

Almere, The Netherlands

February 25, 2021, 6 p.m. CET

ASM INTERNATIONAL N.V. REPORTS FOURTH QUARTER 2020 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its fourth quarter 2020 operating results (unaudited) in accordance with IFRS.

Strong quarterly results driven by continued logic/foundry demand

FINANCIAL HIGHLIGHTS

EUR million	Q4 2019	Q3 2020	Q4 2020
New orders	429.0	303.4	378.7
Revenue	400.6	314.6	346.6
Gross profit margin %	51.5	49.9	45.2
Operating result	130.9	83.9	77.5
Result from investments (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013)	6.4	6.3	27.1
Amortization intangible assets (resulting from the sale of ASMPT stake in 2013)	(3.5)	(3.0)	(3.0)
Net earnings	104.5	58.1	79.1
Normalized net earnings (excluding amortization intangible assets resulting from the sale of ASMPT stake in 2013 and result from sale of ASMPT shares)	108.0	61.2	82.1

- New orders at €379 million were 25% above the level of last quarter.
- Revenue for the fourth quarter 2020 was €347 million and increased 10% compared to the previous quarter due to stronger market demand.
- Gross profit margin was 45.2% in Q4 2020 compared to 49.9% in the previous quarter which had an exceptionally strong mix.
- Operating result was €78 million compared to €84 million in the previous quarter, mainly due to mix effects and higher R&D and SG&A costs.
- Normalized net earnings for the fourth quarter 2020 were €82 million, €21 million higher compared to Q3 2020, due to the higher contribution of ASMPT, mainly caused by one-off effects.

COMMENT

“2020 was another year of strong performance for our company. In a year dominated by the COVID-19 pandemic, the global ASM team demonstrated tremendous commitment and execution,” said Benjamin Loh, President and Chief Executive Officer of ASM International. “In the fourth quarter, we realized revenue of €347 million which was at the high end of the guidance of €330-350 million and up 10% from the level in Q3. The revenue level was again driven by continuous high demand in the logic/foundry segment. Our Q4 order intake, at €379 million, was up 25% from the level in Q3 and substantially higher than our guidance of €340-360 million, driven by strong demand in logic/foundry. For the full year, revenue was €1,328 million, a year-on-year increase, excluding the litigation proceeds in 2019, of 18%.”

OUTLOOK

For Q1, on a currency comparable level, we expect revenue of €380-€400 million, while we expect our revenue in Q2 to be at the same level. Q1 bookings, on a currency comparable level, are also expected to be in the range of €380-€400 million.

Based upon the current market developments, the wafer fab equipment (WFE) market is expected to grow by a mid-teens percentage in 2021. While it is currently too early to provide guidance for the second half of the year, ASM is well positioned for another year of healthy growth in 2021.

SHARE BUYBACK PROGRAM

On June 2, 2020, ASMI announced the start of the €100 million share buyback program. As of December 31, 2020, 63.8% of the share buyback program was completed at an average share price of €132.63.

DIVIDEND PROPOSAL

ASMI will propose to the forthcoming Annual General Meeting of Shareholders (AGM) 2021, to declare a regular dividend of €2.00 per common share over 2020. The regular dividend increases 33% compared to the regular dividend paid over 2019 (€1.50 regular dividend, excluding €1.50 extraordinary dividend).

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 N.V will host an investor conference call and webcast on Friday, February 26, 2021, at 15:00 p.m. Continental European Time (9:00 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: 9692511

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 2020 and the backlog at the end of the fourth quarter of 2020, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Backlog at the beginning of the period	330.4	317.4	299.5	301.5	351.2
New orders for the period	429.0	303.4	378.7	1,328.9	1,313.6
Revenue for the period	(400.6)	(314.6)	(346.6)	(1,283.9)	(1,328.1)
FX-effect for the period	(7.6)	(6.7)	(7.9)	4.7	(13.1)
Backlog at the end of the period	351.2	299.5	323.6	351.2	323.6
Book-to-bill ratio (new orders divided by revenue)	1.1	1.0	1.1	1.0	1.0

The backlog increased from €299 million at the end of the third quarter 2020 to €324 million as per December 31, 2020. The book-to-bill ratio for Q4 was 1.1. In terms of customer segments, new orders in the fourth quarter 2020 were led by foundry, followed by logic and memory.

