

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q1 2019 RESULTS

April 24, 2019

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› Strong long term growth prospects

- ALD market expected to be a key growth market, ASMI has leadership position in ALD
- Driving structurally higher sales in the other product lines
- Solid momentum in the first part of 2019 driven by ASMI's strong position in logic/foundry

› Healthy profitability

- Gross margin of 41.3% in Q1, slightly down from 41.7% in Q4 due to mix. Gross margin reflects investments in new products and new growth initiatives

› Strong balance sheet

- Solid cash position, no debt
- Stepped up investments to prepare for next phase of growth
- Returned €607m in cash to shareholders during 2018
- Proposal to the AGM 2019 to raise the dividend by 25% to €1.00 per share and to cancel 5m shares (9% of total)

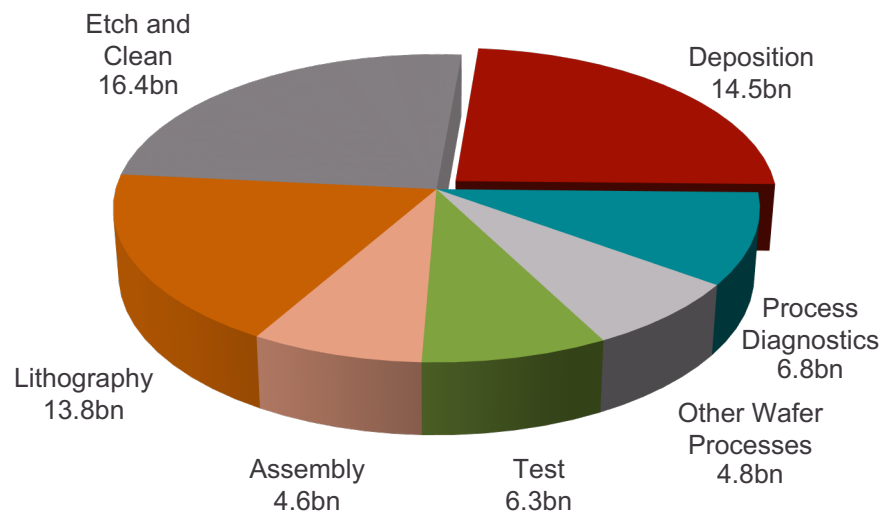
2019 Q1 KEY RESULTS



| | Q1 2018 | Q4 2018 | Q1 2019 |
|--|---------|---------|---------|
| New orders | 206.5 | 301.6 | 235.0 |
| Net sales | 159.0 | 254.7 | 248.8 |
| Gross profit margin % | 37.8% | 41.7% | 41.3% |
| Operating results | 11.8 | 46.2 | 47.0 |
| Normalized result from investments | 16.3 | 6.1 | 3.1 |
| Amortization intangible assets resulting from the stake sale ASMPT in 2013 | (3.8) | (2.4) | (3.4) |
| Net earnings | 15.0 | 43.7 | 49.4 |
| Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013) | 18.8 | 46.1 | 52.8 |

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

Equipment market segments 2018 (US\$)



