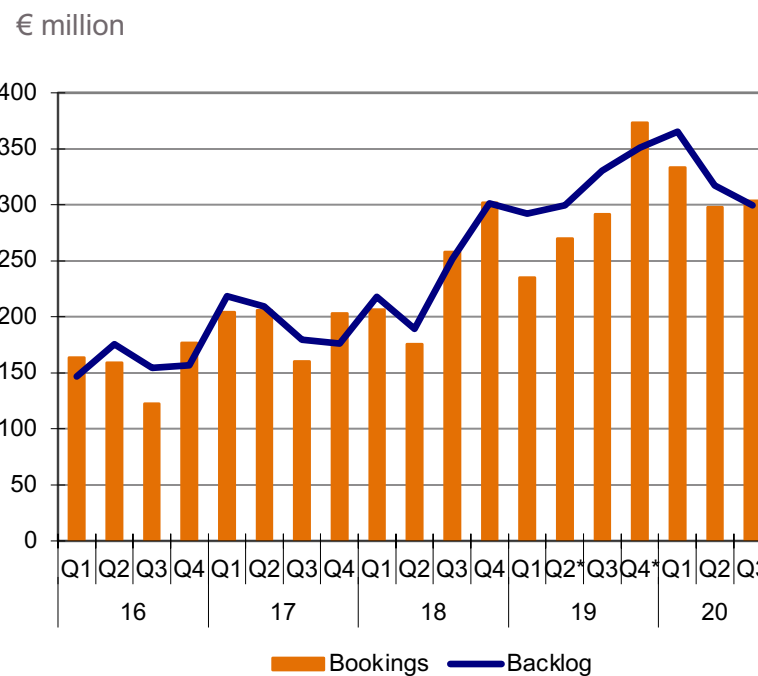


Numbers based on reported financials; * excludes impact patent litigation & arbitration settlements

HISTORICAL DEVELOPMENT



* 2019 excludes settlement gains of €159m



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