Revenue

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Equipment revenue	288.8	242.3	275.4	909.5	1,051.5
Spares & service revenue	55.8	72.3	71.2	215.2	276.6
Patent litigation & arbitration settlement	56.0	—	—	159.2	—
Revenue	400.6	314.6	346.6	1,283.9	1,328.1

Total revenue for the fourth quarter 2020 increased by 10% compared to the previous quarter. Total revenue for the year increased 18% (excluding €159 million related to the patent litigation & arbitration settlement). Revenue in the fourth quarter was led by foundry, followed by memory and logic. The impact of currency changes for the fourth quarter was a decrease of 1% quarter to quarter and a decrease of 5% year-on-year. The impact of currency changes for the total year was a decrease of 1% year-on-year.

Gross profit margin

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Gross profit	206.3	157.0	156.6	638.5	623.6
Gross profit margin	51.5 %	49.9 %	45.2 %	49.7 %	47.0 %
Gross profit excluding patent litigation & arbitration settlement	150.3	157.0	156.6	479.3	623.6
Gross profit margin excluding patent litigation & arbitration settlement	43.6 %	49.9 %	45.2 %	42.6 %	47.0 %

The gross profit margin decreased from 49.9% in Q3 to 45.2% in Q4. The gross profit margin in the quarter was 4.7% lower than the exceptionally high level in Q3 2020 due to mix effects. Total gross profit for the year increased 30% (excluding patent litigation & arbitration settlement). The impact of currency changes for the fourth quarter was neutral quarter to quarter and a decrease of 4% year-on-year. The impact of currency changes for the total year was a decrease of 1% year-on-year.

Selling, general and administrative expenses

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
SG&A expenses	40.4	38.8	41.9	148.9	157.4

Selling, general and administrative (SG&A) expenses increased by 8% compared to the previous quarter. As a percentage of revenue, SG&A expenses were 12% (Q3 2020: 12%, Q4 2019: 10%). Total SG&A expenses for the year increased 6%. The impact of currency changes for the fourth quarter was neutral quarter to quarter and a decrease of 6% year-on-year. The impact of currency changes for the total year was a decrease of 2% year-on-year.

Research and development expenses

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Research and development expenses	41.4	43.5	45.2	150.7	171.8
Capitalization of development expenses	(14.7)	(16.4)	(16.3)	(60.2)	(64.1)
Amortization of capitalized development expenses	4.6	5.0	5.4	15.6	21.2
Impairment capitalized development expenses	3.8	2.2	3.0	4.8	10.1
R&D expenses	35.1	34.4	37.2	110.8	139.0

Research and development (R&D) expenses increased by 8% compared to the previous quarter. As a percentage of revenue, R&D expenses were 11% (Q3 2020: 11%, Q4 2019: 9%). Total R&D expenses for the year increased 25%. The impact of currency changes for the fourth quarter was neutral quarter to quarter and a decrease of 3% year-on-year. The impact of currency changes for the total year was a decrease of 1% year-on-year.

Operating result

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Operating result	130.9	83.9	77.5	378.7	327.1
Operating result margin	32.7 %	26.7 %	22.4 %	29.5 %	24.6 %
Operating result excluding patent litigation & arbitration settlement	74.9	83.9	77.5	219.6	327.1
Operating result margin excluding patent litigation & arbitration settlement	21.7 %	26.7 %	22.4 %	19.5 %	24.6 %

The operating profit margin decreased from 26.7% in Q3 to 22.4% in Q4. For Q4 2019 operating profit margin was 21.7% (excluding patent litigation & arbitration settlement). Total operating result for the year increased 49% (excluding patent litigation & arbitration settlement). The impact of currency changes for the fourth quarter was a decrease of 1% quarter to quarter and a decrease of 4% year-on-year. The impact of currency changes for the total year was neutral year-on-year.

Financing costs

Financing costs are mainly related to translation results. The Q4 2020 results included a translation loss of €15 million compared to a loss of €14 million included in the Q3 2020 results and a loss of €14 million included in the Q4 2019 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 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	6.4	6.3	27.1	18.0	44.9
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.5)	(3.0)	(3.0)	(13.8)	(12.9)
Result from investments	2.9	3.3	24.1	4.2	32.0

Result from investments, which reflects our approximate 25% shareholding in ASMPT, increased by €21 million compared to previous quarter. The Q4 increase in result from investment was for a large part driven by a book gain in ASMPT's results on partnering the Materials business and partly offset by one-off provisions taken by ASMPT following a product portfolio simplification exercise.

