

Almere, The Netherlands
April 20, 2022, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS FIRST QUARTER 2022 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its first quarter 2022 operating results (unaudited).

Record high revenue and orders in Q1, continued revenue growth expected for the rest of the year

FINANCIAL HIGHLIGHTS

EUR million	Q1 2021	Q4 2021	Q1 2022
New orders	410.6	644.9	705.7
<i>YoY change % as reported / at constant currencies</i>	<i>23 % / 31 %</i>	<i>70 % / 70 %</i>	<i>72 % / 65 %</i>
Revenue	394.0	491.3	516.9
<i>YoY change % as reported / at constant currencies</i>	<i>21 % / 29 %</i>	<i>42 % / 40 %</i>	<i>31 % / 25 %</i>
Gross profit margin %	49.5 %	47.0 %	47.8 %
Operating result	124.5	131.3	143.0
Operating result margin %	31.6 %	26.7 %	27.7 %
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	13.9	25.8	23.7
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.0)	(3.2)	(3.2)
Net earnings	122.5	134.9	142.5
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013 and result from sale of ASMPT shares)	125.5	138.1	145.7

- New orders of €706 million for the first quarter 2022 increased by 65% at constant currencies compared to the same period last year (72% as reported).
- Year-on-year revenue growth for the first quarter 2022 was €25% at constant currencies (31% as reported).
- Gross profit margin of 47.8% in the first quarter 2022 was lower compared to 49.5% in the same quarter last year which reflected an exceptionally strong mix.
- Operating result for the first quarter 2022 improved from €125 million last year to €143 million this year driven again by strong revenue growth.
- Normalized net earnings for the first quarter 2022 were €146 million.

COMMENT

“ASM started the year with a strong performance, with again record quarterly levels of orders, revenue and results,” said Benjamin Loh, President and Chief Executive Officer of ASM International. “In the first quarter, our company delivered revenue of €517 million, an increase of 25% at constant currencies and in line with our guidance of €500-530 million, successfully navigating ongoing challenging supply chain conditions. The demand environment continued to be very robust. Our Q1 order intake increased year-on-year by 65% at constant currencies to €706 million. While orders were again led by record high logic/foundry demand, momentum was also strong in memory, and in the power/analog and wafer maker segments. We further stepped up investments to drive the growth of our company and at the same time delivered a solid 15% increase in operating profits in the first quarter, and a strong free cash flow of €99 million (excluding the acquisition of Reno).”

OUTLOOK

Supply chain conditions are expected to remain tight in the second quarter. For Q2 at constant currencies, we expect revenue of €540-570 million, in line with our previous forecast for a further sequential increase in Q2. Based on the current visibility, we expect revenue in the second half of 2022 to be clearly higher than the level in the first half, to a certain extent depending on the pace of improvement in supply chain conditions. Expectations are unchanged for the wafer fab equipment to increase by a mid to high teens percentage in 2022, a level which we are confident to outperform this year.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On April 1, 2022, ASMI published the agenda for the 2022 Annual General Meeting of Shareholders (AGM), to be held on May 16, 2022, which, as also earlier announced, includes amongst others, the proposals to:

- appoint Mr. Hichem M'Saad as additional member of the Management Board;
- change the remuneration policy for the Management Board and Supervisory Board;
- re-appoint Mr. Marc de Jong as member of the Supervisory Board;
- declare a regular dividend of €2.50 per common share over 2021; and
- approve the annual accounts of 2021.

Please refer to the AGM documents available on our website for more detailed information.

About ASM International

ASM International N.V., headquartered in Almere, the Netherlands, and its subsidiaries design and manufacture equipment and process solutions to produce semiconductor devices for wafer processing, and have facilities in the United States, Europe, and Asia. ASM International's common stock trades on the Euronext Amsterdam Stock Exchange (symbol ASM). For more information, visit ASMI's website at www.asm.com.

Cautionary Note Regarding Forward-Looking Statements: All matters discussed in this press release, 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, changes in import/export regulations, 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.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

ASM International N.V will host an investor conference call and webcast on Thursday, April 21, 2022, at 3:00 p.m. Continental European Time (9:00 a.m. – US Eastern Time).

Conference call participants should pre-register using the link below to receive the Dial-In Numbers, Direct Event Passcode and unique Registrant ID, which will be needed to access the conference call.

Online registration for the conference call: <http://emea.directeventreg.com/registration/9926845>

A simultaneous audio webcast and replay will be accessible at www.asm.com.

