

ASMI Q1 2022 RESULTS

April 20, 2022



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.

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INVESTMENT HIGHLIGHTS



Strong long-term prospects

- › ASM is focused on enabling deposition technologies, with key strengths in innovation
- › Leader in the ALD market, which is expected to grow by a CAGR of 16%-20% from 2020 to 2025
- › Expanding our position in the Epi market (CAGR of 13%-18% from 2020 to 2025)
- › Selective growth in PECVD and Vertical Furnaces, and healthy growth in spares & services

Underscored by a healthy profitability

- › Q1 2022 gross margin of 47.8% and operating margin of 27.7%

And a strong balance sheet

- › Solid cash position of €550m at the end of Q1 2022, no debt
- › Proposed dividend of €2.50 per share, an increase of 25% compared to previous year

Stepping up our focus on sustainability

- › Target to achieve Net Zero emissions by 2035 announced in September 2021
- › Launched core values “We Care, We Innovate, We Deliver” to build an even stronger and more unified culture

Q1 2022 RESULTS



Q1 new orders

- Increased to a new record high of €706m
- Led by continued strength in foundry, followed by logic, and then memory

Q1 revenue

- Revenue of €517 in line with guidance of €500-530 million despite ongoing challenging supply chain conditions
- Driven by increase in foundry, followed by logic, and then memory

Margins

- Gross margin down YoY compared to favorable mix in Q1 2021, but up versus Q4 2021
- Operating expenses up YoY reflecting higher headcount and investments in the growth of the company

Free cash flow

- Solid free cash flow of €61m (including the acquisition of Reno)

Q1 2022 FINANCIAL HIGHLIGHTS

€ million, year-on-year comparisons

+72%

Orders: €706m

(+65% at constant currencies)

+31%

Revenue: €517m

(+25% at constant currencies)

€550m

Cash position

47.8%

Gross margin

(49.5% in Q1 2021)

27.7%

Operating margin

(31.6% in Q1 2021)

€61m

Free cash flow

+70%

**Share in income of
investments in
associates⁽¹⁾: €24m**

+16%

**Normalized net
earnings⁽¹⁾: €146m**

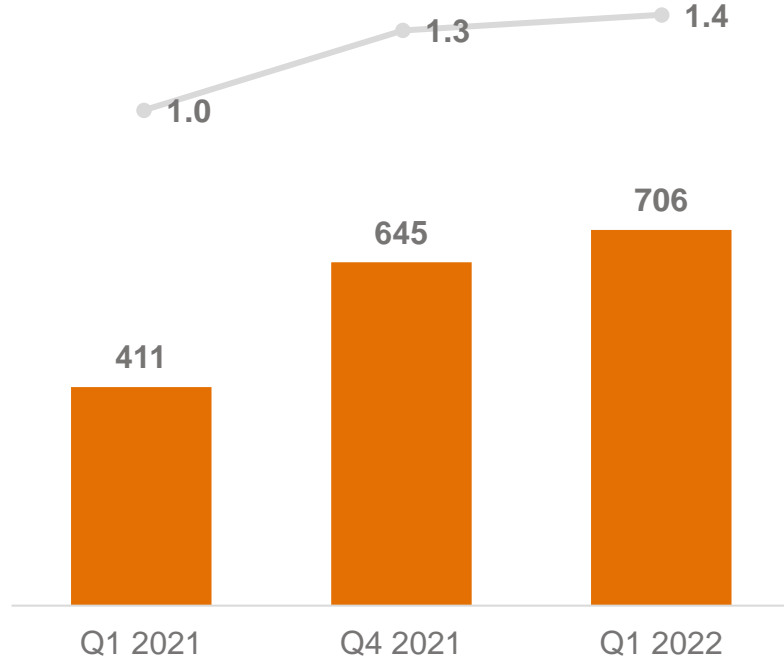
€99m

**Free cash flow
excl. Reno acquisition**

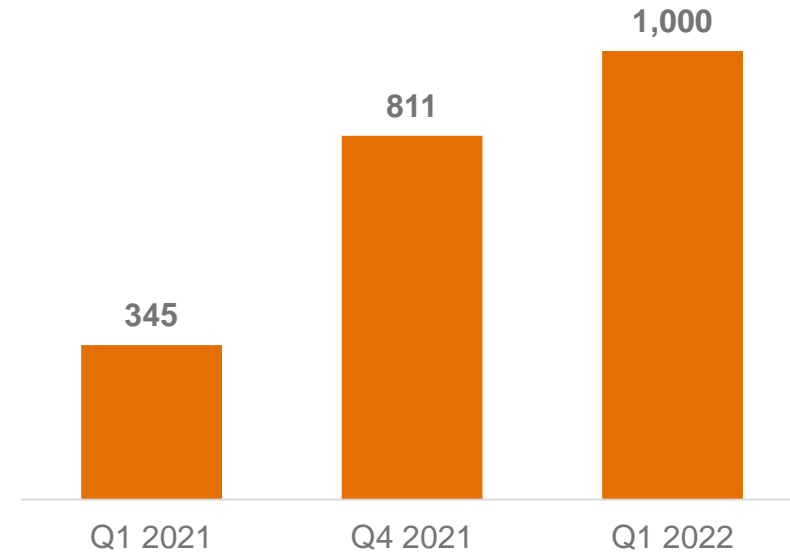
(1) Excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013

RECORD-HIGH NEW ORDERS AND BACKLOG

New orders
€ million



Backlog
€ million

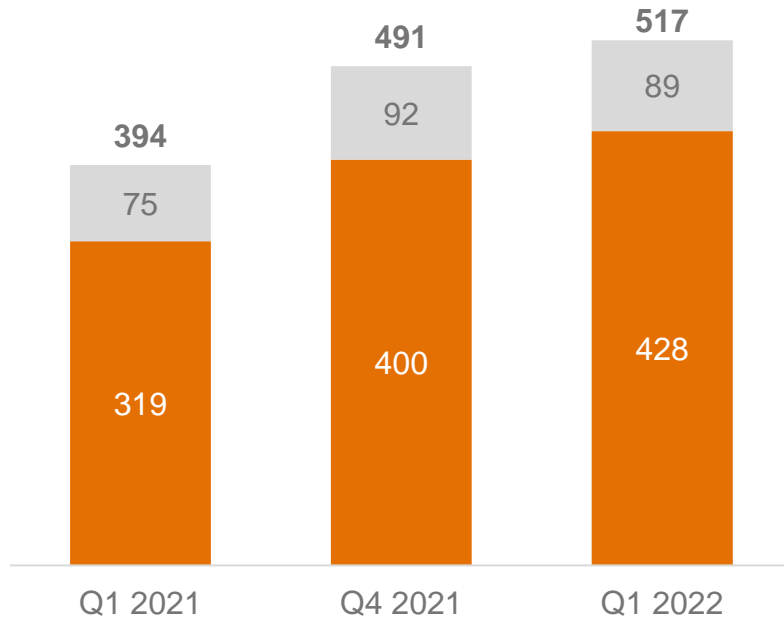


● Book-to-bill ratio

- Q1 new orders up 72% YoY (65% at constant currencies) to a new quarterly high of €706m and up 9% QoQ, with a book-to-bill ratio of 1.4
- New orders in Q1 2022 were led by foundry, followed by logic, and then memory

