



PRESS RELEASE

BE Semiconductor Industries N.V. Announces Q1-21 Results

**Revenue of € 143.2 Million and Net Income of € 37.6 Million Up 56.8% and 170.5%,
Respectively, vs. Q1-20**

Orders of € 327.1 Million, Up 107.9% vs. Q4-20 and 175.8% vs. Q1-20

Duiven, the Netherlands, April 30, 2021 - BE Semiconductor Industries N.V. (the "Company" or "Besi") (Euronext Amsterdam: BESI; OTC markets: BESIY, Nasdaq International Designation), a leading manufacturer of assembly equipment for the semiconductor industry, today announced its results for the first quarter ended March 31, 2021.

Key Highlights

- Revenue of € 143.2 million, up 30.5% versus Q4-20 primarily due to higher shipments for high end mobile applications with 5G features and functionality. At lower end of prior guidance as some scheduled Q1-21 shipments were delivered in Q2-21 due to certain supply chain constraints. Up 56.8% versus Q1-20
- Orders of € 327.1 million, up 107.9% and 175.8% versus Q4-20 and Q1-20, respectively, due primarily to higher bookings for mobile, automotive and high-performance computing applications
- Gross margin of 58.2% roughly equal to Q4-20 (58.3%) and up 1.5 points versus Q1-20 due to more favorable product mix and increased production efficiencies
- Operating income rose 18.9% and 157.4% versus Q4-20 and Q1-20, respectively, due primarily to significantly higher revenue levels and ongoing initiatives to limit overhead growth
- Net income of € 37.6 million versus € 44.6 million in Q4-20, down € 7.0 million versus Q4-20 due to absence of € 11.2 million tax benefit recorded in Q4-20 and higher share-based compensation. Up € 23.7 million (+170.5%) versus Q1-20
- Cash and deposits of € 605.8 million rose 41.7% versus Q1-20. Similarly, net cash of € 216.2 million increased 45.8% versus Q1-20

Outlook

- Q2-21 revenue expected to grow approximately 30-40% versus Q1-21. Gross margin anticipated to range between 58-60%

(€ millions, except EPS)	Q1-2021	Q4-2020	Δ	Q1-2020	Δ
Revenue	143.2	109.7	+30.5%	91.3	+56.8%
Orders	327.1	157.3	+107.9%	118.6	+175.8%
Operating Income	48.4	40.7	+18.9%	18.8	+157.4%
EBITDA	52.6	45.5	+15.6%	24.0	+119.2%
Net Income*	37.6	44.6	-15.7%	13.9	+170.5%
EPS (basic)	0.51	0.62	-17.7%	0.19	+168.4%
EPS (diluted)	0.47	0.55	-14.5%	0.19	+147.4%
Net Cash & Deposits	216.2	198.7	+8.8%	148.3	+45.8%

* Includes € 11.2 million deferred tax benefits in Q4-20 and share-based compensation expense of € 9.8 million, € 1.5 million and € 5.8 million in Q1-21, Q4-20 and Q1-20, respectively.

Richard W. Blickman, President and Chief Executive Officer of Besi, commented:

"Besi's Q1-21 results highlighted the strength and resilience of our business as we scale production to meet strong demand for our advanced packaging equipment in a challenging environment. Revenue increased by 30.5% versus Q4-20 and by 56.8% versus Q1-20 due primarily to a new smart phone cycle featuring enhanced 5G features and functionality as well as a recovery in sales for automotive



applications. Revenue was at the lower end of guidance as some shipments scheduled for Q1-21 were delivered in Q2-21 due to certain supply chain constraints.

Net income for the quarter was € 37.6 million, an increase of € 23.7 million, or 170.5% versus Q1-20. Adjusted to exclude deferred tax benefits recognized in Q4-20 and share-based compensation expense, net income reached € 47.4 million in Q1-21, an increase of 35.8% versus Q4-20 and 140.6% versus Q1-20. On such basis, net margins grew to 33.1% in Q1-21 versus 31.8% in Q4-20 and 21.6% in Q1-20. Strong profit growth was due primarily to significantly higher revenue levels combined with disciplined overhead management which has limited baseline operating expenses to a narrow range of between approximately € 23-26 million in each of the past eleven quarters. Further, baseline operating expenses as a percentage of revenue declined from 27.8% in Q1-20 to 18.2% in Q1-21, highlighting the significant operating leverage in our business model. Upward gross margin development in Q1-21 was limited by adverse forex influences from a weaker dollar versus the euro and additional costs incurred to rapidly scale production capacity.

