

Almere, The Netherlands

April 20, 2021, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS FIRST QUARTER 2021 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its first quarter 2021 operating results (unaudited) in accordance with IFRS.

Continued strong logic/foundry demand fuels record quarterly orders.

FINANCIAL HIGHLIGHTS

EUR million	Q1 2020	Q4 2020	Q1 2021
New orders	333.5	378.7	410.6
Revenue	325.1	346.6	394.0
Gross profit margin %	44.5 %	45.2 %	49.5 %
Operating result	78.1	77.5	124.5
Result from investments (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	0.7	27.1	13.9
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.5)	(3.0)	(3.0)
Net earnings	74.1	79.1	122.5
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	77.6	82.1	125.5

- New orders at €411 million were 8% above the level of last quarter.
- Revenue for the first quarter 2021 was €394 million and increased 14% compared to the previous quarter due to strong market demand.
- Gross profit margin was 49.5% in Q1 2021 compared to 45.2% in the previous quarter, mainly due to favorable mix.
- Operating result was €125 million compared to €78 million in the previous quarter.
- Normalized net earnings for the first quarter 2021 were €125 million, €43 million higher compared to Q4 2020.

COMMENT

“2021 started very strong for ASM,” said Benjamin Loh, President and Chief Executive Officer of ASM International. “In the first quarter, we realized revenue of €394 million, well within our guidance of €380-400 million and up 14% from the level in Q4. The revenue level was again driven by continuous high demand in the logic/foundry segment. Our Q1 order intake, at €411 million, was up 8% from an already high level in Q4 and ahead of our guidance of €380-400 million, driven by solid demand in logic/foundry. Our gross margin was at a high level of 49.5%, caused by a favorable mix, while our operational cash flow showed a record high level in Q1. Based upon the strong cash position at the end of March, we plan to start a new €100 million share buyback program.”

OUTLOOK

For Q2, on a currency comparable level, we expect revenue of €390-€410 million. Q2 bookings, on a currency comparable level, are expected to be in the range of €420-€440 million.

Based upon the current market developments, the wafer fab equipment (WFE) market is expected to grow by a high-teens to low twenties percentage in 2021. 2021 is expected to develop in another year of solid growth for ASM. Based upon our current view, we expect our sales in the second half to be at least at the same level as in the first half.

SHARE BUYBACK PROGRAM

On February 25, 2020, ASMI announced the authorization of a share buyback program for up to €100 million. The program started on June 2, 2020, and was completed on March 2, 2021. In total, we repurchased 646,180 shares at an average price of €154.76, under the 2020-2021 program.

ASMI announces today the authorization of a new repurchase program of up to €100 million of the Company's common shares within the 2021/2022 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.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On March 31, 2021, ASMI published the agenda for the 2021 Annual General Meeting of Shareholders (AGM), to be held on May 17, 2021, which, as also earlier announced, includes amongst others the following matters:

- proposal to appoint Mr. Paul Verhagen as member of the Management Board;
- proposal to re-appoint Mrs. Stefanie Kahle-Galonske as member of the Supervisory Board;
- proposal to declare a regular dividend of €2.00 per common share over 2020; and
- proposal to withdraw 500,000 treasury shares.

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

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, changes in import/export regulations, 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 webcast on Wednesday April 21, 2021, at 14:00 Continental European Time (8:00 a.m. - US Eastern Time).

The teleconference dial-in numbers are as follows:

- United States: +1 646 7413 167
- International: +44 (0) 8444 819 752
- The Netherlands: +31 (0)20 79 566 14
- Access Code: 6352838

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

CONTACT

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ANNEX 1

OPERATING AND FINANCIAL REVIEW

Bookings

The following table shows the level of new orders for the first quarter of 2021 and the backlog at the end of the first quarter of 2021, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Backlog at the beginning of the period	351.2	299.5	323.6	8 %	(8) %
New orders for the period	333.5	378.7	410.6	8 %	23 %
Revenue for the period	(325.1)	(346.6)	(394.0)	14 %	21 %
FX-effect for the period	5.7	(7.9)	4.3		
Backlog at the end of the period	365.3	323.6	344.5	6 %	(6) %
Book-to-bill ratio (new orders divided by revenue)	1.0	1.1	1.0		

The backlog increased from €324 million at the end of the fourth quarter 2020 to €345 million as per March 31, 2021. The book-to-bill ratio for Q1 was 1.0. In terms of customer segments, new orders in the first quarter 2021 were led by foundry followed by memory and then logic.