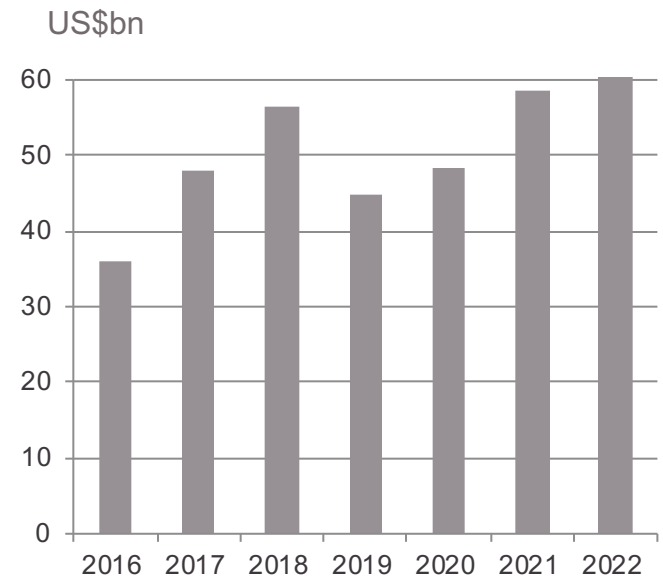
VLSI Research, April 2019

ASM's focus is on deposition equipment

EQUIPMENT MARKET OUTLOOK

- › Gartner expects 17% decrease in WFE in 2019, followed by 6% decrease in 2020 (Dec '18)
- › VLSI Research expects 20% decrease in WFE in 2019, followed by 8% increase in 2020
- › Expected drop in WFE in 2019 is mainly caused by a significant decline in memory spending, while the outlook for logic/foundry is more robust
- › ASMI's statement on the WFE outlook is as follows: "For 2019, general expectations are still that the wafer fab equipment (WFE) market will decline with a mid to high teens percentage"

