

# ASML reports €6.7 billion net sales and €1.9 billion net income in Q3 2023

ASML confirms its expectation to grow towards 30% in 2023

ASML 2023 Third-Quarter  
Veldhoven, the Netherlands

October 18, 2023

# Agenda

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

# Investor key messages

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- 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
- Based on different market scenarios<sup>1</sup> as presented during our Investor Day in November 2022, we modeled an opportunity to reach annual revenue in 2025 between approximately €30 billion and €40 billion, with a gross margin between approximately 54% and 56% and in 2030 an annual revenue between approximately €44 billion and €60 billion, with a gross margin between approximately 56% and 60%
- ASML and its supply chain partners are actively adding and improving capacity to meet current and future customer demand
- We continue to accelerate the execution of our ESG Sustainability strategy and have shared the latest progress and actions to reach our ambitious targets in our integrated Annual Report 2022
- 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

- Net sales of €6.7 billion, net system sales of €5.3 billion, Installed Base Management<sup>1</sup> sales of €1.4 billion
- Gross margin of 51.9%
- Operating margin<sup>2</sup> of 32.7%
- Net income as a percentage of net sales of 28.4%
- Earnings per share (basic) of €4.81
- Net bookings<sup>3</sup> of €2.6 billion
  - including EUV bookings of €0.5 billion

<sup>1</sup> Installed Base Management equals our net service and field option sales

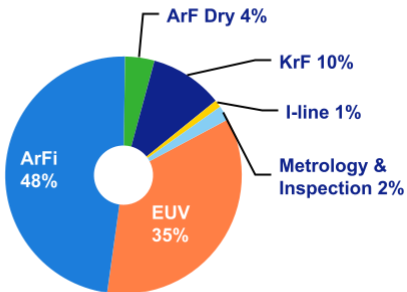
<sup>2</sup> Income from operations as a percentage of Total net sales

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

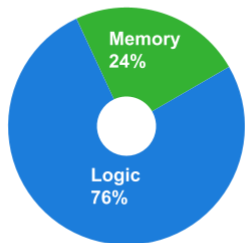
# Net system sales breakdown (Quarterly)

**Q3'23**  
Net system sales  
€5,308 million

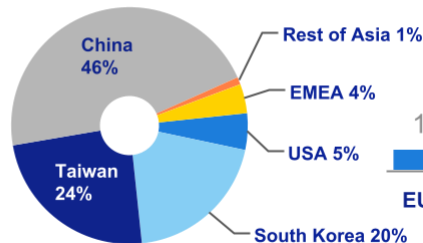
**Technology**



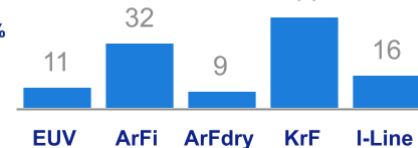
**End-Use**



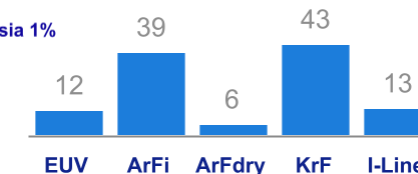
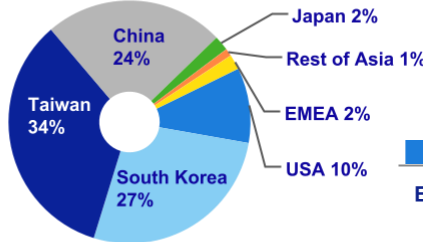
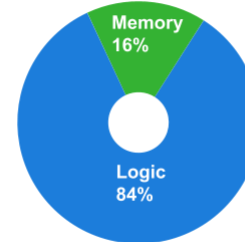
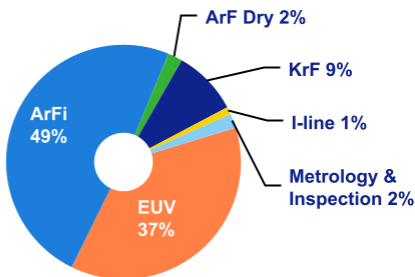
**Region (ship to location)**



