Strategic report

From ASML's Annual Report 2025

The separate downloads are an extract from the 2025 Annual Report based on US GAAP. You are urged to read carefully the 2025 Annual Report based on US GAAP in its entirety. We also publish an Annual Report based on EU-IFRS. Both Annual Reports can be found on our website. The 2025 Annual Report based on US GAAP is also available on the SEC's website at http://www.sec.gov. The 2025 Annual Report based on EU-IFRS is also available on the website of the AFM at http://www.afm.nl.

ASML is a leading innovator in the global semiconductor ecosystem. Working closely with our customers and partners, we provide the hardware, software and services that help chipmakers create more powerful, affordable and energy-efficient microchips. These chips power modern life and help address some of humanity's toughest challenges.

We keep powering technology forward...

...through customer collaboration.

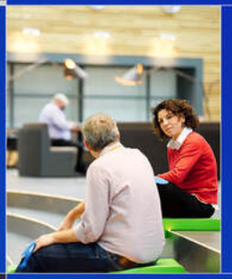
Read more about this story

...through cutting-edge physics.

Read more about this story

...through collective innovation.

Read more about this story



...through diverse, inspired talent.

Read more about this story

...using the potential of AI.

Read more about this story

...while aiming to reduce environmental impact.

Read more about this story

Special note regarding forward-looking statements

General

This Annual Report and related discussions contains statements relating to our business, expected results, business and industry trends, environmental targets, and other matters that are “forward-looking” within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify these statements by the use of words like “may”, “will”, “opportunity”, “potential”, “could”, “should”, “confident”, “project”, “believe”, “prospects”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “model”, “aim”, “seek”, “intend”, “continue”, “commit”, “target”, “future”, “progress”, “goal” and variations of these words or comparable words. They appear in a number of places throughout this Annual Report and include statements with respect to: expected trends, plans, expectations, strategies, priorities, goals, prospects and outlook, expected financial results, including expected results for Q1 including expectations with respect to net sales, gross margin, R&D costs, SG&A costs, and expected financial results for full year 2026, including expected full year 2026 total net sales and growth, gross margin and annualized effective tax rate, sales by market segment, EUV and non-EUV sales and net service and field option sales and expected drivers thereof, and other full year 2026 expectations and outlook, expectations with respect to expected net sales growth in 2026 and other statements with respect to outlook and expected drivers thereof, statements made at our 2024 Investor Day, including revenue and gross margin opportunity, model, opportunity and potential for 2030 and annual growth in sales 2025-2030 and expectations on growth in semiconductor end markets, statements made in the section entitled “Long-term growth opportunities”, expected capital expenditures and R&D spending targets and plans, expected business and industry trends and outlook, including expected semiconductor industry size and trends and trends in markets served by our customers, expected trends in product mix and geography, expected growth in the semiconductor market and industry and ecosystem and expectations of worldwide semiconductor sales and growth by 2030, expected GDP outlook, business environment trends, including expected demand, expected business growth, expected growth in global wafer capacity, statements with respect to AI, including goals for use of AI in our portfolio and the expected impact of AI demand on capacity buildup, our business, industry and results, expected benefits of our investment in Mistral AI, statements with respect to EUV adoption, including with respect to EUV and DUV sales, electrification and the energy transition, expected growth in semiconductor end markets and market opportunity for 2030 and outlook CAGR from 2025 to 2030 and key drivers and global trends expected to fuel semiconductor market growth in 2026 and in the longer term, statements made in the section entitled “Macroeconomic and geopolitical trends”, Moore’s Law, expected trends in customer demand, export control policy and regulations and expected impact on us, our plans to increase capacity, expectations about the use of our systems by customers, customer plans, product roadmaps and customer roadmaps, our expectation that lithography will continue to be at the heart of customer innovation, expected increase in critical lithography exposures, statements with respect to our product portfolio, expected productivity and other attributes and benefits of our systems, intentions with respect to grants of performance shares, our environmental, social and governance (ESG) and sustainability strategy, plans, commitments, projections, pathway and targets, including emissions and waste reduction aims, commitments and targets and our expectations about meeting or being on track to meet these targets and other ESG goals and targets, recycling and refurbishment initiatives, energy-saving and renewable energy use strategies and targets, including plans and targets to achieve greenhouse gas neutrality and emissions reductions targets, our target to achieve zero waste from operations to landfill and incineration and target dates to achieve those targets, assumptions underlying our projections related to ESG targets and reliance on suppliers to meet ESG goals to enable us to meet our ESG goals, plans to purchase renewable energy and carbon credits, potential for semiconductors to reduce greenhouse gas emissions, plans for our systems to use less energy and our energy savings plans and diversity and other ESG targets and commitments, capital allocation policy and cash return and dividend policy and statements about our new share buyback program and our proposed dividend for 2026 and other non-historical statements.

These forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about business and future financial results, and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance, and actual results may differ materially from projected results as a result of certain risks and uncertainties. These risks and uncertainties include, without limitation, those described under the section entitled “How we manage risk – Risk factors”. These forward-looking statements are made only as of the date of this Annual Report. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Regarding emission reduction targets

This Annual Report contains statements relating to our approach to and progress on achieving certain energy efficiency and greenhouse gas emissions reduction targets, including our ambition to achieve greenhouse gas neutrality.

References related to “greenhouse gas neutral” for scope 1, 2 and categories 6 and 7 (our own activities) of scope 3 mean remaining emissions, after ASML’s efforts to reach its GHG emission reduction targets, are compensated for by the same amount of metric tons of carbon credits that are verified against recognized quality standards. Compensation of emissions outside our own activities is dependent on the value chain.

Unless otherwise indicated, information contained in this Annual Report concerning greenhouse gas emission reduction targets is based on our internal environmental management system implemented to monitor energy use and emissions, as well as publicly available information, including the guidance from the Greenhouse Gas Protocol for the calculation of the GHG emissions, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and certain conversion factors.

Given that such data in the Sustainability statements is derived from various sources, is processed differently across our operating subsidiaries and departments, and depends on certain estimates and assumptions, there is an inherent degree of uncertainty in the estimations of such data. You are cautioned not to give undue weight to such data.

Forward-looking information concerning greenhouse gas emissions and greenhouse gas neutrality are subject to qualifications and the uncertainties as set forth under “Special note regarding forward-looking statements—General” in this Annual Report.

At a glance – 2025 overview

ASML has been helping microchip manufacturers power technology forward since 1984. Our holistic lithography solutions, software and services help chipmakers achieve their highest yields and best performance.

Unlocking the potential of people and society by pushing technology to new limits.

We enable groundbreaking technology to solve some of humanity's toughest challenges.

Together with our partners, we provide leading patterning solutions that drive the advancement of microchips.

88%
Customer satisfaction survey score

€4.7bn
Research & Development

5,100
Total number of suppliers

€32.7bn
Total net sales

52.8%
Gross margin

€8.5bn
Returned to shareholders

535
System sales in units

> 44,000
Total employees (FTEs)

21%
Women in our workforce (headcount)

143
Nationalities

At a glance – 2025 overview (continued)

0 kt

Net scope 1 and 2 CO_2e emissions

11.5 Mt

Net scope 3 CO_2e emissions

90%

Reuse rate of parts returned from the field and factory

€1,750

Amount invested in communities (per employee), including employee giving

Our values

We challenge

By questioning the status quo and pushing boundaries, keeping technology moving forward.

We collaborate

By tapping into our collective potential together with our partners and stakeholders, expanding our knowledge and skills, learning from each other and creating better solutions.

We care

By acting with integrity and respect, and providing a safe, inclusive and trusting environment where our people can learn and grow.

Empowered colleagues

We promote a culture of ownership, where people feel empowered to act and be accountable.

Global scale

Asia
China
Japan
Malaysia
Singapore
South Korea
Taiwan

EMEA
Belgium
France
Germany
Ireland
Israel
Italy
Netherlands
United Kingdom

North America
Arizona
California
Colorado
Connecticut
Idaho
Massachusetts
New Mexico
New York
Oregon
Texas
Utah
Virginia

60+ Locations

3 Continents

Our commitment to sustainability

E We aim to help expand computing power while minimizing energy use, emissions and waste.

S We aim to deliver responsible growth that benefits all our stakeholders.

G We aim to act on our responsibilities and anchor them across our entire business through integrated governance, engaged stakeholders and transparent reporting.

In conversation with Christophe Fouquet

President, Chief Executive Officer and Chair of the Board of Management

“Innovation is the engine of ASML – the key to both our past and future successes.”

Christophe Fouquet
President, Chief Executive Officer and
Chair of the Board of Management

In conversation with Christophe Fouquet (continued)

President, Chief Executive Officer and Chair of the Board of Management

Christophe Fouquet discusses the principal themes of the year, the achievements that gave him most satisfaction and how ASML aims to maintain its performance in the years ahead while meeting the needs of a diverse group of stakeholders

Q Looking back at the year, what were the most significant milestones and challenges?

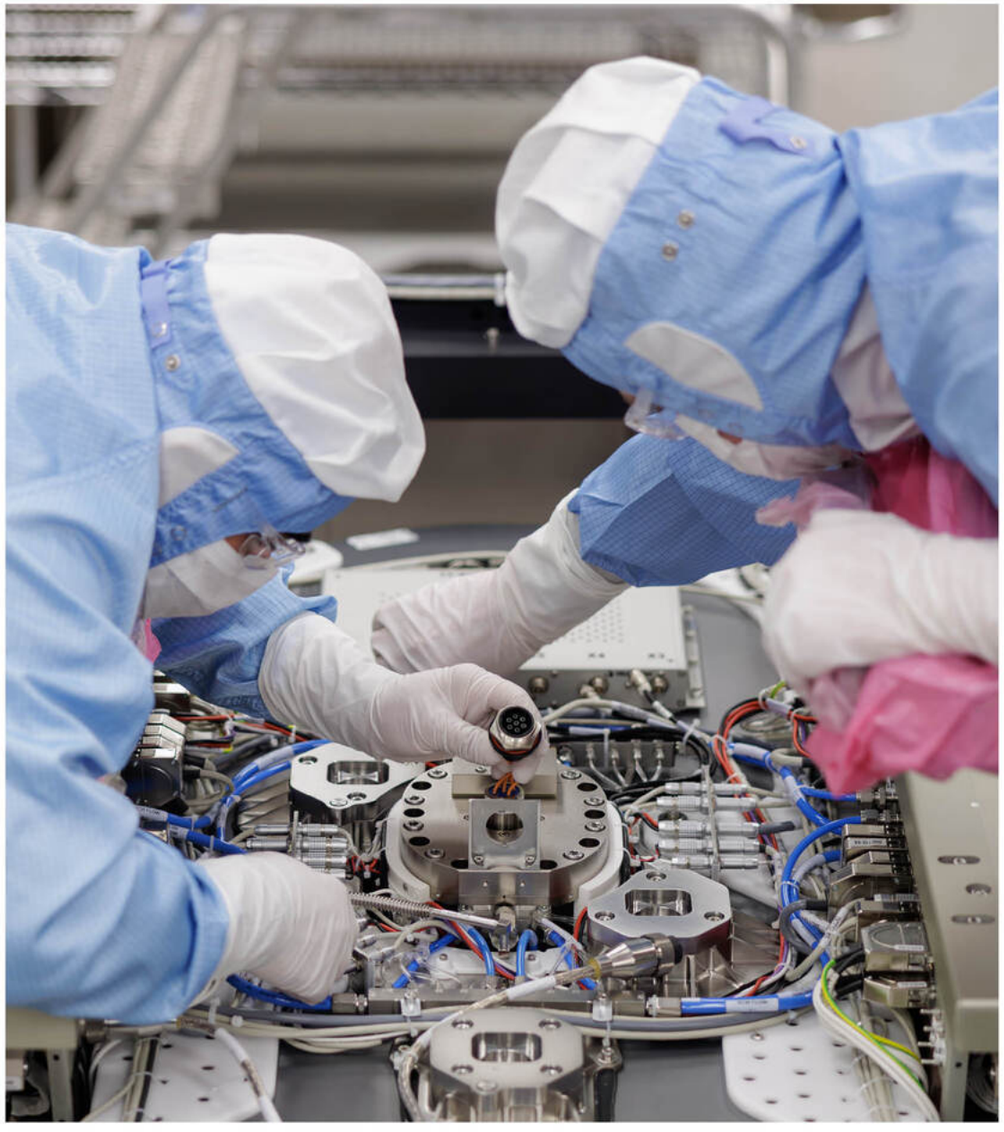
In 2025, the far-reaching impact of artificial intelligence (AI) on society and our industry became clear. At first, we believed that AI would drive demand from only a limited portion of our customer base. At the end of the year, we saw that new and significant demand for AI was starting to fuel capacity build-up across our broad customer base – a powerful trend that we believe will continue in 2026 and beyond.

We have seen strong execution of our technology roadmap across the business, most particularly in EUV with our TWINSCAN NXE:3800E system which continues to be adopted by advanced Logic and DRAM customers due to its higher productivity and cost of technology benefits. DRAM has been particularly remarkable this year, as the work we have done to reduce the cost of our EUV per exposure through increased maturity and productivity led to increased adoption. We have also achieved outstanding progress on EUV 0.55 NA, with a number of customers reporting that it is now more mature than EUV 0.33 NA was at the same stage of development. After almost 10 years of tremendous work from so many people in ASML, we have released our first TWINSCAN EXE:5200B in full specification to our first customer.

Furthermore, in line with our commitment to support customers in the 3D integration space, we were pleased to ship ASML's first advanced packaging product, the TWINSCAN XT:260, which delivers up to four times the productivity of existing solutions, and we will continue exploring further opportunities in this growing field.

The outcome of our endeavors is clear to see in the performance of the business, which is explained in full elsewhere in this annual report. Sales grew to €32.7 billion, up by 15.6% over 2024. The gross margin was 52.8%, up by 1.5 percentage points from 2024, and we returned €8.5 billion to shareholders. Our backlog currently stands at a healthy level of €38.8 billion. These results have been achieved in the context of a high degree of geopolitical and market uncertainty, which our team has navigated with care and expertise. None of this would have been possible without our great team of committed colleagues around the world.

The year was also characterized by ongoing work to make sure that our extensive environmental, social and governance (ESG) plans underpin our commitments to customers, employees, suppliers, shareholders and society. We have met our target to be greenhouse gas neutral for scope 1 and 2, and our engagement in the community has more than quadrupled in the last two years. I am also pleased to see the strong involvement of our colleagues in these efforts.



In conversation with Christophe Fouquet (continued)

President, Chief Executive Officer and Chair of the Board of Management

> **Our guiding principle is to always ask where we can add the most value and have the greatest impact for our customers, both today and in the future.”**

Christophe Fouquet
President, Chief Executive Officer and Chair of the Board of Management

Q What technological breakthroughs have given you the greatest sense of pride?

If I had to pick just one, then it would be EUV, where, through major technological innovation, we made progress on reducing the cost of technology for our customers, which led to improved lithography intensity, particularly in DRAM.

Looking at 0.33 NA EUV, we successfully carried out some major changes to our TWINSCAN NXE:3800E, delivering a huge jump in performance in comparison with the TWINSCAN NXT:3600D from 160 wafers per hour to 230 wafers per hour. This system is now fully adopted by our customers thanks to the very hard work and collaboration of so many ASML employees.

In terms of High NA EUV, the dynamics around productivity, imaging and overlay performance are very positive. By the end of the year, our customers had run more than 400,000 wafers on High NA EUV systems. We continued to move forward on qualifying this system for high-volume manufacturing and we demonstrated full specification of the TWINSCAN EXE:5200B at a customer site. That was a key milestone.

Turning to DUV, one of the year’s pivotal moments was the evolution in our approach to developing these systems, with an increasing focus on improving quality and cost efficiency, as well as advancing technology. This is a subtle but important shift that we believe will enable us to better serve our customers by listening to their real needs and providing the appropriate solutions. This also illustrates the ability of our team to adjust to the evolving needs of our customers.

Our holistic lithography team is raising the bar across many products, but I would like to particularly highlight progress on multiple e-beam (multibeam). We are now experiencing positive traction with our multibeam system, with the platform now at a level of maturity where it can be considered for high-volume manufacturing. We believe performance is excellent – a tribute to our team which has done a great job, working very closely with customers, and in the next year I expect multibeam to be adopted more extensively by the market.

Finally, 2025 saw us enter a landmark partnership with Mistral AI. We have invested €1.3 billion in Mistral AI as lead investor and hold an approximately 11% share on a fully diluted basis in the company. This agreement has laid the foundation for a long-term collaboration to explore the use of AI models across our product portfolio as well as research, development and operations. The aim is to benefit our customers with faster time-to-market and higher performance holistic lithography systems, while also making ASML more efficient.

Q How will the appointment of a new CTO support innovation at ASML?

Innovation is the engine of ASML – the key to both our past and future successes – and in 2025, we appointed a new Chief Technology Officer (CTO) succeeding Martin van den Brink who retired in 2024. With over 25 years of experience at ASML, most recently as Executive Vice President for Applications, Marco Pieters was the outstanding candidate for the role. The Supervisory Board intends to appoint Marco as a member of the Board of Management per the 2026 AGM.

Marco and I have worked together for many years, and I look forward to continuing our relationship. We believe his appointment will add even more focus and more bandwidth to our innovation capabilities and is another example of our dedication to supporting our customers in driving their technology roadmaps.

In conversation with Christophe Fouquet (continued)

President, Chief Executive Officer and Chair of the Board of Management

Q ASML has a long-standing commitment to ESG. What progress did you make in 2025?

We believe that leading the way on ESG issues has always been the right thing to do for all our stakeholders as well as for the planet we all share. Over the years, we have established and systematically executed plans to achieve clear ESG targets, and this continued at pace during 2025.

Turning first to the 'E' in ESG, the energy consumption of an EUV machine is a long-term challenge. Today, the energy consumption per wafer pass has fallen by 57% since the shipment of the first system for high-volume manufacturing in 2018, and we are now targeting a further 30-40% reduction over the next five to ten years. In our supply chain, emissions have decreased. However, more effort is needed to reach our ambitious target.

AI growth fuels concerns related to energy consumption by data centers. Global electricity supply is projected to grow over the next 10 years, but if we extrapolate the current data on energy demand from leading-edge AI models, that is not fast enough. To address this, there will need to be both more efficient AI models and improved semiconductors. If we do not act together as an industry, emissions from the production of semiconductors are forecast to increase by a factor of four by 2030. This is one of the key challenges ASML and the industry as a whole have to face, and with urgency.

The social element of ESG has seen us continue to develop numerous community partnership programs across a wide range of our global locations. In particular, we support many STEM (science, technology, engineering and math) education projects, and we were proud to celebrate our 500th school partnership during the year. We also invest in innovation, for example by supporting organizations such as imec, a leading research and innovation hub in nanoelectronics and digital technologies.

During 2025 we extended this relationship by signing a strategic partnership agreement to strengthen collaboration on emerging and societal challenges, and to develop initiatives focused on sustainable innovation in Europe.

Closer to home, one of our key aims is to be a positive force in the communities around us. We know that our rapid growth can pose challenges for a location such as the Veldhoven area close to our main campus in the Netherlands, particularly with regard to affordable housing. We have therefore continued to invest in a range of housing projects that will help local people also experience the value we bring.

In terms of Governance, 20% of the long-term incentive plan for our leadership team is made up of environmental and social metrics, which means that bonuses awarded to our senior management are directly linked to how the business has performed on ESG matters. The feedback we receive from organizations that monitor ESG performance is very positive, frequently positioning ASML as a leader in our industry.

Q Can you give some examples of how ASML has strengthened relationships with stakeholders over the last year?

Strong and mutually supportive stakeholder relationships are absolutely central to our ambitions. We have performed well in this regard – but we know that we can do even better. To this end, we have further tightened our already sharp focus on two key areas in recent times. Firstly, around our customer interactions, under the leadership of Jim Koonmen we continue to roll-out our customer team model, with teams that work more closely with customers than ever before. This move is already bearing fruit, and compared to 2024, our annual customer satisfaction survey score went further up from 86% to 88%, and our scores have increased on all topics, for all customers – indicating increased customer satisfaction and willingness to work with us.

Secondly, under the leadership of Wayne Allan, we have been driving a transformation around the supply chain, to make sure we can work strategically with all our suppliers – not just a select few – on long-term targets around technology, cost, quality and sustainability.

When it comes to our employees, input from the most recent employee engagement survey demonstrates a clear demand for us to simplify our processes, encourage ownership and create conditions where people can achieve their full potential.

As with any company that grows rapidly, we need to be mindful that the way we have grown does not slow us down. The feedback from our colleagues, our suppliers and our customers shows that our ways of working have, in some cases, become less agile.

Engineers in particular have expressed their desire to focus their time on engineering, without being hampered by slow process flows, and restore the fast-moving culture that has made us so successful.

We believe it is important to address these issues in 2026 so that we are well prepared for future growth and well positioned to continue to deliver for our customers. As a result, in January 2026 we announced our intent to strengthen our focus on engineering and innovation in critical areas of our company through the streamlining of the Technology and the IT organizations.

As our full-year 2025 financial results demonstrate, we are choosing to make these changes at a moment of strength for the company. Improving our processes and systems will allow us to innovate more and innovate better, generating further responsible growth for ASML and our stakeholders.

I realize that, as a result of proposed changes to the Technology and IT organization, some roles – mainly at the leadership level – may no longer be required. At the same time, to retain our engineering capability, we will create new engineering jobs to strengthen existing technology projects and embark on new ones to support our own and our customers' growth plans.

In conversation with Christophe Fouquet (continued)

President, Chief Executive Officer and Chair of the Board of Management

While this will allow some of our impacted colleagues to move to new roles, we have to acknowledge that this could result in a net reduction of 1,700 positions. We are committed to acting responsibly – with care, speed, transparency and fairness – and to supporting our employees through this change.

Q How can ASML continue to stand out as an attractive employer for innovation talent?

Our culture – what we do, how we do it, how we behave – can play a major role here. First of all, this industry is still by far one of the most attractive in the world, and I think that a lot of people understand that ASML, together with our partners, is working to enable products and solutions that can solve complex societal challenges. Secondly, we are a vibrant, exciting home of innovation where ambitious, talented people – and I am not just talking about engineers but also other disciplines – can be part of something tremendously rewarding and make a real difference to the world. Finally, we need to continue to make ASML a great place to work, by further improving our existing facilities but also continuing to build state of the art buildings for our employees. In 2025, we opened a new and vibrant office in Korea and formally inaugurated our new technical training academy in Phoenix. We also finalized our plan for our new Eindhoven campus, and plan ground breaking in 2026 to secure our future in the region.

Q How do you continue to drive innovation at ASML?

Our guiding principle is to always ask where we can add the most value and have the greatest impact for our customers, both today and in the future. Our core business of holistic lithography remains extremely critical for customers and therefore sits at the heart of our innovation efforts.

However, there are also adjacent areas where the skills and technologies we have developed for holistic lithography can support customers. For example, as Moore's Law continues, and as 2D shrink slows down, 3D integration challenges have become a very important issue for our customers. As a result, we have tasked the team to also drive 3D integration. We saw an early result of this focus in 2025, when we shipped the first i-line system supporting advanced packaging, the TWINSCAN XT:260.

Going forward, we believe the new partnership with Mistral AI lays foundations that will allow us to improve our products, our processes, our efficiency and our performance.

Q How do you see 2026 shaping up, and what challenges do you expect?

If you look at the last two years – at the economy, at geopolitics, at some of the transitions that we have seen in the industry – it is clear that we have been living in a time of uncertainty. But the flip side to uncertainty is opportunity. If you can navigate uncertainty, opportunity can unfold – and we believe wide-ranging opportunities for our industry, for society and for ASML are rooted in the powerful shift to AI which we believe will continue to benefit us in 2026 and beyond.

We believe the long-term prospects for ASML and our broader industry are excellent especially as AI presents both significant opportunities and unique challenges for innovation.

We can attribute our success to our customer dedication, engineering talent and collaborative approach to the ecosystem. Our ability to innovate and execute has generated substantial benefits for our customers and suppliers, our colleagues and our investors.

Of course, we value everyone working at ASML and we regret having to lose any colleague as a result of the intended changes to the Technology and IT organizations. The success of ASML is built on the contributions of everyone working here. While these changes are never easy, I believe they are necessary to allow ASML to remain as agile and competitive as possible in a rapidly evolving industry.

I would like to end by thanking all our people across all our locations for their hard work over the last year. I have been proud to lead such inspiring teams, and I look forward to working alongside them through the opportunities and challenges that lie ahead.

“Our success will be built on the passion, talent and determination of our people.”

Christophe Fouquet
President, Chief Executive Officer and Chair of the Board of Management

Our business

Our holistic approach to lithography

Lithography – using light to print tiny, intricate patterns on silicon – is fundamental to the mass production of microchips. It enables the semiconductor industry to continually shrink transistor size and develop novel chip architectures, packing more functionality into ever-smaller chips and supporting the continuing evolution of Moore's Law.

Moore's Law and the evolution of chipmaking

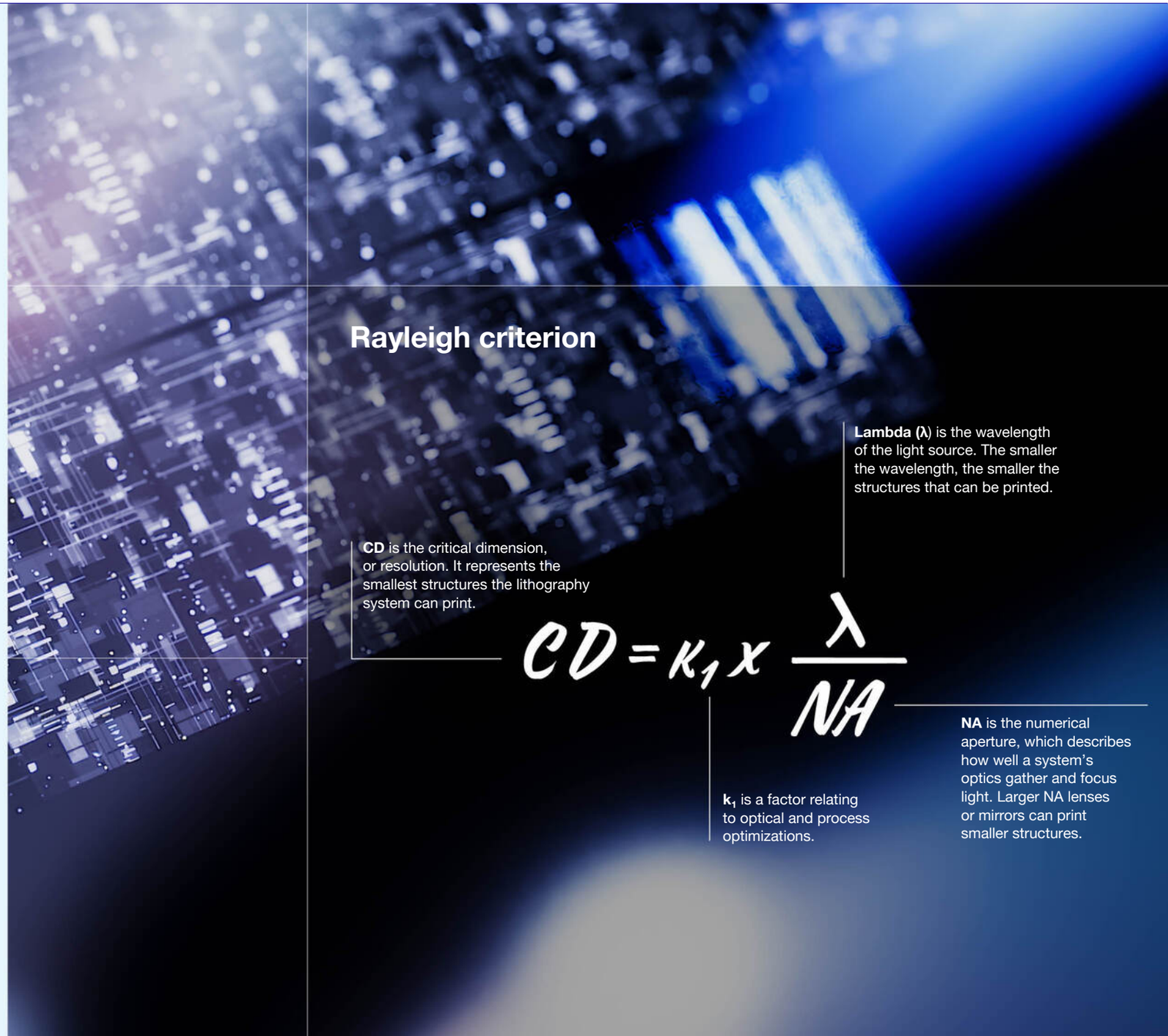
In 1965, Intel co-founder Gordon Moore predicted that the number of transistors in an integrated circuit (IC) would double every year, later revising this to every two years. 'Moore's Law', often regarded as a self-fulfilling prophecy, set the pace for the semiconductor industry. The expectation of continual transistor doubling drove exponential growth in computing power, reduced costs and accelerated technological innovation.

Today, physical limitations make it more challenging to shrink transistors further. However, the industry continues to boost performance using what Moore called 'circuit and device cleverness': innovative chip designs, new materials, advanced packaging and 3D integration. ASML's lithography products play a crucial role in the affordable mass production of these advanced designs that are enabling the continuation of Moore's Law and future technological innovations.