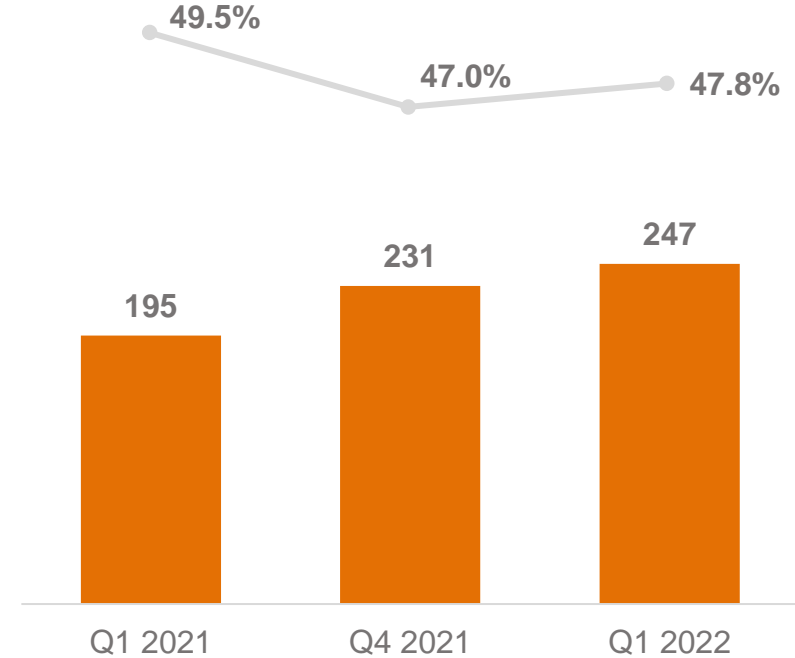
RECORD-HIGH REVENUES AND GROSS MARGIN IMPROVING SEQUENTIALLY

Revenue
€ million



■ Spares & services revenue ■ Equipment revenue

Gross profit
€ million



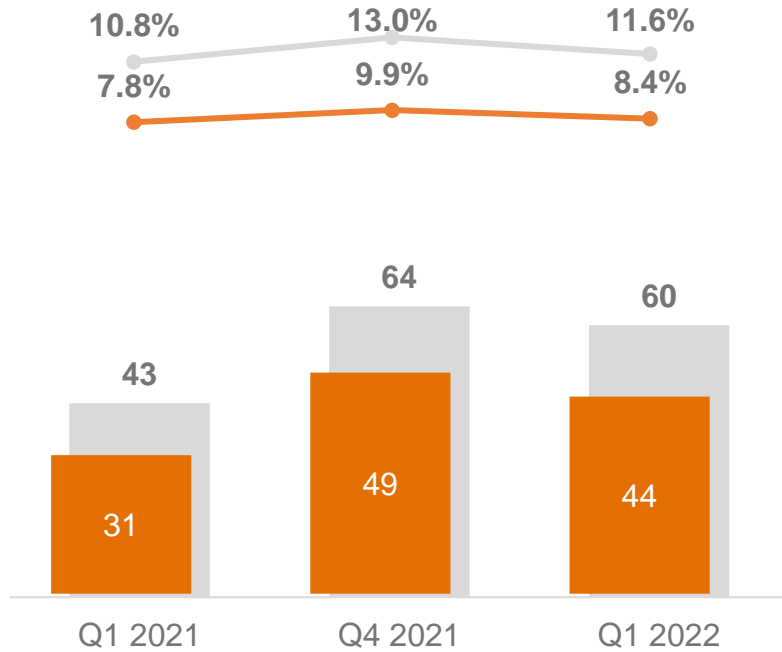
● Gross profit margin

- Q1 revenue up 31% YoY (+25% at constant currencies). QoQ revenue increased 5% as reported (3% at constant currencies)
- Revenue led by foundry, followed by logic and then memory

- Gross margin down YoY due to a favorable mix in Q1 2021 however +0.8% pts sequentially

R&D DECREASING SEQUENTIALLY IN ABSOLUTE AND RELATIVE TERMS

Gross and net R&D
€ million



● Gross R&D as % of revenue ● Net R&D as % of revenue
 ■ Gross R&D ■ Net R&D

R&D expenses
€ million

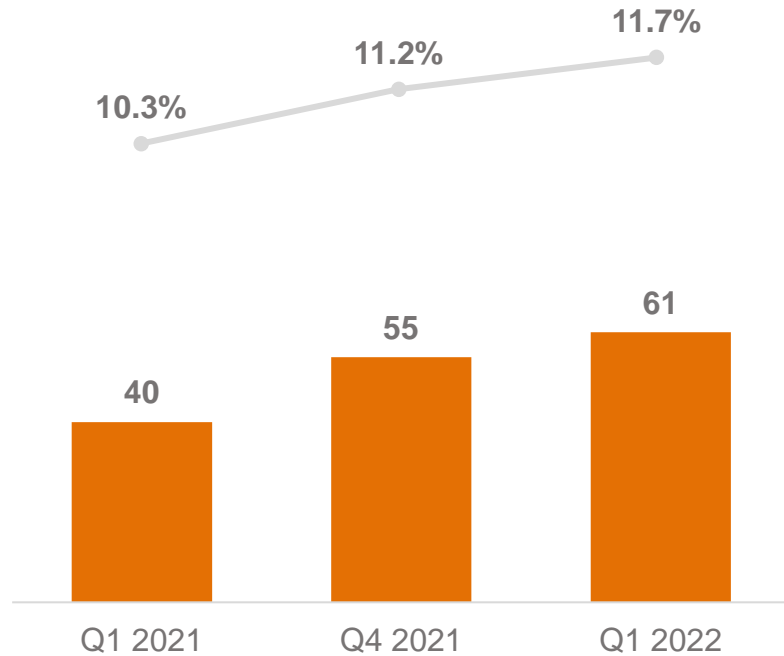
	Q1 2021	Q4 2021	Q1 2022
Gross R&D expenses	42.7	64.1	59.9
Capitalization of development expenses	(17.4)	(24.2)	(23.7)
Amortization of capitalized development expenses	5.3	8.1	7.2
Impairment of capitalized development expenses	0.0	0.9	0.1
Net R&D expenses	30.6	48.8	43.5

- Net R&D expenses increased by 42% YoY and decreased by 11% QoQ , mainly because Q4 included a reclassification of certain costs from SG&A to R&D

- The YoY increase of €13m was mainly due to increased headcount and R&D projects, partly offset by higher capitalization, which increased from €17m to €24m

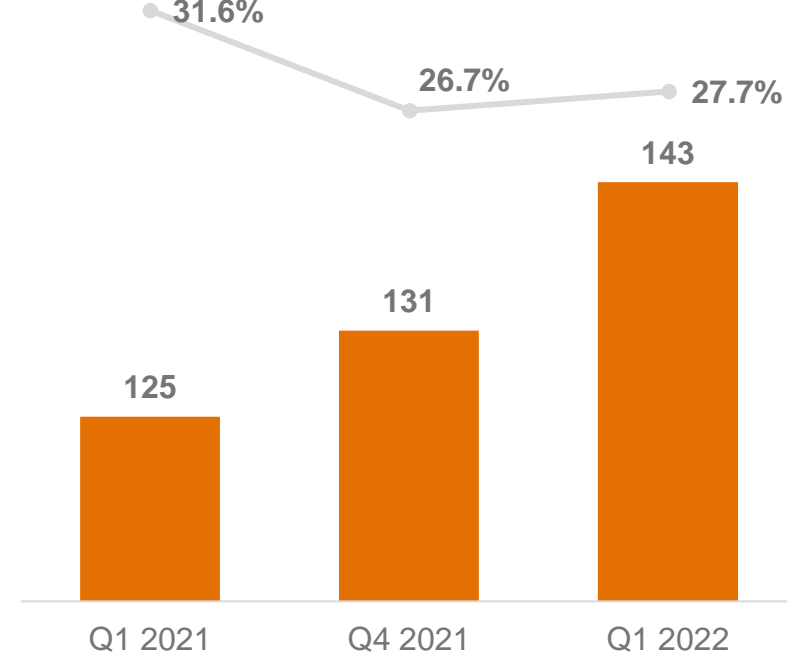
SG&A AND OPERATING RESULT

SG&A
€ million



● SG&A as % of revenue

Operating result
€ million



● Operating margin

- SG&A increased 10% QoQ. Adjusted for the reclassification of certain costs from SG&A to R&D in Q4, SG&A expenses in Q1 were marginally higher
- YoY increase of 50% mainly due to higher employee-related expense (total headcount +34% YoY), and investments to support growth

