

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q2 2017 RESULTS

July 25, 2017

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.

› **ALD is a key growth market**

- ALD market expected to grow by double digits from '15 to '20-'21
- ASMI has leadership position in ALD

› **Outperforming in 2011-2016**

- ASMI outperformed the WFE market in four of the last six years
- Following a drop in the single wafer ALD market in 2016 a clear improvement is expected again for 2017

› **Structurally improved profitability**

- Gross margin steady at 43.6% in H1 2017, operating margin of 15%

› **Solid balance sheet**

- Strong cash position, no debt
- Third consecutive EUR 100m share buyback program, to be executed in 2016/2017
- 1.5m treasury shares to be cancelled
- Stable dividend of EUR 0.70 per share paid in 2017

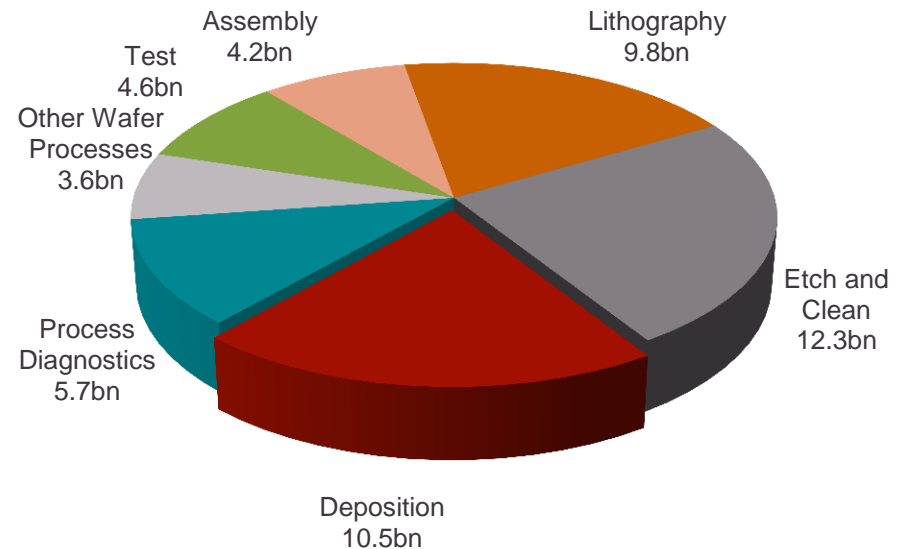
Q2 2017 KEY RESULTS



	Q2 2016	Q1 2017	Q2 2017
New orders	159.1	204.2	205.9
Net sales	138.7	144.5	202.0
Gross profit margin %	43.8%	43.5%	43.7%
Operating results	16.7	14.8	37.7
Normalized result from investments	16.4	35.4	30.9
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(5.8)	(7.3)
Result from 5% sale and dilution of ASMPT stake	-	-	83.8
Net earnings	35.6	35.9	132.1
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT and result from sale and dilution of ASMPT stake)	42.3	41.6	55.6

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

Equipment market segments (US\$)

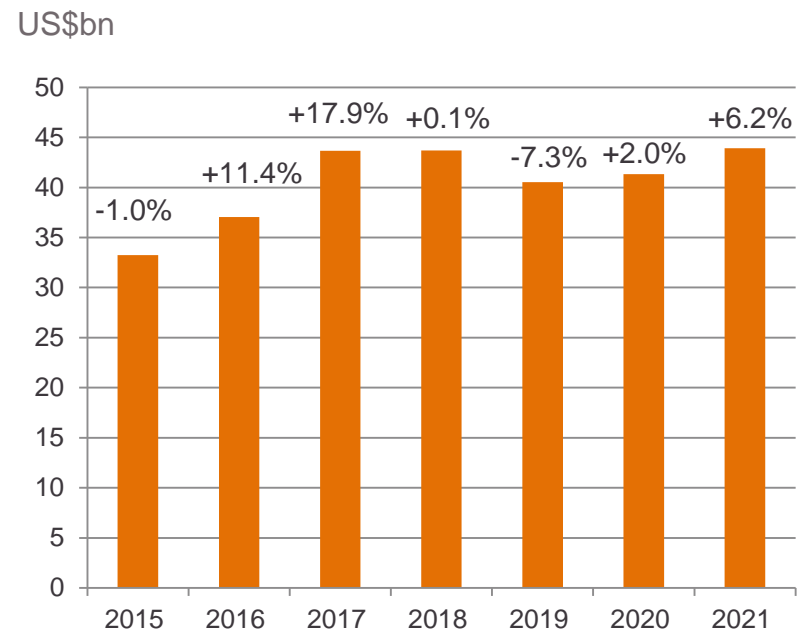


VLSI Research, February 2017

ASM's focus is on deposition equipment

- › **Gartner forecasts WFE spending to increase by 18% in 2017, followed by a stable development in 2018**
- › **Investment in leading edge equipment remains the key driver**

