

Almere, The Netherlands

April 21, 2020, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS FIRST QUARTER 2020 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its first quarter 2020 operating results (unaudited) in accordance with IFRS.

FINANCIAL HIGHLIGHTS

EUR million	Q1 2019	Q4 2019	Q1 2020
New orders	235.0	429.0	333.5
Net sales	248.8	400.6	325.1
Gross profit margin %	41.3%	51.5%	44.5%
Operating result	47.0	130.9	78.1
Result from investments (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	3.1	6.4	0.7
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.4)	(3.5)	(3.5)
Net earnings	49.4	104.5	74.1
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013 and result from sale of ASMPT shares)	52.8	108.0	77.6

- New orders received of €334 million, driven in particular by foundry.
- Net sales for the first quarter 2020 were €325 million, a decrease of 6% compared to the previous quarter (€345 million excluding patent arbitration settlement).
- Gross profit margin was 44.5% in Q1 2020 compared to 51.5% in the previous quarter (43.6% excluding patent arbitration settlement).
- Operating result of €78 million, up €3 million compared to the previous quarter (€75 million excluding patent arbitration settlement).
- Normalized net earnings for the first quarter 2020 decreased by €30 million compared to Q4 2019. Excluding the patent arbitration settlement, normalized net earnings in Q1 showed an increase.

COMMENT

“Our top priority is the health and safety of our employees and their families, and our customers and partners. Since the global outbreak of the COVID-19 pandemic we took all appropriate actions to protect our staff and to maintain business operations for customers in a safe manner. I’m extremely proud of all the efforts and dedication shown by ASM’s employees in this regard. While measures taken across the world in the form of lockdowns and transport restrictions to contain the COVID-19 outbreak created a number of challenges in our supply chain and in our logistical operations, our company continued to deliver a solid performance,” said Chuck del Prado, President and Chief Executive Officer of ASM International. “In Q1 we realized sales of €325 million, 6% below the Q4 level excluding the proceeds of the arbitration settlement, however at the high end of the guidance of €310-330 million and 31% above the level in the same period of last year. The sales level was driven by continuous high demand in the logic/foundry segment. Our Q1 order intake, at €334 million, was slightly above our guidance of €310-330 million. Our cash position in the quarter further strengthened and stood at nearly €530 million at the end of the quarter.”

OUTLOOK

For Q2 on a currency comparable level we now expect sales of €300-350 million. We slightly widened the range by reducing the lower end compared to the earlier indicated range of €330-350 million. The widening of the range is fully attributable to risks related to possible disruptions in our supply chain and logistical operations as a result of additional COVID-19 related actions taken by governments so far. Q2 bookings, on a currency comparable level, are expected to be in the range of €280-310 million. Providing a forecast for the WFE market for the year as a whole is very difficult given the current market uncertainties, but we expect ASMI to start the second half of the year with a strong order book.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On April 6, 2020, ASMI published the agenda for the 2020 Annual General Meeting of Shareholders (AGM), to be held on May 18, 2020, which, as also earlier announced, includes amongst others the following matters:

- proposal to appoint Mr. Benjamin Loh as member of the Management Board;
- proposal to appoint Mrs. Monica de Virgiliis and Mr. Didier Lamouche as members of the Supervisory Board, to re-appoint Mr. Martin van Pernis as member of the Supervisory Board;
- proposal to declare a regular dividend of €1.50 per common share and an extraordinary dividend of €1.50 per common share. As €1.00 per common share was already paid as an interim dividend on November 12, 2019, the remaining dividends amount to €2.00 per common share; and
- proposal to cancel 1.5 million treasury shares.

Please refer to the AGM documents available on our website for more detailed information.

Given the COVID-19 outbreak and the related health risks, ASMI aims to act responsibly to protect the safety of its personnel, shareholders, customers and any other stakeholders. Today the Dutch House of Representatives and Senate have adopted emergency legislation that temporarily will facilitate Annual General Meetings of Shareholders without physical attendance of shareholders (or others). The new legislation will likely enter into force within the coming days. In anticipation hereof, ASMI will not allow its shareholders to attend the AGM in person. Any changes will be made available through our website (www.asm.com/investors/corporate-governance/agm).

