ASML

Catalysts Are Building, Not Fading. Buy

Equities

Netherlands
Semiconductors

12-month rating	**Buy**
12m price target	**€2,250.00**
	Prior : €2,100
Price (14 Jul 2026)	**€1,555.8**

RIC: ASML.AS **BBG:** ASML NA

Trading data and key metrics

52-wk range	€1,721.40-592.90
Market cap.	€605b/US$690b
Shares o/s	389m (ORD)
Free float	100%
Avg. daily volume ('000)	700
Avg. daily value (m)	€1,013.7
Common s/h equity (12/26E)	€27.1b
P/BV (12/26E)	22.1x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (EUR)

	From	To	% ch	Cons.
12/26E	33.33	39.51	19	31.92
12/27E	52.90	58.41	10	44.57
12/28E	68.02	77.46	14	54.04

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Catalyst calendar is busier than we think

Post results we raise our 2026-28E EPS estimates by 10-19%, driven by stronger advanced logic and memory demand, higher capacity assumptions and better gross margins - the key positive surprise from the results. While investors increasingly argue that ASML lacks catalysts, we see the opposite: potential upside from stronger FY27 guidance, further 2028 capacity expansion, accelerating High-NA newsflow, Intel CMD in November, and a backlog update at Q4 2026 results. We raise our price target to €2,250 and reiterate our Buy rating. ASML trades at 27x/21x 2027E/2028E P/E, below its historical average of c.30x, despite our €77 2028E EPS forecast (c.40% above pre-results consensus) and a 29% EPS CAGR over 2025–2030E.

1) FY27 EUV may be modest, but DUV and 2028 more than compensate

ASML plans to increase its Low-NA EUV capacity 30% in each of the next two years from 65 systems in 2026 to c.85 in 2027 and potentially c.110 in 2028. While the 2027 target is modestly below buy-side expectations of 90-100 systems, we view this more as a function of customer space constraints rather than demand or ASML capacity limited. **More importantly, the path to c.110 systems supports another year of solid revenue growth in 2028E (+>25% vs. +33% in 2027E)**. DUV also delivered a positive surprise, with **ASML planning to lift immersion capacity by 30% in both 2027 and 2028, versus cons expectations of just +11% and +7%, respectively. Given the attractive margin profile of immersion tools, this capacity upside is the key driver of gross margin revisions.** We estimate 85-90 EUV tools in 2027 and 100-110 in 2028 can support $200-210bn WFE and $250B+ respectively.

2) Pricing could increase. Gross margin is new and likely sustainable

ASML's FY26 GM guidance of 55% was well ahead of consensus expectations of 52%. The upside is being driven by strength in the upgrades business, a favourable mix shift towards EUV and immersion systems, and operating leverage from higher shipment volumes. Importantly, we view all three drivers as sustainable into 2027. In addition, **pricing seems like an increasingly likely lever that ASML will pull as demand continues to outpace available capacity across several parts of the portfolio.**

3) High-NA momentum continues to build

High-NA momentum is building. Intel has now qualified High-NA for selected Panther Lake 18A layers, an important step towards broader industry adoption. ASML reiterated expectations for follow-on High-NA orders in H2 2026 or early 2027, which should support installations in 2028–29 and the ramp to HVM.

Valuation: DCF- based price target €2,250/share (WACC 9%, g3%)

We increase our 2026E-28E EPS by 10-19% to reflect higher revenues and GM. Our price target increases to €2,250 from €2,100, driven the uplift to EPS.

Highlights (€m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	27,559	28,263	32,667	44,039	58,560	72,409	70,248	75,300
EBIT (UBS)	9,082	9,063	11,342	18,170	26,275	34,467	33,572	36,795
Net earnings (UBS)	7,681	7,395	9,426	15,170	22,172	29,053	28,301	31,008
EPS (UBS, diluted) (€)	19.49	18.79	24.24	39.51	58.41	77.46	76.54	85.15
DPS (net) (€)	6.10	6.40	7.50	9.85	9.30	14.16	14.16	16.84
Net (debt) / cash	(3,220)	2,680	6,631	10,433	29,477	50,189	71,315	96,642

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
EBIT (UBS) margin %	33.0	32.1	34.7	41.3	44.9	47.6	47.8	48.9
ROIC (EBIT) %	71.9	60.5	90.7	148.4	242.8	>500	>500	<-500
EV/EBITDA (UBS core) x	24.4	30.5	22.1	31.0	21.2	15.5	14.8	12.9
P/E (UBS, diluted) x	31.4	42.5	29.9	39.2	26.5	20.0	20.2	18.2
Equity FCF (UBS) yield %	1.4	3.0	4.0	2.1	4.7	5.2	5.5	6.3
Dividend yield (net) %	1.0	0.8	1.0	0.6	0.6	0.9	0.9	1.1

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of € 1,549.40 on 15-Jul-2026

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POST Q2'26 UPDATE

We show below our assumptions for EUV shipments.

Figure 1: EUV shipments forecast by customer

0.33 NA tools	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Logic																
TSMC	1	1	3	10	15	15	20	22	19	13	20	26	35	43	43	42
Samsung Foundry	1	1	1	2	4	9	11	14	4	2	2	2	4	4	4	4
Intel	2	2	2	3	3	2	2	9	7	8	5	5	8	10	10	10
GF			1													
Others			1	1	2		1			1	2	2	4	2	0	0
DRAM																
Samsung		1		1	1	4	7	5	6	6	5	12	15	16	15	14
SK Hynix				1	1	1	1	3	4	10	8	12	15	17	17	17
Micron		1		1			1	1	2	2	2	6	7	8	8	8
Total shipments	**4**	**6**	**8**	**19**	**26**	**31**	**43**	**54**	**42**	**42**	**44**	**65**	**88**	**100**	**97**	**95**

0.55 NA tools	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
TSMC								0	0	1	2	1	2	2	5	8
Samsung								0	0	0	1	1	2	2	3	3
Intel								0	1	2	2	2	1	2	2	2
SK Hynix								0	0	0	1	1	1	1	3	5
Micron								0	0	0	0	0	0	0	0	0
Others										1	0	0	1	0	0	0
Total shipments								**0**	**1**	**4**	**6**	**5**	**6**	**7**	**13**	**18**

Source: UBS estimates

Figure 2: EUV revenues by end markets show strong memory growth in 2026E and 2027E

	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EUV logic revs y-o-y						44%	38%	56%	-35%	6%	50%	16%	55%	25%	11%	5%
EUV memory revs y-o-y						232%	90%	18%	29%	64%	21%	89%	34%	21%	14%	4%