Wafer Fab Equipment Spending

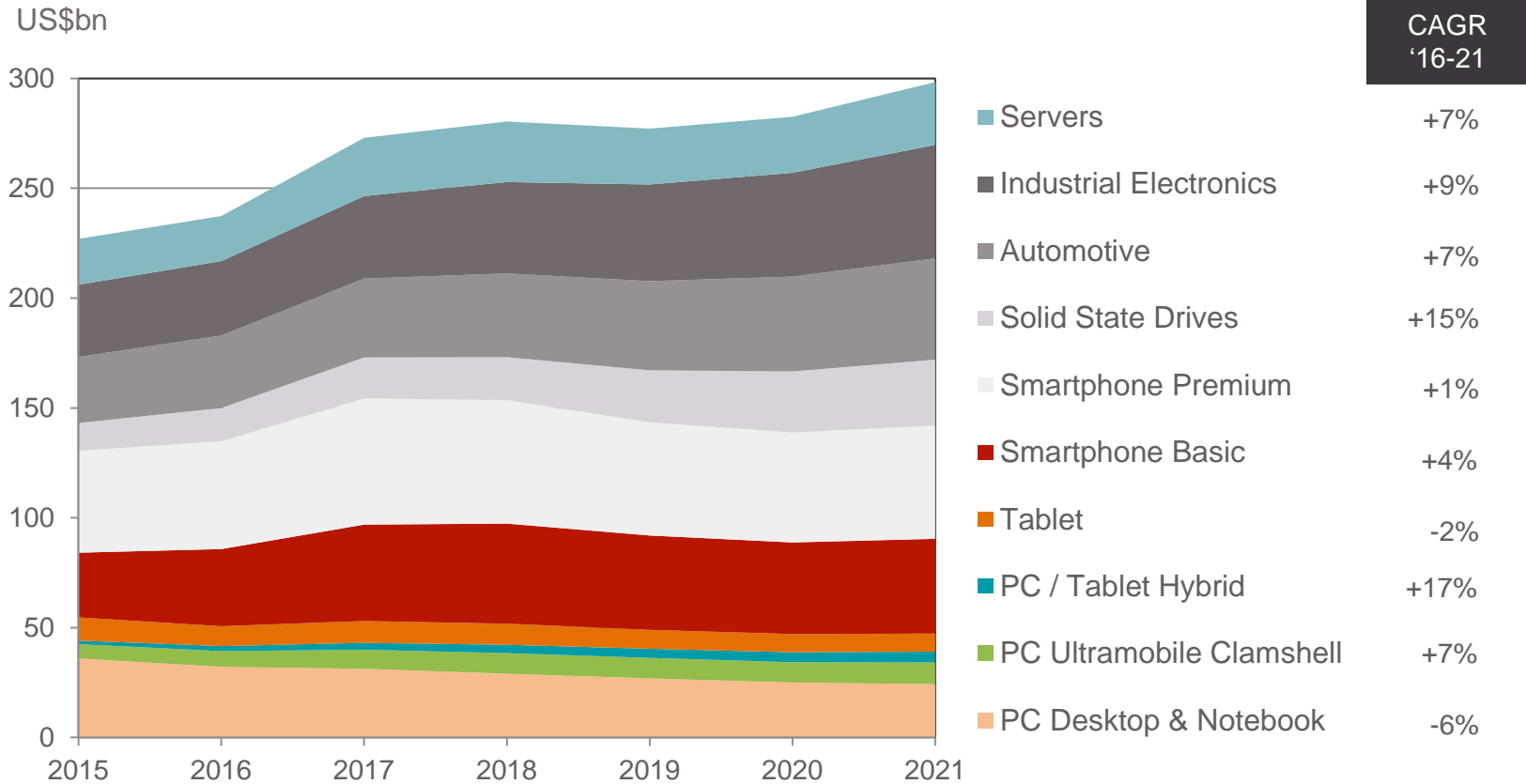


Gartner, July 2017

Gartner forecasts a growing Wafer Fab Equipment market in 2017

SEMICONDUCTOR GROWTH DRIVERS

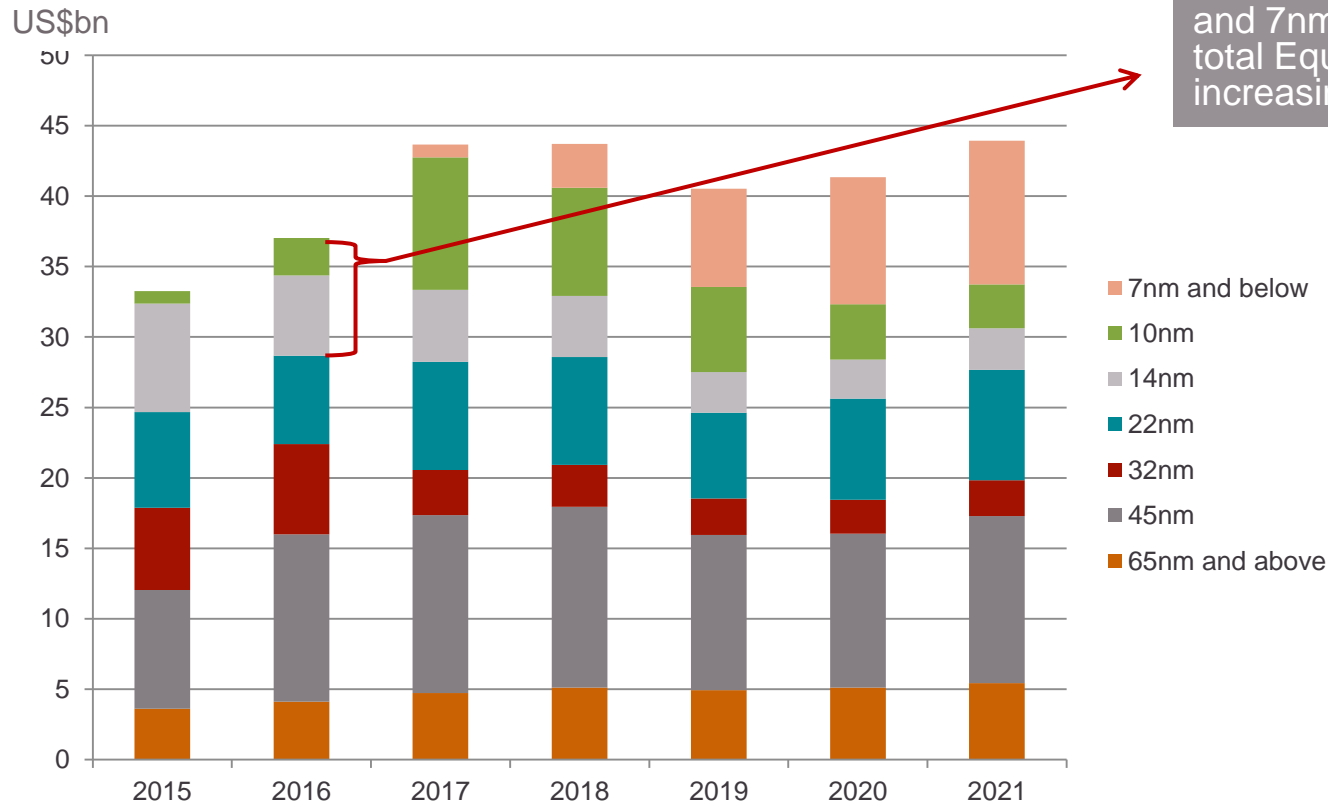
SEMICONDUCTOR SALES BY KEY APPLICATION



Source: Gartner, March 2017

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

WAFER FAB EQUIPMENT SPENDING BY NODE



Gartner, July 2017

- > Advanced nodes: market segments with high expected growth
- > Continued strength in 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

- Leadership in high-k metal gate, spacer defined multiple patterning and several new applications
- ALD continued to account for clearly more than half of ASM's equipment revenue in 2016