Wafer Fab Equipment spending



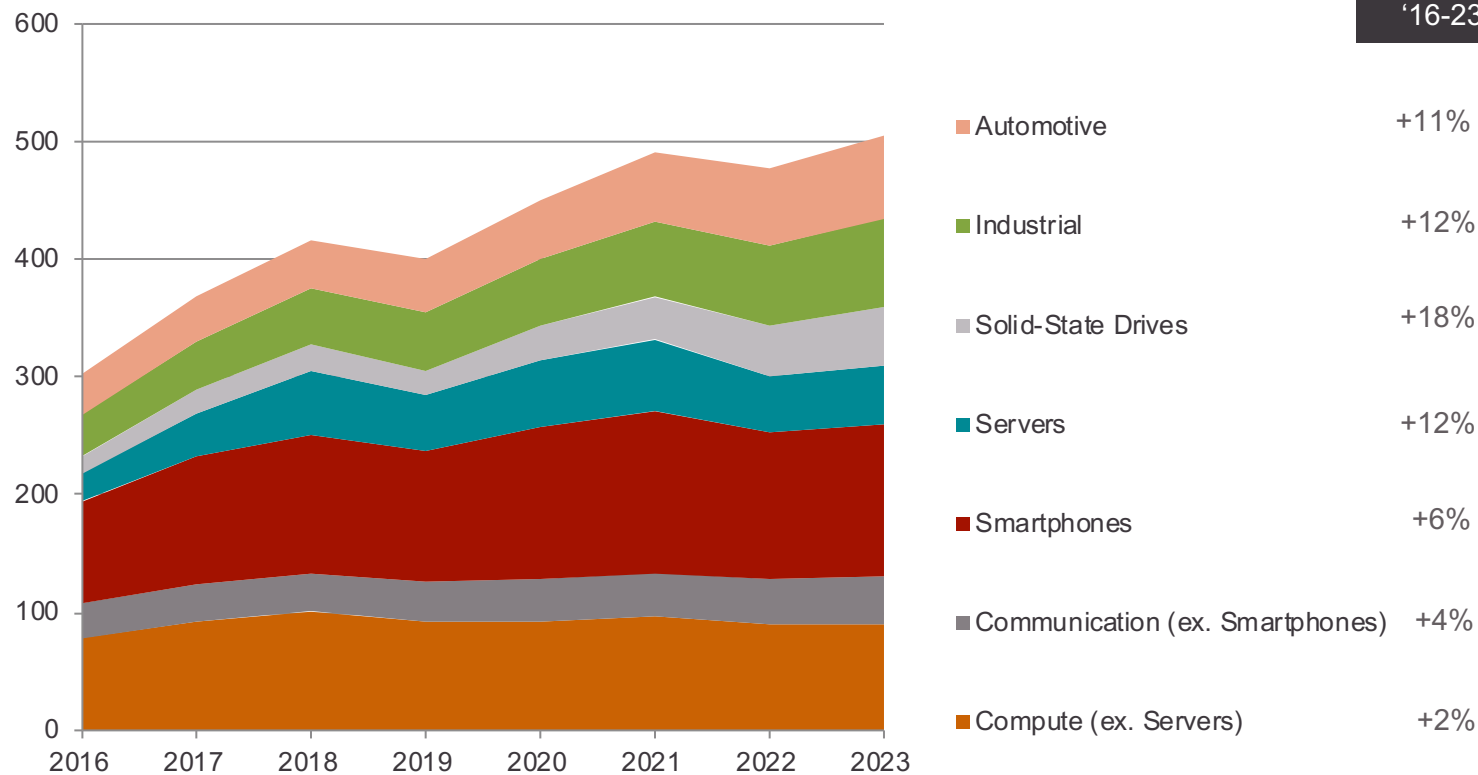
VLSI Research, April 2019

WFE market is expected to drop by mid to high teens percentage in 2019

SEMICONDUCTOR MARKET GROWTH DRIVERS

Semiconductor sales by key application

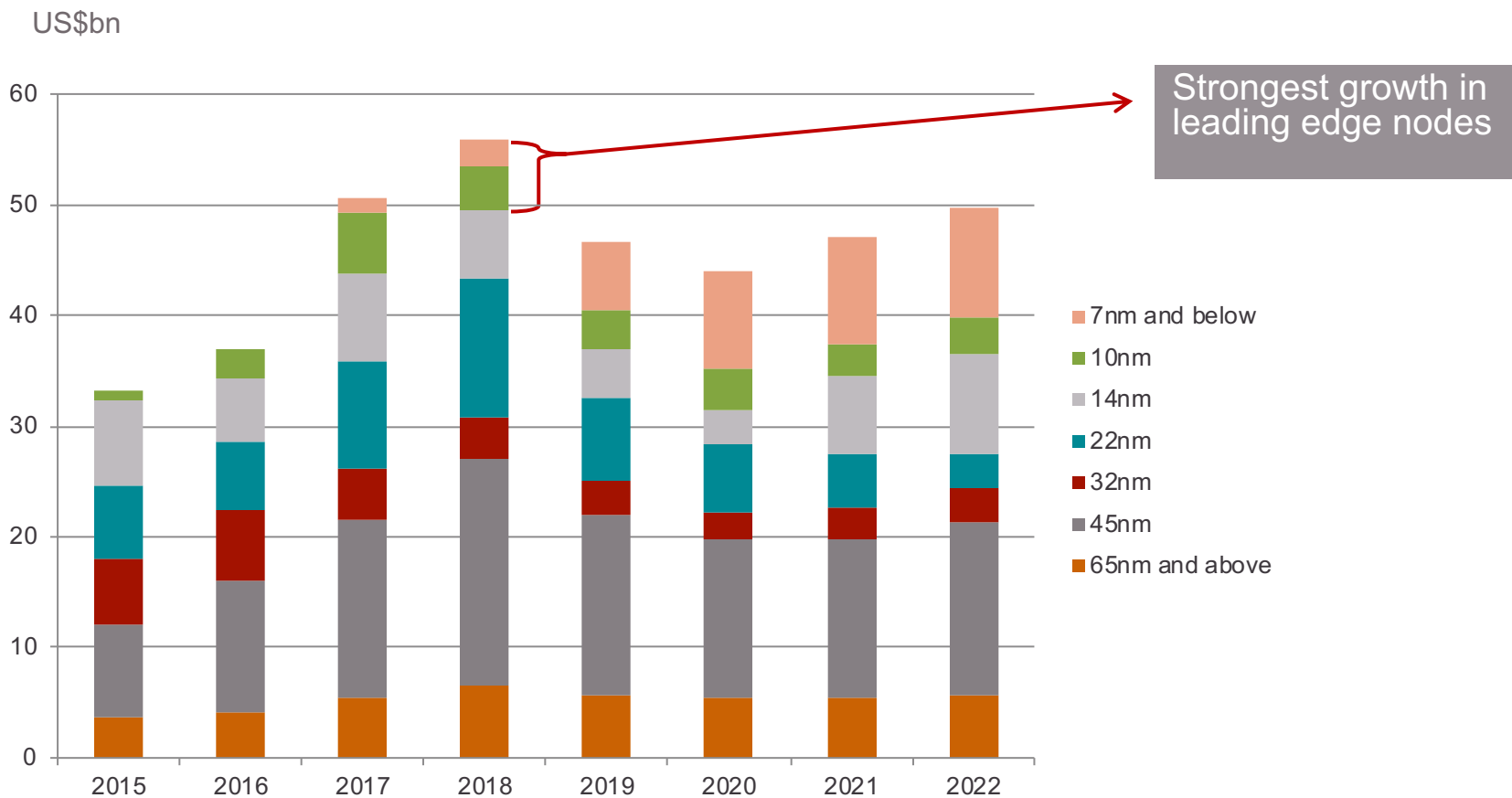
CAGR
'16-23



Gartner, April 2019

- > Growth in smartphones is slowing
- > New growth drivers are Solid State Drives, Servers, Industrial and Automotive

