



ASML reports record sales for 2015
Proposes to raise dividend by 50%
Announces plan for additional €1 billion share repurchases

ASML 2015 Fourth-Quarter and 2015 Annual Results

Veldhoven, the Netherlands

January 20, 2016

Forward looking statements

This document contains statements relating to certain projections and business trends that are forward-looking, including statements with respect to our outlook, including expected customer demand in specified market segments including memory, logic and foundry, expected trends, expected liquidity and capital structure, expected levels of service sales, systems backlog, expected financial results for the first quarter of 2016 and expected sales trends in the second quarter, including expected sales, other income, gross margin, R&D and SG&A expenses and effective tax rate, annual revenue opportunity for ASML and EPS potential by end of decade, productivity of our tools and systems performance, TWINSKAN and EUV system performance (such as endurance tests), expected industry trends, statements with respect to expected system shipments, including the number of EUV systems expected to be shipped and timing of shipments and recognition in revenue and other EUV targets (including availability, productivity and shipments) and roadmaps, shrink being key driver to industry growth, the expected continuation of Moore's law and that EUV will continue to enable Moore's law and drive long term value, goals for holistic lithography, intention to return excess cash to shareholders, and statements about our proposed dividend, dividend policy and intention to repurchase shares. You can generally identify these statements by the use of words like "may", "will", "could", "should", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue" and variations of these words or comparable words.

These statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and our future financial results and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. These risks and uncertainties include, without limitation, economic conditions, product demand and semiconductor equipment industry capacity, worldwide demand and manufacturing capacity utilization for semiconductors (the principal product of our customer base), including the impact of general economic conditions on consumer confidence and demand for our customers' products, competitive products and pricing, the impact of manufacturing efficiencies and capacity constraints, performance of our systems, the continuing success of technology advances and the related pace of new product development and customer acceptance of new products, the number and timing of EUV systems expected to be shipped and recognized in revenue, delays in EUV systems production and development, our ability to enforce patents and protect intellectual property rights, the risk of intellectual property litigation, availability of raw materials and critical manufacturing equipment, trade environment, changes in exchange rates, changes in tax rates, available cash and liquidity, our ability to refinance our indebtedness, distributable reserves for dividend payments and share repurchases, and other risks indicated in the risk factors included in ASML's Annual Report on Form 20-F and other filings with the US Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda

- Investor key messages
- Business highlights
- Business environment
- Outlook
- EUV highlights
- Financial statements

Investor key messages

Investor key messages

- Shrink is the key industry driver supporting innovation and providing long term industry growth
- Moore's Law will continue and be affordable
- Lithography enables affordable shrink and therefore delivers compelling value for our customers
- ASML's strategy of large R&D investments in lithography product roadmaps supports future industry needs
- DUV product improvement roadmaps and Holistic Litho enable multi-pass immersion patterning today, with Holistic Litho supporting EUV in future. These highly differentiated products provide unique value drivers for us and our customers
- EUV faces normal new technology introduction challenges but its adoption is now a matter of WHEN not IF. EUV will continue to enable Moore's Law and will drive long term value for ASML
- ASML models an annual revenue opportunity of €10 billion by 2020 and given the significant leverage in our financial model this will allow a potential tripling of EPS by the end of this decade, compared to calendar year 2014, thereby creating significant value for all stakeholders
- We expect to continue to return excess cash to our shareholders through dividends that are stable or growing and regularly timed share buybacks in line with our policy

Business highlights

2015 - highlights

- Record net sales of € 6.3 billion, including record Service and Options sales of € 2 billion, gross margin 46.1%, net income € 1.4 billion and EPS € 3.22
- EUV: we met our 2015 productivity and availability targets and successfully started shipping NXE:3350B, our 4th generation EUV system
- DUV: successful ramping our TWINSCAN NXT:1980, our next generation immersion system, shipped 7 systems
- Holistic litho: continued adoption of these products with all our major customers
- Capital return: returned € 867 million cash to shareholders through combined dividend and share buyback