› Strong market outlook ALD

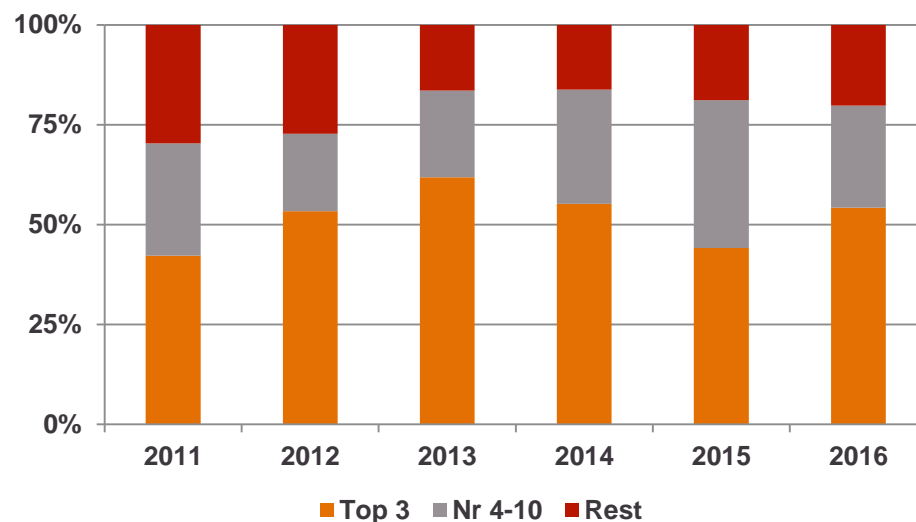
- Drivers are further deployment of ALD in volume manufacturing, new applications and process steps
- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

- › **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
- › Increase in contribution top-3 in 2016 driven by Logic/Foundry

ASMI revenue



Growing share of wallet with top clients

› Solid growth expected for the ALD market

- For 2017, we expect a clear improvement in the single wafer ALD market
- We expect the single wafer ALD market to reach a size of approx. US\$1.5 billion by 2020-2021

› First high volume manufacturing order intake Intrepid

- Broadening our Epitaxy presence to the mainstream CMOS market

› Shareholder remuneration

- As per July 21, 2017, 85% of the current share buyback program completed
- Proceeds of 5% stake sale ASMPT to be used for a new buyback program
- Stable dividend of EUR 0.70 per share paid in 2017

› TSMC supplier excellence award

- On February 23, 2017, ASMI received a supplier excellence award as one of five equipment suppliers from TSMC for ALD equipment and technology

STAKE IN ASMPT REDUCED FROM 39% TO 34%

- › **On April 24, 2017, ASMI sold a 5% stake in ASMPT for proceeds of approximately €245 million**
 - 20 million shares in ASMPT were placed at a price of HK\$105 per share through an accelerated bookbuild offering
- › **Proceeds to be used for a new share buyback program**
 - This program will start as soon as the current program has been completed
- › **The Management Board regularly reviews ASMI's stake in ASMPT. The most recent review led to the conclusion that a further reduction of approximately 5% was justified**
- › **Management strongly believes that, at this moment, a significant stake in ASMPT remains of strategic value for the company and an important factor towards long term value creation**
- › **ASMI continues to be the largest shareholder in ASMPT**

	Q2 2016	Q1 2017	Q2 2017
Sales ASMPT (HK\$m)	3,669	3,761	4,424
Net profit ASMPT excluding one-offs (EURm, 100% based)	51	64	88
Normalized result from investments (including ASMI's share of ASMPT net profit)	16.4	35.4	30.9
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(5.8)	(7.3)
Result from 5% sale and dilution of ASMPT stake	-	-	83.8

- › **As of March 15, 2013, our share in ASMPT's net earnings is included in 'result from investments'**
- › **On April, 24, 2017, we announced the sale of a stake of approximately 5%, reducing our holding in ASMPT from 39% to 34%. Net earnings in Q2 2017 included a result of EUR 84m on the 5% sale and dilution of the ASMPT stake**