Using the Rayleigh criterion to drive innovation

As the semiconductor industry continues to advance Moore's Law, the ability to print ever-smaller features is still critical. The resolution of our lithography systems is fundamental for shrinking the size of transistors on microchips and enabling this progress.

The Rayleigh criterion formula, shown on the right, illustrates the technical foundation for resolution in lithography. For over 40 years, we have improved resolution (critical dimension) by two orders of magnitude, through advances in wavelength, numerical aperture (NA) and k_1 (a factor relating to optical and process optimizations).



Our holistic approach to lithography (continued)

Our integrated lithography solutions enable chipmakers to achieve greater control, precision, efficiency and value throughout the manufacturing process.

The chipmaking process

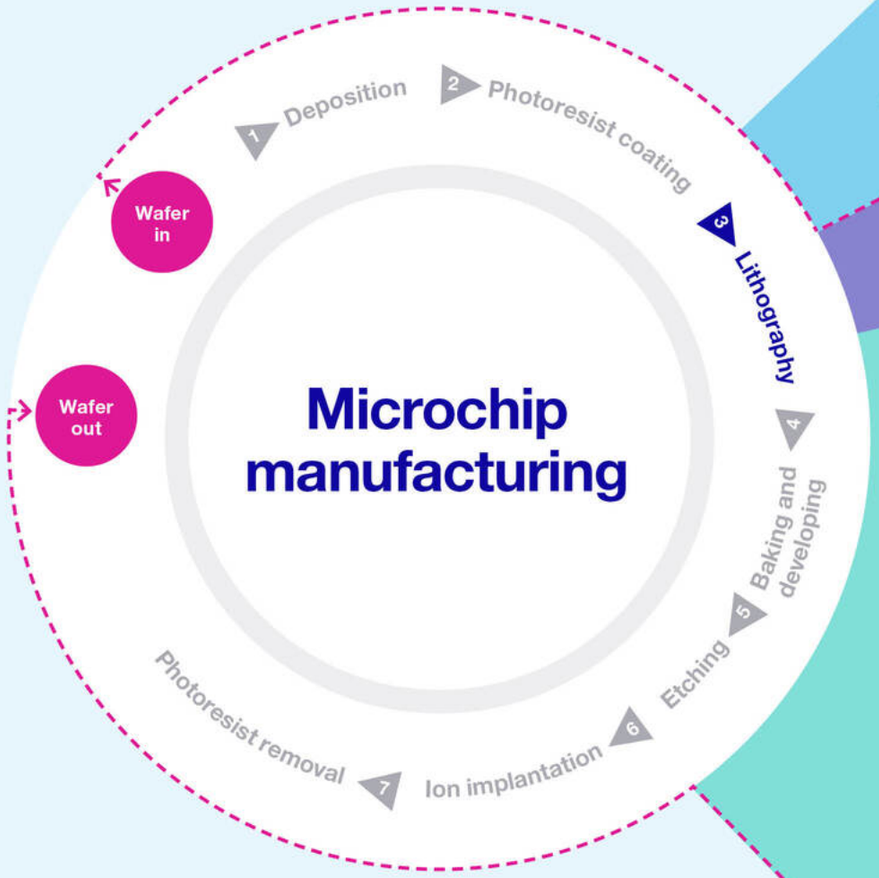
Microchip manufacturing is a complex, multi-step process that takes place in highly specialized semiconductor fabrication plants, known as 'fabs'. Transforming a silicon wafer into finished chips can take up to six months and involves hundreds of tightly controlled steps and quality checks. Lithography is one of the most critical steps in the mass production of microchips. It is the only step where each chip on a wafer is individually processed, which means we can maximize yield and performance by optimizing patterning chip-by-chip.

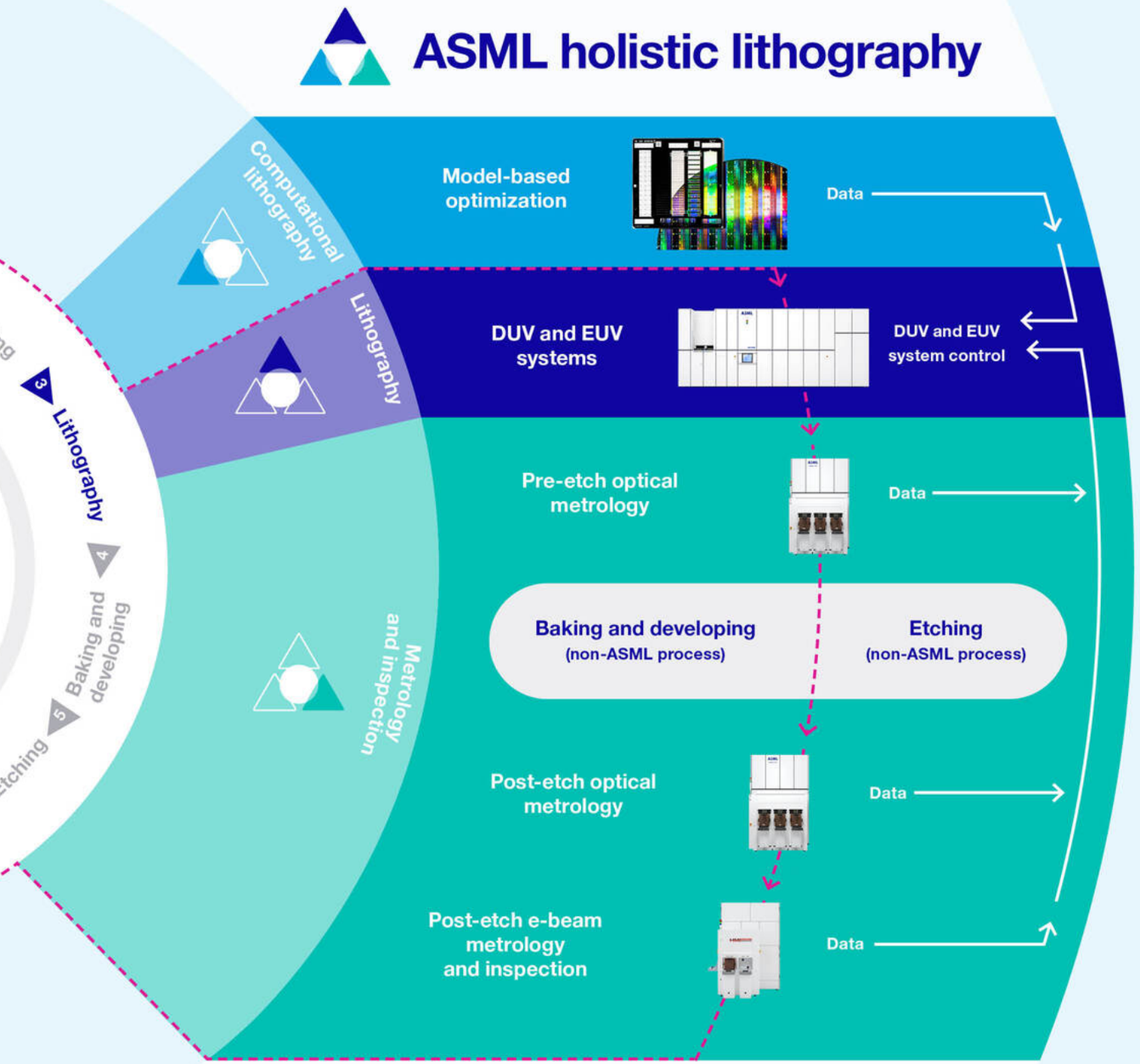
The diagram on the right illustrates the key steps of the manufacturing journey. As chip designs become more complex and feature sizes continue to shrink, the challenges of manufacturing increase. That's why a holistic approach to lithography is essential. It enables greater precision, efficiency and value throughout the process.

Steps in the chip manufacturing process

Together, the following steps create a single layer of a microchip. To build a complete device, these steps are repeated for each additional layer.

1. **Deposition**: Different materials – conductors, insulating films and semiconductors – are deposited onto a silicon wafer.
2. **Photoresist coating**: The wafer is coated with a light-sensitive layer called photoresist.
3. **Lithography:** The microchip pattern is printed by using light to project it onto the wafer.
4. **Baking and developing:** The wafer is baked and developed to fix the pattern in the photoresist.
5. **Etching:** Reactive gases are used to etch away excess material, leaving the circuit pattern behind.
6. **Ion implantation**: The wafer may be bombarded with ions to tune the semiconductor's properties.
7. **Photoresist removal**: The remaining photoresist is removed.





Our holistic approach to lithography (continued)

The role of our lithography systems

Microchips are made by layering complex, patterns that build transistors, circuitry and interconnects – a process to which ASML's lithography systems are central. A lithography[1] system essentially projects light through or from a blueprint of a pattern (known as a 'mask' or 'reticle'), shrinking and focusing it onto a photosensitive silicon wafer. Once a layer of a chip has been printed, the system moves the wafer slightly and prints another.

Lithography drives shrink by determining the smallest feature sizes that can be printed on a chip – and therefore the number of transistors and the performance. To do so, it has to use shorter wavelengths of light and larger numerical apertures, as well as other process and hardware optimization and advanced techniques such as multiple patterning.

As patterns gets smaller and become increasingly complex, chipmakers face unprecedented engineering, material, constructional and manufacturing challenges. Many sources of variation and error can hinder the lithography process and must be controlled to ensure chips are produced with the required precision, in high volumes, as fast as possible and at the lowest cost.

Navigating challenges in advanced lithography

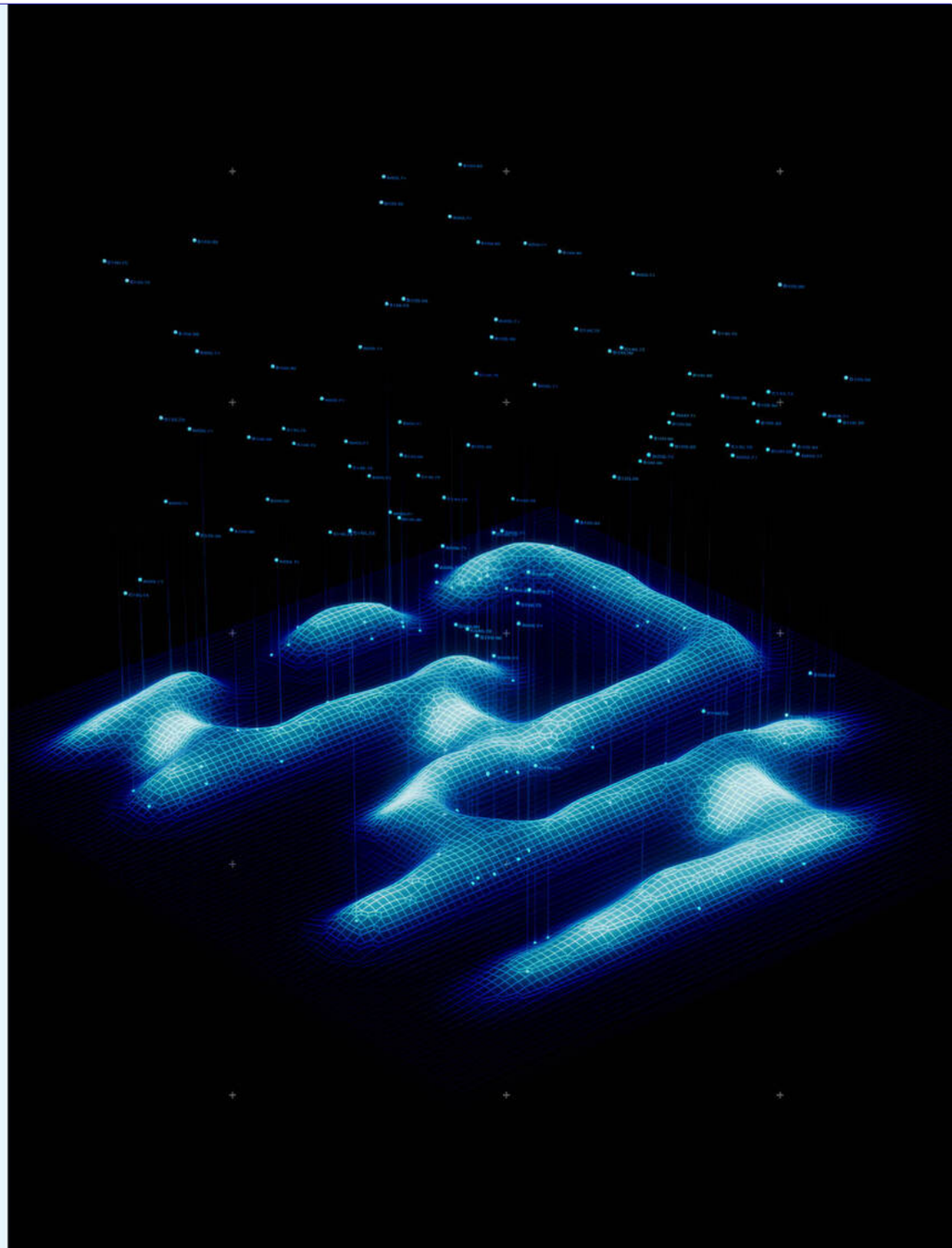
To help our customers understand and correct potential variations or errors, we provide support and solutions at every stage of the chipmaking process – from early design and development to high-volume production.

We take a holistic, integrated approach to lithography that enables customers to achieve their highest yields and best chip performance at the lowest cost per transistor. Our approach helps minimize any deviation between the intended and printed features of a microchip layout (so-called 'edge placement error' – see box) by optimizing the lithography system's performance and stability. It enables chipmakers to increase the number of good wafers per day to minimize costs and keep the scaling of microchips affordable.

What is edge placement error (EPE)?

EPE measures the difference between the intended and the printed features of a microchip. It combines overlay errors (misalignment between layers) and critical dimension variations (feature-width deviations).

Take, for example, a line with right and left edges. On a microchip, this line and its edges must be precise and placed in exact locations – any deviation, no matter how slight, can compromise functionality and cause the entire chip to fail.



1. In semiconductor manufacturing, 'lithography' typically refers to photolithography – the process of using light to transfer a pattern onto a substrate.

Our holistic approach to lithography (continued)

Maximizing the process window

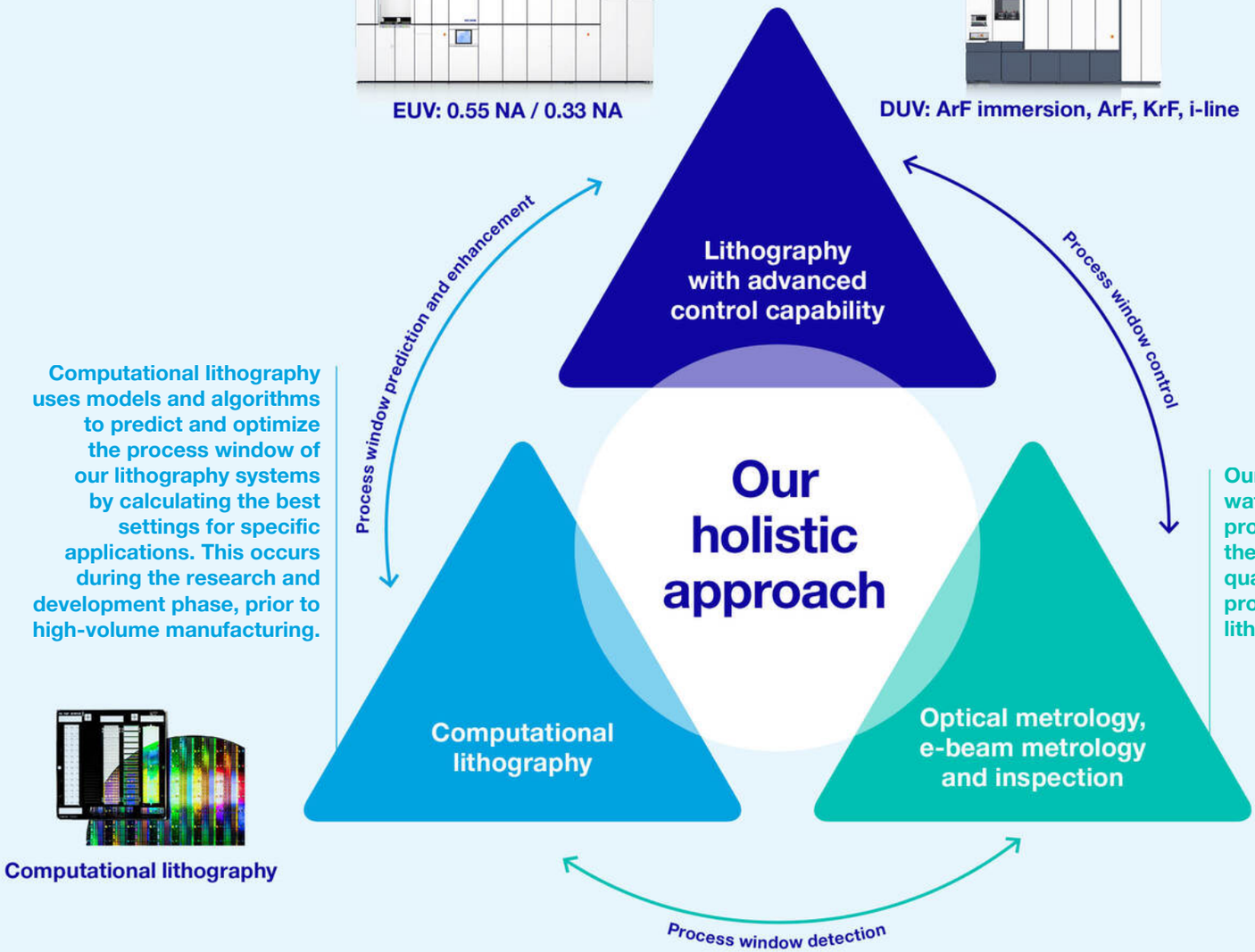
Our integrated lithography solutions work to maximize the process window – the collection of acceptable ranges of process parameters that allow a microchip to be manufactured and meet desired specifications.

By incorporating computational lithography, metrology and inspection, ASML's lithography portfolio enables customers to maximize this window – keeping lithography systems stable in a high-volume manufacturing setting and leading to a higher yield with more good wafers per day. Lithography is the only step in the microchip manufacturing process in which in-line adjustments can be made chip by chip to optimize performance.

Our lithography systems are a hybrid of high-tech hardware and advanced software. Without the system and process control software we develop, it would be impossible for our lithography systems to manufacture the ever-smaller features in advanced microchips. Our software products enable automated control loops to maintain optimal operation of lithography processes and therefore maximize yield.

EUV: 0.55 NA / 0.33 NA

DUV: ArF immersion, ArF, KrF, i-line



Computational lithography uses models and algorithms to predict and optimize the process window of our lithography systems by calculating the best settings for specific applications. This occurs during the research and development phase, prior to high-volume manufacturing.

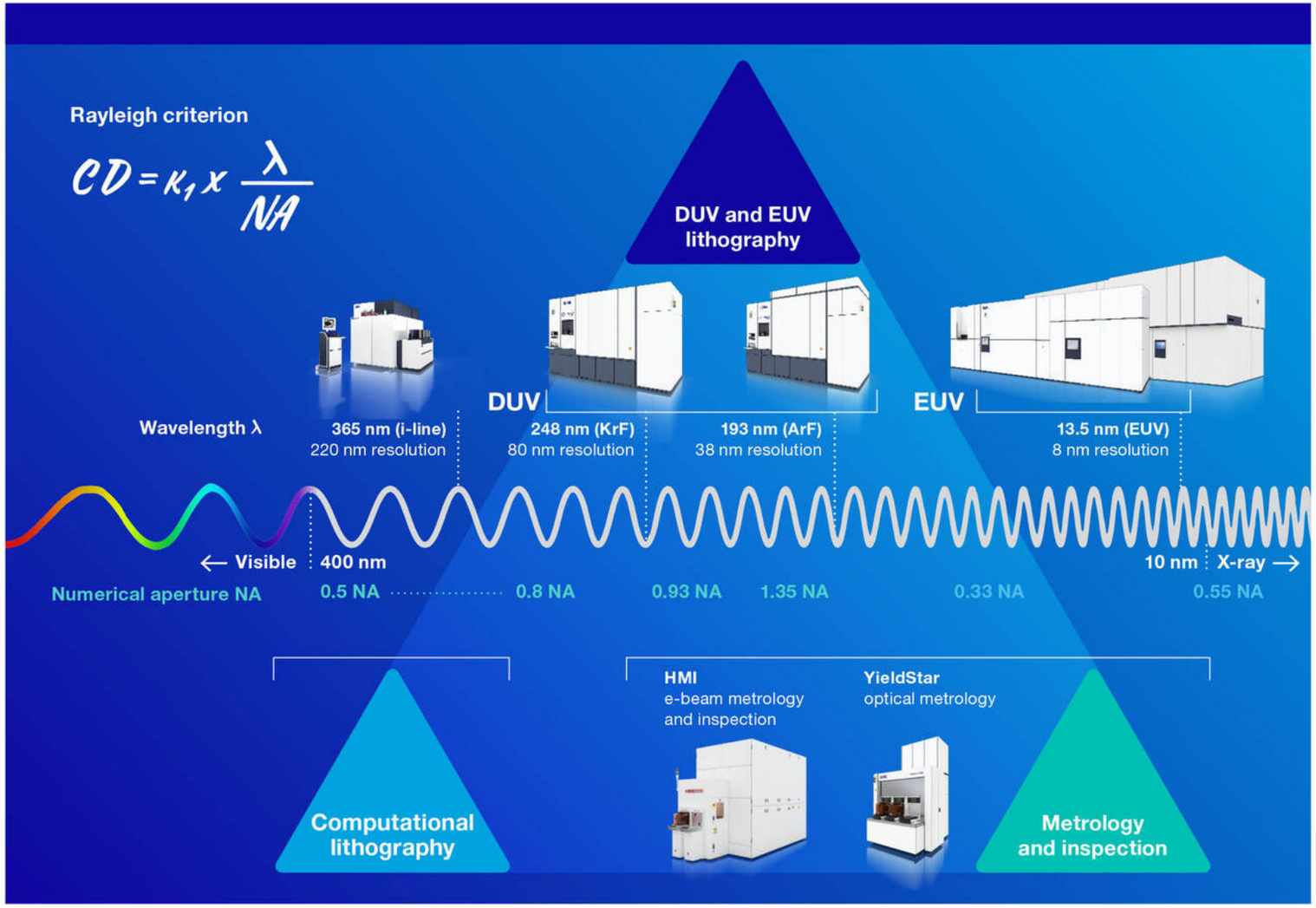
Computational lithography

Our suite of optical and e-beam wafer metrology and inspection products measure features on the wafers to assess pattern quality which helps control the process window and maximize lithography performance.

Metrology and inspection

Our products and services

Our comprehensive product portfolio is aligned to our customers' roadmaps, delivering holistic lithography solutions in support of all applications, from advanced to mainstream nodes.



Lithography systems

Extreme ultraviolet (EUV) lithography systems

Our EUV lithography systems make it possible to print the smallest features on microchips at the highest density, and are used for the most intricate, critical layers on the most advanced microchips. Compared to complex multiple-patterning strategies using deep ultraviolet (DUV) immersion systems, EUV systems help simplify our customers' manufacturing processes. Therefore, we collaborate closely with customers to lower manufacturing costs by shifting from complex multi-patterning to simpler single patterning using EUV lithography, a method that requires only one exposure per layer. This approach reduces the number of masks and process steps, while also improving yield and scalability for advanced Logic and Memory nodes.

ASML is currently the world's only manufacturer of EUV lithography systems. Our EUV product roadmap is intended to drive affordable scaling to 2030 and beyond.

TWINSCAN EXE platform (EUV 0.55 NA)

Our TWINSCAN EXE platform, offering a high numerical aperture (NA) EUV, is an evolution in EUV technology. It enables customers to extend their shrink roadmap and minimize double- or triple-patterning. This leads to reduced process complexity, lower risk of defects and shorter cycle times. In addition, it saves valuable fab space by requiring fewer systems overall.

The EXE platform has been designed to maximize commonality with the NXE platform, to drive cost reduction, speed up the development of new solutions and optimize future reuse. We aim to extend this commonality in our future systems, with the ultimate goal of having a common platform early in the next decade.

We expect our TWINSCAN EXE platform to start supporting high-volume manufacturing in 2027.

Latest: Success with our TWINSCAN EXE:5200B

In early April 2025, we shipped our first TWINSCAN EXE:5200B system – the successor to the TWINSCAN EXE:5000 – ready to be used in high-volume manufacturing. At 175 wafers per hour, it offers 60% higher productivity compared to the TWINSCAN EXE:5000 – thanks to an improved EUV light source that delivers increased power at the wafer level, translating to a higher system throughput. The TWINSCAN EXE:5200B also features improved projection optics, developed in cooperation with our strategic partner Carl Zeiss SMT, that maximize imaging and overlay (layer-to-layer alignment) performance.

Our products and services (continued)

Lithography systems (continued)

TWINSCAN NXE platform (EUV 0.33 NA)

Our TWINSCAN NXE platform was first introduced in 2013 and is now widely adopted in high-volume manufacturing by our major customers.

Read more about our EUV lithography systems at asml.com

Latest: TWINSCAN NXE:3800E reaches full productivity specification

In 2025, we shipped TWINSCAN NXE:3800E systems to our customers at full specification, which includes 220 wafers-per-hour throughput – a 37% improvement compared to the TWINSCAN NXE:3600D – a higher-power light source, new wafer handler, faster wafer stages and high-power imaging control functionality. We completed field upgrades to bring systems that were already in customer fabs to the same specifications. The rollout across the installed base remains on track.

Deep ultraviolet (DUV) lithography systems

DUV lithography systems are the workhorses of the industry, producing the majority of layers in microchips. Supporting numerous market segments, our immersion and dry lithography systems use a range of light sources to offer all wavelengths currently used in the semiconductor industry – argon fluoride (ArF) lasers for 193 nm wavelength, krypton fluoride (KrF) lasers for 248 nm and mercury vapor discharge lamps (i-line) for 365 nm.

Our systems lead the industry in productivity, imaging and overlay performance to help manufacture a broad range of semiconductor nodes and technologies and support the industry's cost- and energy-efficient scaling.

Immersion systems (TWINSCAN NXTi platform)

Argon fluoride (ArF) immersion lithography maintains a thin layer of water between the lens and the wafer, increasing NA to improve resolution and to support further shrink. Our immersion systems are suitable for both single-exposure and multiple-patterning lithography, and can be used in seamless combination with EUV systems to print different layers on the same chip.

Dry systems (TWINSCAN NXT and TWINSCAN XT platform)

Not every layer on a chip needs to be produced using the latest immersion or EUV lithography systems. While some more complicated layers require advanced lithography systems, others can be printed using more mature technology, such as dry lithography systems that continue to evolve through innovation.

With our dry systems product portfolio, we aim to provide our customers with a range of cost-effective solutions that meet the high demand for less complex chips.

Read more about our DUV lithography systems at asml.com

Latest: TWINSCAN XT:260

The TWINSCAN XT:260, the latest addition to our i-line portfolio, combines high throughput with the imaging accuracy of a scanner. It offers up to four times higher productivity compared to existing solutions, making it a cost-effective technology to support our customers in 3D integration applications, including advanced packaging, as well as other emerging technologies, such as image sensors, displays and photonics. Contributing to that high throughput is a new high-transmission lens with 2x, rather than 4x, reduction that enables the system to print on a larger area of a wafer in a single exposure. The XT:260 is unique in that it combines large-area patterning with a scanner exposure approach that enables better imaging and overlay correction than a stepper. The system integrates easily with other ASML systems in our customers' fabs, for fast, seamless adoption into production.

Refurbished systems

ASML systems have a very long operational lifetime that often exceeds their role for the initial customer – approximately 95% of the systems we have sold in the last 30 years are still in use. Many customers are able to generate value by selling systems they no longer require.

To support this sustainable product use and help to ensure used systems still uphold and deliver the quality ASML stands for, we are actively involved in refurbishing and upgrading our older lithography systems to extend their lives – and offer associated services and support.

Read more in Sustainability statements – Environmental – Circular economy – Systems

Metrology and inspection systems

The smaller a chip's features, the less room there is for error when it comes to patterning. At the same time, the increasingly 3D architectures of today's chips make accurate patterning all the more challenging. That's why our metrology and inspection systems – which minimize EPE, optimize overlay and detect defects – are critical.

Our metrology and inspection systems enable chipmakers to accurately measure the printed patterns on wafers to make sure they align with the intended designs. Our comprehensive portfolio facilitates patterning optimization at every stage of the manufacturing process, from research and development to mass production.

These systems are a key element of our holistic approach to lithography. They deliver data with the required speed and accuracy for high-volume manufacturing, enabling our process control software solutions to implement automated feedback control loops. This optimizes the lithography system settings for each exposure to minimize EPE, broadening the process window to maximize yield and best performance.

Optical metrology (YieldStar)

Our YieldStar optical metrology systems use light to monitor patterning performance at the speed of high-volume manufacturing. They measure overlay and provide real-time feedback to lithography systems so they can make wafer-by-wafer adjustments.

