ASMI ANNUAL MEETING
OF SHAREHOLDERS 2017
Chuck del Prado, President & CEO
May 22, 2017
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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.
OUTLOOK

› Semiconductor capital spending in 2016
› ASMI results in 2016
› Corporate responsibility
› Products & business highlights
› Market outlook and conclusions
OUTLINE

- Semiconductor capital spending in 2016
- ASMI results in 2016
- Corporate responsibility
- Products & business highlights
- Market outlook and conclusions
WAFER FAB EQUIPMENT WAS UP IN 2016

WAFER FAB EQUIPMENT BY DEVICE TYPE
(USD billion)

- 2016 WFE spending increased by 11%
- Logic/Foundry strong
- Within memory, NAND was strong, DRAM was weak

Source: Gartner, April 2017
OUTLINE

› Semiconductor capital spending in 2016
› **ASMI results in 2016**
› Corporate responsibility
› Products & business highlights
› Market outlook and conclusions
KEY HIGHLIGHTS – 2016

› ASMI revenues down 11% to approximately €600 million

› Gross margin stable at 44%

› ASMI EBIT margin 13.8% in 2016 compared to 16.6% in 2015
  • Driven by lower activity level
  • Operating expenses under control

› Normalized net earnings of €163 million down from €185 million in 2015
  • ASMPT contributed €68 million to net earnings in 2016

› Free cash flow €31 million in 2016
  • Driven by lower results and higher working capital (due to timing issues)

› Shareholder returns
  • €140 million returned to shareholders in 2016 in dividend and share buybacks
## NET EARNINGS 2016

### FINANCIALS BASED ON IFRS

<table>
<thead>
<tr>
<th>EUR million</th>
<th>FULL YEAR 2015</th>
<th>FULL YEAR 2016</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>670</td>
<td>598</td>
<td>142</td>
<td>139</td>
<td>144</td>
<td>173</td>
<td>145</td>
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<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>296</td>
<td>265</td>
<td>63</td>
<td>61</td>
<td>64</td>
<td>78</td>
<td>63</td>
</tr>
<tr>
<td>Gross margin</td>
<td>44.1%</td>
<td>44.2%</td>
<td>43.9%</td>
<td>43.8%</td>
<td>44.2%</td>
<td>44.9%</td>
<td>43.5%</td>
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<tr>
<td>Selling, general and administrative</td>
<td>(93)</td>
<td>(88)</td>
<td>(23)</td>
<td>(21)</td>
<td>(21)</td>
<td>(23)</td>
<td>(23)</td>
</tr>
<tr>
<td>Research and development</td>
<td>(90)</td>
<td>(91)</td>
<td>(21)</td>
<td>(22)</td>
<td>(24)</td>
<td>(24)</td>
<td>(25)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(2)</td>
<td>(3)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(0)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>111</td>
<td>82</td>
<td>19</td>
<td>17</td>
<td>17</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>16.6%</td>
<td>13.8%</td>
<td>13.2%</td>
<td>12.0%</td>
<td>11.7%</td>
<td>17.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Financing cost</td>
<td>25</td>
<td>15</td>
<td>(11)</td>
<td>10</td>
<td>(3)</td>
<td>19</td>
<td>(7)</td>
</tr>
<tr>
<td>Income tax</td>
<td>5</td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>Result from investments*</td>
<td>44</td>
<td>68</td>
<td>6</td>
<td>16</td>
<td>27</td>
<td>18</td>
<td>35</td>
</tr>
<tr>
<td>Amortization intangible assets resulting from the sale of the 12% stake of ASMPT</td>
<td>(27)</td>
<td>(27)</td>
<td>(7)</td>
<td>(7)</td>
<td>(7)</td>
<td>(7)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td>157</td>
<td>136</td>
<td>5</td>
<td>36</td>
<td>33</td>
<td>62</td>
<td>36</td>
</tr>
<tr>
<td><strong>NORMALIZED NET RESULT</strong>*</td>
<td>185</td>
<td>163</td>
<td>12</td>
<td>42</td>
<td>40</td>
<td>69</td>
<td>42</td>
</tr>
</tbody>
</table>

*(excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT)
## BALANCE SHEET

### FINANCIALS BASED ON IFRS

<table>
<thead>
<tr>
<th>EUR million</th>
<th>DEC 2015</th>
<th>DEC 2016</th>
<th>MAR 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>447</td>
<td>378</td>
<td>379</td>
</tr>
<tr>
<td>Other current assets</td>
<td>223</td>
<td>272</td>
<td>262</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>92</td>
<td>95</td>
<td>97</td>
</tr>
<tr>
<td>Capitalized development costs</td>
<td>72</td>
<td>86</td>
<td>93</td>
</tr>
<tr>
<td>Investments &amp; associates, and other assets</td>
<td>1,181</td>
<td>1,236</td>
<td>1,248</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>62</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>2,076</strong></td>
<td><strong>2,148</strong></td>
<td><strong>2,161</strong></td>
</tr>
<tr>
<td>ST debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>115</td>
<td>118</td>
<td>124</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>13</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>128</strong></td>
<td><strong>133</strong></td>
<td><strong>138</strong></td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>1,948</td>
<td>2,016</td>
<td>2,023</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td><strong>2,076</strong></td>
<td><strong>2,148</strong></td>
<td><strong>2,161</strong></td>
</tr>
</tbody>
</table>
## CASH FLOW

