Transcript

Video interview with ASML CEO Christophe Fouquet and CFO Roger Dassen

Q4 and full-year 2025 results

Hello and welcome to ASML's Q4 2025 and full year 2025 results video. Roger, if I can start with you and ask you to give us a summary of both Q4 2025 and the full year's results.

So Q4, net revenue came in at €9.7 billion. That included the recognition of revenue for 2 High NA systems. For the full year, revenue came in at €32.7 billion, which was a 16% increase compared to 2024. Installed Base business came in for the quarter at €2.1 billion. If you take the full year €8.2 billion. Quite strong. Quite strong first on the basis of the service revenue for EUV. Obviously with the expansion of the installed base for EUV, you see the service revenue increasing there. But also there was quite some appetite for upgrade business. So that led to quite a strong revenue for the Installed Base business. Gross margin for the quarter 52.2%. If you take it for the full year, that was 52.8%. Net income, again for the quarter €2.8 billion. For the full year €9.6 billion. In terms of net bookings. Net bookings came in at €13.2 billion, included in there €7.4 billion for EUV. If you look at the backlog that we had at the end of 2025, €38.8 billion total backlog, of which €25.5 billion for EUV.

And then can you give us some color on what you saw in terms of the business in Q4 specifically?

Clearly it was a strong quarter. It was a record quarter in terms of revenue. It was a record quarter in terms of order intake. It was a record quarter in terms of free cash flow generation. So from that vantage point, clearly a very strong quarter. If you listen to our customers, both what they say publicly, but also what they told us, it's pretty clear that customers over the past couple of months have actually become more positive in their assessment of the medium-term market perspectives as they see it. I think it's primarily on the basis of the more robust view that they have when it comes to demand for AI, which seems to be more sustainable from their vantage point. That recognition has led some of our customers to really invest in capacity and gear up their plans for medium-term capacity expansion. So that's been clearly the case. That perspective has obviously also led to a strong order intake for us. Finally, I would say important for Q4 is also that we were actually able to demonstrate our ability to gear up our output, which again is going to be important also in light of the expectations that we have for 2026.

Q1 and full-year 2026 guidance

Then moving to 2026, how are you guiding both Q1 and the full year?

So Q1, we expect net revenue to be somewhere between €8.2 and €8.9 billion. That's the expectation for the quarter in terms of revenue. We expect a gross margin between 51% and 53%. When it comes to the Installed Base revenue, we expect around €2.4 billion in Q1. For the total year, we're looking at

total net revenue expected between €34 and €39 billion euros with a gross margin between 51% and 53%.

Market dynamics

Christophe, in terms of the market outlook that supports Roger's commentary there, can you give us a little bit of color on how you're seeing things?

Well, Roger already mentioned very clearly that the market outlook has notably improved in the last few months. This is especially true when it comes to the build-up of the capacity for AI applications, being data centers or other infrastructure. Now, we start to see that this build-up is also translating into need for capacity at our advanced customers. This is true for Logic. This is true for DRAM. This starts to translate also into orders for our most advanced technology, especially EUV. So in the last few months we have seen our DRAM customers, our Logic customers, starting to accelerate their planning-capacity and having this discussions with us. If I look at Logic first, so there we see our customers starting to be more comfortable about the sustainability of the long-term AI demand. This means that they are more willing to accelerate their capacity-planning. They are transitioning also from 4nm technology to 3nm technology, which is going to be more demanding in terms of advanced technology. Finally, of course, the ramp of 2nm is going on and I would say is accelerating in order to fulfill the future need of mobile and HPC applications. When I look at DRAM, there also the demand is very strong for HBM, of course, but also for DDR. This most probably will lead to a very tight supply, at least in 2026 and most probably beyond that. So we see our customer ramping 1b, 1c nodes, which are going to be critical for that demand. And on those nodes, we see them increasing basically the amount of EUV layers. We have talked about that in the past. We see that happening very strongly right now. So altogether, we see a very positive dynamic. I think a strong belief that the AI demand is real and a preparation for that, with on the short term a major addition of capacity. This will start in 2026 and will last beyond that.

Turning back to you, Roger, how do you see that then translating into ASML's business?

