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INVESTOR PRESENTATION

Q3 2016 RESULTS

October 26, 2016

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› **ALD is a key growth market**

- ALD market expected to double in the next three to four years
- ASMI has leadership position in ALD

› **Strong revenue performance**

- Revenue increased by a CAGR of 18% since 2010, clearly outperforming the overall equipment market

› **Structurally improved profitability**

- Gross margin steady at 44% in the first nine months of 2016

› **Solid balance sheet**

- Strong cash position, no debt
- Announcement of new share buyback program for an amount of up to EUR 50m, as part of continued commitment to use excess cash for the benefit of shareholders
- 17% higher dividend of EUR 0.70 per share paid in 2016

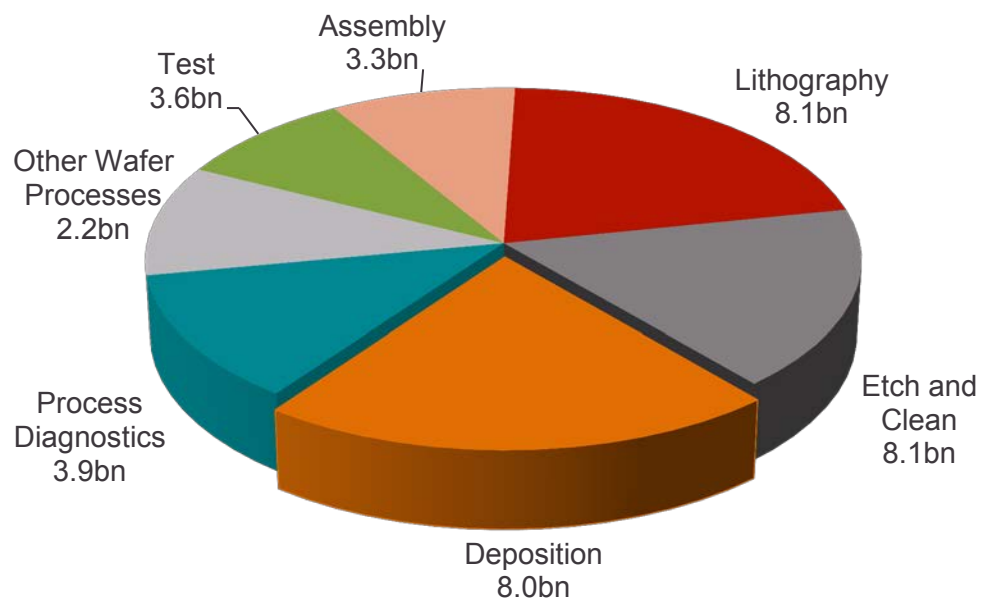
Q3 2016 KEY RESULTS - IFRS

	Q3 2015	Q2 2016	Q3 2016
New orders	148.1	159.1	122.6
Net sales	162.0	138.7	144.2
Gross profit margin %	43.4%	43.8%	44.2%
Operating results	30.6	16.7	16.8
Result from investments	8.6	16.4	26.7
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(6.7)	(6.7)
Net earnings	42.8	35.6	33.1
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	49.5	42.3	39.8

Note that as from 2016 ASMI reports its results based on IFRS instead of US GAAP

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

Equipment market segments (US\$)