### FINANCIALS BASED ON IFRS

<table>
<thead>
<tr>
<th>EUR million</th>
<th><strong>FULL YEAR 2015</strong></th>
<th><strong>FULL YEAR 2016</strong></th>
<th><strong>Q1 2016</strong></th>
<th><strong>Q1 2017</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Normalized net result</td>
<td>185</td>
<td>163</td>
<td>12</td>
<td>42</td>
</tr>
<tr>
<td>Depreciation, amortization and impairments</td>
<td>54</td>
<td>52</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Working capital</td>
<td>3</td>
<td>(56)</td>
<td>(9)</td>
<td>14</td>
</tr>
<tr>
<td>Result from investments</td>
<td>(44)</td>
<td>(68)</td>
<td>(6)</td>
<td>(35)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(23)</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>175</td>
<td>91</td>
<td>7</td>
<td>33</td>
</tr>
<tr>
<td>Dividend received from investments</td>
<td>43</td>
<td>22</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capitalized development expenditure</td>
<td>(30)</td>
<td>(27)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Capital expenditure and other</td>
<td>(40)</td>
<td>(33)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td>(29)</td>
<td>(38)</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>(105)</td>
<td>(126)</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>Net cash (used) provided</strong></td>
<td>41</td>
<td>(65)</td>
<td>(30)</td>
<td>(4)</td>
</tr>
</tbody>
</table>
BOOKINGS & BACKLOG – ASMI

(EUR million)

Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1
10   11  12  13  14  15  16  17

Bookings
Backlog
SHAREHOLDER REMUNERATION

› Proposed dividend stable at €0.70 per share

› Third share buyback announced last October, increased to €100 million last March
  • To be executed in 2016/2017 timeframe; 61% completed as of May 19, 2017
  • As part of commitment to use excess cash for the benefit of shareholders

DIVIDEND PER SHARE PAID (EUR)

CUMULATIVE CASH RETURNED TO MARKET ‘10-’17 YTD (EUR M)

*proposed

**as of May 19, 2017, including proposed dividend
TOTAL SHAREHOLDER RETURN IN 2015-2016

- Comparison of same sector companies
- Includes dividend payouts and redistribution of capital
Strong increase in implied value to €1.0 billion positive up from €400-500 million negative in May 2012
SHAREHOLDING IN ASMPT REDUCED FROM 39% TO 34%

› On April 24, 2017, ASMI sold a 5% stake in ASMPT for proceeds of approximately €248 million. 20 million shares in ASMPT were placed at a price of HK$105 per share through an accelerate bookbuild offering.

› Proceeds will be used for a new share buyback program. In addition to existing 2016/2017 buyback program.

› 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.
## SHAREHOLDING IN ASMPT

<table>
<thead>
<tr>
<th></th>
<th>FULL YEAR 2015</th>
<th>FULL YEAR 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales ASMPT (HK$ million)</td>
<td>12,977</td>
<td>14,249</td>
<td>3,761</td>
</tr>
<tr>
<td>Gross margin ASMPT</td>
<td>36.3%</td>
<td>37.6%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Reported net results ASMPT (HK$ million)</td>
<td>953</td>
<td>1,438</td>
<td>729</td>
</tr>
<tr>
<td>ASMI’s share of ASMPT’s net results* (EUR million)</td>
<td>44</td>
<td>68</td>
<td>35</td>
</tr>
</tbody>
</table>

* Excluding amortization resulting from the 12% stake sale in 2013

- As of 15 March 2013, our share of ASMPT’s net earnings is included in ‘result from investments’
- Amortization intangible assets resulting from the sale of the 12% stake in ASMPT amounted to €27 million in 2015 and 2016
ASMPT: BUSINESS WELL ON TRACK

- ASMPT’s multiple applications strategy pays off
  - Further increased number 1 position in Back-end market in last few years
  - Leading positions in attractive growth markets such as CMOS image sensor equipment, LED and Automotive

- SMT Solutions transformed into second growth engine
  - Increased market share to 20%+ compared to 13% in 2011
  - Expanded portfolio into SMT printers and wafer level fan-out solutions

- Focus on innovation
  - E.g. Strongly expanding range of Advanced Packaging solutions

- Strongly improved manufacturing model
  - Increased use of subcontractors and outsourcing
  - More stable gross margin
OUTLINE