- Q1 2022 operating margin 27.7%, a decrease of 3.9% pts YoY, however 1.0% pts up sequentially

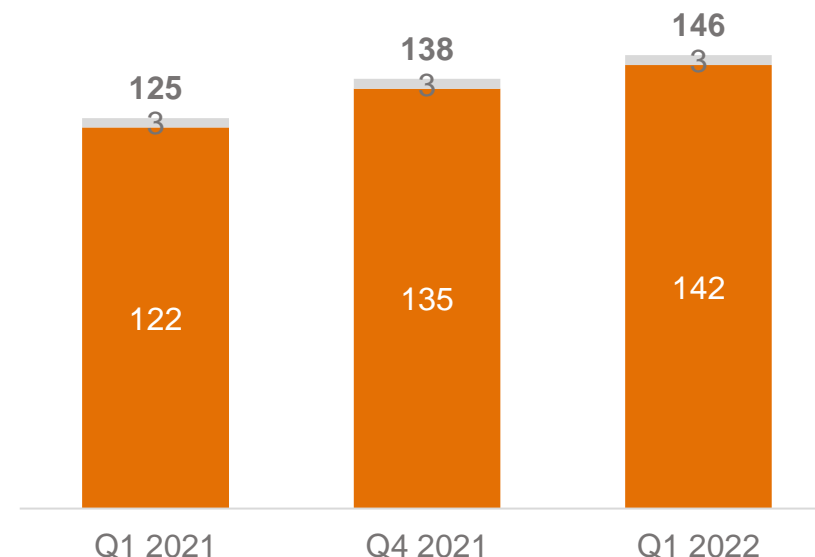
INCREASING NET EARNINGS

Share in income of investments in associates
€ million



Amortization intangible assets⁽¹⁾ Share in income of investments in associates

Normalized net earnings
€ million



Amortization intangible assets⁽¹⁾ Net earnings (reported)

- Share in income of investments in associates⁽²⁾ (reflecting 25% stake in ASMPT) increased by €10m YoY and decreased €2m QoQ
- For 2022 amortization intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 is expected to amount to €12.5m

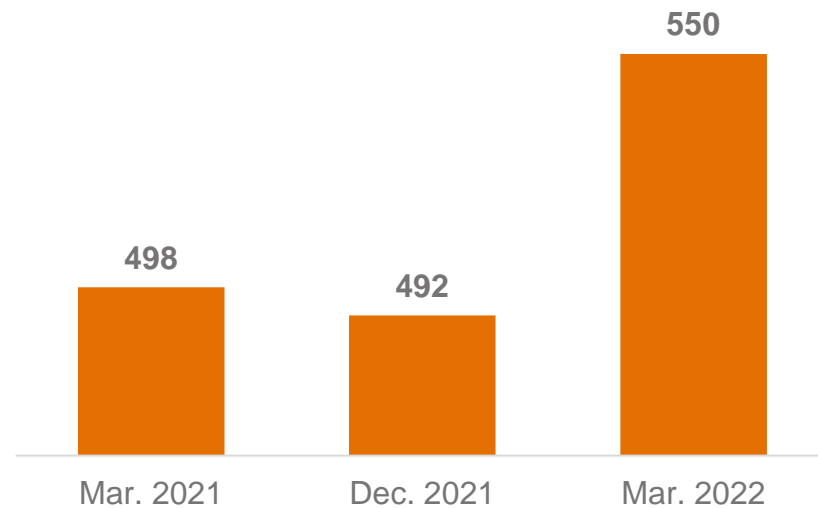
- Q1 2022 included a translation gain of €9m (a gain of €7m in Q4 and €16m in Q1 2021)
- Normalized net earnings increased by 16% YoY and by 6% QoQ

(1) Resulting from the sale of the 12% stake of ASMPT in 2013

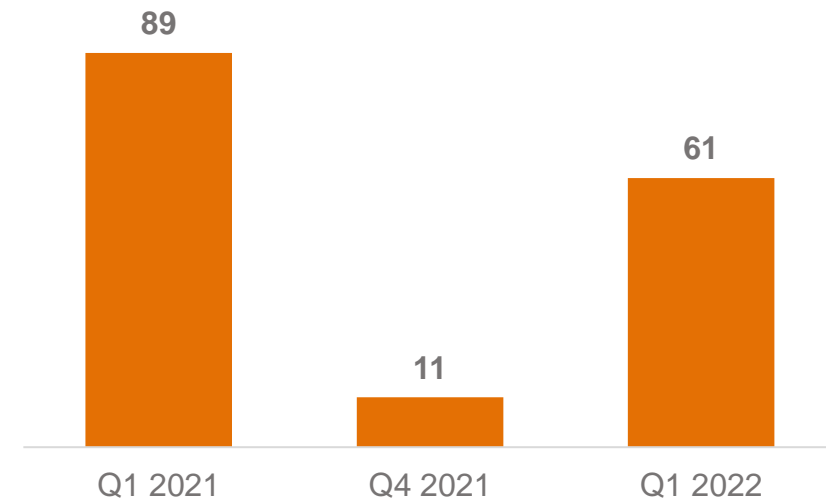
(2) Excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT

A SOLID CASH POSITION UNDERPINNED BY A HEALTHY FREE CASH FLOW

Cash position
€ million



Free cash flow⁽¹⁾
€ million



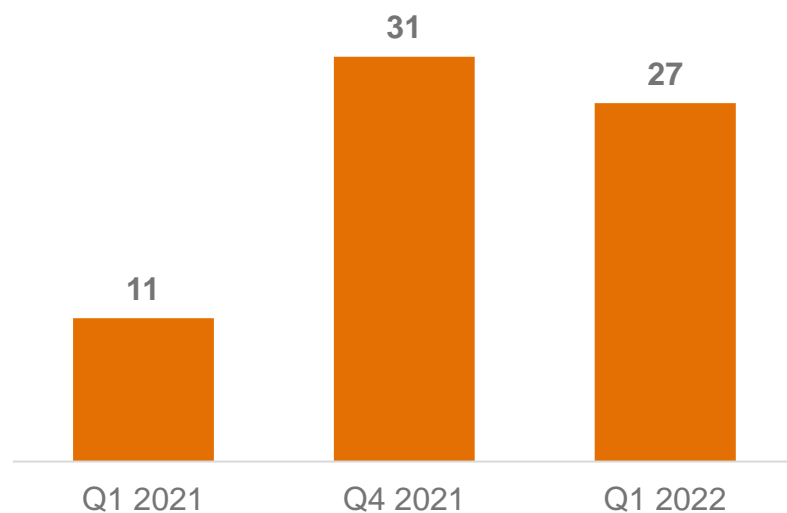
- Cash position of €550m, driven by strong FCF of €61m in Q1 2022, including a net amount of €39m for the acquisition of Reno

- YoY and QoQ increase in FCF to €99m (excluding the acquisition), thanks to increased profitability and lower working capital outflow (vs. Q4) and income tax paid

