



Strong logic demand drives Q3 results, on track for record 2016 sales
Orders for three EUV systems show customer base expanding to six

ASML 2016 Third-Quarter Results

Veldhoven, the Netherlands

October 19, 2016

Agenda

- Investor key messages
- Business highlights
- Outlook
- EUV highlights
- HMI acquisition status
- Financial statements

Investor key messages

Investor key messages

- Lithography enables affordable shrink and therefore delivers compelling value for our customers
- ASML's R&D investments in lithography and process control products supports customer roadmaps
- EUV will enable continuation of Moore's Law and will drive long term value for ASML
- DUV and Holistic Litho product roadmaps enable multi-pass immersion patterning today, with Holistic Litho supporting EUV in the future. These highly differentiated products provide unique value drivers for us and our customers
- ASML models an annual revenue opportunity of € 10 billion* by 2020 and given the significant leverage in our financial model 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
- Planned HMI acquisition provides market leading e-beam metrology capability which expands our integrated Holistic Lithography solutions to include a new class of pattern fidelity control

* HMI acquisition not included, see Press Release (date June 16th 2016 on www.asml.com)

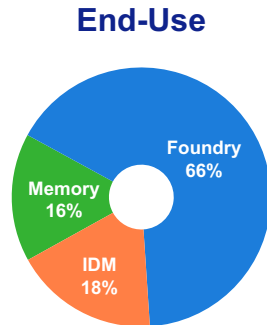
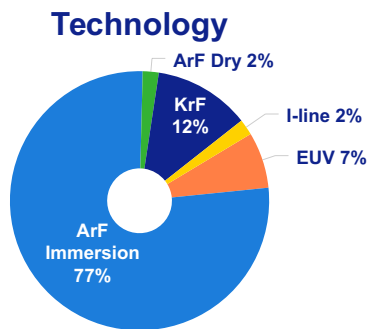
Business highlights

Q3 results summary

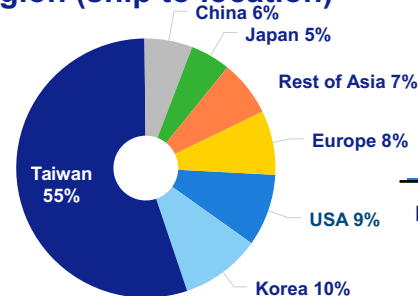
- Net sales of € 1,815 million, including around € 85 million EUV, 40 litho systems sold valued at € 1,238 million, net service and field option sales at € 577 million
- Average selling price of € 31.0 million per system
- Gross margin of 46.0%
- Operating margin of 27.3%
- Net bookings of € 1,415 million, including 3 new EUV systems
- Backlog at € 3,462 million, including 12 EUV systems

Net system sales breakdown in value

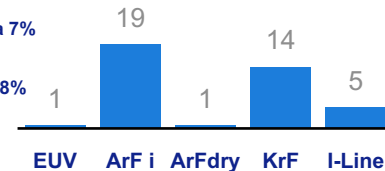
Q3'16
total value
€ 1,238
million



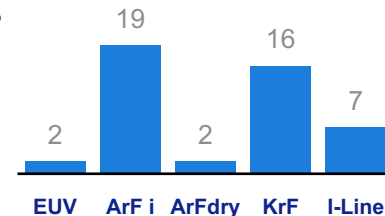
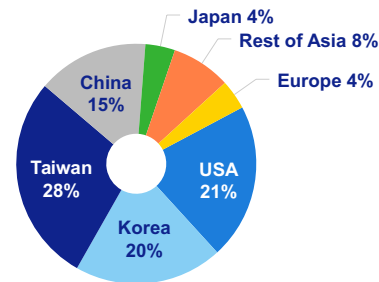
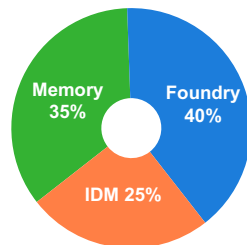
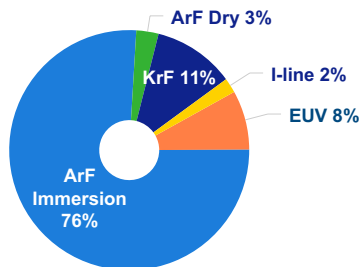
Region (ship to location)