WAFER FAB EQUIPMENT SPENDING BY NODE



Gartner, December 2018

- > Advanced nodes: market segments with high expected growth
- > 45nm mainly driven by 3D-NAND spending

› **ALD technology is a key enabler of Moore's Law**

- Strengths of Atomic Layer Deposition: high-precision deposition of smooth and conformal ultra-thin films, ability to deposit new materials
- Device scaling, new materials and 3D architectures drive increased demand for ALD

› **ASMI has leading positions in ALD**

- ASMI has strongest position in logic/foundry. Logic/foundry ALD market more than doubled from 14nm/16nm to 7nm
- ALD continued to account for more than half of ASM's equipment revenue in 2018
- Strong focus on increasing our addressable market within single wafer ALD

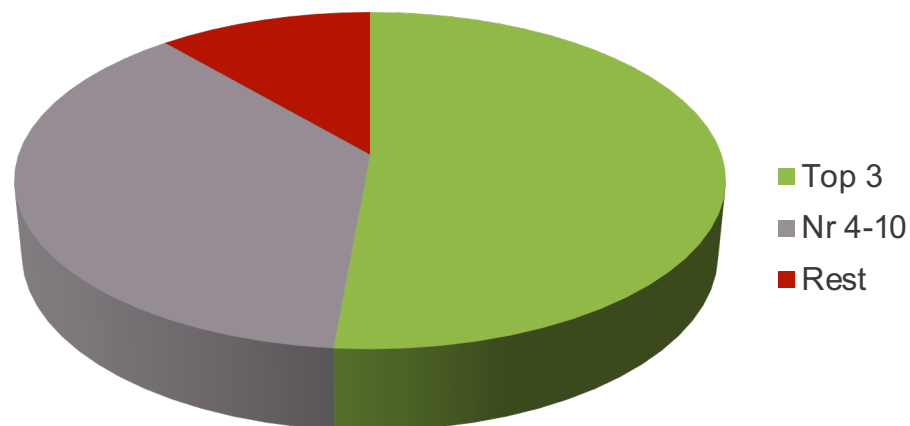
› **Strong market outlook ALD**

- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

- › **Focused player, differentiated technologies**
- › **Track record of innovation**
- › **Global network, streamlined operations**
- › **Leadership in ALD**
 - Developing ALD technology since 1999
 - Leading market share in ALD
- › **Close cooperation with the leading IC manufacturers**
- › **Strong IP portfolio**

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

ASMI sales 2018



Growing share of wallet with top clients

› Solid growth expected for the ALD market

- We expect the single wafer ALD market to reach a size of approx. US\$1.5 billion by '20-'21
- Focus on expanding our addressable market within the single wafer ALD space

› ASMI outperformed WFE in 2018 and expects to outperform WFE in 2019

- ASMI has a strong position in the logic/foundry segment, in which spending is expected to be healthy in 2019, while memory spending is expected to decline significantly
- Besides ALD, the other product lines had a notably solid contribution in 2018 and in the first part of 2019

› Launch of new XP8 QCM tool in January 2019

- Newest ALD tool, offering substantial improvement in productivity for advanced applications
- Already in high-volume manufacturing at multiple customers

› Shareholder remuneration

- Returned in total of €607m in cash to shareholders during 2018, up from €281m in 2017
- Proposal to the AGM 2019 to raise dividend by 25% to €1.00 per share and to cancel 5m shares (9% of total)

