

ASML reports €7.5 billion total net sales and €2.1 billion net income in Q3 2024

ASML expects total net sales for 2024 of around €28 billion

ASML 2024 Third-Quarter results
Veldhoven, the Netherlands

October 16, 2024

Agenda

- Investor key messages
- Business summary
- Outlook
- Financial statements

Investor key messages

Investor key messages

- Global megatrends in the electronics industry, supported by a highly profitable and fiercely innovative ecosystem, are expected to continue to fuel growth across the semiconductor market
- Growth in semiconductor end markets and increasing lithography intensity are driving demand for our products and services
- ASML's comprehensive product portfolio is aligned with our customers' roadmaps, delivering cost effective solutions in support of all applications from leading edge to mature nodes
- ASML will update its long-term market scenarios during its Investor Day on November 14, 2024
- ASML and its supply chain partners are actively adding and improving capacity to meet current and future customer demand
- We continue to execute our ESG Sustainability strategy and shared the latest progress and actions to reach our targets in our integrated Annual Report 2023, published on February 14, 2024
- We expect to continue to return significant amounts of cash to our shareholders through a combination of growing dividends and share buybacks

Business summary

Q3 results summary

- Total net sales of €7.5 billion, net system sales of €5.9 billion
 - Installed Base Management¹ sales of €1.5 billion
- Gross margin of 50.8%
- Operating margin² of 32.7%
- Net income as a percentage of total net sales of 27.8%
- Earnings per share (basic) of €5.28
- Net bookings³ of €2.6 billion
 - including EUV bookings of €1.4 billion

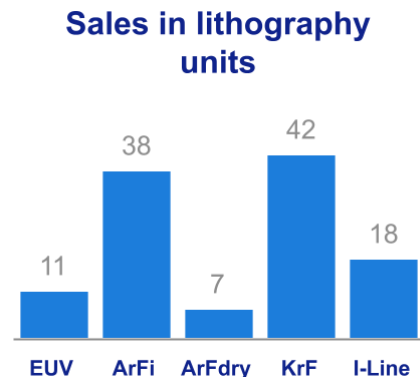
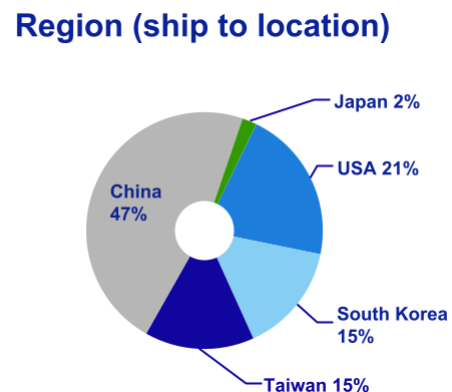
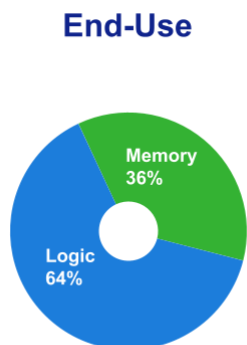
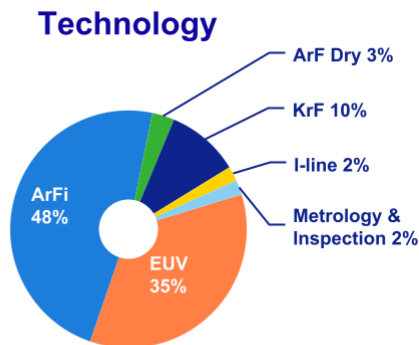
¹ Installed Base Management equals our net service and field option sales

² Income from operations as a percentage of Total net sales

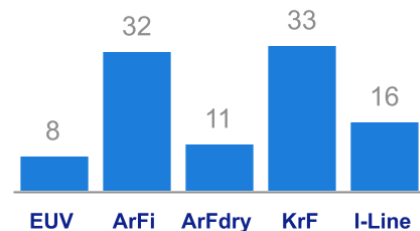
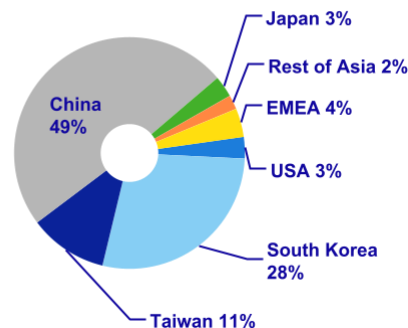
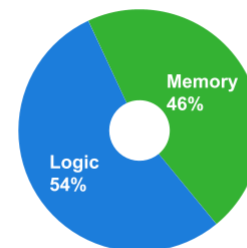
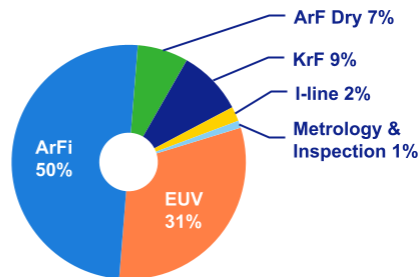
³ Net bookings include all system sales orders and inflation-related adjustments, for which written authorizations have been accepted.