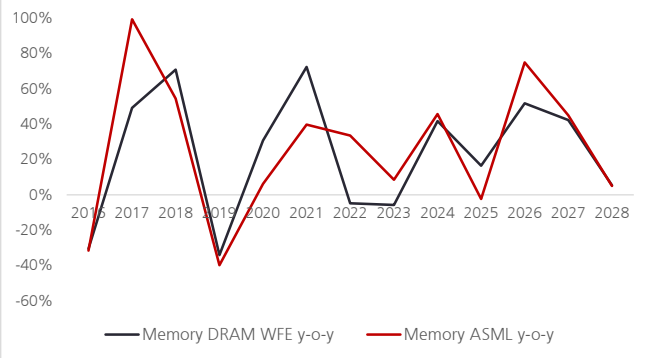
Source: UBS estimates

Figure 3: DUV revenues - we expect China revenues down 11% in 2026E (vs -12% previously) and up 25% y-o-y in 2027E

	2021	2022	2023	2024	2025	2026E	2027E	2028E
Non-China	4,883	5,553	5,869	3,853	3,890	7,567	10,282	14,280
y-o-y	18%	14%	6%	-34%	1%	95%	36%	39%
China	2,225	2,160	6,431	8,983	8,124	7,223	9,059	10,189
y-o-y		-3%	198%	40%	-10%	-11%	25%	12%
DUV revenues	**7,108**	**7,713**	**12,300**	**12,836**	**12,013**	**14,789**	**19,341**	**24,470**
y-o-y		**9%**	**455%**	**4%**	**-6%**	**23%**	**31%**	**27%**

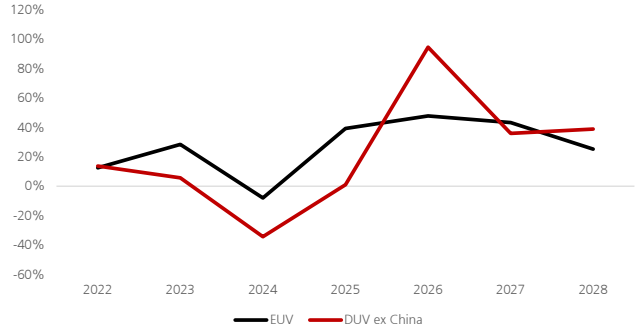
Source: UBS estimates

Figure 4: Memory ASML revenues with DRAM WFE: we forecast +75% y-o-y memory revenues for ASML in 2026 and +45% in 2027



Source: UBS. company data

Figure 5: EUV revenue growth y-o-y vs non China DUV growth shows some correlation



Source: UBS. company data

Figure 6: We estimate an upside scenario of €92/share in 2028

	2026		2027				2028			
Scenario Variable	**UBSe**	**Cons**	**Downside**	**Upside**	**UBSe**	**Cons**	**Downside**	**Upside**	**UBSe**	**Cons**
ASML Scenario										
Dry*	208	191	200	240	223	216	170	250	249	227
ArF Immersion*	126	124	150	180	160	137	150	300	200	146
DUV	**334**	**315**	**350**	**420**	**383**	**353**	**320**	**550**	**449**	**373**
EUV 0.33 NA	65	62	75	95	88	85	80	120	100	89
EUV 0.50 NA (High-NA)	5	5	5	7	6	6	5	10	7	10
Total units	**404**	**382**	**430**	**522**	**477**	**444**	**405**	**680**	**556**	**472**
DUV revenues	14,789	12,445	15,362	22,034	19,341	14,273	15,607	34,202	24,470	15,703
y-o-y			4%	49%	31%	15%	6%	131%	27%	10%
EUV revenues	17,218	16,599	19,000	28,450	24,664	23,466	21,750	36,400	30,870	27,371
y-o-y			10%	65%	43%	41%	26%	111%	25%	17%
metrology & inspection	823	828	1,000	1,500	1,290	1,024	1,000	1,500	1,268	1,227
Systems Revenue	32,830	29,727	35,362	51,984	45,295	38,301	38,357	72,102	56,608	43,447
Service Revenue	11,209	9,833	10,000	12,000	13,265	11,032	12,000	15,000	15,801	12,603
Total Revenues (ASML)	**44,039**	**39,578**	**45,362**	**63,984**	**58,560**	**49,569**	**50,357**	**87,102**	**72,409**	**56,859**
y-o-y	**35%**	**21%**	**3%**	**45%**	**33%**	**25%**	**-14%**	**49%**	**24%**	**15%**
Gross margin %	55.6%	52.4%	54.0%	58.0%	56.7%	54.0%	53.0%	55.0%	57.6%	55.7%
R&D (Em)	4,936	4,991	5,000	5,300	5,306	5,505	5,000	5,300	5,572	5,986
R&D % of sales	11.2%	12.6%	11.0%	8.3%	9.1%	11.1%	9.9%	6.1%	7.7%	10.5%
SG&A (Em)	1,405	1,288	1,200	1,400	1,650	1,416	1,200	1,400	1,733	1,574
SG&A % of sales	3.2%	3.3%	2.6%	2.2%	2.8%	2.9%	2.4%	1.6%	2.4%	2.8%
EBIT margin %	**41.2%**	**36.5%**	**40.3%**	**47.5%**	**44.8%**	**40.1%**	**40.7%**	**47.3%**	**47.5%**	**42.6%**
EBIT (€m)	**18,130**	**14,461**	**18,295**	**30,411**	**26,235**	**19,890**	**20,489**	**41,206**	**34,427**	**24,220**
Net income (€m)	**15,262**	**12,398**	**15,277**	**25,393**	**22,099**	**16,908**	**17,109**	**34,407**	**28,980**	**20,513**
No of shares (UBSe)	384	384	380	380	380	380	375	375	375	376
EPS (€)	**39.5**	**32.3**	**40.2**	**66.9**	**58.4**	**44.5**	**45.6**	**91.7**	**77.5**	**54.6**
y-o-y			2%	69%	48%	38%	-22%	57%	32.62%	23%
Current price: **1600**										
P/E	40	50	40	24	27	36	35	17	21	29
Assumptions										
Litho intensity assumptions	29%		27%	28%	29%		28%	30%	29%	
WFE intensity	9%		11%	8%	8%		11%	9%	9%	
Output										
WFE implied ($bn)	147		169	239	200		176	309	248	
y-o-y	37%		15%	63%	36%		-12%	55%	24%	
Semis revs ($bn)	1,624		1,532	2,987	2,378		1,603	3,437	2,700	
y-o-y	136%		-6%	84%	46%		-33%	45%	14%	

Source: UBS estimates

Forecast changes

Post Q2 results, we increase our 2027E-28E EPS by 10-14% to reflect higher revenues and GM.

