



# INVESTOR PRESENTATION Q1-2016 RESULTS

APRIL 29, 2016

This presentation 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, backlog, 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; failure to adequately decrease costs and expenses as revenues decline; loss of significant customers; lengthening of the sales cycle; acts of terrorism and violence; 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; potential instability in foreign capital markets; the risk of failure to successfully manage our diverse operations; those additional risk factors set forth in Besi's annual report for the year ended December 31, 2015; any inability to attract and retain skilled personnel; 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.



- I. Key Highlights
- II. Financial Review
- III. Strategic Highlights
- IV. Outlook



# I. KEY HIGHLIGHTS



## Besix Reports Q1-16 Revenue and Net Income of € 79.0 Million and € 8.0 Million, Respectively. Results Meet Expectations. Q1-16 Orders Increase by 34.4% Sequentially

### Revenue

- **€ 79.0 million:**
  - +1.5% vs. Q4-15
  - -16.8% vs. Q1-15

### Orders

- **€ 103.9 million:**
  - +34.4% vs. Q4-15
  - -0.3% vs. Q1-15

### Net Income

- **€ 8.0 million:**
  - -€ 1.7 million vs. Q4-15
  - -€ 9.5 million vs. Q1-15 (-€ 5.5 million as adjusted)

### Liquidity

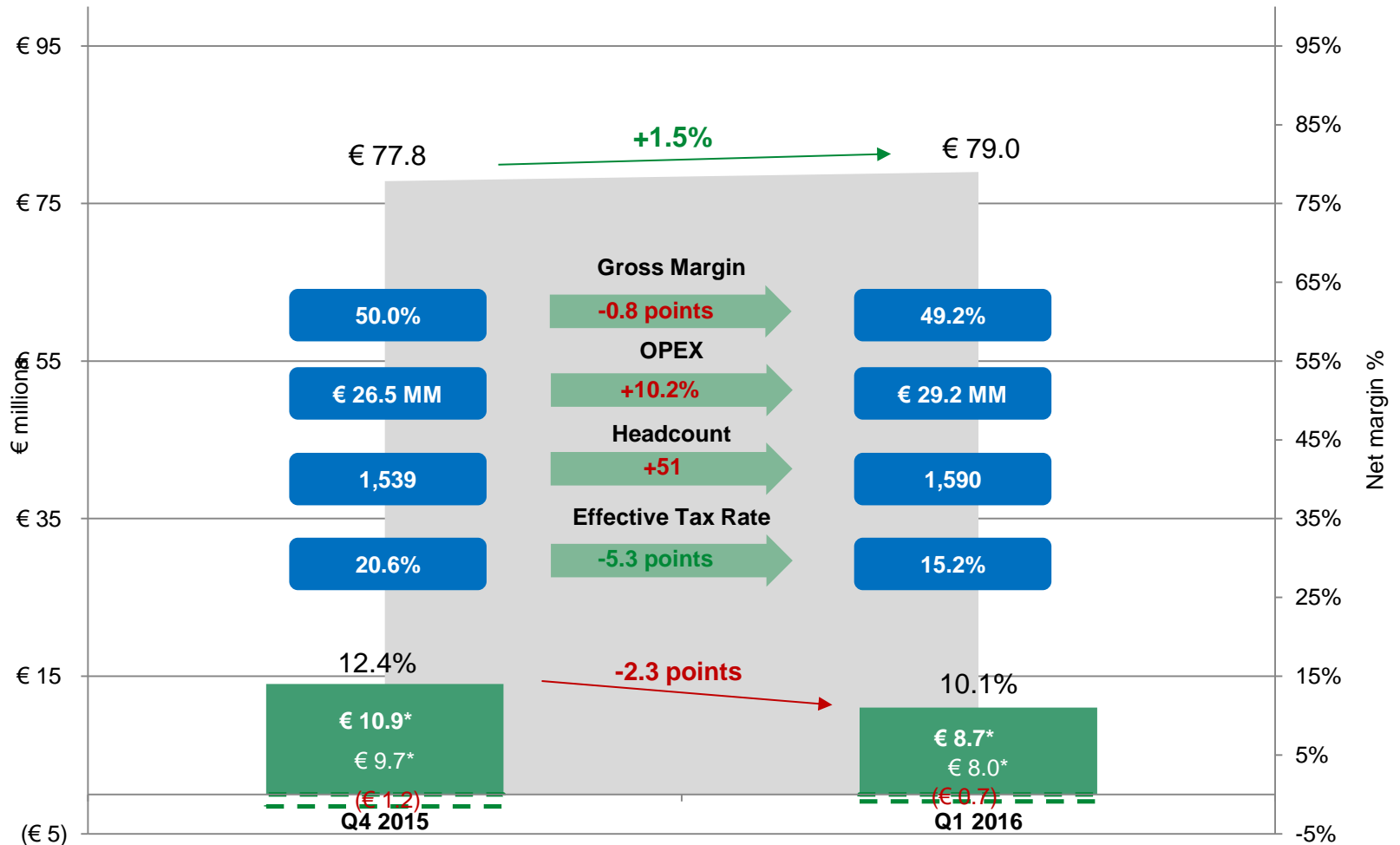
- **Net cash of € 148.4 million:**
  - +€ 11.9 million vs. Q4-15
  - +€ 15.3 million vs. Q1-15

