

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q3 2018 RESULTS

October 31, 2018

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› Strong growth prospects

- ALD market expected to grow by double digits, ASMI has leadership position in ALD
- ASMI sales grew at a CAGR of 14% since 2010 compared to 6%* for the WFE market
- Additional growth opportunities in Epitaxy and PECVD

› Healthy profitability

- Gross margin of 41% in Q3, coming from 42% in Q2, due to higher number evaluation tools, but within target range of low to mid 40's

› Solid balance sheet

- Strong cash position, no debt
- €250m share buyback program completed on October 11, 2018
- Paid out €4 per share in capital repayment in Q3 and cancelled 6m shares
- 14% higher dividend of €0.80 per share paid in 2018

* Source: Gartner Market Statistics, December 2017

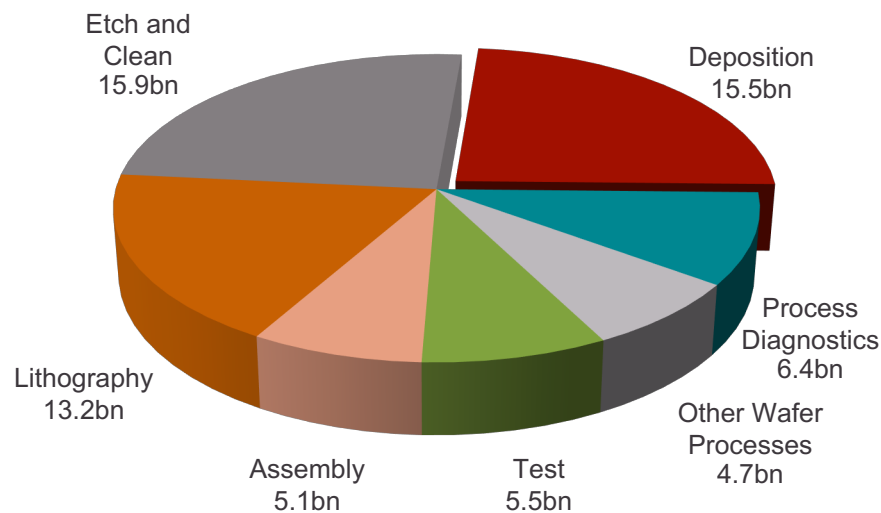
2018 Q3 KEY RESULTS



	<i>(restated)</i> Q3 2017	Q2 2018	Q3 2018
New orders	160.4	175.9	258.0
Net sales	178.1	208.7	195.7
Gross profit margin %	38.8%	42.1%	40.9%
Operating results	20.8	38.3	28.0
Normalized result from investments	32.1	21.6	16.8
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.4)	(3.0)	(3.1)
Result from the sale of ASMPT shares	-	-	-
Net earnings	37.3	59.4	39.1
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from sale of ASMPT shares)	42.7	62.4	42.2

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

Equipment market segments 2018 (US\$)