Figure 7: UBS forecast changes for ASML

	New			Old			% change		
EURm	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**
Product sales	32,830	45,295	56,608	30,001	44,468	53,359	9.4%	1.9%	6.1%
Service sales	11,209	13,265	15,801	9,391	11,223	13,510	19.4%	18.2%	17.0%
Total revenues	**44,039**	**58,560**	**72,409**	**39,392**	**55,690**	**66,869**	**11.8%**	**5.2%**	**8.3%**
Gross profit adj.	**24,511**	**33,232**	**41,772**	**21,211**	**30,280**	**37,053**	**15.6%**	**9.7%**	**12.7%**
Gross margin adj.	**55.7%**	**56.7%**	**57.7%**	**53.8%**	**54.4%**	**55.4%**	**181bps**	**238bps**	**228bps**
R&D	-4,936	-5,306	-5,572	-4,862	-5,224	-5,485 W	1.5%	1.6%	1.6%
SG&A	-1,405	-1,650	-1,733	-1,202	-1,262	-1,326	16.9%	30.7%	30.7%
EBIT adj.	**18,170**	**26,275**	**34,467**	**15,147**	**23,793**	**30,243**	**20.0%**	**10.4%**	**14.0%**
% margin	**41.3%**	**44.9%**	**47.6%**	**38.5%**	**42.7%**	**45.2%**	**281bps**	**215bps**	**237bps**
Interest Income/jvs	131	120	120	131	120	120			
Tax	-3,124	-4,217	-5,528	-2,473	-3,820	-4,852			
Net Income adj.	**15,170**	**22,172**	**29,053**	**12,798**	**20,087**	**25,505**	**18.5%**	**10.4%**	**13.9%**
EPS basic adj.	**39.55**	**58.47**	**77.54**	**33.35**	**52.95**	**68.07**	**18.6%**	**10.4%**	**13.9%**
EPS diluted adj.	**39.51**	**58.41**	**77.46**	**33.33**	**52.90**	**68.02**	**18.6%**	**10.4%**	**13.9%**
New unit shipments	**404**	**477**	**556**	**345**	**435**	**515**	**17.1%**	**9.4%**	**7.9%**
Refurbished tools	31	28	28	33	28	28	-6.1%	0.0%	0.0%
Total unit shipments	**435**	**505**	**584**	**378**	**463**	**543**	**15.1%**	**8.9%**	**7.5%**
ASP (new tools - EURm)	**79.2**	**92.3**	**99.5**	**84.9**	**99.2**	**101.1**	**-6.6%**	**-6.9%**	**-1.5%**
ASP (refurbs - Euro m)	8.0	8.0	8.0	8.0	8.0	8.0	0.0%	0.0%	0.0%
ASP (Euro m)	**75.5**	**89.8**	**96.9**	**79.4**	**95.9**	**98.2**	**-4.9%**	**-6.4%**	**-1.3%**

Source: UBS estimates



Valuation

Our price target increases to €2,250 from €2,100 driven by the changes above. Key long term dcf assumptions remain unchanged

Figure 8: UBS DCF valuation summary – ASML

Dec Yr End	Actual							Explicit Projections				
EURm	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	**11,820**	**13,978**	**18,611**	**21,173**	**27,559**	**28,263**	**32,667**	**44,039**	**58,560**	**72,409**	**70,248**	**75,300**
% change y-o-y												
EBIT	**2,831**	**4,091**	**6,790**	**6,541**	**9,082**	**9,063**	**11,342**	**18,170**	**26,275**	**34,467**	**33,572**	**36,795**
margin %	24%	29%	36%	31%	33%	32%	35%	41%	45%	48%	48%	49%
D&A	**369**	**411**	**391**	**504**	**660**	**839**	**946**	**686**	**440**	**720**	**1,840**	**1,920**
% of sales	3%	3%	2%	2%	2%	3%	3%	2%	1%	1%	3%	3%
EBITDA	**3,199**	**4,502**	**7,181**	**7,044**	**9,742**	**9,901**	**12,288**	**18,856**	**26,715**	**35,187**	**35,412**	**38,715**
margin %	27%	32%	39%	33%	35%	35%	38%	43%	46%	49%	50%	51%
Cash tax	**-192**	**-552**	**-1,021**	**-970**	**-1,436**	**-1,681**	**-2,013**	**-3,124**	**-4,217**	**-5,528**	**-5,384**	**-5,900**
tax rate %	7%	13%	15%	15%	16%	19%	18%	17%	16%	16%	16%	16%
NWC	**74**	**532**	**4,893**	**2,441**	**-3,664**	**2,053**	**1,027**	**-2,677**	**6,822**	**2,518**	**5,002**	**7,414**
Capex	**-767**	**-980**	**-923**	**-1,282**	**-2,156**	**-2,067**	**-1,574**	**-1,202**	**-1,000**	**-1,000**	**-2,000**	**-2,400**
% of sales	6%	7%	5%	6%	8%	7%	5%	3%	2%	1%	3%	3%
FCF	**2,315**	**3,503**	**10,129**	**7,234**	**2,487**	**8,207**	**9,727**	**11,853**	**28,321**	**31,178**	**33,030**	**37,829**
Discounted FCF	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**27,106**	**27,389**	**26,630**	**27,994**

DCF Summary (EURm)	
Enterprise Value	845,235
Net Cash (2026E)	14,684
Equity investments	1,000
Market Value (Em)	860,918
No of shares (m)	382.6
Per share (E)	**2,250**

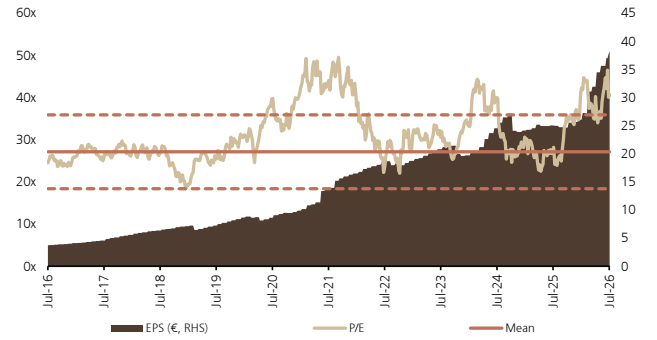
Assumptions normalised year	
Revenue g %	
Product Sales	3%
Service Sales	3%
EBIT margin %	**40%**
Capex % of sales	2.4%
D&A % of sales	2.3%
Tax rate	16%

WACC Calculation	
Equity Beta	1.4
Rf	2.0%
ERP	5.5%
Ke	9.8%
DRP	3.0%
Kd	4.2%
Gearing	15.0%
WACC	**9%**