# Quarterly Sequential Financial Highlights



## Q1-16/Q4-15

■ Revenue ■ Net Income ex. NR ■ Non Recurring

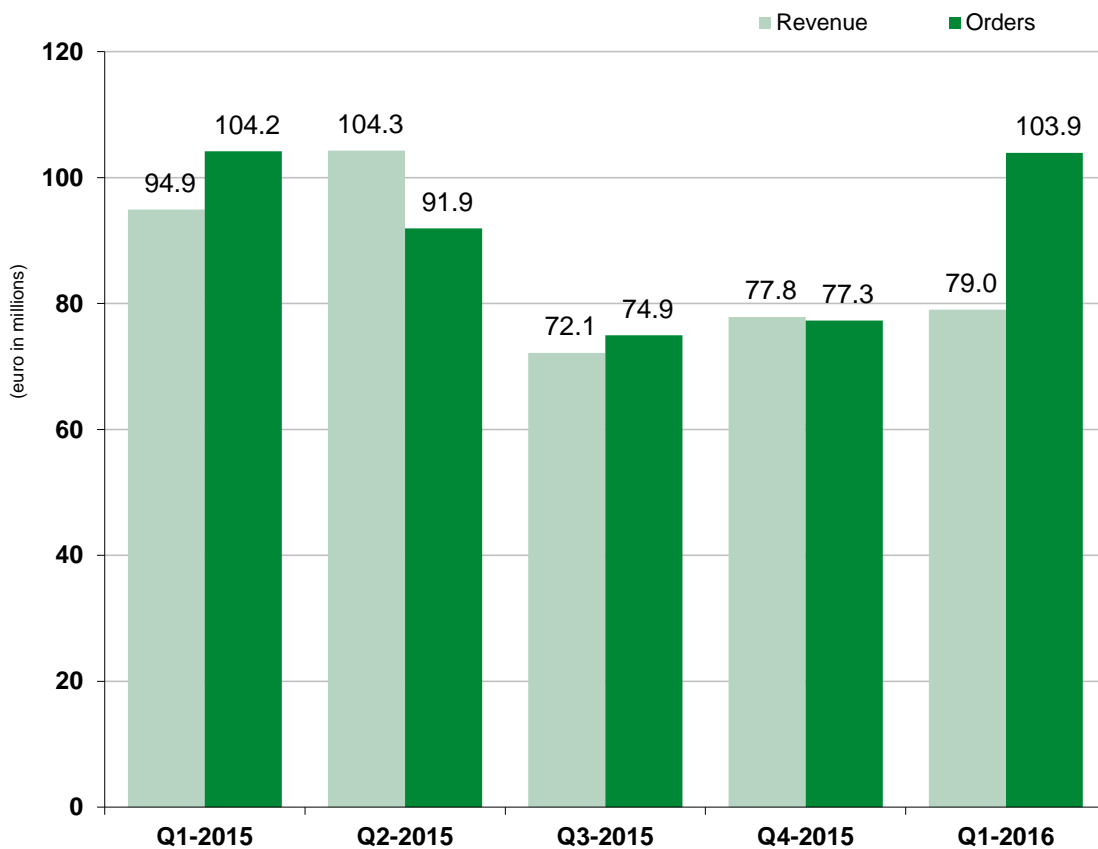


\* As adjusted



## II. FINANCIAL REVIEW





## Q1-16 vs. Q4-15

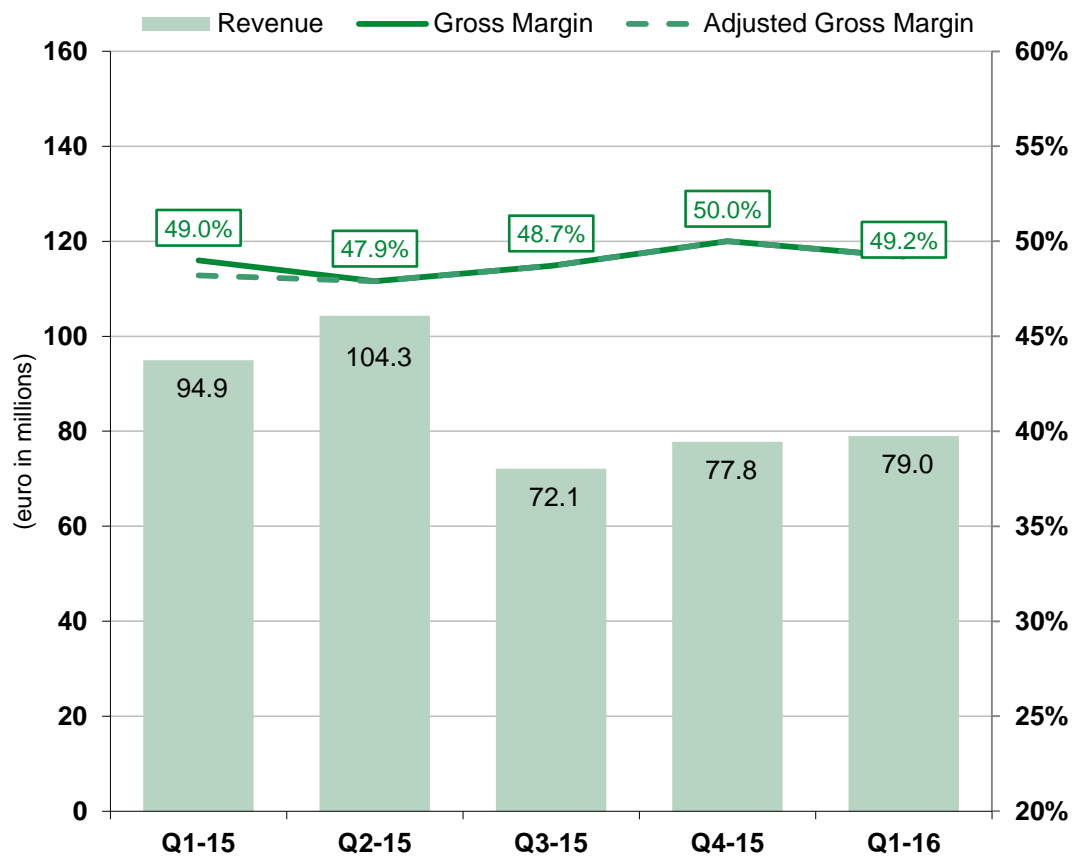
- **Revenue: € 79.0 million (+1.5%)**
  - Slightly above mid point of guidance
  - Industry conditions firmed
  - +Die attach/packaging sales for smart phones
  - Partial offset: lower sales for high end memory and PC/tablet related applications
- **Orders: € 103.9 million (+34.4%)**
  - +Chinese and Taiwanese subcontractors for smart phone applications
  - +IDM demand for high end memory and cloud server applications
  - +€ 25.7 million (+79.1%) subcontractors
  - +€ 0.9 million (+2.0%) IDMs

## Q1-16 vs. Q1-15

- **Revenue: -€ 15.9 million (-16.8%)**
  - -Lower smart phone and mainstream electronics applications due to H2-15 downturn
- **Orders: -€ 0.3 million (-0.3%)**



# Gross Margin Trends



\* Excludes net restructuring benefit

## Q1-16 vs. Q4-15

- **49.2% vs. 50.0%**
- Exceeded high end of guidance
- € 0.3 million European restructuring charges
- Higher personnel costs/higher orders