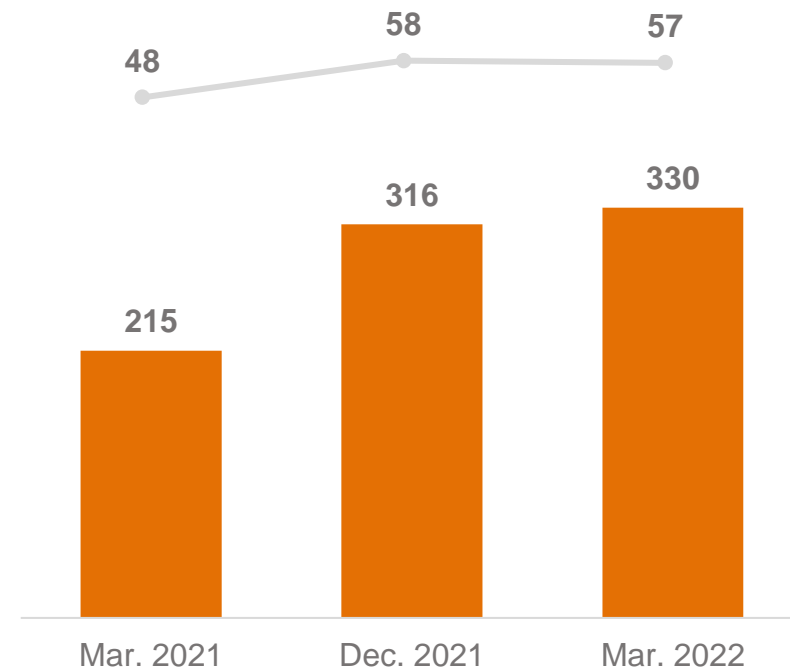
(1) Defined as cash flows from operating activities after investing

CAPEX AND WORKING CAPITAL

Capex
€ million



Working capital
€ million



● Days of working capital

- Capex in FY 2022 is expected to be at the high end of the €60-100m target

- Increase in working capital explained by the higher activity levels

As included in the Q1 2022 earnings press release published on April 20, 2022:

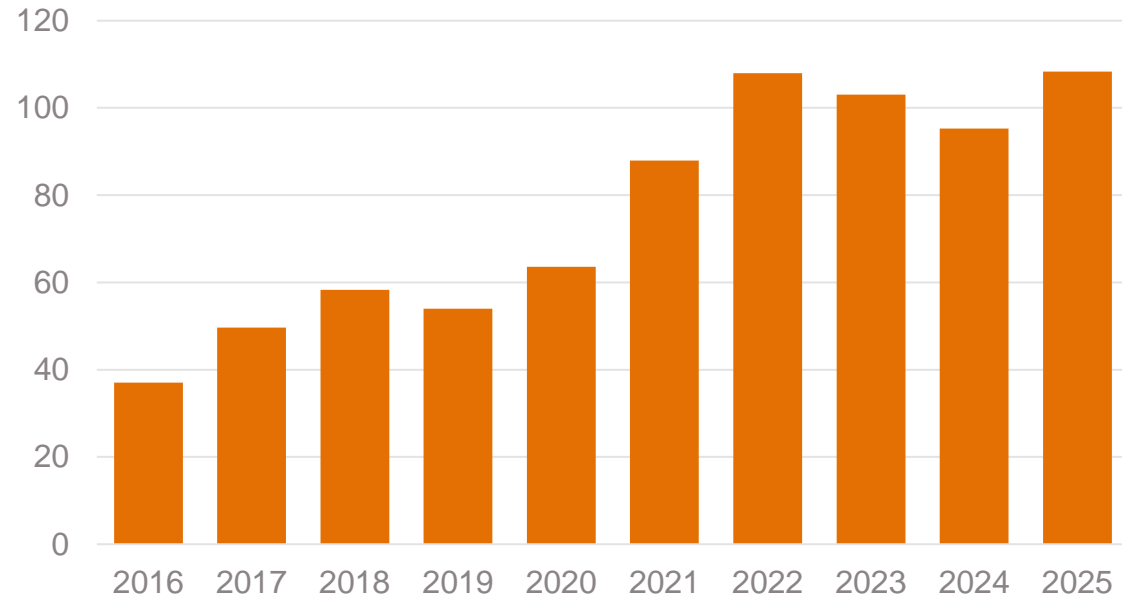
“Supply chain conditions are expected to remain tight in the second quarter. For Q2 at constant currencies, we expect revenue of €540-570 million, in line with our previous forecast for a further sequential increase in Q2. Based on the current visibility, we expect revenue in the second half of 2022 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.”

BUSINESS ENVIRONMENT, STRATEGY, AND TARGETS



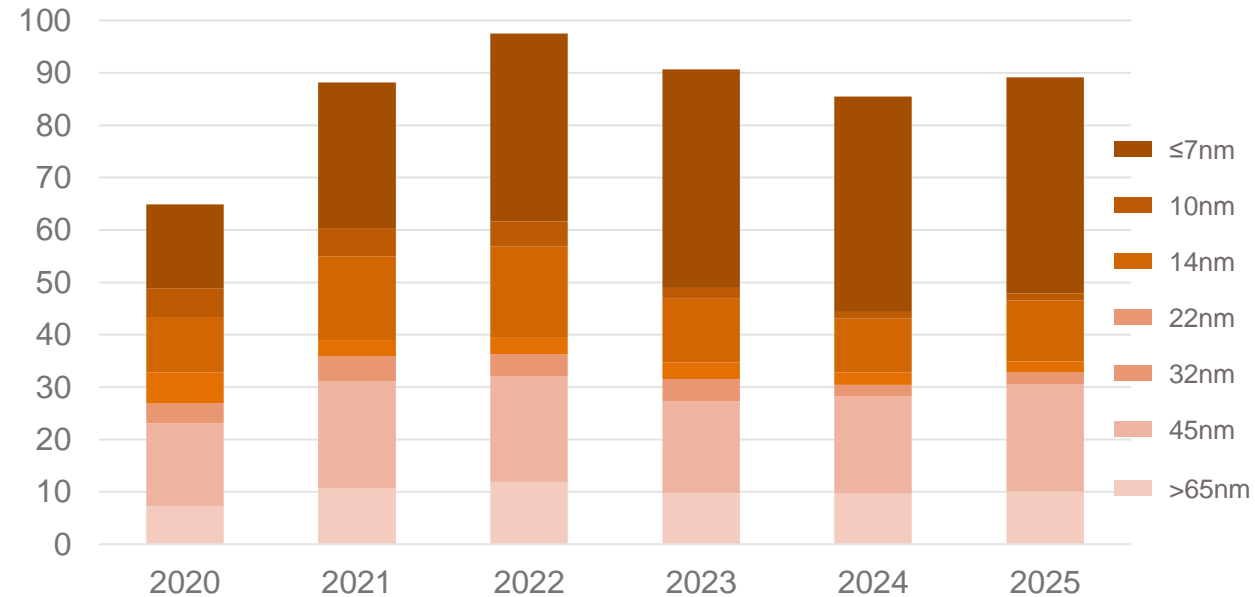
EQUIPMENT MARKET OUTLOOK AND SPENDING BY NODE