Revenue

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Equipment revenue	269.3	275.4	319.1	16 %	18 %
Spares & service revenue	55.8	71.2	74.9	5 %	34 %
Revenue	325.1	346.6	394.0	14 %	21 %

Total revenue for the first quarter 2021 increased by 14% compared to the previous quarter and increased by 21% year-on-year. Revenue in the first quarter was led by foundry followed by memory and then logic. The impact of currency changes for the first quarter was a decrease of 2% quarter to quarter and a decrease of 6% year-on-year.

Gross profit margin

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Gross profit	144.8	156.6	195.0	25 %	35 %
Gross profit margin	44.5 %	45.2 %	49.5 %	4.3 %	5.0 %

The gross profit margin increased from 45.2% in Q4 to 49.5% in Q1. The Q1 2020 gross profit margin was 44.5%. The gross profit margin in the quarter was 4.3% higher than the previous quarter due to favorable mix effects. The impact of currency changes on the gross profit for the first quarter was a decrease of 2% quarter to quarter and a decrease of 6% year-on-year.

Selling, general and administrative expenses

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
SG&A expenses	35.8	41.9	39.9	(5)%	11 %

Selling, general and administrative (SG&A) expenses decreased with 5% compared to the previous quarter. As a percentage of revenue, SG&A expenses were 10% (Q4 2020: 12%, Q1 2020: 11%). The impact of currency changes for the first quarter was a decrease of 1% quarter to quarter and a decrease of 3% year-on-year.

Research and development expenses

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Research and development expenses	40.9	45.2	42.7	(5)%	4 %
Capitalization of development expenses	(15.6)	(16.3)	(17.4)	6 %	12 %
Amortization of capitalized development expenses	5.5	5.4	5.3	(1)%	(5)%
Impairment capitalized development expenses	—	3.0	—	n/a	n/a
R&D expenses	31.0	37.2	30.6	(18)%	(1)%

Research and development (R&D) expenses decreased with 18% compared to the previous quarter. As a percentage of revenue, R&D expenses were 8% compared to 11% for the previous quarter. For the first quarter of 2020 this was 10%. The impact of currency changes for the first quarter was a decrease of 2% quarter to quarter and a decrease of 5% year-on-year.

Operating result

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Operating result	78.1	77.5	124.5	47.0	46.4
Operating result margin	24.0 %	22.4 %	31.6 %	9.2 %	7.6 %

The operating profit margin increased from 22.4% in Q4 to 31.6% in Q1. The Q1 2020 operating profit margin was 24.0%. The impact of currency changes on operating result for the first quarter was a decrease of 3% quarter to quarter and a decrease of 7% year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q1 2021 results included a translation gain of €16 million compared to a loss of €16 million in the Q4 2020 results and a gain of €12 million included in the Q1 2020 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 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	0.7	27.1	13.9	(13.2)	13.2
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.5)	(3.0)	(3.0)	0.0	0.5
Result from investments	(2.8)	24.1	10.9	(13.2)	13.7

Result from investments, which reflects our approximate 25% shareholding in ASMPT, decreased by €13 million compared to previous quarter. ASMPT's net earnings, on a 100% basis, decreased by €54 million to €56 million compared to previous quarter. Last quarter included a book gain on partnering the Materials business, which was partly offset by one-off provisions taken by ASMPT following a product portfolio simplification. Q1 last year, also on a 100% basis, showed net earnings of €3 million. For further information on the Q1 results of ASMPT, please visit ASMPT's website www.asmpacific.com.

Amortization of intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3 million in Q1. For 2021, on a currency comparable basis, this amortization is expected to amount to € 12.8 million.

Income taxes

Income taxes in the first quarter amounted to an expense of €28.6 million. Income taxes in the previous quarter amounted to an expense of €6.5 million.

Net earnings

EUR million	Q1 2020	Q4 2020	Q1 2021	Change Q4 2020 to Q1 2021	Change Q1 2020 to Q1 2021
Net earnings	74.1	79.1	122.5	55 %	65 %
Excluding:					
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.5)	(3.0)	(3.0)	(1)%	(15)%
Normalized net earnings	77.6	82.1	125.5	53 %	62 %

Normalized net earnings increased by €43 million to €125 million compared to Q4 2020.

Cash flows

EUR million	Q1 2020	Q4 2020	Q1 2021
Net cash from operating activities	81.4	95.4	115.6
Net cash from investing activities	(40.2)	(48.8)	(27.0)
Net cash from financing activities	(6.1)	(29.6)	(39.3)
Total net cash provided / (used)	35.2	16.9	49.4

The cash flow from operating activities increased compared to the level in the fourth quarter mainly due to higher earnings and positive cash inflow from working capital but offset by higher taxes. Cash used in investing activities during Q1 2021 decreased compared with Q4 2020 due to lower capital expenditures as the Singapore factory was completed in Q4 2020. Cash used by financing activities in Q1 2021 was for the share buyback program (€37 million), completed in Q1 2021.

