PRESS RELEASE

Almere, The Netherlands

February 25, 2020, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS FOURTH QUARTER 2019 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its fourth quarter 2019 operating results (unaudited) in accordance with IFRS.

FINANCIAL HIGHLIGHTS

EUR million	Q4 2018	Q3 2019	Q4 2019
New orders	301.6	291.8	429.0
Net sales	254.7	271.2	400.6
Gross profit margin %	41.7%	42.4%	51.5%
Operating result	46.2	50.6	130.9
Result from investments (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	6.1	6.5	6.4
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(2.4)	(3.5)	(3.5)
Net earnings	43.7	53.5	104.5
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	46.1	56.9	108.0

- New orders were €429 million. Excluding €56 million related to the arbitration settlement, new orders were €373 million.
- Net sales for the fourth quarter 2019 were €401 million. Excluding €56 million related to the arbitration settlement, net sales were €345 million, an increase of 27% compared to the previous quarter.
- Gross profit margin was 51.5% in Q4 2019, and 43.6% excluding the arbitration settlement compared to 42.4% in the previous quarter.
- Operating result increased to €131 million. Excluding the arbitration settlement operating result was €75 million and increased €24 million compared to the previous quarter.
- Normalized net earnings, including the arbitration settlement, for the fourth quarter 2019 increased by €51 million compared to Q3 2019. Besides the positive impact of the arbitration settlement net earnings in Q4 were negatively impacted by €14 million currency translation results. Q3 included €14 million positive currency translation results.

COMMENT

Commenting on the results, Chuck del Prado, President and Chief Executive Officer of ASM International said:
"In Q4 we realized sales of €401 million, 48% above the Q3 level. This included the proceeds of the arbitration settlement. Excluding those proceeds our sales still increased with 27% compared to Q3, reaching again a new record level, driven by continuous high demand in the logic/foundry segment. 2019 has been a strong year for our company. For the year as a whole our sales, excluding the proceeds of the IP settlement, increased with 37%, in a Wafer Fab Equipment market which showed an estimated high single digit percentage decline in 2019. Our Q4 order intake, at €373 million excluding the arbitration settlement, was well above our original guidance of €290-310 million driven by exceptionally strong orders from our logic/foundry customers. Our cash position in the quarter, despite nearly fully executing our €100 million share buyback program and the pay out of €1 per share interim dividend, increased further and stood at nearly €500 million at the end of the year. Hence, as part of our commitment to use excess cash for the benefit of our shareholders, besides increasing our regular dividend with 50%, we also plan to pay out an extra-ordinary dividend and plan to start a new €100 million share buyback program."

OUTLOOK

For Q1 we expect sales of €310-330 million while for Q2 sales of €330-350 million are expected, both on a currency comparable level. Q1 bookings, on a currency comparable level, are expected to be in the range of €310-330 million. We expect logic/foundry to continue its strength as we move into 2020. Based upon this we expect the Wafer Fab Equipment market in 2020 to be up with a high single digit percentage, with upside to double digits depending on the strength and timing of memory spending recovery.

SHARE BUYBACK PROGRAM

The €100 million share buyback program, announced on July 23, 2019 and started on November 1, 2019, was completed on February 17, 2020. In total we repurchased 984,279 shares at an average price of €101.60 under this program.

ASMI announces today that its Management Board authorized a new repurchase program of up to €100 million of the Company's common shares within the 2020 time frame. This buyback program will be executed by intermediaries and will end as soon as the aggregate purchase price of the common shares acquired by ASMI has reached €100 million.

This repurchase program is part of ASMI's commitment to use excess cash for the benefit of its shareholders.

DIVIDEND PROPOSAL AND TREASURY SHARES

ASMI will propose to the forthcoming Annual General Meeting of Shareholders (AGM) 2020, to declare a regular dividend of €1.50 per common share over 2019. The regular dividend increases 50% compared to the dividend paid over 2018. After the payment of the interim dividend of €1.00 per common share on November 12, 2019, the remaining regular dividend payment will be €0.50 per common share. As part of its commitment to use excess cash for the benefit of its shareholders, ASMI will also propose to the forthcoming AGM 2020 to declare an extra-ordinary dividend of €1.50 per common share. This will bring the total dividend paid to shareholders over 2019 to €3.00 per common share.

As of February 25, 2020, ASMI held 2.4 million treasury shares, which is more than sufficient to cover our outstanding options and restricted/performance shares. Hence ASMI will propose to the AGM 2020, to be held on May 18, 2020, to cancel 1.5 million treasury shares.