WFE spending
US\$ billion



Source: TechInsights, March 2022

WFE by technology node
US\$ billion



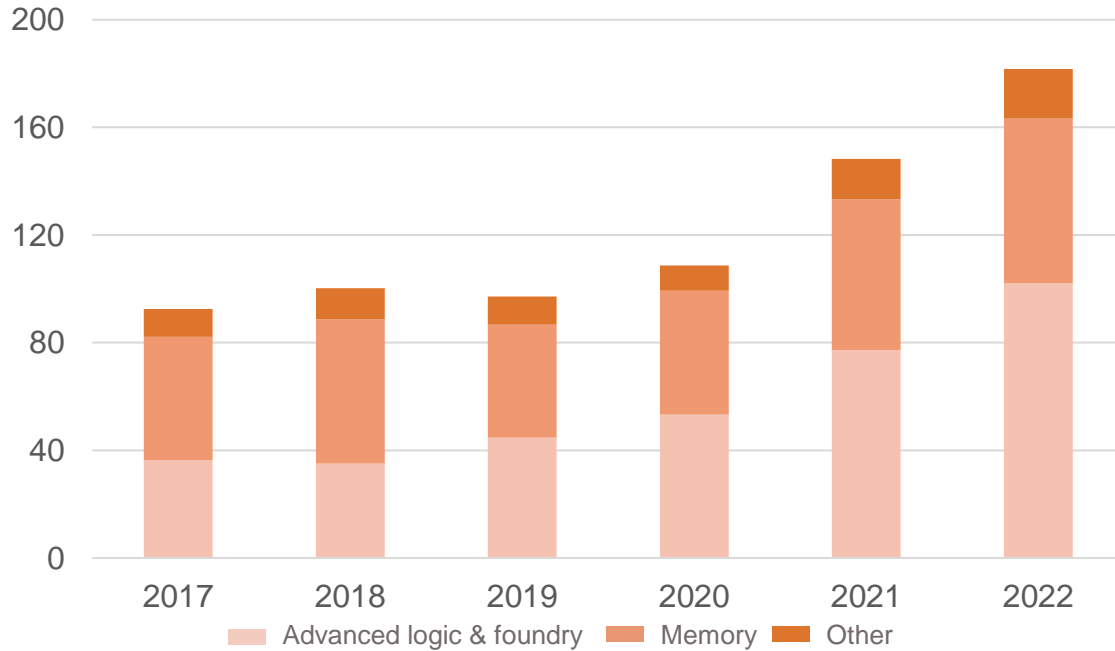
Source: Gartner, January 2022

- TechInsights expects WFE to increase by 23% in 2022 (March 2022)

- Strongest growth in leading-edge nodes, spending on 7nm and below expected to grow from ~25% of WFE in 2020 to ~46% of WFE in 2025
- Gartner expects WFE to increase by 11% in 2022 (January 2022)

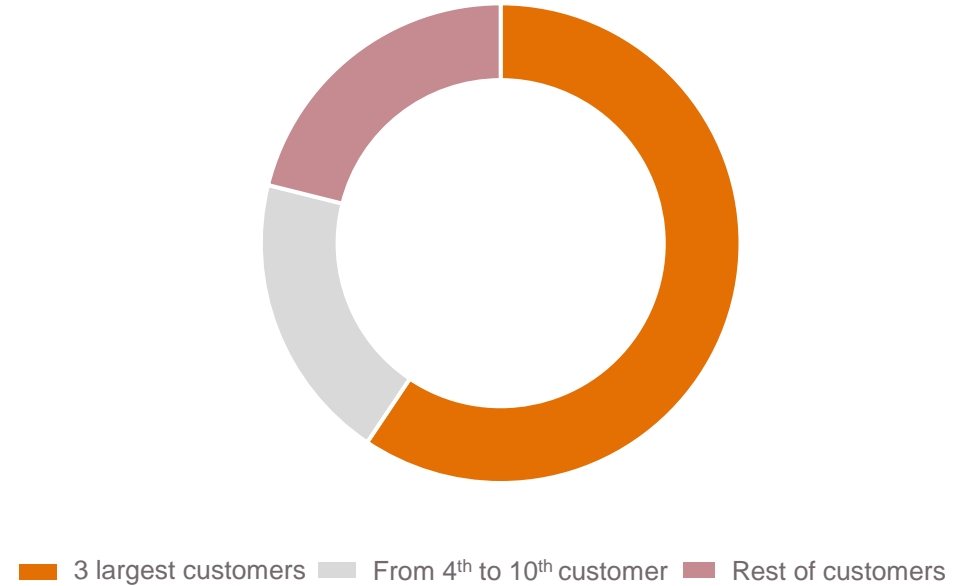
SEMICONDUCTOR CAPEX SPENDING AND CUSTOMER CONCENTRATION

Capex spending
US\$ billion



Source: TechInsights, March 2022

ASMI FY21 revenue by customer concentration
IN %

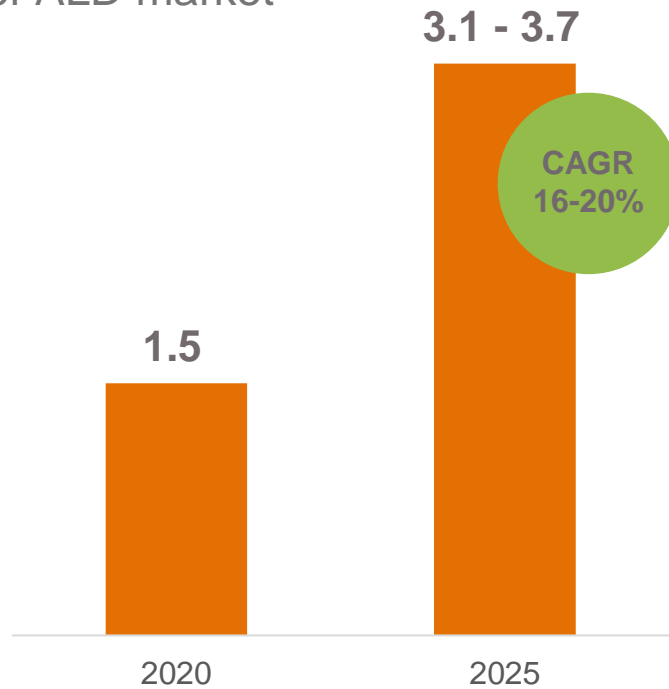


- Capex spending is expected to increase further in 2022, with advanced logic and foundry representing the largest portion

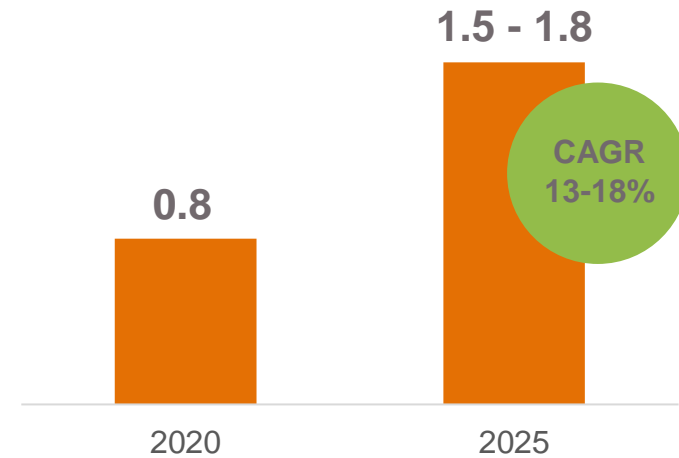
- The 10 largest customers accounted for about 79% of revenue in FY 2021
- The 3 largest customers accounted for approximately 59% of revenue in FY 2021

SINGLE-WAFER ALD AND EPITAXY MARKET OUTLOOK

Single-wafer ALD market
US\$ billion



Epi market
US\$ billion



Source: ASMI

- ALD and Epi expected to be the fastest growing segments in the deposition market driven by increasing device complexity, 3D structures, and new materials
- Mid-term targets: maintain ALD market share (2025: >55% vs 2020: ~55%); increase Epi market share (2025: >30% vs 2020: ~15%)
- Node progression and move to gate-all-around (GAA) are expected to drive US\$ 1.2 billion increase in the combined ALD/Epi markets in advanced logic/foundry by 2025

OUR STRATEGY IS GROWTH THROUGH INNOVATION

6 STRATEGIC OBJECTIVES

- Grow ALD business by maintaining leadership in logic/foundry and expanding in memory
- Increase Epi market share
- Selective growth in VF and PECVD niches
- Grow spares & services business
- Accelerate sustainability
- Drive continued strong financial performance

5 KEY STRATEGY ENABLERS

- Best people
- Leading-edge innovation
- Early customer engagements
- Flawless operational excellence
- Strong financial position