FINANCIAL OVERVIEW

Q2 2017 HIGHLIGHTS

- › Revenues up 40% q-o-q and up 46% y-o-y
- › Bookings up 1% q-o-q and up 29% y-o-y. Book-to-bill ratio of 1.0
- › Q2 backlog of EUR 210m (currency comparable: EUR 222m) compared to EUR 218m at the end of Q1
- › Operating margin of 18.7% in Q2 2017 vs. 10.3% in Q1 and 12.0% in Q2 2016
- › Free cash flow of EUR 41m negative in Q2 2017
- › Normalized net earnings* of EUR 56m in Q2 2017, up from EUR 42m in both Q1 2017 and Q2 2016
- › Normalized net earnings were impacted by translation differences in financial results: negative EUR 11m in Q2 2017 vs. negative EUR 7m in Q1 2017 and positive EUR 8m in Q2 2016. Normalized results from investments included a one-off gain of EUR 10m in Q1 2017 and decreased in Q2 by EUR 4m q-o-q due to the dilution of our stake in ASMPT

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

Based upon the current backlog and our current visibility:

For Q3 we expect a sales level of €170-190 million, on a currency comparable level, while for the second half of 2017 as a whole we expect a sales level higher than in the first half of 2017. After the very strong orders in the past two quarters we expect order intake in Q3 at a still healthy level of €150-170 million, on a currency comparable level.

NET EARNINGS Q2

EUR million	Q2 2016	Q1 2017	Q2 2017	Q2 2017 vs Q1 2017	Q2 2017 vs Q2 2016
New orders	159.1	204.2	205.9	1%	29%
Backlog	175.4	218.3	209.6	(4)%	20%
Book-to-bill	1.1	1.4	1.0		
Net sales	138.7	144.5	202.0	40%	46%
Gross profit	60.8	62.9	88.2	40%	45%
Gross profit margin %	43.8%	43.5%	43.7%		
Selling, general and administrative expenses	(21.0)	(23.0)	(25.2)	9%	20%
Research and development expenses	(22.1)	(24.5)	(25.1)	2%	14%
Restructuring expenses	(1.0)	(0.5)	(0.2)	n/a	n/a
Operating result	16.7	14.8	37.7	22.9	21.0
Operating margin %	12.0%	10.3%	18.7%		
Financing costs	10.0	(7.3)	(10.6)	(3.3)	(20.6)
Income tax	(0.8)	(1.3)	(2.4)	(1.1)	(1.6)
Normalized result from investments	16.4	35.4	30.9	(4.5)	14.5
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(5.8)	(7.3)	(1.5)	(0.6)
Result from 5% sale and dilution of ASMPT stake	-	-	83.8	83.8	83.8
Net earnings	35.6	35.9	132.1	96.3	96.5
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT and result from sale and dilution of ASMPT stake)	42.3	41.6	55.6	14.0	13.4
Normalized net earnings per share, diluted	€0.68	€0.69	€0.93	€0.24	€0.25

R&D EXPENDITURE

EUR million	Q2 2016	Q1 2017	Q2 2017
R&D expenditure	(24.5)	(27.6)	(29.1)
Capitalized development expenditure	6.6	6.7	8.8
Amortization capitalized development expenditure	(4.2)	(3.6)	(3.5)
Impairment capitalized development expenditure	-	-	(1.4)
R&D expenses	(22.1)	(24.5)	(25.1)