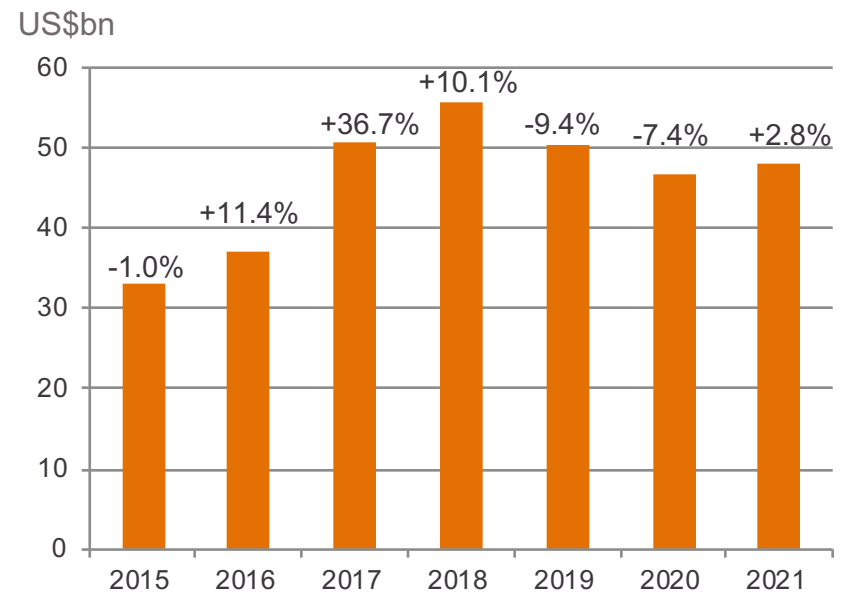


VLSI Research, October 2018

ASM's focus is on deposition equipment

- › WFE to increase by 10% in 2018 according to Gartner
- › Investments in leading edge equipment remain the key driver
- › Note that ASMI's statement on the WFE outlook is as follows: "For 2018, general expectations for growth of the wafer fab equipment market remain at mid to high single digits"

