

Almere, The Netherlands

October 26, 2021, 6 p.m. CET

## ASM INTERNATIONAL N.V. REPORTS THIRD QUARTER 2021 RESULTS

*Record quarterly order intake driven by continued strong logic/foundry demand*

ASM International N.V. (Euronext Amsterdam: ASM) today reports its third quarter 2021 operating results (unaudited) in accordance with IFRS.

### FINANCIAL HIGHLIGHTS

EUR million	Q3 2020	Q2 2021	Q3 2021
New orders	303.4	515.7	624.5
Revenue	314.6	411.7	432.9
Gross profit margin %	49.9	48.1	47.2
Operating result	83.9	118.4	117.3
Operating result margin %	26.7	28.7	27.1
Result from investments (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	6.3	19.3	27.6
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.0)	(3.0)	(3.1)
Net earnings	58.1	108.4	128.9
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013 and result from sale of ASMPT shares)	61.2	111.4	132.0

- New orders of €625 million for the third quarter 2021 increased by 106% as reported compared to the same period last year.
- Year-on-year revenue growth for the third quarter 2021 was 38% at constant currencies (38% as reported).
- Gross profit margin of 47.2% was lower compared to the relatively strong level of 49.9% in the same quarter last year.
- Operating result for the third quarter 2021 improved from €84 million last year to €117 million this year mainly driven by strong revenue growth.
- Normalized net earnings for the third quarter 2021 were €132 million, a significant improvement compared to the same quarter last year.

## COMMENT

“ASMI continued its strong growth path in the third quarter,” said Benjamin Loh, President and Chief Executive Officer of ASM International. “Order intake surged to a new quarterly record of €625 million and was driven by continued strong logic/foundry demand and in part also by orders for shipment in 2022. As already announced on September 28, 2021, order intake exceeded previous guidance of €510-530 million. Compared to the same period last year, sales in the third quarter increased by 38%. Revenue, at €433 million, was slightly above the high end of the guidance of €400-430 million, despite continued tight supply chain conditions during the quarter. We are currently seeing some improvements but overall supply chain conditions are expected to remain challenging in Q4. Thanks to our team for another quarter of strong execution and to our suppliers and customers for their continued solid support and cooperation.”

## OUTLOOK

For Q4, on a currency comparable level, we expect sales of €470-500 million. Q4 bookings, on a currency comparable level, are expected to be around €600 million. Starting 2022, we will stop providing guidance on order intake as it has become clear in the last two quarters in which actual order intake was significantly higher than guided that it is increasingly more challenging in the current environment to provide a meaningful outlook. With a continued strong momentum in the second half of the year, the wafer fab equipment (WFE) market is expected to grow by a mid-to-high thirties percentage in 2021.

## SHARE BUYBACK PROGRAM

On July 28, 2021, ASMI announced the start of the €100 million share buyback program. As of September 30, 2021, 56.4% of the share buyback program was completed at an average share price of €328.07.

## ASMI INVESTOR DAY 2021

On September 28, 2021, ASMI held its first Investor Day, in which ASMI's management shared the company's strategy, how to create value and drive growth through innovation. Highlights included:

- Targeting revenue of €2.8-€3.4 billion by 2025 (2020-2025 CAGR of 16%-21%), gross margins of 46%-50% in 2021-2025, and operating margins of 26%-31% in 2021-2025;
- Targeting Net Zero emissions by 2035 and 100% renewable electricity by 2024;
- Single-wafer ALD market expected to increase from \$1.5 billion in 2020 to \$3.1-3.7 billion by 2025;
- Further capacity expansion of our new manufacturing facility in Singapore to be production ready by early 2023.

## NET ZERO ANNOUNCEMENT

In its Investor Day on September 28, 2021, ASMI also announced its target to achieve Net Zero emissions by 2035. The target includes setting science based targets for Scope 1, 2, and 3 Greenhouse Gas (GHG) emissions. ASMI plans to source 100% of its electricity from renewable sources for all of its global operations from 2024 onward. Relative to its 2020 baseline, this would represent a ~90% absolute reduction of ASM Scope 1 and 2 GHG emissions.

## About ASM International

ASM International NV, headquartered in Almere, the Netherlands, its subsidiaries and participations design and manufacture equipment and materials used to produce semiconductor devices. ASM International, its subsidiaries and participations provide production solutions for wafer processing (Front-end segment) as well as for assembly & packaging and surface mount technology (Back-end segment) through facilities in the United States, Europe, Japan 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 International N.V will host an investor conference call and webcast on Wednesday, October 27, 2021, at 15:00 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/8878063>

A simultaneous audio webcast and replay will be accessible at [www.asm.com](http://www.asm.com).