Our products and services (continued)

Metrology and inspection systems (continued)

We offer two categories of systems for use before and after etching. Pre-etch metrology measures the overlay and focus of the lithography system based on the pattern printed on the photoresist. Post-etch metrology measures the overlay and CD of the final patterns formed on the wafer.

Latest: YieldStar 550 and YieldStar 1390

The YieldStar 500 has achieved broad acceptance among our leading customers, providing advanced pre-etch overlay control with improved cost of technology and performance in matching and accuracy. Building on this success, the YieldStar 550 is designed to further improve matching and accuracy while maintaining productivity – even when utilizing multi-wavelength recipes – to ensure process robustness for overlay. Early-access packages have been delivered to customers for initial qualification on next-generation nodes, with phase 1 of the product scheduled for release in 2026.

The first YieldStar 1390 was shipped in 2025, featuring a higher-power light source and advanced software to accelerate recipe setup. With increased throughput from faster optical metrology, the YieldStar 1390 is positioned to drive broader customer adoption for after-etch overlay control by delivering superior performance and cost effectiveness.

E-beam metrology and inspection (HMI)

Our HMI e-beam systems use an electron beam to locate and analyze individual chip defects – errors that would affect the chip's performance – among millions of printed patterns. It is a slower method of detection, but offers very high resolution.

As chip features get smaller, tiny defects are more and more likely to cause problems. By using high-resolution measurements from our e-beam inspection systems to adjust a lithography system's settings, chipmakers can minimize defects and maximize performance.

To mitigate the traditionally slower speed of electron-beam inspection systems, we have developed a multiple e-beam (multibeam) inspection system roadmap. Instead of a single e-beam, multibeam makes use of multiple electron beams within a single system. This harnesses the high resolution, but at much higher speeds.

Read more about our metrology and inspection systems at asml.com

Latest: HMI eScan 1100

The HMI eScan1100 is our first multibeam inspection system featuring 25 beams for large wafer coverage and high throughput. It offers industry-leading application coverage for electrical and patterning defects, delivering 10 times higher throughput than single-beam systems for advanced Logic and DRAM.

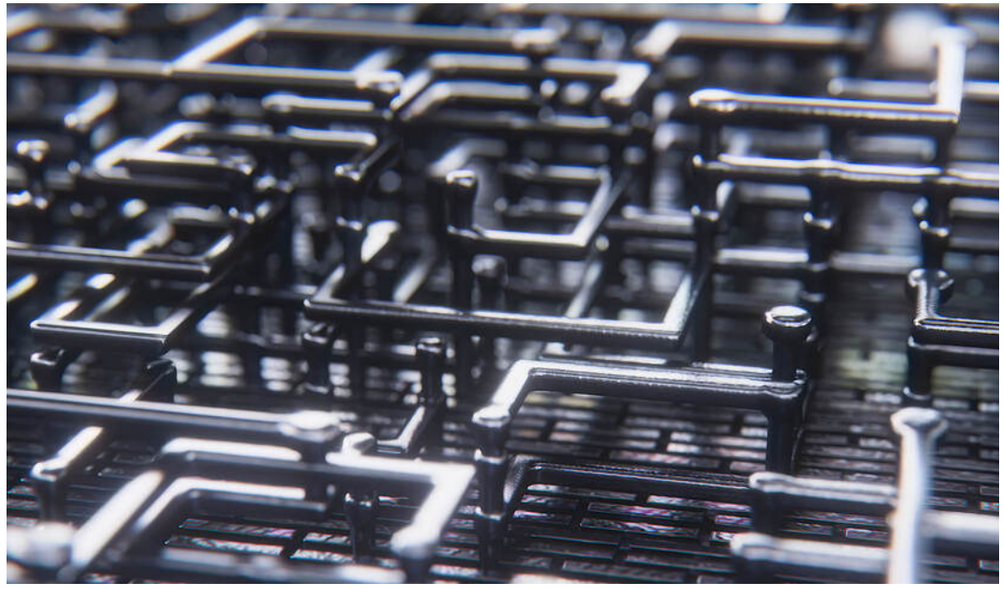
This capability enables full wafer fingerprint capture (scanning multiple microchips across the wafer to create a detailed defect map) within acceptable inspection times and accelerates yield learning by moving insights forward up to one and a half months compared to end-of-line electrical probe tests. Within the context of defect type and layer, the eScan1100 speeds up root-cause analysis beyond probe-based methods. Industry-wide adoption of voltage contrast for product monitoring is driving strong demand for multibeam inspection systems.

System and process control software

Taking advantage of the flexibility of our lithography systems, our system and process control software products enable automated control loops to maintain optimal operation of lithography processes and maximize yield.

Using powerful algorithms, they analyze metrology and inspection data and calculate necessary corrections for each individual exposure – providing a feedback loop to the lithography system to minimize EPE.

Our virtual computing platform (VCP) brings together all the data from lithography and metrology systems, enabling the latest ASML applications and enhancing transparency and collaboration. VCP manages peak loads and handles ever-increasing data speeds and volume with more computing power and storage, in a modern and resilient software architecture.



Our products and services (continued)

Computational lithography

During lithography, diffraction of the light and various physical and chemical effects distort the image the machine is trying to print. Think of this like trying to draw a fine line with a broad watercolor paint brush – it smudges in many places.

Using computational lithography, we can predict and enhance the process window of our lithography systems by calculating the optimal settings for each specific application. During the R&D phase, our customers rely on computational lithography to optimize the imaging conditions of our systems and develop the recipes to optimize reticle patterns to achieve the best pattern fidelity. This ensures robust, manufacturable designs that deliver high yields.

Insights from computational lithography solutions are also increasingly used to guide metrology and inspection, increasing throughput and enabling more precise process monitoring and control in high-volume manufacturing.

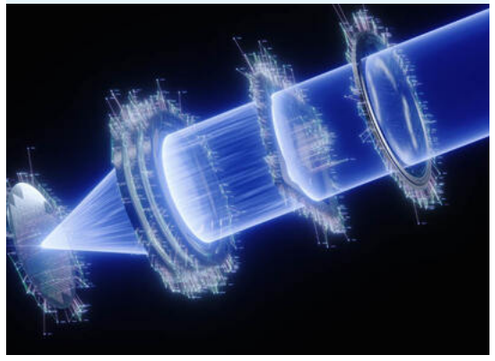
These solutions are based on accurate computer simulations of the lithography system and process, representing a wide variety of physical and chemical effects – enabling us to predict how a designed pattern will appear when printed on a wafer.

We are increasingly using machine-learning techniques to further enhance the accuracy of models and reduce the computational time and cost. Our roadmap aims to apply more powerful algorithms with higher-order corrections, to enable our customers to continue improving EPE performance.

Read more about our computational lithography solutions at asml.com

Latest: Enhanced computational lithography solutions for High NA EUV

In 2025, we enhanced our solutions for High NA EUV with source, mask and wavefront co-optimization; model capability and accuracy improvements; optical proximity correction (OPC); and curvilinear OPC performance enhancements. Machine learning and AI continue to enable these advanced techniques by delivering accuracy and speed.



Managing our installed base

Our installed base continues to grow, comprising not only new systems but also refurbished ones with new owners in new markets and applications.

To provide the best value proposition, we offer an extensive portfolio to manage our installed base, including a wide range of service and upgrade options designed to improve throughput, patterning performance and overlay. Our field upgrade packages enable customers to optimize their cost of ownership over a system's lifetime by upgrading older systems to improved models.

Extending the lifetime of our PAS systems

Our PAS 5500 lithography system, introduced in the early 1990s, played a pivotal role in ASML's rise as a global leader in lithography.

Despite their age, nearly all of these systems remain in active use, particularly in the mainstream 'More than Moore' semiconductor market. While Moore's Law focuses on continual shrink of transistors, 'More than Moore' emphasizes adding diverse functionalities to the chips without necessarily reducing size. The 'More than Moore' market therefore prioritizes mature, cost-effective technologies for applications like automotive, consumer electronics and data centers. In fact, around two-thirds of components in devices such as the latest smartphones are produced using these systems.

To support sustainability and extend the lifetime of the PAS 5500 until at least 2035, we launched the PAS Life Time Extension (PAS-LTE) program around 10 years ago. This initiative addresses challenges such as obsolete electronics, limited end-of-life support from suppliers and loss of domain knowledge as experienced engineers retire. The program involves redesigning critical electronic components, leveraging modern technologies (such as 3D printing for prototyping) and enhancing commonality to reduce costs and streamline supply chains.

Mechanical and optical parts are sustained through ongoing relationships with suppliers and careful end-of-life management.

Our approach emphasizes reuse and upgrade of existing systems, rather than replacement, to align with sustainability goals and customer demands for long-term support. Through continuous innovation, documentation recovery, reverse engineering and extensive testing, we aim to ensure that new and old components function seamlessly together, maintaining system performance while minimizing waste. These strategies help us serve the mainstream semiconductor market and support sustainability of this market by extending system lifetime and managing resources efficiently.

Our marketplace

The macro headlines in 2025 were dominated by tariff dynamics, resulting in a downward revision of the 2025 global gross domestic product (GDP) forecast in April. As the year progressed, the outlook was adjusted upward, returning to the level prior to the tariff announcements. Global GDP growth was 3.2%[1] for 2025, slightly below 2024 GDP growth. As in 2024, geopolitical volatility remained high, and AI dominated the news and spending in the semiconductor ecosystem.

The semiconductor market again saw strong double-digit growth with the same drivers as last year: advanced Logic and DRAM for AI continued to lead. The NAND market did have a short correction but later in the year strongly recovered, again driven by AI demand by hyperscalers.

The lithography market showed double-digit growth where China remained stronger than initially expected, not only for lithography but for the full wafer fab equipment market.

We anticipate continued growth in the semiconductor market driven by strong demand for AI logic and memory products, along with high pricing resulting from supply-demand imbalances. This is expected to drive demand for growth in the equipment market. Factors that may impact our business – as explained in more detail over the next few pages – include:

[1] Source: IMF World Economic Outlook, October 2025

1. Macroeconomic and geopolitical trends

Economic outlook

What's happening

At the start of the year global GDP growth for 2025 was expected to be 3.3%, slightly above the 2024 growth of 3.2%. Driven by the dynamic geopolitical environment (including tariff negotiations), the macroeconomic outlook fluctuated throughout the year. The latest forecast suggests growth of 3.2%[1], while 2024 growth has been revised up to 3.3%.

A slowdown in GDP growth is typically not a tailwind for a strong semiconductor cycle. The very high growth of demand for AI chips, however, drove the overall semiconductor market in 2025 to double-digit growth. Toward the end of the year, both DRAM and NAND demand increasingly outstripped supply, leading to a strong pricing environment and a good basis for further capacity expansion in 2026.

Other markets that drive leading-edge semiconductors such as smartphones and PCs saw moderate growth as expected. The introduction of edge AI on these devices will drive additional memory content. The industrial and automotive markets started to recover but at a slow pace. The current global GDP outlook for 2026 points to a continued gradual recovery of these end markets.

What it means for ASML

Our EUV business saw growth in both EUV 0.55 NA and EUV 0.33 NA. Growth for EUV 0.33 NA was driven by the strong demand in advanced Logic and DRAM in support of the build out of the AI infrastructure. For EUV 0.55 NA, we recognized revenue for four systems that were shipped to customers' R&D facilities.

For non-EUV, sales were at a similar level as in 2024. Sales were primarily driven by our China mainstream business.

We are working closely with our customers and suppliers to optimize our output capability and manage the risks.

Our macroeconomic and geopolitical risks are part of our risk management process.

Read more in Risk and security – How we manage risk

Global geopolitics – technological and AI sovereignty

What's happening

Semiconductors are crucial to the economic and strategic development of countries and regions – and the importance of the industry is only likely to grow. Many governments are pushing for 'technological sovereignty' to ensure security of supply, resilience and technological leadership in semiconductor technologies and applications – fueling capital expenditure.

Countries and regions are also prioritizing AI sovereignty – the ability to independently develop, deploy and govern AI technologies. This drives the need to develop and train local AI models which require additional data center hardware with leading-edge silicon.

What it means for ASML

As governments increasingly see semiconductor manufacturing as strategically significant, chips acts are incentivizing our customers to build manufacturing facilities in the US, Europe and Asia. We share our views with governments, and we work closely with our customers to build the required ecosystem in these new regions – while retaining our focus on supporting established regions. External factors such as the timing of subsidies and the risk of restrictions make forecasting market demand less predictable.

Our marketplace (continued)

1. Macroeconomic and geopolitical trends (continued)

Global geopolitics – export controls

What's happening

Our business is subject to global export control laws and regulations. Key developments in 2025 were the following:

- NL Export Controls: Effective January 15, 2025, the Netherlands expanded its export control regulations to include an additional group of semiconductor manufacturing equipment, primarily certain metrology and inspection systems. These items now require an export license when shipped abroad.
- US Export Controls: On October 1, 2025, the US Department of Commerce introduced the Affiliates Rule, expanding Entity List restrictions to include entities that are at least 50% owned by listed parties. While this rule would have affected a limited number of our business partners, its implementation has been suspended for one year, until November 10, 2026, as part of a trade agreement with China. As a result, the rule currently has no impact on our business operations.
- China's Rare Earth Controls: In 2025, China introduced new rules: it restricted exports of certain rare earth elements, limited technology sharing for processing them and extended these rules to products made abroad if they include any rare earth elements or technology.

  We began preparing for these restrictions in early 2024, with a focus on magnets used in our systems. A dedicated team continues to monitor regulatory developments and supplier risks, supported by mitigation plans already in place. To date, no material impact on customers has been observed. As part of a trade agreement with the US, China has suspended its export restrictions on rare earth materials for one year, until November 10, 2026. Existing risk mitigation measures for rare earth materials will remain in place.
- EU Export Controls: In November 2025, the European Union incorporated certain Dutch national controls into the EU Control List, extending to all EU member states a license requirement for specific semiconductor manufacturing equipment. This includes advanced systems such as our DUV immersion lithography systems when exported outside the EU. For ASML this did not mean a change as these products already required an export license from the Netherlands.

What it means for ASML

Changes in export controls may have a material impact on our business for example on the sales volume, mix and timing.

We are committed to complying with all applicable laws and regulations, including export control legislation in the countries where we operate, while continuing to develop our technology and serve customers.

We aim to work with global customers to deliver lithography and metrology systems not impacted by export control restrictions or sanctions. We share relevant dynamics with governments to foster understanding of potential impacts of current and future measures.

We require every ASML employee to follow policies designed to ensure compliance and prevent unauthorized transactions. We have implemented controls for compliance with export control and sanctions requirements and remain committed to enhancing and making our compliance framework more intuitive and easier to navigate.

2. Megatrends

Key megatrends impacting the semiconductor marketplace

Connected world

- Artificial intelligence
- Hyperconnectivity
- Cloud infrastructure
- Internet of Things

Climate change and resource scarcity

- Energy transition
- Electrification and smart mobility
- Agricultural innovation
- Smarter use of limited resources

Social and economic shifts

- Working and learning remotely
- Healthcare and medical tech
- Technological and AI sovereignty
- Automation

The world is changing fast, and semiconductors are a key enabler to help solve some of humanity's toughest challenges. In 2025, we continued to see very strong growth in AI, enabled by leading-edge semiconductor solutions, both in advanced Logic and AI-related DRAM.

AI requires leading-edge, high-performance processor chips and a significant increase in DRAM chips compared to traditional compute architectures. It also stimulates the mainstream market, as AI requires large amounts of data collected via sensors which can be used to further drive robotics and workflow automation.

The continuing convergence of wireless communication, telecoms, media and cloud technology via connected devices is driving demand for advanced semiconductors across the globe. Growing populations, urbanization, the energy transition and electrification to support smart mobility are increasing demand for advanced electronic devices.

Our marketplace (continued)

2. Megatrends (continued)

Connected world

With the Internet of Things (IoT), smart, connected networks seamlessly communicate over powerful 5G networks – unleashing the power of unprecedented data volumes better and faster than ever. In combination with AI, this provides people with more innovative functionalities and applications, improves human-to-machine interactions and enhances data management and analytics.

Artificial intelligence

AI and edge computing are converging to create powerful, localized intelligence – enabling faster and more efficient data processing. Edge computing brings computation and storage closer to data sources, while AI algorithms analyze that data on-site, reducing latency and reliance on cloud-based processing. This integration is revolutionizing various industries by enabling real-time insights leading to improved decision-making, increasing productivity and enhanced automation.

Hyperconnectivity

5G hyperconnectivity connects everyone and everything globally, including machines, objects and devices. The demand for bandwidth is rising due to person-to-person, person-to-machine and machine-to-machine communication, driven by diverse and complex new applications and devices.

Cloud infrastructure

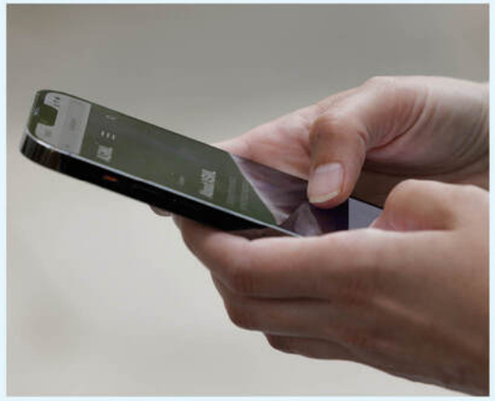
To enable cloud computing – the on-demand availability of computer system resources, especially data storage and computing power – a related infrastructure is required. This includes hardware, software, storage and network resources.

Internet of Things (IoT)

Semiconductors are increasingly present in everyday devices, enhancing their capabilities by connecting them to the internet. AI boosts the value of these devices by enabling them to capture data to improve their functionality – and to benefit other connected devices, too.

What it means for ASML

Moore's Law is the driving force behind the semiconductor industry and the transition toward ubiquitous computing. This shift is increasingly powered by AI, which constantly evolves and expands its capabilities. AI applications generate vast amounts of data, which in turn fuel the development of new algorithms – driving further innovation in AI applications and creating a continuous cycle of growth and improvement that is expected to significantly boost the growth of the semiconductor industry. However, for AI to really come to life in the next few years, we need to reduce its cost and energy consumption.



Climate change and resource scarcity

With an urgent collective response needed to limit global warming to 1.5°C, climate change is a crucial matter for governments, companies and individuals worldwide.

Energy transition

The shift to renewables is helping deliver the clean, affordable energy the world needs to counter climate change. Semiconductors help harness, convert, transfer and store energy from solar and wind as electricity, ensuring power grids are responsive and robust. They are essential in smart (home) devices and play an important role in reducing overall energy consumption.

Electrification and smart mobility

The market for automotive semiconductors is rapidly evolving due to trends such as electrification and autonomous driving. The automotive industry is in a period of rapid change due to environmental and safety requirements in combination with new innovations that enable change. The move from combustion engines to electric engines is a major driver for mainstream semiconductor products like power electronics. The trend toward autonomous driving is fueling both advanced semiconductor content in the car and mainstream semiconductors via the need for vision and other sensors.

Globally, particularly in urban areas, people are expected to shift away from owning expensive and environmentally harmful vehicles. They are expected to increasingly prefer car-sharing, ride-sharing, ride-hailing, micro-mobility (using small, low-speed, human- or electric-powered transportation devices) and micro-transit (on-demand shared private or semi-public transport) options. Semiconductors enable the mobile apps that support this move to smart mobility.

Our marketplace (continued)

2. Megatrends (continued)

Climate change and resource scarcity (continued)

Agricultural innovation

Remote farmland, especially in emerging economies, faces climate change challenges. With growing access to mobile devices, local farmers use smartphones and smart sensors to enhance their agricultural practices. This leads to better crops and more sustainable food security – enabled by smaller, more affordable microchips.

Smarter use of limited resources

The semiconductor industry can also play an important role by reducing its own climate impacts. The semiconductor manufacturing process uses significant amounts of energy and water, and driving Moore's Law to increase computing power and storage capacity fuels demand for these vital resources. To improve the industry's energy and water resource efficiency, innovative architectures will be necessary. Furthermore, through the adoption of a circular economy that emphasizes material recovery, recycling and sustainable design, the industry seeks to reduce waste and extend product lifecycles.

What it means for ASML

Semiconductors play an important role in addressing climate change across various sectors. In the automotive industry, a shift toward electric vehicles and autonomous driving is expected to significantly increase the number of semiconductor components in cars. Additionally, the integration of digital technologies to support the energy transition and agricultural innovations relies on semiconductor solutions to enable smart grids and enhance agricultural practices.

With the rapid rise of AI, energy consumption is becoming a critical concern, as AI applications often require vast computing resources and thus consume substantial amounts of energy. ASML's advanced lithography systems offer a pathway to greater energy efficiency for semiconductors.

Furthermore, by advancing our EUV productivity roadmap, we help customers simplify complex multiple-patterning layers into a single exposure – reducing resource consumption in the semiconductor manufacturing process.

We aim to transition from a linear to more circular business model to minimize the social and environmental impacts of our operations worldwide.

Read more in Sustainability statements – Environmental

Social and economic shifts

Digital technologies are driving transformative change. They create new opportunities for a more prosperous future, but at the same time pose new challenges.

Working and learning remotely

In recent years remote and hybrid working and learning have become increasingly prevalent – and the advantages extend beyond immediate pandemic-related needs. They promote sustainability by reducing commuting and lowering carbon footprints, and contribute to economic resilience – providing the capacity for continuity in education and business operations during unforeseen disruptions.

Healthcare and medical technology

Predictive analysis of health data from multiple sources, combined with machine learning and AI, is being harnessed to improve healthcare services and patient outcomes. Semiconductor technology has allowed the creation of innovative products that can effectively detect, diagnose and treat various medical conditions.

Automation

A new generation of lightweight robots connected to a wide network and fitted with smart sensors enable humans and machines to safely and efficiently work side by side, supported by AI. In addition, smart industry devices use real-time data analytics and machine-to-machine sensors to optimize processes, predict bottlenecks, and prevent errors and injuries.

What it means for ASML

The ongoing digitalization of various sectors such as healthcare and manufacturing keeps on driving the need for semiconductors. The integration of digital technologies in these industries requires robust semiconductor solutions to enable efficient data processing, real-time analytics and connectivity.

Our marketplace (continued)

3. Semiconductor industry market developments

Semiconductor technology plays a crucial role in shaping the interconnected and intelligent network future – and we believe end markets will continue to grow. The industry's historical market compound annual growth rate (CAGR) from 2014 to 2024 was 7%. In 2024, almost one trillion chips were shipped around the world, feeding a $631 billion industry (data source: WSTS). In 2025, the semiconductor market continued to be driven by strong demand for AI servers, which exceeded supply, resulting in a strong pricing environment for both Logic and DRAM. PC and smartphone market demand went up by single digits, while the industrial and automotive chip markets started to slowly recover.

Generative AI

Generative AI remained a key demand driver in 2025, resulting in strong demand for graphics processing unit (GPU) chips (Logic) and high-bandwidth memory (HBM) among our customers – and both products are growing fast. This is expected to continue. The cost and energy consumption of transferring data between current Memory and Logic architectures is high, so we expect AI applications to integrate DRAM and Logic in new architectures.

Wafer bonding

Wafer bonding is a rising trend in chip manufacturing that enables the fusion of separate wafers – such as Logic and Memory (see box) – into a single, high-performance stack. This technique supports 3D integration and heterogeneous materials, allowing for more compact and efficient microchips. It improves bandwidth, reduces latency and enhances energy efficiency, making it ideal for AI, mobile and high-performance computing applications. And, as traditional approaches to scaling reach physical limits, wafer bonding offers a path forward by combining diverse technologies at the wafer level. Its growing adoption reflects the industry's push for advanced packaging and integrated solutions in next-generation electronics. Our lithography systems in combination with metrology and inspection solutions, are foundational to enabling the precision required for bonded wafers.

Market outlook

At our 2024 Investor Day, we communicated an expected semiconductor market growth of a 9% CAGR between 2025-2030, projected to surpass $1 trillion by 2030. We currently observe an even stronger than initially projected ramp up of AI, which is driving demand both in advanced Logic and DRAM. This resulted in semiconductor market growth of more than 20% in 2025 and created a supply-demand imbalance as the manufacturing capacity additions following the severe Memory market correction in 2023 have been moderate. At the end of 2025, prices of Memory increased to levels not seen in at least a decade. We believe this combination of high demand and high prices positions the semiconductor market for double digit revenue growth in 2026.

For the 2025–2030 timeframe, we continue to expect a global annual wafer capacity growth of 780,000 wafer starts per month per year on average. It is also expected that wafer capacity additions through 2030 will be more weighted toward advanced Logic (nodes ≤7 nm) and DRAM, which is required to support AI-related applications, and less toward NAND and mainstream wafers. We believe this change in wafer mix can be favorable for ASML, given that advanced Logic and DRAM are more lithography-intensive.

Logic and Memory markets explained

The semiconductor market can be broadly divided into two segments based on the types of chips they produce: the Logic market and the Memory market. The largest semiconductor manufacturers serve both, producing chips in dedicated Logic or Memory fabs.

Logic chips are processors, such as central processing units (CPUs) and GPUs – the 'brains' of electronic devices, processing input and output results. They are produced by two groups of manufacturers: integrated device manufacturers (IDMs), which design and manufacture Logic chips; and contract manufacturers, known as foundries. Foundry manufacturers produce chips for 'fab-less' companies that focus on design and distribution but do not manufacture microchips themselves.

Memory chips can store large amounts of data in a very small area. And there are two main types: volatile chips such as DRAM, which efficiently provide data to the processor and only save data when the device is turned on; and non-volatile chips such as NAND Flash, which save data even after the device is turned off.

Microchips vary in complexity depending on the task they need to fulfill. For example, the most advanced chips power leading-edge technology such as AI, big data and automotive technology, while simpler, low-cost chips such as sensors integrate sensing capabilities into everyday technology – creating the IoT. The simplest types of chips can be made with more mature lithography technology, whereas manufacturers of the most complex chips need to use the latest EUV systems.

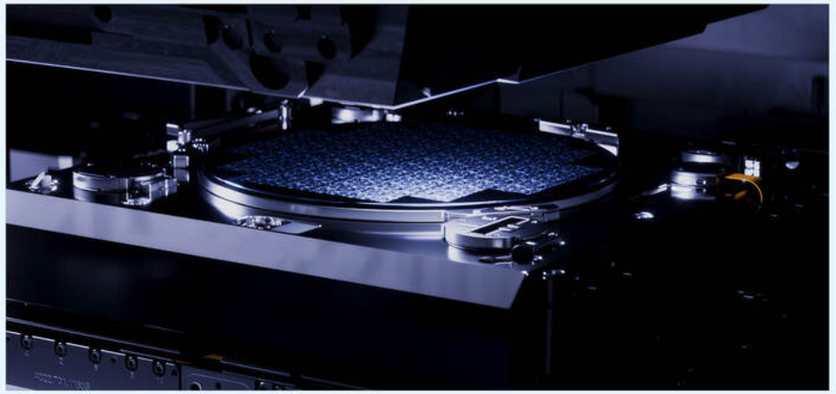
Our marketplace (continued)

4. The forces impacting our strategy

Maintaining customer trust requires focus on innovation, cost, quality, response time and sustainability.

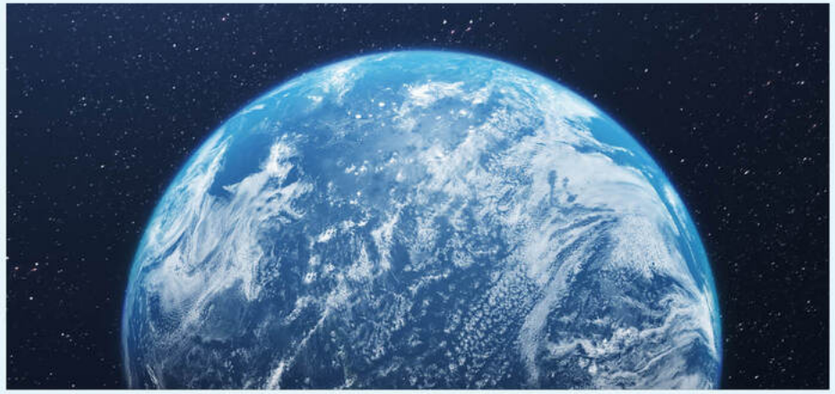
The virtuous cycle of Moore's Law continues – potentially accelerated further by AI.

The industry pushes against the limits of scaling and uses a widening array of levers to increase density.

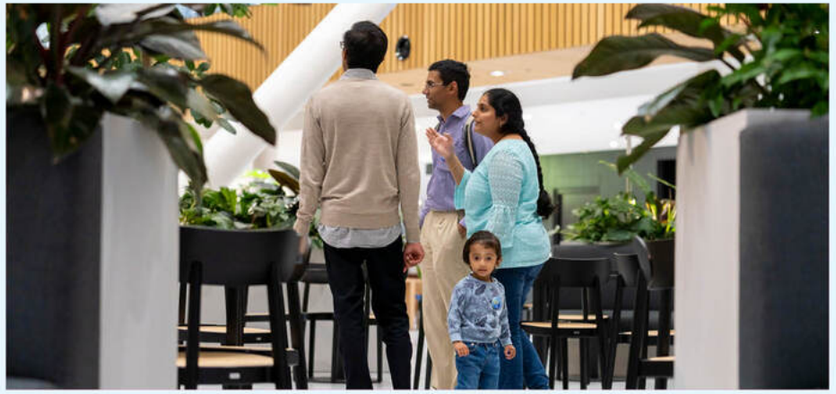


We need to manage complexity in systems and processes and strengthen our sites, supply chain and people.

