

DRIVE INNOVATION • DELIVER EXCELLENCE >



INVESTOR PRESENTATION

Q4 2018 RESULTS

February 21, 2019

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.

› 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 second half 2018 driven by ASMI's strong position in logic/foundry

› Healthy profitability

- Gross margin of 41.7% in Q4, up from 40.9% in Q3 driven by improved mix
- Gross margin in FY18 decreases slightly from 41.3% to 40.9% due to investments in new products and new growth initiatives

› Strong balance sheet

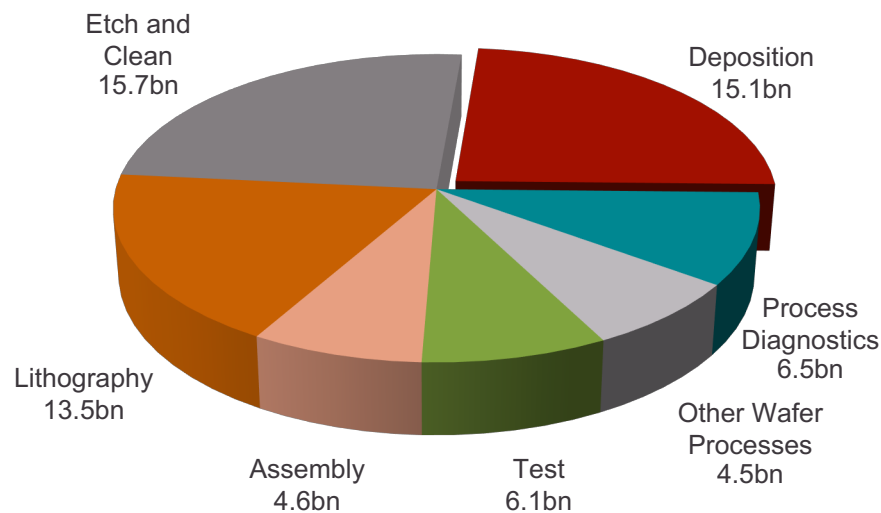
- Solid cash position, no debt
- Stepped up investments in 2018 to prepare for next phase of growth
- Returned €607m in cash to shareholders during 2018
- Proposal to the AGM 2019 to raise the dividend by 25% to €1.00 per share and to cancel 5m shares (9% of total)

2018 KEY RESULTS

€ million	(restated) Q4 2017	Q3 2018	Q4 2018	(restated) 2017	2018
New orders	203.2	258.0	301.6	773.6	942.1
Net sales	181.5	195.7	254.7	730.9	818.1
Gross profit margin %	39.6%	40.9%	41.7%	41.3%	40.9%
Operating results	26.0	28.0	46.2	108.9	124.3
Normalized result from investments	14.0	16.8	6.1	112.4	60.8
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(4.6)	(3.1)	(2.4)	(22.8)	(12.3)
Result from sale of ASMPT stake	183.9	-	-	284.9	-
Net earnings	215.9	39.1	43.7	448.1	157.1
Normalized net earnings (excl. amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	36.6	42.2	46.1	186.0	169.5

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

Equipment market segments 2018 (US\$)

