

Almere, The Netherlands  
July 25, 2023, 6 p.m. CET

## ASM International N.V. reports second quarter 2023

ASM International N.V. (Euronext Amsterdam: ASM) today reports its second quarter 2023 operating results (unaudited).

**Continued revenue growth and lower orders in Q2 reflecting softer market conditions; outlook for revenue growth for the year maintained**

### Financial highlights

€ million	Q2 2022	Q1 2023	Q2 2023
New orders	942.7	647.4	485.8
YoY change % at constant currencies	73%	(6%)	(48%)
Revenue	559.5	710.0	669.1
YoY change % at constant currencies	30%	40%	21%
Normalized gross profit margin <sup>1)</sup>	47.5%	51.1%	49.0%
Normalized operating result <sup>1)</sup>	148.0	221.2	180.1
Normalized operating result margin <sup>1)</sup>	26.5%	31.2%	26.9%
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of ASMPT stake 2013)	26.9	9.4	9.2
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.4)	(3.4)	(0.2)
Reversal of impairment of investments in associates	0.0	215.4	0.0
Net earnings	160.4	380.4	151.2
Normalized net earnings <sup>2)</sup>	164.1	183.0	160.7

<sup>1)</sup> Excluding amortization of fair value adjustments from purchase price allocations (before tax)

<sup>2)</sup> Excluding amortization of fair value adjustments from purchase price allocations (net of tax), change in fair value of the contingent consideration (LPE earn-out) and impairment reversal of ASMPT

- New orders of €486 million for the second quarter 2023 decreased by 48% compared to the same period last year, both at constant currencies and as reported. The decrease reflected softening market conditions, and push-outs in logic/foundry as earlier indicated with the Q1 2023 report.
- Year-on-year revenue growth for the second quarter 2023 was 21% at constant currencies (20% as reported).
- Normalized gross profit margin of 49.0%, excluding PPA expenses in the second quarter 2023, improved compared to 47.5% in the same quarter last year, mainly explained by mix.
- Normalized operating result for the second quarter 2023, excluding PPA expenses, improved from €148 million last year to €180 million this year due to strong revenue growth and higher gross margin.



- Net earnings included a negative impact of €9 million (net of tax) relating to PPA expenses. Normalized net earnings for the second quarter 2023 were €161 million, down from €164 million in Q2 last year, and included a translation gain of €8 million compared to a translation gain of €26 million in Q2 2022 and a translation loss of €7 million in Q1 2023.
- Details of (estimated) amortization and earn-out expenses (PPA expenses) relating to the 2022 acquisitions of LPE and Reno are found in Annex 2.

## Comment

“Against a backdrop of slowing market conditions, ASM delivered a resilient performance in the second quarter,” said Benjamin Loh, President and CEO of ASM. “Revenue increased 21% at constant currencies compared to prior year to €669 million, in line with our previous guidance of €650–690 million. The gross margin improved year on year but decreased compared to the exceptionally high level in Q1 and amounted to a solid level of 49% in Q2, with a positive mix, and including again a relatively increased contribution from the Chinese market. Despite higher investments in R&D, and supported by the increased revenue, the operating result increased 23% at constant currencies to €180 million. As communicated previously, we still expect operating margin for the full year of 2023 to be 26% or slightly lower, explained by the expected lower sales level in the second half. We generated €86 million in free cash flow in Q2. We used €123 million in cash for the dividend payment, and €50 million for share repurchases.

Orders dropped by 48% to €486 million in Q2. The lower order intake in Q2 was impacted by softening demand, and, as indicated with our Q1 results, by push-outs in leading-edge logic/foundry, reflecting softer end-market conditions and some delays in new customer fab readiness. In addition, the decrease in order intake also reflected some further normalization of the backlog compared to the relatively elevated level in 2022, following improved supply chain conditions.