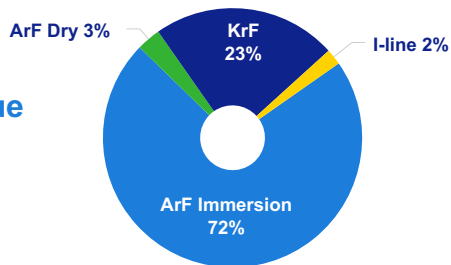
Q4 results summary

- Q4 sales in line with our guidance
- Net sales of € 1,434 million, 37 litho systems sold, valued at € 881 million, net service and field option sales at € 553 million
- Average selling price of € 23.8 million per system
- Gross margin of 46.0%
- Operating margin of 22.2%
- Net bookings of € 1,184 million
- Backlog at € 3,184 million

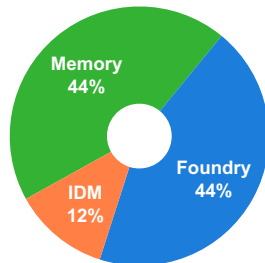
Net system sales breakdown in value

Q4'15
total value
€ 881
million

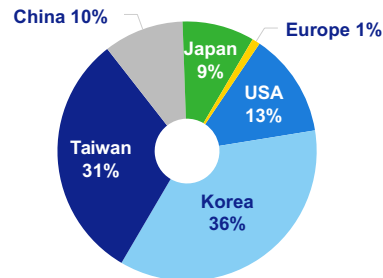
Technology



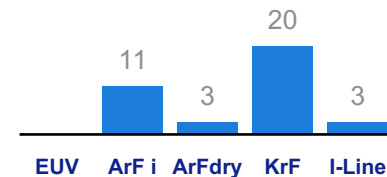
End-Use



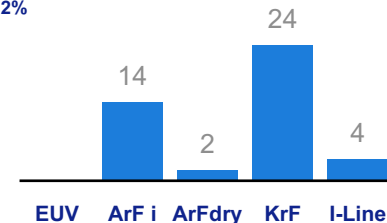
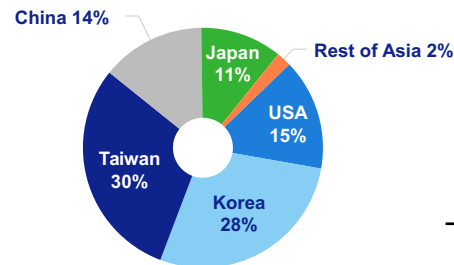
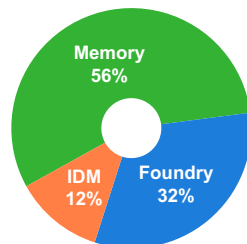
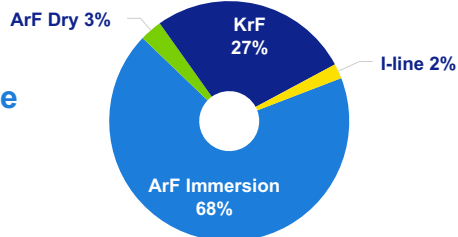
Region (ship to location)