Geopolitical volatility requires a more robust approach to support our customers and people.

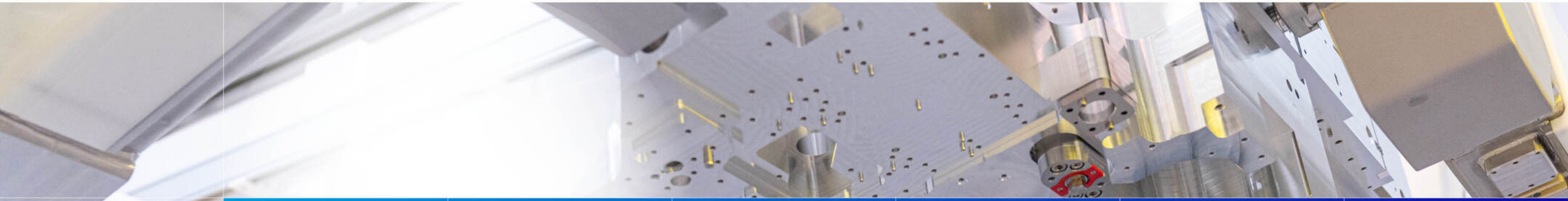


Success and systemic relevance have increased our responsibility to society.



Our business strategy

Our six priorities will drive long-term growth. Over the following pages, we expand on our progress in 2025.



1 Deepen customer trust

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2 Extend our technology and holistic product leadership

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3 Strengthen ecosystem relationships

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5 Drive operational excellence

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6 Deliver on ESG sustainability

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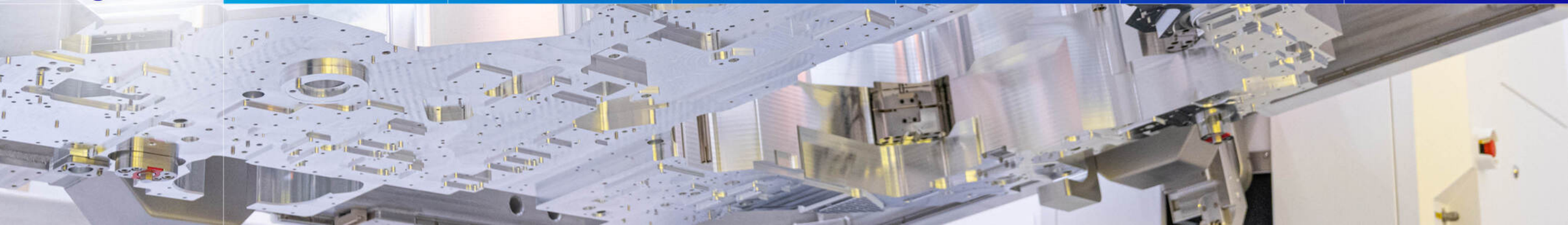
More information



Our business strategy (continued)

1

Deepen customer trust

Consistently deliver innovative, high-quality and reliable holistic lithography solutions that foster long-term customer partnerships and set industry standards for excellence

Our commitment to deepen customer trust is woven into every facet of our operations, driving us to continually:

- Increase value creation focused on innovation, cost, quality, response time and sustainability.
- Strengthen partnerships with customers based on even deeper understanding and anticipation of their needs and product roadmaps.
- Expand the bandwidth, responsibility and accountability of our customer teams, empowering them to champion the voice of the customer and meet their requirements.

Increase value creation for customers

In today's rapidly evolving technological landscape, delivering exceptional value to customers requires more than just meeting expectations – it demands foresight and continuous improvement in every aspect of our interactions. Our commitment to innovation helps us to stay ahead, developing solutions that address both current needs and future challenges. We allocate significant investment in R&D to drive new technologies faster and with greater impact, refine existing systems and fuel creative approaches to efficiency and performance.

Our innovation is closely linked to our commitment to customer value. By streamlining processes and optimizing our supply chain, we aim to strike a balance between high-performance solutions and cost efficiency, providing products that align with market demands.

Equally important, is our pursuit of quality in every stage of our operations. Robust quality assurance protocols are embedded throughout the product lifecycle to help our systems meet availability and reliability standards our customers rely on.

Our approach to quality naturally extends to sustainability, which directly benefits our customers. Guided by environmental responsibility, we continually seek to reduce emissions, minimize waste and design products with lower energy consumption and higher recyclability, laying the groundwork for lasting impact across our value chain.

Finally, we listen actively and take decisive action to address customer concerns swiftly and effectively. Our responsiveness and alignment with their expectations reinforces our commitment to their continued success.

Strengthen partnerships with customers

Our customers are why we exist. Establishing true partnerships with them is rooted in a genuine desire to understand their unique challenges, business models and strategic roadmaps. ASML's strategic transformation has strengthened this endeavor through direct engagement, open communication and continuous dialogue, which drives our decision-making. We recognize that customers operate in a complex, fast-paced environment where collaboration and mutual trust are essential for shared success. This close alignment allows us to tailor our offerings, proactively address pain points and co-create solutions that deliver measurable impact.

At the same time, anticipation is a hallmark of our customer engagement strategy. By staying attuned to industry trends and technological shifts, we help them navigate uncertainty and seize new opportunities. We try to anticipate changing requirements as early as possible by leveraging customer feedback, conducting market analyses and harnessing the expertise of our cross-functional teams. Through these efforts, we aim to not only meet expectations but also empower our customers to excel, positioning ourselves as a trusted and indispensable partner in their journey to growth and success.

Empower our customer teams

Empowering our customer teams is central to delivering tailored and relevant solutions. We delegate greater responsibility to our cross-functional teams, so that those closest to the customer have the authority and resources necessary to make decisions swiftly and effectively. With comprehensive training and direct lines of communication with leadership, teams are equipped to address challenges as they arise and champion the voice of the customer throughout the organization.

In parallel, extending accountability applies not only to meeting targets but also to nurturing a culture where each team member feels personally invested in our customers' success.

Our business strategy (continued)

Powering technology forward through customer collaboration

Keeping our lithography systems running 24/7

At ASML, customer trust is a guiding principle woven into the daily work of engineers like Edison Alameda. As a second-line customer support engineer for EUV in Chandler, Arizona, Edison's job is to ensure the smooth operation of some of the world's most advanced semiconductor manufacturing equipment and serve as a bridge to the customers who depend on them.

Read more

Our business strategy (continued)

2

Extend our technology and holistic product leadership

Integrate hardware, software and emerging solutions to create industry-defining products for our stakeholders

As a key manufacturer of lithography equipment, ASML plays a vital role in the semiconductor value chain. We don't innovate in isolation, but as architects and integrators collaborating closely with our customers, supply chain and research and technology partners in a strong innovation ecosystem.

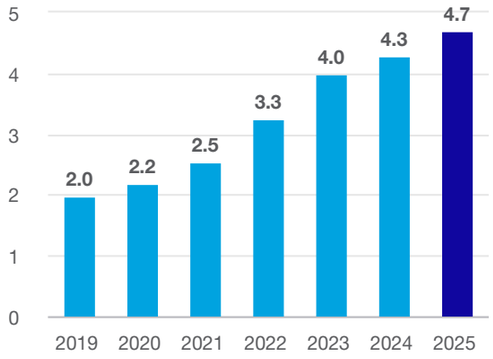
To extend our technology and holistic product leadership, we continually aim to:

- Innovate across our entire portfolio to continue to provide critical, differentiated and cost-effective solutions to our customers.
- Prioritize cost and energy consumption reduction by streamlining process flows, ensuring the highest transistor density at all process steps and advancing technologies that boost productivity, lower technology expenses and cut emissions.

Innovate across our portfolio

With R&D of €4.7 billion in 2025, ASML's portfolio-wide innovations tackle the most complex challenges in semiconductor manufacturing. This reflects our strategic vision to remain ahead of market demands and customer expectations. We deliver new and refined technologies that are not only critical for the industry but also uniquely tailored to the evolving needs of our customers.

Research and development (in € billions)



At the heart of our innovation is the drive to provide solutions that are both differentiated and cost-effective. Our holistic lithography portfolio spans DUV and EUV lithography systems, metrology and inspection systems, computational lithography and system and process control software, all of which address a wide range of customer requirements. By continuously introducing advancements in these domains and innovating for emerging applications like advanced packaging and 3D integration, we aim to ensure our offerings remain relevant for customers and aligned with market needs.

In addition, AI is becoming increasingly vital for ASML, as evidenced by our €1.3 billion investment in Mistral AI. We believe this partnership enables us to explore the use of AI models across our product portfolio as well as in our research, development and operations, to benefit our customers with faster time-to-market and higher-performance holistic lithography systems.

Our technology feasibility studies and product development efforts are closely aligned with customer device roadmaps, helping us to anticipate and meet future industry challenges before they arise.

Read more in Strategic report – Our business – Our products and services

Crucial to our innovation is our close collaboration with customers, supply chain partners and research and technology institutions within a vibrant innovation ecosystem. By engaging directly with these stakeholders, we can develop solutions that are not only technologically advanced but also operationally viable and scalable. Collaborative projects, often supported and subsidized by the European Union and its member states, serve to amplify the impact of ASML's research – accelerating progress in semiconductor manufacturing technology while adhering to the guiding framework of Moore's Law.

Prioritize cost and energy consumption reduction

While innovation is essential, we recognize that it must be coupled with a commitment to efficiency and sustainability. Our strategy explicitly prioritizes reductions in cost and energy consumption across all product and process developments. This begins with streamlining process flows throughout the equipment lifecycle, with the goal that every step, from design to manufacturing to deployment, contributes to cost efficiency and environmental stewardship.

Next to this, we dedicate significant resources to optimizing platform commonality, reducing system costs and extending the service life of critical equipment. By doing so, we enable our customers to attain greater performance and value from each new technology generation and help them comply with increasingly stringent sustainability goals and regulatory standards.

ASML's efforts to lower technology expenses and cut emissions are deeply linked to our mission to foster a more sustainable value chain. Initiatives to enhance recyclability, decrease energy consumption during operation and integrate green practices into every product iteration underscore our leadership in responsible innovation. In this way, we are not only responding to the needs of today's semiconductor manufacturers but also paving the way for a future where technological growth goes hand in hand with ecological accountability.

Read more in Sustainability statements – Social – Innovation ecosystem – ESG innovation

Powering technology forward through cutting-edge physics

1,000-watt EUV light source power shows path to higher productivity

In April 2025, ASML reached a historic milestone: demonstrating the first ever 1,000-watt light source for EUV lithography. This breakthrough, built on 25 years of engineering advancements, showcases our ability to turn fundamental physics into scalable innovation that supports our customers' roadmaps. It is a critical step toward faster, more cost-efficient production of tomorrow's cutting-edge chips.

Read more

Our business strategy (continued)

3

Strengthen ecosystem relationships

Collaborate with suppliers, academic partners and industry leaders to foster innovation, resilience and shared success across the value chain

Together with our customers, suppliers, research and technology partners and peers, we:

- Focus on our shared goals and responsibilities for cost, quality and sustainability to secure resilience and continuity through strategic sourcing and close cooperation.
- Balance risk and reward, aiming to ensure that ambitious targets for innovation, operational excellence and sustainability are achieved within a thriving, interconnected value chain.
- Support growth, mitigate disruptions and collectively elevate industry standards.
- Foster collaboration to make the ecosystem stronger and more agile for the future.

We trust our supply chain to manufacture most system parts and modules, and many partners to play a crucial role in developing our new technology. We aim to foster even closer relationships with our suppliers and broader ecosystem, based on shared goals and responsibility for cost, quality and sustainability.

Driving continuous innovation

ASML's innovation ecosystem is built on strong relationships with customers, suppliers, co-solution partners, technology partners and academia. By closely collaborating with these groups and with industry organizations such as the Confederation of Netherlands Industry and Employers (VNO-NCW), SEMI's Sustainability Advisory Council and the Semiconductor Climate Consortium (SCC), we aim to foster accelerated innovation and ensure access to leading-edge knowledge and technologies. Jointly, we tackle industry-wide challenges such as ESG sustainability, ultimately supporting growth and resilience across the semiconductor value chain.

Academia, industry and research institutes

We co-develop technical expertise with a broad network of technology partners, including universities and research institutions in Europe, the US and Asia.

Key partners include the technical universities in Delft, Eindhoven and Twente, the Advanced Research Center for Nanolithography (ARCNL) and research organization TNO in the Netherlands, CEA-Leti in France, Fraunhofer in Germany and imec in Belgium. In March 2025, we signed a five-year strategic partnership agreement with imec with the aim to strengthen collaboration on emerging and societal challenges, and to develop initiatives focused on sustainable innovation in Europe.

In the US, we partner with, among others, the University of California system, Stanford University, Massachusetts Institute of Technology (MIT), University of Colorado – Boulder, Purdue University, University of Illinois Urbana – Champaign.

Local and national governments

Governments at the local and national levels are key partners in our ecosystem, working together where we can to continue innovating and addressing mutual societal challenges.

Public–private partnerships

We work closely with our partners to develop and deliver research and innovation projects subsidized by the EU and its member states. These collaborative projects aim to advance IC technology for the semiconductor industry while adhering to Moore's Law, focusing on enhancing performance and energy efficiency. The Horizon Europe program and the European Chips Act are designed to facilitate collaboration and amplify the impact of research and innovation in the EU.

Focusing on quality and cost

Our suppliers and innovation partners play a crucial role in optimizing both cost efficiency and product quality. By fostering open collaboration and sharing technological advancements, they enable ASML to access advanced technologies, materials, components and processes. Joint research efforts can lead to streamlined manufacturing, reduced waste and improved yields, while rigorous quality controls ensure reliability.

Early involvement in design and transparent communication allows problems to be addressed before production, which can minimize the risk of costly errors.

Embedding sustainability in our operations

Sustainability is pivotal in our ecosystem because it can help ensure long-term resilience and competitiveness amid rapid industry transformation. By embedding sustainable practices into our operations – across supply chains, innovation and partnerships – we seek to minimize our environmental impact, conserve valuable resources and align with global expectations for responsible business.

Our commitment not only works toward safeguarding our planet, but can also strengthen relationships with customers, suppliers and stakeholders who increasingly prioritize ESG sustainability standards. Ultimately, integrating sustainability drives operational excellence, supports cost efficiency and empowers us to innovate responsibly. This positions our ecosystem to thrive in a future where environmental stewardship is inseparable from business success.

By focusing on cost alongside quality and sustainability, together with all our partners in our innovation ecosystem, we seek to navigate the delicate balance between innovation and commercial success in a highly dynamic global semiconductor market.

Powering technology forward

through collective innovation

Wayne Allan
EVP and Chief Strategic Sourcing & Procurement Officer

Getting even closer to our suppliers

In the dynamic landscape of semiconductor manufacturing, ASML's supply chain serves as the foundation of our operations, enabling us to push the boundaries of technology while meeting the evolving demands of our customers. With approximately 80% of our bill of materials sourced from a global network of suppliers, close collaboration and joint innovation have always been at the heart of our strategy. We believe this partnership model not only supports the reliability and quality of our products but also fosters a shared commitment to advancing Moore's Law, which remains essential for the industry's continued progress. Wayne Allan, EVP and Chief Strategic Sourcing & Procurement Officer, explains how his organization is strengthening ASML's ecosystem relationships.

Read more

Our business strategy (continued)

4

Create an exceptional workplace

Foster inclusivity, support talent development and cultivate a culture where all employees thrive and contribute to long-term success

To unlock our growth potential, we are striving to build an exceptional workplace where our people can develop their exceptional talents and thrive.

Our people strategy aims to answer the challenges and opportunities of our growth, and the evolving nature of global work, to guide the development of our people and culture to 2030. This is organized into four broad areas:

1. Develop a scalable and sustainable organization: Through clarity and knowledge-sharing
2. Build a workplace that works for everyone: Fostering inclusion, diversity and belonging
3. Invest in people effectiveness and development
4. Strengthen our leadership: Accelerating development and building a pipeline of future leaders

To meet our responsibilities as a leading partner and employer in the semiconductor ecosystem, and to continue delivering the technology our customers need, we are building capacity and capabilities for the future. With the semiconductor industry projected to surpass $1 trillion in sales by 2030[1], ASML is preparing for a period of significant business growth through 2030. Meeting this anticipated demand requires us to scale responsibly, while preserving the culture and values that have shaped our success.

1. As presented during our Investor Day in November 2024

Attracting and retaining the best talent is essential to maintaining our pace of innovation. However, the world of work is changing rapidly. From global talent shortages and generational shifts to geopolitical dynamics and the rise of generative AI, a range of forces are reshaping how organizations plan for the future. Our people strategy is designed to respond to this complexity, ensuring we remain a place where exceptional talent can thrive.

1. Develop a scalable and sustainable organization

To deliver on our growth plans and address the shifts in our competitive landscape, we need to further build a scalable and sustainable organization, based on a clear and transparent operating model, using our principles of clarity, agility and scalability. This includes empowering decision-making at the right levels, aligning roles and responsibilities, and improving coordination across departments.

Strategic workforce planning and knowledge management are central to this effort. We are identifying the critical capabilities needed to deliver on our business goals and know-how through proactive collaboration and learning. Through platforms like the ASML Academy, employees can access relevant knowledge and learning opportunities that support both day-to-day work and future development.

2. Build a workplace that works for everyone

We believe innovation thrives in an environment where people feel safe, respected and included. As we continue to hire globally, we are focused on creating a workplace where everyone, regardless of background, can bring their full selves to work and contribute meaningfully.

Our workplace strategy is intended to foster a culture of belonging, support well-being and enable collaboration. We are investing in inclusive practices across hiring, performance and career development, while amplifying the voices of our employee networks and ambassador communities.

Our well-being program supports mental, physical, social and financial health, helping employees and leaders build resilience and maintain a healthy work-life balance.

3. Invest in people effectiveness and development

Learning is central to our culture, and we invest heavily in onboarding, training and career development to help employees grow and succeed. This includes reducing time-to-competence, expanding opportunities for internal mobility and supporting personalized learning.

To scale responsibly, we are expanding our global talent pipeline and improving the speed and quality of recruitment. Our approach to internal mobility helps employees navigate across ASML, bringing key talents to where they can have the most impact and building a holistic understanding of our value chain.

4. Strengthen our leadership

Leadership is key to navigating ASML's complexity and growth. Leaders need to be able to deal with various challenges, considering stakeholder management across the company and changing expectations of employees across generations – which requires more empowering, multi-faceted and integrative leadership. This implies continuing to foster our technical leadership and further building our people and process excellence. Succession planning, strong pipelining and investing in senior positions and landing spots is critical to enable leadership development.

Our business strategy (continued)

Powering technology forward through diverse, inspired talent

Diversity is a fact, inclusion is an act

It is one thing to be a diverse organization, benefiting from a workforce with a wide range of backgrounds, cultures, experiences and ways of thinking, but we believe being an inclusive organization – one where everybody can be at their best – can make a real difference. Cristina Monteiro, EVP Human Resources & Organization (HR&O), explains the role that inclusivity plays in enabling innovation to thrive at ASML.

Read more

Cristina Monteiro
EVP Human Resources & Organization (HR&O)

Our business strategy (continued)

5

Drive operational excellence

Drive continuous improvement, efficiency and integrity to ensure high performance, quality and resilience throughout the organization

ASML is preparing for expected significant growth through 2030 by expanding its product range and operations, which demands a resilient and scalable industrial strategy and global footprint. We focus on aligning our supply chain and manufacturing footprint with customer locations and macroeconomic trends, while driving innovation, quality and sustainability to maintain competitiveness and operational excellence. We aim to:

- Create a learning organization that drives a culture of continuous improvement, with fast feedback loops and a sustainable impact on our safety, quality, cost and delivery performance.
- Drive improvements in cross-company business performance to reduce cost and cycle times, improve quality and secure on-time delivery.
- Optimize our industrial footprint to have market, talent and technology access while protecting our know-how and our business.
- Secure a successful enterprise resource planning (ERP) migration to enable scaling and drive improvements in cost, quality and compliance.
- Protect and defend ASML's interests and reputation by driving a culture of integrity and compliance, including for products, information security, cyber resilience and export controls.

Driving a culture of continuous improvement

We aim to drive a culture of continuous improvement by fostering a learning organization that emphasizes rapid feedback loops, encouraging employees to engage with and respond to changing conditions quickly and effectively. We aim to integrate improvement into every aspect of our operations, from safety and quality to cost and delivery, with the goal that these core metrics are always evolving in response to lessons learned.

This approach is supported by a multi-year quality roadmap that spans the entire product lifecycle, from initial design to field service, creating sustainable impacts and reinforcing customer trust. By embedding this culture deeply within the organization, we not only enhance internal performance but also strengthen our competitive edge in the global marketplace.

Reducing cost and cycle times while improving quality

To achieve operational excellence, we aim to systematically reduce costs and shorten cycle times without compromising quality – leveraging advanced analytics, automation and AI. AI-driven insights help us streamline processes, eliminate inefficiencies and respond even faster to market demands. By integrating continuous feedback and robust validation, we accelerate project delivery and strengthen customer trust with reliable solutions.

This approach enables us to set new benchmarks in quality and productivity while maintaining flexibility to adapt. Through AI-powered innovation and cross-functional collaboration, we believe we can position ourselves at the forefront of the industry's evolution.

Optimizing our industrial footprint

We are expanding and optimizing our global footprint to ensure business continuity, increase capacity for future growth and maintain cost efficiency in serving our customers worldwide. By broadening supplier bases in Asia and enhancing manufacturing in Europe, Asia and the US, we aim to better meet customer needs. Access to expertise for timely development, new technologies and product introductions remains our main priority.

Securing ERP migration

A successful ERP migration is crucial for ASML's future growth, enabling unified business processes and agile decision-making. By adopting advanced digital tools and AI-driven predictive analytics in planning and logistics, we believe we can protect business continuity and data integrity and empower teams to deliver greater value. This transformation supports rapid innovation and helps ASML maintain high standards in operational excellence, compliance and adaptability to changing market demands.

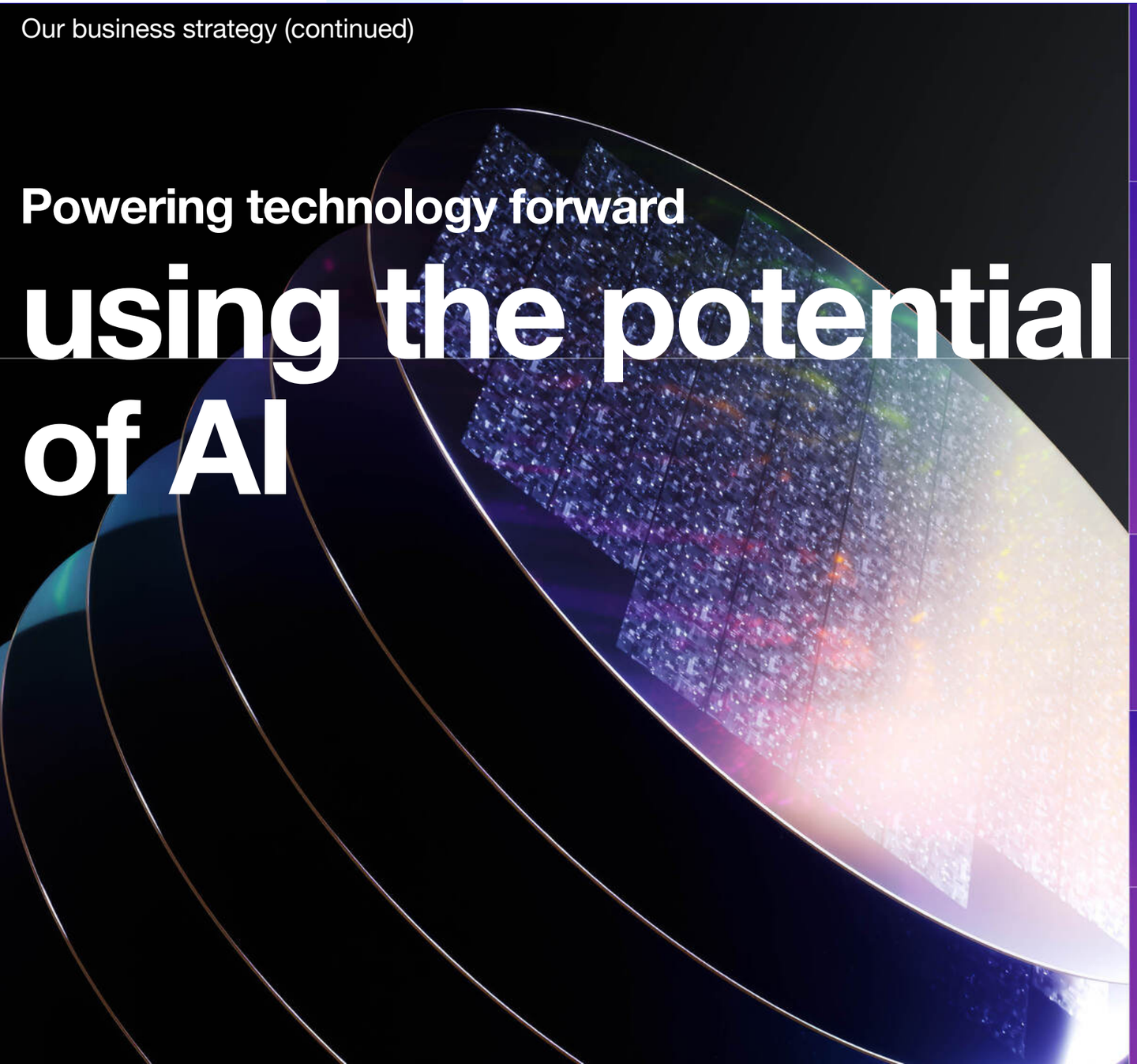
Driving a culture of integrity and compliance

We continue to prioritize integrity and compliance, enabling our operations to adhere to information security, cyber resilience and export controls. By embedding ethical conduct and robust compliance programs throughout our organization, we believe we can safeguard our reputation and know-how, build trust with stakeholders, and reinforce our leadership in the complexities of a globally connected industry.

Our business strategy (continued)

Powering technology forward

using the potential of AI



How AI helps drive innovation at ASML

Artificial intelligence is presenting new ways to extend our innovation roadmap. As well as enhancing lithography efficiency and precision, we expect it to accelerate R&D and help streamline customer support through smarter diagnostics. We believe our recent partnership with Mistral AI positions us to harness these capabilities, helping us deliver next-generation solutions and provide even stronger support for our customers.

Read more

Our business strategy (continued)

6

Deliver on ESG sustainability

Drive progress in environmental, social and governance issues important to ASML and our stakeholders

Key dynamics impacting our ESG sustainability strategy

Our technology enables our customers to create faster, more powerful and energy-efficient microchips. These enable exciting new digital technologies, including AI, which can help tackle some of humanity's toughest challenges – in healthcare, education, energy and mobility. At ASML, we are inspired by their potential for positive impact, on people and the planet.

At the same time, these advancements bring new challenges. With the arrival of AI, global demand for computing is growing rapidly, and the anticipated strain that data centers will place on energy infrastructure – as well as the resulting increase in emissions – are shared concerns. As part of the solution, our customers are developing even more energy-efficient microchips, and we are providing our holistic lithography innovations to support the 2D shrink and 3D integration required. Collaboration across the knowledge network – academia, research institutes, startups, the consumer-facing ICT industry, microchip makers and microchip equipment makers – is essential.

Our customers are also increasing microchip production to meet growing demand. Achieving this growth without a corresponding rise in energy use and emissions is a critical challenge. Collaboration throughout the value chain is vital, supported by initiatives such as the Semiconductor Climate Consortium. Our EUV systems help limit the increase in energy and chemicals use from the production of complex microchips by reducing the number of process steps. We are working to further drive down energy consumption of our EUV systems and all product families.

Building on these efforts, we turn our choices into tangible actions. We organize our ESG sustainability program into distinct themes, each with targets to drive meaningful progress.

Environment

We aim to be greenhouse gas neutral across our value chain by 2040, working in close partnership with customers and suppliers.

We are reducing the energy use and emissions of the systems we design and sell and those we have already installed at our customer sites. Each of our product families has a long-term energy saving roadmap – from enabling hydrogen reuse, to sleep modes, to high-temperature cooling water. These solutions have the potential to make a meaningful difference when scaled by customer adoption.

In our own laboratories, factories and offices, we have chosen renewable electricity, and we aim to drive continuous improvement in energy saving – from optimized controls in clean rooms, to waste heat reuse, to on-site green hydrogen generation. In transport, we are increasing the number of ocean shipments to customers, compared to air. From our suppliers, we require their commitment to saving energy, reducing emissions and preventing, mitigating and managing adverse environmental impacts.

Servicing and repairing installed systems to extend lifespan has always been central to our customer offer. We are now repairing more parts locally, closer to the customer, to reduce cycle times and cut emissions.