ASMPT RESULTS

| | Q1 2018 | Q4 2018 | Q1 2019 |
|---|---------|---------|---------|
| Sales ASMPT (HK\$ million) | 4,346 | 4,768 | 3,660 |
| Net profit ASMPT (€ million, 100% based) | 65 | 23 | 12 |
| Normalized result from investments (including ASMI's share of ASMPT net profit) | 16.3 | 6.1 | 3.1 |
| Amortization intangible assets resulting from the sale of ASMPT stake in 2013 | (3.8) | (2.4) | (3.4) |

- › As of March 2013 our share in ASMPT's net earnings is included in 'result from investments'
- › ASMI's stake in ASMPT amounts to approximately 25%. In 2017, ASMI reduced its stake in two steps from 39% to 25%
- › Related amortization intangible assets is expected to amount to €13.4m in 2019

FINANCIAL OVERVIEW

Q1 2019 HIGHLIGHTS

- › Revenue down 2% q-o-q and up 56% y-o-y
- › Bookings down 22% q-o-q and up 14% y-o-y. Book-to-bill ratio of 0.9
- › Q1 backlog of €292 compared to €302m in Q4
- › Gross margin of 41.3% in Q1 vs. 41.7% in Q4. The q-o-q decrease was mainly due to sales mix differences
- › Q1 OpEx decreased q-o-q. R&D in Q4 included one-time costs related to new facility in Korea and extra material costs related to development tools
- › Financial result included currency translation gains of €4m in Q1 2019 compared to translation losses of €8m in Q1 2018
- › Normalized net earnings* of €53m in Q1 2019, up from €46m in Q4 2018 and €19m in Q1 2018
- › Free cash flow was €21m positive in Q1 2019, with strong profitability, partly offset by an increase in working capital and higher CapEx

* excluding amortization intangible assets resulting from the stake sale ASMPT in 2013

Based upon the current backlog and our current visibility:

For Q2, on a currency comparable level, we expect sales of €230-250 million while bookings, on a currency comparable level, are expected to be in the range of €240-260 million.

For 2019, general expectations are still that the wafer fab equipment (WFE) market will decline with a mid to high teens percentage. Logic and foundry, as compared to the memory segment, are expected to stay healthy in 2019. Based upon this current market view, we expect to meaningfully outperform the WFE market in 2019.

NET EARNINGS

| € million | Q1 2018 | Q4 2018 | Q1 2019 | Q1 2019 vs Q4 2018 | Q1 2019 vs Q1 2018 |
|--|---------|---------|---------|--------------------|--------------------|
| New orders | 206.5 | 301.6 | 235.0 | (22)% | 14% |
| Backlog | 217.9 | 301.5 | 292.0 | (3)% | 34% |
| Book-to-bill | 1.3 | 1.2 | 0.9 | | |
| Net sales | 159.0 | 254.7 | 248.8 | (2)% | 56% |
| Gross profit | 60.2 | 106.3 | 102.8 | (3)% | 71% |
| Gross profit margin % | 37.8% | 41.7% | 41.3% | | |
| Selling, general and administrative expenses | (27.2) | (34.2) | (33.9) | (1)% | 25% |
| Research and development expenses | (21.0) | (25.8) | (21.9) | (15)% | 4% |
| Operating result | 11.8 | 46.2 | 47.0 | 0.8 | 35.2 |
| Operating margin % | 7.4% | 18.2% | 18.9% | | |
| Net interest expenses | (0.5) | - | - | (0.5) | n/a |
| Currency translation gains | (7.5) | - | 4.3 | 4.3 | 11.8 |
| Income tax | (1.3) | (6.0) | (1.6) | 3.4 | (0.3) |
| Normalized result from investments | 16.3 | 6.1 | 3.1 | (3.0) | (13.2) |
| Amortization intangible assets resulting from the stake sale ASMPT in 2013 | (3.8) | (2.4) | (3.4) | (1.0) | 0.4 |
| Net earnings | 15.0 | 43.7 | 49.4 | 13% | 230% |
| Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013) | 18.8 | 46.1 | 52.8 | 15% | 181% |

R&D EXPENDITURE

| € million | Q1 2018 | Q4 2018 | Q1 2019 |
|--|---------------|---------------|---------------|
| R&D expenditure | (28.4) | (36.1) | (33.4) |
| Capitalized development expenditure | 10.1 | 15.1 | 15.3 |
| Amortization capitalized development expenditure | (2.8) | (3.7) | (3.0) |
| Impairment capitalized development expenditure | - | (1.2) | (0.8) |
| R&D expenses | (21.0) | (25.8) | (21.9) |