Value beyond 2026	**736,116**
as % of EV	**87%**

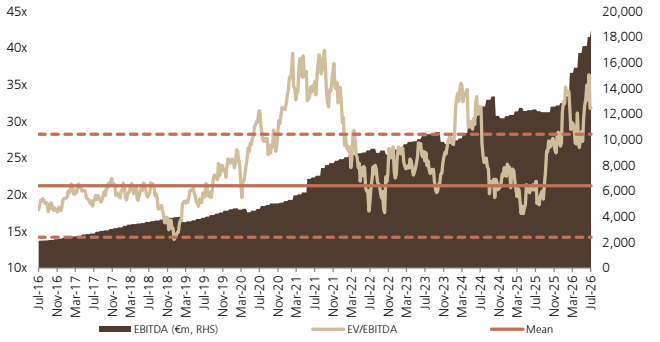
Source: Company data, UBS estimates

Figure 9: ASML historical 12-month forward P/E



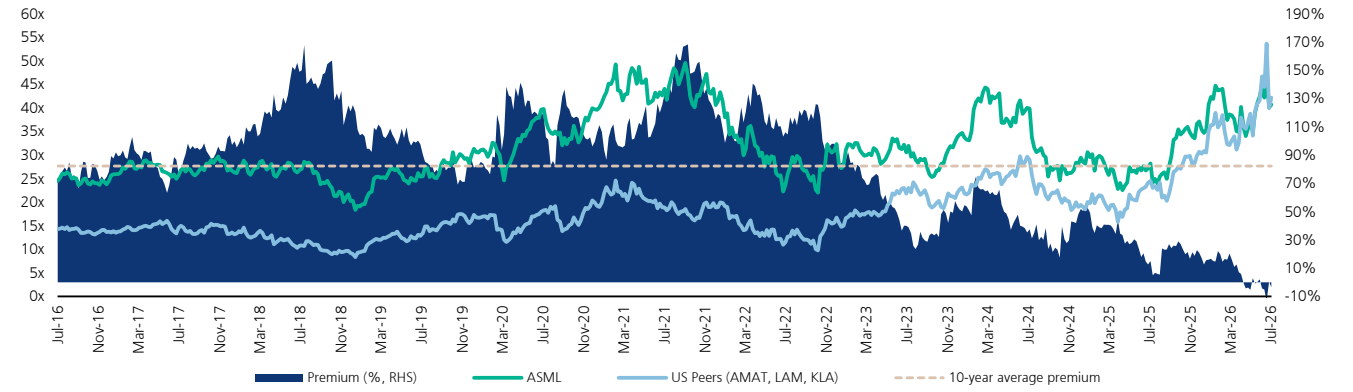
Source: UBS, Datastream

Figure 10: ASML historical 12-month forward EV/EBITDA



Source: UBS, Datastream

Figure 11: ASML premium (12-month forward P/E) vs. US large cap peers - ASML is trading at a 4% discount vs US peers vs 82% premium 10Y average



Source: UBS, Datastream

Figure 12: UBS estimates - ASML Units & ASP

	2018	2019	2020	2021	2022	2023	2024	2025	Q1 26	Q2 26	Q3 26E	Q4 26E	2026E	2027E	2028E
i-line	21	28	25	29	42	51	57	48	9	9	10	14	42	60	72
KrF dry	73	56	92	115	141	173	136	72	24	30	35	35	124	130	136
ArF dry	13	22	20	22	28	30	26	14	4	8	15	15	42	33	41
ArF Immersion	81	80	68	78	79	116	122	119	14	22	40	50	126	160	200
EUV 0.33NA	18	26	31	42	40	53	42	44	14	15	17	19	65	88	100
EUV High-NA	0	0	0	0	0	0	2	4	2	1	1	1	5	6	7
New tools (units)	**206**	**212**	**236**	**286**	**330**	**423**	**385**	**301**	**67**	**85**	**118**	**134**	**404**	**477**	**556**
Used tools	17	22	22	23	28	28	38	27	12	5	7	7	31	28	28
Product sales (units)	**223**	**234**	**258**	**309**	**358**	**451**	**423**	**328**	**79**	**90**	**125**	**141**	**435**	**505**	**584**
New Tools ASP (Em)	**38.0**	**40.2**	**41.6**	**46.3**	**44.9**	**50.6**	**55.1**	**78.6**	**91.8**	**74.9**	**76.3**	**78.2**	**79.2**	**92.3**	**99.5**
Used tools	7.7	8.0	7.9	7.0	5.6	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total ASP (Em)	**37.0**	**38.4**	**40.0**	**45.0**	**43.1**	**48.6**	**51.5**	**74.6**	**79.5**	**72.9**	**73.6**	**76.5**	**75.5**	**89.8**	**96.9**
New Tools Sales (Em)	**7,824**	**8,532**	**9,813**	**13,237**	**14,822**	**21,390**	**21,199**	**23,664**	**6,154**	**6,368**	**9,004**	**10,482**	**32,008**	**44,005**	**55,340**
Used tools	131	176	175	162	158	224	304	216	96	40	56	56	248	224	224
Metrology & inspection	304	289	329	508	638	549	570	810	126	197	200	300	823	1,290	1,268
ASML Product sales (Em)	**8,259**	**8,997**	**10,317**	**13,907**	**15,430**	**21,939**	**21,769**	**24,474**	**6,279**	**6,565**	**9,204**	**10,782**	**32,830**	**45,295**	**56,608**
% y-o-y	30%	9%	15%	35%	11%	42%	-1%	12%	9%	17%	66%	42%	34%	38%	25%
New tool sales ex EUV	***5,938***	***5,750***	***5,409***	***6,946***	***7,744***	***12,300***	***12,836***	***12,013***	***2,009***	***2,626***	***4,612***	***5,542***	***14,789***	***19,341***	***24,470***
% y-o-y	*22%*	*-3%*	*-6%*	*28%*	*11%*	*59%*	*4%*	*-6%*	*-15%*	*-6%*	*43%*	*52%*	*23%*	*31%*	*27%*

Source: Company data, UBS estimates

Figure 13: UBS estimates – ASML Income Statement (€m)

