



Stronger than expected demand drives ASML Q1 sales

Positive momentum expected to continue throughout 2017

ASML 2017 First-Quarter Results

Veldhoven, the Netherlands

April 19, 2017

Agenda

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- Business highlights
- Outlook
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- Financial statements

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Investor key messages

Investor key messages

- Shrink is a key industry driver supporting innovation and providing long term industry growth
- Lithography enables affordable shrink and therefore delivers compelling value for our customers
- EUV will enable continuation of Moore's Law and will drive long term value for ASML beyond the next decade
- DUV, Holistic Litho and EUV are highly differentiated products providing unique value drivers for our customers and ASML
- ASML models a 2020 annual revenue opportunity of €11 billion with an EPS > €9*, with significant further growth potential into the next decade
- HMI provides market leading e-beam metrology capability which expands our integrated Holistic Lithography solutions to include a new class of pattern fidelity control
- We expect to continue to return excess cash to our shareholders through stable or growing dividends and regularly timed share buybacks in line with our policy

* based on model details and assumptions as presented in our 2016 Investor Day (October 31, 2016)

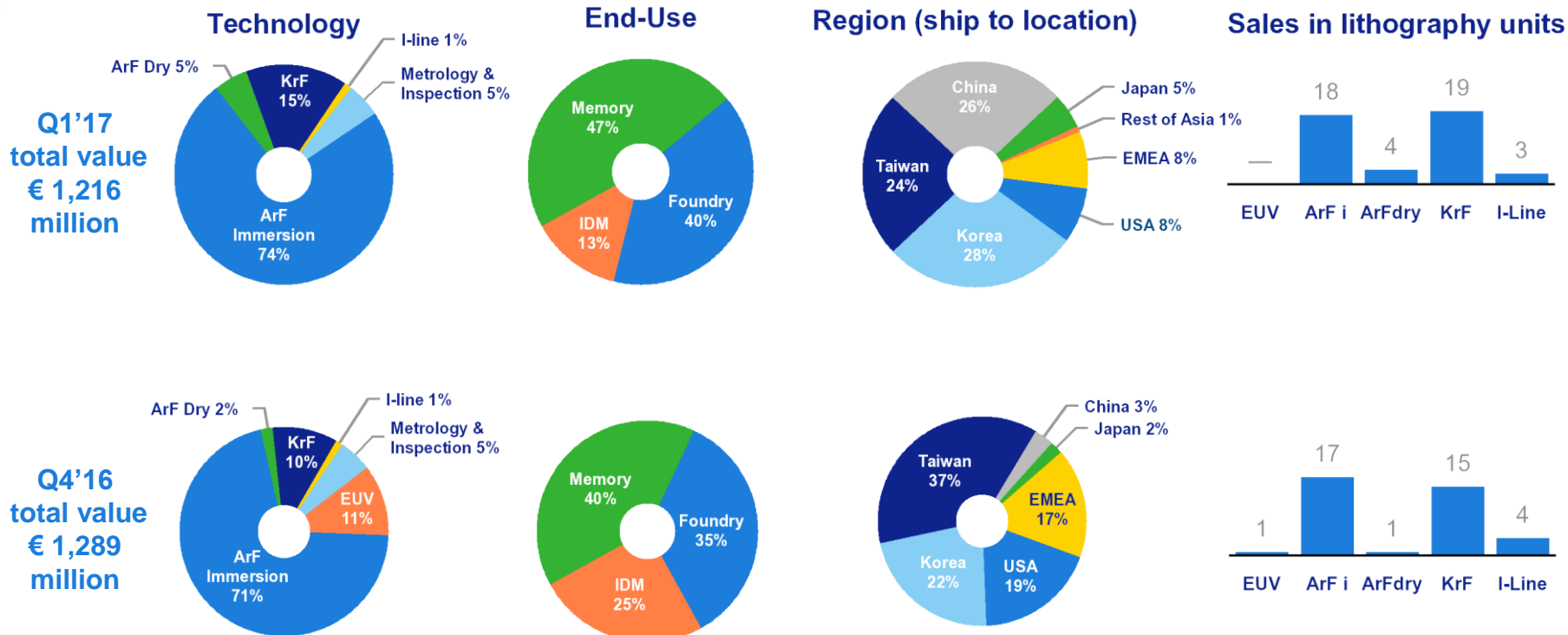
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Business highlights