ASMPT's net earnings, on a 100% basis, increased by €84 million to €110 million compared to previous quarter. Q4 last year, also on a 100% basis, showed net earnings of €26 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 million in Q4. For 2020, this amortization amounted to €12.9 million. For 2021, on a currency comparable basis, this amortization is expected to amount to € 12.8 million.

Income taxes

Income taxes in the fourth quarter amounted to an expense of €6.5 million. Income taxes in the previous quarter amounted to an expense of €14.4 million.

Net earnings

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Net earnings	104.5	58.1	79.1	329.0	285.4
Excluding:					
Amortization intangible assets (resulting from the sale of the 12% stake of ASMPT)	(3.5)	(3.0)	(3.0)	(13.8)	(12.9)
Normalized net earnings	108.0	61.2	82.1	342.8	298.3

Normalized net earnings increased by €21 million to €82 million compared to Q3 2020. Main reason for the increase was the higher result on investments.

Cash flows

EUR million	Q4 2019	Q3 2020	Q4 2020	YTD 2019	YTD 2020
Net cash from operating activities	209.3	52.0	95.4	488.9	264.4
Net cash from investing activities	(31.8)	(27.7)	(48.8)	(79.2)	(144.3)
Net cash from financing activities	(151.6)	(27.7)	(29.6)	(205.7)	(170.4)
Total net cash provided / (used)	25.9	(3.4)	16.9	204.0	(50.4)

The cash flow from operating activities increased compared to the level in the third quarter mainly due to lower level of cash outflow for working capital. Cash used in investing activities during Q4 2020 increased compared with Q3 2020 due to higher capital expenditures, caused by investments in the new Singapore factory and increased investments in lab tools, in response to increases in R&D engagements with customers. Cash used by financing activities in Q4 2020 was for the share buyback program (€28 million).

Balance sheet

EUR million	December 31, 2019	September 30, 2020	December 31, 2020
	<i>(audited)</i>		
Inventories	173.2	176.4	162.2
Accounts receivable	199.5	255.4	280.1
Other current assets	73.5	74.8	72.9
Accounts payable	(119.7)	(116.7)	(124.5)
Provision for warranty	(16.4)	(17.8)	(19.0)
Accrued expenses and other payables	(149.8)	(124.9)	(128.9)
Working capital	160.2	247.2	242.8

Net working capital decreased to €243 million compared to €247 million per September 30, 2020 (€160 million per December 31, 2019). An increase in accounts receivables, due to back-end loaded sales in the quarter, was offset by a decrease in inventories and an increase in accounts payables. The number of outstanding days of working capital, measured against quarterly revenue, was 63 days on December 31, 2020, compared to 71 days on September 30, 2020 and 36 days on December 31, 2019.

Sources of liquidity

As per December 31, 2020, the Company's principal sources of liquidity consisted of €435 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 December 31,		Full year	
	2019 <i>(unaudited)</i>	2020 <i>(unaudited)</i>	2019 <i>(audited)</i>	2020 <i>(unaudited)</i>
Revenue	400,603	346,614	1,283,860	1,328,122
Cost of sales	(194,279)	(190,001)	(645,396)	(704,553)
Gross profit	206,324	156,613	638,464	623,569
Operating expenses:				
Selling, general and administrative	(40,409)	(41,879)	(148,929)	(157,424)
Research and development	(35,061)	(37,213)	(110,846)	(139,002)
Total operating expenses	(75,470)	(79,092)	(259,775)	(296,426)
Operating result	130,854	77,521	378,689	327,143
Net interest income (expense)	(172)	(660)	(127)	(1,867)
Foreign currency exchange gains (losses)	(13,686)	(15,438)	(146)	(23,157)
Result from investments	2,875	24,102	4,247	31,950
Earnings before income taxes	119,871	85,525	382,663	334,069
Income taxes	(15,344)	(6,469)	(53,650)	(48,673)
Net earnings	104,527	79,056	329,013	285,396
Per share data:				
Basic net earnings	2.12	1.62	6.66	5.84
Diluted net earnings (1)	2.10	1.61	6.58	5.78
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	49,228	48,776	49,418	48,907
Diluted (1)	49,847	49,235	49,999	49,359
Outstanding shares:	48,866	48,715	48,866	48,715
Treasury shares:	2,431	1,083	2,431	1,083