OUR PURPOSE IS TO IMPROVE PEOPLE'S LIVES THROUGH ADVANCING TECHNOLOGIES THAT UNLOCK NEW POTENTIAL

OUR MISSION IS TO ENABLE OUR CUSTOMERS' SUCCESS BY CREATING LEADING-EDGE SEMICONDUCTOR PROCESS PRODUCTS, SERVICES, AND NEW MATERIALS

Our Net Zero target:

Reduce environmental footprint of our operations

100% renewable electricity by 2024

Aim to be net zero by 2035 (scope 1, 2 and 3 emissions)



2021 achievements include:

Transitioned most of our key sites to renewable energy in 2021

CDP Climate and Water Security scores improved from C to B

Reuse of shipping packaging helped avoid 259 metric tons combined disposal⁽¹⁾

(1) 2020: 163 metric tons

FINANCIAL TARGETS TOWARDS FY 2025

	FY 2020	FY 2021	FY 2025
Revenue	€1.3 billion	€1.7 billion	€2.8 to €3.4 billion ¹
Revenue growth	22% CAGR (FY16-FY20)	34% YOY ¹	16-21% CAGR (FY20-FY25)
Gross margin %	47.0%	47.9%	46-50% (FY21-FY25)
SG&A % revenue	11.9%	11.0%	High single digit (FY25)
R&D (net) % revenue	10.5%	8.7%	High single digit to low teens (FY25)
Operating margin %	24.6%	28.4%	26-31% (FY21-25)

- ETR (effective tax rate 17.2% in FY 2021): Expected to gradually increase to low twenties
- We expect working capital days to range from 55-75 days (2021-2025)
- Expected capital expenditure ranging from €60-€100 million annually (2021-2025)

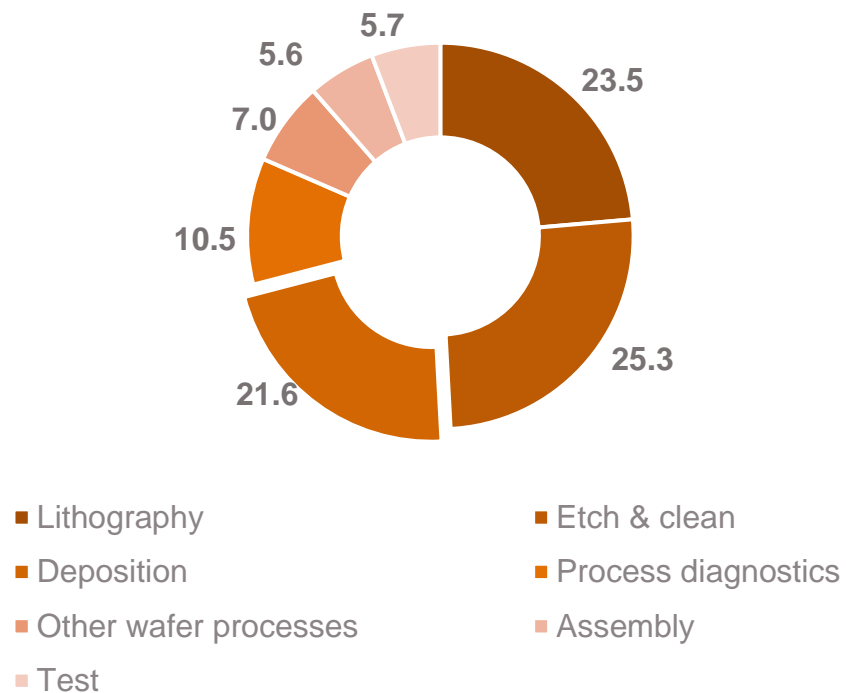
(1) In constant currencies

ANNEX: DETAILED FINANCIALS



ASMI IS FOCUSED ON DEPOSITION EQUIPMENT

Semiconductor equipment market segments 2021
US\$ billion



- > ASM's focus is on deposition
- > We are market leader in ALD (~55% share). ALD accounts for more than half of our total equipment revenue
- > Expanding our position in the Epi market
- > Selective growth in PECVD and Vertical Furnaces and healthy growth in spares & services

INCOME STATEMENT

€ million

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
New orders	411	516	625	645	706
Backlog	345	446	648	811	1,000
Book-to-bill ratio	1.0	1.3	1.4	1.3	1.4
Revenue	394	412	433	491	517
Cost of sales	(199)	(214)	(229)	(260)	(270)
Gross profit	195	198	204	231	247
Other income (expenses)	0.5	(0.0)	(0.5)	4	(0.1)
Selling, general and administrative	(40)	(46)	(49)	(55)	(61)
Net research and development	(31)	(34)	(38)	(49)	(44)
Total operating expenses	(71)	(80)	(87)	(104)	(104)
Operating result	125	118	117	131	143
Net interest income (expense)	(0.4)	(0.7)	(0.5)	(0.5)	(0.3)
Foreign currency exchange gains (losses)	16	(2)	13	7	9
Share in income of investments in associates ⁽²⁾	14	19	28	26	24
Amortization intangible assets ⁽¹⁾	(3)	(3)	(3)	(3)	(3)
Earnings before income taxes	151	132	154	160	172
Income taxes	(29)	(24)	(25)	(25)	(30)
Net earnings	122	108	129	135	142
Normalized net earnings⁽²⁾	125	111	132	138	146

(1) Resulting from the sale of the 12% stake of ASMPT in 2013

(2) Excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT in 2013

BALANCE SHEET

€ million

	Mar. 2021	Jun. 2021	Sep. 2021	Dec. 2021	Mar. 2022
Cash and cash equivalents	498	465	525	492	550
Accounts receivable	307	324	371	447	502
Inventories	171	173	187	212	256
Other current assets	54	79	76	70	76
Right-of-use assets - net	24	23	22	27	28
Investments in associates	782	769	808	849	884
Property, plant and equipment	216	216	226	257	274
Goodwill and other intangible assets	238	249	265	286	346
Evaluation tools at customers	80	78	79	64	67
Other non-current asses	8	8	9	9	9
Total assets	2,377	2,385	2,568	2,711	2,991
Accounts payable	152	149	157	175	211
Short-term debt	-	-	-	-	-
Other current liabilities	193	199	241	232	302
Long-term debt	-	-	-	-	-
Other non-current liabilities	39	46	51	62	66
Equity	1,993	1,991	2,119	2,242	2,412
Total liabilities and equity	2,377	2,385	2,568	2,711	2,991