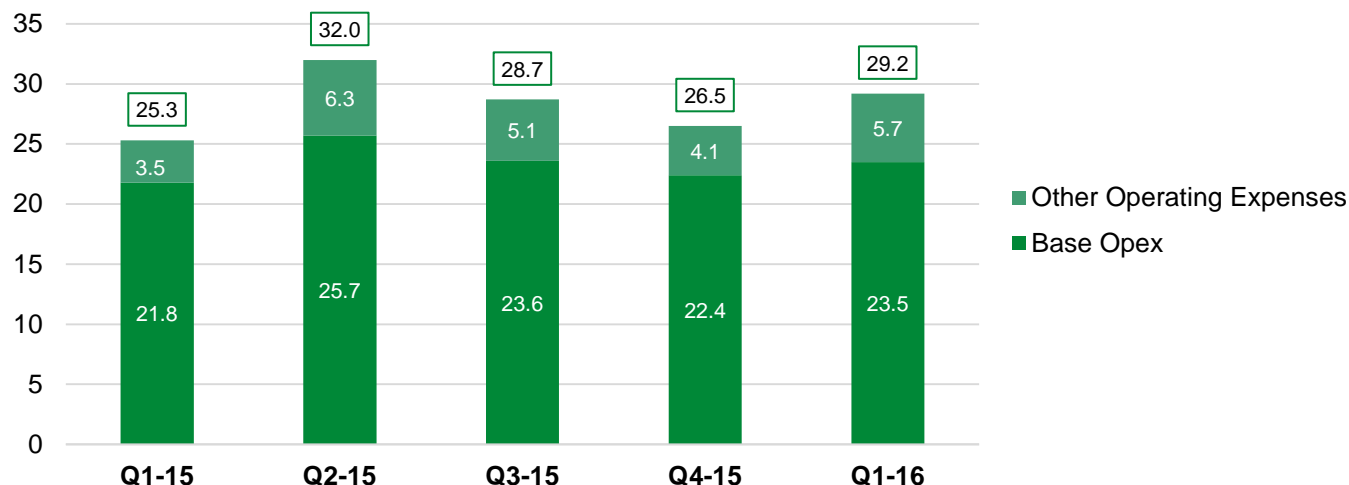
## Q1-16 vs. Q1-15

- **49.2% vs. 49.0%**
- Increased materials cost efficiencies
- Net forex benefits:
  - Revenue: +USD vs. euro
  - Costs: -MYR vs. euro, -CHF vs. euro
- Partial offset: absence of € 0.7 million net restructuring benefit in Q1-15

# Base Line Operating Expense Trends



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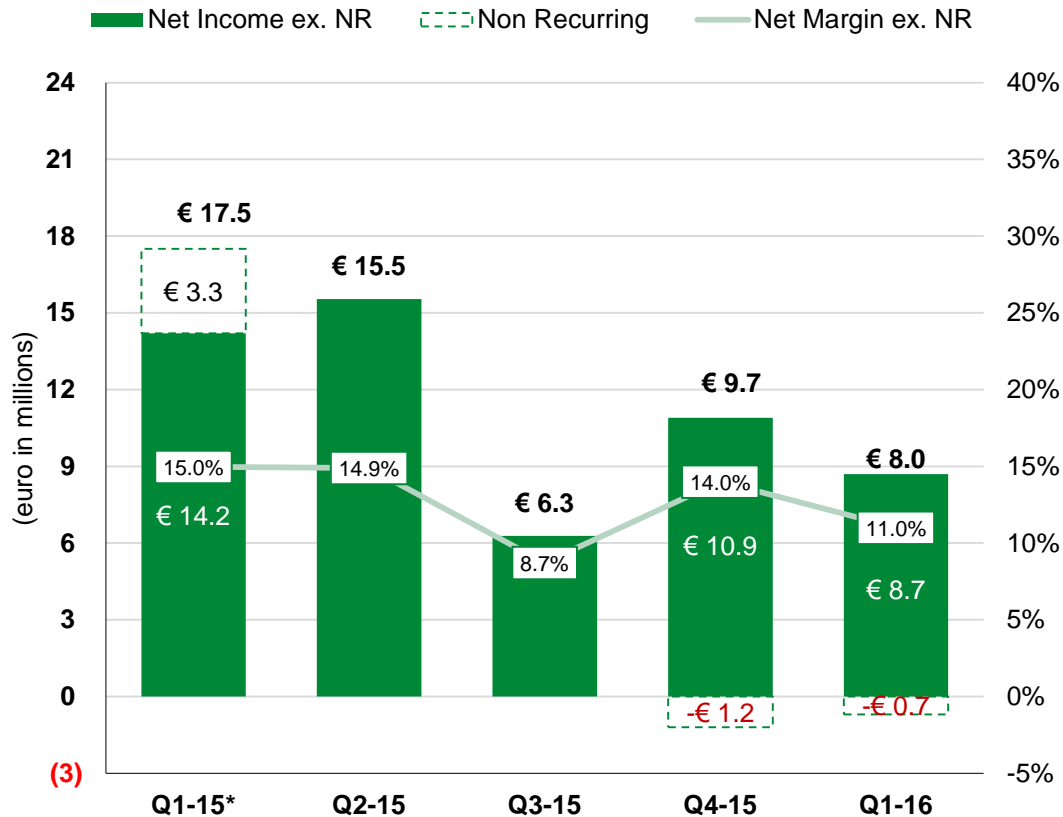


Baseline Opex	21.8	25.7	23.6	22.4	23.5
<b>Other Operating Expenses</b>					
Capitalization of R&D	(1.5)	(1.4)	(1.2)	(1.5)	(1.8)
Amortization of R&D	1.7	2.2	2.3	2.4	2.2
<i>Capitalization &amp; Amortization, net</i>	<i>0.2</i>	<i>0.8</i>	<i>1.0</i>	<i>0.9</i>	<i>0.4</i>
Variable Pay (a)	4.0	3.5	2.7	2.3	5.0
Restructuring cost/(benefit)	(3.0)	0.1	0.2	0.0	0.4
Forex (b)	2.3	1.9	1.2	0.9	(0.1)
<b>Subtotal</b>	<b>3.5</b>	<b>6.3</b>	<b>5.1</b>	<b>4.1</b>	<b>5.7</b>
<b>Total</b>	<b>25.3</b>	<b>32.0</b>	<b>28.7</b>	<b>26.5</b>	<b>29.2</b>

