

Mr. Dassen – your first time here as the newly appointed CFO of ASML. The third quarter was a good quarter for ASML. Can you talk us through the numbers?

A good quarter indeed. We recognized revenue of EUR 2.78 billion for the quarter. Which was at the high end of our guidance. In terms of gross margin we recognized 48.1 percent. Again, slightly above our guidance and truly reflective of the strength of our DUV business, of our Application business and also of the progress that we are making in further driving the EUV gross margin. In terms of EUV, we recognized and shipped five EUV systems in this quarter. Net profit EUR 680 million. So all in all really good results. In terms of order intake, again a good quarter on that front – EUR 2.2 billion for the quarter.

And the memory and logic business, how are they doing?

Memory and logic business both strong in our order intake. So, if you take it all together all in all I would really say Q3 a good quarter.

Let's have a look at EUV. How are you progressing with EUV?

We're progressing well with EUV. As you know, many of our customers have announced that they are going for high volume manufacturing on EUV starting 2019. The NXE:3400 systems that we shipped last quarter and also the systems that we're shipping this quarter and onwards, they need specifications that are required for high volume manufacturing. Also, in terms of availability, the availability that our systems show really go hand in hand with what is required for high volume manufacturing.

We accelerated the roadmap of 0.33 with the introduction next year of NXE:3400C model which shows higher productivity of over 155 wafers per hour. And the productivity roadmap that we continue to show for EUV machines will be a topic of discussion on our investor day November 8 here in Veldhoven.

What about EUV shipments at present and what is your shipment plan for 2019?

We had a nice linear trend in our EUV shipments this year. We had three shipments in Q1, four in Q2, five in Q3 and we are looking at six for Q4. So, in the aggregate that takes us to 18 shipments for 2018. Based on some end of year production issues and also customer readiness we have a number of shipments that we originally planned for 2018, now ship early 2019. If we then look at the full year of 2019 we're looking at a plan of 30 shipments for the full year. With the introduction of the higher productivity NXE:3400C model in the second half, we believe that with that higher productivity 30 systems will be enough to cater for the demand that our customers have for the full year 2019.

In terms of order intake, five systems in this quarter. We expect another healthy intake of orders in the fourth quarter and we believe that that combined will get us fully covered for the 30 shipments that we expect for 2019.

What is your outlook for the next quarter?

For the fourth quarter we expect net sales of EUR 3 billion which gets us for the full year to approximately EUR 11 billion which again is a record year for ASML.

And what about gross margin?

Gross margin we expect around 48 percent and if you combine all of that – EUR 3 billion of revenue and 48 percent gross margin - I think we once again show healthy growth for 2018 both at the sales level and at the gross margin and profit level.

Can you already give any sense for 2019?

It is a little early to give guidance on 2019, but I can make a few qualitative comments on what we see. First of we see strength in both logic and in memory, which again is evidenced by the order intake that I referenced of EUR 2.2 billion. And if you look at the composition of the order intake, 64 percent of that is memory.

If we look at the different businesses, on the DUV side we see continuous strength on the memory side, but we also expect actually growth on the logic side. I think we already talked about EUV and the high volume manufacturing that we touched upon there which to a very large extent is driven by logic and particularly by logic going to the 7nm.

If I look at Applications we see continued growth there and also we expect that to be further enhanced by the introduction in 2019 of multibeam. Finally – if we look at all the businesses and revenue components - looking at installed base revenue, we expect significant growth there in 2019 because we do see plans of our clients to further enhance their systems and have updates on the systems in order to really maximize the capital efficiency that they have on the systems.

So?

So, 2019 is another year of good growth opportunity.