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 ASMI'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 February 26, 2020 at 15:00 Continental European Time (9:00 a.m. - US Eastern Time).

The teleconference dial-in numbers are as follows:

- United States: +1 917 720 0178
- International: +44 (0) 844 493 3857
- The Netherlands: +31 (0)20 715 7366
- Access Code: 7598574

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

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ANNEX 1

OPERATING AND FINANCIAL REVIEW

Bookings

The following table shows the level of new orders for the fourth quarter of 2019 and the backlog at the end of the fourth quarter of 2019, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Backlog at the beginning of the period	251.8	299.6	330.4	171.2	301.5
New orders for the period	301.6	291.8	429.0	942.1	1,328.9
Net sales for the period	(254.7)	(271.2)	(400.6)	(818.1)	(1,283.9)
FX-effect for the period	2.8	10.1	(7.6)	6.3	4.7
Backlog at the end of the period	**301.5**	**330.4**	**351.2**	**301.5**	**351.2**
Book-to-bill ratio (new orders divided by net sales)	1.2	1.1	1.1	1.2	1.0

The backlog increased from €330 million at the end of the third quarter 2019 to €351 million as per December 31, 2019. The bookings and the net sales in the fourth quarter included €56 million related to the arbitration settlement announced on October 29, 2019. The book-to-bill ratio for Q4 was 1.1. In terms of customer segments, new orders in the fourth quarter 2019 were led by logic and foundry, followed by memory.

Net Sales

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Equipment sales	201.7	216.2	288.8	631.5	909.5
Spares & service sales	53.0	55.0	55.8	186.6	215.2
Patent litigation & arbitration settlement	—	—	56.0	—	159.2
Net sales	**254.7**	**271.2**	**400.6**	**818.1**	**1,283.9**

Net sales for the fourth quarter 2019 increased by 48% compared to the previous quarter and increased by 57% year-on-year. Excluding the arbitration settlement, net sales increased 27% compared to the previous quarter. Net sales in the fourth quarter were led by foundry followed by logic and memory. The impact of currency changes was an increase of 1% quarter to quarter and an increase of 4% year-on-year.

Gross profit margin

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Gross profit	106.3	114.9	206.3	334.3	638.5
Gross profit margin	41.7%	42.4%	51.5%	40.9%	49.7%
Gross profit excluding patent litigation & arbitration settlement	106.3	114.9	150.3	334.3	479.3
Gross profit margin excluding patent litigation & arbitration settlement	41.7%	42.4%	43.6%	40.9%	42.6%

The gross profit margin, excluding the arbitration settlement, increased from 42.4% in Q3 to 43.6% in Q4. For Q4 2018 gross profit margin was 41.7%. The gross profit margin in the quarter was 1.2% higher than in Q3 2019 mainly due to the better sales mix. The impact of currency changes on gross profit was an increase of 1% quarter to quarter and an increase of 4% year-on-year

Selling, general and administrative expenses

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
SG&A expenses	34.2	34.2	40.4	121.3	148.8

Selling, general and administrative (SG&A) expenses increased by 18% compared to the previous quarter. Besides slightly higher costs due to the higher activity levels, the costs for our Short Term Incentive program increased with €4 million due to the extra strong end of the year performance. As a percentage of sales (excluding the €56 million arbitration settlement) SG&A expenses were 12% in the quarter (Q3 2019: 13%, Q4 2018: 13%). The impact of currency changes on SG&A expenses was an increase of 2% quarter to quarter and an increase of 4% year-on-year.

Research and development expenses

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Research and development expenses	36.1	38.4	41.4	125.0	150.7
Capitalization of development expenses	(15.1)	(13.1)	(14.7)	(49.7)	(60.2)
Amortization of capitalized development expenses	3.7	4.6	4.6	12.0	15.6
Impairment capitalized development expenses	1.2	0.1	3.8	1.3	4.8
R&D expenses	**25.8**	**30.1**	**35.1**	**88.6**	**110.8**

Net research and development (R&D) expenses increased by 17% compared to the previous quarter. This increase is mainly caused by the €3.8 million impairments related to specific development projects. As a percentage of sales (excluding the €56 million arbitration settlement) R&D expenses were 10% compared to 11% for the previous quarter. For the fourth quarter of 2018 this was 10%. The impact of currency changes on R&D expenses was an increase of 1% quarter to quarter and an increase of 3% year-on-year.