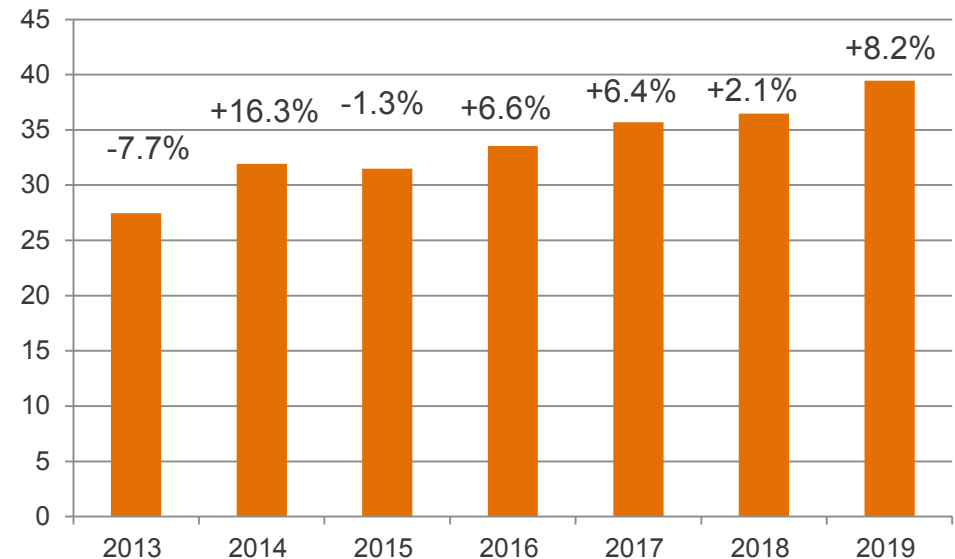
VLSI Research, April 2016

ASM's focus is on deposition equipment

- › Gartner forecasts WFE spending to increase by 7% in 2016, followed by 6% increase in 2017
- › Investment in leading edge equipment remains the key driver