Income Statement															
EURm	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Q1 26**	**Q2 26**	**Q3 26E**	**Q4 26E**	**2026E**	**2027E**	**2028E**
Product sales	8,259	8,996	10,317	13,653	15,430	21,939	21,769	24,474	6,279	6,565	9,204	10,782	32,830	45,295	56,608
y-o-y %	29.6%	8.9%	14.7%	32.3%	13.0%	42.2%	-0.8%	12.4%	9.4%	17.3%	65.7%	42.2%	34.1%	38.0%	25.0%
Service sales	2,685	2,824	3,662	4,958	5,743	5,620	6,494	8,193	2,488	2,762	2,900	3,060	11,209	13,265	15,801
y-o-y %	0.2%	5.2%	29.7%	35.4%	15.8%	-2.1%	15.6%	26.2%	24.3%	31.8%	47.8%	43.4%	36.8%	18.3%	19.1%
Revenues	**10,944**	**11,820**	**13,978**	**18,611**	**21,173**	**27,559**	**28,263**	**32,667**	**8,767**	**9,327**	**12,104**	**13,841**	**44,039**	**58,560**	**72,409**
y-o-y %	20.9%	8.0%	18.3%	33.1%	13.8%	30.2%	2.6%	15.6%	13.2%	21.3%	61.0%	42.4%	34.8%	33.0%	23.6%
CoS	-5,915	-6,540	-7,181	-8,802	-10,473	-13,422	-13,771	-15,409	-4,122	-4,291	-5,346	-5,810	-19,568	-25,368	-30,677
Gross margin - headline	5,029	5,280	6,797	9,809	10,700	14,136	14,492	17,258	4,645	5,035	6,759	8,032	24,471	33,192	41,732
Gross margin (%)	46.0%	44.7%	48.6%	52.7%	50.5%	51.3%	51.3%	52.8%	53.0%	54.0%	55.8%	58.0%	55.6%	56.7%	57.6%
Gross profit - UBS	**5,200**	**5,320**	**6,837**	**9,849**	**10,740**	**14,176**	**14,532**	**17,298**	**4,655**	**5,045**	**6,769**	**8,042**	**24,511**	**33,232**	**41,772**
Gross margin (% - UBS)	**47.5%**	**45.0%**	**48.9%**	**52.9%**	**50.7%**	**51.4%**	**51.4%**	**53.0%**	**53.1%**	**54.1%**	**55.9%**	**58.1%**	**55.7%**	**56.7%**	**57.7%**
R&D	-1,576	-1,969	-2,201	-2,547	-3,254	-3,981	-4,304	-4,699	-1,185	-1,277	-1,200	-1,275	-4,936	-5,306	-5,572
% of revenue	14.4%	16.7%	15.7%	13.7%	15.4%	14.4%	15.2%	14.4%	13.5%	13.7%	9.9%	9.2%	11.2%	9.1%	7.7%
SG&A	-488	-521	-545	-726	-946	-1,113	-1,166	-1,258	-302	-303	-400	-400	-1,405	-1,650	-1,733
% of revenue	4.5%	4.4%	3.9%	3.9%	4.5%	4.0%	4.1%	3.9%	3.4%	3.2%	3.3%	2.9%	3.2%	2.8%	2.4%
Other (expenses) income	0	0	0	214	0	0	0	0	0	0	0	0	0	0	0
Total opex	-2,064	-2,489	-2,746	-3,059	-4,199	-5,094	-5,469	-5,957	-1,487	-1,579	-1,600	-1,675	-6,341	-6,956	-7,304
EBIT - headline	2,965	2,791	4,051	6,750	6,501	9,042	9,023	11,302	3,158	3,456	5,159	6,357	18,130	26,235	34,427
% margin	27.1%	23.6%	29.0%	36.3%	30.7%	32.8%	31.9%	34.6%	36.0%	37.1%	42.6%	45.9%	41.2%	44.8%	47.5%
EBIT adj.	**3,136**	**2,831**	**4,091**	**6,790**	**6,541**	**9,082**	**9,063**	**11,342**	**3,168**	**3,466**	**5,169**	**6,367**	**18,170**	**26,275**	**34,467**
% margin	**28.7%**	**23.9%**	**29.3%**	**36.5%**	**30.9%**	**33.0%**	**32.1%**	**34.7%**	**36.1%**	**37.2%**	**42.7%**	**46.0%**	**41.3%**	**44.9%**	**47.6%**
Interest Income(Expense)	-14	-9	54	-18	-45	41	20	105	41	30	30	30	131	120	120
PBT adj.	3,122	2,822	4,145	6,772	6,496	9,124	9,082	11,446	3,209	3,496	5,199	6,397	18,301	26,395	34,587
Tax	-352	-192	-552	-1,021	-970	-1,436	-1,681	-2,013	-547	-610	-882	-1,086	-3,124	-4,217	-5,528
Effective Tax Rate %	11.3%	6.8%	13.3%	15.1%	14.9%	15.7%	18.5%	17.6%	17.1%	17.5%	17.0%	17.0%	17.1%	16.0%	16.0%
Net Income cont. adj.	**2,759**	**2,628**	**3,588**	**5,744**	**5,520**	**7,681**	**7,395**	**9,426**	**2,660**	**2,885**	**4,315**	**5,309**	**15,170**	**22,172**	**29,053**
EPS basic - headline	**6.10**	**6.16**	**8.50**	**14.38**	**14.17**	**19.91**	**19.25**	**24.74**	**7.15**	**7.59**	**11.21**	**13.84**	**39.79**	**58.27**	**77.34**
EPS diluted - headline	**6.08**	**6.15**	**8.48**	**14.36**	**14.16**	**19.89**	**19.24**	**24.72**	**7.15**	**7.58**	**11.19**	**13.83**	**39.75**	**58.22**	**77.27**
EPS basic - UBS	**6.50**	**6.25**	**8.58**	**14.04**	**13.91**	**19.51**	**18.80**	**24.26**	**6.90**	**7.50**	**11.25**	**13.89**	**39.55**	**58.47**	**77.54**
EPS diluted - UBS	**6.47**	**6.23**	**8.57**	**14.02**	**13.90**	**19.49**	**18.79**	**24.24**	**6.90**	**7.49**	**11.24**	**13.88**	**39.51**	**58.41**	**77.46**

Source: Company data, UBS estimates

Figure 14: UBS estimates – ASML Balance sheet (€m)