Using materials efficiently is important to us. We drive down waste and increase reuse of returned materials before we use new – through investments in reverse logistics, warehouses and repair centers. We closely manage end-of-life materials and aim to have zero waste from operations to landfill and incineration by 2030.

Social

People – our employees, suppliers and communities – lie at the heart of our ESG sustainability approach.

We aim to provide an attractive workplace for all. Employee safety and well-being are top priorities. Inclusion and diversity are also cornerstones – reflecting our values, powering our innovation and making our business stronger. We are committed to supporting our employees in their own contributions, through time for volunteering and matching of donations.

Upstream of our operations, due diligence on how people are treated is a part of our relationship with suppliers. Our aim is to prevent, mitigate and manage adverse human rights impacts in our value chain.

We aim to be a valued partner in our communities, thriving together. Listening to people who live near our operations and acting on their feedback has always been important to us, especially when we grow our footprint. We are proud to invest in issues that matter most to our neighbors and create lasting benefit – from affordable housing, to early-years science education, to green spaces, to arts and sports programs.

Governance

We aim for ESG sustainability to be integrated into day-to-day decision-making. We drive progress through reviews and updates for the Board of Management and Supervisory Board, supported by a central team. ESG sustainability represents 20% of ASML's long-term leadership targets. We actively engage with our stakeholders on focus topics and aim for transparent, best-in-class reporting.

Read more in Sustainability statements

Our business strategy (continued)

Powering technology forward

while aiming to reduce environmental impact

Simpler processes can make chip production more sustainable

The global economy relies on a supply of ever-more powerful microchips. As an industry, we believe we have a joint responsibility to advance sustainability in chip production. By developing new lithography technologies with finer resolutions – such as EUV 0.33 NA and the latest EUV 0.55 NA (High NA) system – ASML supports chipmakers in simplifying the manufacturing process, moving from multi-patterning to single patterning. Fewer process steps can help limit the increase in energy and chemicals use from production of more and increasingly complex chips.

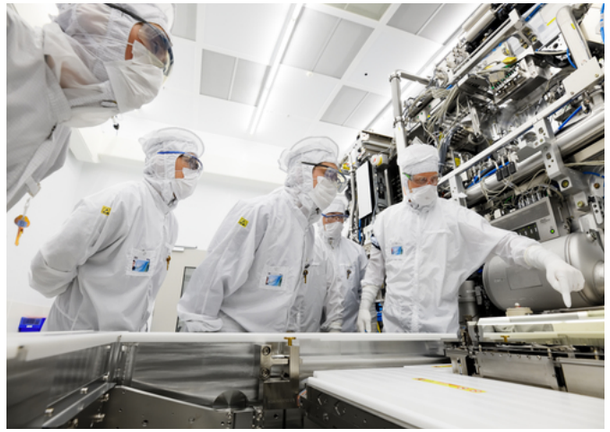
Read more

Our business model

1 2 3

The resources and the relationships that enable us to create sustainable long-term value

People and culture



We depend on more than **44,000** talented, dedicated and motivated employees who live our values of challenge, collaborate and care. Every day, our colleagues in R&D, manufacturing, customer support, sourcing and supply chain, and support functions, are empowered to take on the exciting challenge of building and maintaining the most advanced lithography, metrology and inspection systems in the world.

Read more on page 46 >

Manufacturing facilities

We have **eight factories** in Europe, the US and Asia that provide high-precision, highly controlled environments where we assemble, test and deliver our complex lithography and metrology and inspection portfolio, from prototype to final product.

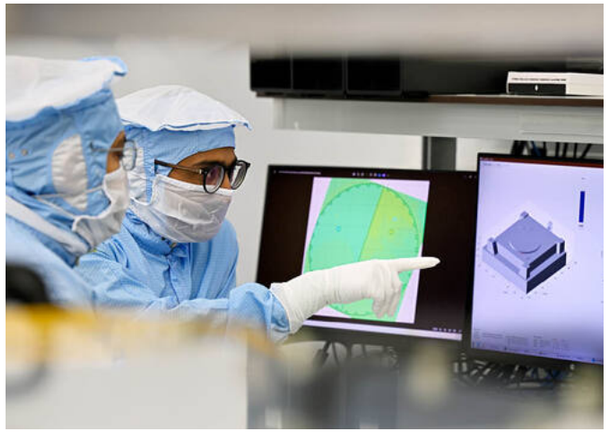
Read more on page 17 >

Capital

We have strong capital reserves, underpinned by a robust balance sheet. Total shareholder equity at the end of 2025 amounts to **€19.6 billion** on a consolidated balance sheet total of **€50.6 billion** and net cash provided by operating activities of **€12.7 billion** in 2025.

Read more on pages 278, 281 >

Innovation



In 2025, total R&D was **€4.7 billion**. But we do not innovate alone – our more than **16,000 R&D employees** collaborate closely within an innovation ecosystem of key partners in the value chain.

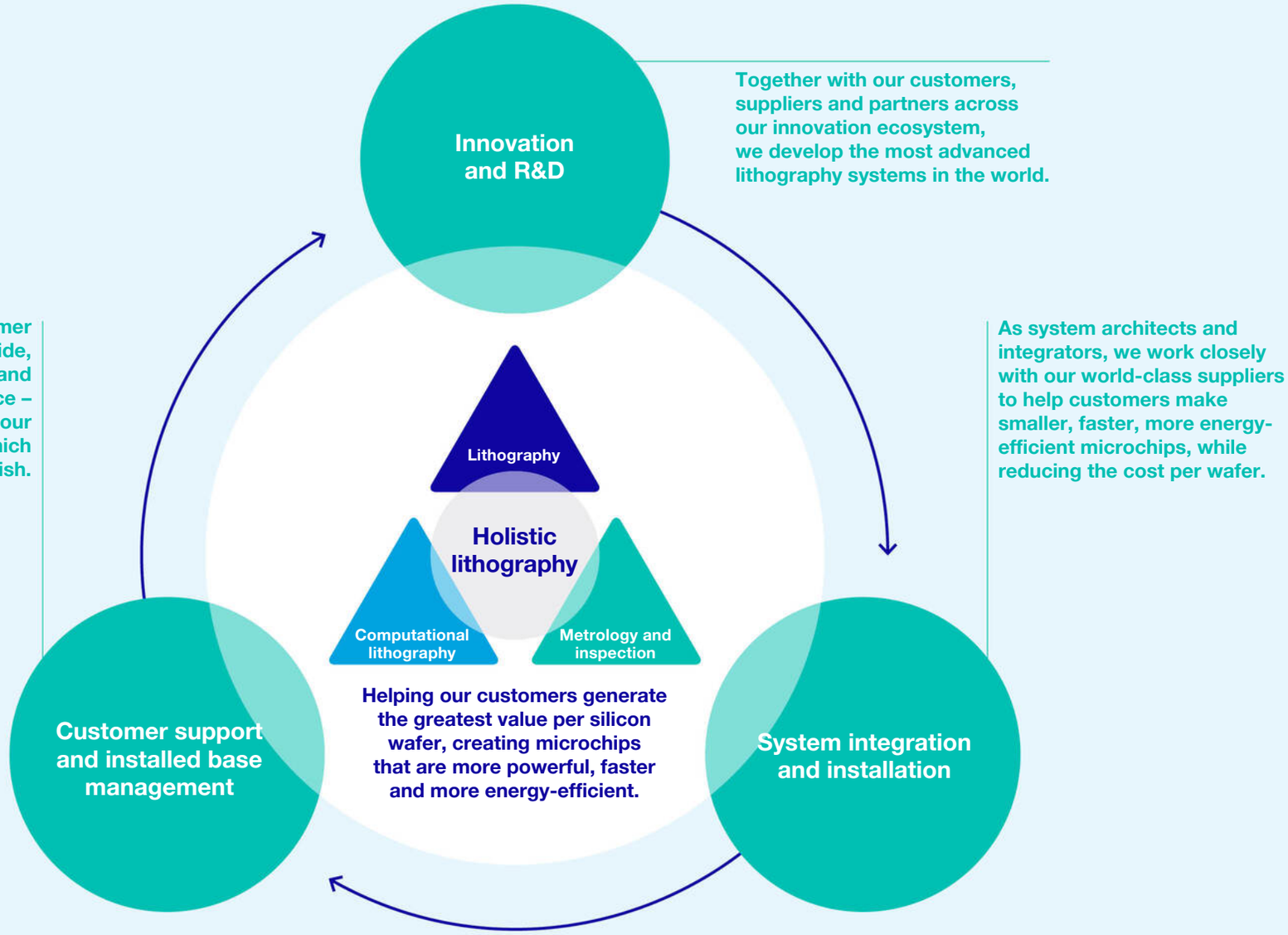
Our lithography solutions are the result of strong partnerships based on trust, respect, and shared risks and incentives to compete and drive innovation.

Read more on page 30 >

Our business model (continued)

How we create sustainable long-term value throughout the semiconductor value chain.

As a leading provider of holistic lithography solutions, we deliver value throughout the semiconductor value chain. Our comprehensive lithography portfolio enables cost-effective microchip scaling and supports our customers' technology roadmaps.



Our business model (continued)

The sustainable long-term value we created for our stakeholders in 2025

Customers

Our world-leading lithography systems enable our customers to develop ever-more-powerful and energy-efficient chips for new applications and devices. At the same time, we help our customers reduce their costs and environmental footprint.

€32.7bn
Total net sales
2024: €28.3bn

535
System sales in units
2024: 583

88%
Customer satisfaction survey score
2024: 86%

Employees

ASML is a growing business providing employment opportunities around the world. We invest in people's career development and well-being, and aim to provide a diverse and inclusive environment where they can achieve their full potential.

78.9%
Employee engagement score (three-year rolling average)
2024: 78.9%

21%
Women in our workforce (headcount)
2024: 21%

4.1%
Attrition rate
2024: 3.8%

Suppliers

Our suppliers help deliver our innovations and are critical to our value chain and our ambition to be a sustainable leader in the semiconductor industry. Long-term relationships, close collaboration, transparency and a commitment to sustainability with our suppliers are key to our success.

5,100
Total number of suppliers
2024: 5,150

90%
Responsible Business Alliance (RBA) self-assessment completed (in %)
2024: 91%

100%
Suppliers with overall high risk evaluated and follow-up agreed (in %)
2024: 100%

Shareholders

Effective and disciplined investment of cash flow drives the profitable growth of our company, and can deliver solid financial performance and a healthy financial position. This underpins our ability to return cash to shareholders through growing dividends and share buybacks.

€12.7bn
Net cash provided by operating activities
2024: €11.2bn

€7.50
Proposed annualized dividend per share
2024: €6.40

€5.9bn
Share buyback
2024: €0.5bn

Society

We play an active role in the communities where we operate – recognizing that, when the community thrives, so do we.

We believe our collaborative ecosystem nurtures innovation and benefits society. For example, we share our expertise with universities and research institutes, support young tech companies and promote science, technology, engineering and mathematics (STEM) education worldwide.
We are also committed to creating sustainable value by reducing our environmental footprint – both from our operations and during the use of our products and services.

€1,750
Amount invested in communities (per employee), including employee giving
2024: €1,084

€20.6m
Contribution to EU research projects
2024: €18.9m

11.5 Mt
Net scope 3 CO_2e emissions
2024: 12.0 Mt

90%
Reuse rate of parts returned from field and factory
2024: 88%

0 kt
Net[1] scope 1 and 2 CO_2e emissions
2024: 33 kt

1. Net scope 1 and 2 CO_2e emissions result from compensating for residual emissions and do not represent our gross emissions.

Engaged stakeholders

We listen to our stakeholders and work with them to make the best-informed decision.

Our interaction with them is fundamental to the long-term success of our business. By regularly engaging, we can better understand our impact on them and their respective needs and expectations.

Engaged stakeholders (continued)

Customers

At each stage of the customer relationship, we aim to foster trust – with the goal of achieving high customer satisfaction and loyalty. By placing customer success at the center of our work, we can leverage our innovations and develop even more sophisticated solutions alongside them.

What's happening in their world

Macroeconomic uncertainty, caused by but not limited to technological sovereignty and export controls, continued to lead certain customers to remain cautious and carefully control capital expenditure and cash flow in 2025. Market growth was mainly dominated by AI, which led to increased demand for AI-related Memory and specific advanced Logic chips.

How we respond

We are working closely with our customers to optimize our output capability, navigate through the uncertainty and manage the risks. We are engaging with them to mutually understand the affordability of different technologies and, through regular meetings and reviews, we are aligning on their current and future needs to adjust our demand plans while staying flexible.

We are also continuing our capacity investment plans to meet our customers' long-term growth targets and, in compliance with export control regulations, we have been working to deliver the non-advanced lithography systems not impacted by the new restrictions. We continue to guide governments on the semiconductor manufacturing process and ecosystem to foster understanding of the potential impacts of current and future regulatory measures.

We have deployed improvement actions identified in our 2024 customer survey, focusing on truly understanding what customers need from us, and validating that we are on the right track. We update our customers regularly on the progress we are making.

In September 2025, we sent out our latest survey to measure customer satisfaction, loyalty and trust, and to identify improvement areas to enable us to better serve them.

Survey results showed high and increasing levels of trust in ASML, mainly driven by our transparency and commitment to fairness and mutual success. Customers ask us to listen closely to their feedback, resolve issues in a timely manner, provide them with shorter delivery times for good-quality products, and continue pushing our technology forward to meet their current and future needs.

How we engage

- Regular technology review meetings between senior management and customers
- Executive review meetings to discuss business and operational strategies with customers
- Operational meetings to discuss various topics, including technology roadmaps, quality, costs and ESG matters
- Annual customer feedback survey
- Voice of the Customer program to provide firsthand feedback about our customers' needs
- Various technology symposia and special events

We focus on our customers' needs

There are thousands of ASML systems installed in fabs across the globe, and our customers want to keep these machines running 24 hours a day, seven days a week, 365 days a year.

With around 10,000 customer support employees, including service engineers and applications specialists, we work around the clock to enable our systems everywhere to run smoothly.

88%
Customer satisfaction survey score

"Our customers are why we exist. We collaborate with customers at all levels of the organization – from CEO-to-CEO interaction right through to on-the-ground support at individual fabs. We help our customers achieve their goals and ensure our solutions fit their requirements."

Jim Koonmen
Executive Vice President and Chief Customer Officer

Engaged stakeholders (continued)

Employees

We strive for engaged employees who are proud to work for ASML and committed to our vision and ambitions. Innovation thrives in an environment where everyone is empowered to contribute. By creating an exceptional workplace that fosters inclusivity, we aim to enable everyone to unlock their full potential and drive our collective success.

What's happening in their world

ASML has experienced significant growth in recent years, driven by rising demand in the semiconductor industry. Attracting and retaining the best talent is essential to maintaining our pace of innovation. As the workplace evolves – shaped by global talent shortages, generational shifts, geopolitics and advancements like generative AI – we must adapt our strategies to succeed in this changing landscape.

In 2024, we introduced a new leadership and governance structure, requiring further focus on maturing. Our annual employee engagement survey provided valuable insights into the themes our employees want us to focus on: inclusion, well-being, career development, quality – including work processes and cross-team collaboration – and confidence in the company's strategic direction.

How we respond

Just as our technological ambitions continue at pace, so do our aspirations for building an exceptional workplace that works for all. We are building on a solid foundation and the strength of our culture and values to scale-up ASML, aiming to create the best place for our people to innovate, make an impact and grow. We have a people strategy to address the challenges and opportunities of our growth and the evolving nature of global work, as well as the themes raised by the engagement survey.

How we engage

Direct engagement:

- Employee engagement survey (annually)
- Develop & Perform program, including employee feedback and performance reviews (annually)
- Learning programs (on occurrence)
- Speak Up Service (on occurrence)
- EHS incident management (on occurrence)
- Employee networks (which are open to all to join), such as Women, Seniors, Atypical, early career, multicultural and workers of all national origins, LGBTQIA+, Parents and Veterans (on occurrence)
- Ambassador communities, aiming to attract and inspire talent, promote well-being and engage colleagues (on occurrence)
- Internal communication and awareness, for example, through the intranet, our ethics program and our EHS management system (daily)
- Onboarding program for new employees (upon joining)
- All-employee meeting and senior management meetings, department meetings and interactive lunch sessions with Board members (on occurrence)
- Human Resources and Employee Relations (on occurrence)

Engagement via representation:

- Works councils/unions (on occurrence)

90%

of new colleagues starting in 2025 indicated they had a positive onboarding experience

52%

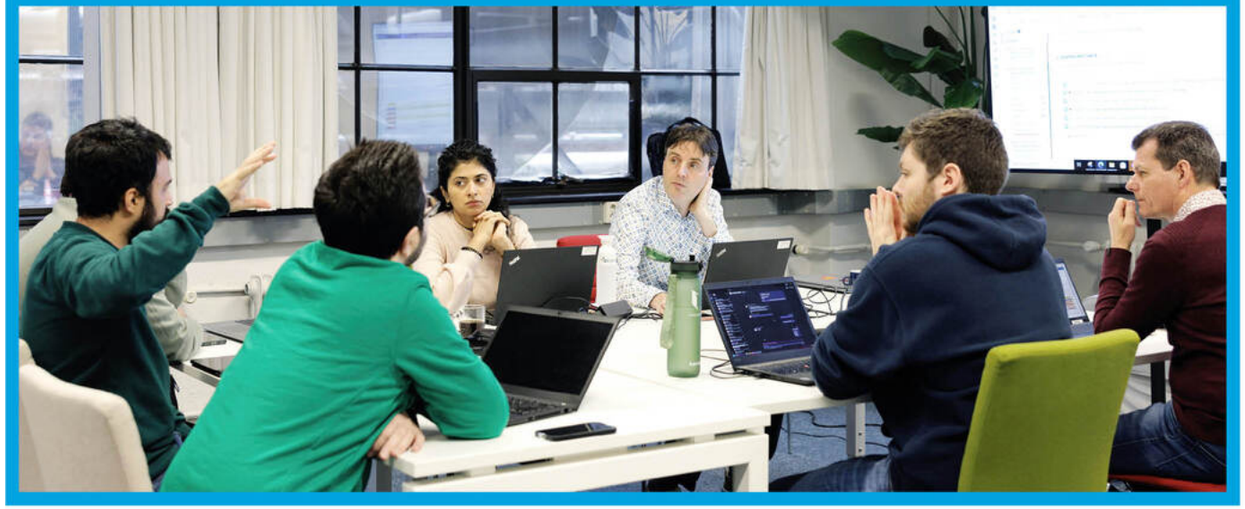
of our employees have been in the company less than five years

28%

of our employees today are not nationals of the country they work in

"We are on a journey to inclusivity – and it's a long journey. We've made good progress, but there is still more to achieve."

Cristina Monteiro
EVP HR&O



Engaged stakeholders (continued)

Suppliers

Our suppliers are an essential part of our value chain and critical to our ability to innovate. We rely on our network of approximately 900 product-related suppliers for the parts and modules that make up our products, as well as about 4,200 non-product-related suppliers. Our supply chain is a key factor in designing and delivering the technology, quality, affordability and sustainability that we offer to our customers.

What's happening in their world

The semiconductor market is cyclical, so the world of our suppliers is turbulent at times. In recent years, geopolitical events and inflationary pressures have added to macroeconomic uncertainty. Suppliers are expected to build capacity for steep growth in the long run, while being flexible enough to manage peaks and troughs in the short run. Our future growth – and that of our customers – can only happen if our suppliers are able to keep up. Furthermore, ASML aims to continually raise the bar for the quality, affordability and sustainability of what we buy from suppliers.

How we respond

We want to build strong and durable business relationships with our suppliers based on mutual trust. We are transparent with them about our business outlook and the expectations of our customers, and we listen when suppliers openly share their pain points and challenges. In addition to the usual day-to-day supplier management, we conduct intensive audits and engagement projects with our suppliers. These efforts address current topics as well as structurally help them prepare for anticipated long-term growth by building the required capabilities.

How we engage

- Annual Suppliers' Day
- Annual Supplier Collaboration Day
- Direct interactions via supplier account teams, led by sourcing account leaders
- Supplier audits
- Supplier collaboration engagements
- Site visits
- Supplier newsletter
- RBA Self-Assessment Questionnaire (SAQ)
- Speak Up Service
- Knowledge sessions on ESG topics
- Conflict minerals program

By partnering closely with and supporting our suppliers, we aim to ensure they're prepared to work with us for years to come – and to weather the changes the chip industry is known for, including periods of rapid growth and business-cycle fluctuations.

"We aim to build a resilient, innovative and affordable supply chain that can grow with us toward 2030 and beyond, and consistently deliver the quality and value that our customers need."

Herman Boom
Head of Strategic Sourcing & Procurement

Engaged stakeholders (continued)

Shareholders

We aim to help shareholders – as well as financial and ESG sustainability analysts – understand our long-term strategy. We communicate with them about our financial growth strategies and opportunities, our financial and ESG sustainability performance, our outlook and our shareholder returns.

What's happening in their world

For investors in the semiconductor industry, 2025 was another dynamic year. In the first half of the year, geopolitical announcements related to export control restrictions and tariffs, combined with customer capital expenditure reductions, created volatility in the investment community. During the second half of the year, investor sentiment improved, supported by large-scale investments in AI infrastructure and applications, and increasing demand for advanced Logic and DRAM to support these applications.

How we respond

During the year, we actively engaged with our investor community via a large number of conferences, roadshows and conference calls, to discuss specific topics relevant to our equity story, including ESG-related topics. We also encourage investors to visit our Veldhoven (the Netherlands) or Wilton (US) facilities in person to discuss and see our capacity expansion plans, as well as our technology challenges and opportunities in our ASML Experience Centers.

How we engage

- Annual General Meeting
- Investor Day
- Investor and analyst calls
- ASML quarterly results presentations and press releases
- Various investor conferences and roadshows
- Various sustainability questionnaires, assessments and survey feedback
- Direct personal interactions in line with our Bilateral Contacts Policy, as published on our website
- Engagement meetings with investors associations, such as the Dutch Investors' Association (VEB), the Corporate Governance Forum, Eumedion and the Dutch Association of Investors for Sustainable Development (VBDO)

Positioned for significant growth

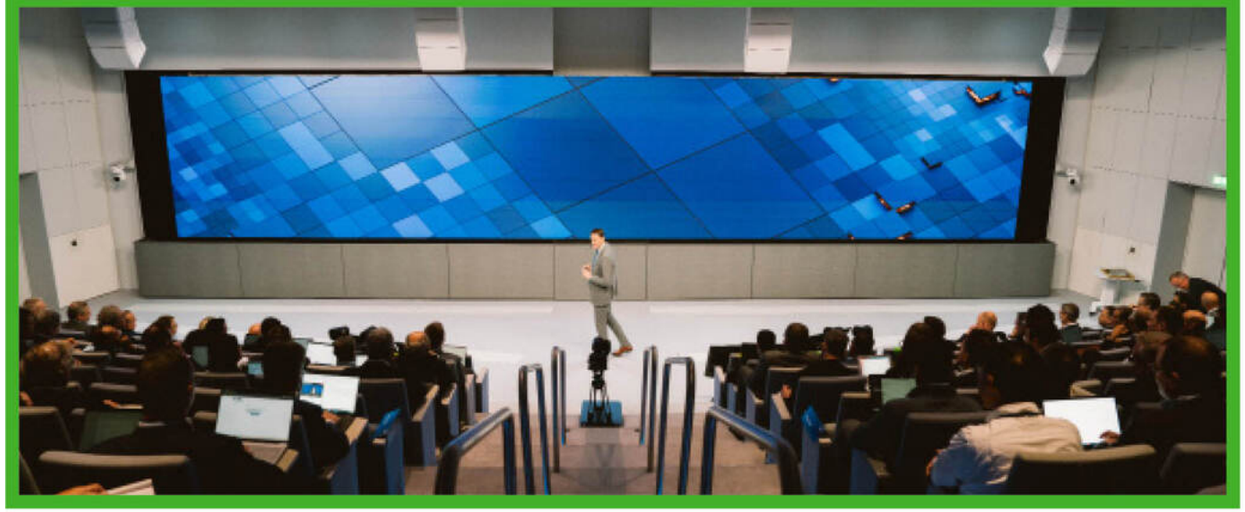
Expected growth in semiconductor end markets and increasing lithography spending on future nodes fuel demand for our products and services.

We will continue to invest in our business and expect to return significant amounts of cash to our shareholders through growing dividends and share buybacks.

€8.5bn

Returned to shareholders through dividends and share buybacks in 2025.

Our continued investments in technology leadership have created significant shareholder value.



Engaged stakeholders (continued)

Society

We know our actions and activities have an impact beyond ASML – on the world around us in its broadest sense, which is how we define society. We engage with organizations, communities and other bodies in society on a wide range of issues and other matters of attention – from reducing our environmental footprint to regulatory matters and fulfilling our commitment to playing an active role in the communities where we operate.

What's happening in their world

Increasingly, the local communities where we operate feel the impact of our rapid development – for example in the Brainport Eindhoven region around our headquarters, in Wilton, Connecticut (US), Taiwan, Hwaseong (South Korea) or Berlin (Germany). Our planned campus expansions should consider the interests of our close neighbors.

Our community stakeholders expect us to take on our fair share in keeping the region attractive and inclusive for all community members, with sufficient affordable housing, sustainable transportation, a strong (technology) education system for all and opportunities for the underserved. In addition, we want to help ASML newcomers integrate and feel at home.

How we respond

Our Community Partnership Program focuses globally on four areas: boosting the attractiveness of local communities; aiming to keep these communities inclusive; supporting science and technology education; and supporting ESG innovation. Within these areas, alongside our stakeholders, we have identified and formed programs that we first began executing in 2023. We also support our employees in their efforts to give back to their communities in their areas of interest through our Employee Giving program and by supporting their volunteering initiatives.

We work with and collaborate with governments on all levels (national, regional and local) to ensure our growth and objectives are clear and can be supported.

Read more in our ASML Government & External Affairs Report at asml.com

How we engage

Direct engagement:

- External survey of Brainport Eindhoven (quarterly)
- Online via social media and websites (global and local, such as ASML Dichtbij) (daily)
- Dedicated phone lines, online forms and email addresses, including directly with our 'omgevingsmanager' (on occurrence)
- Events, open-house, town halls and local information sessions (on occurrence)
- Newsletters, community relations and ongoing community outreach programs (on occurrence)
- Speak Up Service (on occurrence)

Engagement via representation or credible proxies with industry unions and associations (on occurrence):

- Member conferences and technical forums
- Member consultation on standards
- Brainport Eindhoven (six-week intervals)

Engagement with governments and authorities (on occurrence):

- Proactive dialogue with government and municipalities
- Relevant EU roundtable discussions
- Compliance reporting
- Dialogue with tax authorities

ASML's Societal Conference – building community connections

The Societal Conference is ASML's annual event to highlight and enhance societal engagement with public partners. The 2025 conference – its second edition – focused on 'Broad Prosperity & Collaboration in Brainport', exploring the links between economic growth, social resilience and shared responsibility.

It serves as a platform for reflection, dialogue and encouraging joint action within the region.

We invited representatives from business, local and national government, and societal partners – with 267 registrations in total.

Financial performance

Message from our Executive Vice President and Chief Financial Officer

Roger Dassen

“Results in line with guidance, as AI investment continues to gather momentum.”

Roger Dassen
Executive Vice President and Chief Financial Officer

In conversation with Roger Dassen (continued)

Executive Vice President and Chief Financial Officer

Dear Stakeholder,

This was another excellent year for ASML. In line with expectations, sales grew 15.6% as compared to 2024, driven by continuing growth in AI and a steady increase in the number of customers capitalizing on this significant industry trend.

Our EUV business performed well on the back of strong sales of the TWINSCAN NXE:3800E. This latest addition to our NXE series has been well received by our customers as this system delivers greater productivity, enabling them to achieve higher wafer capacity. We also carried out a significant number of TWINSCAN NXE:3800E field upgrades, which resulted in a substantial portion of EUV system revenue being shifted to installed base revenue. Our DUV business in China turned out to be stronger than anticipated, offsetting marginally lower than anticipated non-China DUV business as mainstream business outside of China remained weak.

Total net sales rose by €4.4 billion, or 15.6%, reflecting an increase in net system sales of 12.4%, and an increase in net service and field option sales of 26.2% compared to 2024. The increase in system sales was primarily driven by higher EUV and DUV immersion system sales – this was partially offset by a decrease in ArF dry, KrF and i-line sales volumes.

The increase in net service and field option sales was primarily due to the growing installed base, higher levels of lithography tool use for certain customers and more NXE field upgrades.

Our gross profit and gross margin increased in 2025 compared to 2024, mainly driven by a favorable NXE product mix and higher net service and field option sales and margins. These positive effects on gross margin were partially offset by the dilutive impact of EXE systems recognized in sales.

Key dynamics of 2025

There were three important factors this year.

Firstly, during the year, several question marks emerged around geopolitical challenges, notably tariffs. Heightened levels of uncertainty were apparent for some customers, who were understandably apprehensive about investing in major manufacturing bases if the equipment they needed could potentially become significantly more costly.

Secondly, while AI-related demand continued to surge, demand from other segments was relatively subdued during the first part of 2025. This changed as the year progressed, and the markets associated with PCs and smartphones, among others, began to accelerate.