Wafer Fab Equipment Spending

US\$bn

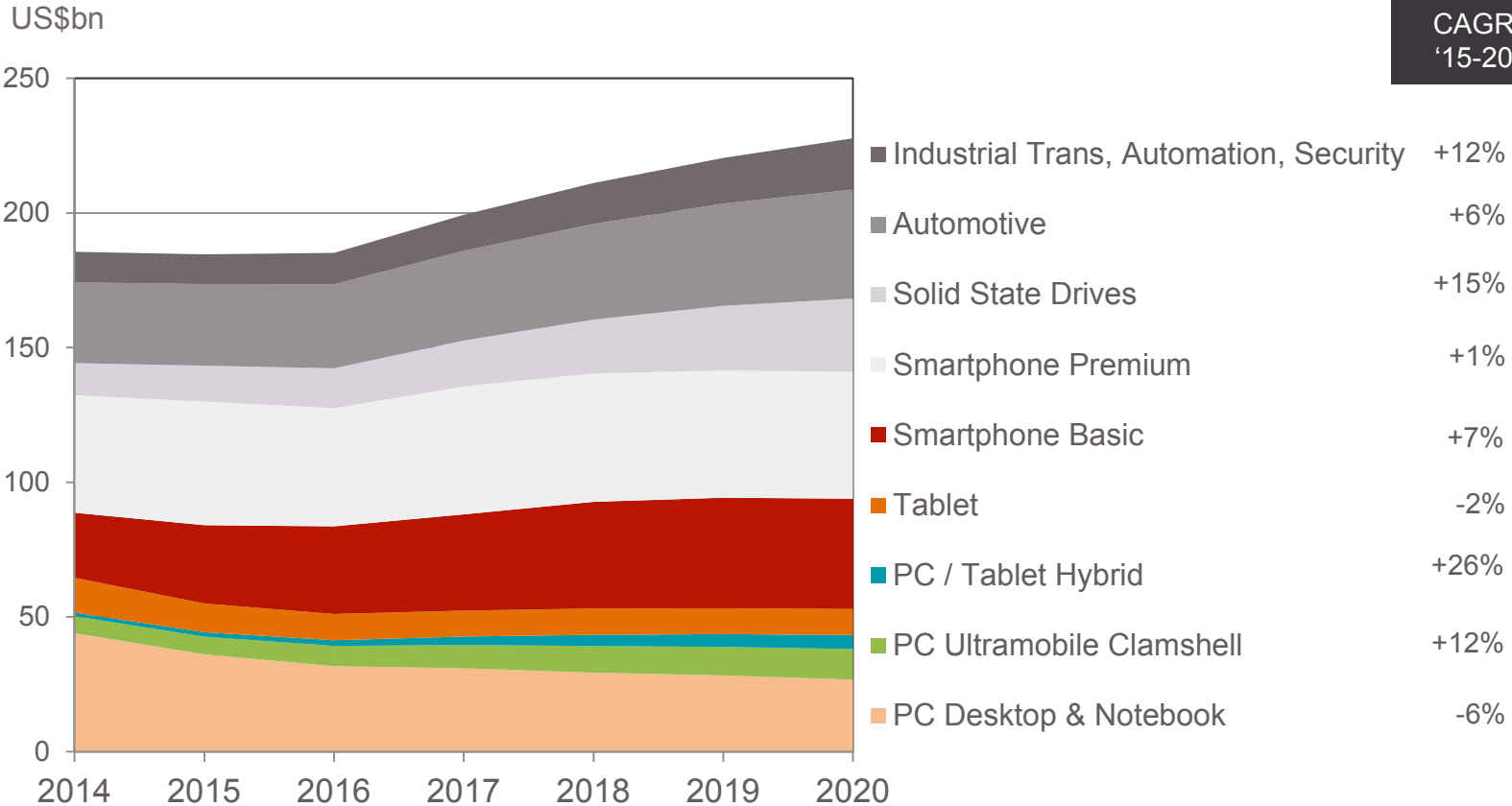


Gartner, October 2016

Gartner expects a mid single digit increase in Wafer Fab Equipment market in 2016