Our liquidity position continued to expand in Q1-21 with cash and deposits of € 605.8 million growing 41.7% versus Q1-20 despite a working capital investment of € 35.6 million necessary to finance the rapid expansion of our order book. Similarly, net cash of € 216.2 million increased by 45.8% versus Q1-20.

The industry upturn which started in Q4-20 accelerated in Q1-21. Orders reached a record € 327.1 million, an increase of € 208.5 million, or 175.8%, versus Q1-20 and € 169.8 million, or 107.9%, versus the € 157.3 million recorded in Q4-20. For the six-month period ending March 31, 2021, orders were € 484.4 million, more than double the comparable six-month period comprising Q4-19 and Q1-20. Order strength in Q1-21 reflected a surge in demand across all Besi's product groups and end user markets with particular strength in demand for high end smart phones. In addition, there was significant order growth for automotive applications versus Q4-20 and increased demand for high end logic devices used in high performance computing applications such as AI and data centers. Bookings during the quarter also included initial orders for Besi's hybrid bonding systems from industry leading customers.

At present, our strategic priorities focus primarily on ramping production to meet customer delivery dates and expanding development activities for Besi's wafer level assembly efforts. The industry faces unique production challenges currently as demand accelerates and supply chains are adversely affected by shortages of a variety of essential and non-essential components and transportation and logistics issues amidst the ongoing global pandemic. We have navigated these challenges well via our dual sourcing strategy and inventory stocking of critical parts in order to minimize potential bottlenecks. In addition, we successfully added 264 temporary Asian production personnel between year-end and the end of the quarter to help meet the order surge. Similarly, we are expanding development activities for both our hybrid bonding efforts with Applied Materials, Inc. and our <10 nanometer advanced packaging portfolio as customers seek to build leading edge capacity for next generation applications. Further, we are developing plans to expand our US and Taiwanese development and service footprint in connection with the capex expansion plans announced by a number of our customers.

For Q2-21, we estimate that revenue will increase by 30-40% versus Q1-21 with gross margin levels between 58% and 60%. Operating expenses are anticipated to decrease by 0-5% versus the € 34.9 million realized in Q1-21. Industry analysts continue their positive outlook for assembly equipment sales in 2021 based on the recently announced capex plans of leading industry customers. Besi's incoming order trends to date in Q2-21 remain favorable including incremental orders for hybrid bonding systems which supports our constructive outlook for this emerging process technology."

First Quarter Results of Operations

€ millions	Q1-2021	Q4-2020	Δ	Q1-2020	Δ
Revenue	143.2	109.7	+30.5%	91.3	+56.8%
Orders	327.1	157.3	+107.9%	118.6	+175.8%
Book to Bill Ratio	2.3	1.4	+0.9	1.3	+1.0

Q1-21 revenue of € 143.2 million increased by 30.5% versus Q4-20 due primarily to increased shipments for high-end smartphone applications with enhanced 5G features and functionality and by 56.8% versus Q1-20 primarily as a result of increased shipments for mobile and, to a lesser extent, automotive applications.

Orders for Q1-21 were € 327.1 million, an increase of € 169.8 million, or 107.9%, versus the € 157.3 million recorded in Q4-20 and an increase of € 208.5 million, or 175.8%, versus Q1-20. Order strength in Q1-21 reflected a surge in demand across all Besi's product groups and end user markets. By customer type, subcontractor orders increased sequentially by € 116.6 million, or 146.3%, versus Q4-20 and represented approximately 60% of total orders during the quarter. IDM orders increased by € 53.2 million, or 68.6%, and represented approximately 40% of total orders.