Balance Sheet EURm	2018	2019	2020	2021	2022	2023	2024	2025	Q1 26	Q2 26	Q3 26E	Q4 26E	2026E	2027E	2028E
Cash and cash equivalents	3,121	3,532	6,049	6,952	7,268	7,005	12,736	12,916	7,970	6,672	11,972	15,759	15,759	34,802	55,514
Short term Investments	913	1,186	1,302	639	108	5	5	406	406	910	910	910	910	910	910
Accounts receivable	1,498	1,787	1,310	3,028	5,324	4,334	4,478	3,023	4,403	7,253	6,725	5,383	5,383	5,933	7,062
Finance receivables	611	565	1,711	1,186	1,357	1,379	83	614	630	560	560	560	560	560	560
Current tax assets	80	179	67	42	33	1,001	284	89	65	84	84	84	84	84	84
Inventories	3,440	3,809	4,689	5,179	7,200	8,851	10,892	11,429	11,711	11,740	14,624	15,894	15,894	11,296	13,136
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other current assets	869	1,074	802	1,165	1,775	1,819	2,261	2,140	2,398	2,332	2,332	2,332	2,332	2,332	2,332
Total current assets	**10,531**	**12,131**	**15,930**	**18,190**	**23,065**	**24,394**	**30,737**	**30,616**	**27,584**	**29,549**	**37,206**	**40,920**	**40,920**	**55,917**	**79,597**
Finance receivables	275	421	401	383	0	61	317	13	198	0	0	0	0	0	0
Deferred tax asset	236	445	672	1,099	1,673	1,872	1,941	1,719	1,762	1,743	1,743	1,743	1,743	1,743	1,743
Other assets	806	830	951	1,011	1,104	1,581	2,247	2,711	3,047	3,299	3,299	3,299	3,299	3,299	3,299
Goodwill	4,541	4,541	4,629	4,556	4,556	4,589	4,589	4,589	4,589	4,589	4,589	4,589	4,589	4,589	4,589
Other intangible assets	1,104	1,104	1,049	952	842	742	621	540	532	590	590	590	590	590	590
PP&E	1,590	1,999	2,470	2,983	3,944	5,493	6,847	7,894	7,770	7,816	7,936	8,056	8,056	8,536	8,736
Total long-term assets	**9,606**	**10,499**	**11,337**	**12,041**	**13,236**	**15,564**	**17,852**	**19,951**	**20,477**	**20,666**	**20,786**	**20,906**	**20,906**	**21,386**	**21,586**
Total assets	**20,137**	**22,630**	**27,267**	**30,231**	**36,300**	**39,958**	**48,590**	**50,567**	**48,061**	**50,215**	**57,992**	**61,826**	**61,826**	**77,302**	**101,183**
ST debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax liabilities	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188
Accounts payable	964	1,630	1,703	5,636	8,724	7,915	9,683	11,609	9,539	10,193	13,673	14,505	14,505	15,865	18,449
Accrued and other liabilities	2,640	2,876	4,713	6,474	9,072	8,172	10,181	12,467	10,561	11,773	13,841	13,841	13,841	15,256	18,160
Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	**3,792**	**4,694**	**6,604**	**12,298**	**17,984**	**16,275**	**20,051**	**24,264**	**20,288**	**22,155**	**27,703**	**28,535**	**28,535**	**31,309**	**36,796**
LT debt	3,027	3,108	4,663	4,075	3,514	4,632	3,677	2,709	2,706	1,984	1,984	1,984	1,984	1,984	1,984
Deferred and other liabilities	251	234	238	241	267	372	299	183	235	240	240	240	240	240	240
Provisions	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued and other liabilities	1,397	2,001	1,897	3,477	5,725	5,227	6,085	3,799	4,002	4,010	4,010	4,010	4,010	4,010	4,010
Total non-current liabilities	**4,704**	**5,343**	**6,799**	**7,792**	**9,506**	**10,230**	**10,061**	**6,691**	**6,943**	**6,235**	**6,235**	**6,235**	**6,235**	**6,235**	**6,235**
Shareholders' equity	**11,641**	**12,592**	**13,865**	**10,141**	**8,811**	**13,452**	**18,477**	**19,612**	**20,830**	**21,825**	**24,054**	**27,057**	**27,057**	**39,758**	**58,152**
Total liabilities and equity	**20,137**	**22,630**	**27,267**	**30,231**	**36,300**	**39,958**	**48,590**	**50,567**	**48,061**	**50,215**	**57,992**	**61,826**	**61,826**	**77,302**	**101,183**

Source: Company data, UBS estimates

Figure 15: UBS estimates – ASML Cash flow (€m)

Cash Flow Statement EURm	2018	2019	2020	2021	2022	2023	2024	2025	Q1 26	Q2 26	Q3 26E	Q4 26E	2026E	2027E	2028E
Net income	2,591	2,592	3,554	5,883	5,624	7,839	7,572	9,609	2,757	2,918	4,297	5,291	15,262	22,099	28,980
D&A	423	449	491	471	584	740	919	1,026	259	247	130	130	766	520	800
% of revenue	3.9%	3.8%	3.5%	2.5%	2.8%	2.7%	3.3%	3.1%	3.0%	2.6%	1.1%	0.9%	1.7%	0.9%	1.1%
Share based payments	46	75	54	118	69	135	173	202	31	59	0	0	90	0	0
Deferred Income tax	-239	-200	-211	-420	-564	-134	-145	181	-42	20	0	0	-22	0	0
Change in A&L	-59	74	532	4,893	2,441	-3,664	2,053	1,027	-5,158	-1,615	3,191	904	-2,677	6,822	2,518
Others	326	287	209	-99	333	527	595	614	-33	75	0	0	42	0	0
Cash flow from operations	**3,088**	**3,276**	**4,628**	**10,846**	**8,487**	**5,443**	**11,166**	**12,659**	**-2,186**	**1,703**	**7,618**	**6,326**	**13,461**	**29,441**	**32,298**
Capex	-574	-767	-980	-923	-1,282	-2,156	-2,067	-1,574	-402	-299	-250	-250	-1,202	-1,000	-1,000
% of revenue	5.2%	6.5%	7.0%	5.0%	6.1%	7.8%	7.3%	4.8%	4.6%	3.2%	2.1%	1.8%	2.7%	1.7%	1.4%
Others	67	-391	-373	851	253	-534	-542	-2,204	-85	-627	0	0	-712	0	0
Cash flow from investing	**-508**	**-1,158**	**-1,352**	**-72**	**-1,029**	**-2,689**	**-2,609**	**-3,778**	**-488**	**-926**	**-250**	**-250**	**-1,914**	**-1,000**	**-1,000**
Dividend paid	-597	-1,326	-1,066	-1,368	-2,560	-2,348	-2,453	-2,550	-617	-1,039	-721	-673	-3,049	-3,397	-4,586
Purchase of shares	-1,146	-410	-1,208	-8,560	-4,640	-1,000	-500	-5,950	-1,000	-1,078	-1,347	-1,616	-5,041	-6,000	-6,000
Issue of shares	22	27	38	49	82	99	124	142	35	37	0	0	72	0	0
Change in debt, net	-3	-4	1,485	-3	-516	-753	-26	-313	-693	0	0	0	-693	0	0
Others	0	0	-2	-9	496	998	23	0	0	0	0	0	0	0	0
Cash flow from financing	**-1,724**	**-1,712**	**-753**	**-9,892**	**-7,138**	**-3,004**	**-2,832**	**-8,671**	**-2,275**	**-2,080**	**-2,068**	**-2,289**	**-8,711**	**-9,397**	**-10,586**
FX / Other	5	5	-5	20	-3	-14	6	-30	3	4	0	0	7	0	0
Net cashflow	**862**	**411**	**2,517**	**902**	**317**	**-264**	**5,731**	**180**	**-4,946**	**-1,299**	**5,300**	**3,787**	**2,843**	**19,043**	**20,712**
Free Cash Flow	**2,514**	**2,510**	**3,648**	**9,923**	**7,205**	**3,288**	**9,099**	**11,085**	**-2,588**	**1,404**	**7,368**	**6,076**	**12,259**	**28,441**	**31,298**
% margin	**23.0%**	**21.2%**	**26.1%**	**53.3%**	**34.0%**	**11.9%**	**32.2%**	**33.9%**	**-29.5%**	**15.0%**	**60.9%**	**43.9%**	**27.8%**	**48.6%**	**43.2%**