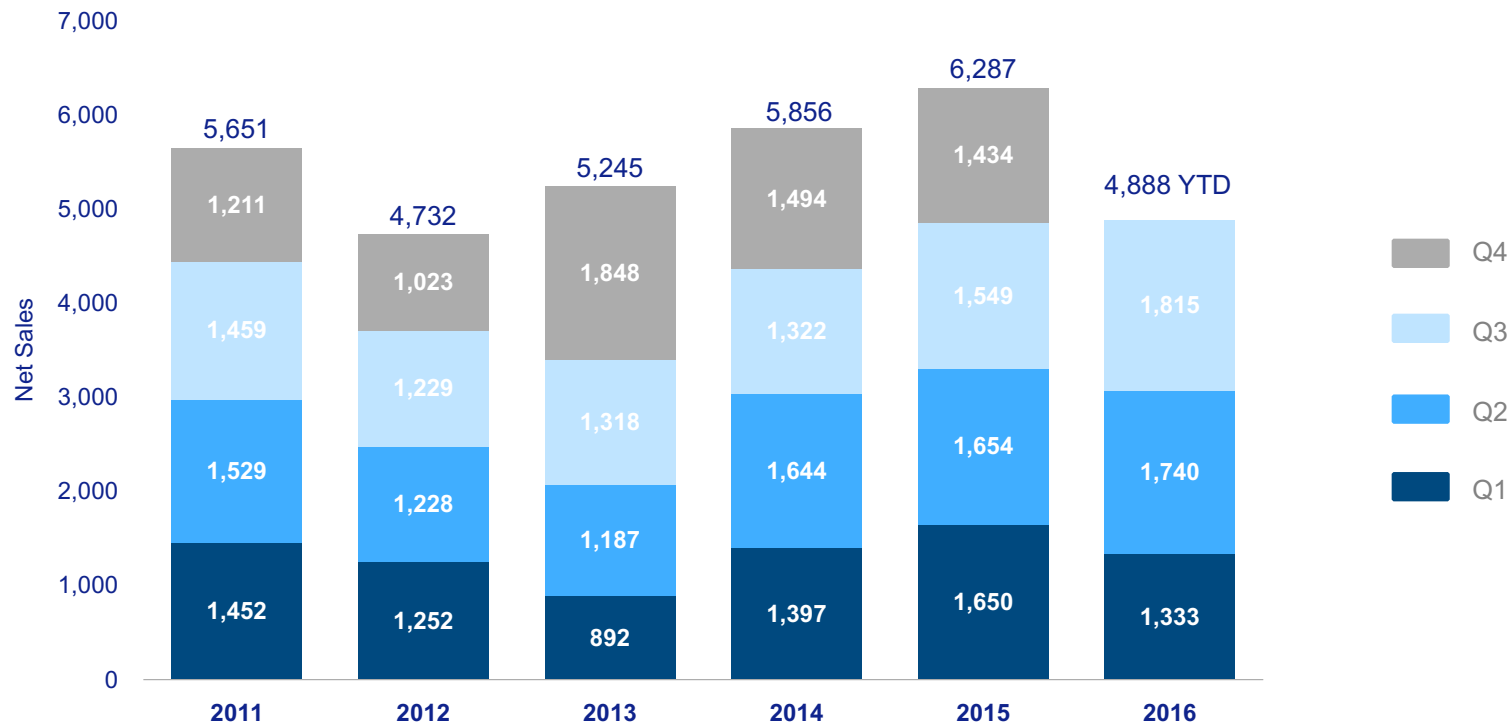
Sales in Units



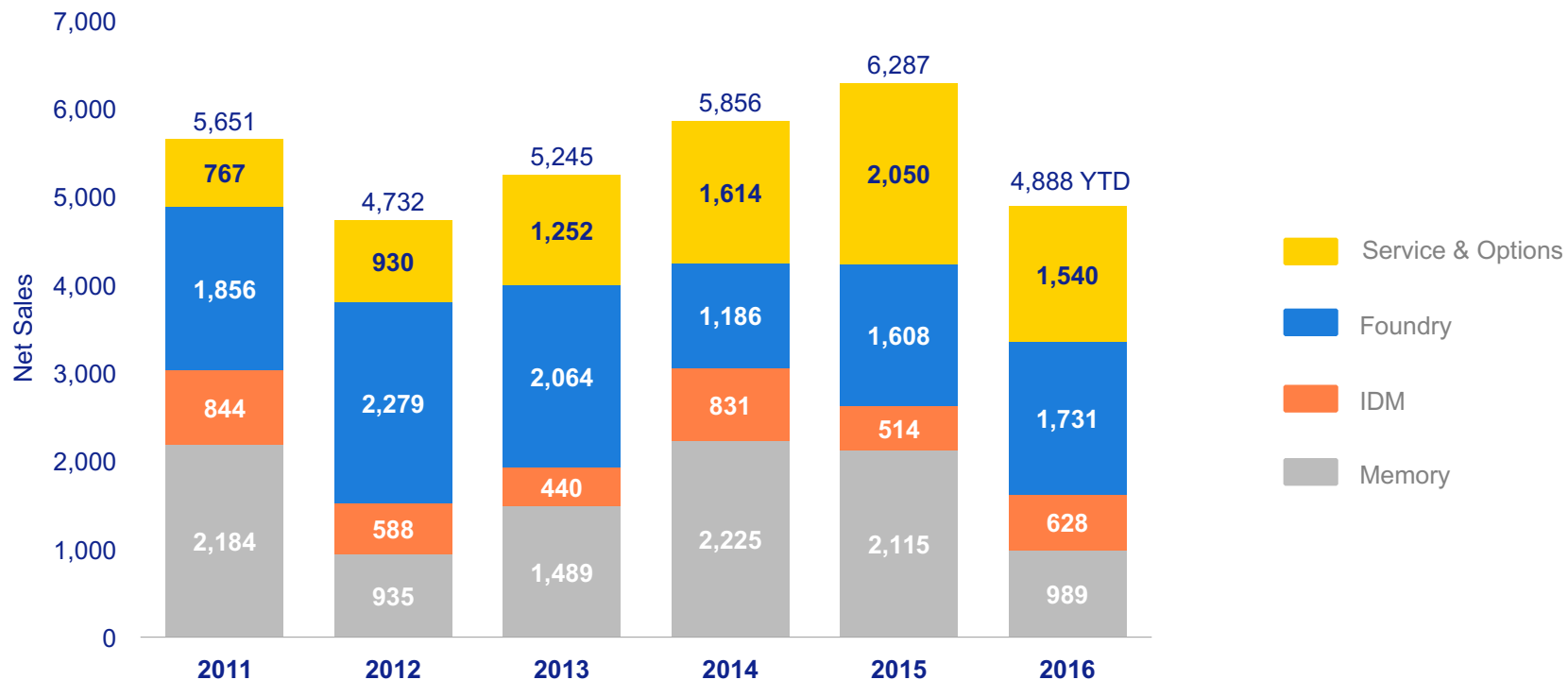
Q2'16
total value
€ 1,254
million



Total net sales million € by quarter

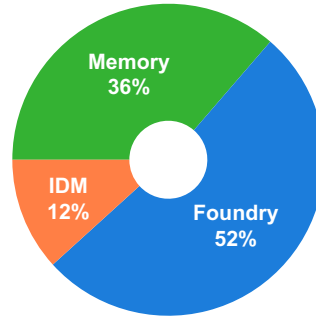


Total net sales million € by End-use

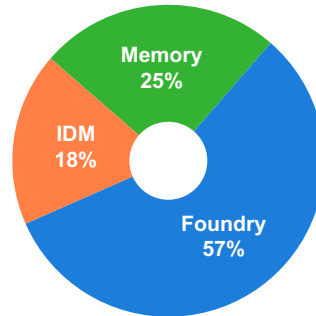


Bookings activity by sector