	Q1-2021	Q4-2020	Δ	Q1-2020	Δ
Gross Margin	58.2%	58.3%	-0.1	56.7%	+1.5
Operating Expenses*	34.9	23.3	+49.8%	33.0	+5.8%
Financial Expense, net	4.5	3.8	+18.4%	2.6	+73.1%
EBITDA	52.6	45.5	+15.6%	24.0	+119.2%

* Includes € 9.8 million, € 1.5 million and € 5.8 million of share-based compensation expense in Q1-21, Q4-20 and Q1-20, respectively.

Besi's gross margin reached 58.2% in Q1-21, roughly equal to Q4-20 (58.3%). The Q1-21 gross margin was adversely influenced by forex effects from the decrease of the US dollar versus the euro and additional costs incurred to align Besi's production levels with significantly increased order volume. Versus Q1-20, Besi's gross margin increased by 1.5 points due primarily to a more favorable product mix and improved capacity utilization despite adverse forex effects from the decrease of the US dollar versus the euro.

Q1-21 operating expenses increased by € 11.6 million (+49.8%) versus Q4-20 due primarily to € 8.3 million of higher share-based compensation expense and, to a lesser extent, increased sales related expenses associated with Besi's 30.5% sequential revenue growth. Operating expenses grew by € 1.9 million, or 5.8%, versus Q1-20 primarily due to € 4.0 million higher share-based compensation expense.

Financial expense, net, increased by € 0.7 million versus Q4-20 primarily due to increased hedging costs associated with increased bookings. Versus Q1-20, financial expense, net increased by € 1.9 million due primarily to the issuance of the 0.75% Convertible Notes issued in August 2020.

	Q1-2021	Q4-2020	Δ	Q1-2020	Δ
Net Income	37.6	44.6	-15.7%	13.9	+170.5%
Net Margin	26.3%	40.7%	-14.4	15.2%	+11.1
Tax Rate	14.3%	-21.2%	+35.5	14.4%	-0.1
As adjusted*:					
Net Income	47.4	34.9	+35.8%	19.7	+140.6%
Net Margin	33.1%	31.8%	+1.3	21.6%	+11.5
Tax Rate	11.7%	8.8%	+2.9	10.6%	+1.1

* As adjusted to exclude € 11.2 million deferred tax benefits in Q4-20 and share-based compensation expense of € 9.8 million, € 1.5 million and € 5.8 million in Q1-21, Q4-20 and Q1-20, respectively.

Besi's Q1-21 net income decreased by € 7.0 million versus Q4-20 due to the absence of € 11.2 million of deferred tax assets recognized in Q4-20 and € 8.3 million of increased share-based compensation expense. Excluding such items, adjusted Q1-21 net income increased by 35.8% to reach € 47.4 million. As compared to Q1-20, net income increased by € 23.7 million (+170.5%) due primarily to a 56.8% year over year revenue increase and increased gross margins partially offset by € 1.9 million, or 5.8%, operating expense growth.

Financial Condition

	Q1-2021	Q4-2020	Δ	Q1-2020	Δ
Total Cash and Deposits	605.8	598.7	+1.2%	427.6	+41.7%
Net Cash and Deposits	216.2	198.7	+8.8%	148.3	+45.8%
Cash flow from Operations	26.2	51.7	-49.3%	26.6	-1.5%

Total cash and deposits of € 605.8 million at the end of Q1-21 grew by 1.2% versus Q4-20 and 41.7% versus Q1-20, due to the issuance of the Convertible Notes in August 2020 and increased cash flow from operations. Besi's net cash of € 216.2 million at the end of Q1-21 increased by € 17.5 million (+8.8%) versus year end and by € 67.9 million (+45.8%) versus Q1-20. During the quarter, Besi generated cash flow from operations of € 26.2 million which was used to fund (i) € 10.1 million of share repurchases, € 5.9 million of capitalized development spending and (iii) € 1.4 million of capital expenditures.

Favourable net cash development in Q1-21 was also positively influenced by the conversion of € 13.3 million principal amount of Besi's Convertible Notes due 2023. An additional € 49.1 million of Convertible Notes were converted in April 2021, resulting in a principal balance outstanding of € 47.6 million. As such, Besi's shares outstanding have increased from 72.9 million at December 31, 2020 to 75.5 million at April 30, 2021.