(a) Includes both incentive comp and sales based variable comp

(b) Year over year comparison

# Net Income Trends



## Q1-16 vs. Q4-15

- -€ 1.7 million (-€ 2.2 million as adjusted)
- +1.5% revenue
- -0.8% gross margin
- +10.2% operating expenses
- Lower effective tax rate
- Net margin of 10.1% (11.0% as adjusted)

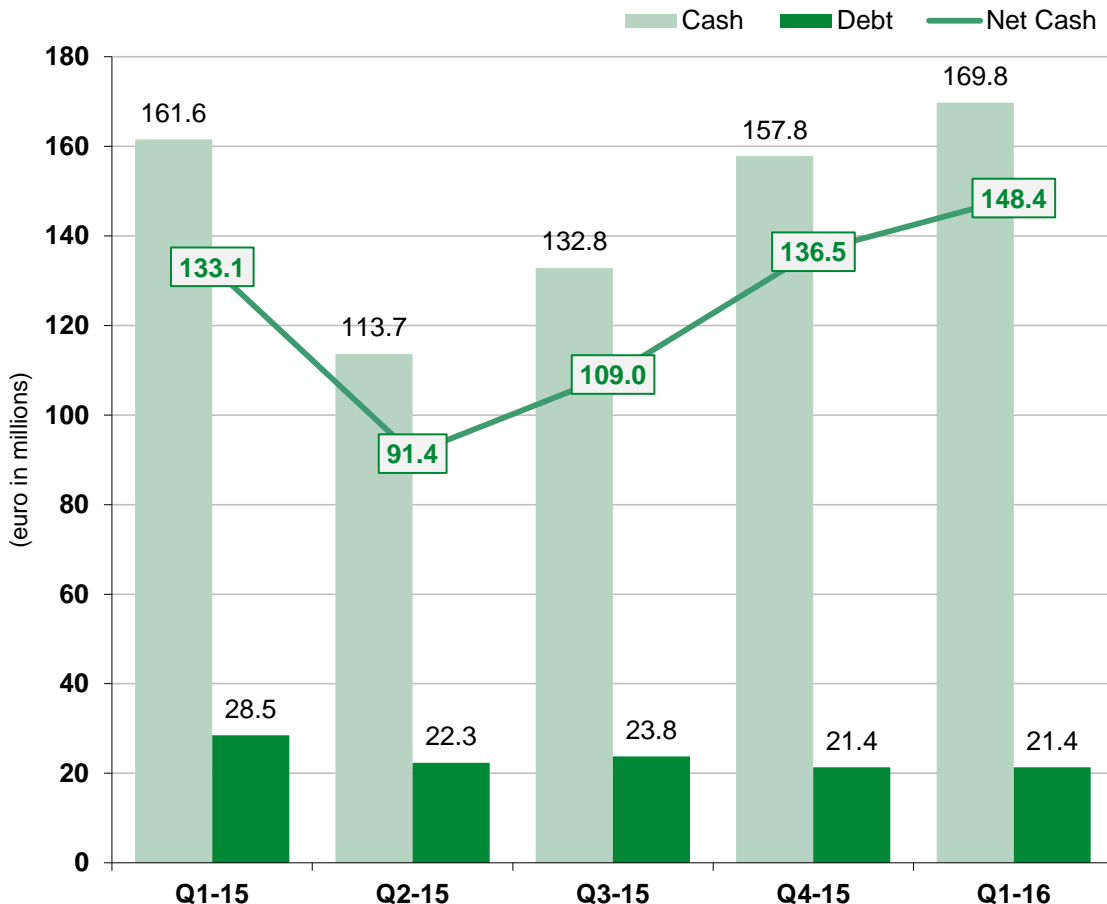
## Q1-16 vs. Q1-15

- -€ 9.5 million (-€ 5.5 million adjusted)
- -16.8% revenue
- +15.4% operating expenses
- +0.2% gross margins

\* Adjusted to exclude:

- Deferred tax adjustment (Q4-15) (€ 1.2 million)
- Net restructuring benefit (Q1-15) (€ 3.3 million)
- Restructuring charges (Q1-16) (€ 0.7 million)

# Liquidity Trends



## Q1-16 vs. Q4-15

- Net cash +€ 11.9 million (8.7%) to € 148.4 million

## Q1-16 cash movements

### Principal sources of cash

- € 20.0 million cash from operations

### Principal uses of cash

- -€ 5.5 million share repurchases
- -€ 1.8 million capitalized R&D
- -€ 0.9 million capex

## Q1-16 vs. Q1-15

- Net cash +€ 15.3 million (+11.5%)