SEMICONDUCTOR GROWTH DRIVERS

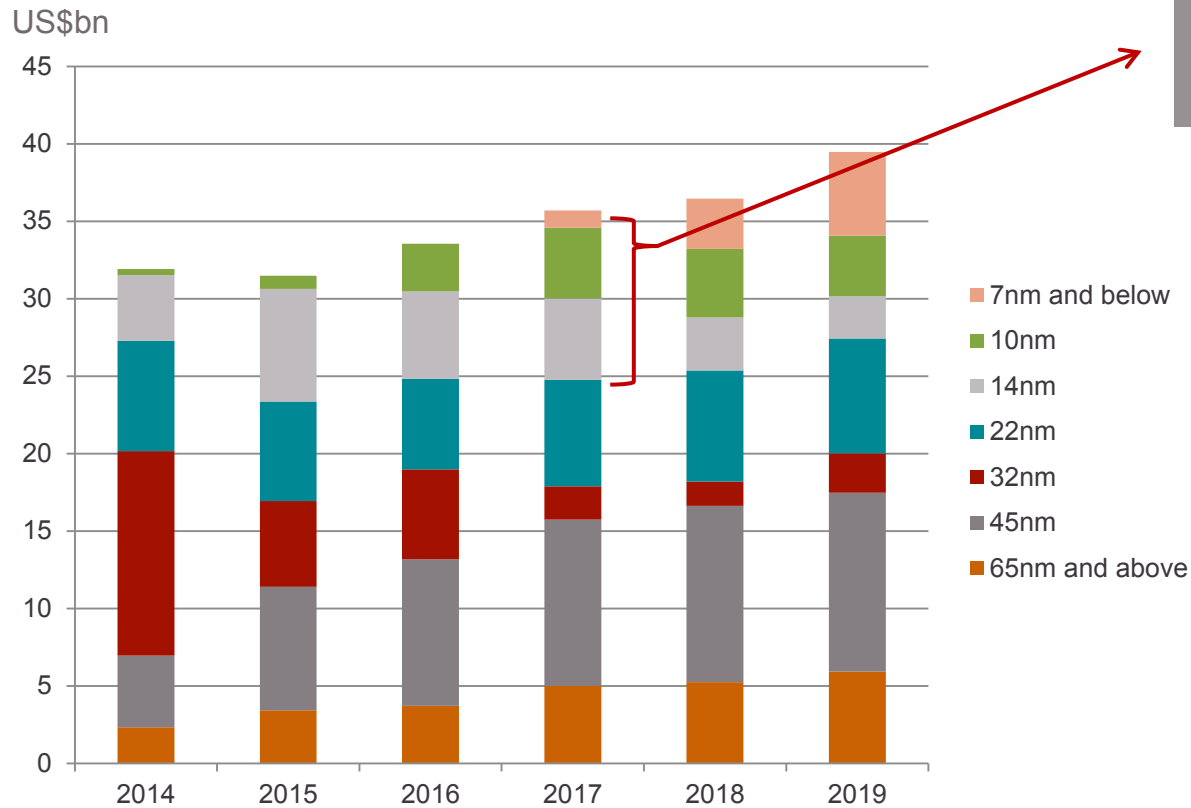
SEMICONDUCTOR SALES BY KEY APPLICATION



Source: Gartner, April 2016

- > Semiconductor drivers are mobile devices, but long term growth rate is slowing
- > New semi growth drivers are solid state drives, servers, automotive and IoT

WAFER FAB EQUIPMENT SPENDING BY NODE



Share of 14nm, 10nm and 7nm of total Equipment spending increasing in 2016-2018

Gartner, October 2016

Advanced nodes: market segments with high expected growth

› 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

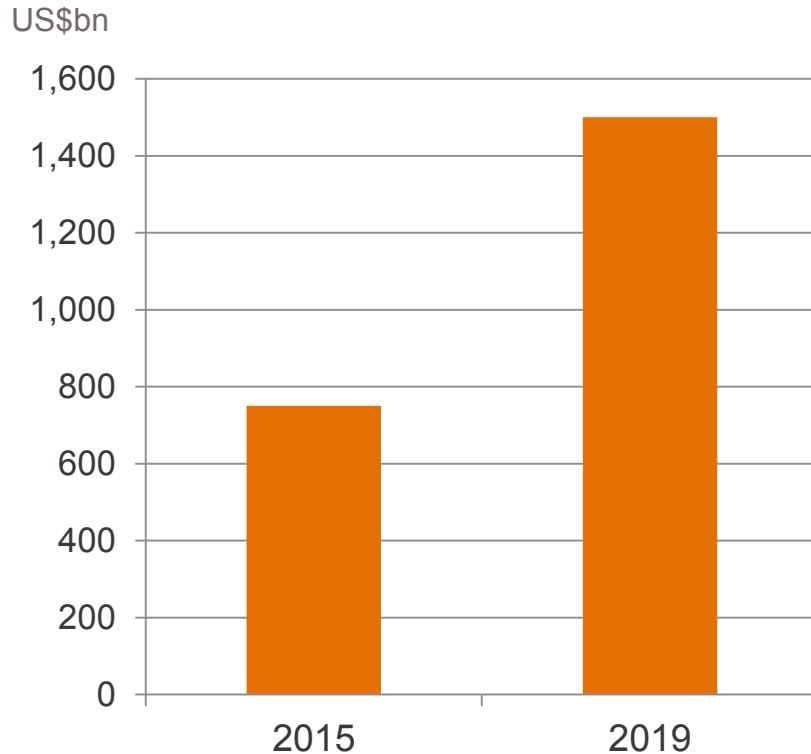
› ASMI has leading positions in ALD

- Leadership positions in ALD for high-k metal gate applications as well as for spacer defined multiple patterning and for new applications
- ALD business accounted for clearly more than half of ASM's equipment revenue in 2015

› Strong market outlook ALD

- Drivers are further deployment of ALD in volume manufacturing, new applications and process steps
- The CAGR '15-'19 of the ALD segment is highest within the deposition equipment market

ALD MARKET SINGLE WAFER / MINIBATCH



> Long term growth 2015-2019

- Single wafer ALD market ~\$750m in 2015
- Expected to double to approximately ~\$1.5bn in the next 3-4 years

> Key market growth drivers

- In Logic/Foundry a strong rise in the number of ALD steps going from 16/14nm to 10/7nm: new patterning steps, next generation high-k/metal gates and new applications for advanced FinFET devices
- In Memory new films for 3D NAND devices and advanced patterning layers & non-patterning films for DRAM