CONTACT

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ANNEX 1

OPERATING AND FINANCIAL REVIEW

Bookings

The following table shows the level of new orders for the first quarter of 2022 and the backlog at the end of the first quarter of 2022, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Backlog at the beginning of the period	323.6	647.7	811.3	25 %	151 %
New orders for the period	410.6	644.9	705.7	9 %	72 %
Revenue for the period	(394.0)	(491.3)	(516.9)	5 %	31 %
FX-effect for the period	4.3	10.0	0.2		
Backlog at the end of the period	344.5	811.3	1,000.2	23 %	190 %
Book-to-bill ratio (new orders divided by revenue)	1.0	1.3	1.4		

The backlog increased from €811 million at the end of the fourth quarter 2021 to €1,000 million as per March 31, 2022. New orders for the first quarter 2022 increased to €706 million, up 65% at constant currencies. The book-to-bill ratio for Q1 was 1.4. In terms of customer segments, new orders in the first quarter 2022 were led by foundry followed by logic and then memory.

Revenue

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Equipment revenue	319.1	399.6	427.5	7 %	34 %
Spares & service revenue	74.9	91.8	89.4	(3) %	19 %
Revenue	394.0	491.3	516.9	5 %	31 %

Revenue for the first quarter 2022 increased to €517 million, up 25% year-on-year at constant currencies (31% as reported). Compared to the previous quarter, revenue increased by 3% at constant currencies (5% as reported). Revenue in the first quarter was led by foundry followed by logic and then memory.

Equipment revenue in the first quarter increased by 28% year-on-year at constant currencies (34% as reported). Compared to the previous quarter, equipment revenue increased by 5% at constant currencies (7% as reported).

Spares & service revenue in the first quarter grew by 12% year-on-year at constant currencies (19% as reported). Compared to the previous quarter, spares & service revenue decreased by 5% at constant currencies (-3% as reported).

Gross profit margin

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Gross profit	195.0	231.1	247.2	7 %	27 %
Gross profit margin	49.5 %	47.0 %	47.8 %	0.8 %	(1.7) %

Gross profit margin of 47.8% in the first quarter 2022 was lower than last year's margin of 49.5% due to a favorable mix effects in the prior year. Compared to the previous quarter, gross profit margin increased from 47.0% to 47.8%. The impact of currency changes on the gross profit for the first quarter was an increase of 2% quarter-on-quarter and an increase of 5% year-on-year.

Other income (expenses)

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Other income (expenses)	0.5	4.0	(0.1)	(102) %	(112) %

In the fourth quarter of 2021, the company divested certain property in Singapore. The net income of €4.0 million on disposal of these assets was recognized as 'other income' in the consolidated statement of profit or loss. Net income on disposal of assets is reclassified from SG&A expenses to Other income (expenses) with comparative figures (Q1 2021) included.

Selling, general and administrative expenses

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
SG&A expenses	40.5	55.0	60.6	10 %	50 %

Selling, general and administrative (SG&A) expenses increased by 10% compared to the level in the previous quarter and increased by 50% year-on-year. Adjusted for the reclassification of certain costs from SG&A to R&D in Q4 2021, SG&A expenses in Q1 were marginally higher than in Q4. The year-on-year increase is mainly explained by higher employee related expense, as total headcount was up 34% as compared to Q1 last year, and investments to support organizational growth. As a percentage of revenue, SG&A expenses increased to 11.7% compared to 11.2% in Q4 2021 and 10.3% in Q1 2021. The impact of currency changes for the first quarter was an increase of 1% quarter-on-quarter and an increase of 3% year-on-year.

Research and development expenses

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Gross research and development expenses	42.7	64.1	59.9	(6) %	40 %
Capitalization of development expenses	(17.4)	(24.2)	(23.7)	(2) %	36 %
Amortization of capitalized development expenses	5.3	8.1	7.2	(11) %	37 %
Impairment capitalized development expenses	—	0.9	0.1	n/a	n/a
Net research and development expenses	30.6	48.8	43.5	(11) %	42 %

Net R&D expenses decreased by 11% compared to the previous quarter and increased by 42% year-on-year. Adjusted for the aforementioned reclassification in Q4 2021, net R&D in Q1 was close to the level in Q4. The year-on-year increase of €13 million was mainly due to increased headcount and R&D projects, partly offset by higher capitalization, which increased from €17 million to €24 million. Net R&D expenses were 8.4% of revenue in Q1 2022 compared to 7.8% in the same period in 2021.

Excluding impairments and IFRS effects, the underlying research and development expenses decreased by 6% compared to the previous quarter and increased 40% year-on-year. The impact of currency changes for the first quarter was an increase of 1% quarter-on-quarter and an increase of 3% year-on-year.

