ASML Holding (ASML.AS): 3Q26 First Take: 4Q26 guidance above cons, with strong visibility and orders underpinning capacity expansion

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ASML's 3Q26 revenue came in line with Visible Alpha Consensus Data and EBIT came in 5% above consensus driven by gross margins of c.57% (vs VA cons at 56%) due to stronger contributions from installed base revenues and upgrade business reflecting customers' willingness to be more productive. The company again upgraded its guidance for 2026 and now expects revenue of between €44bn and €45bn (vs. €43bn to €45bn prior) with gross margin of around 56% (vs. 54%-56% prior). As such, we note that the guide for 2026 implies revenue 1% ahead of consensus at the mid-point. Furthermore, ASML reiterated its positive view on the growth opportunities in the EUV business this year and expects it to grow 45% yoy, with its non-EUV business growth to be around 20% yoy and installed base management business expected to grow 50% yoy. Additionally, management reiterated that it expects to ship 65 units in 2026. As such, the company stated that its targeted planned EUV capacity increase of 30% in both 2027/28 is not enough to fulfill the customer demand, and we note that ASML is exploring ways to increase capacity by >30% 2028 and even beyond 2028. In this vein, we note that ASML had recently announced that it will increase the clean room space in Veldhoven to expand its capacity. Importantly, we highlight that ASML's visibility is very good and the company does not expect its customers to meet demand at least until 2028. As such, the company stated that customer conversations are shifting beyond 2027, and ASML is pointing towards robust order intake for 2028 with strong interest in placing orders for 2029 and even 2030. We see the above development as a positive given it underscores the fact that ASML's planned capacity increases are underpinned by strong customer traction with multi-year visibility. Separately, the company confirmed that its discussions with key customers around higher value based pricing have concluded and the effects of these would be partly visible in 2027 and fully affect revenues in 2028. Furthermore, the company introduced its guidance for 4Q26 and expects revenue of between €14.2bn and €15.2bn with gross margin of 57%. We note that the guide for 4Q26 implies revenue/gross profit/EBIT 3%/3%/7% above consensus at the mid-point. Reiterate Buy.

Management highlighted that AI-driven customer demand continues to strengthen, with customers raising both short and medium-term equipment forecasts and

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accelerating capacity expansion plans. Separately, management reiterated that China should account for c.20% of 2026 revenues, despite the higher revenue outlook in2026. Finally, management highlighted continued progress in High-NA EUV adoption, with Samsung targeting high-volume manufacturing from 2028, Intel increasing its utilisation and TSMC planning adoption around 2030. ASML also noted further productivity improvements across its portfolio, including the NXE:3800F (260 vs 230 wafers/hour), next-generation Immersion tools (330 wafers/hour in 2027) and the new YieldStar 550B metrology system, supporting 1.4nm Logic/1D DRAM with 60% higher productivity.

Exhibit 1: ASML 3Q26 Variance

	Current Quarter			
EUR (mn)	GS Estimate 3Q	Actual 3Q	Actual vs Cons V%	Cons. 3Q
Revenues	11,511	11,662	-0%	11,715
Sequential Change	23.4%	25.0%	--	25.6%
Year-over-year Change	53.2%	55.2%	--	55.9%
Gross Profit	6,504	6,700	+2%	6,558
Percent of revenues	56.5%	57.4%	--	56.0%
Selling, General & Administrative	403	353	-9%	389
Percent of revenues	3.5%	3.0%	--	3.3%
Research & Development	1,220	1,174	-4%	1,226
Percent of revenues	10.6%	10.1%	--	10.5%
Operating income	4,881	5,173	+5%	4,943
Percent of revenues	42.4%	44.4%	--	42.2%
Net income	4,056	4,960	+19%	4,175
Percent of revenues	35.2%	42.5%	--	35.6%
EPS - recurring	**€ 10.56**	**€ 12.93**	**+19%**	**€ 10.87**

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 its guide for next quarter which came in above expectations, upgrade to its 2026 revenue guide, and incremental colour around the tight demand supply and strong visibility/orders underpinning its capacity expansion plans. As such, ASML has performed broadly in line the broader EU Tech in the last one month but has underperformed the latter by 12% in the last 3 months. More broadly, we expect investors to look for management commentary on the order trends in advanced Logic/Memory, key levers to increase capacity beyond 30% in 2028, cadence of GMs in 2027 given the stronger pricing dynamic and any colour on LT targets.

Valuation and key risks

We are Buy-rated on ASML (on CL) with a 12-month price target of €2,200 based on a 32x 2HCY27+1HCY28E 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: **€2,200.00**	Price: **€1,509.60**	Upside: **45.7%**

Buy CL

Market cap: €580.3bn / $649.6bn
Enterprise value: €557.2bn / $623.7bn
3m ADTV: €904.2mn / $1.0bn
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	44,013.9	58,021.9	74,328.0
EBIT (€ mn)	11,301.5	17,878.0	26,269.2	35,861.5
EPS (€)	24.16	38.73	57.15	78.52
EV/sales (X)	8.3	12.7	9.2	6.8
EV/EBITDA (X)	22.0	29.5	19.5	13.7
P/E (X)	30.0	39.0	26.4	19.2
FCF yield (%)	3.9	3.6	4.5	5.8
Org. sales grth (%)	–	–	–	–

	3/26	6/26	9/26E	12/26E
EPS (€)	6.88	7.47	10.56	13.82

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 13 Oct 2026 close.