Source: ASMI, Gartner, VLSI, April 2016

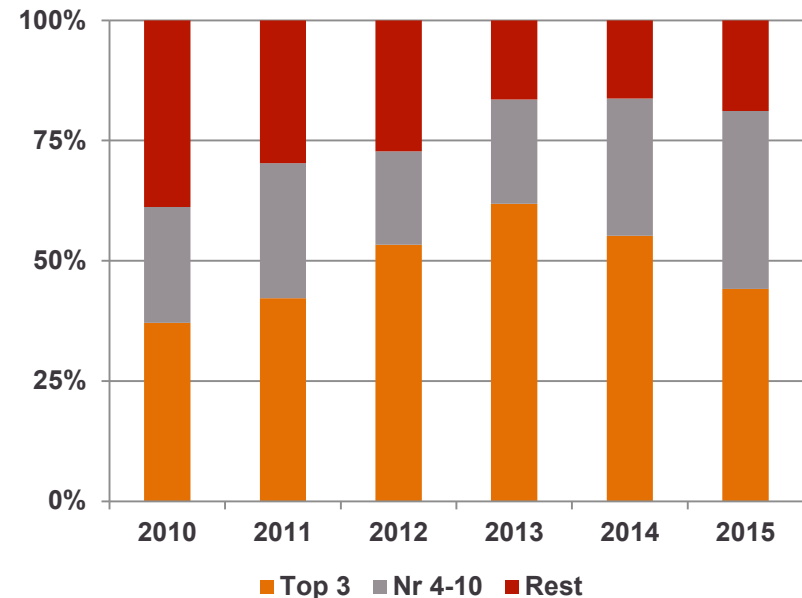
COMPETITIVE ADVANTAGES

- › **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**

CUSTOMER CONCENTRATION

- › Engaged with all of the top-10 semiconductor capital equipment spenders
- › Diversification of customer base from Logic to Memory and Foundries
- › Strong momentum with customers beyond the traditional top-3

ASMI revenue



Growing share of wallet with top clients

› **ALD market outlook**

- Strong Logic/Foundry demand in 2016 is not expected to offset lower Memory demand, leading to a double digit decrease in the single wafer ALD market
- For 2017, a clear improvement in the single wafer ALD market is expected; long term outlook remains solid

› **Shareholder remuneration**

- 2015/2016 EUR 100m share buyback 97% completed on October 21, 2016
- Announcement of new EUR 50m share buyback on October 26, 2016
- Returned EUR 130m to shareholders in 2016 year-to-date (FY 2015: EUR 116m)
- 17% higher dividend of EUR 0.70 per share paid in 2016

› **Intel's Preferred Quality Supplier award**

- On March 10, 2016, ASMI was awarded as one of 26 companies with Intel's Preferred Quality Supplier (PQS) award for performance in 2015

	Q3 2015	Q2 2016	Q3 2016
Sales ASMPT (HK\$m)	3,241	3,669	4,197
Net profit ASMPT excluding one-offs (EURm, 100% based)	20	51	68
Result from investments (including ASMI's 39% share of ASMPT net profit)	8.6	16.4	26.7
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	<u>(6.6)</u>	<u>(6.7)</u>	<u>(6.7)</u>
Result from investments	2.0	9.7	20.0

- › As of 15 March 2013, our share of approximately 39% of ASMPT's net earnings is included in 'result from investments'
- › Amortization intangible assets resulting from the sale of the 12% stake in ASMPT is expected to remain stable in 2016, on a currency comparable basis

FINANCIAL OVERVIEW

Q3 2016 HIGHLIGHTS

- › Revenues up 4% q-o-q and down 11% y-o-y
- › Bookings down 23% q-o-q and down 17% y-o-y. Book-to-bill ratio of 0.9
- › Q2 backlog of EUR 154m, down from EUR 175m at the end of Q2
- › EBIT margin of 11.7% compared to 12.0% in Q2 and 18.9% in Q3 2015
- › Free cash flow of positive EUR 19m in Q3 2016
- › Normalized net earnings* of EUR 40m in Q3 2016, down from EUR 42m in Q2 and EUR 50m in Q3 2015
- › Normalized net earnings were impacted by translation differences in financial results (negative EUR 3m in Q3 2016 compared to positive EUR 8m in Q2 2016 and positive EUR 3m in Q3 2015) and one-off tax benefit of EUR 9m in Q3 2015

** excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT*

Based upon the current backlog and our current visibility:

After its strong growth in the previous years, and as also communicated with our Q2-results in July, the single wafer ALD market is expected to show a double-digit decline in 2016, caused by a significant decrease in Memory which will not be offset by a strong increase in Logic/Foundry. We expect the single wafer ALD market to clearly improve again in 2017.