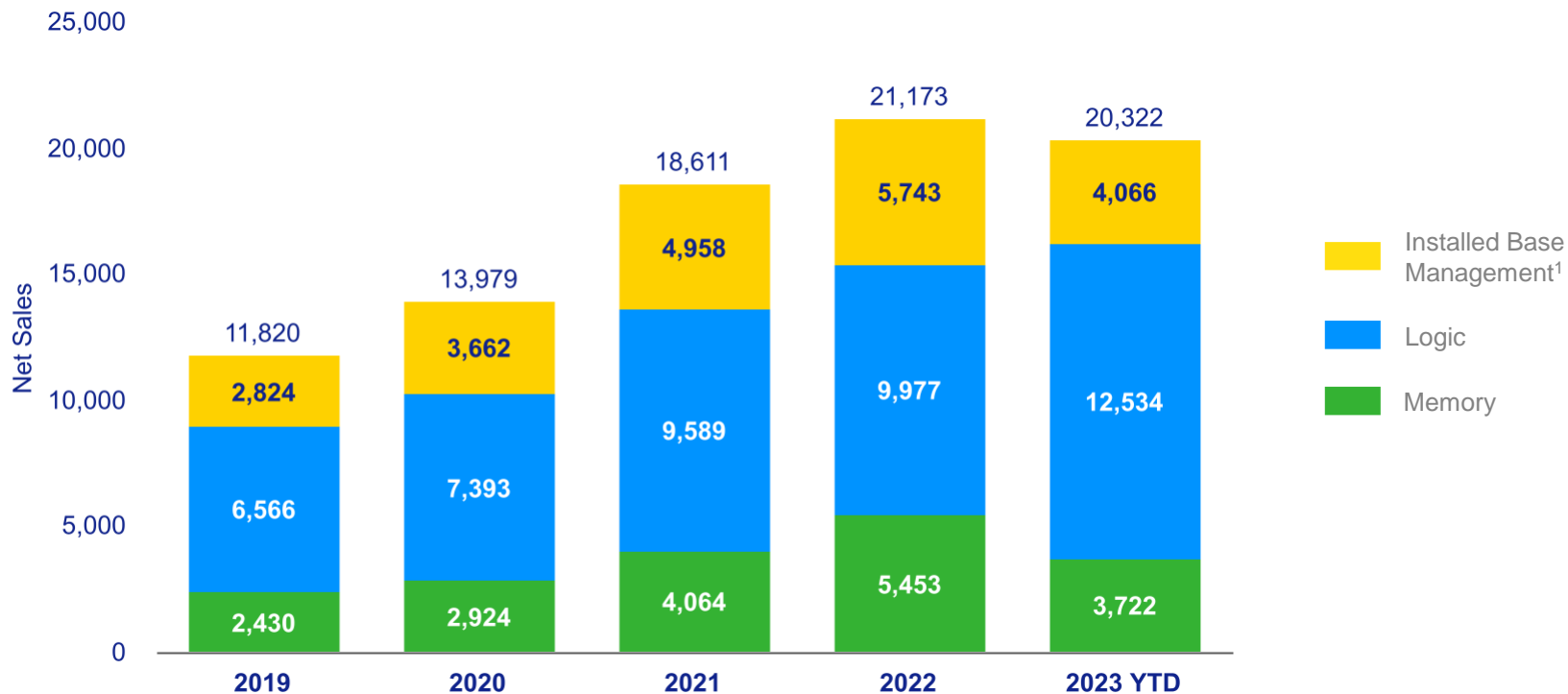
**Sales in lithography units**



**Q2'23**  
Net system sales  
€5,606 million



# Total net sales € million by End-use

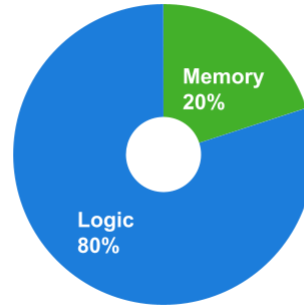


<sup>1</sup> Installed Base Management equals our net service and field option sales

