Press release

Almere, The Netherlands

April 25, 2023, 6 p.m. CET

ASM International N.V. reports first quarter 2023

ASM International N.V. (Euronext Amsterdam: ASM) today reports its first quarter 2023 operating results (unaudited).

Strong Q1 revenue with lower orders reflecting softening market conditions

Financial highlights

€ million	Q1 2022	Q4 2022	Q1 2023
New orders	705.7	828.6	647.4
YoY change % at constant currencies	*65%*	*26%*	*(6)%*
Revenue	516.9	724.8	710.0
YoY change % at constant currencies	*25%*	*42%*	*40%*
Normalized gross profit margin [1)]	47.8%	46.9%	51.1%
Normalized operating result [1)]	143.0	189.8	221.2
Normalized operating result margin [1)]	27.7%	26.2%	31.2%
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of ASMPT stake 2013)	23.7	8.3	9.4
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.2)	(3.5)	(3.4)
Reversal of impairment of investments in associates	—	106.1	215.4
Net earnings	142.5	236.6	380.4
Normalized net earnings [2)]	145.7	142.4	183.0

[1] Excluding amortization of fair value adjustments from purchase price allocations (before tax)

[2] Excluding amortization of fair value adjustments from purchase price allocations (net of tax), change in fair value of the contingent consideration (LPE earn-out) and impairment reversal of ASMPT

- New orders of €647 million for the first quarter 2023 decreased by 6% at constant currencies compared to the same period last year (decreased 11% as reported).
- Year-on-year revenue growth for the first quarter 2023 was 40% at constant currencies (37% as reported).
- Normalized gross profit margin of 51.1%, excluding PPA expenses in the first quarter 2023, improved compared to 47.8% in the same quarter last year, mainly explained by mix.
- Normalized operating result for the first quarter 2023, excluding PPA expenses, improved from €143 million last year to €221 million this year due to strong revenue growth.
- Net earnings included a non-cash reversal of €215 million, with the previous impairment of the ASMPT stake fully reversed at the end of Q1, reflecting the recovery in the market valuation of ASMPT.
- Net earnings included a negative impact of €15 million (net of tax) relating to PPA expenses. Normalized net earnings for the first quarter 2023 were €183 million, up from €146 million in Q1 last year, and included a translation loss of €7 million compared to a translation gain of €9 million in Q1 2022 and a translation loss of €36 million in Q4 2022.
- Details of (estimated) amortization and earn-out expenses (PPA expenses) relating to the 2022 acquisitions of LPE and Reno are found in Annex 2.

Comment

"ASM delivered good first quarter results. Revenue increased 40% at constant currencies to €710 million," said Benjamin Loh, President and CEO of ASM. "Revenue exceeded previous guidance of €660-700 million due to some systems that were delivered in Q1 instead of Q2 at the request of customers, and supported by the strong order backlog at the end of Q4. Gross margin increased to 51% due to an exceptionally strong mix. With operating expenses under control, operating profit increased by 17% compared to previous quarter to a record high of €221 million. Supported by improved profitability, free cash flow increased to €155 million. At €647 million, orders in Q1 were still at healthy level, but down 6% at constant currencies year on year and reflected softening market conditions towards the end of the quarter.

Demand in the memory market further weakened in Q1 and is expected to remain at low levels in the remainder of the year. Logic/foundry demand for the advanced nodes is relatively more resilient, but recently we have also seen a number of push-outs in this segment reflecting softer end-market conditions and some delays in new customer fab readiness. These push-outs will impact our expected orders in Q2 and Q3. Following expected growth in the first half of the year, we expect a decrease in the second half sales of 10% or more compared to the first half, which is a lower level of revenue in the second half than we previously projected.

For the full year 2023, we expect revenue to show a single digit increase, at constant currencies and including the consolidation of LPE. This compares to overall wafer equipment spending which is now forecasted to decline by approximately a high teens percentage this year.

ASM remains well positioned for the next nodes. In logic/foundry we expect the transition to the next generation gate-all-around (GAA) technology to drive meaningful share of wallet gains, and to support our order intake as per the end of 2023.

Outlook

On a currency-comparable level, we expect revenue of a €650-690 million for Q2. Based on the current visibility, and reflecting aforementioned order push-outs, we project, following expected growth in the first half, a decrease in sales in the second half of 10% or more compared to the first half of the year.
Wafer fab equipment (WFE) is expected to drop by a high teens percentage in 2023, down from a previous forecast of a mid to high teens percentage drop. We expect to again outperform the WFE market this year. Memory WFE is expected to decline by a significant double-digit percentage.
In the logic/foundry market, spending on the advanced nodes is still expected to be at a good level in 2023, but lower than previously expected, particularly in the second half of the year. This is partly offset by stronger market spending in the older node segments of the logic/foundry market.