## CONTACT

### Investor and media contact:

Victor Bareño

T: +31 88 100 8500

E: [victor.bareno@asm.com](mailto:victor.bareno@asm.com)

# ANNEX 1

## OPERATING AND FINANCIAL REVIEW

### Bookings

The following table shows the level of new orders for the third quarter of 2021 and the backlog at the end of the third quarter of 2021, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Backlog at the beginning of the period	317.4	344.5	445.6	351.2	323.6
New orders for the period	303.4	515.7	624.5	934.9	1,550.8
Revenue for the period	(314.6)	(411.7)	(432.9)	(981.5)	(1,238.6)
FX-effect for the period	(6.7)	(3.0)	10.5	(5.2)	11.9
Backlog at the end of the period	<b>299.5</b>	<b>445.6</b>	<b>647.7</b>	<b>299.5</b>	<b>647.7</b>
Book-to-bill ratio (new orders divided by revenue)	1.0	1.3	1.4	1.0	1.3

The backlog increased from €446 million at the end of the second quarter 2021 to €648 million as per September 30, 2021. The book-to-bill ratio for Q3 was 1.4. In terms of customer segments, new orders in the third quarter 2021 were led by logic, foundry and then power/analog.

### Revenue

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Equipment revenue	242.3	334.9	354.5	776.1	1,008.5
Spares & service revenue	72.3	76.8	78.4	205.5	230.0
Revenue	<b>314.6</b>	<b>411.7</b>	<b>432.9</b>	<b>981.5</b>	<b>1,238.6</b>

Revenue for the third quarter 2021 increased to €433 million, up 38% year-on-year at constant currencies (38% as reported). Compared to the previous quarter, revenue increased 4% at constant currencies (5% as reported). Revenue in the third quarter were led by foundry followed by memory and then logic.

Equipment revenue in the third quarter increased by 48% year-on-year at constant currencies (46% as reported). Compared to the previous quarter, equipment revenue increased 5% at constant currencies (6% as reported).

Spares & service revenue in the third quarter grew by 7% year-on-year at constant currencies (8% increase as reported). Compared to the previous quarter, spares & service revenue grew at 1% at constant currencies (2% as reported).

### Gross profit margin

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Gross profit	157.0	197.9	204.1	467.0	597.1
Gross profit margin	49.9 %	48.1 %	47.2 %	47.6 %	48.2 %

Gross profit margin of 47.2% in the third quarter 2021 was lower than last year's margin of 49.9% which was impacted by an exceptionally strong mix and slightly down from 48.1% in the second quarter. The impact of currency changes on the gross profit for the third quarter was an increase of 1% quarter-on-quarter and neutral year-on-year.

### Selling, general and administrative expenses

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
SG&A expenses	38.8	45.8	48.8	115.5	134.5

Selling, general and administrative (SG&A) expenses increased by 6% compared to the level in the second quarter, and increased by 26% year-on-year. As a percentage of revenue, the SG&A expenses decreased from 12% in 2020 year-to-date balance to 11% in the same period in 2021. The impact of currency changes for the third quarter was neutral quarter-on-quarter and neutral year-on-year.

### Research and development expenses

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Gross research and development expenses	43.5	47.3	52.0	126.7	141.9
Capitalization of development expenses	(16.4)	(20.3)	(20.1)	(47.8)	(57.8)
Amortization of capitalized development expenses	5.0	5.7	6.2	15.8	17.1
Impairment capitalized development expenses	2.2	1.1	—	7.1	1.1
Net R&D expenses	<b>34.4</b>	<b>33.7</b>	<b>38.1</b>	<b>101.8</b>	<b>102.4</b>

Net R&D expenses increased by 13% compared to Q2 and by 11% year-on-year. The increase compared to Q3 last year was mainly due to headcount growth and an increased number of R&D projects, partly offset by higher capitalization, which increased from €16 million to €20 million, and the absence of impairments in Q3 2021 (Q3 2020: €2.2 million). Net R&D expenses were 8% of revenue year-to-date in 2021 compared to 10% in the same period in 2020.

Excluding impairments and IFRS effects, the gross research and development expenses increased by 20% year-on-year.

The impact of currency changes for the third quarter was neutral quarter-on-quarter and a decrease of 2% year-on-year.

### Operating result

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Operating result	83.9	118.4	117.3	249.6	360.2
Operating result margin	26.7 %	28.7 %	27.1 %	25.4 %	29.1 %

The operating margin in the third quarter 2021 was 27.1%, an improvement of 0.4% points compared to the same period last year but down 1.6% points compared to the second quarter of 2021 due to slightly lower gross margins and higher operating expenses. The impact of currency changes on the operating result in the third quarter was an increase of 1% quarter-on-quarter and neutral year-on-year.