Demand in the memory market continued to be weak in Q2 and is not expected to recover in the remainder of the year. Logic/foundry orders dropped in Q2. Despite the near-term market softening, ASM remains well positioned for the next nodes. As our logic/foundry customers are preparing for the transition to gate-all-around (GAA) device technology we are confident that this transition will drive a meaningful double-digit increase in served available markets, with continued ALD leadership for ASM and opportunities for share gains in silicon Epi. We continue to expect a first meaningful contribution from GAA pilot-line orders in Q4 2023.

Demand in the mature node markets remained solid in Q2. For our company, these markets are a smaller part of revenue and mainly a selective play in the power, analog and wafer manufacturer segments. Combined with solid momentum of new product introductions, such as our Sonora vertical furnace, we expect solid growth in this part of our business this year.

Our silicon carbide Epi business increased substantially in Q2 and remains on track to achieve more than €130 million in sales in 2023. Since we acquired LPE last year, customer engagements have increased significantly. After winning a new leading North American customer earlier this year, we have received a first order from a major European SiC player.”



## Outlook

On a currency-comparable level, we project revenue of €580-620 million for Q3. As already communicated with our Q1 results, we expect Q3 orders will also show a drop compared to the level in Q1, albeit not as pronounced as in Q2. Our forecast for the second half is unchanged, we still expect a decrease in revenue of 10% or more compared to the first half of the year, based on the current visibility and at constant currencies. For FY 2023, we still expect revenue to show year-on-year a single-digit percentage increase, at constant currencies and including the consolidation of LPE.

Wafer fab equipment (WFE) is now expected to drop by a mid-to-high-teens percentage in 2023. Memory WFE is expected to show the sharpest drop and leading-edge logic/foundry is impacted by push-outs and weaker market conditions, while the trend in mature node spending remains more positive. We expect to again outperform the WFE market this year.

## Share buyback program

On April 25, 2023, ASM announced the start of the €100 million share buyback program. As of June 30, 2023, 50.1% of the share buyback program was completed at an average share price of €361.26.

## Investor Day

We will host our 2023 Investor Day on September 26. Speakers will include our CEO, CFO and CTO, and other members of ASM's senior management team. Further details will be announced later.

## Interim financial report

ASM today also publishes its Interim Financial Report for the six month period ended June 30, 2023.

This report includes an Interim Management Board Report and condensed consolidated interim financial statements prepared in accordance with IAS 34 (Interim Financial Reporting). The Interim Financial Report comprises regulated information within the meaning of the Dutch Financial Markets Supervision Act ("Wet op het Financieel Toezicht") and is available in full on our website [www.asm.com](http://www.asm.com).



## 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 ASM's website at [www.asm.com](http://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 will host the quarterly earnings conference call and webcast on Wednesday, July 26, 2023, at 3:00 p.m. CET.

Conference call participants should pre-register using this [link](#) to receive the dial-in numbers, passcode and a personal PIN, which are required to access the conference call.

A simultaneous audio webcast, and replay will be accessible at this [link](#).

## Contact

### Investor and media relations

Victor Bareño

T: +31 88 100 8500

E: [investor.relations@asm.com](mailto:investor.relations@asm.com)



# Annex 1

## Operating and financial review

### Bookings

The following table shows the level of new orders for the second quarter of 2023 and the backlog at the end of the second quarter of 2023, compared to the previous quarter and the comparable quarter previous year:

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Backlog at the beginning of the period	1,000.2	1,669.2	1,584.1	811.3	1,669.2
New orders for the period	942.7	647.4	485.8	1,648.4	1,133.2
Revenue for the period	(559.5)	(710.0)	(669.1)	(1,076.4)	(1,379.2)
FX-effect for the period	24.8	(22.5)	(1.0)	25.0	(23.4)
<b>Backlog at the end of the period</b>	<b>1,408.3</b>	<b>1,584.1</b>	<b>1,399.9</b>	<b>1,408.3</b>	<b>1,399.9</b>
Book-to-bill ratio (new orders divided by revenue)	1.7	0.9	0.7	1.5	0.8

The backlog decreased from €1,584 million at the end of the first quarter 2023 to €1,400 million as per June 30, 2023. New orders for the second quarter 2023 decreased to €486 million, down 24% at constant currencies compared to previous quarter.