Operating result

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Operating result	124.5	131.3	143.0	9 %	15 %
Operating result margin	31.6 %	26.7 %	27.7 %	1.0 %	(3.9) %

The operating profit margin in the first quarter 2022 was 27.7%, a decrease of 3.9% points compared to the same period last year, however 1.0% point up compared to the previous quarter. The impact of currency changes on the operating result in the first quarter was an increase of 2% quarter-on-quarter and an increase of 6% year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q1 2022 results included a translation gain of €9 million compared to a gain of €7 million included in the Q4 2021 results and a gain of €16 million included in the Q1 2021 results. The translation results were mainly related to movements in the US dollar in the respective periods. A substantial part of ASMI's cash position is denominated in US dollar.

Share in income of investments in associates

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	13.9	25.8	23.7	(2.1)	9.8
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.0)	(3.2)	(3.2)	—	(0.2)
Share in income of investments in associates	10.9	22.6	20.5	(2.1)	9.5

Share in income of investments in associates, which reflects our approximate 25% shareholding in ASMPT, decreased by €2 million compared to previous quarter. ASMPT's net earnings, on a 100% basis, decreased by €8 million to €95 million compared to previous quarter. Q1 last year, also on a 100% basis, showed net earnings of €56 million. For further information on the Q1 results of ASMPT, please visit ASMPT's website www.asmpacific.com.

Amortization of intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3 million in Q1. For 2022, on a currency comparable basis, this amortization is expected to amount to €12.5 million.

Income taxes

Income taxes in the first quarter 2022 amounted to an expense of €29.6 million. Income taxes in the previous quarter amounted to an expense of €25.2 million.

Net earnings

EUR million	Q1 2021	Q4 2021	Q1 2022	Change Q4 2021 to Q1 2022	Change Q1 2021 to Q1 2022
Net earnings	122.5	134.9	142.5	6 %	16 %
Excluding:					
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.0)	(3.2)	(3.2)	1 %	7 %
Normalized net earnings	125.5	138.1	145.7	6 %	16 %

Normalized net earnings increased by €8 million to €146 million compared to Q4 2021.

Cash flows

EUR million	Q1 2021	Q4 2021	Q1 2022
Net cash from operating activities	115.1	64.3	150.6
Net cash from investing activities	(26.4)	(53.1)	(90.0)
Cash flows from operating activities after investing activities	88.7	11.2	60.5
Net cash from financing activities	(39.3)	(56.9)	(2.5)
Total net cash provided / (used)	49.4	(45.7)	58.0

The cash flow from operating activities increased compared to the level in the previous quarter mainly due to a relative lower increase of working capital and lower tax payments. Cash used in investing activities during Q1 2022 increased by €37 million compared with Q4 2021, mainly due to the acquisition of Reno Sub-Systems for a net amount of €39 million. Cash used by financing activities in Q4 2021 was for the share buyback program (€58 million), which was completed in Q4 2021. Free cash flow including the acquisition amounted to €61 million in Q1 2022 compared to €11 million in Q4 2021 and €89 million in Q1 2021. Excluding the acquisition of Reno, the free cash flow amounted to €99 million in Q1 2022.

Working capital

EUR million	December 31, 2021	March 31, 2022
Inventories	211.8	255.8
Accounts receivable	446.7	502.3
Other current assets	51.0	57.6
Accounts payable	(175.4)	(211.0)
Provision for warranty	(27.2)	(29.8)
Accrued expenses and other payables	(190.6)	(245.1)
Working capital	316.4	329.7

Net working capital increased to €330 million compared to €316 million per December 31, 2021 (€215 million per March 31, 2021), explained by higher activity levels. The number of outstanding days of working capital, measured against quarterly sales, decreased slightly to 57 days on March 31, 2022, from 58 days on December 31, 2021 (48 days on March 31, 2021).

Sources of liquidity

As per March 31, 2022, the Company's principal sources of liquidity consisted of €550 million in cash and cash equivalents and €150 million in undrawn bank lines.

