

Almere, The Netherlands

July 20, 2022, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS SECOND QUARTER 2022 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its second quarter 2022 operating results (unaudited).

Record high orders and revenue in Q2 with continued revenue growth expected for the rest of the year

FINANCIAL HIGHLIGHTS

EUR million	Q2 2021	Q1 2022	Q2 2022
New orders	515.7	705.7	942.7
<i>YoY change % as reported / at constant currencies</i>	<i>73% / 86%</i>	<i>72% / 65%</i>	<i>83% / 73%</i>
Revenue	411.7	516.9	559.5
<i>YoY change % as reported / at constant currencies</i>	<i>20% / 29%</i>	<i>31% / 25%</i>	<i>36% / 30%</i>
Gross profit margin %	48.1%	47.8%	47.5%
Operating result	118.4	143.0	147.6
Operating result margin %	28.7%	27.7%	26.4%
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	19.3	23.7	26.9
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.0)	(3.2)	(3.4)
Net earnings	108.4	142.5	160.4
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013 and result from sale of ASMPT shares)	111.4	145.7	163.8

- Record high new orders of €943 million for the second quarter 2022 increased by 73% at constant currencies compared to the same period last year (83% as reported).
- Year-on-year revenue growth for the second quarter 2022 was 30% at constant currencies (36% as reported).
- Gross profit margin of 47.5% in the second quarter 2022 was slightly lower compared to 48.1% in the same quarter last year which had a stronger mix.
- Operating result for the second quarter 2022 improved from €118 million last year to €148 million this year driven again by strong revenue growth, which was partly offset by an increase in operating expenses.
- Normalized net earnings for the second quarter 2022 were €164 million and included a translation profit of €26 million compared to a translation loss of €2 million in Q2 2021 and a translation gain of €9 million in Q1 2022.

COMMENT

“ASM again delivered a very strong quarter, with record high orders, revenue and results,” said Benjamin Loh, President and Chief Executive Officer of ASM International. “In the second quarter, revenue increased by 30% at constant currencies to €560 million, at the higher end of the guided range of €540-570 million, as our team, in close cooperation with suppliers and customers, demonstrated again solid execution in the face of continued difficult supply chain conditions.

While parts of the semiconductor end-markets, mainly PCs and smartphones, recently slowed down impacted by weakening macro-economic trends, the overall demand for wafer fab equipment continues to be strong and broad based. Our order intake surged by 73% at constant currencies to a new record high of €943 million in Q2. Our orders were boosted by robust new node spending in the logic/foundry segment and our recent wins in memory, particularly for ALD gap-fill in 3D-NAND and continued adoption of HKMG in DRAM.

R&D and SG&A further increased in Q2 as we continue to invest in the growth of our company and prepare for substantially higher expected revenue levels, evidenced by the increases in order intake. At the same time, operating profits improved by 25% and free cash flow amounted to a healthy level of €121 million in Q2.

Finally, we are very excited with the recent announcement that we reached an agreement to acquire LPE, which will add another high-growth business to ASM’s portfolio.”

OUTLOOK

Supply chain conditions have improved at a slower pace than previously projected and, as a result, are expected to remain challenging in the third quarter. For Q3, at constant currencies, we expect revenue of €570-600 million. Supported by a record high order backlog, we still project an improvement in our sales in the second half compared to the first half. Assuming some improvement in the supply situation towards the end of the year, we expect revenue in Q4 to be higher than in Q3. As supply constraints will limit the extent of the increase in our shipments in the second half, we expect our order backlog to remain at an elevated level as we exit 2022.

We remain confident to outperform the earlier communicated expectation of mid to high teens percentage increase for wafer fab equipment (WFE) spending in 2022, although it is likely that WFE growth this year will be more towards the lower end of this range due to the industry-wide supply chain constraints.

AGREEMENT TO ACQUIRE LPE

On July 18, 2022, ASM announced an agreement to acquire all outstanding shares of LPE S.p.A. (“LPE”), a manufacturer of epitaxial reactors for silicon carbide (SiC) and silicon, based in Italy. The acquisition will complement ASM’s leading position in silicon epitaxy solutions for the power electronics, analog and wafer markets with LPE’s offering of advanced SiC epitaxy tools.

ASM will finance the transaction using a combination of cash and shares, representing an enterprise value of €425 million, on a cash and debt free basis, at the date of signing. An additional amount of up to €100 million will be paid by way of an earn out based on certain performance metrics over a two-year period after the closing of the transaction. The earn outs are to be paid out exclusively in cash.

The transaction is subject to FDI and anti-trust approval in a limited number of countries and other customary closing conditions which are expected to be met by the long stop date of November 10, 2022. Further reference is made to the press release issued on July 18, 2022.