The book-to-bill ratio for Q2 was 0.7. In terms of customer segments, new orders in the second quarter 2023 were led by foundry followed by logic and memory.

### Revenue

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Equipment revenue	467.2	603.6	565.8	894.8	1,169.4
Spares & service revenue	92.2	106.4	103.3	181.6	209.8
<b>Revenue</b>	<b>559.5</b>	<b>710.0</b>	<b>669.1</b>	<b>1,076.4</b>	<b>1,379.2</b>

Revenue for the second quarter 2023 increased to €669 million, up 21% year-on-year at constant currencies (20% as reported). Compared to the previous quarter, revenue decreased by 5% at constant currencies (6% as reported). Revenue in the second quarter was led by foundry followed by power/analog, and then logic and memory.

Equipment revenue in the second quarter increased by 22% year-on-year at constant currencies (21% as reported). Compared to the previous quarter, equipment revenue decreased by 5% at constant currencies (6% as reported).

Spares & service revenue in the second quarter grew by 15% year-on-year at constant currencies (12% as reported). Compared to the previous quarter, spares & service revenue decreased by 1% at constant currencies (3% as reported).

### Normalized gross profit margin

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Normalized gross profit	265.9	362.9	327.8	513.1	690.7
Normalized gross profit margin	47.5%	51.1%	49.0%	47.7%	50.1%



Normalized gross profit margin of 49.0%, excluding PPA expenses in the second quarter 2023 improved compared to 47.5% in the same quarter last year, however lower than the first quarter 2023 margin of 51.1%. The change is largely explained by mix, including relatively higher sales in China.

At constant currencies, the normalized gross profit for the second quarter decreased by 9% (10% as reported) quarter-on-quarter and increased by 25% (23% as reported) year-on-year. Including PPA expenses, gross margin was 48.3% in Q2 2023.

## Normalized selling, general and administrative expenses

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Normalized SG&A expenses	67.5	69.9	73.7	128.2	143.7

Normalized selling, general and administrative (SG&A) expenses increased by 5% compared to the level in the previous quarter and increased by 9% year-on-year. The increase in SG&A expenses is mainly explained by annual merit increase and some investment to strengthen the organization. As a percentage of revenue, normalized SG&A expenses decreased to 11.0% compared to 12.1% in Q2 2022 and increased compared to 9.9% in Q1 2023. The impact of currency changes for the second quarter was a decrease of 2% quarter-on-quarter and a decrease of 1% year-on-year.

## Normalized research and development expenses

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Normalized gross research and development expenses	69.8	90.5	100.4	129.7	190.8
Capitalization of development expenses	(27.3)	(29.2)	(37.5)	(50.9)	(66.7)
Amortization of capitalized development expenses	8.0	10.6	11.1	15.2	21.7
Impairment of capitalized development expenses	(0.1)	—	—	—	—
Normalized net research and development expenses	50.5	71.8	74.0	94.0	145.8

The normalized gross research and development (R&D) expenses increased by 11% compared to the previous quarter and increased 44% year-on-year.

Normalized net R&D expenses increased by 3% compared to the previous quarter and increased by 47% year-on-year. The year-on-year increase of €24 million was mainly due to increased number of R&D projects and related R&D materials consumed, headcount growth, and continued focus on R&D investments to support growth. Normalized net R&D expenses were 11.1% of revenue in Q2 2023 compared to 10.1% in Q1 2023 and 9.0% in the same period in 2022. The impact of currency changes for the second quarter was a decrease of 2% quarter-on-quarter and a decrease of 3% year-on-year.