Balance sheet

EUR million	December 31, 2020 <i>(audited)</i>	March 31, 2021
Inventories	162.2	170.5
Accounts receivable	280.1	307.0
Other current assets	72.9	53.1
Accounts payable	(124.5)	(151.5)
Provision for warranty	(19.0)	(22.2)
Accrued expenses and other payables	(128.9)	(142.3)
Working capital	242.8	214.6

Net working capital decreased to €215 million compared to €243 million per December 31, 2020 (€168 million per March 31, 2020). An increase in accounts receivables due to the higher activity level, was offset by a decrease of other current assets and an increase in accounts payables caused by the higher activity levels. The number of outstanding days of working capital, measured against quarterly sales, decreased to 48 days on March 31, 2021, from 63 days on December 31, 2020 (47 days on March 31, 2020).

Sources of liquidity

As per March 31, 2021, 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 STATEMENT OF PROFIT OR LOSS

EUR thousand, except per share data	Three months ended March 31,	
	2020 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Revenue	325,139	394,015
Cost of sales	(180,307)	(198,967)
Gross profit	144,832	195,048
Operating expenses:		
Selling, general and administrative	(35,750)	(39,925)
Research and development	(30,963)	(30,594)
Total operating expenses	(66,713)	(70,519)
Operating result	78,119	124,529
Net interest income (expense)	(372)	(379)
Foreign currency exchange gains (losses)	12,388	16,029
Result from investments	(2,826)	10,912
Earnings before income taxes	87,309	151,091
Income taxes	(13,199)	(28,618)
Net earnings	74,110	122,473
Per share data:		
Basic net earnings	1.52	2.52
Diluted net earnings (1)	1.50	2.50
Weighted average number of shares used in computing per share amounts (in thousand):		
Basic	48,848	48,586
Diluted (1)	49,455	49,053
Outstanding shares:	48,856	48,555
Treasury shares:	2,442	1,243

(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, 2021 is 466,706 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	December 31, 2020 <i>(audited)</i>	March 31, 2021 <i>(unaudited)</i>
Assets		
Right-of-use assets	23,387	23,749
Property, plant and equipment	213,967	215,975
Goodwill	11,270	11,270
Other intangible assets	209,924	226,601
Investments in associates	742,714	781,573
Deferred tax assets	196	—
Other non-current assets	8,021	8,080
Evaluation tools at customers	69,474	79,870
Total non-current assets	1,278,953	1,347,119
Inventories	162,199	170,505
Accounts receivable	280,061	307,039
Income taxes receivable	553	1,014
Other current assets	72,945	53,068
Cash and cash equivalents	435,228	497,870
Total current assets	950,986	1,029,496
Total Assets	2,229,939	2,376,615
Equity and liabilities		
Equity	1,854,724	1,992,703
Accrued expenses and other payables	13,045	13,157
Deferred tax liabilities	21,892	26,218
Total non-current liabilities	34,937	39,375
Accounts payable	124,507	151,505
Provision for warranty	18,987	22,227
Income taxes payable	67,857	28,511
Accrued expenses and other payables	128,927	142,295
Total current liabilities	340,278	344,538
Total Liabilities	375,215	383,913
Total Equity and Liabilities	2,229,939	2,376,615

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

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Three months ended March 31,	
	2020 (unaudited)	2021 (unaudited)
Cash flows from operating activities:		
Net earnings	74,110	122,473
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation, amortization and impairments	19,158	19,888
Income taxes	13,199	28,618
Result from investments	2,826	(10,912)
Other adjustments	6,213	(7,471)
Changes in other assets and liabilities:		
Accounts receivable	15,314	(22,736)
Inventories	8,882	(3,693)
Evaluation tools	(20,510)	(11,350)
Accounts payable	14,971	24,291
Other assets and liabilities	(49,597)	40,760
Income taxes paid	(3,122)	(64,250)
Net cash from operating activities	81,443	115,618
Cash flows from investing activities:		
Capital expenditures	(23,966)	(9,444)
Capitalized development expenditure	(15,572)	(17,403)
Purchase of intangible assets	(639)	(112)
Dividend received from associates	—	—
Net cash used in investing activities	(40,177)	(26,959)
Cash flows from financing activities:		
Payment of lease liabilities	(1,908)	(1,954)
Purchase of treasury shares ASMI	(3,936)	(37,321)
Proceeds from issuance of treasury shares	295	—
Dividends to common shareholders ASMI	(567)	—
Net cash used in financing activities	(6,116)	(39,274)
Exchange rate effects	(4,297)	13,257
Net increase in cash and cash equivalents	30,854	62,642
Cash and cash equivalents at beginning of period	497,874	435,228
Cash and cash equivalents at end of period	528,728	497,870

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.