First Read

ASML

High NA Momentum Builds as Industry Adoption Accelerates

Positive newsflow for High NA - see our High NA deep dive and latest view

In a number of press release (TSMC, Intel, Samsung) , **ASML and TSMC** launched an industry initiative to transition High NA EUV lithography from **6-inch to 12-inch photomasks**, aiming to boost productivity, reduce manufacturing costs, and **eliminate stitching constraints for advanced semiconductor production**. Roadmap targets a 12-inch mask pilot line by 2031 and **full production readiness by 2033**, paving the way for next-generation High NA EUV systems. **TSMC plans to deploy High NA EUV in high-volume manufacturing from 2030,** with adoption expected to increase as AI-driven chip designs require more advanced transistor architectures. Broad ecosystem support is already emerging, with major chipmakers, mask suppliers, and industry partners expressing interest in joining the initiative. **Samsung** also joins the initiative and plans to **introduce High NA into DRAM by 2028E.**

UBS view - High NA industrialisation is moving closer

We see three key positives from the announcements: **1) TSMC formally confirms High NA adoption from 2030**. This provides important validation of the commercialisation timeline and supports potential High NA revenue contributions for ASML beginning in 2029-30. We assume initial deployment at the A10 node and limited to one or two critical layers, implying a relatively modest tool ramp in the early years. Our estimates already incorporate c.5-8 High NA systems at TSMC in 2029-30, therefore we view the announcement primarily as a positive confirmation of our existing thesis and timeline assumptions; **2) Samsung targets High NA for DRAM by 2028**. We view this as a meaningful incremental positive given the large wafer volumes in memory and the industry's previous scepticism regarding the applicability of High NA to DRAM, particularly at Samsung. Our current forecasts include only one Samsung DRAM High NA tool in each of 2027E and 2028E, suggesting potential upside if adoption accelerates; **3) 12-inch photomasks could materially increase the High NA opportunity**. The move to larger mask formats removes key stitching constraints associated with 6-inch masks and significantly expands the range of layers addressable by High NA EUV. We believe this development increases the long-term relevance and durability of the technology, potentially enabling High NA to address 20-30 layers over time, approaching the penetration achieved by Low NA EUV. This broadens the long-term opportunity for ASML and reinforces the strategic value of High NA. As a reminder, **our analysis suggests High NA could represent 10-15% of ASML system sales by the end of the decade, while driving a 1-3 percentage point increase in lithography intensity** as cost reductions on critical layers offset spending in other process steps such as deposition and etch.

Equities

Netherlands
Semiconductors

12-month rating	**Buy**
12m price target	**€2,350.00**
Price (07 Sep 2026)	**€1,500.4**

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

Trading data and key metrics

52-wk range	€1,721.40-680.20
Market cap.	€583b/US$678b
Shares o/s	389m (ORD)
Free float	100%
Avg. daily volume ('000)	677
Avg. daily value (m)	€1,048.2
Common s/h equity (12/26E)	€27.1b
P/BV (12/26E)	21.3x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (€)

	UBS	Cons.
12/26E	39.51	38.71
12/27E	58.41	53.46
12/28E	85.17	68.80

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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	76,225	74,058	79,360
EBIT (UBS)	9,082	9,063	11,342	18,170	26,275	37,903	36,541	40,160
Net earnings (UBS)	7,681	7,395	9,426	15,170	22,172	31,939	30,795	33,835
EPS (UBS, diluted) (€)	19.49	18.79	24.24	39.51	58.41	85.17	83.28	92.90
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	54,770	77,437	105,496
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	49.7	49.3	50.6
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	30.0	20.5	13.5	13.0	11.2
P/E (UBS, diluted) x	31.4	42.5	29.9	38.0	25.7	17.6	18.0	16.2
Equity FCF (UBS) yield %	1.4	3.0	4.0	2.1	4.9	6.1	5.9	7.0
Dividend yield (net) %	1.0	0.8	1.0	0.7	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 € 1,500.40 on 07-Sep-2026

This report has been prepared by UBS AG London Branch. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 4.**

Forecast returns

Forecast price appreciation	56.6%
Forecast dividend yield	0.6%
Forecast stock return	57.2%
Market return assumption	8.0%
Forecast excess return	49.3%

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 of 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 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?	September 24, 2026
10. Is the catalyst date an actual or approximate date?	Actual
11. What is the catalyst?	Trump/XI meeting