## Normalized operating result

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Normalized operating result	148.0	221.2	180.1	291.0	401.3
Normalized operating result margin	26.5%	31.2%	26.9%	27.0%	29.1%

Normalized operating result of 26.9% was 0.4% points higher compared to the same period last year and 4.3% points lower compared to the previous quarter. At constant currencies, the normalized operating result for the second quarter decreased by 18% (19% as reported) quarter-on-quarter and increased by 23% (22% as reported) year-on-year. Including PPA expenses, operating margin was 25.5% in Q2 2023.

## Normalized financing income (expense)

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Normalized net interest income (expense)	0.1	1.3	2.8	(0.3)	4.2
Foreign currency exchange gains (losses)	26.5	(6.8)	7.6	35.5	0.9
<b>Normalized financing income (expense)</b>	<b>26.5</b>	<b>(5.5)</b>	<b>10.4</b>	<b>35.2</b>	<b>5.1</b>

Financing costs are mainly related to currency translation results due to movements in the US dollar. A substantial part of ASM's cash position is denominated in US dollars. Financing expense was normalized for the impact from the LPE earn-out expense of €2 million.

## Share in income of investments in associates

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	26.9	9.4	9.2	50.5	18.6
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.4)	(3.4)	(0.2)	(6.6)	(3.6)
<b>Share in income of investments in associates</b>	<b>23.5</b>	<b>6.0</b>	<b>9.0</b>	<b>43.9</b>	<b>15.0</b>

Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT), which reflects our approximate 25% shareholding in ASMPT, slightly decreased by €0.2 million compared to the previous quarter. ASMPT's net earnings, on a 100% basis, decreased by €1 million to €37 million compared to the previous quarter. Q2 last year, also on a 100% basis, showed net earnings of €108 million. For further information on the Q2 results of ASMPT, please visit ASMPT's website [www.asmpt.com](http://www.asmpt.com).

Amortization of intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €0.2 million in Q2. For 2023, on a currency-comparable basis, this amortization is expected to amount to €4 million.



## Impairment of investment in associates

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Impairment of investments in associates, at beginning of period	—	(215.4)	—	—	(215.4)
Impairment of investments	—	—	—	—	—
Reversal of impairments	—	215.4	—	—	215.4
<b>Impairment of investments in associates, at end of period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

The impairment charge of €321 million on investments in associates, recognized in Q3 2022, has been completely reversed as a result of an increase in the recoverable amount.

The impairment reversal accounted for in the first quarter 2023 relates to a non-cash adjustment of €215 million, reflecting an increase in the market valuation of our stake in ASMPT in the quarter.

The impairment reversal is in line with our accounting policy under which, at each reporting date, we will determine if there is any objective evidence for impairment. If the fair value of an investment is less than its carrying amount, the company determines whether the decline in value is significant or prolonged. The impairment charge will be subsequently reversed only to the extent that the recoverable amount of the investment increases.

## Normalized income taxes

Normalized income taxes in the second quarter 2023 amounted to an expense of €39 million, which is in line with the amount in the same period 2022 (€37 million).

## Net earnings

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Net earnings	160.4	380.4	151.2	302.9	531.6
Normalized for:					
Amortization intangible assets (resulting from the acquisitions of Reno and LPE)	(0.4)	(17.0)	(9.5)	(0.4)	(26.4)
Income taxes (realization of temporary differences)	0.1	4.7	2.6	0.1	7.3
Finance expense (earn-out)	—	(2.4)	(2.4)	—	(4.8)
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.4)	(3.4)	(0.2)	(6.6)	(3.6)
Reversal of impairment of investments in associates	—	215.4	—	—	215.4
<b>Normalized net earnings</b>	<b>164.1</b>	<b>183.0</b>	<b>160.7</b>	<b>309.8</b>	<b>343.7</b>

Normalized net earnings in the second quarter 2023 decreased by €22 million to €161 million compared to previous quarter mainly due to lower operating results, partly offset by an exchange gain (loss in the previous quarter).