Net system sales breakdown (Quarterly)

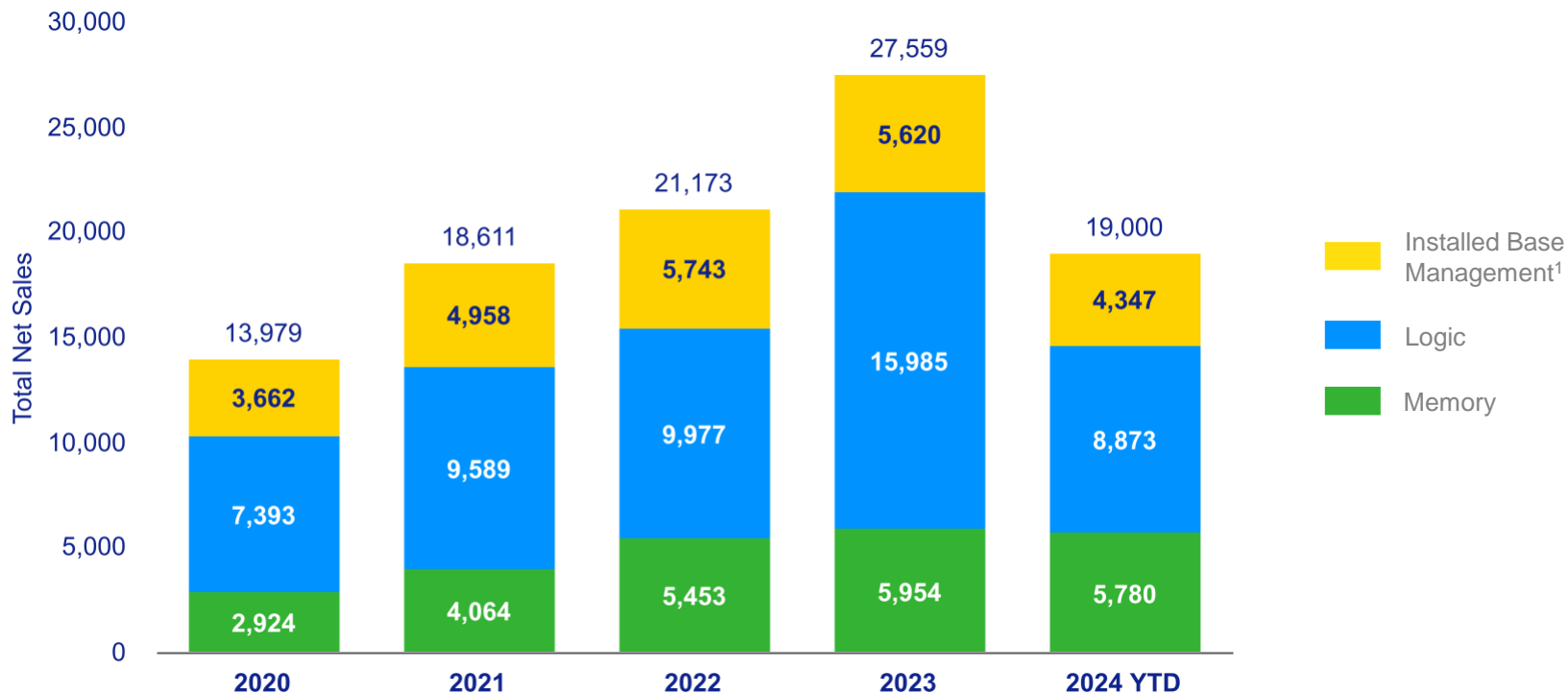
Q3'24
Net system sales
€5,926 million



Q2'24
Net system sales
€4,761 million



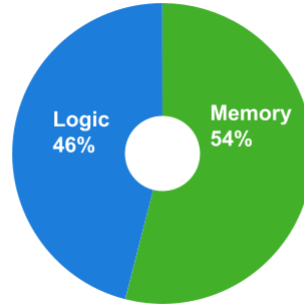
Total net sales € million by End-use



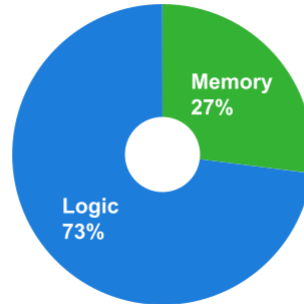
¹ Installed Base Management equals our net service and field option sales

Net systems bookings¹ activity by End-use

**Q3'24 net system bookings
€2,633 million**



**Q2'24 net system bookings
€5,567 million**



¹ Net bookings include all system sales orders and inflation-related adjustments, for which written authorizations have been accepted.

Capital return to shareholders

- In Q3, ASML paid an interim dividend of €1.52 per ordinary share
- The second quarterly interim dividend over 2024 will be €1.52 per ordinary share and will be made payable on November 7, 2024
- In Q3 2024 no shares were purchased



Third interim and final dividend for a year are paid in the subsequent year



Outlook

Outlook

Q4

- Total net sales between €8.8 billion and €9.2 billion, including
 - Installed Base Management¹ sales of around €1.9 billion
- Gross margin between 49% and 50%
- R&D costs of around €1,090 million
- SG&A costs of around €300 million

2024

- Expected total net sales of around €28 billion with a gross margin of around 50.6%
- Estimated annualized effective tax rate between 16% and 17%

Financial Statements

Consolidated statements of operations € million

Quarter on Quarter

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Total net sales	6,673	7,237	5,290	6,243	7,467
Gross profit	3,462	3,717	2,697	3,212	3,793
Gross margin %	51.9	51.4	51.0	51.5	50.8
R&D costs	(992)	(1,041)	(1,032)	(1,101)	(1,055)
SG&A costs	(288)	(284)	(273)	(277)	(297)