Annual General Meeting

On March 31, 2023, ASM published the agenda, convocation and other materials for the 2023 Annual General Meeting (AGM), to be held on May 15, 2023, which, as also earlier announced, includes amongst others:

- A new remuneration policy for the Management Board;
- declare a regular dividend of €2.50 per common share over 2022;
- re-appoint KPMG Accountants N.V. for the financial year 2023 and 2024; and
- approve the annual accounts of 2022.

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

Share buyback program

In February 2022, ASM announced a new share buyback program of up to €100 million to be executed within the 2022/2023 time frame. ASM announces today that this program will commence on April 27, 2023, and will end as soon as the aggregate purchase price of the common shares acquired by ASM has reached €100 million, but ultimately on November 15, 2023. ASM has the intention to reduce its capital by withdrawing the shares repurchased as part of this share buyback program, save for such number of treasury shares as maybe necessary to fund ongoing share and option programs for employees and board members. The repurchase program is part of ASM's commitment to return excess cash to our shareholders through share buybacks.

Progress of the share buyback program will be updated on a weekly basis, starting on May 1, 2023. This information will be published on our website.

About ASM International

ASM International N.V., headquartered in Almere, the Netherlands, and its subsidiaries design and manufacture equipment and process solutions to produce semiconductor devices for wafer processing, and have facilities in the United States, Europe, 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, 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 will host the quarterly earnings conference call and webcast on Wednesday, April 26, 2023, at 3:00 p.m. CET.

Conference call participants should pre-register using this link to receive the dial-in numbers, passcode and a personal PIN, which are required to access the conference call.

A simultaneous audio webcast, and replay will be accessible at this link.

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 2023 and the backlog at the end of the first quarter of 2023, compared to the previous quarter and the comparable quarter previous year:

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Backlog at the beginning of the period	811.3	1,524.8	1,669.2	9%	106%
Backlog increase through business combinations	—	106.8	—		
New orders for the period	705.7	828.6	647.4	(22) %	(8)%
Revenue for the period	(516.9)	(724.8)	(710.0)	(2) %	37%
FX-effect for the period	0.2	(66.3)	(22.5)		
Backlog at the end of the period	**1,000.2**	**1,669.2**	**1,584.1**	**(5) %**	**58%**
Book-to-bill ratio (new orders divided by revenue)	1.4	1.1	0.9		

The backlog decreased from €1,669 million at the end of the fourth quarter 2022 to €1,584 million as per March 31, 2023. New orders for the first quarter 2023 decreased to €647 million, down 20% at constant currencies compared to previous quarter.

The book-to-bill ratio for Q1 was 0.9. In terms of customer segments, new orders in the first quarter 2023 were led by foundry followed by power/analog, and then logic and memory.

Revenue

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Equipment revenue	427.5	627.3	603.6	(4)%	41%
Spares & service revenue	89.4	97.6	106.4	9%	19%
Revenue	**516.9**	**724.8**	**710.0**	**(2)%**	**37%**

Revenue for the first quarter 2023 increased to €710 million, up 40% year-on-year at constant currencies (37% as reported). Compared to the previous quarter, revenue was neutral at constant currencies (decreased 2% as reported). Revenue in the first quarter was led by foundry followed by power/analog, and then logic and memory.

Equipment revenue in the first quarter increased by 43% year-on-year at constant currencies (41% as reported). Compared to the previous quarter, equipment revenue decreased by 2% at constant currencies (decreased 4% as reported).

Spares & service revenue in the first quarter grew by 21% year-on-year at constant currencies (19% as reported). Compared to the previous quarter, spares & service revenue increased by 12% at constant currencies (increased 9% as reported).

Normalized gross profit margin

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Normalized gross profit	247.2	339.6	362.9	7%	47%
Normalized gross profit margin	47.8%	46.9%	51.1%	4.2 pp	3.3 pp

Normalized gross profit margin of 51.1%, excluding PPA expenses in the first quarter 2023 improved compared to 47.8% in the same quarter last year and higher than the fourth quarter 2022 margin of 46.9%. The change is largely explained by mix, including an exceptionally strong applications mix within our ALD sales, and an increased contribution from China. The impact of currency changes on the gross profit for the first quarter was a decrease of 2% quarter-on-quarter and a decrease of 3% year-on-year. Including PPA expenses, gross margin was 49.4% in Q1 2023.