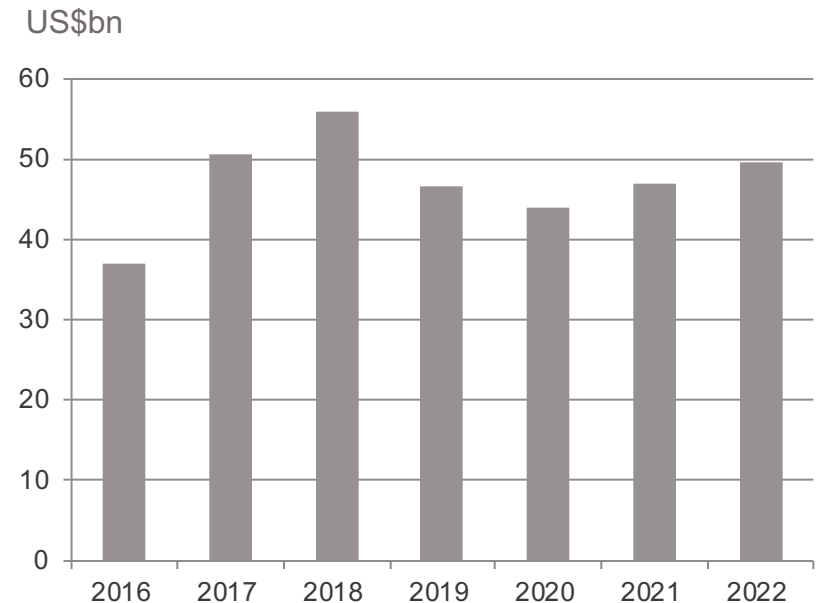


VLSI Research, February 2019

ASM's focus is on deposition equipment

- › WFE to decrease by 17% in 2019 according to Gartner, mainly due to a drop in memory investments
- › Investments in leading edge equipment remain the key driver
- › Note that ASMI's statement on the WFE outlook is as follows: "For 2019, general expectations are that the wafer fab equipment market will decline with a mid to high teens percentage."

Wafer Fab Equipment spending

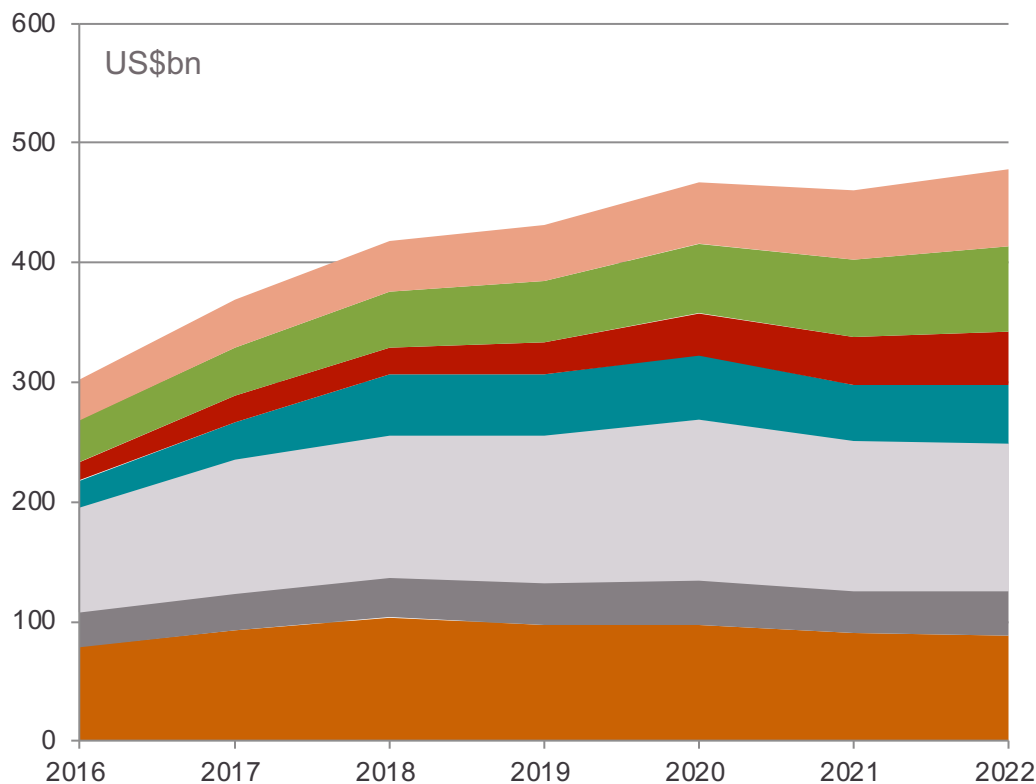


Gartner, December 2018

Gartner estimates the Wafer Fab Equipment market to drop by 17% in 2019 following an increase of approximately 10% in 2018