INTERIM FINANCIAL REPORT

ASM International N.V. (Euronext Amsterdam: ASM) today also publishes its Interim Financial Report for the six month period ended June 30, 2022.

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.

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

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 will host the quarterly earnings conference call and webcast on Thursday, July 21, 2022, at 3:00 p.m. CET.

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

A simultaneous audio webcast, and replay will be accessible at www.asm.com/investors/webcasts-presentations/2022/second-quarter-earnings.

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ANNEX 1

OPERATING AND FINANCIAL REVIEW

Bookings

The following table shows the level of new orders for the second quarter of 2022 and the backlog at the end of the second quarter of 2022, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Backlog at the beginning of the period	344.5	811.3	1,000.2	323.6	811.3
New orders for the period	515.7	705.7	942.7	926.3	1,648.4
Revenue for the period	(411.7)	(516.9)	(559.5)	(805.7)	(1,076.4)
FX-effect for the period	(3.0)	0.2	24.8	1.4	25.0
Backlog at the end of the period	445.6	1,000.2	1,408.3	445.6	1,408.3
Book-to-bill ratio (new orders divided by revenue)	1.3	1.4	1.7	1.1	1.5

The backlog increased from €1,000 million at the end of the first quarter 2022 to €1,408 million as per June 30, 2022. New orders for the second quarter 2022 increased to €943 million, up 73% at constant currencies. The book-to-bill ratio for Q2 was 1.7. In terms of customer segments, new orders in the second quarter 2022 were led by foundry followed by memory and then logic.

Revenue

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Equipment revenue	334.9	427.5	467.2	654.0	894.8
Spares & service revenue	76.8	89.4	92.2	151.7	181.6
Revenue	411.7	516.9	559.5	805.7	1,076.4

Revenue for the second quarter 2022 increased to €560 million, up 30% year-on-year at constant currencies (36% as reported). Compared to the previous quarter, revenue increased by 8% at constant currencies (8% as reported). Revenue in the second quarter was led by foundry followed by logic and then memory.

Equipment revenue in the second quarter increased by 33% year-on-year at constant currencies (40% as reported). Compared to the previous quarter, equipment revenue increased by 9% at constant currencies (9% as reported).

Spares & service revenue in the second quarter grew by 14% year-on-year at constant currencies (20% as reported). Compared to the previous quarter, spares & service revenue increased by 2% at constant currencies (3% as reported).

Gross profit margin

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Gross profit	197.9	247.2	265.9	392.9	513.1
Gross profit margin	48.1%	47.8%	47.5%	48.8%	47.7%

Gross profit margin of 47.5% in the second quarter 2022 was slightly below last year's margin of 48.1% and 47.8% in the first quarter of 2022. The change is largely explained by mix. The impact of currency changes on the gross profit for the second quarter was neutral quarter-on-quarter and an increase of 5% year-on-year.

Other income

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Other income	—	(0.1)	0.1	0.5	—

Net income on disposal of assets is reclassified from SG&A expenses to Other income with comparative figures included.

Selling, general and administrative expenses

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
SG&A expenses	45.8	60.6	67.5	86.3	128.2

Selling, general and administrative (SG&A) expenses increased by 11% compared to the level in the previous quarter and increased by 47% year-on-year. The year-on-year increase is mainly explained by increased headcount (up 37% year-on-year at the end of June) and employee compensation, and other expenses such as for travel. SG&A also included other investments to support the growing business. As a percentage of revenue, SG&A expenses increased to 12.1% compared to 11.1% in Q2 2021 and 11.7% in Q1 2022. The impact of currency changes for the second quarter was an increase of 1% quarter-on-quarter and an increase of 5% year-on-year.

Research and development expenses

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Gross research and development expenses	47.3	59.9	70.2	90.0	130.1
Capitalization of development expenses	(20.3)	(23.7)	(27.3)	(37.7)	(50.9)
Amortization of capitalized development expenses	5.7	7.2	8.0	11.0	15.2
Impairment of capitalized development expenses	1.1	0.1	(0.1)	1.1	—
Net research and development expenses	33.7	43.5	50.9	64.3	94.4

Net R&D expenses increased by 17% compared to the previous quarter and increased by 51% year-on-year. The year-on-year increase of €17 million was mainly due to increased headcount and R&D projects, partly offset by higher capitalization, which increased from €20 million to €27 million. Net R&D expenses were 9.1% of revenue in Q2 2022 compared to 8.2% in the same period in 2021.

Excluding impairments and IFRS effects, the gross research and development expenses increased by 17% compared to the previous quarter and increased 48% year-on-year. The impact of currency changes for the second quarter was an increase of 1% quarter-on-quarter and an increase of 3% year-on-year.