Normalized selling, general and administrative expenses

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Normalized SG&A expenses	60.6	74.7	69.9	(6)%	15%

Normalized selling, general and administrative (SG&A) expenses decreased by 6% compared to the level in the previous quarter and increased by 15% year-on-year. In 2022, SG&A still increased at a higher rate due to extra steps taken last year to strengthen the organization. As a percentage of revenue, normalized SG&A expenses decreased to 9.9% compared to 11.7% in Q1 2022 and 10.3% in Q4 2022. The impact of currency changes for the first quarter was a decrease of 2% quarter-on-quarter and an increase of 2% year-on-year.

Normalized research and development expenses

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Normalized gross research and development expenses	59.9	89.5	90.5	1%	51%
Capitalization of development expenses	(23.7)	(25.0)	(29.2)	17%	23%
Amortization of capitalized development expenses	7.2	10.6	10.6	— %	47%
Impairment of capitalized development expenses	0.1	—	—	— %	(100)%
Normalized net research and development expenses	43.5	75.2	71.8	(5)%	65%

The normalized gross research and development (R&D) expenses increased by 1% compared to the previous quarter and increased 51% year-on-year. The impact of currency changes for the first quarter was a decrease of 2% quarter-on-quarter and neutral year-on-year.

Normalized net R&D expenses decreased by 5% compared to the previous quarter and increased by 65% year-on-year. The year-on-year increase of €28 million was mainly due to increased number of R&D projects, headcount growth, and continued focus on R&D investments to support growth. Normalized net R&D expenses were 10.1% of revenue in Q1 2023 compared to 10.4% in Q4 2022 and 8.4% in the same period in 2022.

Normalized operating result

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Normalized operating result	143.0	189.8	221.2	17%	55%
Normalized operating result margin	27.7%	26.2%	31.2%	5.0 pp	3.5 pp

Normalized operating result of 31.2% was 3.5% points higher compared to the same period last year and 5.0% points higher compared to the previous quarter. The impact of currency changes for the first quarter was a decrease of 2% quarter-on-quarter and a decrease of 5% year-on-year. Including PPA expenses, operating margin was 28.8% in Q1 2023.

Normalized financing income (expense)

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Normalized net interest income (expense)	(0.3)	0.3	1.3	1.0	1.6
Foreign currency exchange gains (losses)	9.0	(35.6)	(6.8)	28.8	(15.8)
Normalized financing income (expense)	8.7	(35.3)	(5.5)	29.8	(14.2)

Financing costs are mainly related to currency translation results due to movements in the US dollar. A substantial part of ASM's cash position is denominated in US dollars. Financing expenses were normalized for the impact from the LPE earn-out expense of €2 million.

Share in income of investments in associates

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	23.7	8.3	9.4	1.1	(14.3)
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.2)	(3.5)	(3.4)	0.1	(0.2)
Share in income of investments in associates	20.5	4.8	6.0	1.2	(14.5)

Share in income of investments in associates (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT), which reflects our approximate 25% shareholding in ASMPT, increased by €1 million compared to the previous quarter. ASMPT's net earnings, on a 100% basis, increased by €5 million to €38 million compared to the previous quarter. Q1 last year, also on a 100% basis, showed net earnings of €95 million. For further information on the Q1 results of ASMPT, please visit ASMPT's website www.asmpt.com.

Amortization of intangible assets resulting from the sale of the 12% stake of ASMPT in 2013 amounted to €3 million in Q1. For 2023, on a currency-comparable basis, this amortization is expected to amount to €4 million.

Impairment of investment in associates

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Impairment of investments in associates, at beginning of period	—	321.4	215.4	(106.0)	215.4
Impairment of investments	—	—	—	—	—
Reversal of impairments	—	(106.1)	(215.4)	(109.3)	(215.4)
Impairment of investments in associates, at end of period	—	215.4	—	(215.4)	—

The impairment charge of €321 million on investments in associates, recognized in Q3 2022, has been completely reversed as a result of an increase in the recoverable amount.

The impairment reversal in the first quarter 2023 relates to a non-cash adjustment of €215 million, reflecting an increase in the market valuation of our stake in ASMPT in the quarter.

The impairment reversal is in line with our accounting policy under which, at each reporting date, we will determine if there is any objective evidence for impairment. If the fair value of an investment is less than its carrying amount, the company determines whether the decline in value is significant or prolonged. The impairment charge will be subsequently reversed only to the extent that the recoverable amount of the investment increases.

Income taxes

Income taxes in the first quarter 2023 amounted to an expense of €37 million. Income taxes in the same period 2022 amounted to an expense of €30 million.