For Q4 we expect sales between €150-170 million, while we expect an order intake of €130-160 million, both on a currency comparable level.

NET EARNINGS Q3

EUR million	Q3 2015	Q2 2016	Q3 2016	Q3 2016 vs Q2 2016	Q3 2016 vs Q3 2015
New orders	148.1	159.1	122.6	(23)%	(17)%
Backlog	134.9	175.4	154.4	(12)%	14%
Book-to-bill	0.9	1.1	0.9		
Net sales	162.0	138.7	144.2	4%	(11)%
Gross profit	70.3	60.8	63.7	5%	(9)%
Gross profit margin %	43.4%	43.8%	44.2%		
Selling, general and administrative expenses	(24.1)	(21.0)	(21.4)	2%	(11)%
Research and development expenses	(15.4)	(22.1)	(24.2)	10%	58%
Restructuring expenses	(0.3)	(1.0)	(1.3)	n/a	n/a
Operating result	30.6	16.7	16.8	0.1	(13.7)
Operating margin %	18.9%	12.0%	11.7%		
Financing costs	2.4	10.0	(3.1)	(13.0)	(5.5)
Income tax	7.9	(0.8)	(0.7)	0.1	(8.5)
Result from investments	8.6	16.4	26.7	10.2	18.0
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(6.7)	(6.7)	-	-
Net earnings	42.8	35.6	33.1	(2.5)	(9.8)
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	49.5	42.3	39.8	(2.5)	(9.7)
Normalized net earnings per share, diluted	€0.78	€0.68	€0.65	€(0.03)	€(0.13)

R&D EXPENDITURE

EUR million	Q3 2015	Q2 2016	Q3 2016
R&D expenditure	(23.2)	(24.5)	(26.7)
Capitalized development expenditure	11.8	6.6	6.8
Amortization capitalized development expenditure	<u>(4.0)</u>	<u>(4.2)</u>	<u>(4.3)</u>
R&D expenses	(15.4)	(22.1)	(24.2)

CASH FLOW

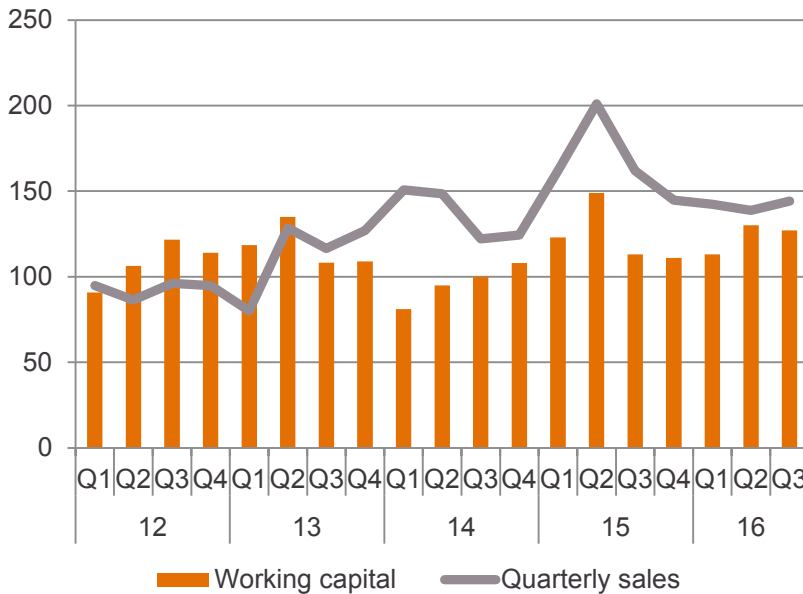
EUR million	Q3 2015	Q2 2016	Q3 2016
Normalized net earnings	49.5	42.3	39.8
Depreciation and amortization	10.9	12.1	12.8
Result from investments	(8.6)	(16.4)	(26.7)
Other adjustments	(3.2)	(7.2)	2.9
Change in working capital	26.3	(18.4)	2.4
Net cash from operating activities	74.9	12.3	31.2
Capital expenditure	(5.6)	(8.4)	(12.2)
Capitalized development expenditure	(11.8)	(6.7)	(6.8)
Dividend received from investments	18.4	7.2	14.8
Other	(0.4)	(2.5)	(1.9)
Net cash from investing activities	0.6	(10.4)	(6.0)
Dividend paid and capital repaid to ASMI shareholders	(4.7)	(37.2)	(5.5)
Share buyback	-	(24.9)	(26.9)
Other	0.2	2.7	1.0
Net cash from financing activities	(4.5)	(59.4)	(31.4)