Source: Company data, UBS estimates

ASML (ASML.AS)

Income Statement (€m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**27,559**	**28,263**	**32,667**	**44,039**	*34.8*	**58,560**	*33.0*	**72,409**	**70,248**	**75,300**
Gross profit	14,176	14,532	17,298	24,511	*41.7*	33,232	*35.6*	41,772	41,328	44,848
EBITDA (UBS)	**9,822**	**9,981**	**12,368**	**18,936**	*53.1*	**26,795**	*41.5*	**35,267**	**35,492**	**38,795**
Depreciation & amortisation	(740)	(919)	(1,026)	(766)	*25.3*	(520)	*32.1*	(800)	(1,920)	(2,000)
EBIT (UBS)	**9,082**	**9,063**	**11,342**	**18,170**	*60.2*	**26,275**	*44.6*	**34,467**	**33,572**	**36,795**
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	41	20	105	131	*25.1*	120	*-8.3*	120	120	120
Exceptionals (incl goodwill)	(40)	(40)	(40)	(40)	*0.0*	(40)	*0.0*	(40)	(40)	(40)
Pre-tax profit	**9,084**	**9,042**	**11,406**	**18,261**	*60.1*	**26,355**	*44.3*	**34,547**	**33,652**	**36,875**
Tax	(1,436)	(1,681)	(2,013)	(3,124)	*-55.2*	(4,217)	*-35.0*	(5,528)	(5,384)	(5,900)
Profit after tax	**7,648**	**7,362**	**9,393**	**15,136**	*61.2*	**22,139**	*46.3*	**29,020**	**28,268**	**30,975**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	0	0	0	0	-	0	-	0	0	0
Extraordinary items	191	210	217	126	*-42.0*	(40)	-	(40)	(40)	(40)
Net earnings (local GAAP)	**7,839**	**7,572**	**9,609**	**15,262**	*58.8*	**22,099**	*44.8*	**28,980**	**28,228**	**30,935**
Net earnings (UBS)	**7,681**	**7,395**	**9,426**	**15,170**	*60.9*	**22,172**	*46.2*	**29,053**	**28,301**	**31,008**
Tax rate (%)	15.8	18.6	17.7	17.1	*-3.1*	16.0	*-6.5*	16.0	16.0	16.0

Per Share (€)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	19.49	18.79	24.24	39.51	*63.0*	58.41	*47.8*	77.46	76.54	85.15
EPS (local GAAP, diluted)	19.89	19.24	24.71	39.75	*60.9*	58.22	*46.4*	77.27	76.34	84.94
EPS (UBS, basic)	19.51	18.80	24.26	39.55	*63.0*	58.47	*47.8*	77.54	76.62	85.23
DPS (net) (€)	6.10	6.40	7.50	9.85	*31.3*	9.30	*-5.6*	14.16	14.16	16.84
Cash EPS (UBS, diluted) [1]	21.37	21.12	26.88	41.51	*54.4*	59.78	*44.0*	79.59	81.73	90.64
Book value per share	34.16	46.92	50.47	70.54	*39.8*	104.84	*48.6*	155.20	201.30	254.72
Average shares (diluted)	394	394	389	384	*-1.3*	380	*-1.1*	375	370	364

Balance Sheet (€m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net tangible fixed assets	5,493	6,847	7,894	8,056	*2.1*	8,536	*6.0*	8,736	8,816	9,216
Net intangible fixed assets	5,330	5,210	5,129	5,178	*1.0*	5,178	*0.0*	5,178	5,178	5,178
Investments	1,226	1,290	2,484	2,630	*5.9*	2,630	*0.0*	2,630	2,630	2,630
Other assets	3,514	4,505	4,444	5,042	*13.5*	5,042	*0.0*	5,042	5,042	5,042
Total fixed assets	**15,564**	**17,852**	**19,951**	**20,906**	*4.8*	**21,386**	*2.3*	**21,586**	**21,666**	**22,066**
Net working capital	**1,109**	**(2,055)**	**(6,970)**	**(4,282)**	*38.6*	**(11,104)**	*-159.3*	**(13,623)**	**(18,624)**	**(26,039)**
Cash	7,010	12,741	13,322	16,668	*25.1*	35,712	*114.3*	56,423	77,550	102,877
Short term debt	0	0	0	0	-	0	-	0	0	0
Long term debt	(10,230)	(10,061)	(6,691)	(6,235)	*6.8*	(6,235)	*0.0*	(6,235)	(6,235)	(6,235)
Preferred shares	0	0	0	0	-	0	-	0	0	0
Net (debt) / cash	**(3,220)**	**2,680**	**6,631**	**10,433**	*57.3*	**29,477**	*182.5*	**50,189**	**71,315**	**96,642**
Other debt-deemed liabilities	0	0	0	0	-	0	-	0	0	0
Provisions & non-debt deemed liabs	0	0	0	0	-	0	-	0	0	0
Total equity	**13,452**	**18,477**	**19,612**	**27,057**	*38.0*	**39,758**	*46.9*	**58,152**	**74,356**	**92,669**
Minority interests	0	0	0	0	-	0	-	0	0	0
Common s/h equity	**13,452**	**18,477**	**19,612**	**27,057**	*38.0*	**39,758**	*46.9*	**58,152**	**74,356**	**92,669**
Operating invested capital	**15,446**	**14,507**	**10,497**	**13,993**	*33.3*	**7,651**	*-45.3*	**5,333**	**411**	**(6,603)**
Total capital employed	**16,673**	**15,797**	**12,981**	**16,623**	*28.1*	**10,281**	*-38.2*	**7,963**	**3,041**	**(3,973)**