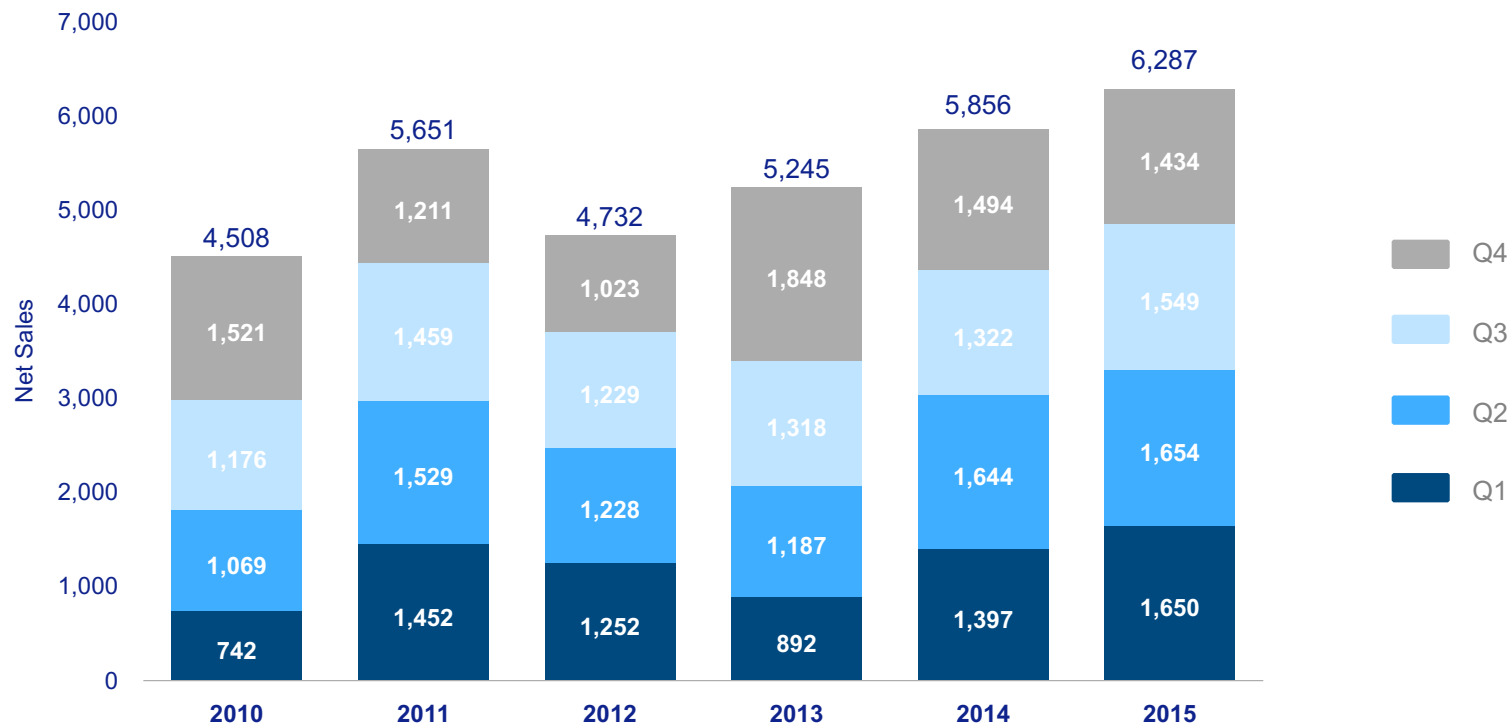
Sales in Units



Q3'15
total value
€ 975
million

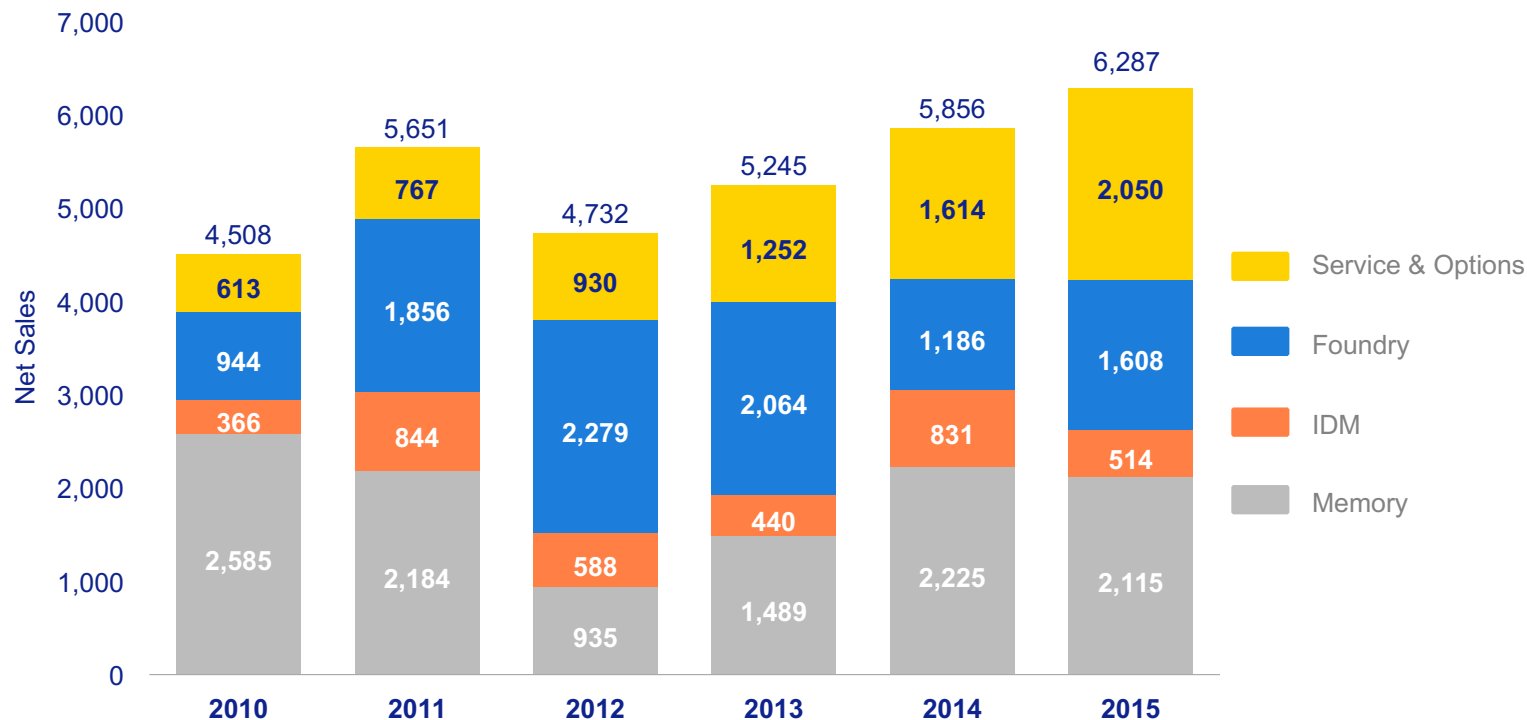


Total net sales million € by quarter



Numbers have been rounded for readers' convenience

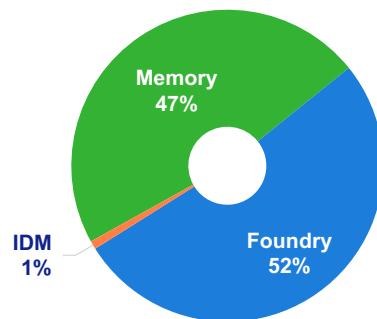
Total net sales million € by End-use



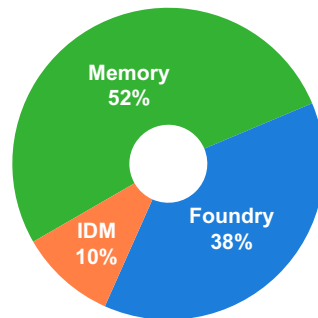
Numbers have been rounded for readers' convenience

Bookings activity by sector

Q4'15 total value
€ 1,184 million



Q3'15 total value
€ 904 million