BALANCE SHEET

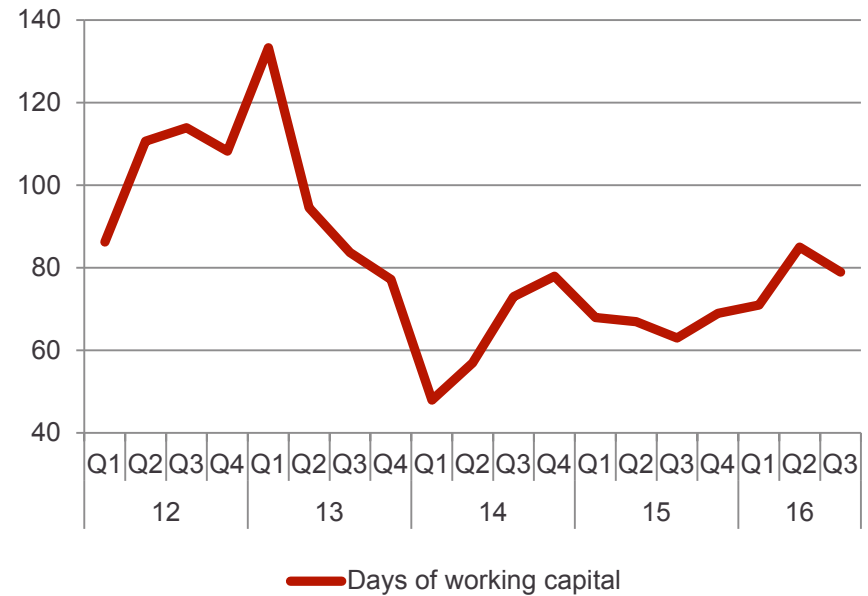
EUR million	Dec 31, 2015	Sep 30, 2016
Cash and cash equivalents	447	363
Accounts receivable	90	107
Inventories	114	116
Other current assets	19	17
Investments and associates	1,181	1,168
Property, plant and equipment	92	103
Capitalized development costs	73	87
Other non-current assets	60	74
Total Assets	2,076	2,035
Accounts payable	54	58
Short-term debt	-	-
Other current liabilities	61	54
Long-term debt	-	-
Other non-current liabilities	13	14
Equity	1,948	1,909
Total Liabilities and Equity	2,076	2,035