Share Repurchase Activity

Besi repurchased 169,545 of its ordinary shares during Q1-21 at an average price of € 59.45 per share for a total of € 10.1 million. Cumulatively, as of March 31, 2021, a total of 3.7 million shares have been purchased under the current € 125 million share repurchase plan at an average price of € 25.67 per share for a total of € 94.9 million. As of March 31, 2021, Besi held approximately 5.2 million shares in treasury at an average cost of € 17.78, equal to 6.6% of its shares outstanding.

Outlook

Based on its current outlook and feedback from customers and suppliers, Besi estimates for Q2-21 that:

- Revenue will increase by approximately 30-40% versus the € 143.2 million reported in Q1-21
- Gross margin will range between 58%-60% versus the 58.2% realized in Q1-21
- Operating expenses will decrease by approximately 0-5% versus the € 34.9 million reported in Q1-21

Investor and media conference call

A conference call and webcast for investors and media will be held today at 4:00 pm CET (10:00 am EST). The dial-in for the conference call is (31) 20 531 5851. To access the audio webcast and webinar slides, please visit www.besi.com.

Important Dates 2021

- | | |
|--------------------------------------|------------------|
| • Besi AGM* | April 30, 2021 |
| • Analyst Meeting | June 10, 2021 |
| • Publication Q2/semi-annual results | July 27, 2021 |
| • Publication Q3/nine-month results | October 26, 2021 |
| • Publication Q4/full year results | February 2022 |

**Dividend Information****

- | | |
|-------------------------------------|----------------------|
| • Proposed ex-dividend date | May 4, 2021 |
| • Proposed record date | May 5, 2021 |
| • Proposed payment of 2020 dividend | Starting May 7, 2021 |

* Virtual AGM meeting commencing at 10:00 am CET

** Subject to approval at Besi's AGM

Basis of presentation

The condensed financial statements included in this press release have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. Reference is made to the Summary of Significant Accounting Policies to the Notes to the Consolidated Financial Statements as included in our 2020 Annual Report which is available on www.besi.com.

About Besi

Besi is a leading supplier of semiconductor assembly equipment for the global semiconductor and electronics industries offering high levels of accuracy, productivity and reliability at a low cost of ownership. The Company develops leading edge assembly processes and equipment for leadframe, substrate and wafer level packaging applications in a wide range of end-user markets including electronics, mobile internet, cloud server, computing, automotive, industrial, LED and solar energy. Customers are primarily leading semiconductor manufacturers, assembly subcontractors and electronics and industrial companies. Besi's ordinary shares are listed on Euronext Amsterdam (symbol: BESI). Its Level 1 ADRs are listed on the OTC markets (symbol: BESIY Nasdaq International Designation) and its headquarters are located in Duiven, the Netherlands. For more information, please visit our website at www.besi.com.

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Caution Concerning Forward Looking Statements

This press release contains statements about management's future expectations, plans and prospects of our business that constitute forward-looking statements, which are found in various places throughout the press release, including, but not limited to, statements relating to expectations of orders, net sales, product shipments, expenses, timing of purchases of assembly equipment by customers, gross margins, operating results and capital expenditures. The use of words such as "anticipate", "estimate", "expect", "can", "intend", "believes", "may", "plan", "predict", "project", "forecast", "will", "would", and similar expressions are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. The financial guidance set forth under the heading "Outlook" contains such forward looking statements. While these forward looking statements represent our judgments and expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from those contained in forward looking statements, including any inability to maintain continued demand for our products; failure of anticipated orders to materialize or postponement or cancellation of orders, generally without charges; the volatility in the demand for semiconductors and our products and services; the extent and duration of the COVID-19 pandemic and measures taken to contain the outbreak, and the associated adverse impacts on the global economy, financial markets, and our operations as well as those of our customers and suppliers; failure to develop new and enhanced products and introduce them at competitive price levels; failure to adequately decrease costs and expenses as revenues decline; loss of significant customers, including through industry consolidation or the emergence of industry alliances; lengthening of the sales cycle; acts of terrorism and violence; disruption or failure of our information technology systems; inability to forecast demand and inventory levels for our products; the integrity of product pricing and protection of our intellectual