	New systems	Used systems
Units	39	5
Value M€	1,174	10

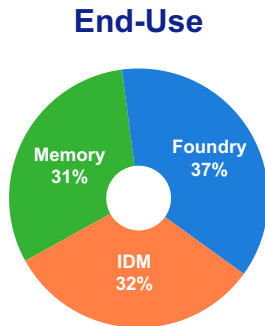
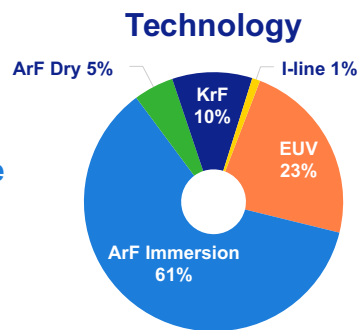
	New systems	Used systems
Units	32	3
Value M€	899	5

As of Q2 2015, our systems backlog and net bookings include all system sales orders for which written authorizations have been accepted (for EUV starting as of the NXE:3350B)

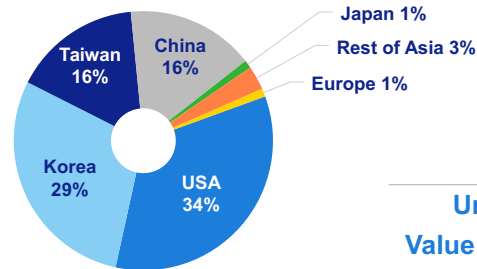
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System backlog in value