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.

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, 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 an investor conference call and web cast on Wednesday April 22, 2020, at 15:00 Continental European Time (9:00 a.m. - US Eastern Time).

The teleconference dial-in numbers are as follows:

- United States: +1 646 787 1226
- International: +44 (0) 203 009 5709
- The Netherlands: +31 (0)20 715 7566
- Access Code: 2966178

A simultaneous audio web cast and replay will be accessible at www.asm.com.

CONTACT

Investor contact:

Victor Bareño

T: +31 88 100 8500

E: victor.bareno@asm.com

Media contact:

Ian Bickerton

T: +31 625 018 512

ANNEX 1

OPERATING AND FINANCIAL REVIEW

Bookings

The following table shows the level of new orders for the first quarter of 2020 and the backlog at the end of the first quarter of 2020, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Backlog at the beginning of the quarter	301.5	330.4	351.2	6 %	16%
New orders for the quarter	235.0	429.0	333.5	(22)%	42%
Net sales for the quarter	(248.8)	(400.6)	(325.1)	(19)%	31%
FX-effect for the quarter	4.3	(7.6)	5.7		
Backlog at the end of the quarter	292.0	351.2	365.3	4 %	25%
Book-to-bill ratio (new orders divided by net sales)	0.9	1.1	1.0		

The backlog increased from €351 million at the end of the fourth quarter 2019 to €365 million as per March 31, 2020. Excluding the patent arbitration settlement in the fourth quarter of 2019, new orders in the first quarter of 2020 decreased 11% compared to the previous quarter. The book-to-bill ratio for Q1 was 1.0. In terms of customer segments, new orders in the first quarter 2020 were led by foundry followed by logic and then memory.

Net Sales

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Equipment sales	196.8	288.8	269.3	(7)%	37%
Spares & service sales	51.9	55.8	55.8	— %	7%
Patent litigation & arbitration settlement	—	56.0	—	n/a	n/a
Net sales	248.8	400.6	325.1	(19)%	31%

Net sales for the first quarter 2020 decreased with 19% compared to the previous quarter and increased by 31% year-on-year. Excluding the patent arbitration settlement, sales decreased 6% compared to the previous quarter. Net sales in the first quarter were led by foundry followed by logic and then memory. There was no impact of currency changes quarter to quarter and an increase of 3% year-on-year.

Gross profit margin

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Gross profit	102.8	206.3	144.8	(30)%	41%
Gross profit margin	41.3%	51.5%	44.5%	(7)%	3%
Gross profit excluding patent litigation & arbitration settlement	102.8	150.3	144.8	(4)%	41%
Gross profit margin excluding patent litigation & arbitration settlement	41.3%	43.6%	44.5%	1 %	3%

The gross profit margin increased from 43.6% in Q4 (excluding patent litigation and arbitration settlement) to 44.5% in Q1 due to a better mix and efficiency improvements. For Q1 2019 gross profit margin was 41.3%. There was no impact of currency changes quarter to quarter and an increase of 3% year-on-year.

Selling, general and administrative expenses

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
SG&A expenses	33.9	40.4	35.8	(12)%	5%

Selling, general and administrative (SG&A) expenses decreased with 12% compared to the previous quarter. Since Q4 2019 included €4 million extra costs for the Short Term Incentive program, underlying SG&A expenses were relatively stable. As a percentage of sales SG&A expenses were 11% (Q4 2019: 10%, Q1 2019: 14%). There was no impact of currency changes on SG&A expenses quarter to quarter and an increase of 1% year-on-year.

Research and development expenses

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Research and development expenses	33.4	41.4	40.9	(1)%	22%
Capitalization of development expenses	(15.3)	(14.7)	(15.6)	6 %	1%
Amortization of capitalized development expenses	3.0	4.6	5.5	22 %	85%
Impairment capitalized development expenses	0.8	3.8	—	n/a	n/a
R&D expenses	21.9	35.1	31.0	(12)%	41%

Research and development (R&D) expenses decreased with 12% compared to the previous quarter, and were stable excluding the impairment of the previous quarter. As a percentage of sales R&D expenses were 10% compared to 9% for the previous quarter. For the first quarter of 2019 this was 9%. The impact of currency changes on R&D expenses was a decrease of 1% quarter to quarter and an increase of 2% year-on-year.