Income from operations	2,182	2,392	1,392	1,834	2,441
Operating income as a % of total net sales	32.7	33.1	26.3	29.4	32.7
Net income	1,893	2,048	1,224	1,578	2,077
Net income as a % of total net sales	28.4	28.3	23.1	25.3	27.8
Earnings per share (basic) €	4.81	5.21	3.11	4.01	5.28
Earnings per share (diluted) €	4.81	5.20	3.11	4.01	5.28
Lithography systems sold (units) ¹	112	124	70	100	116
Net bookings ²	2,602	9,186	3,611	5,567	2,633

¹ Lithography systems do not include metrology and inspection systems.

² Net bookings include all system sales orders and inflation-related adjustments, for which written authorizations have been accepted.

Consolidated statements of cash flows € million

Quarter on Quarter

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Cash and cash equivalents, beginning of period	6,341	4,976	7,005	5,101	4,814
Net cash provided by (used in) operating activities	1,128	3,197	(252)	924	950
Net cash provided by (used in) investing activities	(1,090)	(617)	(724)	(437)	(215)
Net cash provided by (used in) financing activities	(1,406)	(545)	(927)	(773)	(565)
Effect of changes in exchange rates on cash	3	(6)	(1)	(1)	(4)
Net increase (decrease) in cash and cash equivalents	(1,365)	2,029	(1,904)	(287)	166
Cash and cash equivalents, end of period	4,976	7,005	5,101	4,814	4,980
Short-term investments	5	5	305	205	5
Cash and cash equivalents and short-term investments	4,981	7,010	5,406	5,019	4,985
Purchases of property, plant and equipment and intangible assets	(510)	(602)	(424)	(538)	(416)
Free cash flow ¹	618	2,595	(676)	386	534

¹ Free cash flow, which is a non-GAAP measure, is defined as net cash provided by (used in) operating activities minus purchases of Property, plant and equipment and intangible assets, see US GAAP Consolidated Financial Statements