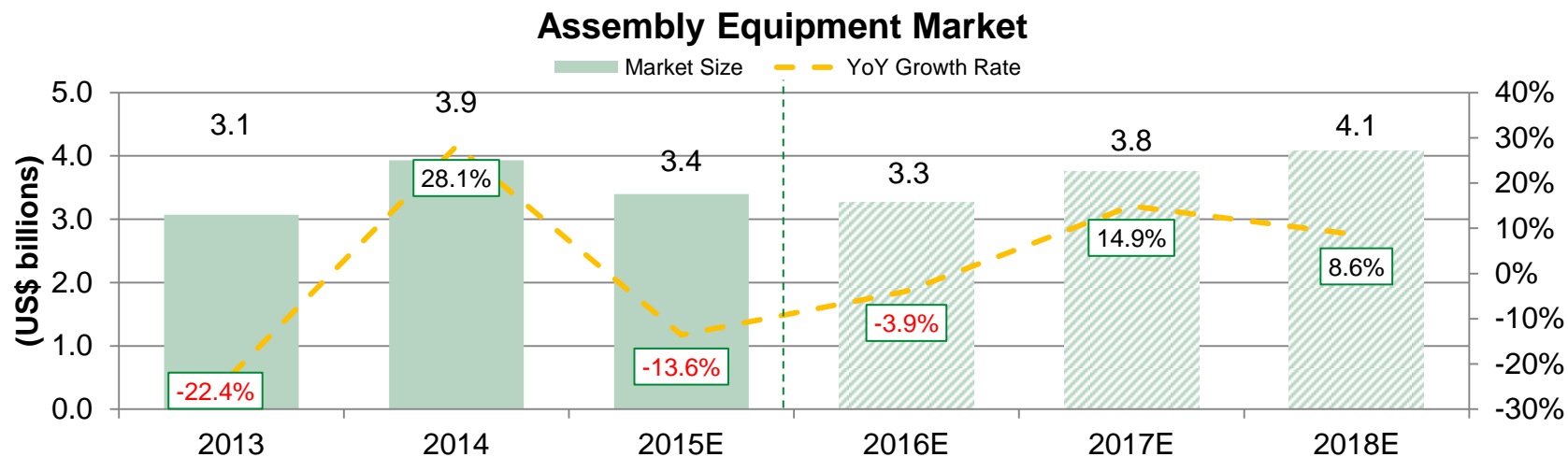


### III. STRATEGIC HIGHLIGHTS

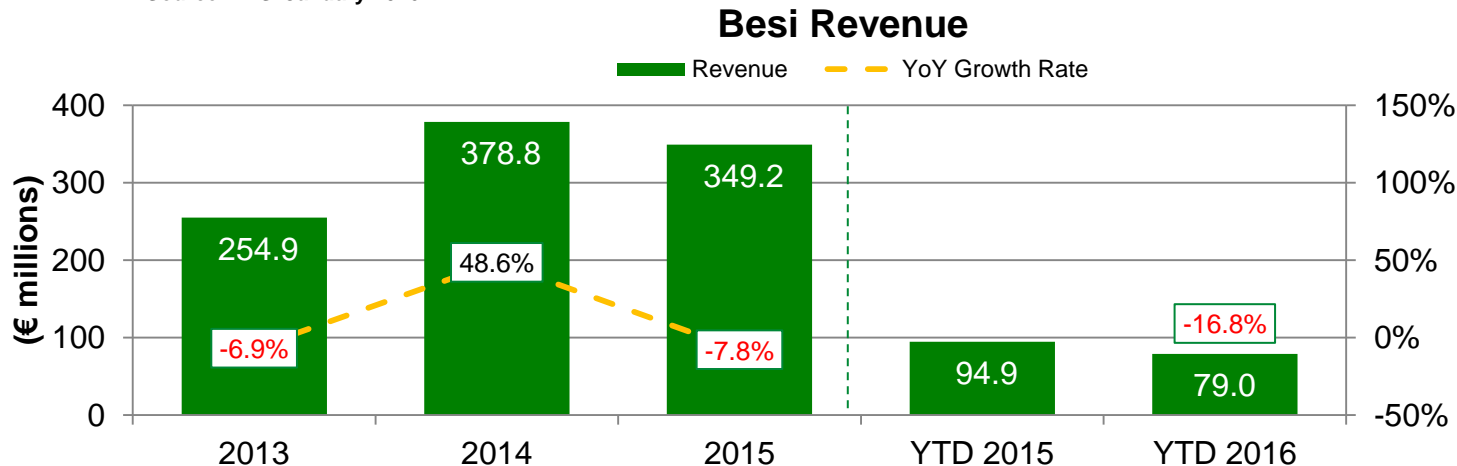
# Assembly Equipment Market Trends



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Source: VLSI January 2016



- 2015 market contraction post large 2014 capacity build
- Modest downturn forecast for 2016. Growth reaccelerates in 2017 and 2018
- Besii revenue growth exceeding assembly market over past three years