Wafer Fab Equipment Spending

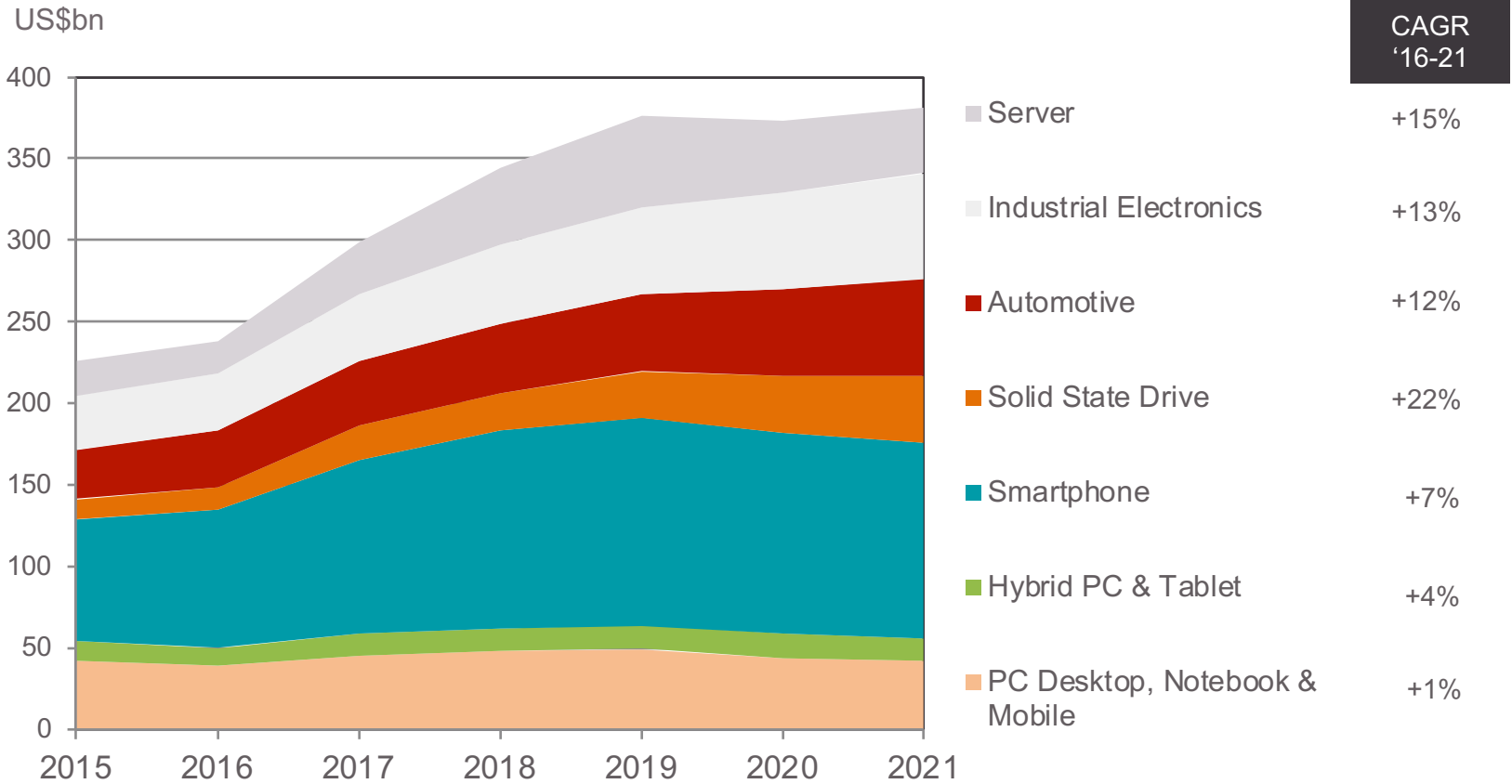


Gartner, October 2018

Gartner estimates the Wafer Fab Equipment market to grow 10% in 2018 following an increase of 37% in 2017

SEMICONDUCTOR GROWTH DRIVERS

SEMICONDUCTOR SALES BY KEY APPLICATION

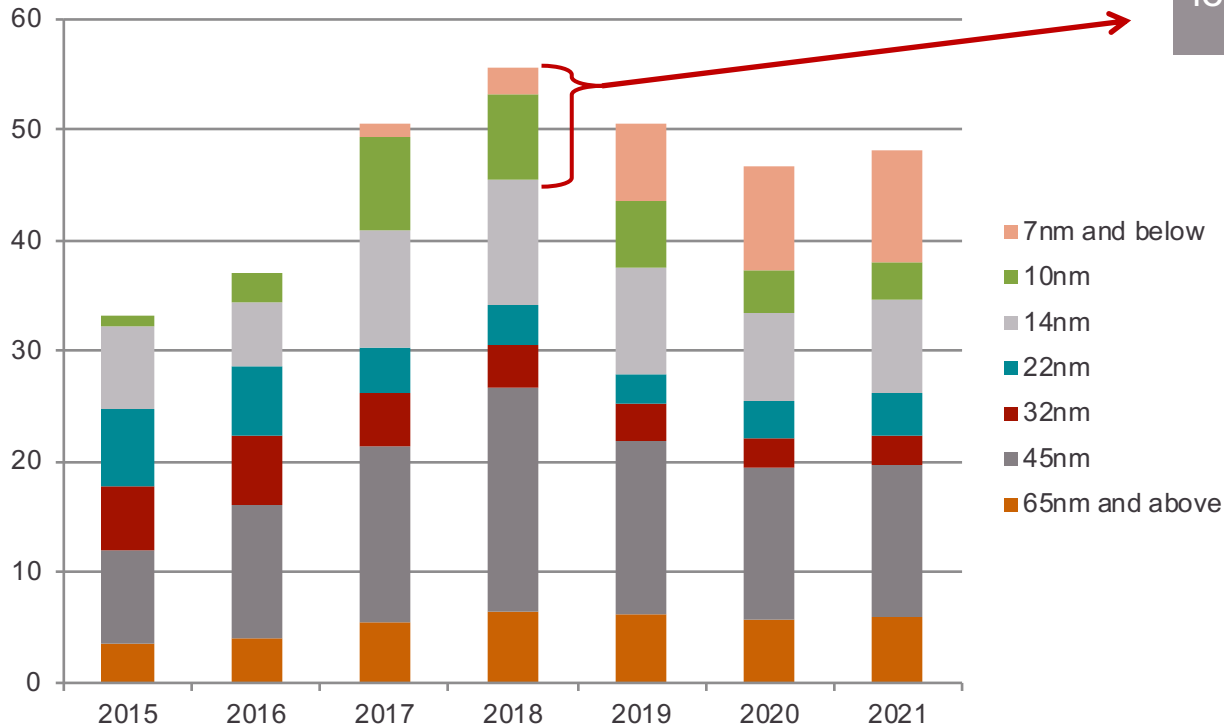


Gartner, October 2018

- > Current drivers are mobile devices, but long term growth rate is slowing
- > New growth drivers are Solid State Drives, Servers and Industrial/Automotive

WAFER FAB EQUIPMENT SPENDING BY NODE

US\$bn



Strongest growth in leading edge nodes

Gartner, October 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 clearly more than half of ASM's equipment revenue in 2017
- 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