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› Corporate responsibility
› Products & business highlights
› Market outlook and conclusions
CORPORATE RESPONSIBILITY

› Published third annual Corporate responsibility (CR) report, showing a strong improvement in the Transparency Benchmark

› **Safety**: good progress recognized by Intel award

› **Environmental performance**: new 5-year goals defined, strong progress in realization of goals

› **Labor**: strengthened structural control of working hours in manufacturing and service delivery

› **Supply Chain**: 90% of critical suppliers acknowledged commitment to our Supplier Code of Conduct
GLOBAL INJURY AND RECORDABLE RATES

- 2016 Injury rates equal 2015 record lows, defining further actions in our goal to achieve Zero Harm!

- Safety design significantly strengthened

- Identified and structurally reduced key risks across the Service, Engineering Lab and Manufacturing organization
Commenced five-year plan (2016-2020) against 2015 baseline

2016-2020 Targets

- Reduce GHG emissions by 5% / R&D spend below 2015 levels by 2020
- Reduce water use by 10% / R&D spend below 2015 levels by 2020
- Divert more than 90% of all waste from landfill through recycle or reuse by 2020;
- New construction projects exceed energy efficiency standards of local jurisdictions
OUTLINE

› Semiconductor capital spending in 2016
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› **Products & business highlights**
› Market outlook and conclusions
ASM has a leading position in ALD

- ALD for high-k metal gates
- ALD spacers for multiple patterning (Memory & Logic)
- ALD liner films for Logic/Foundry and 3DNAND

ASM Epitaxy

- New Epi business for advanced node transistors (Foundry)
- Strong Epi position in Analog & Power

PECVD

- Low-k supplier for 7th consecutive Logic device node
- PECVD growing opportunities on XP8 platform

Vertical furnace increased business for More-than-Moore apps
HEADLINES SINCE THE LAST AGM

› In 2016, the single wafer ALD market showed a drop as lower demand in Memory was only partially offset by strong Logic/Foundry demand

› Our penetration in Logic/Foundry substantially increased with ramp of 10nm node

› Received TSMC ALD equipment and technology supplier excellence award

› Further strengthened R&D engagements with key customers

› First HVM orders in 3D-NAND segment in 2016

› Invested in broadening presence in Epi market
  First high volume manufacturing order intake for Intrepid EPI in mainstream CMOS
GROWING WALLET SHARE WITH TOP CLIENTS

Engaged with all of the top-10 semiconductor capital equipment spenders

Increase in contribution top-3 in 2016 driven by Logic/Foundry
ALD IS AN ESSENTIAL DEPOSITION EQUIPMENT SEGMENT

Following a decrease in 2016, the company expects a clear year-on-year improvement in the single wafer ALD market for 2017.

The company expects the single wafer ALD market will grow to reach a size of approximately US$1.5 billion in 2020-2021.

Drivers for growth:
- Strengths of ALD: (i) high-precision deposition of smooth and conformal ultra-thin films; (ii) ability to deposit new materials
- Device scaling, new materials and the use of 3D structures all are drivers to increase demand for ALD
OUTLINE

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SEMICONDUCTOR GROWTH DRIVERS

SEMICONDUCTOR SALES BY KEY APPLICATION

Source: Gartner, Mar 2017

CAGR '16-21

- Servers: +7%
- Industrial Electronics: +9%
- Automotive: +7%
- Solid State Drives: +15%
- Smartphone Premium: +1%
- Smartphone Basic: +4%
- Tablet: -2%
- PC / Tablet Hybrid: +17%
- PC Ultramobile Clamshell: +7%
- PC Desktop & Notebook: -6%

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

WAFER FAB EQUIPMENT BY TECHNOLOGY NODE

- Logic/Foundry 10nm ramp in 2017-2018 and then transition to 7nm
- DRAM expansion in 2018 for 2X and 1X/1Y nodes
- 3D-NAND expansion continues 2017-2018

Source: Gartner, April 2017
Based upon the current backlog and our current visibility:

› For Q2 we expect a sales level of €180-200 million, on a currency comparable level.

› The order intake in Q2 is expected to remain at a high level of €190-210 million, also on a currency comparable level.
SUMMARY

▶ Due to a drop in the single wafer ALD market our revenue decreased by 11% in 2016
  
  For 2017, a clear improvement in the single wafer ALD market is expected

▶ Gross margin stable at 44%, operating expenses under control

▶ Strategic achievements during the year
  
  • Strong expansion with Logic/Foundry customers
  
  • First HVM orders in the 3D-NAND segment
  
  • First steps into mainstream CMOS Epi market

▶ Further progress Corporate responsibility
  
  Our Transparency Benchmark score more than doubled from 2015 to 2016

▶ The company believes to be well positioned for an increased number of ALD applications in the next technology nodes