SEMICONDUCTOR MARKET GROWTH DRIVERS

Semiconductor sales by key application



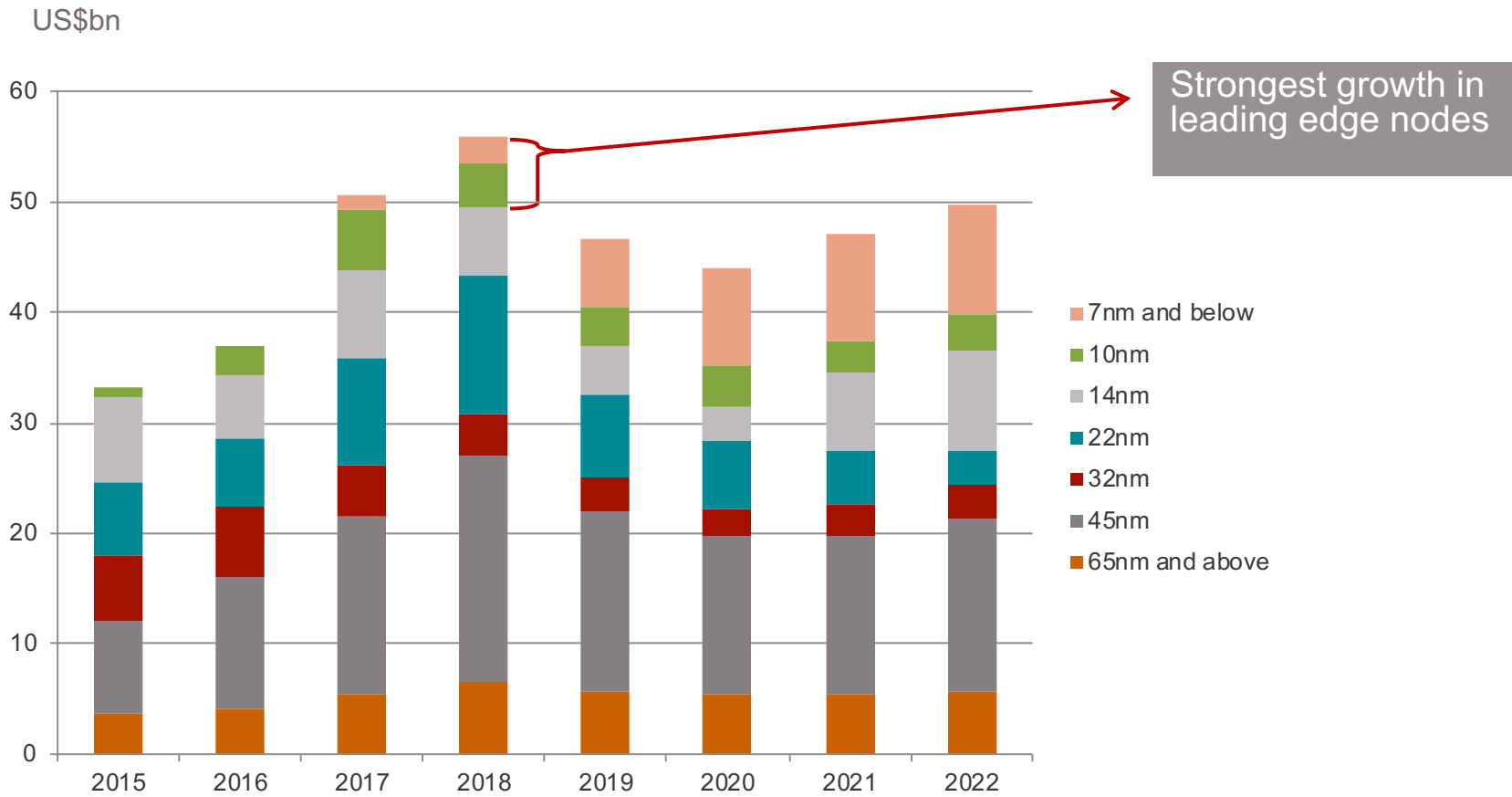
CAGR
'16-22

Automotive	+11%
Industrial	+13%
Solid-State Drives	+20%
Servers	+14%
Smartphones	+6%
Communication (ex. Smartphones)	+4%
Compute (ex. Servers)	+2%