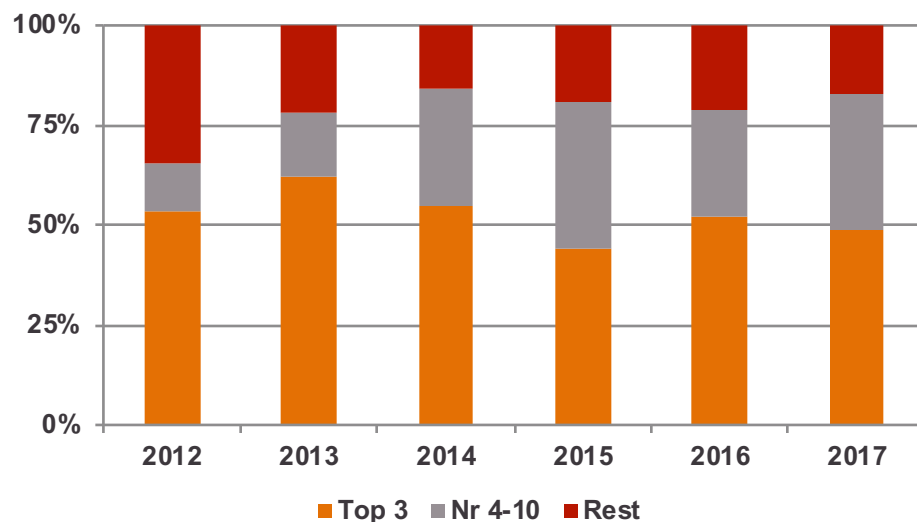
COMPETITIVE ADVANTAGES

- › **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**

CUSTOMER CONCENTRATION

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

ASMI revenue



Growing share of wallet with top clients

› Solid growth expected for the ALD market

- Single wafer ALD market showed a clear improvement in 2017
- We expect the single wafer ALD market to reach a size of approx. US\$1.5 billion by '20-'21

› Introduction of Synergis ALD tool in July 2018

- Combining ALD capabilities of Emerald and Pulsar tools with high productivity XP8 platform
- Enabling a wider range of advanced ALD films with excellent levels of uniformity and at high throughput and tool availability
- Increasing our SAM within the single wafer ALD market

› Shareholder remuneration

- €250m share buyback program started in September 2017, completed March 2018
- New €250m buyback program started in June 2018 and was completed October 11, 2018
- Paid out €4 per share in tax efficient capital repayment on August 10, 2018
- Cancelled 6 million treasury shares per August 1, 2018
- 14% higher dividend of €0.80 per share paid in 2018

ASMPT RESULTS

	Q3 2017	Q2 2018	Q3 2018
Sales ASMPT (HK\$ million)	5,110	5,270	5,167
Net profit ASMPT (€ million, 100% based)	94	85	66
Normalized result from investments (including ASMI's share of ASMPT net profit)	32.1	21.6	16.8
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(5.4)	(3.0)	(3.1)
Result from sale of ASMPT shares	-	-	-

- › **As of March 2013 our share in ASMPT's net earnings is included in 'result from investments'**
- › **On April 24, 2017, we announced the sale of a stake of approximately 5% in ASMPT. A related result of €101m was included in net earnings in Q2 2017**
- › **On November 2, 2017, we announced the sale of a stake of approximately 9%, reducing our holding in ASMPT from 34% to 25%. A related result of €184m was included in net earnings in Q4 2017**

FINANCIAL OVERVIEW

Q3 2018 HIGHLIGHTS

- › Revenues down 6% q-o-q and up 10% y-o-y
- › Bookings up 47% q-o-q and up 61% y-o-y. Book-to-bill ratio of 1.3
- › Q3 backlog of €252m compared to €189m in Q2
- › Gross margin of 40.9% in Q3 vs. 42.1% in Q2. The q-o-q decrease was mainly due to a higher number of evaluation tools in Q3
- › Operating margin of 14.3% in Q3 2018 vs. 18.3% in Q2 and 11.7% in Q3 2017
- › Free cash flow of €17m negative in Q3 2018, strongly impacted by higher inventories
- › Normalized net earnings* of €42m in Q3 2018, down from €62m in Q2 2018 and €43m in Q3 2017
- › Translation differences included in financial results were positive €1m in Q3 2018 vs. positive €8m in Q2 2018 and negative €8m in Q3 2017

* *excl. amort. intang. assets resulting from the stake sale ASMPT in 2013 and result from sale of ASMPT shares*

Based upon the current backlog and our current visibility:

For Q4, on a currency comparable level, we expect sales of €220-250 million and an order intake of € 240-260 million. Q4 still reflects some uncertainty around the exact timing of individual tools.