Operating result

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Operating result	46.2	50.6	130.9	124.3	378.7
Operating result margin	18.2%	18.7%	32.7%	15.2%	29.5%
Operating result excluding patent litigation & arbitration settlement	46.2	50.6	74.9	124.3	219.6
Operating result margin excluding patent litigation & arbitration settlement	18.2%	18.7%	21.7%	15.2%	19.5%

The operating profit margin, excluding the gross proceeds from the arbitration settlement, increased from 18.7% in Q3 to 21.7% in Q4. For Q4 2018 operating profit margin was 18.2%. The impact of currency changes on operating profit was no change quarter to quarter and an increase of 3% year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q4 2019 results included a translation loss of €14 million compared to a translation gain of €14 million included in the Q3 2019 results and a gain of €0.1 million included in the Q4 2018 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	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	6.1	6.5	6.4	60.8	18.0
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(2.4)	(3.5)	(3.5)	(12.3)	(13.8)
Result from investments	3.6	3.1	2.9	48.4	4.2

Result from investments, which primarily reflects our approximate 25% shareholding in ASMPT, decreased to €6 million from €7 million in the previous quarter. ASMPT's net earnings, on a 100% basis, decreased to €25 million compared to €26 million in the previous quarter. Q4 last year, also on a 100% basis, showed net earnings of €23 million. For further information on the Q4 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 Q4. For 2020, on a currency comparable basis, this amortization is expected to amount to €13.1 million.

Income tax

Income tax in the fourth quarter amounted to an expense of €15.3 million. Income tax in the previous quarter amounted to an expense of €14.1 million.

Net earnings

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Net earnings	43.7	53.5	104.5	157.1	329.0
Excluding:					
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(2.4)	(3.5)	(3.5)	(12.3)	(13.8)
Normalized net earnings	**46.1**	**57.0**	**108.0**	**169.5**	**342.8**

Normalized net earnings, including the arbitration settlement, increased by €51 million compared to Q3 2019.

Cash flow

EUR million	Q4 2018	Q3 2019	Q4 2019	YTD 2018	YTD 2019
Net cash from operating activities	93.0	94.1	209.3	136.8	488.9
Net cash from investing activities	(30.5)	(8.1)	(31.8)	(84.9)	(79.2)
Net cash from financing activities	(42.3)	(0.9)	(151.6)	(602.6)	(205.7)
Total net cash provided / (used)	**20.2**	**85.1**	**25.9**	**(550.7)**	**204.0**

The cash flow from operating activities was positively impacted by the receipts of the patent litigation settlement of $57.5 million and the arbitration settlement of $61 million. In Q3 2019 cash used in investing activities included the received dividend from ASMPT, when excluding this the total cash used in investing increased €8 million in Q4 2019. Cash used for financing activities in Q4 2019 was mainly for the payment of the interim dividend and for share repurchases.

Balance sheet

EUR million	December 31, 2018 *(audited)*	September 30, 2019	December 31, 2019
Inventories	171.8	177.0	173.2
Accounts receivable	173.5	241.4	199.5
Other current assets	45.0	54.5	73.5
Accounts payable	(80.6)	(108.4)	(119.7)
Provision for warranty	(8.0)	(15.1)	(16.4)
Accrued expenses and other payables	(99.0)	(125.6)	(149.8)
Working capital	**202.7**	**223.7**	**160.2**

Net working capital decreased to €160 million compared to €224 million per September 30, 2019 (€203 million per December 31, 2018), mainly due to the final receipt of the patent litigation settlement ($57.5 million). The number of outstanding days of working capital, measured against quarterly sales, decreased to 36 days on December 31, 2019 from 74 days on September 30, 2019 (72 days on December 31, 2018). Excluding the settlements, the number of outstanding days of working capital, measured against quarterly sales, decreased to 42 days compared to 57 days on September 30, 2019.

Sources of liquidity

As per December 31, 2019, the Company's principal sources of liquidity consisted of €498 million in cash and cash equivalents and €150 million in undrawn bank lines.