Gartner, December 2018

- > 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**

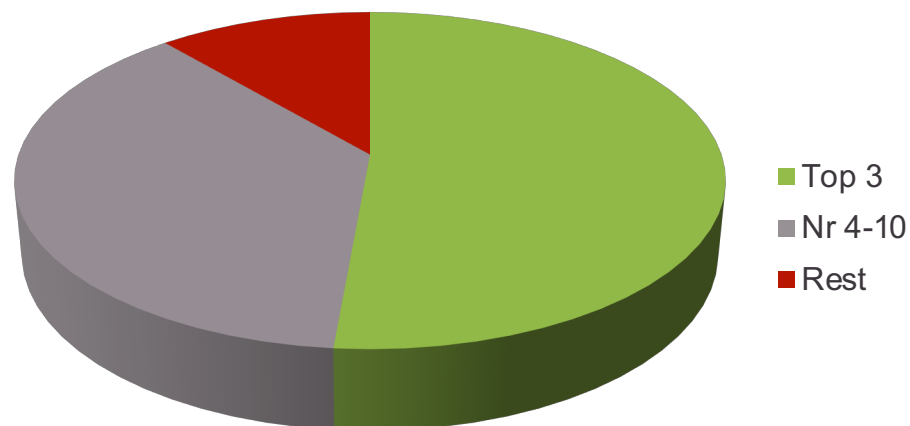
- The CAGR of the single wafer ALD segment is expected to be the highest within the deposition equipment market in the next years

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**

> 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 driving the addressable market within the single wafer ALD space

› With sales growth of 17% on a US\$ basis, ASMI outperformed WFE in 2018

- ASMI has a strong position in the logic/foundry segment, in which demand was healthy in the second half of 2018, while memory demand slowed down
- Besides ALD, the other product lines had a notably strong contribution in 2018

› 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

- Last October completed second €250m buyback program that started June 2018
- 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

	Q4 2017	Q3 2018	Q4 2018
Sales ASMPT (HK\$ million)	4,227	5,167	4,768
Net profit ASMPT (€ million, 100% based)	49	66	23
Normalized result from investments (including ASMI's share of ASMPT net profit)	14.0	16.8	6.1
Amortization intangible assets resulting from the sale of ASMPT stake in 2013	(4.6)	(3.1)	(2.4)
Result from sale of ASMPT shares	183.9	-	-

- › **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

Q4 2018 HIGHLIGHTS

- › Revenues up 30% q-o-q and up 40% y-o-y
- › Bookings up 17% q-o-q and up 48% y-o-y. Book-to-bill ratio of 1.2
- › Q4 backlog of €302m compared to €252m in Q3
- › Gross margin of 41.7% in Q4 vs. 40.9% in Q3. The q-o-q increase was mainly due to a better sales mix
- › Increase in OpEx in Q4 was due to higher sales level and higher legal costs in SG&A, while R&D included one-time costs related to new facility in Korea and extra material costs related to development tools
- › Free cash flow was €63m positive in Q4 2018, supported by strong profitability and reduction in working capital
- › Normalized net earnings* of €46m in Q4 2018, up from €42m in Q3 2018 and €37m in Q4 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 Q1, on a currency comparable level, we expect sales of €225-245 million, while we expect sales in Q2 to be at the €200-230 million level. For Q1, on a currency comparable level, bookings are expected in the range of €200-220 million.

For 2019, general expectations are that the wafer fab equipment (WFE) market will decline with a mid to high teens percentage. Based upon this current market view, we expect to outperform the WFE market in 2019.

NET EARNINGS



€ million	(restated) Q4 2017	Q3 2018	Q4 2018	Q4 2018 vs Q3 2018	Q4 2018 vs Q4 2017
New orders	203.2	258.0	301.6	17%	48%
Backlog	171.2	251.8	301.5	20%	76%
Book-to-bill	1.1	1.3	1.2		
Net sales	181.5	195.7	254.7	30%	40%
Gross profit	71.8	80.0	106.3	26.3	34.5
Gross profit margin %	39.6%	40.9%	41.7%		
Selling, general and administrative expenses	(25.0)	(30.2)	(34.2)	13%	37%
Research and development expenses	(20.7)	(21.8)	(25.8)	18%	25%
Operating result	26.0	28.0	46.2	18.2	10.2
Operating margin %	14.3%	14.3%	18.2%		
Net interest expenses	-	-	-	n/a	n/a
Currency translation gains	(5.1)	1.0	-	(1.0)	5.1
Income tax	1.6	(3.4)	(6.0)	(7.6)	(2.6)
Normalized result from investments	14.0	16.8	6.1	(10.7)	(7.9)
Amortization intangible assets resulting from the stake sale ASMPT in 2013	(4.6)	(3.1)	(2.4)	0.7	2.2
Result from the sale of ASMPT shares	183.9	-	-	n/a	(183.9)
Net earnings	215.9	39.1	43.7	4.6	(172.2)
Normalized net earnings (excl. amortization intangible assets resulting from the stake sale ASMPT in 2013 and result from sale of ASMPT shares)	36.6	42.2	46.1	3.9	9.5