For 2018, general expectations for growth of the wafer fab equipment market remain at mid to high single digits. Based upon this current market development we expect to outgrow the wafer fab equipment market in 2018.

NET EARNINGS

EUR million	(restated) Q3 2017	Q2 2018	Q3 2018	Q3 2018 vs Q2 2018	Q3 2018 vs Q3 2017
New orders	160.4	175.9	258.0	47%	61%
Backlog	150.6	189.2	251.8	33%	67%
Book-to-bill	0.9	0.8	1.3		
Net sales	178.1	208.7	195.7	(6)%	10%
Gross profit	69.2	87.9	80.0	(7.9)	10.8
Gross profit margin %	38.8%	42.1%	40.9%		
Selling, general and administrative expenses	(25.9)	(29.7)	(30.2)	2%	17%
Research and development expenses	(22.5)	(19.9)	(21.8)	10%	(3)%
Restructuring expenses	-	-	-	n/a	n/a
Operating result	20.8	38.3	28.0	(10.3)	7.2
Operating margin %	11.7%	18.3%	14.3%		
Financing costs	(7.7)	7.4	0.7	(6.7)	8.4
Income tax	(2.5)	(4.8)	(3.4)	1.4	(0.9)
Normalized result from investments	32.1	21.6	16.8	(4.8)	(15.3)
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.4)	(3.0)	(3.1)	(0.1)	2.3
Result from the sale of ASMPT shares	-	-	-	n/a	n/a
Net earnings	37.3	59.4	39.1	(20.3)	1.8
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from sale of ASMPT shares)	42.7	62.4	42.2	(20.2)	(0.4)

R&D EXPENDITURE

EUR million	Q3 2017	Q2 2018	Q3 2018
R&D expenditure	(27.6)	(29.8)	(30.7)
Capitalized development expenditure	8.4	12.7	11.7
Amortization capitalized development expenditure	(3.3)	(2.8)	(2.8)
Impairment capitalized development expenditure	-	-	(0.1)
R&D expenses	(22.5)	(19.9)	(21.8)

CASH FLOW

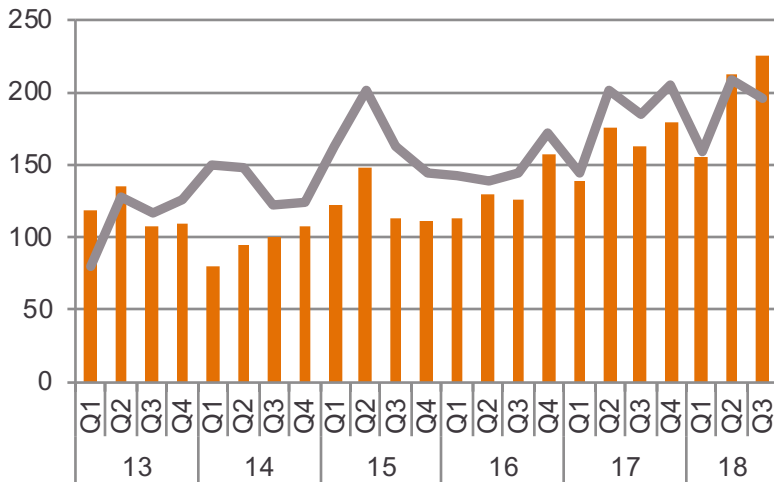
EUR million	Q3 2017	Q3 2018
Net earnings	42.2	39.1
Depreciation, amortization and impairments	11.3	13.9
Result from investments	(26.7)	(13.7)
Other adjustments	11.0	6.1
Income tax paid	(2.1)	(14.4)
Change in working capital	8.3	(15.4)
Net cash from operating activities	43.9	15.5
Capital expenditure	(8.5)	(20.7)
Capitalized development expenditure	(8.4)	(11.7)
Dividend received from investments	18.3	14.5
Proceeds disposal ASMPT shares	-	-
Other	(0.7)	(0.4)
Net cash from investing activities	0.7	(18.4)
Dividend paid to ASMI shareholders	-	(6.5)
Capital repaid to ASMI shareholders	-	(208.8)
Share buyback	(32.5)	(167.4)
Other	0.3	-
Net cash from financing activities	(32.2)	(382.7)