Net earnings

€ million	Q1 2022	Q4 2022	Q1 2023	Change Q4 2022 to Q1 2023	Change Q1 2022 to Q1 2023
Net earnings	142.5	236.6	380.4	61%	167%
Excluding:					
Amortization intangible assets (resulting from the acquisitions of Reno and LPE)	—	(7.9)	(17.0)	115%	— %
Income taxes (realization of temporary differences)	—	2.2	4.7	114%	— %
Finance expense (earn-out)	—	(2.6)	(2.4)	(8)%	— %
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.2)	(3.5)	(3.4)	(3)%	6%
Reversal of impairment of investments in associates	—	106.1	215.4	103 %	— %
Normalized net earnings	145.7	142.4	183.0	29%	26%

Normalized net earnings in the first quarter 2023 increased by €41 million to €183 million compared to previous quarter mainly due to higher operating results and lower translation losses, offset by higher income taxes.

Cash flows

€ million	Q1 2022	Q4 2022	Q1 2023
Net cash from operating activities	150.6	103.8	210.4
Net cash from investing activities	(90.0)	(340.8)	(55.7)
Cash flows from operating activities after investing activities	60.5	(237.0)	154.7
Net cash from financing activities	(2.5)	(2.8)	(2.6)
Total net cash provided (used)	58.0	(239.8)	152.1

The cash flow from operating activities increased compared to the level in the previous quarter mainly due to higher operating results and lower working capital requirements. Cash used in investing activities in Q1 2023 is lower than the previous quarter due to the acquisition of LPE (€276 million in cash) in fourth quarter. We generated a quarterly cash flow from operating activities and after investing activities (free cash flow) of €155 million. Cash used in financing activities during Q1 2023 was limited and in line with the previous quarter.

Working capital

€ million	March 31, 2022	December 31, 2022	March 31, 2023
Inventories	255.8	538.4	575.1
Accounts receivable	502.3	580.8	568.0
Other current assets	57.6	114.5	97.6
Accounts payable	(211.0)	(243.5)	(252.2)
Provision for warranty	(29.8)	(34.2)	(30.7)
Accrued expenses and other payables	(245.1)	(458.9)	(479.4)
Working capital	329.7	497.1	478.4

Net working capital decreased to €478 million compared to €497 million per December 31, 2022 (€330 million per March 31, 2022), mainly explained by lower accounts receivable and other current assets, and higher accounts payable and accrued expenses and other payables, offset by higher inventory levels.

The number of outstanding days of working capital, measured against quarterly sales, decreased slightly to 61 days on March 31, 2023, compared to 62 days on December 31, 2022 (57 days on March 31, 2022).

Sources of liquidity

As per March 31, 2023, the Company's principal sources of liquidity consisted of €573 million in cash and cash equivalents and €150 million in undrawn bank lines.

Annex 2

Consolidated statement of profit or loss

	Three months ended March 31,	
€ thousand, except per share data	**2022**	**2023**
Revenue	516,944	710,028
Cost of sales	(269,785)	(359,468)
Gross profit	247,159	350,560
Other income	(65)	14
Operating expenses:		
Selling, general and administrative	(60,612)	(71,110)
Research and development	(43,504)	(75,250)
Total operating expenses	(104,116)	(146,360)
Operating result	142,978	204,214
Net interest income (expense)	(340)	(1,077)
Foreign currency exchange gain (loss)	9,048	(6,765)
Share in income of investments in associates	20,456	6,052
Reversal of impairment of investments in associates, net	—	215,389
Earnings before income taxes	172,142	417,813
Income taxes	(29,648)	(37,450)
Net earnings	142,494	380,363
Per share data:		
Basic net earnings	2.93	7.71
Diluted net earnings [1)]	2.92	7.67
Weighted average number of shares used in computing per share amounts (in thousand):		
Basic	48,576	49,334
Diluted [1)]	48,848	49,606
Outstanding shares:	48,580	49,338
Treasury shares:	717	10

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

[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, 2023, is 271,817 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