Finally, the number of customers seizing opportunities generated by the AI boom began to increase. Early in the year, AI was benefiting only a small number of our customers, but its impact has now spread to more. All three major DRAM players have identified benefits from the AI uptick, and this drove a marked increase in optimism and positivity. Turning to the foundry market, where a single major company leads, we have seen some signs of recovery for some of the other players in this market.

Putting AI at the heart of our organization

In recent years, we have dedicated more resources to the field of AI and we have recognized a number of areas where it can play a pivotal role in the company's development and how we meet customer needs.

Software already is a major factor in driving the performance of our systems – by incorporating artificial intelligence, we can elevate precision and speed to the next level, required to meet our customers' advanced needs. For example, in operations demanding nanometer-level accuracy, a temperature fluctuation as small as one-thousandth of a degree may have huge implications. So deploying best-in-class AI models to assess the behavior of exogenous variables on a wafer can drive the performance of our lithography, metrology and inspection systems.

We are also using AI to become more efficient as an organization. This is an area where the finance team has played an important role within ASML by monitoring the various efficiency initiatives across the business, with efficiency measured as output per person. A key issue is around how many people we need in order to create the required output – and this has led us to prioritizing initiatives in a number of domains.

In R&D, we are using AI to reduce the time-to-market for new products and services, supporting our engineers so their innovations can deliver improvements to customers as quickly as possible.

AI is helping us in several operational areas, including improving efficiency by providing insights into how we can best sequence production phases to create an optimal flow. Our customer support engineers also use AI in the field, for example with machine diagnostics that can make preventive maintenance more efficient.

In addition, AI is behind ongoing improvements in the efficiency of the company's enabling functions, including Finance, IT, HR, Legal and Compliance and many more areas.

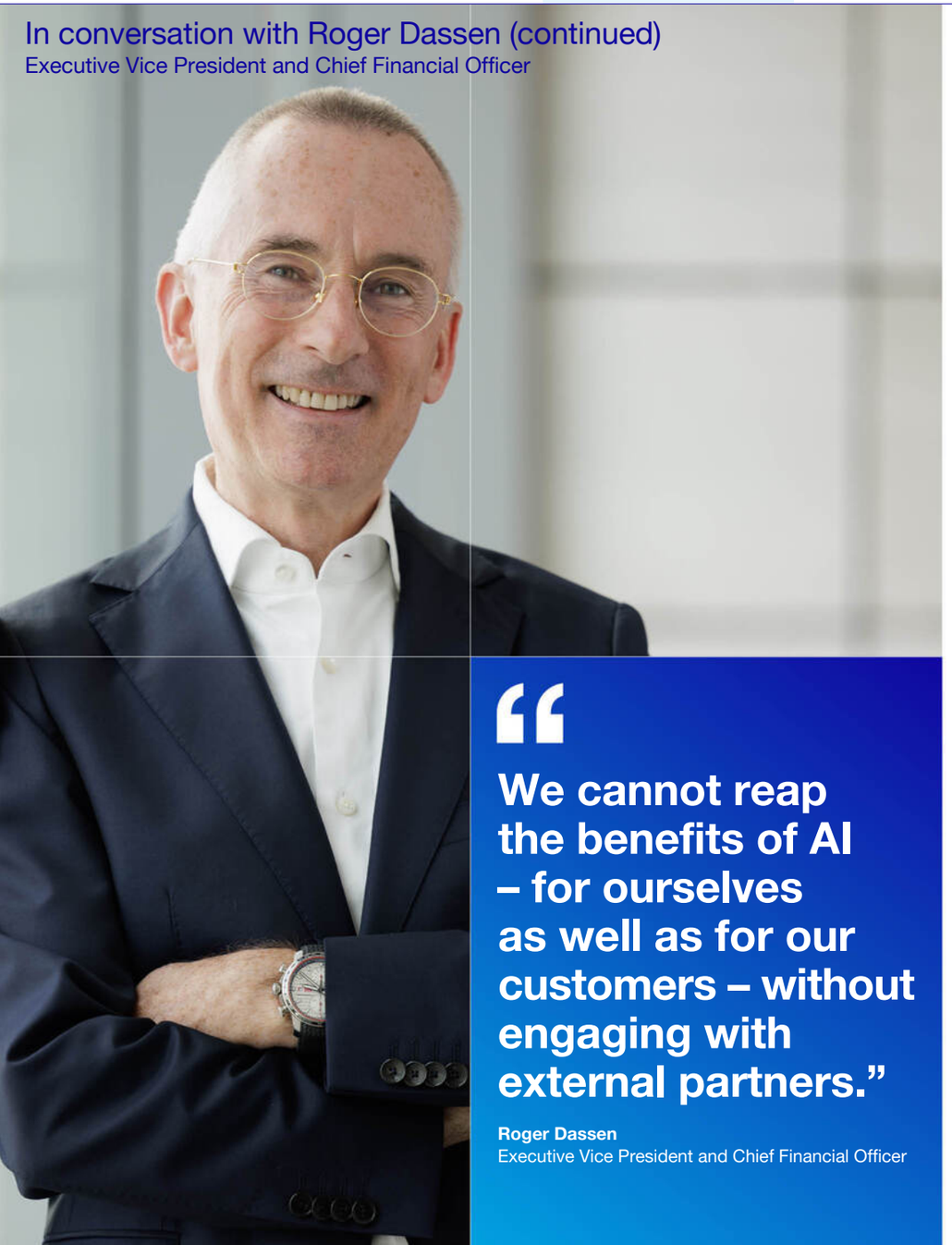
€32.7bn
Total net sales

52.8%
Gross margin

€8.5bn
Returned to shareholders

In conversation with Roger Dassen (continued)

Executive Vice President and Chief Financial Officer



> “We cannot reap the benefits of AI – for ourselves as well as for our customers – without engaging with external partners.”
>
> **Roger Dassen**
> Executive Vice President and Chief Financial Officer

…and of our future

Building on a long history of working closely with organizations across our ecosystem, we recognized that we cannot reap the benefits of AI – for ourselves as well as for our customers – without engaging with external partners. When generative AI started to land, we began looking at potential partners, including Mistral AI, and we were delighted to take an approximately 11% share on a fully diluted basis in the company during 2025.

Mistral AI has a high-quality large language model able to support software coding and therefore plays a pivotal role in the development of our systems. Furthermore, we believe Mistral AI and ASML are an excellent fit. We have seen how their teams understand our culture as well as how our engineers work and what they need – and that synergy is really critical.

Leading the way on sustainability reporting

The finance team worked hard throughout 2025 to help ASML maintain its reputation as a role model in sustainability reporting. We prepared our previous 2024 Annual Report in accordance with European Sustainability Reporting Standards (ESRS) requirements, and I am pleased to say that this year’s report follows suit.

We took part in the consultation process for the revision of the ESRS standards. This followed from the EU’s Omnibus Simplification Package, aimed to simplify sustainability reporting for companies by reducing the number of mandatory data points, clarifying provisions, and streamlining requirements.

While we have taken advantage of the ESRS ‘Quick Fix’ – a temporary relief package in force until the revised standards are finalized – we remain fully committed to the principles of sustainability reporting. Extensive and accurate data on our supply chain and customers, as well as on our own organization, helps us understand our impact and that of our ecosystem, and therefore identify how best to manage it.

Looking ahead

Looking ahead to 2026, we anticipate total net sales of between €34 billion and €39 billion. The expected gross margin is between 51% and 53%, alongside an annualized effective tax rate of around 17%.

Starting with our EUV business, we expect revenues to increase significantly in 2026 as a result of the dynamics in advanced Logic and DRAM. For non-EUV, we anticipate that revenues for 2026 will be similar to 2025. Finally, in our service and field option sales business, we expect another year of revenue growth, driven by our growing EUV installed base and our customers’ plans for performance upgrades to support their rapidly increasing capacity requirements.

In line with our 2024 Investor Day announcements, we expect a 2030 revenue opportunity between €44 billion and €60 billion with a gross margin expected between 56% and 60%.

We maintain our financing policy – a solid capital and liquidity structure, based on which we will continue to invest in our business and expect to return significant amounts of cash to our shareholders through growing dividends and share buybacks.

In summary, our long-term outlook remains robust, supported by the combination of strong market dynamics and a solid strategic roadmap for our products and services.

Roger Dassen
Executive Vice President and Chief Financial Officer

Financial performance KPIs

Sales

Total net sales
€32.7bn
2024: €28.3bn

Net system sales
€24.5bn
2024: €21.8bn

Net service and field option sales
€8.2bn
2024: €6.5bn

Sales of lithography systems (in units)[1]
327
2024: 418

EUV systems recognized (in units)
48
2024: 44

Profitability

Gross profit
€17.3bn
2024: €14.5bn

% of total net sales
52.8%
2024: 51.3%

Income from operations
€11.3bn
2024: €9.0bn

34.6%
2024: 31.9%

Net income
€9.6bn
2024: €7.6bn

29.4%
2024: 26.8%

Earnings per share (basic)
€24.73
2024: €19.25

Liquidity

Cash and cash equivalents and short-term investments (year end)
€13.3bn
2024: €12.7bn

Net cash provided by operating activities
€12.7bn
2024: €11.2bn

Free cash flow[2]
€11.0bn
2024: €9.1bn

1. Lithography systems do not include metrology and inspection systems.
2. Free cash flow is a non-GAAP measure and is defined as net cash provided by operating activities (2025: €12,658.5 million and 2024: €11,166.2 million) minus purchase of property, plant and equipment (2025: €1,573.6 million and 2024: €2,067.2 million) and purchase of intangible assets (2025: €57.6 million and 2024: €15.9 million). We believe that free cash flow is an important liquidity metric for our investors, reflecting cash that is available for acquisitions, to repay debt and to return money to our shareholders by means of dividends and share buybacks. Purchase of property, plant and equipment and purchase of intangible assets are deducted from net cash provided by operating activities in calculating free cash flow because these payments are necessary to support the maintenance and investments in our assets to maintain the current asset base.

Financial performance KPIs (continued)

Operating results of 2025 compared to 2024

Year ended December 31 (€, in millions)	2024	%[1]	2025	%[1]	% Change
Net system sales	21,768.7	77.0	**24,474.3**	74.9	12.4
Net service and field option sales	6,494.2	23.0	**8,193.0**	25.1	26.2
Total net sales	28,262.9	100.0	**32,667.3**	100.0	15.6
Cost of system sales	(10,406.9)	(36.8)	**(11,384.0)**	(34.8)	9.4
Cost of service and field option sales	(3,364.0)	(11.9)	**(4,025.3)**	(12.3)	19.7
Total cost of sales	(13,770.9)	(48.7)	**(15,409.3)**	(47.2)	11.9
Gross profit	14,492.0	51.3	**17,258.0**	52.8	19.1
Research and development (R&D) costs	(4,303.7)	(15.2)	**(4,698.8)**	(14.4)	9.2
Selling, general and administrative (SG&A) costs	(1,165.7)	(4.1)	**(1,257.8)**	(3.9)	7.9
Income from operations	9,022.6	31.9	**11,301.4**	34.6	25.3
Interest and other, net	19.8	0.1	**104.7**	0.3	428.8
Income before income taxes	9,042.4	32.0	**11,406.1**	34.9	26.1
Income tax expense	(1,680.6)	(5.9)	**(2,013.4)**	(6.2)	19.8
Income after income taxes	7,361.8	26.0	**9,392.7**	28.8	27.6
Profit from equity method investments	209.8	0.7	**216.7**	0.7	3.3
Net income	7,571.6	26.8	**9,609.4**	29.4	26.9

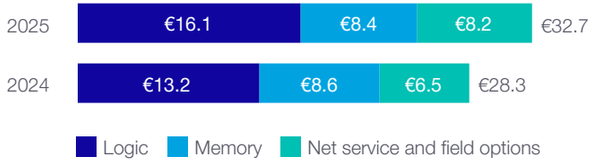
1. As a percentage of total net sales.

For a comparison of ASML's operating results for the year ended December 31, 2024, with the year ended December 31, 2023, please see Financial performance – Performance KPIs – Operating results of 2024 compared with 2023 of ASML's Annual Report on Form 20-F for the year ended December 31, 2024.

Total net sales

In 2025, total net sales increased by €4.4 billion, representing a 15.6% year-over-year increase. This growth was driven by a 12.4% increase in net system sales and a 26.2% increase in net service and field option sales compared to 2024.

Total net sales growth (in billions)



In Logic, net sales increased by €2.9 billion, primarily driven by leading-edge foundry growth in support of strong AI demand and our customers building capacity for their next nodes.

In Memory, net sales decreased by €0.2 billion, primarily reflecting a continuation of high Memory demand following strong growth in 2024. This momentum is fueled by investment in high-bandwidth memory and DDR5 to support AI-related applications, which remain a key growth driver in the Memory market.

Net service and field option sales increased mainly due to the growing installed base of systems, higher levels of lithography tool use for certain customers, and more NXE field upgrades.

Increase on previous year

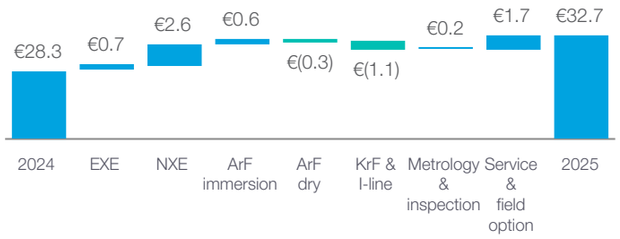
15.6%
Net sales

12.4%
Net system sales

26.2%
Net service and field option sales

Financial performance KPIs (continued)

Net sales (in billions)



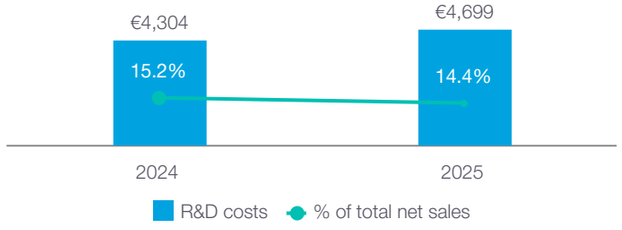
The increase in total net sales was primarily driven by greater NXE and NXT immersion adoption supported by leading-edge foundry investments for AI demand, EXE systems being delivered to and installed at more customers, and higher service and field option sales. This was partially offset by a decrease in ArF dry, KrF and i-line sales volumes. We recognized four EXE and 44 NXE systems in sales in 2025 compared to two EXE and 42 NXE systems in 2024. Our system sales across our DUV technologies decreased from 374 units in 2024 to 279 in 2025.

The increase in net service and field option sales was primarily due to the growing installed base, higher levels of lithography tool use for certain customers and more NXE field upgrades.

Gross profit (in millions) **and gross margin** (in %)

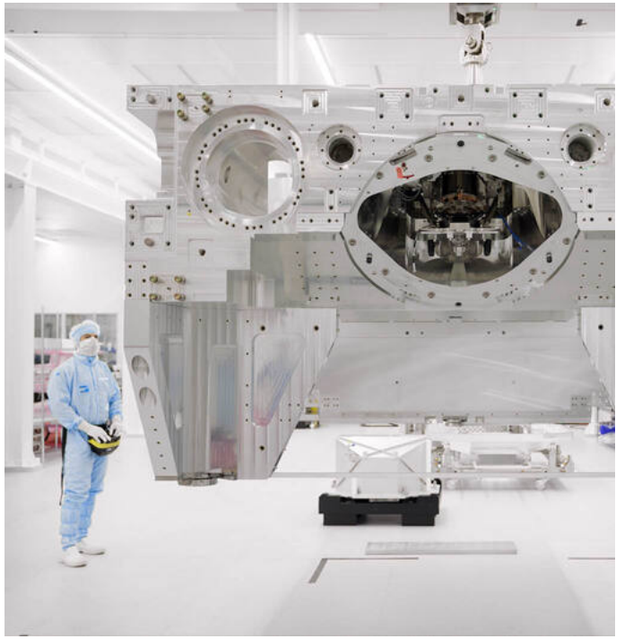
Gross profit and gross margin increased, mainly driven by a favorable NXE product mix and higher net service and field option sales and margins. These positive effects on gross margin were partially offset by the dilutive impact of EXE systems recognized in sales.

Research and development costs (in millions)



R&D costs totaled €4,698.8 million in 2025, up from €4,303.7 million in 2024. This increase reflects continued investments across our EUV, DUV and metrology and inspection systems, and computational lithography, all of which support the development of our holistic lithography solutions. In 2025, R&D efforts were primarily focused on:

- Investments in the development of the NXE:3800E and NXE:3800F systems, and further improving availability and productivity of our NXE installed base systems.
- Investments in the development of our EXE systems to support future nodes for both Logic and DRAM customers.
- Continued investment in the next-generation lithography systems, to increase productivity and overlay in critical DUV layers (NXT:2150i), increase productivity in KrF layers (NXT:870B) and make a next step in cost effectiveness for our i-line customers and investing in packaging portfolio (XT:260).
- Continued investment in e-beam inspection, e-beam metrology and YieldStar optical metrology. In addition, executing our multibeam inspection roadmap and continuously expanding our investment in the holistic software applications space.



€4.7 billion

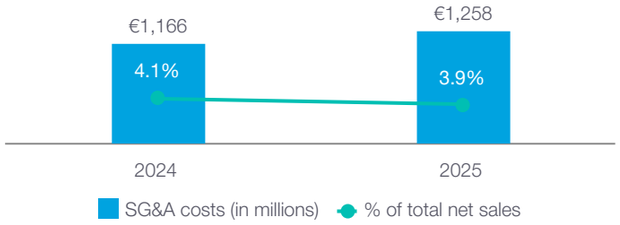
R&D costs

9.2%

Increase in R&D costs on previous year

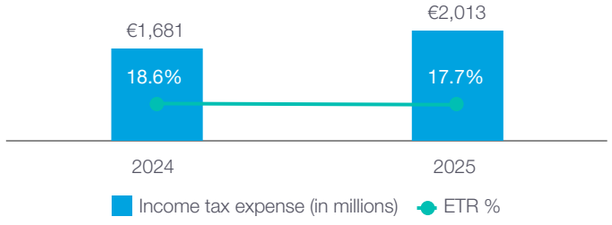
Financial performance KPIs (continued)

Selling, general and administrative costs (in millions)



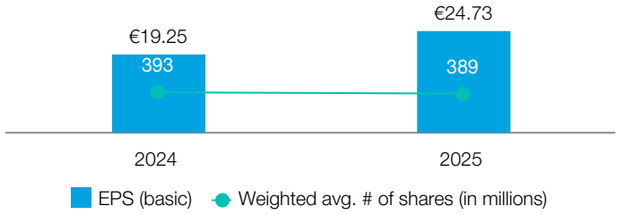
Selling, general and administrative (SG&A) costs increased by 7.9% year-over-year, primarily due to higher average wages and salaries per FTE, and continued investments in our Community Partnership Program.

Income taxes (in millions)



The effective tax rate (ETR) decreased to 17.7% in 2025, compared to 18.6% in 2024. This reduction is primarily due to a correction for a historic tax position recognized in 2024 that pertained to multiple years, for which the underlying tax position has a lower impact in 2025.

Net income and earnings per share



Net income for 2025 amounted to €9,609.4 million, representing 29.4% of total net sales and €24.73 basic net income per ordinary share. This compares to €7,571.6 million, or 26.8% of total net sales, and €19.25 basic net income per ordinary share in 2024. The increase in basic net income per ordinary share was primarily driven by higher net income.

Financial performance KPIs (continued)

Cash flow analysis

We continued to invest significantly in next-generation technologies to secure future growth opportunities. These investments required substantial cash outflows in net working capital, capital expenditures, and R&D.

At the same time, we remained committed to returning cash to our shareholders through dividends and the share buyback program.

Year ended December 31 (€, in millions)	2024	2025
Cash and cash equivalents, beginning of period	7,004.7	**12,735.9**
Net cash provided by (used in) operating activities	11,166.2	**12,658.5**
Net cash provided by (used in) investing activities	(2,609.3)	**(3,777.8)**
Net cash provided by (used in) financing activities	(2,832.1)	**(8,670.5)**
Effect of changes in exchange rates on cash	6.4	**(30.1)**
Net increase (decrease) in cash and cash equivalents	5,731.2	**180.1**
Cash and cash equivalents, end of period	12,735.9	**12,916.0**
Short-term investments, end of period	5.4	**405.9**
Cash and cash equivalents and short-term investments	12,741.3	**13,321.9**
Purchases of property, plant and equipment and intangible assets	(2,083.1)	**(1,631.2)**
Free cash flow[1] (Non-GAAP measure)	9,083.1	**11,027.3**

1. Free cash flow is a non-GAAP measure and is defined as net cash provided by operating activities (2025: €12,658.5 million and 2024: €11,166.2 million) minus purchase of property, plant and equipment (2025: €1,573.6 million and 2024: €2,067.2 million) and purchase of intangible assets (2025: €57.6 million and 2024: €15.9 million).

Net cash provided by (used in) operating activities

Net cash provided by operating activities increased by €1,492.3 million compared to 2024. This was mainly due to an increase in net income of €2,037.8 million, which is partially offset by an increase in working-capital.

Net cash provided by (used in) investing activities

Net cash used in investing activities increased by €1,168.5 million compared to 2024, primarily due to the €1,302.2 million investment in Mistral in 2025. This was partially offset by a reduction in capital expenditures, with cash outflows for property, plant, and equipment decreasing from €2,067.2 million in 2024 to €1,573.6 million in 2025.

Net cash provided by (used in) financing activities

The net cash used in financing activities increased by €5,838.4 million compared to 2024. This was primarily driven by a €5,450.0 million increase in share repurchases under our share buyback program, the repayment of an outstanding €1,000.0 million bond that was due on December 6, 2025, and a €97.4 million increase in total dividends paid. These outflows were partially offset by the issuance and repayments of Euro Commercial Paper, which generated a net cash inflow of €689.2 million.

As of December 31, 2025, ASML has sufficient capital for the company's present obligations.

Long-term growth opportunities

Trend information

Looking to 2026, we expect full-year revenue between €34 billion and €39 billion and gross margin between 51% and 53%.

This outlook has strengthened significantly in the final months of 2025, mainly due to the anticipated increase and acceleration of capacity expansion plans by our advanced Logic and DRAM customers to meet the strong end-market demand driven by AI.

Looking at market segments, we expect Logic-related revenues to remain strong and Memory revenues to be significantly higher compared to 2025.

We anticipate our EUV revenue to be significantly higher, driven by advanced node ramps. Our non-EUV revenue is expected to be similar to 2025.

With our net service and field option sales, we expect another year of growth, primarily due to increasing service revenue from our growing EUV installed base and our customers' plans for productivity upgrades.

We have been preparing for growth, and our capacity planning is continuing while we work with our supply chain to support a multi-year ramp.

Our expectations and guidance for the first quarter of 2026 can be summarized as follows:

- Total net sales between €8.2 billion and €8.9 billion
- Gross margin between 51% and 53%
- R&D costs of around €1.2 billion
- SG&A costs of around €0.3 billion.

The trends, expectations and guidance discussed above are subject to risks and uncertainties.

Read more in Strategic report – Special note regarding forward-looking statements

Long-term growth opportunity for 2030[1]

At our November 2024 Investor Day, we provided an update on our long-term growth opportunity for 2030.

The semiconductor industry remains strong and AI is expected to create further opportunity.

Our industry will require major innovations to address the anticipated cost and power consumption challenges of AI and this will further boost the industry roadmap in a product mix shifting toward advanced Logic and DRAM.

Our customers remain at the core of our strategy, and we believe that lithography will remain at the heart of their innovation. We also anticipate that an increased number of critical lithography exposures for advanced Logic and Memory processes will continue to support our customers in addressing their challenges.

We expect that our ability to 1) scale our EUV technology well into the next decade, 2) extend holistic lithography into supporting 3D front end integration and 3) improve the performance and cost effectiveness of our EUV and DUV products will continue to address all our customers' needs with a flexible and versatile portfolio.

ASML values the strong industry partnerships which are critical to our success and our collective commitment to a leadership position in ESG.

Based on our modelling of the different scenarios we expect global semi sales to grow at 9% CAGR (2025-2030) and surpass $1 trillion by 2030.

This translates into an expected overall wafer demand growth of 780K wafer starts per month per year (2025-2030), on average. The rise of AI as a leading end driver also implies a positive mix-shift in the wafer demand profile from litho spending perspective. We expect advanced Logic and DRAM to drive further EUV litho exposures and spending.

For the period from 2025 to 2030, for advanced Logic, we expect an EUV litho spending CAGR of 10-20% and for DRAM, we expect an EUV litho spending CAGR of 15-25%.

This expected growth in semiconductor end markets and increasing lithography spending on future nodes are expected to fuel demand for our products and services.

Based on different market and lithography intensity scenarios, we see an opportunity to achieve 2030 annual revenue between approximately €44 billion and €60 billion with gross margin between approximately 56% and 60%.

We expect to continue to return significant amounts of cash to our shareholders through a combination of growing dividends and share buybacks.

Read more in Strategic report – Our business – Our business strategy

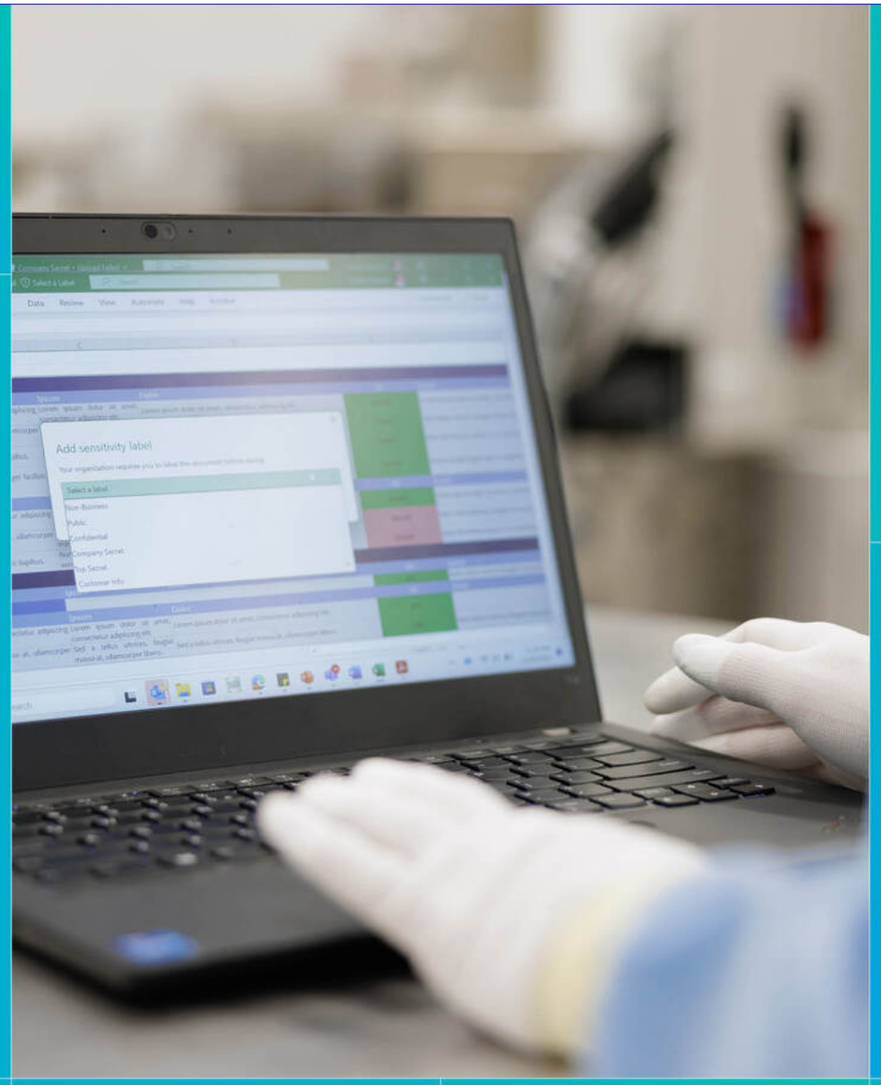
Long-term models as presented at 2024 Investor Day

Total sales opportunity (in €bn)	2024 Investor Day Sales 2030
High scenario	
EUV sales	32
Non-EUV sales (lithography and M&I*)	15
Installed base management**	13
Total	**60**
Moderate scenario	
EUV sales	26
Non-EUV sales (lithography and M&I*)	14
Installed base management**	12
Total	**52**
Low scenario	
EUV sales	22
Non-EUV sales (lithography and M&I*)	11
Installed base management**	11
Total	**44**

* M&I: Metrology and inspection.
** Installed base management equals our net service and field option sales.

1.Long-term growth opportunity for 2030 as presented during our Investor Day in November 2024.

Risk and security



Understanding ASML's risk management framework

An Lommers

In this Q&A with An Lommers, ASML's Head of Risk, Business Assurance and Security (RBA&S), we explore the company's approach to risk management in a dynamic global environment.

Q Why is it so important for ASML to manage risks?

It is essential for safeguarding our company's long-term resilience and success. By proactively identifying and addressing potential threats – such as those from economic shifts, geopolitical changes, technological advances or regulatory developments – we can avoid costly disruptions, avoid non-compliance, protect our reputation and remain competitive by staying ahead of the game.