WORKING CAPITAL

EUR million

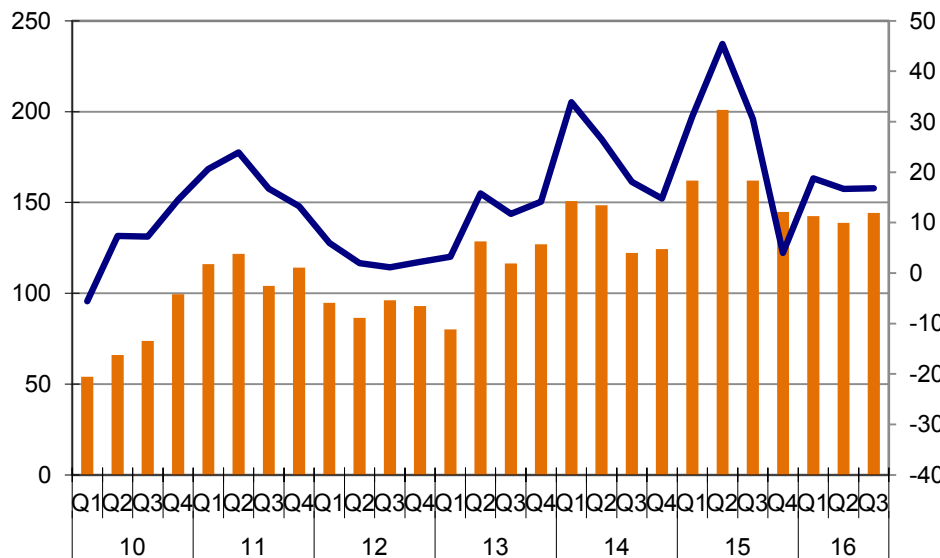


Days



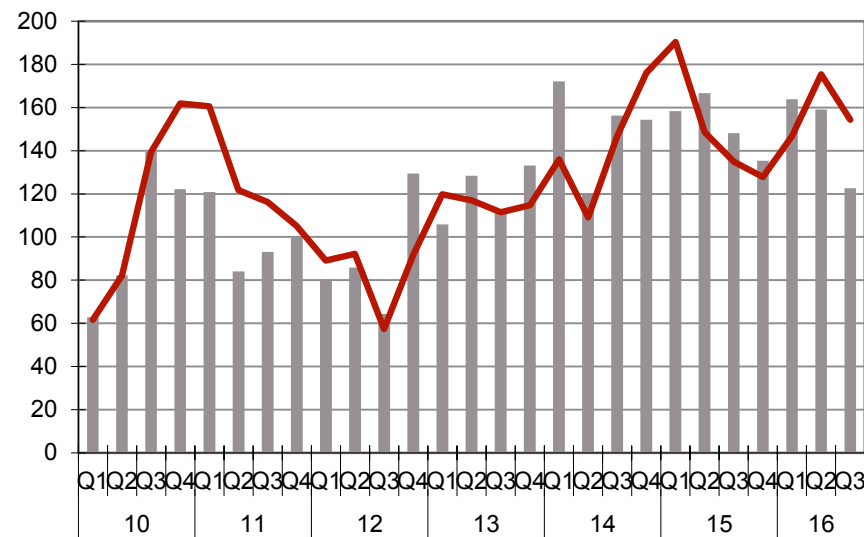
HISTORICAL DEVELOPMENT

EUR million



Net Sales (lhs) EBIT (rhs)

EUR million



Bookings Backlog

COMPARABLE RESULTS US GAAP

EUR million	Q3 2015	Q2 2016	Q3 2016	Q3 2016 vs Q2 2016	Q3 2016 vs Q3 2015
Net sales	162.0	138.7	144.2	4%	(11)%
Gross profit	70.7	60.8	63.7	5%	(10)%
Gross profit margin %	43.7%	43.8%	44.1%		
Selling, general and administrative expenses	(24.0)	(21.0)	(21.4)	2%	(11)%
Research and development expenses	(23.2)	(24.5)	(26.7)	9%	15%
Restructuring expenses	(0.3)	(1.0)	(1.3)	n/a	n/a
Operating result	23.2	14.3	14.3	-	(8.9)
Operating margin %	14.3%	10.3%	9.9%		
Financing costs	2.4	9.9	(3.2)	(13.1)	5.6
Income tax	8.7	(0.8)	(0.3)	0.5	(9.0)
Result from investments	8.1	16.4	26.7	10.3	18.6
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(6.7)	(6.7)	-	-
Net earnings	35.7	33.1	30.8	(2.3)	(4.9)
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	42.4	39.8	37.5	(2.3)	(4.9)
Normalized net earnings per share, diluted	€0.67	€0.64	€0.61	€(0.03)	€(0.06)