€ thousand	December 31, 2022	March 31, 2023
Assets		
Right-of-use assets	31,663	33,962
Property, plant and equipment	312,053	315,076
Evaluation tools at customers	68,676	72,571
Goodwill	318,465	318,105
Other intangible assets	646,104	646,888
Investments in associates	686,341	891,898
Other investments	5,814	6,173
Deferred tax assets	181	193
Other non-current assets	9,627	9,570
Total non-current assets	2,078,924	2,294,436
Inventories	538,425	575,078
Accounts receivable	580,823	567,965
Income taxes receivable	18,778	32,354
Other current assets	114,524	97,637
Cash and cash equivalents	419,315	572,586
Total current assets	1,671,865	1,845,620
Total Assets	3,750,789	4,140,056
Equity and liabilities		
Equity	2,749,319	3,088,461
Lease liabilities	18,604	20,780
Contingent consideration payable	78,649	81,063
Deferred tax liabilities	123,803	118,405
Total non-current liabilities	221,056	220,248
Accounts payable	243,499	252,171
Provision for warranty	34,219	30,683
Income taxes payable	43,785	69,108
Accrued expenses and other payables	458,911	479,385
Total current liabilities	780,414	831,347
Total Liabilities	1,001,470	1,051,595
Total Equity and Liabilities	3,750,789	4,140,056

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

Consolidated statement of cash flows

€ thousand	Three months ended March 31, 2022	2023
Cash flows from operating activities:		
Net earnings from operations	142,494	380,363
Adjustments to reconcile net earnings to net cash from operating activities		
Depreciation, amortization and impairments	25,473	41,758
Net loss (gain) on sale of property, plant and equipment	65	(14)
Share-based compensation	4,676	8,323
Net finance (income) costs	(885)	(2,246)
Share in income of investments in associates	(20,456)	(6,052)
(Reversal of) impairment of investments in associates, net	—	(215,389)
Income tax	29,648	37,450
Changes in evaluation tools at customers	(7,051)	(10,296)
Changes in employee benefits pension plans	62	34
Income tax paid	(12,769)	(29,652)
Operating cash flows before changes in working capital	**161,257**	**204,279**
Decrease (increase) in working capital:		
Accounts receivable	(58,190)	2,362
Other current assets	(6,542)	15,116
Inventories	(40,520)	(46,479)
Provision for warranty	2,341	(2,874)
Accounts payable, accrued expenses and other payables	92,211	37,952
Net cash from operating activities	**150,556**	**210,356**
Cash flows from investing activities		
Capital expenditures	(27,279)	(26,428)
Proceeds from sale of property, plant and equipment	245	1,085
Capitalized development expenditure	(23,685)	(29,071)
Purchase of intangible assets	(587)	(880)
Dividend received from associates	—	—
Acquisitions of subsidiaries, net of cash acquired	(38,733)	—
Other investments	—	(400)
Net cash used in investing activities	**(90,040)**	**(55,694)**
Cash flows from operating activities after investing activities	**60,516**	**154,662**
Cash flows from financing activities		
Payment of lease liabilities	(2,476)	(2,568)
Purchase of treasury shares	—	—
Proceeds from issuance of treasury shares	—	—
Credit facility renewal fee paid	—	(1)
Dividends to common shareholders	—	—
Net cash used in financing activities	**(2,476)**	**(2,570)**
Foreign currency translation effect	791	1,179
Net increase (decrease) in cash and cash equivalents	**58,831**	**53,271**
Cash and cash equivalents at beginning of period	491,507	419,315
Cash and cash equivalents at end of period	550,338	572,586

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

(Estimated) amortization and earn-out expenses

(Estimated) purchase price allocation amortization and earn-out expenses relating to the acquisitions of Reno and LPE are as follows:

€ million	Q1 2022 Actual	Q4 2022 Actual	Q1 2023 Actual	Full year 2023 Estimate	2024 Estimate	2025 Estimate
Cost of sales	—	(3.1)	(12.3)	(27.0)	—	—
Net research and development expenses	—	(3.6)	(3.5)	(14.0)	(14.0)	(14.0)
Selling, general and administrative expenses	—	(1.2)	(1.2)	(4.8)	(4.9)	(4.9)
Total impact on operating results	—	(7.9)	(17.0)	(45.8)	(18.9)	(18.9)
Finance expense [1)]	—	(2.6)	(2.4)	(9.7)	(8.7)	(2.8)
Income taxes (realization temporary differences)	—	2.2	4.7	12.7	5.2	5.2
Total impact on net earnings	—	(8.3)	(14.7)	(42.8)	(22.4)	(16.5)

[1] Finance expenses include the change in fair value of the contingent consideration (LPE earn-out).

Notes to the consolidated financial statement

Basis of presentation

ASM's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2022 ASM International N.V. consolidated annual accounts.

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

All reported data is unaudited.

Principles of consolidation

The Consolidated Financial Statements include the accounts of ASM and its subsidiaries, where ASM holds a controlling interest. All unrealized intercompany profits, transactions and balances have been eliminated in consolidation. Associates are investments in entities in which ASM can exert significant influence but which ASM does not control, generally by ASM having between 20% and 50% of the voting rights. These entities are accounted for using the equity method.