Operating result

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Operating result	118.4	143.0	147.6	242.9	290.6
Operating result margin	28.7%	27.7%	26.4%	30.1%	27.0%

The operating margin in the second quarter 2022 was 26.4%, a decrease of 2.3% points compared to the same period last year and 1.3% points lower compared to the previous quarter, due to slightly lower gross margins and higher operating expenses. The impact of currency changes for the second quarter was neutral quarter-on-quarter and an increase of 5% year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q2 2022 results included a translation gain of €26 million compared to a loss of €2 million included in the Q2 2021 results and a gain of €9 million included in the Q1 2022 results. The translation results were 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.

Share in income of investments in associates

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	19.3	23.7	26.9	33.3	50.5
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.0)	(3.2)	(3.4)	(6.0)	(6.6)
Share in income of investments in associates	16.4	20.5	23.5	27.3	44.0

Share in income of investments in associates, which reflects our approximate 25% shareholding in ASMPT, increased by €3 million compared to previous quarter. ASMPT's net earnings, on a 100% basis, increased by €12 million to €107 million compared to previous quarter. Q2 last year, also on a 100% basis, showed net earnings of €79 million. For further information on the Q2 results of ASMPT, please visit ASMPT's website www.asmpacific.com.

Amortization of intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3 million in Q2. For 2022, on a currency comparable basis, this amortization is expected to amount to €13.1 million.

Income taxes

Income taxes in the second quarter 2022 amounted to an expense of €37.2 million. Income taxes in the previous quarter amounted to an expense of €29.6 million.

Net earnings

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Net earnings	108.4	142.5	160.4	230.9	302.9
Excluding:					
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.0)	(3.2)	(3.4)	(6.0)	(6.6)
Normalized net earnings	111.4	145.7	163.8	236.9	309.5

Normalized net earnings increased by €18 million to €164 million compared to Q1 2022.

Cash flows

EUR million	Q2 2021	Q1 2022	Q2 2022	YTD 2021	YTD 2022
Net cash from operating activities	80.4	150.6	132.6	195.5	283.1
Net cash from investing activities	(11.6)	(90.0)	(11.7)	(38.0)	(101.7)
Cash flows from operating activities after investing activities	68.8	60.5	120.9	157.5	181.4
Net cash from financing activities	(99.0)	(2.5)	(124.5)	(138.3)	(126.9)
Total net cash provided / (used)	(30.2)	58.0	(3.5)	19.2	54.5

The cash flow from operating activities decreased compared to the level in the previous quarter mainly due to higher working capital needs. Cash used in investing activities during Q2 2022 decreased compared with Q1 mainly due to lower capital expenditure, dividend received from ASMPT and the acquisition of Reno Sub-Systems recorded in Q1. Cash used by financing activities in Q2 2022 was mainly for dividend payments to ASMI shareholders (€122 million).

Working capital

EUR million	December 31, 2021	March 31, 2022	June 30, 2022
Inventories	211.8	255.8	340.6
Accounts receivable	446.7	502.3	483.5
Other current assets	51.0	57.6	60.8
Accounts payable	(175.4)	(211.0)	(245.7)
Provision for warranty	(27.2)	(29.8)	(30.7)
Accrued expenses and other payables	(190.6)	(245.1)	(222.5)
Working capital	316.4	329.7	385.9

Net working capital increased to €386 million compared to €330 million per March 31, 2022 (€316 million per December 31, 2021), mainly explained by higher inventory levels. The number of outstanding days of working capital, measured against quarterly sales, increased slightly to 62 days on June 30, 2022, compared to 57 days on March 31, 2022 (58 days on December 31, 2021).

Sources of liquidity

As per June 30, 2022, the Company's principal sources of liquidity consisted of €552 million in cash and cash equivalents and €150 million in undrawn bank lines. The company has renewed its RCF facility end of May 2022 with improved terms and conditions compared to the previous one. The new facility has a tenor of five years with two extension options of one year. The facility amount is €150 million with an accordion option to increase the facility amount by €100 million.

ANNEX 2

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR thousand, except per share data	Three months ended June 30,		Six months ended June 30,	
	2021	2022	2021	2022
Revenue	411,691	559,457	805,707	1,076,401
Cost of sales	(213,795)	(293,510)	(412,763)	(563,295)
Gross profit	197,896	265,947	392,944	513,106
Other income	—	65	527	—
Operating expenses:				
Selling, general and administrative	(45,830)	(67,543)	(86,282)	(128,155)
Research and development	(33,707)	(50,879)	(64,301)	(94,383)
Total operating expenses	(79,537)	(118,422)	(150,583)	(222,538)
Operating result	118,359	147,590	242,888	290,568
Net interest income (expense)	(687)	52	(1,066)	(288)
Foreign currency exchange gain (loss)	(2,084)	26,496	13,945	35,543
Share in income of investments in associates	16,372	23,503	27,284	43,959
Earnings before income taxes	131,960	197,641	283,051	369,782
Income taxes	(23,519)	(37,195)	(52,137)	(66,842)
Net earnings	108,441	160,446	230,914	302,940