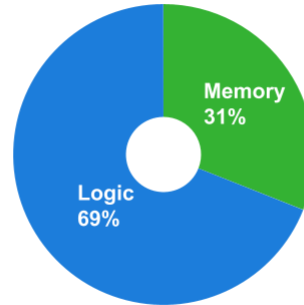


# Net systems bookings activity by End-use

**Q3'23** net system sales value  
**€2,602 million**



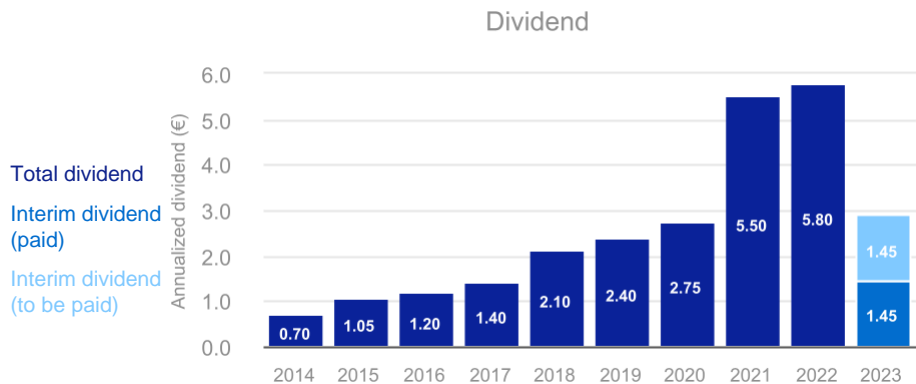
**Q2'23** net system sales value  
**€4,500 million**



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 €1.45 per ordinary share
- The second quarterly interim dividend over 2023 will be €1.45 per ordinary share and will be made payable on November 10, 2023
- In Q3 2023 we purchased shares for a total amount of around €100 million



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

# Outlook

# Outlook

## Q4

- Net sales between €6.7 billion and €7.1 billion, including
  - Installed Base Management<sup>1</sup> sales of around €1.4 billion
- Gross margin between 50% and 51%
- R&D costs of around €1,030 million
- SG&A costs of around €285 million

## 2023

- Net sales growth expectation towards 30% with a slight improvement in gross margin, relative to 2022, confirmed
- Estimated annualized effective tax rate between 15% and 16%

<sup>1</sup> Installed Base Management equals our net service and field option sales

# Financial Statements

# Consolidated statements of operations € million

## Quarter on Quarter

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net sales	5,778	6,430	6,746	6,902	6,673
Gross profit	2,994	3,311	3,413	3,544	3,462
Gross margin %	51.8	51.5	50.6	51.3	51.9
R&D costs	(819)	(906)	(948)	(1,000)	(992)
SG&A costs	(236)	(280)	(260)	(281)	(288)
Income from operations	1,939	2,125	2,205	2,263	2,182
Operating income as a % of net sales	33.5	33.0	32.7	32.8	32.7
Net income	1,701	1,817	1,956	1,942	1,893
Net income as a % of net sales	29.4	28.2	29.0	28.1	28.4
Earnings per share (basic) €	4.29	4.60	4.96	4.93	4.81
Earnings per share (diluted) €	4.29	4.60	4.95	4.93	4.81
Lithography systems sold (units) <sup>1</sup>	86	106	100	113	112
Net bookings <sup>2</sup>	8,920	6,316	3,752	4,500	2,602

<sup>1</sup> Lithography systems do not include metrology and inspection systems.