## Cash flows

€ million	Q2 2022	Q1 2023	Q2 2023	YTD 2022	YTD 2023
Net cash from operating activities	132.6	210.4	152.4	283.1	362.7
Net cash from investing activities	(11.7)	(55.7)	(66.5)	(101.7)	(122.2)
<b>Cash flows from operating activities after investing activities</b>	<b>120.9</b>	<b>154.7</b>	<b>85.9</b>	<b>181.4</b>	<b>240.6</b>
Net cash from financing activities	(124.5)	(2.6)	(176.3)	(126.9)	(178.9)
<b>Total net cash provided (used)</b>	<b>(3.5)</b>	<b>152.1</b>	<b>(90.4)</b>	<b>54.5</b>	<b>61.7</b>

The cash flow from operating activities decreased compared to the level in the previous quarter mainly due to lower operating results and higher working capital. Cash used in investing activities in Q2 2023 is higher than previous quarter due to increased capitalization of development expenditure and higher Capex, partly offset by dividend income of €23 million. For Capex, we still target a level of €150-200 million for 2023. We generated a quarterly cash flow from operating activities and after investing activities (free cash flow) of €86 million. Cash used in financing activities during Q2 2023 was mainly for dividend payments to ASM shareholders of €123 million and share repurchases of approximately €50 million out of the €100 million share buyback program.

## Working capital

€ million	December 31, 2022 <sup>1)</sup>	March 31, 2023	June 30, 2023
Inventories	538.4	575.1	581.8
Accounts receivable	580.8	568.0	534.6
Other current assets	112.2	97.6	83.9
Accounts payable	(243.5)	(252.2)	(217.5)
Provision for warranty	(34.2)	(30.7)	(26.8)
Accrued expenses and other payables	(458.9)	(479.4)	(463.8)
<b>Working capital</b>	<b>494.8</b>	<b>478.4</b>	<b>492.1</b>

1) Comparatives have been restated for the effects of remeasurement adjustments to the acquisition of LPE in 2022. As a result of the remeasurement, other current assets have been decreased by €2.4 million and goodwill increased by €2.4 million.

Net working capital increased to €492 million compared to €478 million per March 31, 2023 (€495 million per December 31, 2022), mainly explained by lower levels of current liabilities (- €54 million), partly offset by lower accounts receivable and other current assets (- €47 million).

The number of outstanding days of working capital, measured against quarterly sales, increased to 66 days on June 30, 2023, compared to 61 days on March 31, 2023 (61 days on December 31, 2022).

## Sources of liquidity

As per June 30, 2023, the company's principal sources of liquidity consisted of €490 million in cash and cash equivalents and €150 million in undrawn bank lines.



## Annex 2

### Consolidated statement of profit or loss

€ thousand, except per share data	Three months ended June 30,		Six months ended June 30,	
	2022	2023	2022	2023
Revenue	559,457	669,144	1,076,401	1,379,172
Cost of sales	(293,510)	(346,089)	(563,295)	(705,557)
<b>Gross profit</b>	<b>265,947</b>	<b>323,055</b>	<b>513,106</b>	<b>673,615</b>
Other income	65	5	—	59
<b>Operating expenses:</b>				
Selling, general and administrative	(67,543)	(74,898)	(128,155)	(146,048)
Research and development	(50,879)	(77,485)	(94,383)	(152,735)
<b>Total operating expenses</b>	<b>(118,422)</b>	<b>(152,383)</b>	<b>(222,538)</b>	<b>(298,783)</b>
<b>Operating result</b>	<b>147,590</b>	<b>170,677</b>	<b>290,568</b>	<b>374,891</b>
Net interest income (expense)	52	402	(288)	(675)
Foreign currency exchange gain (loss)	26,496	7,633	35,543	868
Share in income of investments in associates	23,503	8,951	43,959	15,003
Reversal of impairment of investments in associates, net	—	—	—	215,389
<b>Earnings before income taxes</b>	<b>197,641</b>	<b>187,663</b>	<b>369,782</b>	<b>605,476</b>
Income taxes	(37,195)	(36,465)	(66,842)	(73,915)
<b>Net earnings</b>	<b>160,446</b>	<b>151,198</b>	<b>302,940</b>	<b>531,561</b>
Per share data:				
Basic net earnings	3.30	3.06	6.23	10.77
Diluted net earnings <sup>1)</sup>	3.28	3.04	6.19	10.71
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	48,682	49,350	48,629	49,342
Diluted <sup>1)</sup>	48,968	49,662	48,915	49,654
Outstanding shares:	48,682	49,281	48,682	49,281
Treasury shares:	616	148	616	148