CASH FLOW

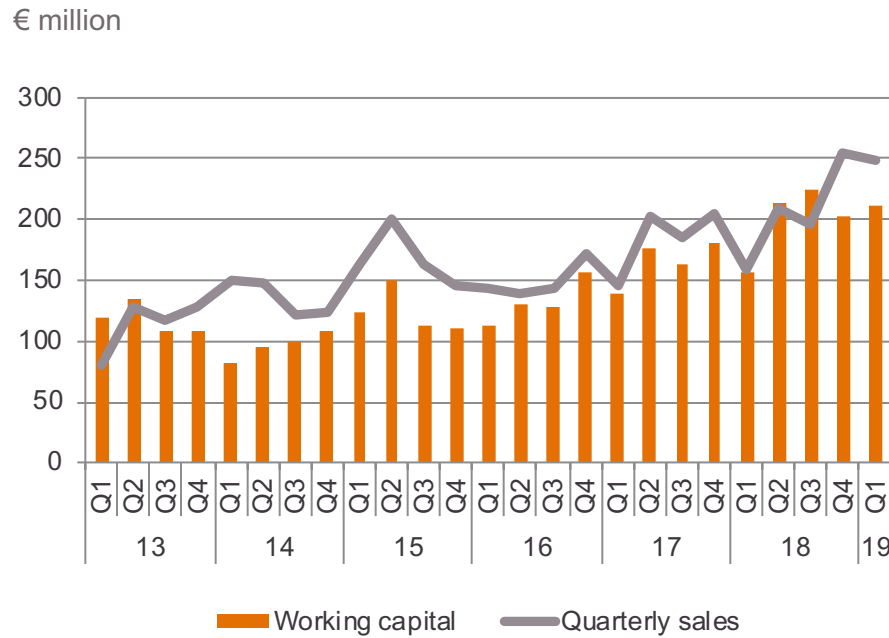
| € million | Q1 2018 | Q1 2019 |
|---|----------------|---------------|
| Normalized net earnings | 15.0 | 49.4 |
| Depreciation, amortization and impairments | 11.5 | 17.1 |
| Result from investments | (12.5) | 0.3 |
| Evaluation tools | (14.0) | (1.4) |
| Other adjustments | 6.1 | (2.7) |
| Change in working capital | 27.4 | (12.3) |
| Net cash from operating activities | 33.5 | 50.4 |
| Capital expenditure | (8.3) | (12.5) |
| Capitalized development expenditure | (10.1) | (15.3) |
| Dividend received from investments | - | - |
| Other | (0.3) | (1.6) |
| Net cash from investing activities | (18.7) | (29.4) |
| Dividend paid and capital repaid to ASMI shareholders | - | (1.1) |
| Share buyback | (102.5) | - |
| Other | 1.0 | 0.2 |
| Net cash from financing activities | (101.5) | (0.9) |

Numbers based on reported financials

BALANCE SHEET

| € million | Dec 31, 2018 | Mar 31, 2019 |
|--------------------------------------|--------------|--------------|
| Cash and cash equivalents | 286 | 312 |
| Accounts receivable | 173 | 193 |
| Inventories | 172 | 174 |
| Other current assets | 49 | 42 |
| Right-of-use Assets - net | - | 30 |
| Investments in associates | 790 | 802 |
| Property, plant and equipment | 149 | 150 |
| Goodwill and other intangible assets | 161 | 175 |
| Evaluation tools at customers | 45 | 44 |
| Other non-current assets | 23 | 22 |
| Total Assets | 1,848 | 1,945 |
| Accounts payable | 81 | 92 |
| Short-term debt | - | - |
| Other current liabilities | 114 | 107 |
| Long-term debt | - | - |
| Other non-current liabilities | 12 | 30 |
| Equity | 1,642 | 1,715 |
| Total Liabilities and Equity | 1,848 | 1,945 |