Q4'15
total value
€ 3,184
million

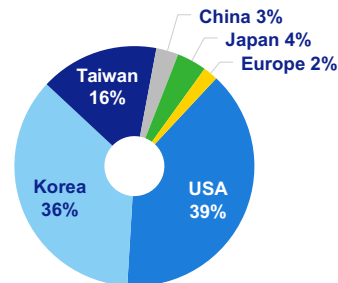
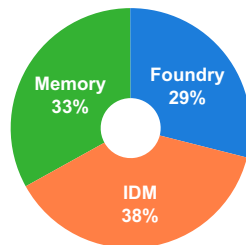
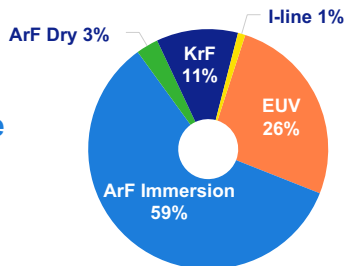


Region (ship to location)



	New systems	Used systems
Units	68	11
Value M€	3,149	35

Q3'15
total value
€ 2,880
million



	New systems	Used systems
Units	61	11
Value M€	2,835	45

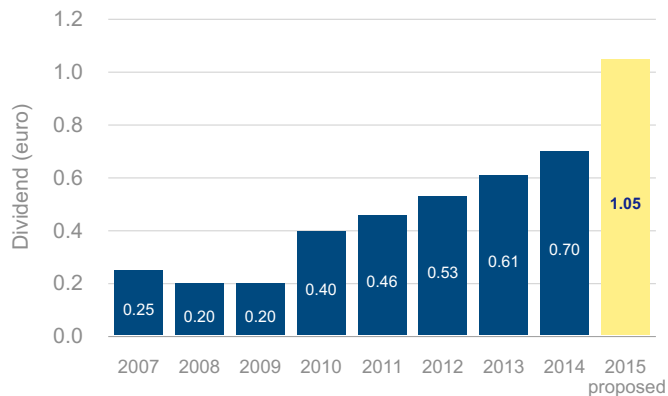
Backlog definition see slide 12

Numbers have been rounded for readers' convenience

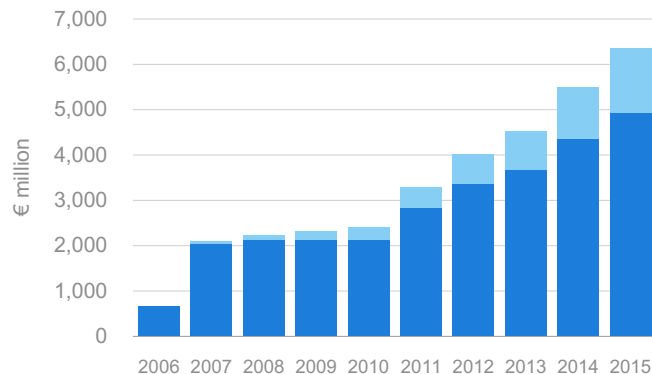
Capital return to shareholders

- Paid € 302 million in dividend and purchased € 565 million worth of our own shares in 2015
- Propose to increase dividend by 50% to € 1.05 per ordinary share
- Announcing new plan for share buyback program of € 1.5 billion over 2016/2017, which includes approx. € 500 million remaining of our prior program

Dividend history



Cumulative capital return



Dividend

Share buyback

The dividend for a year is paid in the subsequent year
Numbers have been rounded for readers' convenience

Business environment

Business environment



Memory

- 2x nm DRAM node progressing, 1x nm node initial production starting
- Planar NAND shrink continues
- 3D NAND technology ramping
 - New fab announcement for China
 - One fab near completion and one fab equipment-ready by mid year
- X-Point architecture introduced and market opportunity being evaluated



Logic

- Multiple new foundry fabs accepting equipment in 2016
- Continued demand for litho tools for several nodes
 - Modest tool shipments continue for 28 nm and 16/14 nm nodes
 - 10 nm foundry and MPU significant volume ramp starting in Q2 2016



Service &
field options

- High demand for service and field options continues to be driven by Holistic litho, growing installed base and upgrade products which allows for improved process control and capital efficiency