ANNEX 2

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Three months ended December 31,		Full year	
	2018	2019	2018	2019
EUR thousand, except per share data	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Net sales	**254,687**	**400,603**	**818,081**	**1,283,860**
Cost of sales	(148,431)	(194,279)	(483,784)	(645,396)
Gross profit	**106,255**	**206,324**	**334,297**	**638,464**
Operating expenses:				
Selling, general and administrative	(34,162)	(40,409)	(121,264)	(148,821)
Research and development	(25,839)	(35,061)	(88,588)	(110,846)
Restructuring expenses	(29)	—	(178)	(108)
Total operating expenses	(60,030)	(75,470)	(210,030)	(259,775)
Operating result	**46,226**	**130,854**	**124,267**	**378,689**
Net interest income (expense)	(252)	(172)	(1,410)	(127)
Foreign currency exchange gains (losses)	90	(13,686)	1,276	(146)
Result from investments	3,628	2,875	48,436	4,247
Earnings before income taxes	**49,692**	**119,871**	**172,569**	**382,663**
Income tax	(6,016)	(15,344)	(15,436)	(53,650)
Net earnings	**43,675**	**104,527**	**157,133**	**329,013**
Per share data:				
Basic net earnings	0.89	2.12	3.00	6.66
Diluted net earnings (1)	0.88	2.10	2.96	6.58
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	49,191	49,228	52,432	49,418
Diluted (1)	49,787	49,847	53,110	49,999
Outstanding shares:	49,319	48,866	49,319	48,866
Treasury shares:	6,978	2,431	6,978	2,431

(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 December 31, 2019 is 618,979 common shares, and for the full year 2019 the possible increase is 580,239 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

EUR thousand	December 31, 2018 *(audited)*	December 31, 2019 *(unaudited)*
Assets		
Right-of-use assets	—	27,547
Property, plant and equipment	148,749	164,863
Goodwill	11,270	11,270
Other intangible assets	149,927	189,224
Investments in associates	789,588	778,268
Deferred tax assets	11,316	3,064
Other non-current assets	11,865	8,359
Evaluation tools at customers	44,634	47,247
Total non-current assets	**1,167,349**	**1,229,842**
Inventories	171,826	173,189
Accounts receivable	173,450	199,535
Income taxes receivable	4,439	1,220
Other current assets	45,001	73,479
Cash and cash equivalents	285,907	497,874
Total current assets	**680,623**	**945,297**
Total Assets	**1,847,972**	**2,175,139**
Equity and liabilities		
Equity	**1,641,551**	**1,818,651**
Accrued expenses and other payables	—	15,774
Deferred tax liabilities	12,170	20,136
Total non-current liabilities	**12,170**	**35,910**
Accounts payable	80,640	119,712
Provision for warranty	7,955	16,424
Income taxes payable	6,663	34,599
Accrued expenses and other payables	98,993	149,843
Total current liabilities	**194,251**	**320,578**
Total Liabilities	**206,421**	**356,488**
Total Equity and Liabilities	**1,847,972**	**2,175,139**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended December 31,		Full year	
	2018	2019	2018	2019
EUR thousand	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Cash flows from operating activities:				
Net earnings	43,675	104,527	157,133	329,013
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation, amortization and impairments	16,843	24,703	55,352	78,321
Income tax	6,016	15,344	15,436	53,650
Result from investments	(3,628)	(2,875)	(48,436)	(4,247)
Other adjustments	2,484	10,683	8,134	16,015
Changes in other assets and liabilities:				
Accounts receivable	(5,375)	36,273	(9,189)	(23,937)
Inventories	15,280	2,246	(22,977)	3,058
Evaluation tools	2,399	(3,922)	(22,965)	(13,670)
Accounts payable	(17,869)	12,555	(1,412)	36,953
Other assets and liabilities	33,786	9,570	25,193	19,901
Income tax paid	(598)	206	(19,459)	(6,186)
Net cash from operating activities	**93,013**	**209,311**	**136,810**	**488,871**
Cash flows from investing activities:				
Capital expenditures	(15,285)	(16,744)	(63,304)	(48,679)
Capitalized development expenditure	(15,096)	(14,709)	(49,688)	(60,202)
Purchase of intangible assets	(83)	(333)	(1,058)	(2,320)
Dividend received from associates	—	—	29,120	31,960
Net cash from (used) in investing activities	**(30,463)**	**(31,786)**	**(84,930)**	**(79,241)**
Cash flows from financing activities:				
Payment of lease liabilities	—	(6,503)	—	(12,048)
Purchase of treasury shares ASMI	(45,688)	(99,929)	(354,963)	(99,929)
Proceeds from issuance of treasury shares	3,351	4,586	4,817	6,767
Dividends to common shareholders ASMI	—	(49,768)	(43,644)	(99,298)
Capital repayment to common shareholders ASMI	—	—	(208,774)	(1,144)
Net cash used in financing activities	**(42,338)**	**(151,614)**	**(602,564)**	**(205,652)**
Exchange rate effects	58	(8,153)	130	7,989
Net increase (decrease) in cash and cash equivalents	**20,270**	**17,758**	**(550,554)**	**211,967**
Cash and cash equivalents at beginning of period	265,637	480,117	836,461	285,907
Cash and cash equivalents at end of period	**285,907**	**497,874**	**285,907**	**497,874**

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.