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 June 30, 2023, is 311,850 common shares, and for six months ended June 30, 2023, the possible increase is 311,661 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

€ thousand	December 31, 2022 <sup>1)</sup>	June 30, 2023
<b>Assets</b>		
Right-of-use assets	31,663	34,215
Property, plant and equipment	312,053	338,062
Evaluation tools at customers	68,676	70,543
Goodwill	320,818	320,473
Other intangible assets	646,104	663,958
Investments in associates	686,341	873,062
Other investments	5,814	9,612
Deferred tax assets	181	224
Other non-current assets	9,627	9,333
<b>Total non-current assets</b>	<b>2,081,277</b>	<b>2,319,482</b>
Inventories	538,425	581,770
Accounts receivable	580,823	534,610
Income taxes receivable	18,778	19,552
Other current assets	112,171	83,877
Cash and cash equivalents	419,315	490,347
<b>Total current assets</b>	<b>1,669,512</b>	<b>1,710,156</b>
<b>Total Assets</b>	<b>3,750,789</b>	<b>4,029,638</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>2,749,319</b>	<b>3,045,829</b>
Lease liabilities	18,604	20,707
Contingent consideration payable	78,649	83,477
Deferred tax liabilities	123,803	121,611
<b>Total non-current liabilities</b>	<b>221,056</b>	<b>225,795</b>
Accounts payable	243,499	217,507
Provision for warranty	34,219	26,842
Income taxes payable	43,785	49,899
Accrued expenses and other payables	458,911	463,766
<b>Total current liabilities</b>	<b>780,414</b>	<b>758,014</b>
<b>Total Liabilities</b>	<b>1,001,470</b>	<b>983,809</b>
<b>Total Equity and Liabilities</b>	<b>3,750,789</b>	<b>4,029,638</b>

1) Comparatives have been restated for the effects of remeasurement adjustments to the acquisition of LPE in 2022. As a result of the remeasurement, other current assets have been decreased by €2.4 million and goodwill increased by €2.4 million.