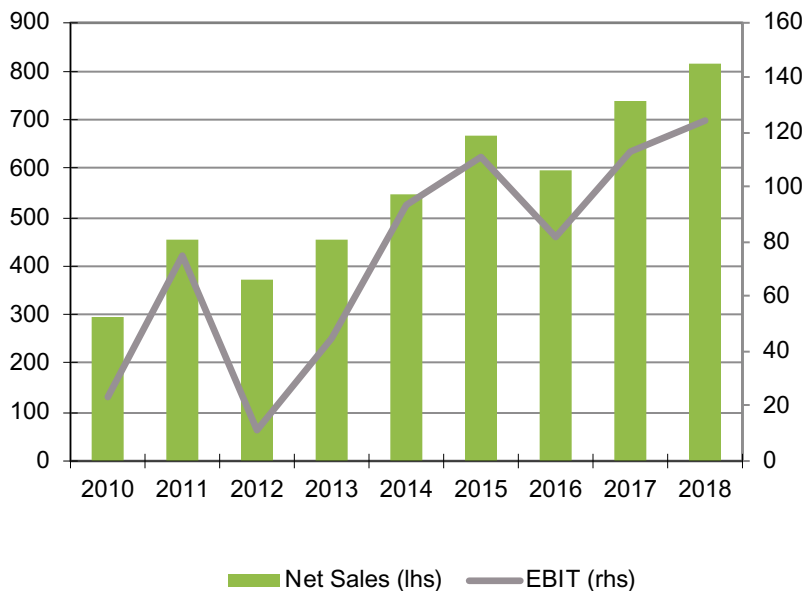
WORKING CAPITAL



Numbers based on reported financials

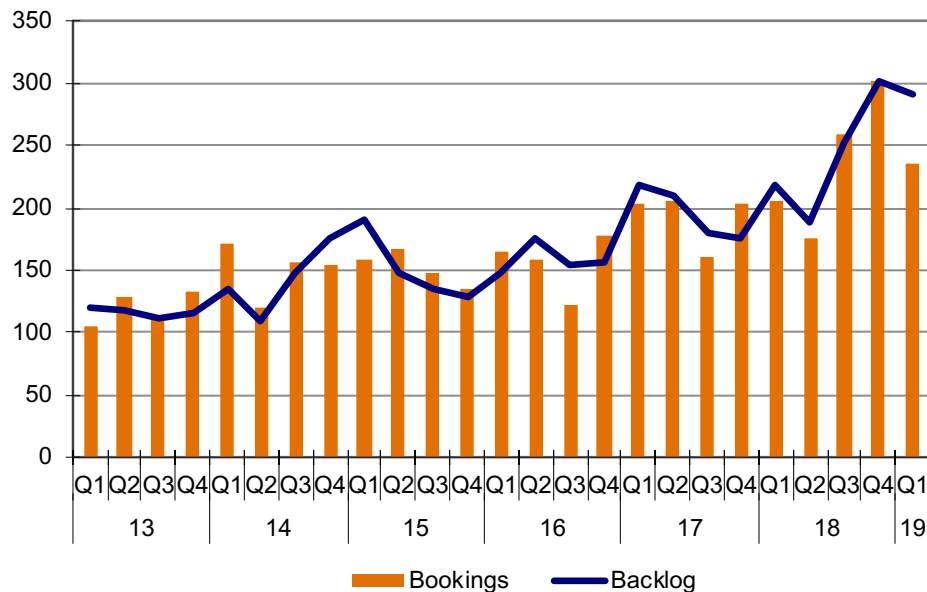
HISTORICAL DEVELOPMENT

€ million



Numbers based on audited financials

€ million



Numbers based on reported financials

BREAKDOWN SALES

| <u>€ million</u> | 18Q1 | 18Q2 | 18Q3 | 18Q4 | FY18 | 19Q1 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Equipment sales | 120.3 | 160.7 | 148.7 | 201.7 | 631.5 | 196.8 |
| Spares & service sales | 38.6 | 48.0 | 47.0 | 53.0 | 186.6 | 51.9 |
| <u>Total net sales</u> | <u>159.0</u> | <u>208.7</u> | <u>195.7</u> | <u>254.7</u> | <u>818.1</u> | <u>248.8</u> |

