ASML Holding (ASML.AS): 2Q26 First Take: Strong orders underpin robust EUV/DUV capacity outlook

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ASML's 2Q26 revenue was 6% above Visible Alpha Consensus Data and EBIT came in 13% ahead of consensus. As such, the company upgraded its guidance for 2026 and expects revenue of between €43bn and €45bn (vs. €36bn to €40bn prior) with gross margin of 54%-56% (vs. 51%-53% prior). As such, we note that the guide for 2026 implies revenue broadly 11% ahead of consensus at the mid-point (and 14% ahead at the top end of guide). Furthermore, ASML continues to see strong growth in its EUV segment and expects its EUV business to grow 45% yoy, with its DUV and Metrology business now expected to grow 25% yoy. Additionally, management stated that it expects to ship c.65 Low NA EUV systems in 2026 (vs expectations of 60 units prior), due to continued improvements in manufacturing output. Furthermore, we highlight that the company has already secured the majority of EUV orders required for 2027, while also receiving a significant number of orders for 2028. In this vein, ASML is evaluating a c.30% increase in both EUV and Immersion manufacturing capacity across 2027 and 2028. As such, if we take Low NA EUV/Immersion units of 65/130 in 2026 (per ASML commentary), and assume a 30% yoy increase in 2027/28, we estimate Low EUV units of 85/110 in 2027/28 (vs. consensus of 85/89), and Immersion units of 169/220 in 2027/28 (vs. consensus of 137/146). Furthermore, the company introduced its guidance for 3Q26 and expects revenue of between €11bn and €12bn with gross margin of 55%-57%. We note that the guide for 3Q26 implies revenue/gross profit/EBIT 11%/19%/26% above consensus at the mid-point. Reiterate Buy.

Management highlighted that AI-driven demand continues to strengthen across both Logic and Memory, supporting further capacity expansion at leading-edge nodes. In advanced Logic, ASML noted that customers are simultaneously adding capacity at 5/4/3nm to meet robust AI demand, while continuing to ramp 2nm as aggressively as possible and beginning preparations for the 1.4nm transition. In Memory, ASML stated that tight DDR and HBM supply is driving another acceleration in customer investment, with higher lithography intensity across both EUV and advanced Immersion further increasing tool demand. As such, management now expects Advanced Logic/Memory revenues to grow 25%/75% yoy respectively in 2026. Finally, management reiterated that China is expected to account for 20% of 2026

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net sales despite higher overall company revenue guidance, implying Chinese demand is broadly tracking global market growth. The company noted that incremental demand within China continues to be driven primarily by domestic Logic customers, while outside China, stronger demand for advanced Immersion systems reflects both increasing lithography intensity at leading-edge nodes and rising process control requirements. In addition, ASML highlighted continued momentum across its Installed Base business, with software-led productivity upgrades and a growing EUV service installed base expected to drive more than 30% growth this year, providing a further tailwind to margins.

Exhibit 1: ASML 2Q26 Variance

	Current Quarter			
EUR (mn)	GS Estimate 2Q	Actual 2Q	Actual vs Cons V%	Cons. 2Q
Revenues	8,828	9,327	+6%	8,828
Sequential Change	0.7%	6.4%	--	0.7%
Year-over-year Change	14.8%	21.3%	--	14.8%
Gross Profit	4,564	5,035	+10%	4,582
Percent of revenues	51.7%	54.0%	--	51.9%
Selling, General & Administrative	300	303	-1%	306
Percent of revenues	3.4%	3.2%	--	3.5%
Research & Development	1,209	1,277	+6%	1,207
Percent of revenues	13.7%	13.7%	--	13.7%
Operating income	3,054	3,456	+13%	3,056
Percent of revenues	34.6%	37.1%	--	34.6%
Net income	2,540	2,918	+11%	2,625
Percent of revenues	28.8%	31.3%	--	29.7%
EPS - recurring	**€ 6.60**	**€ 7.58**	**+11%**	**€ 6.83**

Source: Company data, Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Analysis

We expect an initial positive reaction in the shares, in light of a beat on all key KPIs in the quarter, guide for next quarter above expectations, upgrade to its 2026 revenue guide which is materially above consensus at the mid-point, and incremental colour around its capacity ramp plans in 2027/28. As such, ASML has performed broadly in-line with the EU Tech in the last one month but has outperformed the latter by 10% in the last 3 months. More broadly, we expect investors to look for management commentary on the order trends in advanced Logic/Memory, key puts and takes needed to ramp capacity in 2027/28 and any potential bottlenecks, updates on High NA traction and any incremental orders, and any colour on LT targets.

Valuation and key risks

We are Buy-rated on ASML with a 12-month price target of €2,000 based on a 43x CY27 P/E multiple. Key risks to our view and price target include EUV delays, capex cyclicality and unfavourable market share shifts.

ASML.AS	12m Price Target: **€2,000.00**	Price: **€1,555.80**	Upside: **28.6%**

Buy

Market cap: €598.6bn / $685.0bn
Enterprise value: €581.3bn / $665.2bn
3m ADTV: €1.0bn / $1.2bn
Netherlands
European Semiconductors, Hardware and Gaming Tech
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (€ mn)	32,667.3	39,815.5	53,002.3	58,664.5
EBIT (€ mn)	11,301.5	14,290.0	21,412.9	24,991.1
EPS (€)	24.16	30.95	46.53	54.62
EV/sales (X)	8.3	14.6	10.6	9.3
EV/EBITDA (X)	22.0	37.9	25.0	20.9
P/E (X)	30.0	50.3	33.4	28.5
FCF yield (%)	3.9	2.5	3.8	3.4
Org. sales grth (%)	–	–	–	–

	3/26	6/26E	9/26E	12/26E
EPS (€)	6.88	6.60	7.36	10.11

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 14 Jul 2026 close.