BALANCE SHEET

EUR million	Dec 31, 2017	Sep 30, 2018
Cash and cash equivalents	836	266
Accounts receivable	163	167
Inventories	143	185
Other current assets	20	29
Investments in associates	731	769
Property, plant and equipment	107	139
Goodwill and other intangible assets	125	151
Other non-current assets	53	73
Total Assets	2,177	1,779
Accounts payable	79	97
Short-term debt	-	-
Other current liabilities	72	56
Long-term debt	-	-
Other non-current liabilities	14	14
Equity	2,012	1,611
Total Liabilities and Equity	2,177	1,779

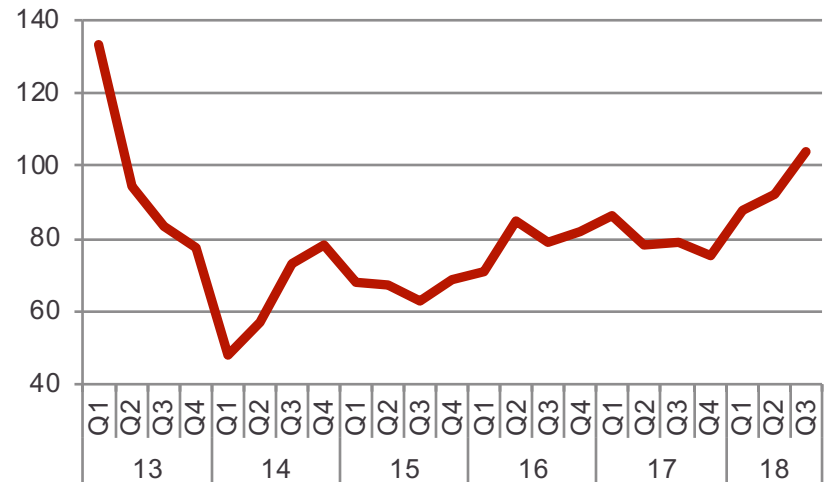
WORKING CAPITAL

EUR million



Working capital Quarterly sales

Days

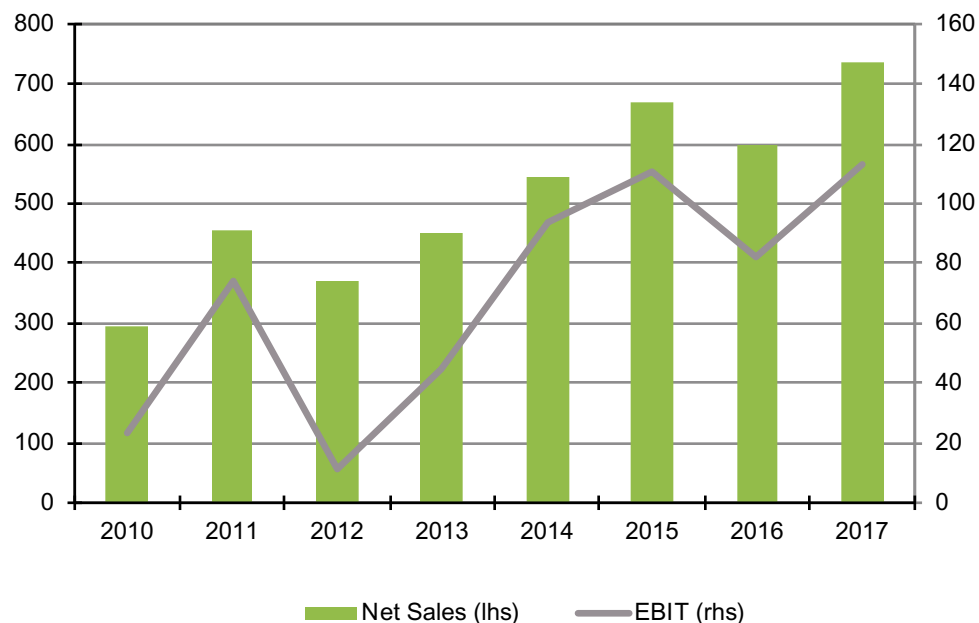


Days of working capital

Numbers based on reported financials

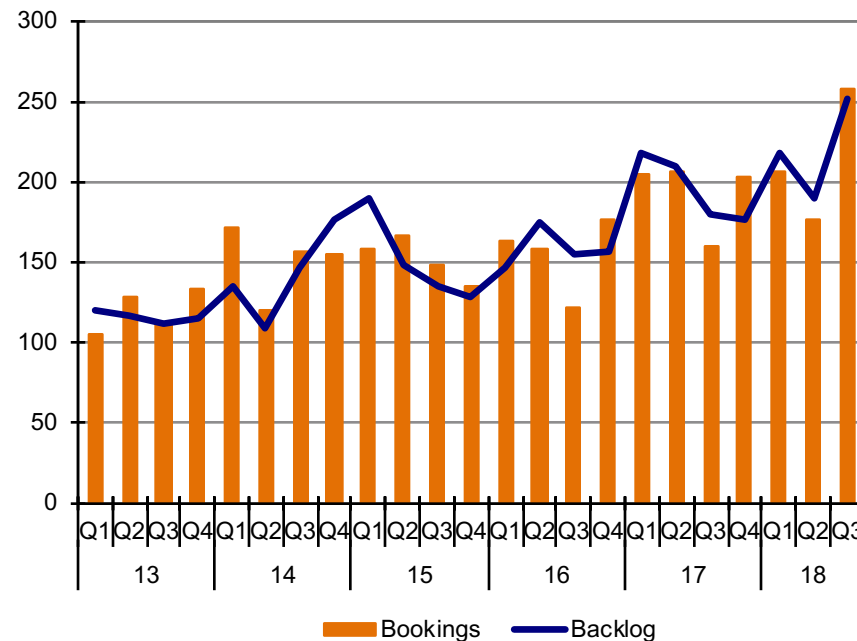
HISTORICAL DEVELOPMENT

EUR million



Numbers based on audited financials

EUR million



Numbers based on reported financials

BREAKDOWN SALES