## Consolidated statement of cash flows

€ thousand	Three months ended June 30,		Six months ended June 30,	
	2022	2023	2022	2023
<b>Cash flows from operating activities:</b>				
Net earnings from operations	160,446	151,198	302,940	531,561
<b>Adjustments to reconcile net earnings to net cash from operating activities</b>				
Depreciation, amortization and impairments	27,122	43,855	52,595	85,613
Net loss (gain) on sale of property, plant and equipment	—	19	65	4
Share-based compensation	7,582	8,295	12,258	16,617
Net finance (income) costs	(3,229)	(9,169)	(4,114)	(11,415)
Share in income of investments in associates	(23,503)	(8,951)	(43,959)	(15,003)
(Reversal of) impairment of investments in associates, net	—	—	—	(215,389)
Income tax	37,195	36,464	66,842	73,915
Changes in evaluation tools at customers	(893)	(3,442)	(7,944)	(13,737)
Changes in employee benefits pension plans	59	29	121	63
Income tax paid	(29,000)	(38,091)	(41,768)	(67,743)
<b>Operating cash flows before changes in working capital</b>	<b>175,779</b>	<b>180,207</b>	<b>337,036</b>	<b>384,486</b>
<b>Decrease (increase) in working capital:</b>				
Accounts receivable	25,025	18,674	(33,166)	21,036
Other current assets	(3,057)	9,334	(9,599)	24,450
Inventories	(75,982)	(14,240)	(116,502)	(60,719)
Provision for warranty	(83)	(3,342)	2,258	(6,217)
Accounts payable, accrued expenses and other payables	10,892	(38,252)	103,104	(298)
<b>Net cash from operating activities</b>	<b>132,574</b>	<b>152,381</b>	<b>283,131</b>	<b>362,737</b>
<b>Cash flows from investing activities</b>				
Capital expenditures	(15,723)	(44,146)	(43,003)	(70,573)
Proceeds from sale of property, plant and equipment	35	325	279	1,409
Capitalized development expenditure	(27,216)	(37,650)	(50,901)	(66,721)
Purchase of intangible assets	(606)	(4,950)	(1,193)	(5,829)
Dividend received from associates	31,858	23,383	31,858	23,383
Acquisitions of subsidiaries, net of cash acquired	—	—	(38,733)	—
Other investments	—	(3,431)	—	(3,831)
<b>Net cash used in investing activities</b>	<b>(11,652)</b>	<b>(66,469)</b>	<b>(101,693)</b>	<b>(122,162)</b>
<b>Cash flows from operating activities after investing activities</b>	<b>120,922</b>	<b>85,912</b>	<b>181,438</b>	<b>240,575</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(2,193)	(2,830)	(4,669)	(5,399)
Purchase of treasury shares	—	(50,090)	—	(50,090)
Credit facility renewal fee paid	(617)	(2)	(617)	(4)
Dividends to common shareholders	(121,650)	(123,383)	(121,650)	(123,383)
<b>Net cash used in financing activities</b>	<b>(124,460)</b>	<b>(176,305)</b>	<b>(126,936)</b>	<b>(178,876)</b>
Foreign currency translation effect	5,252	8,154	6,043	9,333
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,714</b>	<b>(82,239)</b>	<b>60,545</b>	<b>71,032</b>
Cash and cash equivalents at beginning of period	550,338	572,586	491,507	419,315
Cash and cash equivalents at end of period	552,052	490,347	552,052	490,347



## (Estimated) amortization and earn-out expenses

(Estimated) purchase price allocation amortization and earn-out expenses relating to the 2022 acquisitions of Reno and LPE are as follows:

€ million	Q2 2022 Actual	Q1 2023 Actual	Q2 2023 Actual	Full year 2023 Estimate	2024 Estimate	2025 Estimate
Cost of sales	—	(12.3)	(4.7)	(27.0)	—	—
Net research and development expenses	(0.4)	(3.5)	(3.5)	(14.0)	(14.0)	(14.0)
Selling, general and administrative expenses	—	(1.2)	(1.2)	(4.8)	(4.9)	(4.9)
<b>Total impact on operating results</b>	<b>(0.4)</b>	<b>(17.0)</b>	<b>(9.4)</b>	<b>(45.8)</b>	<b>(18.9)</b>	<b>(18.9)</b>
Finance expense <sup>1)</sup>	—	(2.4)	(2.4)	(9.7)	(8.7)	(2.8)
Income taxes (realization temporary differences)	0.1	4.7	2.6	12.7	5.2	5.2
<b>Total impact on net earnings</b>	<b>(0.3)</b>	<b>(14.7)</b>	<b>(9.2)</b>	<b>(42.8)</b>	<b>(22.4)</b>	<b>(16.5)</b>

1) Finance expenses include the change in fair value of the contingent consideration (LPE earn-out).



# Notes to the consolidated financial statement

## Basis of presentation

ASM'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 2022 ASM International N.V. 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 ASM and its subsidiaries, where ASM holds a controlling interest. All unrealized intercompany profits, transactions and balances have been eliminated in consolidation. Associates are investments in entities in which ASM can exert significant influence but which ASM does not control, generally by ASM having between 20% and 50% of the voting rights. These entities are accounted for using the equity method.