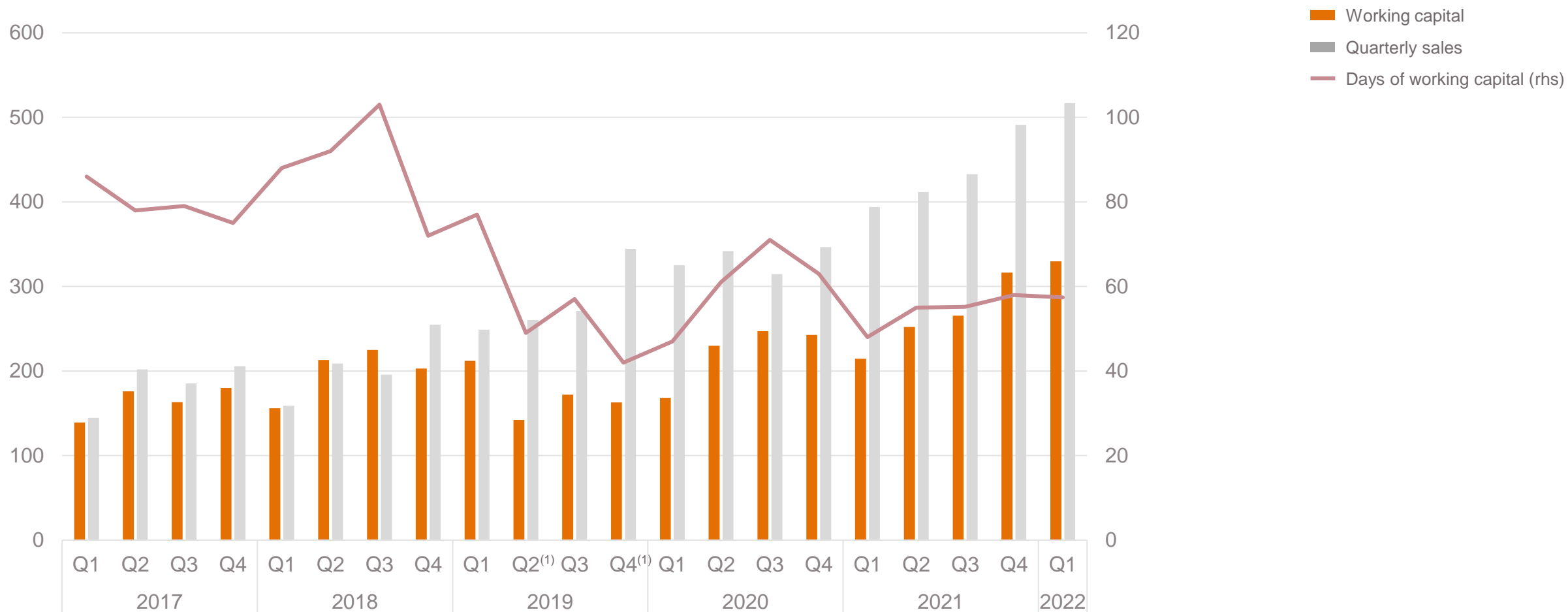
CASH FLOW STATEMENT

€ million

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Net earnings	122	108	129	135	142
Depreciation, amortization and impairments	20	25	24	27	25
Share in income of investments in associates	(11)	(16)	(25)	(23)	(20)
Evaluation tools	(11)	(5)	(4)	12	(7)
Other adjustments	(44)	11	8	(35)	21
Change in working capital	39	(43)	(12)	(52)	(11)
Net cash from operating activities	115	80	120	64	151
Capital expenditure	(11)	(13)	(17)	(31)	(27)
Capitalized development expenditure	(17)	(20)	(20)	(24)	(24)
Dividend received from investments	-	22	15	-	-
Other	2	(0.0)	(0.4)	2	(0.3)
Acquisitions of investments	-	-	-	-	(39)
Net cash from investing activities	(26)	(12)	(23)	(53)	(90)
Payment of lease liabilities	(2)	(2)	(2)	(2)	(2)
Dividend paid and capital repaid to ASMI shareholders	-	(97)	-	-	-
Share buyback	(37)	-	(45)	(58)	-
Other	-	-	1	3	-
Net cash from financing activities	(39)	(99)	(45)	(57)	(2)