# Besi Share of Wallet



In USD	Die Attach				Packaging			
	2012	2013	2014	2015	2012	2013	2014	2015
<b>Subcontractors</b>								
ASE	65%	60%	70%	80%	35%	65%	35%	25%
Amkor	75%	85%	90%	95%	45%	10%	20%	25%
JCET (a)	75%	50%	70%	30%	0%	10%	0%	5%
STATSChippac (a)	95%	100%	85%	N/B	30%	100%	100%	N/B
SPIL	50%	95%	90%	100%	35%	75%	20%	25%
Nantong Fujitsu	N/B	70%	100%	100%	N/B	15%	0%	35%
UTAC	N/B	N/B	100%	100%	N/B	100%	N/B	100%
Unisem	90%	85%	100%	100%	N/B	N/B	N/B	100%
Cowell/Foxconn (Camera Modules)	100%	N/B	100%	65%	N/B	N/B	N/B	N/B
<b>IDMs (b)</b>								
Skyworks	100%	95%	100%	100%	15%	25%	40%	90%
ST Micro	90%	70%	80%	95%	45%	75%	40%	45%
Infineon	80%	100%	100%	90%	0%	25%	90%	95%
Micron	85%	100%	45%	80%	50%	N/B	100%	100%
NXP	N/B	100%	100%	100%	N/B	5%	100%	55%
Bosch Europe	100%	100%	100%	95%	100%	0%	100%	100%
Samsung (c)	5%	0%	N/B	N/B	0%	100%	N/B	N/B
% of product revenue	49%	52%	64%	41%	54%	70%	65%	70%

- Customers are largest semi mfrs.
  - Most advanced packaging applications
- Strong customer market shares:
  - $\approx$  30-100% of die attach requirements
  - $\approx$  25-100% of packaging requirements
- Customer market shares p.a. vary based on capacity needs and development cycles
- Primary competition:
  - Die Attach: ASM-PT, Hitachi, Shinkawa, Toray
  - Packaging: Towa, Hanmi, ASM-PT

N/B No reported bookings for Besi nor its competitors

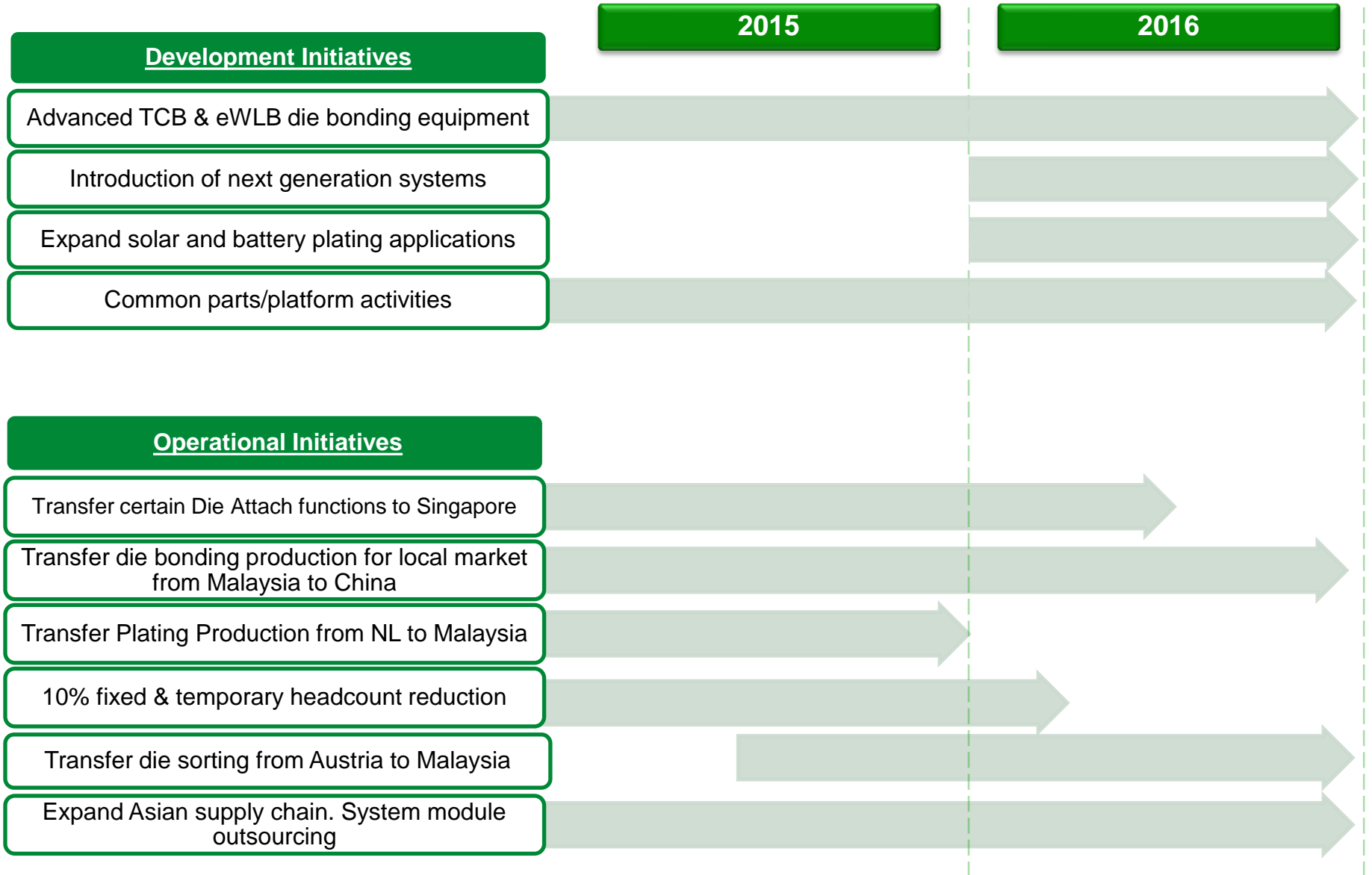
- Merger completed August 2015
- Fabless semiconductor companies such as Qualcomm, Broadcom and Mediatek have assembly production done by subcontractors
- Samsung satisfies most of its equipment needs internally, particularly for leading edge applications