R&D EXPENDITURE

€ million	Q4 2017	Q3 2018	Q4 2018
R&D expenditure	(29.5)	(30.7)	(36.1)
Capitalized development expenditure	14.7	11.7	15.1
Amortization capitalized development expenditure	(2.9)	(2.8)	(3.7)
Impairment capitalized development expenditure	(3.0)	(0.1)	(1.2)
R&D expenses	(20.7)	(21.8)	(25.8)

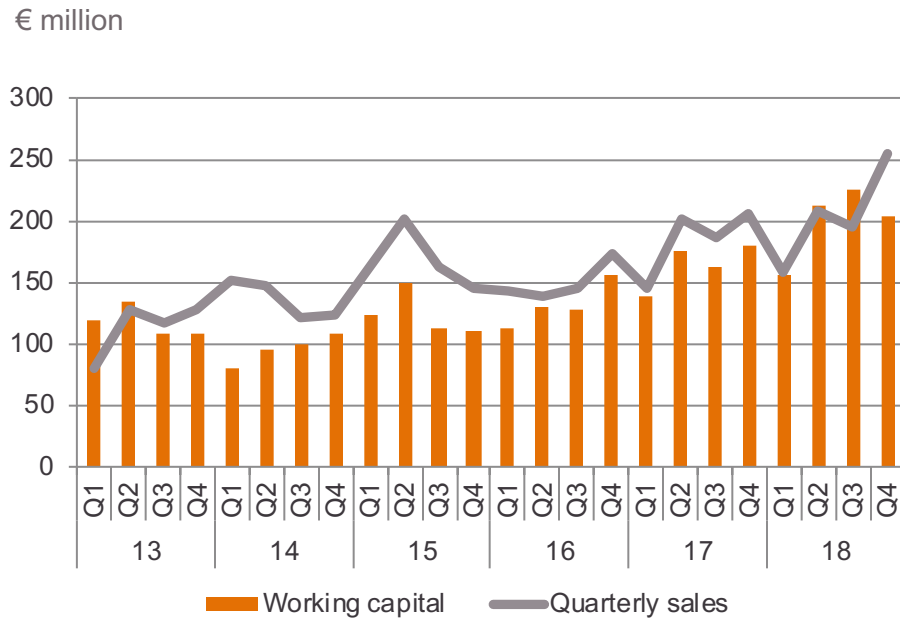
CASH FLOW

€ million	2017	2018
Net earnings	452.4	157.1
Depreciation, amortization and impairments	52.1	55.4
Result from investments	(374.5)	(48.4)
Evaluation tools	(4.9)	(23.0)
Other adjustments	38.2	10.1
Change in working capital	(47.2)	(14.4)
Net cash from operating activities	116.1	136.8
Capital expenditure	(43.3)	(63.3)
Capitalized development expenditure	(38.6)	(49.7)
Dividend received from investments	36.5	29.1
Proceeds of disposal ASMPT stake	690.7	-
Purchase of intangible assets	(2.4)	(1.1)
Net cash from investing activities	642.8	(84.9)
Dividend paid to ASMI shareholders	(41.5)	(43.6)
Capital repaid to ASMI shareholders	-	(208.8)
Share buyback	(239.6)	(355.0)
Other	13.3	4.8
Net cash from financing activities	(267.9)	(602.6)

BALANCE SHEET

€ million	Dec 31, 2017	Dec 31, 2018
Cash and cash equivalents	836	286
Accounts receivable	163	194
Inventories	143	172
Other current assets	20	29
Investments in associates	721	765
Property, plant and equipment	107	149
Goodwill and other intangible assets	125	161
Evaluation tools at customers	30	45
Other non-current assets	23	23
Total Assets	2,168	1,824
Accounts payable	79	81
Short-term debt	-	-
Other current liabilities	72	114
Long-term debt	-	-
Other non-current liabilities	14	12
Equity	2,002	1,617
Total Liabilities and Equity	2,168	1,824