WORKING CAPITAL: HISTORICAL DEVELOPMENT

€ million

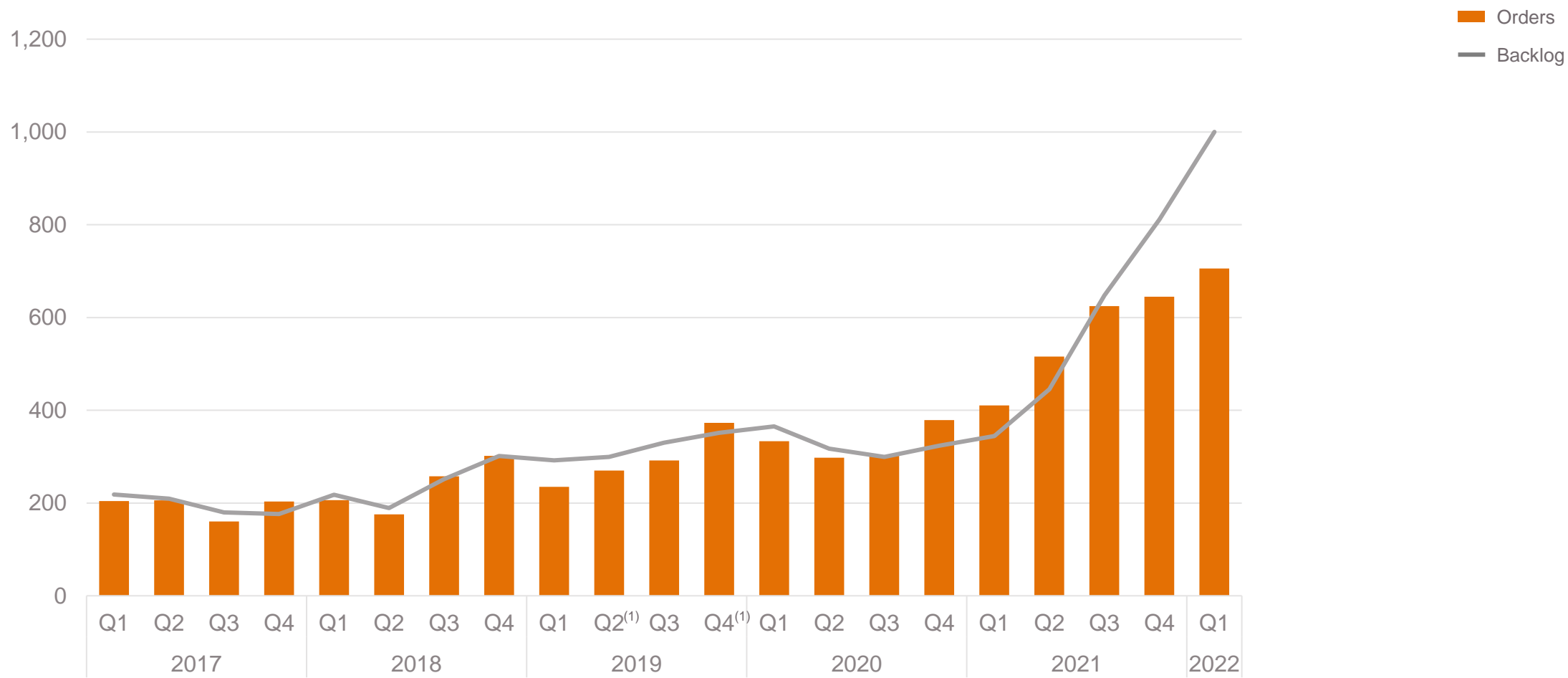


Numbers based on reported financials

(1) Excluding the impact of patent litigation and arbitration settlements

ORDERS AND BACKLOG: HISTORICAL DEVELOPMENT

€ million



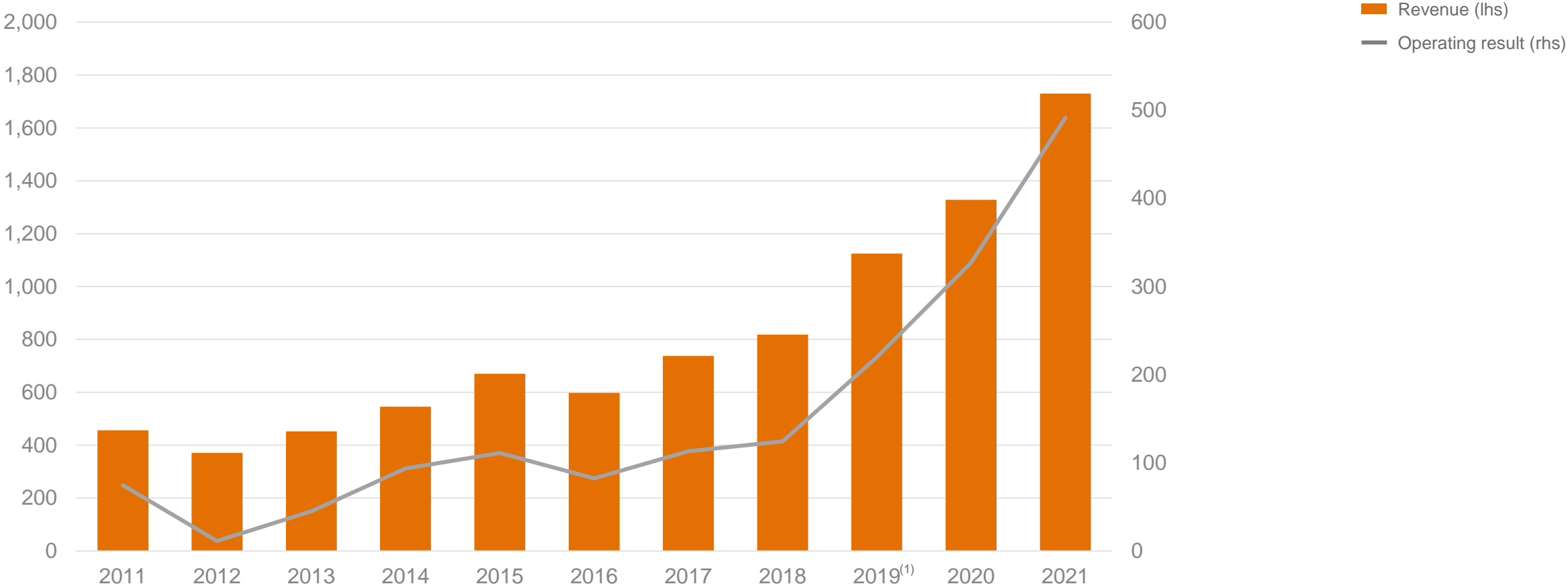
Numbers based on reported financials

(1) Excluding the impact of patent litigation and arbitration settlements

REVENUE AND OPERATING RESULT: HISTORICAL DEVELOPMENT



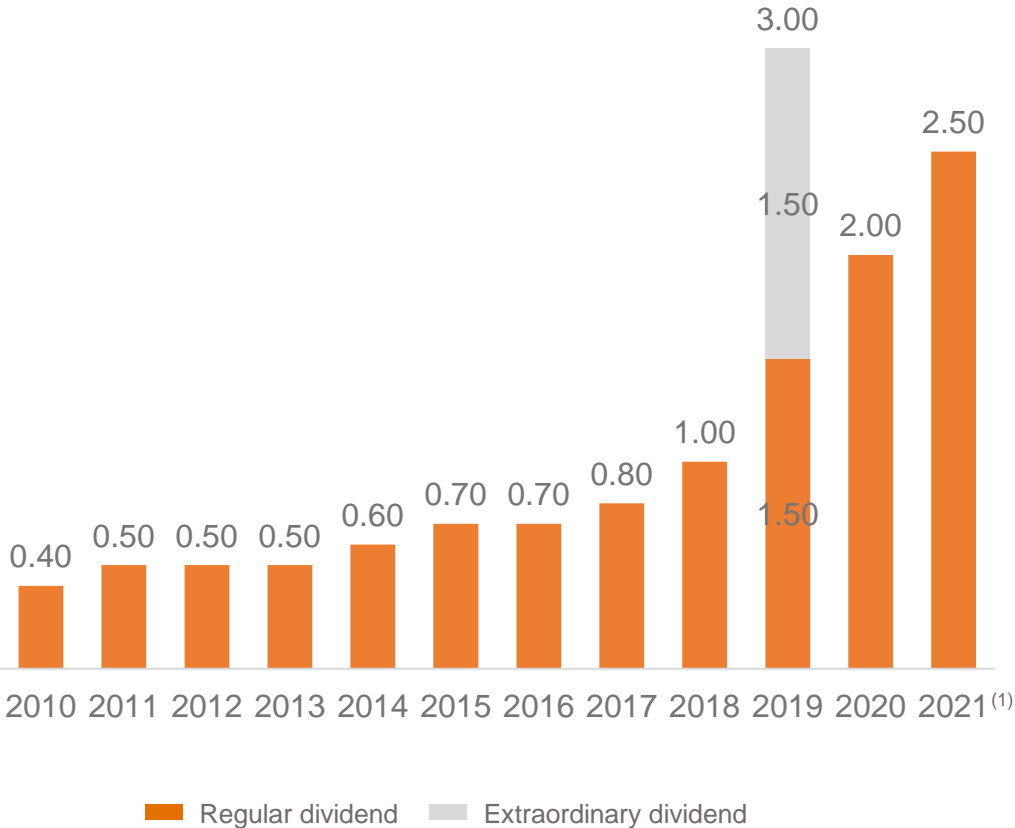
€ million



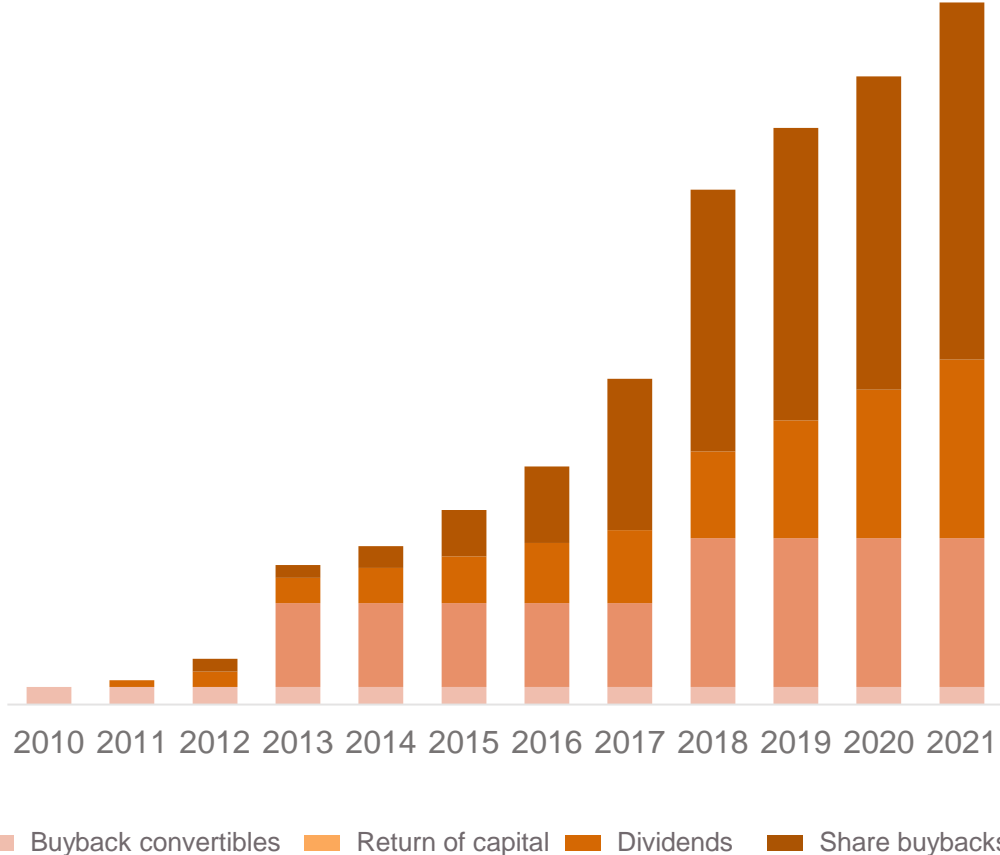
(1) Excluding settlement gains of €159m

EXCESS CASH RETURNED TO SHAREHOLDERS

Dividend per share
€ paid over



Cumulative cash returned to market
€ million



(1) Proposed



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