Per share data:

Basic net earnings	2.23	3.30	4.75	6.23
Diluted net earnings (1)	2.22	3.28	4.71	6.19

Weighted average number of shares used in computing per share amounts (in thousand):

Basic	48,586	48,682	48,650	48,629
Diluted (1)	48,956	48,968	49,018	48,915

Outstanding shares:	48,717	48,682	48,717	48,682
Treasury shares:	1,080	616	1,080	616

(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, 2022, is 286,104 common shares, and for six months ended June 30, 2022, the possible increase is 286,252 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, 2021	June 30, 2022
Assets		
Right-of-use assets	26,938	26,839
Property, plant and equipment	257,017	283,864
Goodwill	11,270	32,755
Other intangible assets	274,833	345,395
Investments in associates	848,812	917,916
Deferred tax assets	69	84
Other non-current assets	8,774	8,830
Evaluation tools at customers	63,717	66,454
Total non-current assets	1,491,430	1,682,137
Inventories	211,841	340,587
Accounts receivable	446,724	483,492
Income taxes receivable	18,614	19,521
Other current assets	50,972	60,815
Cash and cash equivalents	491,507	552,052
Total current assets	1,219,658	1,456,467
Total Assets	2,711,088	3,138,604
Equity and liabilities		
Equity	2,241,754	2,536,194
Lease liabilities	15,886	15,516
Deferred tax liabilities	45,748	55,635
Total non-current liabilities	61,634	71,151
Accounts payable	175,436	245,702
Provision for warranty	27,181	30,741
Income taxes payable	14,519	32,274
Accrued expenses and other payables	190,564	222,542
Total current liabilities	407,700	531,259
Total Liabilities	469,334	602,410
Total Equity and Liabilities	2,711,088	3,138,604

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 June 30,		Six months ended June 30,	
	2021	2022	2021	2022
Cash flows from operating activities				
Net earnings	108,441	160,446	230,914	302,940
Adjustments to reconcile net earnings to net cash from operating activities				
Depreciation, amortization and impairments	24,995	27,122	44,883	52,595
Net loss (gain) on sale of property, plant and equipment	4	—	(527)	65
Share-based compensation	4,174	7,582	7,858	12,258
Net finance (income) costs	2,403	(3,229)	(8,777)	(4,114)
Share in income of investments in associates	(16,372)	(23,503)	(27,284)	(43,959)
Income tax	23,519	37,195	52,137	66,842
Changes in evaluation tools at customers	(4,948)	(893)	(16,298)	(7,944)
Changes in employee benefits pension plans	(107)	59	(216)	121
Income tax paid	(19,377)	(29,000)	(83,627)	(41,768)
Operating cash flows before changes in working capital	122,731	175,779	199,063	337,036
Decrease (increase) in working capital:				
Accounts receivable	(17,703)	25,025	(40,439)	(33,166)
Other current assets	(24,845)	(3,057)	(2,979)	(9,599)
Inventories	(4,643)	(75,982)	(8,336)	(116,502)
Provision for warranty	156	(83)	2,867	2,258
Accounts payable, accrued expenses and other payables	4,691	10,892	45,297	103,104
Net cash from operating activities	80,386	132,574	195,473	283,131
Cash flows from investing activities				
Capital expenditures	(13,031)	(15,723)	(23,943)	(43,003)
Proceeds from sale of property, plant and equipment	1	35	2,001	279
Capitalized development expenditure	(20,303)	(27,216)	(37,706)	(50,901)
Purchase of intangible assets	(10)	(606)	(123)	(1,193)
Dividend received from associates	21,756	31,858	21,756	31,858
Acquisitions of subsidiary, net of cash acquired	—	—	—	(38,733)
Net cash used in investing activities	(11,587)	(11,652)	(38,015)	(101,693)
Cash flows from operating activities after investing activities	68,799	120,922	157,458	181,438
Cash flows from financing activities				
Payment of lease liabilities	(2,105)	(2,193)	(4,058)	(4,669)
Purchase of treasury shares	—	—	(37,321)	—
Debt issuance fees paid	—	(617)	—	(617)
Dividends to common shareholders	(96,893)	(121,650)	(96,893)	(121,650)
Net cash used in financing activities	(98,998)	(124,460)	(138,272)	(126,936)
Foreign currency translation effect	(2,532)	5,252	10,725	6,043
Net increase (decrease) in cash and cash equivalents	(32,731)	1,714	29,911	60,545
Cash and cash equivalents at beginning of period	497,870	550,338	435,228	491,507
Cash and cash equivalents at end of period	465,139	552,052	465,139	552,052

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Basis of presentation

ASMI'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 2021 ASMI 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 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.