Q3'16 total value
€ 1,415 million



Q2'16 total value
€ 1,566 million

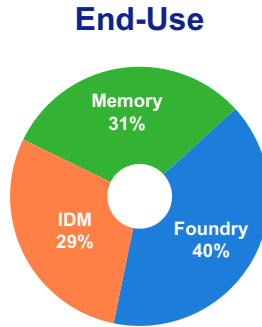
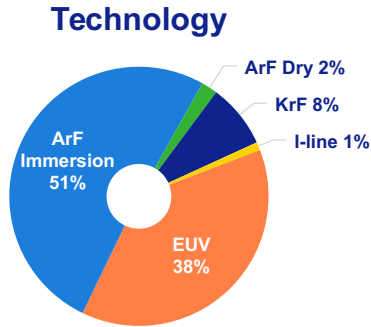


	New systems	Used systems
Units	37	6
Value M€	1,396	19

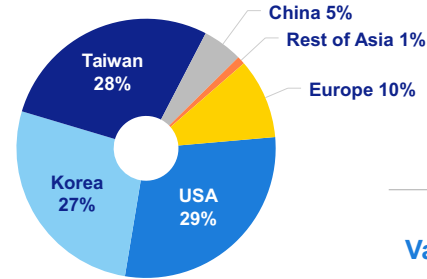
	New systems	Used systems
Units	40	3
Value M€	1,555	11