ANNEX 2

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR thousand, except per share data	Three months ended March 31,	
	2021	2022
Revenue	394,015	516,944
Cost of sales	(198,967)	(269,785)
Gross profit	195,048	247,159
Other income (expenses)	531	(65)
Operating expenses:		
Selling, general and administrative	(40,456)	(60,612)
Research and development	(30,594)	(43,504)
Total operating expenses	(71,050)	(104,116)
Operating result	124,529	142,978
Net interest income (expense)	(379)	(340)
Foreign currency exchange gains (losses)	16,029	9,048
Share in income of investments in associates	10,912	20,456
Earnings before income taxes	151,091	172,142
Income taxes	(28,618)	(29,648)
Net earnings	122,473	142,494
Per share data:		
Basic net earnings	2.52	2.93
Diluted net earnings (1)	2.50	2.92
Weighted average number of shares used in computing per share amounts (in thousand):		
Basic	48,586	48,576
Diluted (1)	49,053	48,848
Outstanding shares:	48,555	48,580
Treasury shares:	1,243	717

(1) The calculation of diluted net earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in earnings of the Company. Only instruments that have a dilutive effect on net earnings are included in the calculation. The calculation is done for each reporting period individually. The possible increase of common shares caused by employee stock options and restricted shares for the three months ended March 31, 2022 is 272,344 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	December 31, 2021	March 31, 2022
Assets		
Right-of-use assets	26,938	27,624
Property, plant and equipment	257,017	273,928
Goodwill	11,270	51,848
Other intangible assets	274,833	293,810
Investments in associates	848,812	883,644
Deferred tax assets	69	81
Other non-current assets	8,774	8,490
Evaluation tools at customers	63,717	67,200
Total non-current assets	1,491,430	1,606,626
Inventories	211,841	255,764
Accounts receivable	446,724	502,250
Income taxes receivable	18,614	18,155
Other current assets	50,972	57,551
Cash and cash equivalents	491,507	550,338
Total current assets	1,219,658	1,384,058
Total Assets	2,711,088	2,990,684
Equity and liabilities		
Equity	2,241,754	2,411,777
Lease liabilities	15,886	16,087
Deferred tax liabilities	45,748	49,542
Total non-current liabilities	61,634	65,628
Accounts payable	175,436	210,965
Provision for warranty	27,181	29,808
Income taxes payable	14,519	27,433
Accrued expenses and other payables	190,564	245,073
Total current liabilities	407,700	513,279
Total Liabilities	469,334	578,907
Total Equity and Liabilities	2,711,088	2,990,684

Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Three months ended March 31,	
	2021	2022
Cash flows from operating activities		
Net earnings	122,473	142,494
Adjustments to reconcile net earnings to net cash from operating activities		
Depreciation, amortization and impairments	19,888	25,473
Net loss (gain) on sale of property, plant and equipment	(531)	65
Share-based compensation	3,683	4,676
Net finance (income) costs	(11,179)	(885)
Share in income of investments in associates	(10,912)	(20,456)
Income tax	28,618	29,648
Changes in evaluation tools at customers	(11,350)	(7,051)
Changes in employee benefits pension plans	(108)	62
Income tax paid	(64,250)	(12,769)
Operating cash flows before changes in working capital	76,332	161,257
Decrease (increase) in working capital:		
Accounts receivable	(22,736)	(58,190)
Other current assets	21,867	(6,542)
Inventories	(3,693)	(40,520)
Provision for warranty	2,711	2,341
Accounts payable, accrued expenses and other payables	40,606	92,211
Net cash from operating activities	115,087	150,556
Cash flows from investing activities		
Capital expenditures	(10,912)	(27,279)
Proceeds from sale of property, plant and equipment	1,999	245
Capitalized development expenditures	(17,403)	(23,685)
Purchase of intangible assets	(112)	(587)
Dividend received from associates	—	—
Acquisitions of subsidiary	—	(38,733)
Net cash used in investing activities	(26,428)	(90,040)
Cash flows from operating activities after investing activities	88,659	60,516
Cash flows from financing activities		
Payment of lease liabilities	(1,954)	(2,476)
Purchase of treasury shares	(37,321)	—
Proceeds from issuance of treasury shares	—	—
Dividends to common shareholders	—	—
Net cash used in financing activities	(39,274)	(2,476)
Exchange rates effects	13,257	791
Net increase (decrease) in cash and cash equivalents	62,642	58,831
Cash and cash equivalents at beginning of period	435,228	491,507
Cash and cash equivalents at end of period	497,870	550,338

Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of presentation

ASMI's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2021 ASMI consolidated annual accounts.

Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.

All reported data is unaudited.

Principles of consolidation

The Consolidated Financial Statements include the accounts of ASMI and its subsidiaries, where ASMI holds a controlling interest. All unrealized intercompany profits, transactions and balances have been eliminated in consolidation. Associates are investments in entities in which ASMI can exert significant influence but which ASMI does not control, generally by ASMI having between 20% and 50% of the voting rights. These entities are accounted for using the equity method.