	<i>(restated)</i> 17Q1	<i>(restated)</i> 17Q2	<i>(restated)</i> 17Q3	<i>(restated)</i> 17Q4	<i>(restated)</i> FY17	18Q1	18Q2	18Q3
Equipment sales	119.4	172.5	136.9	138.5	567.3	120.3	160.7	148.7
Spares & services sales	37.4	42.0	41.2	43.0	163.6	38.6	48.0	47.0
Net sales	156.8	214.5	178.1	181.5	730.9	159.0	208.7	195.7

RESTATED QUARTERS 2017

	<i>(restated)</i> 17Q1	<i>(restated)</i> 17Q2	<i>(restated)</i> 17Q3	<i>(restated)</i> 17Q4	<i>(restated)</i> FY17
New orders	204.2	205.9	160.4	203.2	773.7
Net sales	156.8	214.5	178.1	181.5	730.9
Gross profit margin %	43.0%	43.4%	38.8%	39.6%	41.3%
Operating results	19.4	42.7	20.8	26.0	108.9
Normalized result from investments	35.4	30.9	32.1	14.0	112.4
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(5.8)	(7.1)	(5.4)	(4.6)	(22.8)
Result from the sale of ASMPT shares	-	101.0	-	183.9	284.9
Net earnings	40.4	154.5	37.3	215.9	448.1
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from sale of ASMPT shares)	46.2	60.6	42.7	36.6	186.0