Q1 results summary

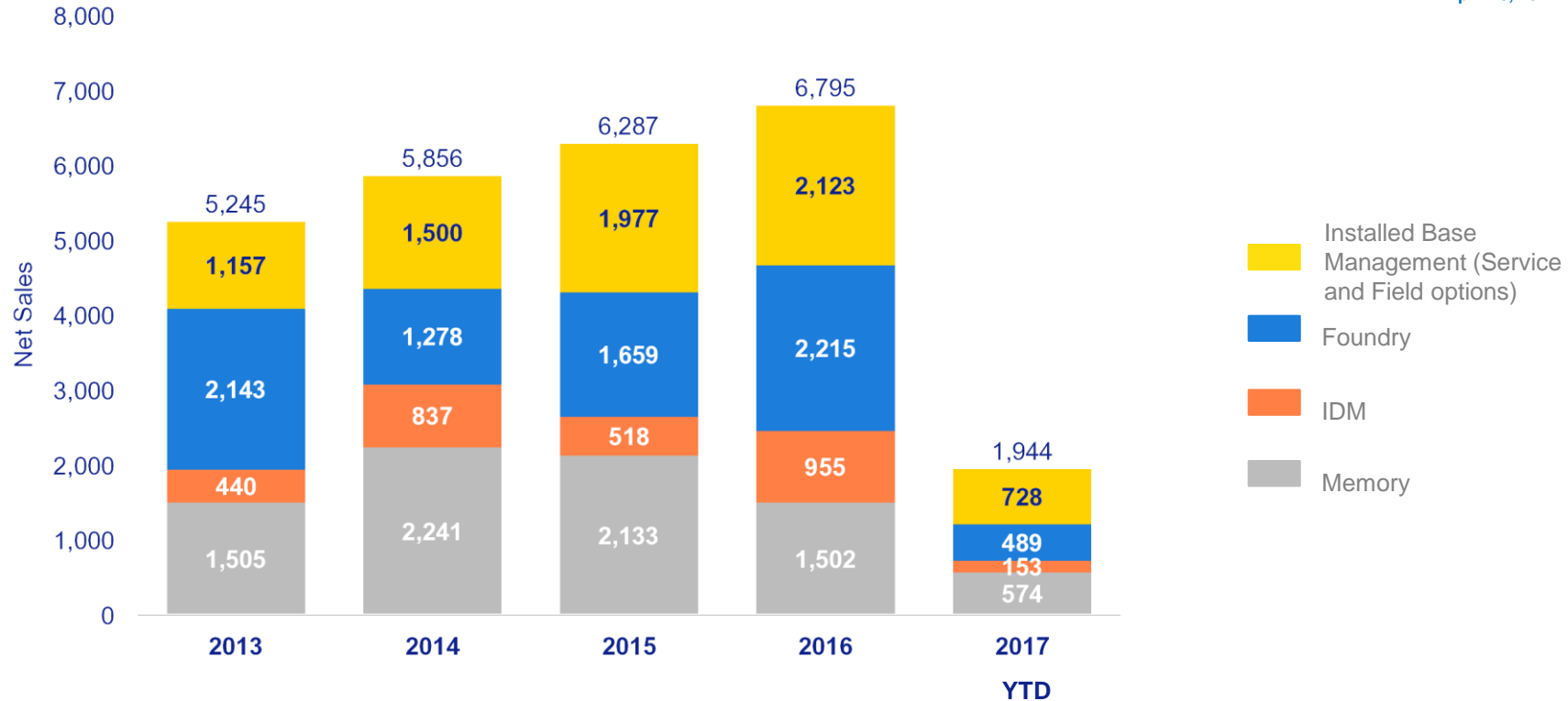
- Net sales of € 1,944 million, net systems sales valued at € 1,216 million, net service and field option sales at € 728 million
- Gross margin of 47.6%, including the effects of purchase price allocation adjustment for the HMI acquisition
- Operating margin of 27.5%
- Net bookings of € 1,894 million, including 3 new EUV systems
- Backlog at € 4,509 million, including 21 EUV systems

Net system sales breakdown in value



As per January 1, 2017, ASML presents net sales with respect to metrology and inspection systems as part of Net system sales instead of Net service and field option sales. The comparative numbers have been adjusted to reflect this change in accounting policy. Lithography systems do not include metrology and inspection systems.

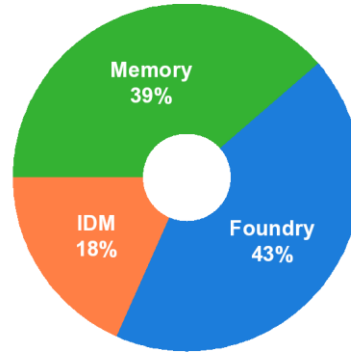
Total net sales million € by End-use



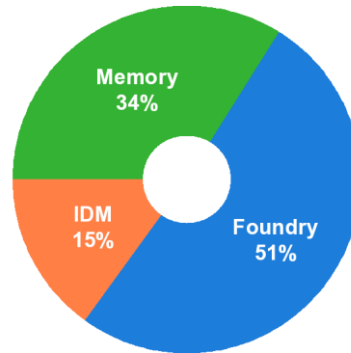
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Bookings activity by sector