property in foreign jurisdictions; risks, such as changes in trade regulations, currency fluctuations, political instability and war, associated with substantial foreign customers, suppliers and foreign manufacturing operations, particularly to the extent occurring in the Asia Pacific region; potential instability in foreign capital markets; the risk of failure to successfully manage our diverse operations; any inability to attract and retain skilled personnel, including as a result of restrictions on immigration, travel or the availability of visas for skilled technology workers as a result of the COVID-19 pandemic; those additional risk factors set forth in Besi's annual report for the year ended December 31, 2020 and other key factors that could adversely affect our businesses and financial performance contained in our filings and reports, including our statutory consolidated statements. We expressly disclaim any obligation to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

Consolidated Statements of Operations

<i>(euro in thousands, except share and per share data)</i>	Three Months Ended	
	March 31,	
	(unaudited)	
	2021	2020
Revenue	143,203	91,339
Cost of sales	59,924	39,591
Gross profit	83,279	51,748
Selling, general and administrative expenses	26,666	23,522
Research and development expenses	8,258	9,431
Total operating expenses	34,924	32,953
Operating income	48,355	18,795
Financial expense, net	4,477	2,612
Income before income tax	43,878	16,183
Income tax expense	6,271	2,331
Net income	37,607	13,852
Net income per share – basic	0.51	0.19
Net income per share – diluted	0.47	0.19
Number of shares used in computing per share amounts:		
- basic	73,264,733	72,169,423
- diluted ¹	85,435,033	82,700,840

⁽¹⁾ The calculation of diluted income per share assumes the exercise of equity-settled share-based payments and the conversion of all Convertible Notes

Consolidated Balance Sheets

<i>(euro in thousands)</i>	March 31, 2021 (unaudited)	December 31, 2020 (audited)
ASSETS		
Cash and cash equivalents	347,979	375,406
Deposits	257,847	223,299
Trade receivables	147,737	93,218
Inventories	61,709	51,645
Other current assets	17,655	11,964
Total current assets	832,927	755,532
Property, plant and equipment	27,739	27,840
Right of use assets	8,958	9,873
Goodwill	44,851	44,484
Other intangible assets	54,078	50,660
Deferred tax assets	21,177	21,924
Other non-current assets	1,078	1,043
Total non-current assets	157,881	155,824
Total assets	990,808	911,356
Trade payables	65,351	44,017
Other current liabilities	83,155	57,469
Total current liabilities	148,506	101,486
Long-term debt	389,614	399,956
Lease liabilities	6,348	6,952
Deferred tax liabilities	12,905	12,840
Other non-current liabilities	18,887	18,895
Total non-current liabilities	427,754	438,643
Total equity	414,548	371,227
Total liabilities and equity	990,808	911,356

Consolidated Cash Flow Statements

<i>(euro in thousands)</i>	Three Months Ended	
	March 31,	
	(unaudited)	
	2021	2020
Cash flows from operating activities:		
Income before income tax	43,878	16,183
Depreciation and amortization	4,209	5,175
Share-based payment expense	9,794	5,844
Financial expense, net	4,477	2,612
Changes in working capital	(35,567)	(2,875)
Income tax paid	(301)	(106)
Interest paid	(262)	(274)
Net cash provided by operating activities	26,228	26,559
Cash flows from investing activities:		
Capital expenditures	(1,388)	(872)
Proceeds from sale of property	54	-
Capitalized development expenditures	(5,905)	(3,697)
Repayments of (investments in) deposits	(35,770)	50,000
Net cash provided by (used in) investing activities	(43,009)	45,431
Cash flows from financing activities:		
Proceeds from bank lines of credit	-	32
Proceeds from (payments on) debts	527	(11)
Payments on lease liabilities	(890)	(873)
Purchase of treasury shares	(10,097)	(3,145)
Net cash used in financing activities	(10,460)	(3,997)
Net change in cash and cash equivalents	(27,241)	67,993
Effect of changes in exchange rates on cash and cash equivalents	(186)	1,248
Cash and cash equivalents at beginning of the period	375,406	278,398
Cash and cash equivalents at end of the period	347,979	347,639

Supplemental Information (unaudited)