Effective risk management enables better-informed decisions, fosters greater trust among our stakeholders, and supports the ability to identify new opportunities for growth and innovation. In today's rapidly changing global landscape, having strong risk management practices is what helps us keep growing and reach our strategic goals.

Q How does ASML manage its risks at an organizational level?

We have an enterprise risk management (ERM) framework in place that is designed to be fully integrated into how we work every day and how we plan for the future. We aim to make risk management a natural part of our business by setting clear standards, supporting governance, and looking for ways to get better at managing risks and meeting compliance requirements.

Q What is the main purpose of risk management at ASML?

First and foremost, it's about helping our company achieve its business objectives in a responsible way. Our ERM process is executed continuously, to make sure risk identification and mitigation are timely and effective, which enables our leaders to make best-informed decisions.

Q Could you explain the structure of the ERM process at ASML?

As Head of RBA&S, I am responsible for the development and maintenance of our ERM framework, reporting to the CFO and Audit Committee. Our approach is systematic – we follow the ISO 31000:2018 standard, which includes overseeing security functions and compliance processes.

We take a mixed approach – our ERM process merges top-down oversight of company-wide risks with bottom-up insights from teams in the organization, so that risks are identified and managed at the appropriate levels. We are continuously looking for ways to improve this process by learning from the latest insights and using best practices.

Q What exactly is the ASML risk universe?

Think of it as a big, consolidated map of the main risks that could affect our business goals. It covers 31 risk categories grouped under the risk types Strategic, Operations, Finance and reporting and Compliance, which helps us to provide a consistent approach for risk assessments across the company.

Q How does ASML adapt to new and emerging risks?

We continually assess and adjust our risk responses to align with our risk appetite and corporate priorities, ensuring we can respond to a dynamic business environment. We regularly check in on our risk universe and keep track of any changes, with the Compliance, Ethics, Security and Risk Committee (CESR) reviewing it every quarter. This way, we are making sure our plans for handling risk fit with what matters most to us as a company, so we can react quickly whenever things shift in our dynamic business environment.

> "Together with our partners, we protect ASML and its stakeholders, ensuring ASML can execute its strategy."

An Lommers
Head of RBA&S

Understanding ASML's risk management framework (continued)

An Lommers

Q What are examples of risks ASML faces in today's global landscape?

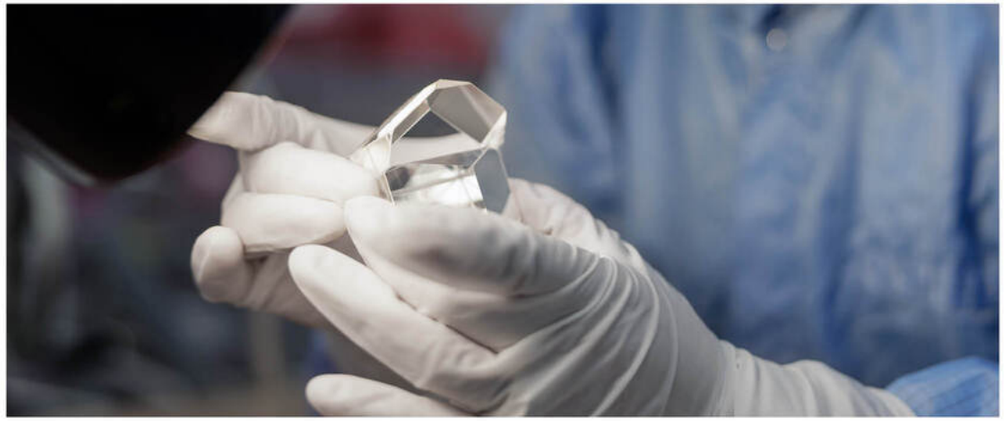
Our risk landscape is constantly evolving in response to changes both within the industry and on the world stage. Geopolitical volatility, for example, is creating a push for technological sovereignty, which could result in a fragmented global ecosystem, particularly in the semiconductor value chain. One of our main concerns is that future trade restrictions – whether pertaining to raw materials, technology, systems or investments – may further limit our ability to source critical parts or to sell and service our systems for certain customers. Navigating the ever-evolving landscape of regulations adds to the challenge of maintaining compliance.

Q How do economic uncertainties and market volatility impact ASML?

The global economy directly influences demand in the semiconductor industry, and consequently, demand for our products and services. Economic volatility and typical semiconductor cycles keep us vigilant and adaptable in our operational planning.

Q Why is information protection so important for ASML?

Our innovation ecosystem – and our ability to protect the know-how and intellectual property that underpin it – are the bedrock of our leadership in the market. However, there's mounting pressure in this area, both for us and for our open innovation partners. Also, we are not immune to cyber and other security threats, which is why we invest heavily in robust protection and detection measures, and continuously monitor the risks involved.



Q What growth challenges is ASML encountering as it looks to the future?

Despite the uncertainties and volatility facing our industry, the long-term outlook for the semiconductor market remains robust, signaling potential growth opportunities ahead for ASML.

For risk management, these potential growth opportunities and associated challenges require a proactive, forward-thinking approach. We must not only anticipate and mitigate traditional operational risks, but also adapt our frameworks to account for evolving workforce dynamics and supply chain complexities.

Strengthening our resilience against disruptions – whether from market fluctuations, talent shortages or geopolitical events – is an integral part of our risk management strategy. This means investing in scenario planning, diversifying suppliers and developing agile talent pipelines, with the goal to pursue growth, while remaining vigilant and prepared for the risks that accompany it.

How we manage risk

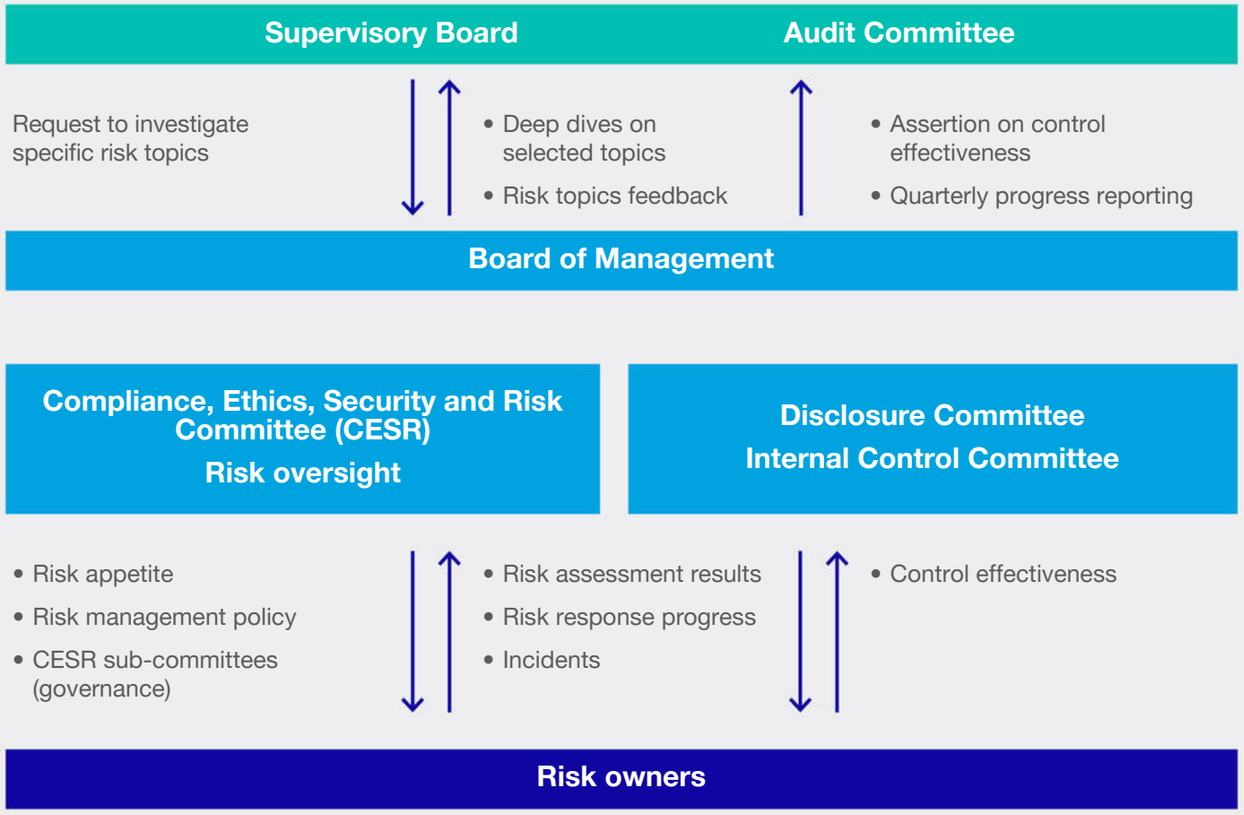
ASML manages risks through an enterprise risk management (ERM) framework that integrates risk management into our daily business activities and strategic planning.

Enterprise risk management

ASML's ERM framework is designed to enable a well-defined governance structure and a robust ERM process. The Risk and Business Assurance function drives the ERM process and associated activities across ASML. We follow a systematic approach to identify, manage and monitor risks in pursuit of our business objectives by setting standards and enabling management to maintain and continuously improve our governance, risk management, internal control and compliance. The framework enables us to identify opportunities to achieve our objectives and sustainable long-term value creation.

ERM is a continuous process. Its related activities are periodically repeated to identify and address risks in a timely fashion, and ensure outcomes are relevant for effective decision-making. Our Head of RBA&S reports to the CFO and Audit Committee and is responsible for leading the development and maintenance of the ERM framework and the implementation of the ERM process. We have adopted the International Organization for Standardization (ISO) 31000:2018 standard as the basis for our ERM activities. In addition, the Head of RBA&S is responsible for leading the security function and for developing and maintaining the compliance process.

Risk management governance structure



Supervisory Board and Audit Committee

The Supervisory Board (SB) provides independent oversight of management's response and effectiveness on critical risk areas. The SB's Audit Committee provides independent oversight of the ERM process and timely follow-up of priority actions based on quarterly progress updates.

Board of Management

The Board of Management (BoM) is responsible for managing internal and external risks related to our business activities and for overseeing compliance with applicable laws and regulations.

Compliance, Ethics, Security and Risk Committee

The Compliance, Ethics, Security and Risk Committee (CESR) is the central risk oversight body that reviews, manages and controls risks in the ASML risk universe. It also approves the risk appetite, risk management policies and risk mitigation strategies. The CESR is chaired by the CFO and comprises senior management representatives across ASML, including the COO and CSPO (Chief Strategic Sourcing & Procurement Officer).

Disclosure Committee

The Disclosure Committee is chaired by the Head of Finance and advises the Company, and its CEO and CFO in overseeing ASML's disclosure activities and compliance with applicable disclosure requirements arising under Dutch and US law, applicable stock exchange regulations and other regulatory requirements.

Internal Control Committee

The Internal Control Committee is chaired by the Corporate Chief Accountant and advises the Disclosure Committee, CEO and CFO in their assessment of our internal control over financial reporting and related disclosures, under section 404 of the Sarbanes-Oxley Act. The Chair of the Internal Control Committee updates

How we manage risk (continued)

the CEO and CFO on the progress of this assessment. The Chair also includes this update in the Internal Control Committee's report to the Audit Committee.

Risk owners

Risk owners monitor the development of risks across the ASML risk universe and drive risk response across ASML according to requirements defined by the CESR.

ASML risk universe

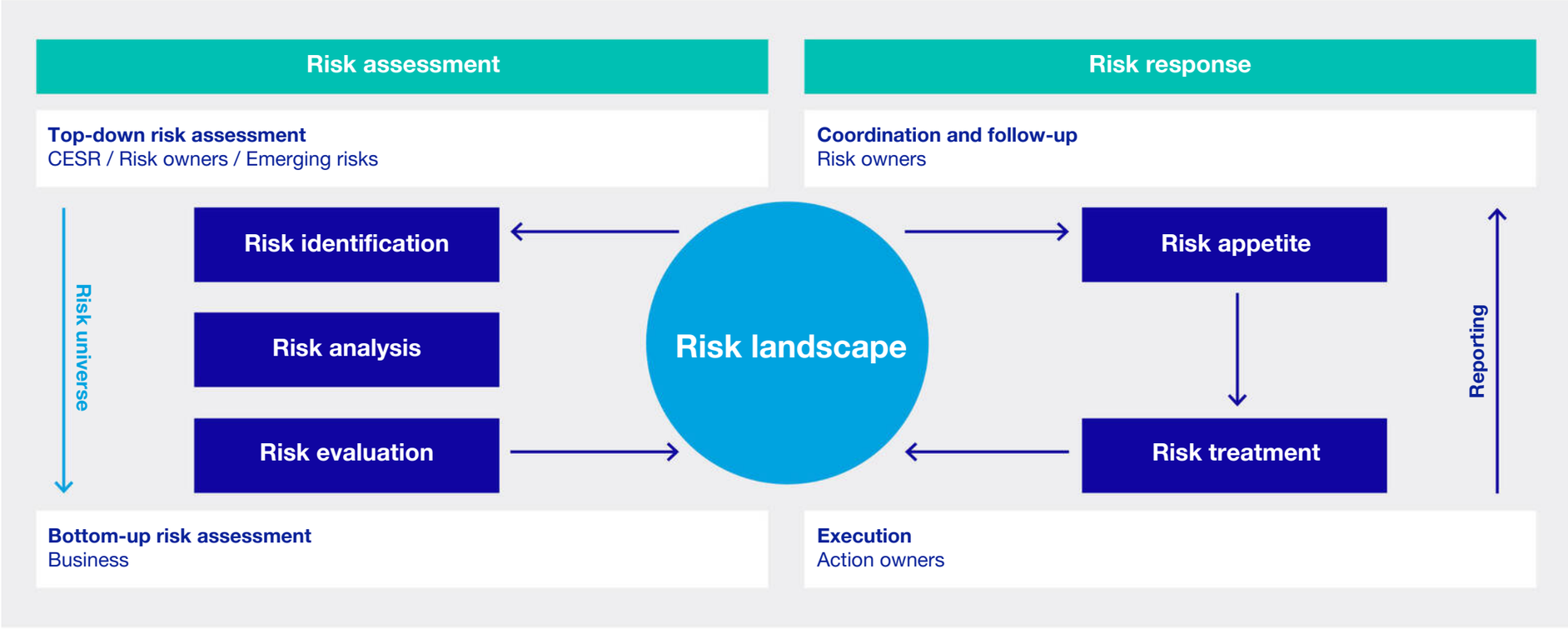
The ASML risk universe is a consolidated overview of the risks that may have a material adverse impact on our ability to achieve our business objectives. The risk universe enables us to have a consistent approach to risk assessments across ASML. We take into account a broad range of internal and external information sources such as macroeconomic and industry trends, relevant guidelines and legislation, and stakeholders' needs and expectations in all areas. The risk universe is updated based on internal and/or relevant external developments.

ERM process

The ERM process provides a holistic approach combining business and experts' perspectives to identify, evaluate and manage risks at the right level. We continuously seek to improve it based on experience, developments and best practices.

The results of risk assessments and the potential impact of external trends are captured in the ASML risk landscape. As we operate in a dynamic environment, risk exposures are subject to change. The ASML risk landscape is reviewed and updated by the CESR each quarter. Risk assessments are carried out to assess the risks in ASML's risk universe. We define strategies to address relevant risks and set priorities. Our risk responses aim to mitigate the risks identified in the ASML risk landscape to the level defined by the risk appetite.

Risk management process



How we manage risk (continued)

Risk type

- (S) Strategic
- (O) Operations
- (F) Finance and reporting
- (C) Compliance
- (O) Other

Overview of risk factors

Risk type	Risk factor
S	Our future success depends on our ability to respond in a timely manner to commercial and technological developments in the semiconductor industry
S	The success of new product introductions is uncertain and depends on our ability to successfully execute our R&D programs
S	We face intense competition
S	The semiconductor industry can be cyclical, and we may be adversely affected by any downturn
S	We derive most of our revenues from the sale of a relatively small number of products
S	Failure to adequately protect intellectual property could harm our business
S	Defending against intellectual property claims brought by others could harm our business
S	We are exposed to economic, geopolitical and other developments in our international operations
S	We may be unable to make desirable acquisitions, to invest successfully, or to integrate successfully any businesses we acquire
S	A high percentage of net sales is derived from a few customers
S	We may not be able to achieve our ESG objectives or adapt and respond in a timely manner to emerging ESG expectations and regulations
O	We depend on our ability to manage the growth of our organization and attract and retain a sufficient number of adequately educated and skilled employees
O	We may face challenges in managing the industrialization of our products and bringing them to high-volume production
O	We are highly dependent on the performance of a limited number of critical suppliers of single-source key components
O	We are dependent on the continued operation of a limited number of manufacturing facilities
O	Our operations expose us to health, safety and environment risks
O	Cybersecurity and other security incidents, or disruptions in our processes or technology systems, could materially adversely affect our business operations
O	We are exposed to risks related to the use of artificial intelligence
O	We face challenges to meet expected demand
F	We are exposed to financial risks including liquidity risk, interest rate risk, counterparty credit risk, foreign exchange risk and inflation risk
F	Changes in taxation could affect our future profitability
C	We are subject to regulatory and compliance obligations in the various countries where we operate and the complexity of compliance requirements increases
O	Restrictions on shareholder rights may dilute voting power
O	We may not declare cash dividends, conduct share buyback programs at all or in any particular amounts in any given year

Risk factors

The risk factors outlined in this section are categorized into the following types: Strategic, Operations, Finance and reporting, Compliance, and Other.

Each of these risks, along with the associated events described, could have a material adverse impact on our business, financial position, operating results, and reputation. Additionally, there may be risks currently unknown to us, or risks we presently consider immaterial, that could become significant over time.

Some of the factors and events discussed may have occurred previously. Any such disclosure does not constitute a representation that such factors, events, or contingencies have or have not occurred in the past; it is provided because their potential future occurrence could have a material adverse effect on our business.

Moreover, many of these risks may be exacerbated by global developments, such as wars, geopolitical tensions, inflation, industry downturns, and international responses – including new regulations or tariffs – alongside broader adverse economic and business conditions.

Strategic

Our future success depends on our ability to respond in a timely manner to commercial and technological developments in the semiconductor industry

Our ability to develop new technologies and improve existing ones – across products and services – relies on several key factors. These include the success of our own and our suppliers' R&D efforts, as well as our ability to complete product development and design efficiently and ahead of competitors.

If the technologies we pursue to help customers produce smaller, more energy-efficient chips are less effective or more costly than those of our competitors, our business could be negatively impacted. Similarly, if customers choose not to adopt our innovations or shift toward architectures that rely less on lithography, our competitive position may weaken. For instance, the success of our EUV 0.55 NA (High NA) technology – which we view as essential to advancing Moore's Law – depends on continued technical progress by both us and our suppliers.

We invest heavily in developing and launching new and enhanced technologies, products, and services. If these efforts fail, or if customers do not adopt them, or if alternative solutions gain traction, our competitive edge and financial returns may suffer. This could also lead to impairment charges on capitalized technologies, including prototypes, or costs related to obsolete inventory – especially as technological complexity increases.

Due to the high complexity and cost of our systems, customers may opt for existing technologies over newer ones, or delay investments if they are not economically justified or aligned with their product cycles.

Moreover, global economic conditions and fluctuations in the semiconductor market influence customer investment decisions, creating uncertainty around the timing and demand for new systems. This can slow the overall transition to new nodes and technologies.

Finally, we rely on our suppliers to maintain their development roadmaps. Any delays – whether due to technical challenges, financial constraints, or other factors – can hinder our ability to meet our own development timelines.

The success of new product introductions is uncertain and depends on our ability to successfully execute our R&D programs

As our products become more complex, the cost and time required to develop new products and technologies continue to rise – a trend we expect to persist. Developing new technologies demands substantial R&D investments from both ASML and our suppliers. Suppliers may be unable or unwilling to commit the necessary resources for continued (co-)development, which has led and can continue to lead to ASML funding these R&D efforts or limiting our own investment capacity.

If our R&D initiatives fail to deliver the desired technologies on time or at all, we may struggle to launch new products, services, or innovations – and risk not recovering our R&D expenditures. Additionally, during periods of high customer demand, we may need to prioritize production over R&D activities which may hinder the advancement or success of new product introductions.

We face intense competition

The semiconductor equipment industry is highly competitive. Our competitiveness depends on our ability to develop new and enhanced products and services that bring value to our customers and are competitively priced and introduced on a timely basis – as well as our ability to protect and defend our intellectual property, trade secrets or other proprietary information.

We compete primarily with Canon and Nikon in respect of DUV systems. Both have substantial financial resources and broad patent portfolios. Each continues to offer products that compete directly with our DUV systems, which may impact our sales or business. In addition, adverse market conditions, long-term overcapacity or a decrease in the value of the Japanese yen in relation to the euro have increased and could continue to increase price-based competition, resulting in lower prices and lower sales and margins.

We also face competition from new competitors with substantial financial resources, as well as from those driven by the ambition of self-sufficiency in the geopolitical context. Furthermore, we may face competition from alternative technological solutions or semiconductor manufacturing processes.

We also compete with providers of applications that support or enhance complex patterning solutions, such as Applied Materials Inc. and KLA-Tencor Corporation. These applications compete with our offerings, which is a significant part of our business.

Risk factors (continued)

Strategic (continued)

The semiconductor industry can be cyclical, and we may be adversely affected by any downturn

The semiconductor industry has historically been cyclical. As a supplier to the global semiconductor industry, we are subject to its business cycles. The timing, duration and volatility are difficult to predict and can have a significant impact on semiconductor equipment manufacturers including ASML. Newer entrants to the industry, including Chinese semiconductor manufacturers, could increase the risk of cyclicality in the future. Certain key end-market customers – Logic and Memory – exhibit different levels of cyclicality and different business cycles. Cyclicality may be worsened by the geopolitical situation – for example, if countries increase semiconductor capacity for higher levels of self-sufficiency, thereby creating global overcapacity.

Sales of our lithography systems, services and other holistic lithography products depend in large part on the level of capital expenditures by semiconductor manufacturers. These in turn are influenced by industry cycles, the drive for technological sovereignty and a range of competitive and other factors, including semiconductor industry conditions and prospects. The timing and magnitude of capital expenditures of our customers also impact the available production capacity of the industry to produce chips, which can lead to imbalances in the supply and demand. Reductions or delays in capital expenditures by our customers, or incorrect assumptions by us about our customers' capital expenditures, could adversely impact our business.

We make various assumptions about future demand in our financial models and our capital expenditures and planning for production capacity. To the extent that actual results prove to be materially different from our assumptions, we may have overcapacity, capacity constraints, or may have allocated capital expenditure and resources to make products that are not in demand by customers (at the expense of products that are in demand) and our actual results could differ substantially from those implied by our financial models.

Capital expenditures by our customers may not continue at current levels and may decline. Capital expenditures by some customers have declined compared to prior years and we have experienced changes in timing of orders from certain customers, and we are subject to uncertainty in future customer demand. The global economic environment, including inflation, interest rates and geopolitical events, contributes to this uncertainty.

An uncertain global economy frequently leads to reduced consumer and business spending, and could cause our customers to decrease, cancel or delay their orders – and we have experienced customers scaling back their capacity additions. High interest rates and volatility in financial markets could make it more difficult for our customers to raise capital, whether debt or equity, to finance their purchases of equipment, including the products we sell. The foregoing could lead to reduced demand, which may adversely affect our product sales and revenues and may harm our business and operating results.

As we have significantly increased our organization in previous years in terms of employees, infrastructure, manufacturing capacity and other areas, it would be difficult to adjust our costs adequately in a timely manner in the event of an industry downturn.

If we are unable to adapt appropriately and in a timely manner to changes resulting from macroeconomic conditions, our business, financial conditions or results of operations may be materially and adversely affected.

We derive most of our revenues from the sale of a relatively small number of products

We derive most of our revenues from the sale of a relatively small number of lithography systems (327 units in 2025, 418 units in 2024 and 449 units in 2023). As a result, the timing of shipments and recognition of system sales for a particular reporting period, as a result of shipment delays or other factors, may have a material impact on our results of operations in that period, and this impact is greater as prices for our systems increase. In recent years, we have used fast shipments for some customers, which allows us to deliver systems more quickly by having some final testing and formal acceptance carried out on customer sites instead of at our own facilities. This typically leads to a delay of revenue recognition for those shipments until formal customer acceptance, which can impact comparability of our results of operations from period to period.

In addition, our installed base revenues are impacted by the number of systems we sell, and other factors; for example, customers may perform more of these services themselves, find other third-party suppliers to provide them, or we may be limited by export control restrictions.

Failure to adequately protect intellectual property could harm our business

We rely on intellectual property (IP) rights such as patents, copyrights and trade secrets to protect our proprietary technology. However, we face the risk of such protective measures proving inadequate and we could suffer material harm because, among other matters:

1. IP laws may not sufficiently support our proprietary rights or may change adversely in the future.
2. Our agreements (e.g. confidentiality, licensing) with our customers, employees and technology development partners and others to protect our IP may not provide sufficient protection or may be breached or terminated.
3. Patent rights may not be granted or interpreted as we expect.
4. Patent rights will expire, which may result in key technology becoming widely available, which may harm our competitive position.
5. The steps we take to prevent misappropriation or infringement of our proprietary rights may not be successful.
6. IP rights can be difficult to enforce in countries where the application and enforcement of the laws governing such rights may not have reached the same level compared with other jurisdictions where we operate.
7. Third parties may be able to develop or obtain patents for our own or for similar competing technology.

Legal proceedings may be necessary to enforce our IP rights and the validity and scope may be challenged by others. Any such proceedings may result in substantial costs and diversion of management resources, and, in the event of decisions unfavorable to us in proceedings, could result in significant costs or have a significant impact on our business.

We have experienced and may in the future experience misappropriation attacks by third parties or our employees, including theft of IP. Such incidents may result in third parties or others, without authorization, obtaining, copying, using or disclosing our IP, despite our efforts to protect our rights.

Our suppliers face similar risks which could have a consequential impact on us.

Risk factors (continued)

Strategic (continued)

Defending against intellectual property claims brought by others could harm our business

In the course of our business, we have been and may be subject to claims by third parties alleging that our products or processes infringe upon their IP rights. If successful, such claims could limit or prohibit us from developing our technology, and manufacturing and selling our products.

Our customers may also be subject to claims of infringement from third parties, including patent-holder companies, alleging that our products used by such customers in the manufacturing of semiconductor products and/or the processes relating to the use of our products infringe on one or more patents issued to such third parties. If such claims are successful, we could be required to indemnify our customers for losses incurred by or damages assessed against them as a result of such infringement.

We may incur substantial licensing or settlement costs to settle claims or limit our exposure to the IP claims of third parties.

Patent litigation is complex and may extend for a protracted period of time, giving rise to the potential for substantial costs and diverting the attention of key management and technical personnel. Potential adverse outcomes from patent litigation may include payment of significant monetary damages, injunctive relief prohibiting our manufacturing, exporting or selling of products, reputational damage and/or settlement involving significant payments by us.

We are exposed to economic, geopolitical and other developments in our international operations.

Our business is subject to a range of export control restrictions, sanctions, tariffs, and broader international trade regulations that affect our ability to deliver systems, technology, and services. Geopolitical tensions have already led – and may continue to lead – to an increase in such restrictions. For example, deliveries to certain countries, such as China, have been increasingly impacted by export regulations, which impose requirements to obtain specific licenses and approvals. Specifically, under Dutch, US and other applicable laws, we are required to secure export licenses for EUV systems, specific DUV immersion systems, and some of our other products.

In addition, the US government has implemented trade measures that include license requirements for transacting with certain Chinese entities. These include license requirements for the sale or transfer of US-origin items, as well as limitations on support by US persons for non-US origin items destined for advanced-node fabs in China. These measures have restricted, and may continue to restrict, our ability to supply specific products and services, as we do not control the licensing process or approval criteria. The scope and list of restricted entities remain subject to change and may be further expanded. Further, obtaining US licenses to authorize foreign nationals to work on programs involving controlled US items has become increasingly difficult in recent years.

A significant number of our customers and suppliers are located outside of the US. Rise in tariffs increase our costs for importing materials, parts and components and can negatively impact our margins and reduce our competitiveness. Tariffs also increase the cost for customers of importing our products, which could harm customer demand for our products.

ASML is also subject to export control regulations in jurisdictions outside the EU and US. Developments in multilateral and bilateral treaties, national regulations, and trade, security, and investment policies have already impacted – and may continue to impact – our operations, as well as those of our suppliers and customers.

These developments, as well as a global push for technological sovereignty, may lead to long-term shifts in global trade dynamics, competition, and technology supply chains, which could potentially affect our business and growth prospects. Customers in China represented 29.1% of our 2025 total net sales and 36.1% of our 2024 net sales. Countries affected by export control restrictions may also introduce countermeasures, which could result in conflicting regulations and legal liabilities.

The semiconductor industry relies on raw materials that are controlled by specific countries. In the current geopolitical climate, the risk of these materials becoming restricted or unavailable is increasing, which could affect our suppliers, customers, and ASML directly. For example, China has imposed or issued directives to impose various export controls on its products including certain minerals.