System backlog in value

Q3'16
total value
€ 3,462
million

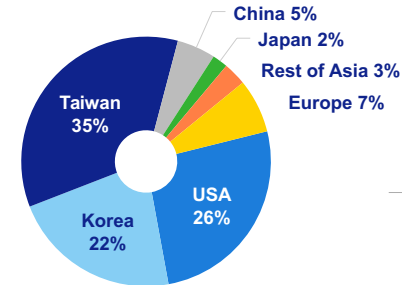
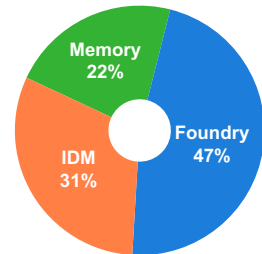
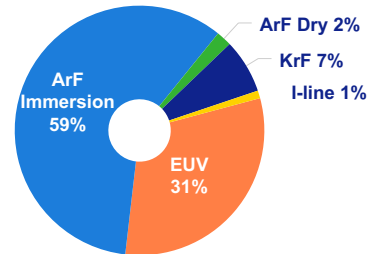


Region (ship to location)



	New systems	Used systems
Units	64	12
Value M€	3,426	36

Q2'16*
total value
€ 3,371
million



	New systems	Used systems
Units	65	8
Value M€	3,335	36

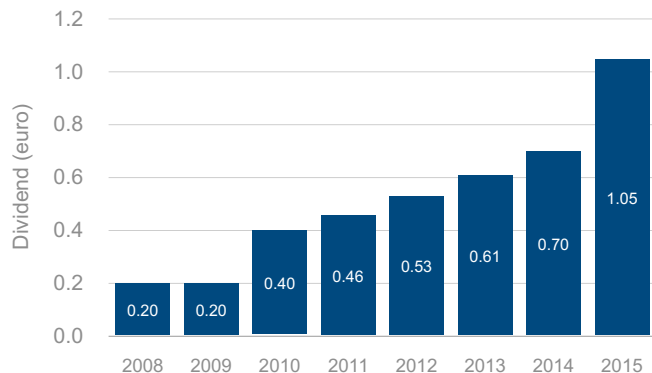
* End-use distribution of Q2 2016 backlog contains an adjustment which transferred € 141 million from Foundry to Memory

Capital return to shareholders

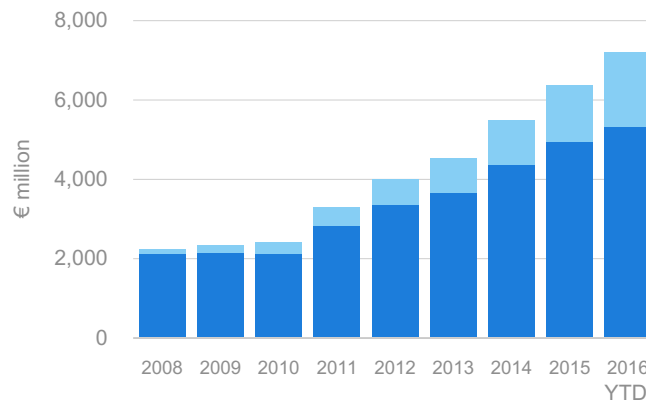
Progress of 2016/2017 share buyback program for up to € 1.5 billion

- Purchased € 13 million worth of shares in Q3
- Year to date € 400 million worth of shares purchased
- Share buyback program is currently paused while we are in the midst of the HMI acquisition process

Dividend history



Cumulative capital return as from 2006



Dividend

Share buyback



Outlook

Outlook

- Our guidance for fourth-quarter:
 - Q4 net sales between € 1.7 and 1.8 billion
 - Gross margin between 47 and 48%
 - R&D costs of about € 275 million
 - SG&A costs of about € 100 million (which includes one-off acquisition-related costs of around € 10 million)
 - Other income (Customer Co-Investment Program) of about € 23 million
 - Effective annualized tax rate around 13%

EUV highlights

EUV 2016 targets and achievements

Productivity - Target: 1500 wafers per day

- More than 1,500 wafers per day (wpd) exposed on NXE:3350B at a customer site on average over a three days period

Availability - Target: 80%

- Best performance is four-week average above 90% on one NXE:3300B system
- Seven customer systems have achieved a four-week average availability of more than 80%
- Consistency between tools and across sites still needs to be improved

NXE shipments - Target: 6-7

- One NXE:3350B system shipped in Q1, one NXE:3350B system shipped in Q2, one NXE:3350B shipped in Q3
- In Q4, we plan to ship one system; two additional systems will be delayed into early 2017, one due to customer fab readiness and one due to late material delivery