(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, 2020, is 459,461 common shares, and for the full year 2020, the possible increase is 452,270 common shares. Adjustments have been reflected in the diluted weighted average number

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31. 2019 <i>(audited)</i>	December 31. 2020 <i>(unaudited)</i>
EUR thousand		
Assets		
Right-of-use assets	27,547	23,387
Property, plant and equipment	164,863	213,967
Goodwill	11,270	11,270
Other intangible assets	189,224	209,924
Investments in associates	778,268	742,714
Deferred tax assets	3,064	196
Other non-current assets	8,359	8,021
Evaluation tools at customers	47,247	69,474
Total non-current assets	1,229,842	1,278,953
Inventories	173,189	162,199
Accounts receivable	199,535	280,061
Income taxes receivable	1,220	553
Other current assets	73,479	72,945
Cash and cash equivalents	497,874	435,228
Total current assets	945,297	950,986
Total Assets	2,175,139	2,229,939
Equity and liabilities		
Equity	1,818,651	1,854,724
Accrued expenses and other payables	15,774	13,045
Deferred tax liabilities	20,136	21,892
Total non-current liabilities	35,910	34,937
Accounts payable	119,712	124,507
Provision for warranty	16,424	18,987
Income taxes payable	34,599	67,857
Accrued expenses and other payables	149,843	128,927
Total current liabilities	320,578	340,278
Total Liabilities	356,488	375,215
Total Equity and Liabilities	2,175,139	2,229,939

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 December 31,		Full year	
	2019 <i>(unaudited)</i>	2020 <i>(unaudited)</i>	2019 <i>(audited)</i>	2020 <i>(unaudited)</i>
Cash flows from operating activities:				
Net earnings	104,527	79,056	329,013	285,396
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation, amortization and impairments	24,703	24,564	78,321	89,029
Income taxes	15,344	6,469	53,650	48,673
Result from investments	(2,875)	(24,102)	(4,247)	(31,950)
Other adjustments	10,683	15,790	16,015	23,788
Changes in other assets and liabilities:				
Accounts receivable	36,273	(31,490)	(23,937)	(93,000)
Inventories	2,246	11,955	3,058	498
Evaluation tools	(3,922)	(4,500)	(13,670)	(39,710)
Accounts payable	12,555	9,230	36,953	11,713
Other assets and liabilities	9,570	9,278	19,901	(22,029)
Income taxes paid	206	(836)	(6,186)	(8,055)
Net cash from operating activities	209,311	95,414	488,871	264,353
Cash flows from investing activities:				
Capital expenditures	(16,744)	(31,474)	(48,679)	(93,093)
Capitalized development expenditure	(14,709)	(16,342)	(60,202)	(64,126)
Purchase of intangible assets	(333)	(1,013)	(2,320)	(3,230)
Dividend received from associates	—	—	31,960	16,142
Net cash from (used) in investing activities	(31,786)	(48,829)	(79,241)	(144,307)
Cash flows from financing activities:				
Payment of lease liabilities	(6,503)	(1,963)	(12,048)	(7,819)
Purchase of treasury shares ASMI	(99,929)	(28,251)	(99,929)	(66,715)
Proceeds from issuance of treasury shares	4,586	572	6,767	2,774
Dividends to common shareholders ASMI	(49,768)	—	(99,298)	(98,688)
Capital repayment to common shareholders ASMI	—	—	(1,144)	—
Net cash used in financing activities	(151,614)	(29,642)	(205,652)	(170,448)
Exchange rate effects	(8,153)	(11,221)	7,989	(12,244)
Net increase (decrease) in cash and cash equivalents	17,757	5,722	211,967	(62,646)
Cash and cash equivalents at beginning of period	480,117	429,506	285,907	497,874
Cash and cash equivalents at end of period	497,874	435,228	497,874	435,228

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Basis of presentation

The consolidated financial statement 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 Statement 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.