Geopolitical instability and potential nationalization of assets also poses risks to our business. For instance, several of our facilities, supply chain partners, and customers are located in Taiwan, which has a unique international political status. Changes in cross-strait relations, Taiwanese government policies, or broader political, economic, or social developments could affect our ability to serve customers in Taiwan – who represented 25.5% of our 2025 total net sales and 15.4% of our 2024 total net sales.

Similarly, we have operations and customers in South Korea. A deterioration in relations with North Korea or the outbreak of conflict could disrupt our ability to serve such customers. Customers in South Korea represented 25.0% of our 2025 total net sales and 22.7% of our 2024 total net sales.

A limited portion of our suppliers, customers, and support teams are based in Israel. Regional tensions have had limited impact but could further impact our business operations.

We also plan to initiate sales and support operations in countries where ASML does not currently have such operations, such as India. As we expand into new markets, risks related to matters such as regulatory compliance, intellectual property protection, political and infrastructure challenges, talent acquisition and cultural and social differences may be further amplified.

We may be unable to make desirable acquisitions, to invest successfully, or to integrate successfully any businesses we acquire

From time to time, we may acquire or make investments in businesses, business lines or technologies to complement, enhance, or expand our existing operations and product portfolio, or to pursue strategic growth opportunities. However, these transactions may not always deliver the expected financial or strategic benefits and could disrupt our operations or hinder our performance.

Even when transactions are finalized, integrating the acquired business or technology can present significant risks – including difficulties in aligning operations, retaining key talent, and merging systems, processes, and cultures.

Acquisitions and investments may also place additional strain on our management and operational resources, potentially diverting attention from core business activities. Furthermore, acquired entities may have compliance gaps or liabilities that are not immediately apparent, and their existing controls may not meet our standards.

In connection with acquisitions, antitrust and national security regulators have imposed and may in the future impose conditions, including requirements to divest assets or other conditions that could make it difficult for us to integrate the businesses that we acquire. Furthermore, we may have difficulty in obtaining, or be unable to obtain, antitrust and national security clearances, which could inhibit future desired acquisitions.

Additionally, acquisitions and investments often result in the recognition of goodwill and intangible assets. These must be reviewed periodically for impairment under accounting standards. If impairment indicators arise, we may be required to adjust asset valuations and record impairment charges, which could negatively impact our financial results.

Risk factors (continued)

Strategic (continued)

A high percentage of net sales is derived from a few customers

We sell our lithography systems to a relatively small number of customers, making our business vulnerable to customer concentration risk. The loss of any major customer, or a significant reduction or delay in their orders, could materially impact our financial performance. This risk is heightened by ongoing consolidation within the semiconductor manufacturing industry.

Although our metrology and inspection systems and computational lithography are contributing an increasing share of revenue, many of these customers overlap with those purchasing our lithography systems. As a result, while the ranking of our largest customers may shift year to year, our sales remain concentrated among a limited group.

Total net sales to our largest customer amounted to €7,796.7 million, or 23.9% of total net sales in 2025, compared with €4,682.4 million, or 16.6% of total net sales in 2024. In 2025, 38.0% of total net sales were made to our two largest customers. The loss of any key customer, or a substantial change in their purchasing behavior, could have a material adverse effect on our business, financial condition, and operating results.

We may not be able to achieve our ESG objectives or adapt and respond in a timely manner to emerging ESG expectations and regulations

Companies are under growing scrutiny regarding their ESG policies and practices. A wide range of stakeholders – including, but not limited to, investors, capital providers, shareholder advocacy groups, market participants, customers, suppliers, regulators and local communities – are increasingly focused on ESG-related issues. In certain jurisdictions where we operate, there is heightened attention on making positive contributions to society and minimizing negative environmental and social impacts throughout the entire product lifecycle.

Not all stakeholders may agree or align with our ESG goals and initiatives, and stakeholder expectations may shift over time. Regulatory bodies and governments across the different jurisdictions in which we operate may also hold conflicting views on ESG practices and standards. Failing to meet our ESG objectives or to respond effectively to evolving or conflicting stakeholder expectations, regulations, practices and disclosure requirements could harm our brand and reputation, hinder our ability to attract and retain talent, increase costs, cause lower sales, and negatively impact our operations and growth ambitions.

Our ESG sustainability strategy may not achieve the intended results, and our estimates concerning the feasibility, timing and cost of meeting stated goals are subject to risks and uncertainties. We use offsets to help us meet some of our emissions targets. Our ability to meet our ESG goals could be hindered by for instance the availability of offsets at commercially reasonable terms.

The complexity of our technology and products may also limit our ability to achieve certain aspects of our ESG goals – which also depends heavily on our suppliers' ability to reduce their ecological footprints and on our customers' ability to source renewable electricity. If they fall short, we may not meet our targets. Similarly, achieving our ESG goals depends on governments delivering on their stated ambitions on decarbonization. Finally, customer satisfaction with our ESG progress can influence demand.

The shift toward a low-carbon and circular economy, including the reduction and abandonment of toxic materials, has led to increased regulation, which may require changes to product designs, impose technology restrictions, raise costs, and introduce carbon taxes or pollution controls and may also result in supply chain interruptions if we are not able to adapt in time. New laws and regulations driven by environmental and social concerns may affect us, our suppliers, and our customers, potentially resulting in higher compliance costs and indirect costs across our value chain.

The regulatory landscape for ESG disclosure requirements continues to evolve, potentially leading to non-compliance, inconsistencies in data, incorrect ESG disclosures, and increased scrutiny. This could lead to potential fines, litigation, and/or reputational damage.

Read more in Sustainability statements – General disclosures – Impact, risk and opportunity management

Operations

We depend on our ability to manage the growth of our organization and attract and retain a sufficient number of adequately educated and skilled employees

Our business depends significantly on our ability to attract and retain employees in the long term, including a large number of highly qualified professionals.

Our R&D programs, in particular, require a substantial number of skilled employees. If we are unable to recruit, develop, and retain enough qualified personnel, our ability to execute R&D effectively and on schedule may be compromised.

Due to the unique and complex nature of our technology, engineers with the necessary expertise are scarce and typically not available from other industries. We invest heavily in training our employees to work with our systems, making their retention a critical factor in our success. The increasing complexity of our products also means that new and existing employees face longer learning curves.

Our suppliers face similar challenges in attracting and retaining qualified talent, particularly for programs that support our R&D and technology development. If they are unable to maintain the necessary workforce, it could impact their technology roadmaps and, in turn, affect our R&D efforts and timely delivery of components.

The growth of our organization, driven by strong customer demand, has placed pressure on our ability to effectively manage our people, facilities, operations, and resources. If we are unable to address these challenges successfully, it could negatively impact our operational performance and our reputation as an employer.

Risk factors (continued)

Operations (continued)

We may face challenges in managing the industrialization of our products and bringing them to high-volume production

Successfully bringing new products to high-volume production at a value-based price and in a cost-efficient manner depends on our ability to manage product industrialization and control costs. Customer adoption is closely tied to product performance in the field. As our systems become more complex, the risk increases that products may not meet development milestones, specifications, or quality standards. If performance or quality falls short – particularly in areas such as wafer capacity – demand may decline and additional costs may arise.

Scaling newly developed products to full production requires significant infrastructure expansion, including enhanced manufacturing capabilities, increased component supply, and training of qualified personnel. It may also require suppliers to scale their operations. If we or our suppliers are unable to adapt accordingly, we may face delays or limitations in introducing new technologies, products, or enhancements, or in achieving high-volume production.

Even when industrialization is successful, reaching profitable margins can take years. New technologies may not yield the same margins as existing ones, and we may face challenges in adjusting pricing and cost structures effectively. Additionally, new product introductions can impact liquidity, as longer cycle times increase working capital requirements. The growing complexity of our products also demands greater upfront investment, and delays in revenue recognition can negatively affect our cost structure and margins.

Furthermore, the increasing number of EUV systems in the field requires expanded customer support capabilities. The ability to efficiently manage shipments, maintenance, servicing, and upgrades is critical to ensuring continued system productivity. Any constraints in these areas could affect delivery timelines and operational performance.

We are highly dependent on the performance of a limited number of critical suppliers of single-source key components

We depend on third-party vendors for the components and subassemblies used in our systems, including their design. Many of these parts are single-sourced or supplied by a limited number of vendors. As our business has grown, so has our reliance on single suppliers – particularly due to the highly specialized nature of many components. This is especially true for EUV systems, where the complexity and uniqueness of parts often make multi-sourcing economically impractical.

In many cases, our sourcing strategy follows the principle of “single sourcing, dual competence”. However, relying on a limited group of suppliers introduces several risks – including potential shortages, delays in obtaining components at acceptable costs, and reduced control over pricing and quality. Supply disruptions may arise from various causes, such as labor strikes, fires, energy shortages, infrastructure access, pandemics, flooding, cyberattacks, blockades, sabotage, or other natural or man-made disasters. Such disruptions can delay the delivery of parts and subassemblies, which in turn may delay our product shipments and negatively impact our business.

For example, some suppliers have faced operational disruptions due to (raw) material shortages and cyberattacks. Persistent delays or an inability to secure timely deliveries – or any other circumstance that requires us to find alternative sources – could significantly hinder our ability to meet customer demand, damaging relationships and materially impacting our business.

The number of lithography systems we are able to produce is limited by the production capacity of one of our key suppliers, Carl Zeiss SMT, our sole supplier of lenses, mirrors, illuminators, collectors and other critical optical components (which we refer to as optics). We have an exclusive arrangement with Carl Zeiss SMT. If this supplier became unable to maintain and increase production levels, we could be unable to fulfill orders. This could have a material impact on our business and damage relationships with our customers. Furthermore, if Carl Zeiss SMT were to terminate its supply relationship with us or be unable to maintain production of optics over a prolonged period, we would effectively cease to be able to conduct our business.

Occasionally, we experience supply constraints that affect production. Both we and our suppliers continue to invest in expanding capacity, but we may still fall short of meeting full customer demand. Conversely, if demand decreases or fails to match our increased capacity, we risk overcapacity, leading to higher costs and potential losses on those investments.

Additionally, most of our key suppliers, including Carl Zeiss SMT, operate a limited number of manufacturing facilities. Any disruption at these sites could significantly impact our production. As our products become more complex, lead times for components have increased. Inaccurate demand forecasting or shipment delays can result in insufficient supply, delaying system deliveries and limiting our responsiveness to market changes. On the other hand, overestimating demand could lead to excess inventory and obsolescence.

We also rely on suppliers to develop new models and products aligned with our technology roadmap. If they fail to meet our specifications or timelines, our business could be adversely affected.

Historically, we shipped systems by air, but have recently begun using ocean freight for some deliveries. This shift introduces new risks, such as delays, defects, or damage during transit.

We are dependent on the continued operation of a limited number of manufacturing facilities

All of our manufacturing activities, including subassembly, final assembly and system testing, take place in (cleanroom) facilities in Veldhoven, Eindhoven, Oirschot (the Netherlands), Berlin (Germany), Wilton, San Diego (US), Pyeongtaek (South Korea) and Linkou and Tainan (Taiwan). These facilities may be subject to disruption for various reasons, including work stoppages, fire, energy shortages and access issues, pandemic outbreaks, flooding, cyberattacks, blockages, sabotage or other disasters, natural or otherwise. Alternative production capacity may not be available if a major disruption were to occur.

Climate change is contributing to more frequent and severe weather events, rising sea levels, and droughts, all of which pose risks to our operational continuity and supply chain resilience.

We do not fully insure our risk exposure, and not all disasters, other potential disruptions and risks are insurable. As a result, we may be subject to the financial impact of uninsured losses, which could have an adverse impact on our financial condition and results of operations.

Risk factors (continued)

Operations (continued)

Our operations expose us to health, safety and environment risks

Hazardous substances are used in the production and operation of our products and systems. Their use subjects us to a variety of governmental regulations relating to environmental protection and employee and product health and safety. This includes the transport, use, storage, discharge, handling, emission, generation and disposal of toxic or other hazardous substances. In addition, operating our systems (which use lasers and other potentially hazardous components) can be dangerous and can result in injury.

Non-compliance with these regulations could lead to harm to individuals and the environment, and may result in substantial fines, production halts, changes to our manufacturing and testing processes, reputational damage, and restrictions on our operations or sales.

As our products become increasingly complex, we continue to invest in risk assessments and the development of preventive and protective measures to safeguard the health and safety of both our employees (during production, installation, and service activities) and those of our customers (during system operation). However, these measures may not fully eliminate all risks. A failure to comply with applicable regulations could expose us to significant liabilities and adversely affect our business.

Cybersecurity and other security incidents, or disruptions in our processes or technology systems, could materially adversely affect our business operations

We depend heavily on the accuracy, availability, and security of our information technology (IT) and operational technology (OT) systems. While we have implemented various safeguards, including cybersecurity measures, our systems remain vulnerable to breaches or damage caused by malware, cyberattacks, natural and man-made disasters, human error, or unauthorized physical or electronic access. We have encountered such incidents in the past.

As ASML's prominence in the semiconductor industry grows, so does the likelihood of being targeted in security attacks. Cyberattacks targeting our IT and OT infrastructure – as well as those of our customers, suppliers, and service providers – are increasing in frequency and sophistication. These attacks include malware, unauthorized attempts to access data, and other security breaches. Such incidents can disrupt critical systems and lead to the unauthorized release, corruption, or loss of confidential information, including data related to our customers, employees, and suppliers. Emerging technologies like AI and quantum computing may further enable advanced cyber threats or circumvent existing security protocols. Cybersecurity threats continue to evolve, and we remain exposed to both known and unknown risks. In some cases, we or our stakeholders may be unaware of an incident or its full impact. There is also a risk that our products could inadvertently expose customers to cyber threats, which could harm their operations.

We rely on our employees and those of our suppliers and partners to classify and handle sensitive data responsibly, to deploy our assets securely and to provide access on a need-to-know basis. However, inadvertent actions or misconduct by these individuals have led – and may continue to lead – to unauthorized access, data breaches, theft, system interruptions, or loss of information. These insider risk events can result in competitive disadvantages, violations of export controls and other regulations, and may expose us to fines, penalties, reputational damage, and increased regulatory scrutiny.

Any system failure, accident or security breach or any other of the foregoing risks could result in business disruption, theft of our IP or trade secrets, unauthorized access to, or disclosure of, customer, employee, supplier or other confidential information, corruption of our data or of our systems, reputational damage or litigation, and violation of applicable laws.

Furthermore, malware may harm our products and could be inadvertently transmitted to our customers' systems and operations. This could result in loss of customers, litigation, regulatory investigation and proceedings that could expose us to civil or criminal liabilities and diversion of significant management attention and resources.

We may incur substantial costs to recover from such incidents, including rebuilding systems, enhancing security measures, modifying products and services, defending against legal claims, and responding to regulatory actions. We are also dependent on our strategic IT suppliers to recover from disruptions or attacks. Despite these efforts, remediation may not be fully effective and could result in service interruptions, negative publicity, customer dissatisfaction, and loss of business.

Additionally, our processes and systems may struggle to keep pace with our growth. From time to time, we implement updates to our IT systems and software which can disrupt or shut down our IT systems. We may not be able to successfully launch or migrate IT systems as planned without disruption to our operations – for example, our planned ERP migration.

Our organization increasingly relies on a limited number of cloud service providers and third-party IT services to support critical operations, data storage, and infrastructure. This creates a concentration risk, where disruptions affecting one provider can have widespread operational, financial, and reputational consequences. Additionally, dependency on other IT services, such as identity management, networking, software platforms, and interfaces, can compound this risk. Key concerns include operational disruptions, vendor lock-in, regulatory and compliance challenges, integration complexity and security vulnerabilities, including shared infrastructure risks.

We are exposed to risks related to the use of artificial intelligence

We are increasingly integrating artificial intelligence (AI) into our technology development, business operations, and the products and services we offer. While AI presents significant opportunities, it also introduces a range of complex and rapidly evolving risks – including competitive, legal, regulatory, operational, and ethical challenges.

We may fail to implement AI in a timely and effective manner. AI can be costly, and there is no assurance that it will improve our technologies, enhance our operations, or result in products and services that resonate with our customers. Competitors may adopt more effective AI strategies, potentially providing competitive advantage.

AI systems can also be vulnerable to flaws in algorithms, training methods, or datasets, which may contain irrelevant, insufficient, or biased information. These issues can result in unintended or inaccurate outputs, legal liabilities, reputational damage, and material harm to our business.

The adoption of AI technologies may introduce several risks, including potential loss, infringement, or misappropriation of intellectual property, as well as concerns related to data privacy and cybersecurity. Additional security challenges may arise, such as managing contextual access and defining the scope of actions permitted for AI agents. Furthermore, ethical considerations surrounding AI could impact market acceptance and potentially reduce demand for our products and services.

Governments are actively developing laws and regulations related to AI. Compliance with these evolving requirements may increase operational costs and restrict how we use AI in our products and services. Any actual or perceived failure to meet these standards could lead to legal consequences, reputational harm, or other adverse impacts on our business.

Risk factors (continued)

Operations (continued)

We face challenges to meet expected demand

We are continuing to increase production capacity in our end-to-end supply chain to meet future demand, but we face challenges in increasing capacity. For example, we depend on our suppliers increasing their capacity and their ability to invest, and it takes time to build the production space and equipment required for expansion. We and our supply chain also need to obtain permits to make expansion possible, and the time it takes for these to be granted may cause delays.

It is a challenge for ASML and its suppliers to hire and retain employees to support expansion. Our processes and systems and those of our supply chain may also not be able to adequately support our growth. If we are not successful in increasing our capacity to meet future demand, this could impact our relationships with customers and our competitive position.

We and our suppliers have invested significantly in increasing capacity, and we face various risks in connection with this, including risks relating to system quality, the risk that we have not accurately predicted demand, and risks associated with maintaining a much larger production infrastructure and supplier ecosystem, including higher costs and challenges in controlling the enlarged production process.

We also face the risk that our increase in capacity could result in capacity that exceeds demand (overcapacity).

Finance and reporting

We are exposed to financial risks including liquidity risk, interest rate risk, counterparty credit risk, foreign exchange risk and inflation risk

As a global company, we are exposed to a variety of financial risks, including those related to liquidity, interest rates, counterparty credit, currencies and inflation.

Liquidity risk

Negative developments in our business or global capital markets could affect our ability to meet our financial obligations or to raise or refinance debt in the capital or loan markets. In addition, we might be unable to repatriate cash from a country when needed for use elsewhere due to legal restrictions or required formalities.

Currency risk

Our Financial statements are expressed in euros. Accordingly, our results of operations are exposed to fluctuations in exchange rates between the euro and other currencies. Changes in currency exchange rates can result in losses in our Financial statements. We are particularly exposed to fluctuations in the exchange rates between the US dollar, the Japanese yen, the South Korean won, the Taiwanese dollar and the Chinese yuan, in relation to the euro. We incur costs of sales predominantly in euros, with portions also denominated in US and Taiwanese dollars. A small portion of our operating results are driven by movements in currencies other than the euro, US dollar, Japanese yen, South Korean won, Taiwanese dollar or Chinese yuan.

Inflation risk

We are exposed to increases in costs due to inflation for costs of goods, transportation and wages. We have experienced and experience higher-than-normal inflation, which impacts our costs and margins in case we are not able to pass on increased costs in our prices.

Interest rate risk

Our Eurobonds bear interest at fixed rates. Our cash, investments, Euro Commercial Paper program and credit facilities bear interest at a floating rate. Failure to effectively hedge this risk could impact our financial condition and results of operation. In addition, we could experience an increase in borrowing costs due to a ratings downgrade (or the expectation of a downgrade), developments in capital and lending markets or developments in our businesses.

Counterparty credit risk

We are exposed to credit risk, particularly with respect to (financial) counterparties with whom we hold our cash and investments, as well as our customers and, in some instances, to suppliers. As a result of our limited number of customers, counterparty credit risk on our receivables is concentrated. Our three largest customers (based on total net sales) accounted for €1,294.2 million, or 35.4% of accounts receivable and finance receivables, at December 31, 2025, compared with €2,641.9 million, or 54.1%, at December 31, 2024. Accordingly, business failure or insolvency of one of our main customers could result in significant credit losses.

Changes in taxation could affect our future profitability

We are subject to income taxes in the Netherlands and other countries in which we operate. Our effective tax rate has fluctuated in the past and may do so in the future.

Our effective tax rate can be affected by changes in our business environment, changes in tax legislation in the countries where we operate, developments driven by global organizations such as the Organisation for Economic Co-operation and Development (OECD), and any change in approach to tax by tax authorities. Initiatives like the BEPS and Global Minimum Tax rules have already resulted in and may result in further increased compliance obligations for ASML. This may result in an increase in our effective tax rate in future years.

Changes in tax legislation may adversely impact our tax position and consequently our net income. Our worldwide effective tax rate is heavily impacted by R&D incentives included in tax laws and regulations in the countries where we operate, such as the so-called innovation box in the Netherlands and the R&D credits we obtain in the US. If relevant jurisdictions alter their tax policies/laws in this respect, it may have an adverse effect on our worldwide effective tax rate. In addition, jurisdictions levy corporate income tax at different rates. The mix of our sales over the various jurisdictions in which we operate may vary from year to year, resulting in a different mix of corporate income tax rates applicable to our profits. This can also affect our worldwide effective tax rate and impact our net income.

Risk factors (continued)

Compliance

We are subject to regulatory and compliance obligations in the various countries where we operate and the complexity of compliance requirements increases

We are subject to a variety of laws and regulations across the jurisdictions where we operate, including but not limited to those relating to trade, national security, tax, export controls including licensing or authorization requirements, reporting, product compliance, anti-corruption, antitrust, foreign direct investment, ESG, human rights, data protection, AI technologies, spatial planning, environmental matters, workplace safety regulations, securities laws and stock exchange rules. With the significant growth of our business in recent years, ensuring compliance with laws and regulations and our internal policies across our continually expanding organization has become more challenging. We face the risk that, despite our significant efforts and proactive approach to compliance, we may fail to comply with such laws, regulations or policies.

We operate in a significant and growing number of countries in the world, and we are therefore subject to numerous and differing, and sometimes conflicting, regulatory frameworks, which can impact how we operate our business. In particular, the regulatory environment regarding export and sanctions has become increasingly restrictive, and, as a result, our ability to sell some of our products and services to certain customers is subject to restrictions and requires government authorization, which can lead to delays in or a prohibition on shipments of products to certain customers.

Laws and regulations that impact our business are regularly amended and we are subject to new laws and regulations. We are also subject to the changing interpretations by and positioning of regulators, including in the granting of required licenses to ship products as well as in investigations and enforcement. Additional or amended regulations or changes in policies of governments and regulators could increase compliance costs and risks associated with non-compliance, or could impact our manufacturing or distribution processes or location of sales and where and to whom we can deliver and service our products and services, and could affect the timing of product introductions, the cost of our production, and products themselves as well as their commercial success in each market in which we operate.

We are subject to investigations, audits and reviews by regulatory authorities in the various jurisdictions where we operate regarding compliance with laws and regulations, including tax laws. These may arise due to misunderstandings, disputes, or suspicions of non-compliance or otherwise, and can be resource-intensive and have reputational and financial implications for us. Despite our efforts and proactive compliance program, we may be found to be non-compliant with applicable regulations.

Compliance with existing and new regulations can result in compliance costs, increased risk of non-compliance and limitations on our business, which can impact our results of operations. The consequences of non-compliance include fines, penalties and litigation, business disruption, the loss of trade or export privileges, reputational harm, additional regulatory scrutiny measures and the erosion of stakeholder trust, any of which could have a material adverse effect on our business and results of operations.

Other

Restrictions on shareholder rights may dilute voting power

ASML's Articles of Association provide that it is subject to the provisions of Dutch law applicable to large corporations, called '*structuurregime*'. These provisions concentrate control of certain corporate decisions and transactions in the hands of the Supervisory Board (SB). As a result, holders of ordinary shares may have more difficulty in protecting their interests in the face of actions by members of the SB than if we were not subject to the '*structuurregime*'.

Our authorized share capital includes a class of cumulative preference shares. We have granted our preference shares foundation (Stichting Preferente Aandelen ASML) an option to acquire, at the nominal value of €0.09 per share, such cumulative preference shares. Exercise of the preference share option would effectively dilute the voting power of our outstanding ordinary shares by one-half, which may discourage or significantly impede a third party from acquiring a majority of our voting shares.

We may not declare cash dividends, conduct share buybacks at all or in any particular amounts in any given year

We aim to pay a quarterly dividend that is growing (on an annualized basis) over time, and we conduct share buybacks from time to time. The dividend proposal and amount of share buybacks in any given year are subject to, among other factors, the availability of distributable profits, retained earnings and cash, the BoM's views on our potential future liquidity requirements, including for investments in production capacity and working capital requirements, the funding of our R&D programs and acquisition opportunities that may arise from time to time, and future changes in applicable tax and corporate laws.

The BoM may decide not to pay a dividend or to pay a lower dividend than is contemplated by our aim or dividend policy. In addition, we may suspend, adjust the amount of or discontinue share buyback programs, we may not enter into new share buyback programs, and we may otherwise fail to complete buyback programs.

Information security

We believe ASML's competitive edge is grounded in knowledge and IP built over decades. While this expertise is developed collaboratively by our people and our thriving ecosystem of suppliers, partners, customers and knowledge institutions, we aim to ensure it is systematically captured, documented and protected to maintain our industry leadership.

Our innovation ecosystem is largely based on the exchange of ideas and insights, which makes the protection of knowledge a challenge, but also makes it difficult for others to replicate our work. This knowledge is captured in our information management infrastructure.

Our prime objective is to protect the integrity and confidentiality of our critical information and data while ensuring continuity of our operations. This should be embedded in our processes, people and infrastructure.

However, as we innovate and collaborate together, our partners inevitably need access to some parts of our systems' infrastructure. We aim to enable this in a secure way, with best-in-class security functions deployed across our infrastructure to manage security threats and risks.

We are also confronted with EU laws such as the NIS2 Directive and the Cyber Resilience Act (CRA), and with Cyber Incident Reporting for Critical Infrastructure (Cybersecurity and Infrastructure Security Agency) in the US, which highlight regulations seeking to ensure critical infrastructure organizations are securing themselves effectively.

As perpetrators make use of more advanced methods, implementing adequate responses becomes more complex – so we continue to take steps to try to deal with this effectively. In the event of a security incident involving the loss of information assets, the materiality of the incident is jointly assessed by technology leaders and subject matter experts with support from Corporate Intellectual Property and Legal and Compliance.

In 2025, as far as we are aware, ASML had zero incidents with a material impact.

Read more in Strategic report – Risk and security – Risk factors – Cybersecurity and other security incidents, or disruptions in our processes or technology systems, could materially adversely affect our business operations

How we manage information security

We have a dedicated Security function to ensure we properly manage all security risks. The security risk assessment process, which includes cybersecurity, sits within our ERM process and follows our governance structure, with the Security Committee as a sub-committee of the CESR, which acts as the oversight committee mandated by the BoM.

The three layers of our security governance framework are:

1. **The Security Committee:** Oversees and promotes the integration of security risk management methodologies and related controls in ASML's business processes. The Security Committee reports into the CESR.
2. **The Security Function Management team:** Monitors the implementation and execution of security risk management methodologies and related controls in ASML's business processes.
3. **The Security Expert team:** Determines the risk and control strategies and generates input for tactical plans by providing content expertise and setting requirements.

This governance framework enables cross-disciplinary alignment through structured meetings and ensures integration throughout our broader risk management profile. Alongside evaluation by our Internal Audit department, we have engaged several third parties to evaluate our security capabilities and maturity and provide both expertise and resources to assist in identifying and managing material cybersecurity risks. Some examples of these engagements include external validation of security management systems, capability assessments, red-teaming, penetration testing and tabletop exercises.

The Security function led by the Chief Information Security Officer (CISO) monitors risk prevention, detection, mitigation and remediation processes related to cybersecurity, and regularly reports to the Security Governance and to the Audit Committee. We have implemented processes to identify and respond to cybersecurity threats intended to comply with standards set by the International Organization for Standardization (ISO 27002), International Society of Automation (ISA/IEC 62443) and US National Institute of Standards and Technology (NIST Cybersecurity Framework). We have a dedicated team that works to increase our strength and maturity and minimize exploitable vulnerabilities by monitoring threats, assessing our vulnerability and defining incident responses.

The central security organization was set up to define the policies, procedures and adherence to these policies in a second-line role, coordinated closely with the security representatives in the business. It also delivers operational services to the ASML organization via the Security Operations Center (SOC). In case of incidents, the SOC is to be the central point for dealing with these incidents effectively.

In the event of a possible material cybersecurity incident, the Corporate Crisis Management team (CCMT) verifies the assessment and proposed response. The CCMT is chaired by the Chief Operations Officer, who reports out to the BoM on the proposed response. A dedicated governance structure is in place to deal with a crisis situation effectively. The CISO coordinates the response as a second line of responsibility, along with the security teams in the business.

Third-party cybersecurity risks

In order to both oversee and identify risks from cybersecurity threats associated with our use of third parties, all of our providers are required to comply with our ASML Security Controls (part of the Supplier Security Policy). We assess and monitor providers using a risk-based approach based on ISO 27002, ISA/IEC 62443 and NIST Cybersecurity Framework. We also have a dedicated team to deploy procedures to increase our resistance strength and minimize vulnerabilities by monitoring threats, assessing our vulnerability through testing, and defining responses.