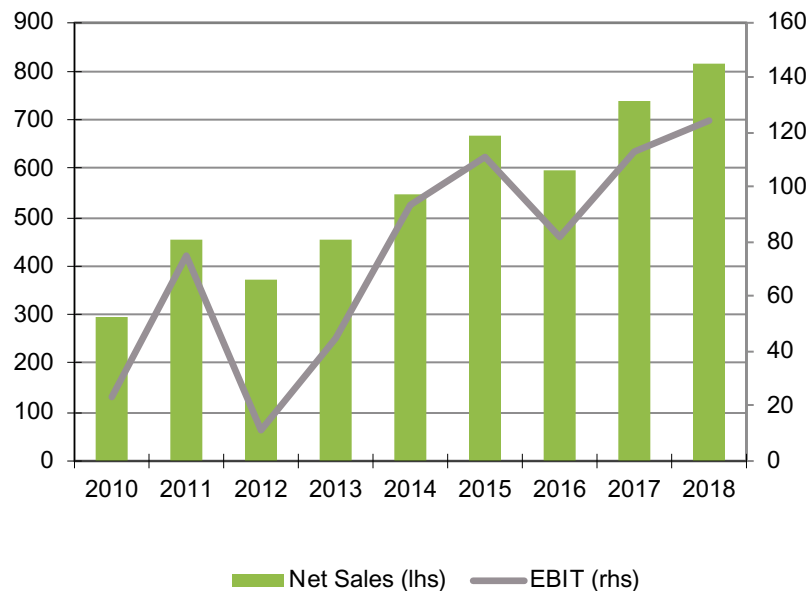
WORKING CAPITAL



Numbers based on reported financials

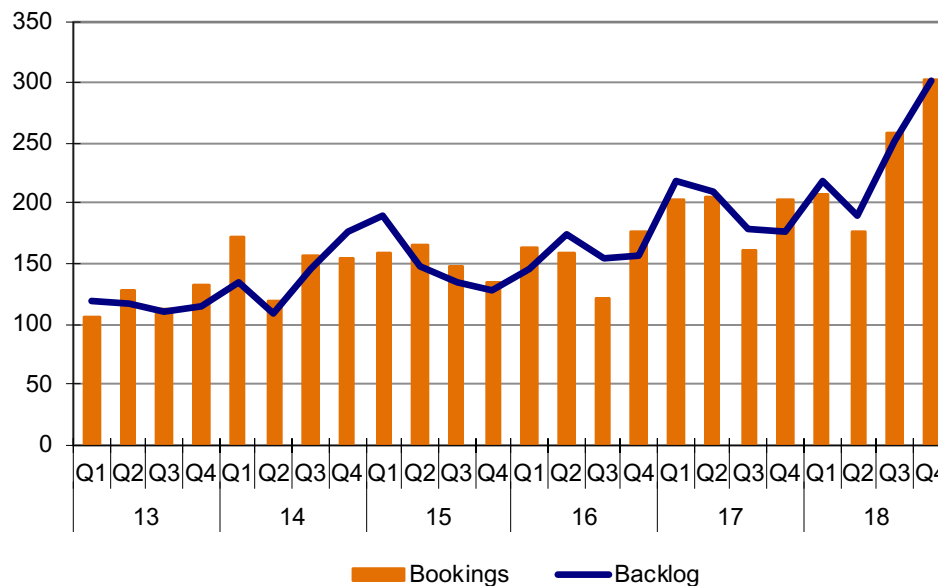
HISTORICAL DEVELOPMENT

€ million



Numbers based on audited financials

€ million



Numbers based on reported financials

BREAKDOWN SALES

€ million	<i>(restated)</i> 17Q1	<i>(restated)</i> 17Q2	<i>(restated)</i> 17Q3	<i>(restated)</i> 17Q4	<i>(restated)</i> FY17	18Q1	18Q2	18Q3	18Q4	FY18
Equipment sales	119.4	172.5	136.9	138.5	567.3	120.3	160.7	148.7	201.7	631.5
Spares & service sales	37.4	42.0	41.2	43.0	163.6	38.6	48.0	47.0	53.0	186.6
<u>Total net sales</u>	<u>156.8</u>	<u>214.5</u>	<u>178.1</u>	<u>181.5</u>	<u>730.9</u>	<u>159.0</u>	<u>208.7</u>	<u>195.7</u>	<u>254.7</u>	<u>818.1</u>

RESTATED QUARTERS 2017

€ million	(restated) 17Q1	(restated) 17Q2	(restated) 17Q3	(restated) 17Q4	(restated) 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

