



ASM announces third quarter 2024 results

Almere, The Netherlands
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AI-related demand drives robust growth in bookings and revenue

ASM International N.V. (Euronext Amsterdam: ASM) today reports its Q3 2024 results (unaudited).

Financial highlights

€million	Q3 2023	Q2 2024	Q3 2024
New orders	627.4	755.4	815.3
yoy change % at constant currencies	0%	56%	30%
Revenue	622.3	706.1	778.6
yoy change % at constant currencies	9%	6%	26%
Gross profit margin %	48.1 %	49.8 %	49.4 %
Adjusted gross profit margin ¹	48.9 %	49.8 %	49.4 %
Operating result	147.3	177.6	215.2
Operating result margin %	23.7 %	25.1 %	27.6 %
Adjusted operating result ¹	157.2	182.3	219.9
Adjusted operating result margin ¹	25.3 %	25.8 %	28.2 %
Net earnings	129.6	159.0	127.9
Adjusted net earnings ¹	139.1	164.7	133.6

¹ Adjusted figures are non-IFRS performance measures (previously referred to as "normalized"). Refer to Annex 3 for a reconciliation of non-IFRS performance measures.

- New orders of €815 million in Q3 2024 increased by 30% at constant currencies (also 30% as reported) mainly driven by strong demand for gate-all-around (GAA) and high-bandwidth memory (HBM).
- Revenue of €779 million increased by 26% at constant currencies (increased by 25% as reported) from Q3 of last year and at the upper end of the guidance (€740-780 million).
- YoY improvement in adjusted gross profit margin is due to mix including slightly stronger-than-expected sales to China.
- Adjusted operating result margin increased to 28.2%, compared to 25.3% in Q3 last year and increased from 25.8% last quarter mainly due to higher revenue and a one-off positive result of €7 million related to the sale of a building.
- Revenue for Q4 2024 is expected to be in the range of €770-810 million.

Comment

"ASM delivered strong results against a backdrop of continued mixed market conditions," said Hichem M'Saad, CEO of ASM. "Revenue increased 26% at constant currencies to €779 million in the third quarter of 2024, which is a new quarterly high and at the upper end of our guidance of €740-780 million. With a gross margin of 49.4%, and ongoing focus on cost control, adjusted operating result increased by 40% to €220 million compared to Q3 2023.

Orders were up 30% to €815 million in Q3 2024 compared to last year's Q3, driven by a further increase in orders for gate-all-around (GAA) technology and continued solid demand for high-bandwidth memory (HBM) DRAM applications. Total orders were ahead of our expectations at the start of the quarter due to some bookings that were pulled in from Q4.

AI continues to be the dominant semiconductor end market driver, while recovery in other markets such as PCs and smartphones is still sluggish, and the automotive/industrial segments remain in a cyclical downturn. AI is increasingly driving the demand for the most advanced devices, both in logic/foundry and HBM DRAM, and this plays to the strengths of ASM.

While recently announced capex reductions have somewhat impacted the outlook for advanced logic/foundry spending, we still project a substantial increase in our GAA-related sales in 2025. Leading customers have reiterated their plans to ramp the GAA node in high-volume manufacturing next year. With this transition we continue to expect meaningful increases in our served available market.

Sales and orders in China held up slightly better than expected in Q3. We still expect sales in China to be lower in the second half compared to the first half, and Q4 to be lower than Q3. While visibility for FY 2025 is still limited, we currently assume sales from Chinese customers to be moderately lower in the first half of 2025 compared to the second half of 2024.

For SiC Epi, we still expect a double-digit percentage increase in sales in FY 2024, despite the current market slowdown in this segment, and reflecting the contribution from previously won new customers. We believe that SiC Epi remains an attractive long-term growth market. ASM is well positioned, in particular on the back of our recently launched PE2O8 SiC Epi tool, which combines our proven best-in-class film performance with a new dual-chamber high-productivity platform for 200mm applications."

Outlook

On a currency-comparable level, we project revenue of €770-810 million for Q4 2024. At constant currencies and taking into account the guidance for Q4, we project revenue in the second half of 2024 to increase by slightly more than 15% compared to the first half, and for FY 2024, we expect revenue to show a year-on-year increase of approximately 10%.

For WFE spending, a slight increase is expected in 2024, followed by continued growth in 2025. Based on this, we now expect revenue to be in the range of €3.2-3.6 billion for 2025, in particular driven by GAA related sales, and taking into account continued mixed end market conditions. This compares to our previous revenue target of €3.0-3.6 billion for 2025.

In terms of order intake we expect the level in Q4 to be again solid, albeit lower than in the third quarter. GAA related orders are expected to further increase, offset by a drop in China orders and the effect of aforementioned order pull-ins in Q3.

Share buyback program

On February 27, 2024, ASM announced the authorization of a new share buyback program of up to €150 million. The program started on May 15, 2024, and was completed on July 25, 2024. In total, we repurchased 228,389 shares at an average price of €656.77, under the 2024 program.

About ASM

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, pandemics 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.

Quarterly earnings conference call details

ASM will host the quarterly earnings conference call and webcast on Wednesday, October 30, 2024, 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](#).

Attachment

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