Operating result

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Operating result	47.0	130.9	78.1	(52.7)	31.1
Operating result margin	18.9%	32.7%	24.0%	(8.7)%	5.1%
Operating result excluding patent litigation & arbitration settlement	47.0	74.9	78.1	3.2	31.1
Operating result margin excluding patent litigation & arbitration settlement	18.9%	21.7%	24.0%	2.3 %	5.1%

The operating profit margin increased from 21.7% in Q4 (excluding patent litigation and arbitration settlement) to 24.0% in Q1. For Q1 2019 operating profit margin was 18.9%. There was no impact of currency changes on operating profit quarter to quarter and an increase of 5% year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q1 2020 results included a translation gain of €12 million compared to a loss of €14 million in the Q4 2019 results and a gain of €4 million included in the Q1 2019 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	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	3.1	6.4	0.7	(5.7)	(2.4)
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.4)	(3.5)	(3.5)	—	(0.2)
Result from investments	(0.3)	2.9	(2.8)	(5.7)	(2.6)

Result from investments, which primarily reflects our approximate 25% shareholding in ASMPT, decreased to €1 million from €6 million in the previous quarter. ASMPT's net earnings, on a 100% basis, decreased with 89% to €3 million compared to the previous quarter. Q1 last year, also on a 100% basis, showed net earnings of €12 million. For further information on the Q1 results of ASMPT, please visit ASMPT's website www.asmpacific.com.

Amortization intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3.5 million in Q1. For 2020, on a currency comparable basis, this amortization is expected to amount to €13.4 million.

Income tax

Income tax in the first quarter amounted to an expense of €13.2 million. Income tax in the previous quarter amounted to an expense of €15.3 million.

Net earnings

EUR million	Q1 2019	Q4 2019	Q1 2020	Change Q4 2019 to Q1 2020	Change Q1 2019 to Q1 2020
Net earnings	49.4	104.5	74.1	(29)%	50%
Excluding:					
Amortization intangible assets (resulting from the sale of ASMP stake in 2013)	(3.4)	(3.5)	(3.5)	— %	5%
Normalized net earnings	52.8	108.0	77.6	(28)%	47%

Normalized net earnings decreased €30 million compared to Q4 2019. Excluding the patent arbitration settlement normalized net earnings in Q1 2020 showed an increase of €26 million.

Cash flow

EUR million	Q1 2019	Q4 2019	Q1 2020
Net cash from operating activities	52.1	209.3	81.4
Net cash from investing activities	(29.5)	(31.8)	(40.2)
Net cash from financing activities	(2.6)	(151.6)	(6.1)
Total net cash provided	20.0	25.9	35.2

The cash flow from operating activities decreased €128 million as compared to Q4 2019. This was mainly caused by one offs in the previous quarter related to the receipts of the patent litigation settlement of \$57.5 million and the arbitration settlement of \$61 million. Working capital needs in Q1 2020 increased with €8 million mainly due to lower other payables. The cash used in investing activities increased due to higher capital expenditures, mainly related to the new facility in Singapore. Cash used by financing activities in the previous quarters was mainly for share repurchases which were completed in Q1 2020.

Balance sheet

EUR million	December 31, 2019 <i>(audited)</i>	March 31, 2020
Inventories	173.2	162.2
Accounts receivable	199.5	187.6
Other current assets	73.5	88.4
Accounts payable	(119.7)	(132.3)
Provision for warranty	(16.4)	(19.7)
Accrued expenses and other payables	(149.8)	(117.8)
Working capital	160.2	168.4

Net working capital increased to €168 million compared to €160 million per December 31, 2019 (€121 million per March 31, 2019), due to the lower amount of other payables while accounts receivables and inventories reduced. The number of outstanding days of working capital, measured against quarterly sales, increased to 47 days on March 31, 2020 from 36 days on December 31, 2019 (77 days on March 31, 2019).

