



## **Transcript**

### **Video interview with ASML CEO Christophe Fouquet**

#### **Q2 2024 results**

##### *Q2 2024 results*

Hello everyone. We published our Q2 results today, and I would like to take the opportunity to discuss these with you in more detail.

Q2 2024 was a good quarter. Our second-quarter sales are just over €6.2 billion. That's at the high-end of our guidance, primarily driven by more immersion system sales. Our Installed Base Management came in at €1.48 billion. This is slightly higher than guided, driven by increased service revenue. Our gross margin for Q2 is 51.5% – above our guidance. This is primarily driven by the product mix, more immersion systems. Net income for the quarter was €1.6 billion. Our net bookings came in at €5.6 billion of which €2.5 billion in EUV systems. At the end of Q2, ASML had a backlog of around €39 billion.

##### *Q3 and Full Year 2024 outlook*

Now I will talk about the outlook for the third quarter and the full year and I will give you our guidance for Q3. In Q3, we expect total net sales to be between €6.7 billion and €7.3 billion. We expect our Q3 Installed Base Management revenue to be around €1.4 billion. For the third quarter we expect a gross margin between 50% and 51%.

Our outlook for the full year 2024 has not changed. We expect a revenue similar to last year. As indicated before, and based on our current guidance, the second half of the year is expected to be significantly higher than the first half. This is in line with the industry's continued recovery from the downturn.

Our guidance on market segments is similar to what we've stated in previous quarters. We expect Logic revenue to be slightly lower in 2024, compared to 2023, as customers digest the capacity added in 2023. For Memory, we currently see revenue growth in 2024 compared to 2023. This is primarily driven by DRAM technology node transitions in support of advanced Memory such as DDR5 and High Bandwidth Memory.

Our Installed Base business is expected to be flat relative to 2023.

As we have said before, 2024 is a transition year. We continue to make investments both in capacity ramp and technology to be ready for the expected strong demand in 2025. Based on the different levers discussed in the past two quarters and the net impact on margins, we still expect a slightly lower gross margin in 2024 compared to 2023.



### *EUV Technology*

Now, I also want to share with you some important updates about our EUV technology.

First of all, our 0.33 NA systems. We have shipped additional NXE:3800E systems this quarter and we are continuing to ramp as planned. As customers transition to the 3800E this year, we expect the majority of shipments in the second half of the year to be 3800E systems.

Regarding High NA, or 0.55NA system, we have shipped the second system this quarter. Our first system is running qualification wafers at a customer. The second system is also now under installation and this is progressing well.

Our customer interest for High NA is high. They are using already our system in the joint ASML-imec High NA lab in Veldhoven for initial wafer exposures and development. We have now achieved images with a resolution of 8nm which is a new world record.

We are with High NA enabling an almost three times increase in transistor density relative to a 0.33NA system. Our system in Veldhoven has exposed the first wafers for multiple Logic and Memory customers.

So all in all, good momentum on High NA, high interest and we are progressing well against our customers' expectations.

### *Longer-term outlook*

Let's switch now to our longer-term outlook. When it comes to demand and our business beyond 2024 we expect, as we discussed in previous quarters, that the overall semiconductor inventory levels will continue to improve. We also see today further improvement in litho tool utilization levels at both Logic and Memory customers. While there are still uncertainties in the market, primarily driven by the macro environment, we expect a continued industry recovery in the second half of 2024.

We currently see strong developments in AI driving most of the industry recovery and growth ahead of other market segments. Based on discussions with our customers and supported by our strong backlog, we currently expect 2025 to be a strong year, driven by a number of factors as mentioned last quarter. The secular growth drivers in the semiconductor end markets are still very much intact. The energy transition, electrification and AI will continue to drive demand. We also see an expanding application space, along with increasing lithography on future technology nodes. This will also drive demand for both advanced and mature nodes.

The industry expects to be in a cyclical upturn in 2025. As a result, we need to prepare for a number of new fabs that are being built today across the globe. Those fabs will be spread geographically and are strategic for all our customers. They are all scheduled to take our systems.



It's essential that we keep our focus on the future and build capacity in preparation for further long-term growth. We have discussed this long-term growth in our Investor Day in November 2022. There, our annual revenue forecast for 2025 was between €30 billion and €40 billion. Our opportunity for 2030 annual revenue was between €44 billion and €60 billion. We plan to update our view during our Investor Day this year on November 14, 2024.

In summary, although there are still near-term uncertainties, primarily driven by the macro environment, we remain confident in our long-term growth opportunity.

Thank you very much for joining me today.