# Key Development & Operational Initiatives

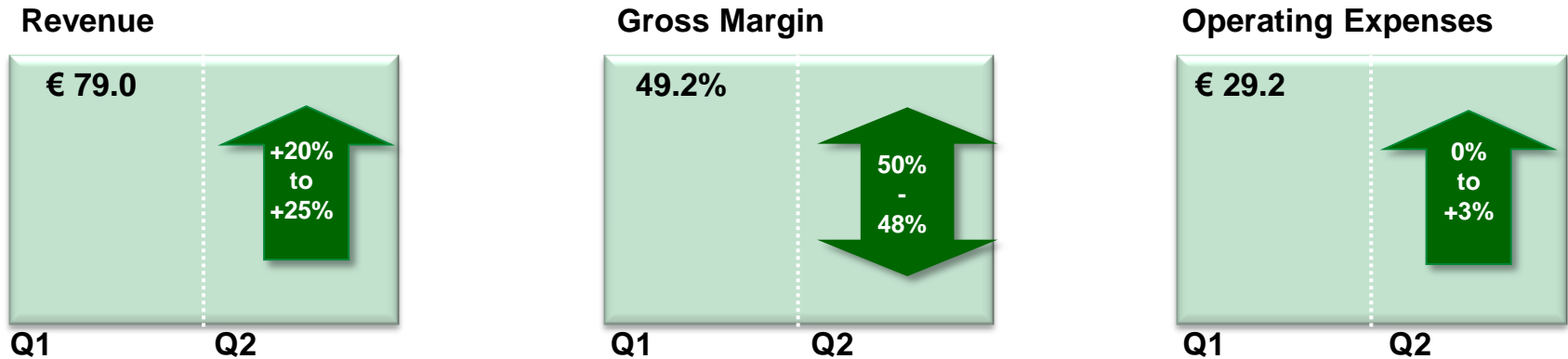


**Besi**





## IV. OUTLOOK



- Revenue +20-25% vs. Q1-16
- Gross margins 48-50%
- Opex up 0-3% vs. Q1-16
- Significant sequential operating growth forecast based on revenue growth and cost/expense development
- Share repurchase program continues

# Financial Calendar



20-May-16	<b>Rabobank Investor Conference, Milan</b>
25-May-16	<b>Benelux Equities Conference, ABN AMRO, Amsterdam</b>
7/8/9-June-16	<b>Pan European Days ABN AMRO, New York, Boston</b>
22-Jun-16	<b>Rabobank Investor Conference, London</b>
29/30-Jun-16	<b>European Midcap Event, Paris</b>
28-Jul-16	<b>2016 Second Quarter Results</b>
10/11Aug-16	<b>Canaccord Genuity Growth Conference, Boston</b>
7/8-Sep-16	<b>ING Benelux Conference, London</b>
16-Sep-16	<b>Autumn Conference Kepler Cheuvreux, Paris</b>
27-Oct-16	<b>2016 Third Quarter Results</b>
16/18-Nov-16	<b>Morgan Stanley TMT Conference, Barcelona</b>
23/24-Nov-16	<b>Benelux Conference Kempen, London</b>
7/8-Dec-16	<b>ING Benelux Conference, New York</b>