### Financing costs

Financing costs are mainly related to translation results. The Q3 2021 results included a translation gain of €13 million compared to a loss of €2 million included in the Q2 2021 results and a loss of €14 million included in the Q3 2020 results. The translation results are 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.

## Result from investments

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	6.3	19.3	27.6	17.7	60.8
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.0)	(3.0)	(3.1)	(9.8)	(9.0)
Result from investments	3.3	16.4	24.5	7.8	51.8

Result from investments, which reflects our approximate 25% shareholding in ASMPT, increased by €8 million compared to the previous quarter.

ASMPT's net earnings, on a 100% basis, increased by €31 million to €110 million compared to previous quarter. Q3 last year, also on a 100% basis, showed net earnings of €26 million. For further information on the Q3 results of ASMPT, please visit ASMPT's website [www.asmpacific.com](http://www.asmpacific.com).

Amortization intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3 million in Q3. For 2021, on a currency comparable basis, this amortization is expected to amount to €12 million.

## Income taxes

Income taxes in the third quarter increased to €25 million compared to €14 million in Q3 2020.

## Net earnings

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Net earnings	58.1	108.4	128.9	206.3	359.8
Excluding:					
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.0)	(3.0)	(3.1)	(9.8)	(9.0)
Normalized net earnings	<b>61.2</b>	<b>111.4</b>	<b>132.0</b>	<b>216.2</b>	<b>368.8</b>

Normalized net earnings increased by €71 million to €132 million compared to Q3 2020.

## Cash flows

EUR million	Q3 2020	Q2 2021	Q3 2021	YTD 2020	YTD 2021
Net cash from operating activities	52.0	80.4	120.4	168.9	316.4
Net cash from investing activities	(27.7)	(11.6)	(22.8)	(95.5)	(61.4)
Net cash from financing activities	(27.7)	(99.0)	(45.1)	(140.8)	(183.4)
Total net cash provided / (used)	<b>(3.4)</b>	<b>(30.2)</b>	<b>52.5</b>	<b>(67.3)</b>	<b>71.6</b>

The cash flow from operating activities increased compared to the level in the previous quarter mainly due to lower increase in working capital. Cash used in investing activities during Q3 2021 increased compared with Q2 2021 due to lower dividends received from ASMPT and higher capital expenditures in Q3 2021. Cash used by financing activities in Q3 2021 was mainly for the share buyback program. Free cash flow excluding ASMPT dividends amounted to €83 million in Q3 2021 compared to €47 million in Q2 2021 and €17 million in Q3 2020.

**Balance sheet**

EUR million	December 31, 2020 <i>(audited)</i>	June 30, 2021	September 30, 2021
Inventories	162.2	172.8	186.5
Accounts receivable	280.1	324.0	371.2
Other current assets	72.9	77.9	74.0
Accounts payable	(124.5)	(148.5)	(157.1)
Provision for warranty	(19.0)	(22.1)	(25.4)
Accrued expenses and other payables	(128.9)	(152.0)	(183.8)
<b>Working capital</b>	<b>242.8</b>	<b>252.1</b>	<b>265.5</b>

Net working capital increased to €266 million compared to €252 million per June 30, 2021 (€243 million per December 31, 2020), explained by the higher activity level. The underlying quality of working capital continued to be healthy. The number of outstanding days of working capital, measured against quarterly sales, was 55 days on September 30, 2021, 55 days on June 30, 2021 and 63 days on December 31, 2020.

**Sources of liquidity**

As per September 30, 2021, the Company's principal sources of liquidity consisted of €525 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 September 30,		Nine months ended September 30,	
	2020 <i>(unaudited)</i>	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Revenue	<b>314,558</b>	<b>432,864</b>	<b>981,508</b>	<b>1,238,571</b>
Cost of sales	(157,523)	(228,749)	(514,553)	(641,511)
Gross profit	<b>157,036</b>	<b>204,116</b>	<b>466,955</b>	<b>597,060</b>
Operating expenses:				
Selling, general and administrative	(38,770)	(48,772)	(115,543)	(134,527)
Research and development	(34,360)	(38,069)	(101,789)	(102,370)
Total operating expenses	(73,130)	(86,841)	(217,332)	(236,897)
Operating result	<b>83,906</b>	<b>117,275</b>	<b>249,622</b>	<b>360,163</b>
Net interest income (expense)	(467)	(459)	(1,207)	(1,525)
Foreign currency exchange gains (losses)	(14,162)	12,820	(7,720)	26,765
Result from investments	3,266	24,501	7,849	51,785
Earnings before income taxes	<b>72,543</b>	<b>154,136</b>	<b>248,544</b>	<b>437,187</b>
Income taxes	(14,436)	(25,231)	(42,204)	(77,368)
Net earnings	<b>58,107</b>	<b>128,905</b>	<b>206,340</b>	<b>359,819</b>
Per share data:				
Basic net earnings	1.19	2.65	4.22	7.39
Diluted net earnings (1)	1.18	2.63	4.18	7.34
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	48,971	48,675	48,951	48,658
Diluted (1)	49,435	49,023	49,408	49,004
Outstanding shares:	48,883	48,630	48,883	48,630
Treasury shares:	915	668	915	668