<sup>2</sup> 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 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Cash and cash equivalents, beginning of period	4,097	3,153	7,268	6,648	6,341
Net cash provided by (used in) operating activities	1,170	5,351	734	385	1,128
Net cash provided by (used in) investing activities	(509)	(364)	(436)	(545)	(1,090)
Net cash provided by (used in) financing activities	(1,613)	(859)	(916)	(137)	(1,406)
Effect of changes in exchange rates on cash	8	(13)	(2)	(10)	3
Net increase (decrease) in cash and cash equivalents	(944)	4,115	(620)	(307)	(1,365)
Cash and cash equivalents, end of period	3,153	7,268	6,648	6,341	4,976
Short-term investments	210	108	5	5	5
Cash and cash equivalents and short-term investments	3,363	7,376	6,653	6,346	4,981
Purchases of property, plant and equipment and intangible assets	(364)	(466)	(539)	(544)	(510)
Free cash flow <sup>1</sup>	805	4,885	194	(161)	618

<sup>1</sup> 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 on Quarter

	Assets	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Cash & cash equivalents and short-term investments		3,363	7,376	6,653	6,346	4,981
Net accounts receivable and finance receivables		7,414	6,680	4,862	5,686	5,682
Contract assets		277	132	236	193	267
Inventories, net		6,884	7,200	7,392	7,734	8,379
Loan receivable		364	364	364	364	921
Other assets		2,403	2,383	2,735	2,912	2,776
Tax assets		1,905	1,706	1,921	2,275	2,681
Equity method investments		999	924	970	1,040	1,094
Goodwill		4,556	4,556	4,556	4,556	4,583
Other intangible assets		870	842	814	789	757
Property, plant and equipment		3,562	3,944	4,355	4,728	5,093
Right-of-use assets		207	193	290	306	300
<b>Total assets</b>		<b>32,804</b>	<b>36,300</b>	<b>35,148</b>	<b>36,929</b>	<b>37,514</b>
<b>Liabilities and shareholders' equity</b>						
Current liabilities		15,669	17,983	16,948	16,755	16,310
Non-current liabilities		9,180	9,506	8,413	9,569	9,209
Shareholders' equity		7,955	8,811	9,787	10,605	11,995
<b>Total liabilities and shareholders' equity</b>		<b>32,804</b>	<b>36,300</b>	<b>35,148</b>	<b>36,929</b>	<b>37,514</b>



# 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 including expected demand recovery in the industry and expected timing thereof, demand, utilization, backlog, inventory levels, bookings and orders, outlook and expected financial results, including expected results for Q4 2023, including net sales, gross margin, R&D costs, SG&A costs, expected results for full year 2023, including expected growth in revenue and expected gross margin, estimated annualized effective tax rate and other full year 2023 expectations, expectations with respect to revenue for 2024 and growth in 2025, statements made at our 2022 Investor Day, including revenue and gross margin opportunity for 2025 and 2030, statements with respect to export control policy and regulations and expected impact on us, expectation to return significant amounts of cash through growing dividends and share buybacks, including the amount of shares intended to be repurchased under the program and statements with respect to dividends, statements with respect to our ESG goals and strategy 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” and variations of these words or comparable words. These statements are not historical facts, but rather are based on current expectations, estimates, assumptions 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 and semiconductor equipment industry capacity, worldwide demand for semiconductors and semiconductor manufacturing capacity, utilization and inventory levels, general trends and consumer confidence in the semiconductor industry, the impact of general economic conditions, including the impact of the current macroeconomic uncertainty on the semiconductor industry, the impact of inflation, interest rates, geopolitical developments, the impact of pandemics, 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, constraints and logistics, timely availability of parts and components, raw materials, critical manufacturing equipment and qualified employees, and constraints on our ability to produce systems to meet demand, the number and timing of systems ordered, shipped and recognized in revenue, and the risk of order cancellation or push outs, 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 sell our systems to certain customers, changes in exchange and tax rates, available liquidity 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 repurchased 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 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, 2022 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.