HMI acquisition status

HMI acquisition status

- HMI shareholders voted in favor for the acquisition during the HMI EGM
- Approvals received :
 - CFIUS (US)
 - Competition Commission Singapore
 - Taiwan Fair Trade Commission
 - Taiwan Investment Commission Inbound
- Approval pending :
 - Taiwan Investment Commission Outbound (private placement)
 - Korea Fair Trade Commission
- ASML continues to expect HMI acquisition to close in Q4 2016

Financial statements

Consolidated statements of operations M€

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net sales	1,549	1,434	1,333	1,740	1,815
Gross profit	703	660	568	741	834
Gross margin %	45.4%	46.0%	42.6%	42.6%	46.0%
Other income*	21	21	23	23	23
R&D costs	(267)	(273)	(275)	(270)	(273)
SG&A costs	(86)	(90)	(89)	(90)	(89)
Income from operations	372	318	228	404	495
Operating income %	24.0%	22.2%	17.1%	23.2%	27.3%
Net income	322	292	198	354	396
Net income as a % of net sales	20.8%	20.4%	14.9%	20.3%	21.8%
Earnings per share (basic) €	0.75	0.68	0.46	0.83	0.93
Earnings per share (diluted) €	0.75	0.68	0.46	0.83	0.93
Litho units sold	44	37	33	46	40
ASP new litho systems	24.2	26.9	29.5	31.6	32.4
Net booking value	904	1,184	835	1,566	1,415

* Customer Co-Investment Program (CCIP)

Cash flows M€

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net income	322	292	198	354	396
Net cash provided by (used in) operating activities	420	985	(6)	481	(3)
Net cash provided by (used in) investing activities	(99)	(1,078)	(183)	(24)	(484)
Net cash provided by (used in) financing activities	(133)	(131)	(204)	(607)	1,481
Net increase (decrease) in cash & cash equivalents	186	(222)	(395)	(137)	987
Free cash flow*	333	864	(65)	381	(72)

* 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	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Cash & cash equivalents and short-term investments		2,681	3,409	3,138	2,926	4,313
Net accounts receivable and finance receivables		1,593	1,208	1,302	1,362	1,593
Inventories, net		2,537	2,574	2,750	2,715	2,697
Other assets		846	940	987	1,146	1,164
Tax assets		203	181	143	228	183
Goodwill		2,574	2,624	2,538	2,603	2,571
Other intangible assets		739	738	706	714	694
Property, plant and equipment		1,533	1,621	1,580	1,609	1,587
Total assets		12,706	13,295	13,144	13,303	14,802
Liabilities and shareholders' equity						
Current liabilities		2,711	3,107	3,248	3,720	3,272
Non-current liabilities		1,850	1,799	1,593	1,434	3,017
Shareholders' equity		8,145	8,389	8,303	8,149	8,513
Total liabilities and shareholders' equity		12,706	13,295	13,144	13,303	14,802

As of January 1, 2016 ASML early adopted the amendment to ASC 740 "Income taxes (Topic 740): Balance Sheet Classification of Deferred Taxes", which requires that deferred tax liabilities and assets are classified as non-current in the consolidated balance sheets. The comparative figures have not been adjusted to reflect this change in accounting policy.

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 and outlook, including expected levels of service sales, systems backlog, expected financial results for the fourth quarter and full year 2016, including expected sales, other income, gross margin, R&D and SG&A expenses and effective annualized tax rate, annual revenue opportunity for ASML and EPS potential by end of decade, productivity of our tools and systems performance, including EUV system performance (such as endurance tests), expected industry trends and expected trends in the business environment, statements with respect to the acquisition of HMI by ASML, including the expected timing of completion of the HMI acquisition, the expected benefits of the acquisition of HMI by ASML, including the provision of e-beam metrology capability and its effect on holistic lithography solutions and pattern fidelity control, statements with respect to EUV targets, including availability, productivity and shipments, including the number of EUV systems expected to be shipped and timing of shipments, and roadmaps, shrink being key driver to industry growth, expected industry adoption of EUV and statements with respect to the intent of customers to insert EUV into production, 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 and statements with respect to the current share repurchase plan. 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 any 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 including EUV, 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 timing of resumption of the share repurchase plan, 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.

ASML

The image features the ASML logo in a bold, dark blue font on the left side. The background is a light blue gradient with several white, wavy lines that flow from the right side towards the center, creating a sense of motion and depth. The overall aesthetic is clean and modern.