Outlook

Outlook

- Our guidance for Q1:
 - Q1 net sales approximately € 1.3 billion
 - Gross margin around 42%
 - R&D costs of about € 275 million
 - SG&A costs of about € 90 million
 - Other income (Customer Co-Investment Program) of about € 23 million
 - Effective tax rate for full year 2016 around 13%
- As we indicated 3 months ago, we expect logic customers to take shipments for ramping the 10 nm node starting Q2
- As a result, we expect Q2 sales to increase significantly from Q1 level

EUV highlights

EUV targets and achievements

2015 achievements

Productivity - Target: 1000 wafers per day

- More than 1000 wafers per day exposed on NXE:3300B at customer site, further improved to more than 1250 wafers per day on NXE:3350B at ASML
- More than 15,000 wafers exposed in four-week manufacturing readiness test at customer site

Availability - Target: 70%

- Majority of customer systems achieved four-week average availability of more than 70%; best result more than 80% over four weeks
- Overall annual average availability is lower, still needs to be improved

NXE:3350 - Target: 6

- Two NXE:3350B systems shipped as of end-2015
- One shipment in progress

2016 targets

1500 wafers per day

80%

6-7 NXE shipments
(NXE:3300, NXE:3350, NXE:3400)

Financial statements

Consolidated statements of operations M€

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Net sales	1,494	1,650	1,654	1,549	1,434
Gross profit	657	779	754	703	660
Gross margin %	44.0%	47.2%	45.6%	45.4%	46.0%
Other income*	20	21	21	21	21
R&D costs	(268)	(261)	(267)	(267)	(273)
SG&A costs	(79)	(82)	(88)	(86)	(90)
Income from operations	330	456	419	372	318
Operating income %	22.1%	27.6%	25.3%	24.0%	22.2%
Net income	305	403	370	322	292
Net income as a % of net sales	20.4%	24.4%	22.4%	20.8%	20.4%
Earnings per share (basic) €	0.70	0.93	0.86	0.75	0.68
Earnings per share (diluted) €	0.70	0.93	0.85	0.75	0.68
Litho units sold	35	47	41	44	37
ASP new litho systems	34.7	30.8	32.5	24.2	26.9
Net booking value**	1,387	1,028	1,523	904	1,184

* Customer Co-Investment Program (CCIP)

** As of Q2 2015, our systems backlog and net bookings include all system sales orders for which written authorizations have been accepted (for EUV starting as of the NXE:3350B). This change has no impact on the comparative figures.

Numbers have been rounded for readers' convenience

Cash flows M€

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Net income	305	403	370	322	292
Net cash provided by (used in) operating activities	409	337	284	420	985
Net cash provided by (used in) investing activities	77	124	(107)	(99)	(1,078)
Net cash provided by (used in) financing activities	(213)	(112)	(458)	(133)	(131)
Net increase (decrease) in cash & cash equivalents	275	359	(284)	186	(222)
Free cash flow*	281	250	205	333	864

* Free cash flow is defined as net cash provided by (used in) operating activities minus investments in Capex (Purchase of Property, plant and equipment and intangibles), see US GAAP Consolidated Financial Statements

Balance sheets M€

Assets	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Cash & cash equivalents and short-term investments	2,754	2,838	2,520	2,681	3,409
Net accounts receivable and finance receivables	1,304	1,510	1,589	1,593	1,208
Inventories, net	2,550	2,607	2,592	2,537	2,574
Other assets	835	929	871	846	940
Tax assets	232	299	264	203	181
Goodwill	2,358	2,611	2,569	2,574	2,624
Other intangible assets	724	774	751	739	738
Property, plant and equipment	1,447	1,523	1,519	1,533	1,621
Total assets	12,204	13,091	12,675	12,706	13,295
Liabilities and shareholders' equity					
Current liabilities	2,889	3,194	2,854	2,711	3,107
Non-current liabilities	1,802	1,820	1,859	1,850	1,799
Shareholders' equity	7,513	8,077	7,962	8,145	8,389
Total liabilities and shareholders' equity	12,204	13,091	12,675	12,706	13,295

Numbers have been rounded for readers' convenience

ASML

The ASML logo is rendered in a bold, dark blue, sans-serif font. It is positioned on the left side of the frame. The background is a light blue gradient with several decorative elements: a large, semi-transparent, curved shape on the left; a series of thin, white, wavy lines that originate from the right side of the logo and extend towards the right edge of the image; and a solid, medium-blue rectangular area in the upper right corner.