(euro in millions, unless stated otherwise)

REVENUE	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Q1-2021	
Per geography:										
Asia Pacific	77.6	85%	105.7	85%	86.6	80%	91.1	83%	113.4	79%
EU / USA	13.7	15%	18.6	15%	21.7	20%	18.6	17%	29.8	21%
Total	91.3	100%	124.3	100%	108.3	100%	109.7	100%	143.2	100%
ORDERS	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Q1-2021	
Per geography:										
Asia Pacific	102.0	86%	88.1	87%	75.9	80%	122.7	78%	253.2	77%
EU / USA	16.6	14%	13.2	13%	19.0	20%	34.6	22%	73.9	23%
Total	118.6	100%	101.3	100%	94.9	100%	157.3	100%	327.1	100%
Per customer type:										
IDM	47.4	40%	44.6	44%	43.7	46%	77.6	49%	130.8	40%
Subcontractors	71.2	60%	56.7	56%	51.2	54%	79.7	51%	196.3	60%
Total	118.6	100%	101.3	100%	94.9	100%	157.3	100%	327.1	100%
HEADCOUNT	Mar 31, 2020		Jun 30, 2020		Sep 30, 2020		Dec 31, 2020		Mar 31, 2021	
Fixed staff (FTE)										
Asia Pacific	1,071	70%	1,067	70%	1,054	70%	1,060	70%	1,070	70%
EU / USA	458	30%	455	30%	459	30%	463	30%	468	30%
Total	1,529	100%	1,522	100%	1,513	100%	1,523	100%	1,538	100%
Temporary staff (FTE)										
Asia Pacific	42	46%	121	72%	95	63%	35	37%	299	82%
EU / USA	50	54%	48	28%	57	37%	60	63%	64	18%
Total	92	100%	169	100%	152	100%	95	100%	363	100%
Total fixed and temporary staff (FTE)	1,621		1,691		1,665		1,618		1,901	
OTHER FINANCIAL DATA	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Q1-2021	
Gross profit	51.7	56.7%	77.0	62.0%	65.9	60.8%	64.0	58.3%	83.3	58.2%
Selling, general and admin expenses:										
As reported	23.5	25.7%	20.1	16.2%	16.3	15.1%	15.8	14.4%	26.7	18.6%
Share-based compensation expense	(5.8)	-6.3%	(2.2)	-1.8%	(1.0)	-1.0%	(1.5)	-1.4%	(9.8)	-6.8%
SG&A expenses as adjusted	17.7	19.4%	17.9	14.4%	15.3	14.1%	14.3	13.0%	16.9	11.8%
Research and development expenses:										
As reported	9.4	10.3%	8.4	6.8%	7.6	7.0%	7.4	6.8%	8.3	5.8%
Capitalization of R&D charges	3.7	4.1%	4.3	3.5%	4.3	4.0%	5.4	4.9%	5.9	4.1%
Amortization of intangibles	(2.6)	-2.8%	(2.1)	-1.7%	(2.1)	-2.0%	(2.2)	-2.0%	(1.7)	-1.2%
R&D expenses as adjusted	10.5	11.5%	10.6	8.5%	9.8	9.0%	10.6	9.7%	12.5	8.7%
Financial expense (income), net:										
Interest expense (income), net	2.6		2.5		3.1		3.6		3.4	
Hedging results	0.7		0.5		0.3		0.3		0.7	
Foreign exchange effects, net	(0.7)		(0.3)		(0.2)		(0.1)		0.4	
Total	2.6		2.7		3.2		3.8		4.5	
Operating income (loss)										
as % of net sales	18.8	20.6%	48.4	39.0%	42.0	38.8%	40.7	37.1%	48.4	33.8%
EBITDA										
as % of net sales	24.0	26.3%	53.1	42.7%	46.5	42.9%	45.5	41.5%	52.6	36.7%
Net income (loss)										
as % of net sales	13.9	15.2%	39.8	32.0%	34.0	31.3%	44.6	40.7%	37.6	26.3%
Income per share										
Basic	0.19		0.55		0.47		0.62		0.51	
Diluted	0.19		0.50		0.43		0.55		0.47	