(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 September 30, 2021, is 348,290 common shares, and for nine months ended September 30, 2021, the possible increase is 345,716 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

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



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	December 31, 2020 <i>(audited)</i>	September 30, 2021 <i>(unaudited)</i>
<b>Assets</b>		
Right-of-use assets	23,387	21,778
Property, plant and equipment	213,967	226,221
Goodwill	11,270	11,270
Other intangible assets	209,924	253,959
Investments in associates	742,714	808,030
Deferred tax assets	196	—
Other non-current assets	8,021	8,832
Evaluation tools at customers	69,474	78,904
<b>Total non-current assets</b>	<b>1,278,953</b>	<b>1,408,994</b>
Inventories	162,199	186,516
Accounts receivable	280,061	371,199
Income taxes receivable	553	2,072
Other current assets	72,945	74,045
Cash and cash equivalents	435,228	524,982
<b>Total current assets</b>	<b>950,986</b>	<b>1,158,814</b>
<b>Total Assets</b>	<b>2,229,939</b>	<b>2,567,808</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>1,854,724</b>	<b>2,119,381</b>
Accrued expenses and other payables	13,045	11,997
Deferred tax liabilities	21,892	38,842
<b>Total non-current liabilities</b>	<b>34,937</b>	<b>50,839</b>
Accounts payable	124,507	157,057
Provision for warranty	18,987	25,361
Income taxes payable	67,857	31,336
Accrued expenses and other payables	128,927	183,834
<b>Total current liabilities</b>	<b>340,278</b>	<b>397,588</b>
<b>Total Liabilities</b>	<b>375,215</b>	<b>448,427</b>
<b>Total Equity and Liabilities</b>	<b>2,229,939</b>	<b>2,567,808</b>

*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 September 30,		Nine months ended September 30,	
	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)
<b>Cash flows from operating activities:</b>				
Net earnings	58,107	128,905	206,340	359,819
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation, amortization and impairments	21,203	23,558	64,465	68,441
Income taxes	14,436	25,231	42,204	77,368
Result from investments	(3,266)	(24,501)	(7,849)	(51,785)
Other adjustments	340	(2,430)	7,999	(3,181)
<b>Changes in other assets and liabilities:</b>				
Accounts receivable	(17,239)	(41,173)	(61,510)	(81,613)
Inventories	(5,346)	(11,437)	(11,457)	(19,773)
Evaluation tools	(8,949)	(3,517)	(35,210)	(19,815)
Accounts payable	(10,515)	7,159	2,483	30,110
Other assets and liabilities	7,216	33,500	(31,307)	55,351
Income taxes paid	(4,025)	(14,911)	(7,219)	(98,538)
<b>Net cash from operating activities</b>	<b>51,962</b>	<b>120,384</b>	<b>168,939</b>	<b>316,385</b>
<b>Cash flows from investing activities:</b>				
Capital expenditures	(18,779)	(16,955)	(61,618)	(39,425)
Capitalized development expenditure	(16,378)	(20,059)	(47,784)	(57,765)
Purchase of intangible assets	(304)	(358)	(2,218)	(480)
Dividend received from associates	7,792	14,541	16,142	36,297
<b>Net cash from (used) in investing activities</b>	<b>(27,669)</b>	<b>(22,831)</b>	<b>(95,478)</b>	<b>(61,373)</b>
<b>Cash flows from financing activities:</b>				
Payment of lease liabilities	(1,919)	(1,729)	(5,856)	(5,787)
Purchase of treasury shares ASMI	(27,652)	(44,789)	(38,464)	(82,110)
Proceeds from issuance of treasury shares	1,838	1,424	2,202	1,424
Dividends to common shareholders ASMI	—	—	(98,688)	(96,893)
<b>Net cash used in financing activities</b>	<b>(27,733)</b>	<b>(45,094)</b>	<b>(140,806)</b>	<b>(183,367)</b>
Exchange rate effects	1,412	7,384	(1,024)	18,109
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,028)</b>	<b>59,843</b>	<b>(68,369)</b>	<b>89,754</b>
Cash and cash equivalents at beginning of period	431,534	465,139	497,874	435,228
<b>Cash and cash equivalents at end of period</b>	<b>429,506</b>	<b>524,982</b>	<b>429,506</b>	<b>524,982</b>

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**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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

### **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.