Consolidated balance sheets € million

Quarter End

	Assets	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Cash & cash equivalents and short-term investments		4,981	7,010	5,406	5,019	4,985
Accounts receivable and finance receivables, net		5,682	5,774	5,041	5,517	6,171
Contract assets		267	240	303	435	554
Inventories, net		8,379	8,851	9,865	10,972	11,414
Loan receivable		921	929	930	929	929
Other assets		2,776	2,230	2,539	2,592	2,519
Tax assets		2,681	2,873	2,524	2,557	2,263
Equity method investments		1,094	920	951	1,002	1,083
Goodwill		4,583	4,589	4,589	4,589	4,589
Other intangible assets		757	742	711	687	653
Property, plant and equipment		5,093	5,493	5,841	6,084	6,212
Right-of-use assets		300	307	343	358	394
	Total assets	37,514	39,958	39,043	40,741	41,766
Liabilities and shareholders' equity						
	Current liabilities	16,310	16,275	15,049	16,132	16,026
	Non-current liabilities	9,209	10,231	10,200	9,898	9,589
	Shareholders' equity	11,995	13,452	13,794	14,711	16,151
	Total liabilities and shareholders' equity	37,514	39,958	39,043	40,741	41,766

Forward looking statements

This document and related discussions contain statements that are forward-looking within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements with respect to plans, strategies, expected trends, including trends in the semiconductor industry and end markets and business environment trends, expected demand, bookings, backlog, expected recovery in the semiconductor industry and expected timing thereof including expected industry recovery continuing in 2025, plans to continue to build capacity, outlook and expected financial results, outlook of market segments, including expected results for Q4 2024, including net sales, IBM sales, gross margin, R&D costs, SG&A costs, outlook for full year 2024, including expected full year 2024 total net sales, gross margin and estimated annualized effective tax rate, expectations and modelling with respect to 2025 revenue and gross margin, statements made at our 2022 Investor Day, including revenue and gross margin opportunity for 2025 and 2030, statements with respect to execution of ESG sustainability strategy, our expectation to continue to return significant amounts of cash to shareholders through growing dividends and share buybacks, statements with respect to our share buyback program, including the amount of shares that may be repurchased thereunder and statements with respect to dividends, statements with respect to expected performance and capabilities of our systems and customer plans and other non-historical statements. You can generally identify these statements by the use of words like “may”, “will”, “could”, “should”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “potential”, “intend”, “continue”, “target”, “future”, “progress”, “goal”, “model”, “opportunity” and variations of these words or comparable words. These statements are not historical facts, but rather are based on current expectations, estimates, assumptions, plans and projections about our business and our future financial results and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve a number of substantial known and unknown risks and uncertainties. These risks and uncertainties include, without limitation, customer demand, semiconductor equipment industry capacity, worldwide demand for semiconductors and semiconductor manufacturing capacity, lithography tool utilization and semiconductor inventory levels, general trends and consumer confidence in the semiconductor industry, the impact of general economic conditions, including the impact of the current macroeconomic environment on the semiconductor industry, uncertainty around a market recovery including the timing thereof, the impact of inflation, interest rates, wars and geopolitical developments, the impact of pandemics, the performance of our systems, the success of technology advances and the pace of new product development and customer acceptance of and demand for new products, our production capacity and ability to adjust capacity to meet demand, supply chain capacity, timely availability of parts and components, raw materials, critical manufacturing equipment and qualified employees, our ability to produce systems to meet demand, the number and timing of systems ordered, shipped and recognized in revenue, risks relating to fluctuations in net bookings and our ability to convert bookings into sales, the risk of order cancellation or push outs and restrictions on shipments of ordered systems under export controls, risks relating to the trade environment, import/export and national security regulations and orders and their impact on us, including the impact of changes in export regulations and the impact of such regulations on our ability to obtain necessary licenses and to sell our systems and provide services to certain customers, exchange rate fluctuations, changes in tax rates, available liquidity and free cash flow and liquidity requirements, our ability to refinance our indebtedness, available cash and distributable reserves for, and other factors impacting, dividend payments and share repurchases, the number of shares that we repurchase under our share repurchase programs, our ability to enforce patents and protect intellectual property rights and the outcome of intellectual property disputes and litigation, our ability to meet ESG goals and execute our ESG strategy, other factors that may impact ASML’s business or financial results, and other risks indicated in the risk factors included in ASML’s Annual Report on Form 20-F for the year ended December 31, 2023 and other filings with and submissions to the US Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We undertake no obligation to update any forward-looking statements after the date of this report or to conform such statements to actual results or revised expectations, except as required by law.