If we start with the EUV business, against the backdrop of the demand and the developments that Christophe was describing, we expect the EUV business to increase significantly. So EUV revenue to significantly go up in comparison to 2025. When it comes to the non-EUV system business, in total we expect that to be kind of flattish in comparison to 2025, but with different moving parts in there. If you look at advanced Logic, if you look at Memory, we actually expect the demand also on the non-EUV business to go up there. On the China business, we expect the China business for us to come in at approximately the percentage that China also has in our backlog, which is around 20% of the backlog and therefore 20% of our revenue is what we expect the China business to come in at. And then I would say very clearly also in the non-EUV business, it's pretty clear that the metrology and inspection business is quite strong. There is a lot of demand for process control, so therefore we expect that

business to go up as well. So those are the different moving parts, but all in all, we expect the non-EUV business to be sort of flattish.

And then the Installed Base business. I already told you that the Installed Base business in 2025 was quite strong. And we actually expect the same dynamics to also go into 2026. We actually expect that business to go up as well. So growth in Installed Base on the back of again the growth of the Installed Base business for EUV and also in the current climate, significant appetite we think for upgrades and for upgrade business. Because frankly, that's the easiest and fastest way for customers to get additional output capacity.

Technology update

Then Christophe, if I can ask you to give us an update on how you're seeing the technology roadmap development for ASML?

Well, first I'd like to say that the appetite for technology from our customers for those advanced nodes is very, very high. And that's true for almost all the products of ASML. If I start with Low NA, 2025 has been a critical but also a good year to ramp our NXE:3800E. This tool is now extremely important for our customers. They're going to rely on it for the next advanced DRAM and Logic nodes. And we have been able to mature the product. Reach the final throughput of 220 wafers per hour, but even demonstrate at some customers that we could go, on this tool, up to 230 wafers per hour. Roger said it, upgrades, when you need capacity, upgrades become very important. So this would be good for the NXE:3800E. But, also on EUV, we're providing more upgrades for the installed base, so that we help our customers with capacity on the very short term. We also expect Low NA EUV to continue to see more utilization moving forward. We talked a lot about litho-intensity. When we look at, for example, the transition from $6F^2$ to $4F^2$ on DRAM, we also expect both immersion and Low NA to be used even more. So there we also expect good dynamic on litho-intensity. Looking at High NA, customers continue to make good progress on the qualification. I talked about the three phases in the past. A lot of customers are finalizing their R&D phases with the EXE:5000. Intel has reported that they have accepted their first EXE:5200B, which means, basically, they have the first tool that will be used in high volume manufacturing. And other customers are going to also get that tool in their hands very, very quickly. So the qualification of the tool is going well. Imaging, performance, overlay performance, everything is looking good for our customers right now. Inspection, metrology, Roger touched on that. Almost 30% growth this year, which is significant. It means that both the need for those products is high, but also the products we're offering are basically meeting our customers' needs, both on optical, overlay metrology, but also E-beam inspection. And on E-beam inspection, multi-beam is becoming more and more critical. 2025 was also a good year for this product. Allowing us to mature the technology, demonstrate initial value with our customers. We expect also that product to have more traction in 2026. So overall, huge

appetite for technology. A lot of projects at ASML. Some of the key products should become production worthy in the coming months.

Dividend and share buyback

Back to you, Roger, would you be able to give us an update on dividend and buybacks, what we're doing on that front?

So this quarter we'll pay an interim dividend of €1.60 per ordinary share. We're going to actually propose to the AGM to have a final payment as it pertains to last year of €2.70 per ordinary share. If you combine that with the interim dividends, that would have been made at that point in time, then the total dividend as it relates to 2025 would be at €7.50 per ordinary share, which would actually be a 17% increase over the dividend over 2024. In terms of share buyback, the previous program ran until December. We didn't complete that, so we bought back shares for an amount of €7.6 billion. The maximum amount was €12 billion. Actually we announced today a new program for, again, a three-year period. So it ends December 2028 and for an amount of up to €12 billion.

Longer-term outlook

Christophe, to finish, could you give us a reminder on how you're seeing the longer-term demand and what that means for ASML?

One of the key points we made at our Capital Markets Day, November 2024, was that AI applications will require more advanced technology in DRAM and Logic and will drive basically some of our most advanced products. I think that this is being confirmed as we speak. The last few months have pointed basically exactly to that dynamic. We also see that the progress we continue to make on our cost of technology with EUV is driving for more litho-intensity. And that's, again, something that has been confirmed in the last few months. So if we look to the long term, in line to what we said in November 2024, for 2030 we expect a revenue between €44 and €60 billion and a gross margin between 56% and 60%.

Very clear. Thank you both very much.

You're welcome.