Sources of liquidity

As per March 31, 2020, the Company's principal sources of liquidity consisted of €529 million in cash and cash equivalents and €150 million in undrawn bank lines.

ANNEX 2

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

EUR thousand, except per share data	Three months ended March 31,	
	2019 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Net sales	248,780	325,139
Cost of sales	(145,945)	(180,307)
Gross profit	102,835	144,832
Operating expenses:		
Selling, general and administrative	(33,900)	(35,750)
Research and development	(21,902)	(30,963)
Restructuring expenses	—	—
Total operating expenses	(55,802)	(66,713)
Operating result	47,033	78,119
Net interest income (expense)	(18)	(372)
Foreign currency exchange gains (losses)	4,277	12,388
Result from investments	(250)	(2,826)
Earnings before income taxes	51,042	87,309
Income tax	(1,616)	(13,199)
Net earnings	49,426	74,110
Per share data:		
Basic net earnings	1.00	1.52
Diluted net earnings (1)	0.99	1.50
Weighted average number of shares used in computing per share amounts (in thousand):		
Basic	49,329	48,848
Diluted (1)	49,988	49,455
Outstanding shares:	49,336	48,856
Treasury shares:	6,961	2,442

(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 March 31, 2020 is 607,318 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

EUR thousand	December 31, 2019 <i>(audited)</i>	March 31, 2020 <i>(unaudited)</i>
Assets		
Right-of-use Assets - net	27,547	25,593
Property, plant and equipment	164,863	179,802
Goodwill	11,270	11,270
Other intangible assets	189,224	201,154
Investments in associates	778,268	791,664
Deferred tax assets	3,064	3,059
Other non-current assets	8,359	9,184
Evaluation tools at customers	47,247	66,436
Total non-current assets	1,229,842	1,288,161
Inventories	173,189	162,196
Accounts receivable	199,535	187,613
Income taxes receivable	1,220	1,302
Other current assets	73,479	88,390
Cash and cash equivalents	497,874	528,728
Total current assets	945,297	968,229
Total Assets	2,175,139	2,256,390
Equity and liabilities		
Equity	1,818,651	1,907,059
Other non-current liabilities	15,774	14,472
Deferred tax liabilities	20,136	20,276
Total non-current liabilities	35,910	34,747
Accounts payable	119,712	132,299
Provision for warranty	16,424	19,695
Income taxes payable	34,599	44,797
Accrued expenses and other payables	149,843	117,792
Total current liabilities	320,578	314,583
Total Liabilities	356,488	349,330
Total Equity and Liabilities	2,175,139	2,256,390

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

EUR thousand	Three months ended March 31,	
	2019 (unaudited)	2020 (unaudited)
Cash flows from operating activities:		
Net earnings	49,426	74,110
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation, amortization and impairments	17,096	19,158
Income tax	1,616	13,199
Result from investments	250	2,826
Other adjustments	(2,290)	6,213
Changes in other assets and liabilities:		
Accounts receivable	(17,246)	15,314
Inventories	1,194	8,882
Evaluation tools	(1,448)	(20,510)
Accounts payable	9,856	14,971
Other assets and liabilities	(4,480)	(49,597)
Income tax paid	(1,842)	(3,122)
Net cash from operating activities	52,131	81,443
Cash flows from investing activities:		
Capital expenditures	(12,519)	(23,966)
Capitalized development expenditure	(15,342)	(15,572)
Purchase of intangible assets	(1,588)	(639)
Dividend received from associates	—	—
Net cash used in investing activities	(29,450)	(40,177)
Cash flows from financing activities:		
Payment of lease liabilities	(1,713)	(1,908)
Purchase of treasury shares ASMI	—	(3,936)
Proceeds from issuance of treasury shares	211	295
Dividends to common shareholders ASMI	—	(567)
Capital repayment to common shareholders ASMI	(1,144)	—
Net cash used in financing activities	(2,646)	(6,116)
Exchange rate effects	6,554	(4,297)
Net increase in cash and cash equivalents	26,588	30,854
Cash and cash equivalents at beginning of period	285,907	497,874
Cash and cash equivalents at end of period	312,496	528,728

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.