Cash Flow (€m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EBIT (UBS)	9,082	9,063	11,342	18,170	*60.2*	26,275	*44.6*	34,467	33,572	36,795
Depreciation & amortisation	740	919	1,026	766	*-25.3*	520	*-32.1*	800	1,920	2,000
Net change in working capital	(3,664)	2,053	1,027	(2,677)	-	6,822	-	2,518	5,002	7,414
Net interest	41	20	105	131	*25.1*	120	*-8.3*	120	120	120
Tax paid	(1,436)	(1,681)	(2,013)	(3,124)	*-55.2*	(4,217)	*-35.0*	(5,528)	(5,384)	(5,900)
Other operating	871	1,002	1,390	321	*-76.9*	(120)	-	(120)	(120)	(120)
Operating cash flow	**5,635**	**11,376**	**12,875**	**13,587**	*5.5*	**29,401**	*116.4*	**32,258**	**35,110**	**40,309**
Tangible capital expenditure	(2,156)	(2,067)	(1,574)	(1,202)	*23.6*	(1,000)	*16.8*	(1,000)	(2,000)	(2,400)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Equity free cash flow	**3,479**	**9,309**	**11,302**	**12,385**	*9.6*	**28,401**	*129.3*	**31,258**	**33,110**	**37,909**
Net (acquisitions) & disposals	0	0	0	0	-	0	-	0	0	0
Equity dividends paid	(2,348)	(2,453)	(2,550)	(3,049)	*-19.6*	(3,397)	*-11.4*	(4,586)	(5,243)	(5,723)
Share issues / (buybacks)	(901)	(376)	(5,808)	(4,969)	*14.4*	(6,000)	*-20.8*	(6,000)	(6,780)	(6,899)
Net other cash flows	450	(513)	(2,234)	(706)	*68.4*	0	-	0	0	0
Cash flow (inc)/dec in net debt	**681**	**5,967**	**709**	**3,661**	*NM*	**19,003**	*NM*	**20,672**	**21,086**	**25,287**
FX / non cash items	(1,771)	(66)	3,242	141	*-95.7*	40	*-71.6*	40	40	40
Balance sheet (inc)/dec in net debt	**(1,090)**	**5,900**	**3,952**	**3,802**	*-3.8*	**19,043**	*NM*	**20,712**	**21,126**	**25,327**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

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Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	30.7	41.5	29.3	39.1	26.7	20.1	20.4	18.3
P/E (UBS, diluted)	31.4	42.5	29.9	39.4	26.6	20.1	20.3	18.3
P/CEPS	28.6	37.8	26.9	37.4	26.0	19.5	19.0	17.1
Equity FCF (UBS) yield %	1.4	3.0	4.0	2.0	4.7	5.2	5.5	6.3
Dividend yield (net) %	1.0	0.8	1.0	0.6	0.6	0.9	0.9	1.1
P/BV	17.9	17.0	14.4	22.1	14.8	10.0	7.7	6.1
EV/revenues (core)	8.7	NM	8.4	NM	9.7	7.6	7.5	6.7
EV/EBITDA (UBS core)	24.4	30.5	22.1	31.1	21.3	15.6	14.9	13.0
EV/EBIT (core)	26.3	33.6	24.1	32.4	21.7	15.9	15.7	13.7
EV/OpFCF (core)	24.4	30.6	22.2	31.1	21.3	15.6	14.9	13.0
EV/op. invested capital	18.9	20.3	21.9	48.1	52.7	84.6	>100	NM

Enterprise value (€m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	242,636	314,749	285,334	604,584	604,584	604,584	604,584	604,584
Net debt (cash)	(2,379)	(9,064)	(10,613)	(14,684)	(33,727)	(54,439)	(75,565)	(100,893)
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**240,258**	**305,685**	**274,721**	**589,900**	**570,857**	**550,145**	**529,019**	**503,691**
Non core assets	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Core enterprise value	**239,258**	**304,685**	**273,721**	**588,900**	**569,857**	**549,145**	**528,019**	**502,691**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	30.2	2.6	15.6	34.8	33.0	23.6	(3.0)	7.2
EBITDA (UBS)	37.9	1.6	23.9	53.1	41.5	31.6	0.6	9.3
EBIT (UBS)	38.9	(0.2)	25.1	60.2	44.6	31.2	(2.6)	9.6
EPS (UBS, diluted)	40.3	(3.6)	29.0	63.0	47.8	32.6	(1.2)	11.2
Net DPS	5.2	4.9	17.2	31.3	(5.6)	52.3	0.0	18.9

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	51.4	51.4	53.0	55.7	56.7	57.7	58.8	59.6
EBITDA margin	35.6	35.3	37.9	43.0	45.8	48.7	50.5	51.5
EBIT (UBS) margin	33.0	32.1	34.7	41.3	44.9	47.6	47.8	48.9
Net earnings (UBS) margin	27.9	26.2	28.9	34.4	37.9	40.1	40.3	41.2
ROIC (EBIT)	71.9	60.5	NM	NM	NM	NM	NM	NM
ROIC post tax	60.5	49.3	74.7	NM	NM	NM	NM	NM
ROE (UBS)	69.0	46.3	49.5	65.0	66.4	59.3	42.7	37.1

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	0.3	(0.3)	(0.5)	(0.6)	(1.1)	(1.4)	(2.0)	(2.5)
Net debt / total equity %	23.9	(14.5)	(33.8)	(38.6)	(74.1)	(86.3)	(95.9)	(104.3)
Net debt / (net debt + total equity) %	19.3	(17.0)	(51.1)	(62.8)	NM	NM	NM	NM
Net debt/EV %	1.1	0.1	(1.7)	(1.4)	(3.5)	(7.2)	(11.5)	(16.7)
Capex / depreciation %	NM	NM	153.4	156.8	192.3	125.0	104.2	120.0
Capex / revenue %	7.8	7.3	4.8	2.7	1.7	1.4	2.8	3.2
EBIT / net interest	-	-	-	-	-	-	-	-
Dividend cover (UBS)	3.2	2.9	3.2	4.0	6.3	5.5	5.4	5.1
Div. payout ratio (UBS) %	31.3	34.0	30.9	24.9	15.9	18.3	18.5	19.8

Revenues by division (€m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	27,559	28,263	32,667	44,039	58,560	72,409	70,248	75,300
Total	**27,559**	**28,263**	**32,667**	**44,039**	**58,560**	**72,409**	**70,248**	**75,300**

EBIT (UBS) by division (€m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	9,082	9,063	11,342	18,170	26,275	34,467	33,572	36,795
Total	**9,082**	**9,063**	**11,342**	**18,170**	**26,275**	**34,467**	**33,572**	**36,795**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	44.6%
Forecast dividend yield	0.6%
Forecast stock return	45.2%
Market return assumption	7.8%
Forecast excess return	37.5%

Company Description

ASML is the leading supplier of lithography equipment for the manufacture of semiconductor devices. A Philips and ASMI spin-off established in 1984, ASML has progressively gained market share to become the leading supplier of lithography equipment to the semiconductor industry, with few able to compete at the leading edge. The company's products are critical to the ongoing advances in semiconductor technology. ASML supplies all major semiconductor manufacturers, including Samsung, TSMC, Intel and Hynix. Competition primarily comes from Nikon and Canon.

Valuation Method and Risk Statement

Macroeconomic conditions and a slowdown in end markets for semiconductors may lead to curtailment of spending on capital equipment and deferral/ postponement of orders placed with ASML. ASML will remain exposed to significant volatility given the cyclicality if its customers' businesses. Also, the business is currently exposed to significant execution risk around its next generation technology EUV. Our valuation for ASML is derived from a DCF-based methodology with of a WACC of 9% and terminal growth of 3%.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

ASML

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	4
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	Positive Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	N/A
11. What is the catalyst?	