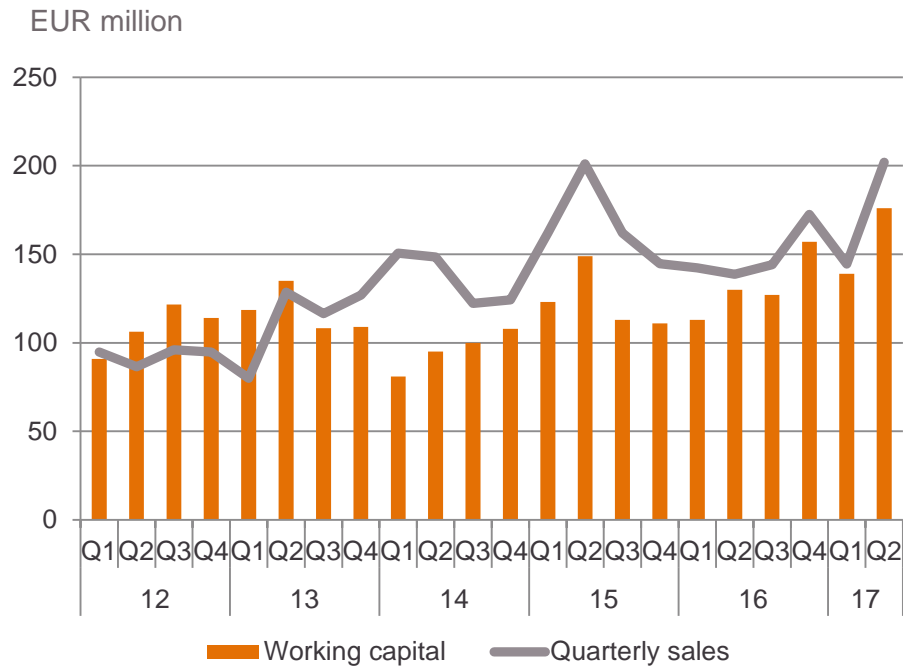
CASH FLOW

EUR million	Q2 2016	Q1 2017	Q2 2017
Normalized net earnings	42.3	41.6	55.6
Depreciation, amortization and impairments	12.1	11.9	13.6
Result from investments	(16.4)	(35.4)	(30.9)
Other adjustments	(7.4)	1.4	(1.1)
Change in working capital	(18.3)	14.0	(51.4)
Net cash from operating activities	12.3	33.4	(14.2)
Capital expenditure	(8.4)	(6.4)	(17.0)
Capitalized development expenditure	(6.7)	(6.7)	(8.8)
Dividend received from investments	7.2	-	18.1
Disposal of ASMPT stake	-	-	245.6
Other	(2.5)	(0.8)	(0.7)
Net cash from investing activities	(10.4)	(13.9)	237.2
Dividend paid to ASMI shareholders	(37.2)	-	(41.5)
Share buyback	(24.9)	(30.5)	(40.0)
Other	2.7	6.8	3.3
Net cash from financing activities	(59.4)	(23.7)	(78.2)

BALANCE SHEET

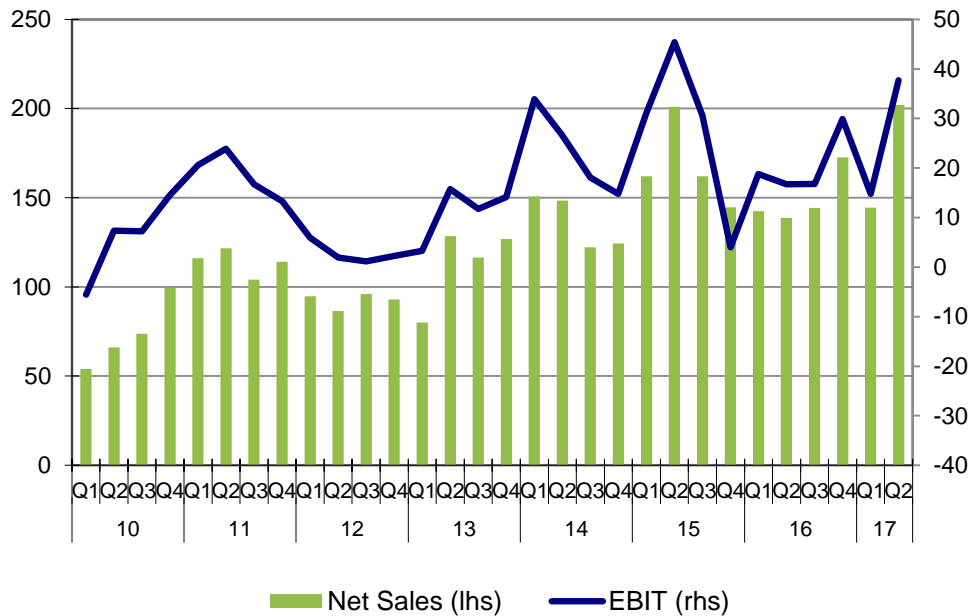
EUR million	Dec 31, 2016	Jun 30, 2017
Cash and cash equivalents	378	523
Accounts receivable	137	148
Inventories	112	150
Other current assets	23	27
Investments and associates	1,236	1,023
Property, plant and equipment	95	102
Capitalized development costs	88	90
Other non-current assets	79	78
Total Assets	2,148	2,141
Accounts payable	61	85
Short-term debt	-	-
Other current liabilities	57	68
Long-term debt	-	-
Other non-current liabilities	15	13
Equity	2,016	1,975
Total Liabilities and Equity	2,148	2,141

WORKING CAPITAL



HISTORICAL DEVELOPMENT

EUR million



EUR million