Q1'17 total value
€ 1,894 million



Q4'16 total value
€ 1,580 million



Lithography systems

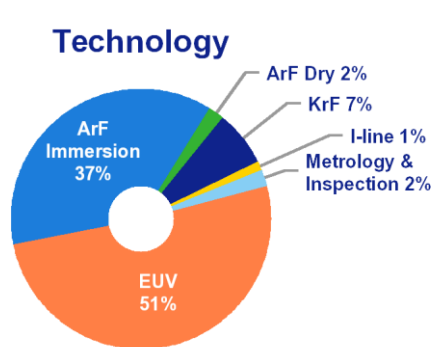
	New	Used
Units	52	3

Lithography systems

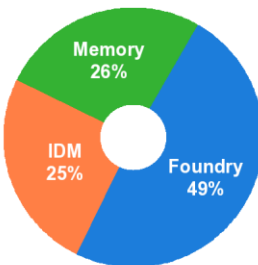
	New	Used
Units	39	5

System backlog in value

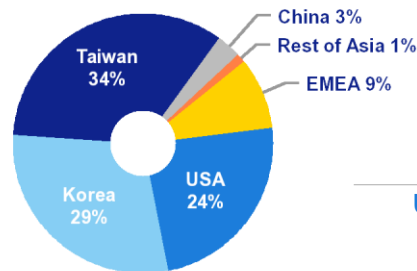
Q1'17
total value
€ 4,509
million



End-Use



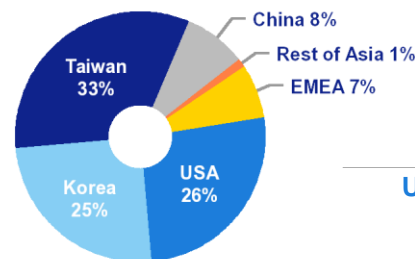
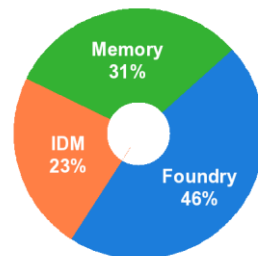
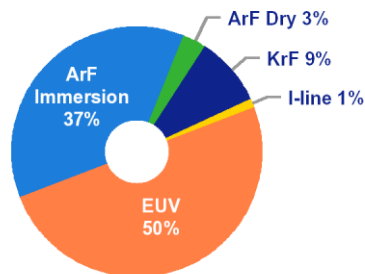
Region (ship to location)



Lithography systems

	New	Used
Units	83	11

Q4'16
total value
€ 3,961
million



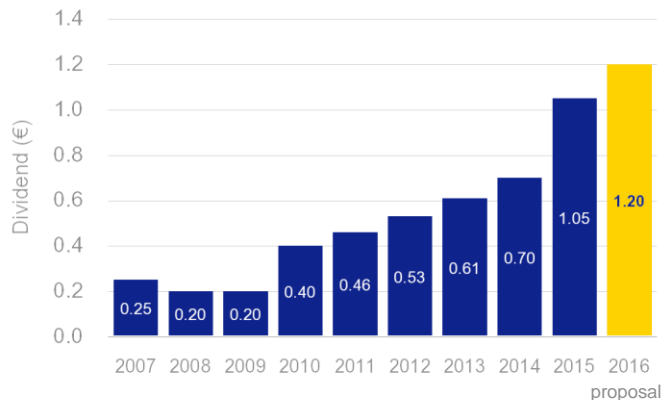
Lithography systems

	New	Used
Units	70	13

Capital return to shareholders

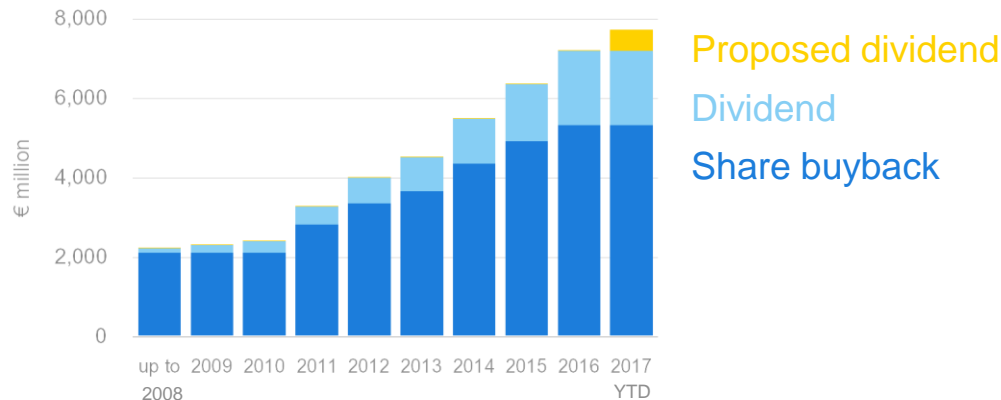
- Proposal submitted to 2017 Annual General Meeting of Shareholders, which takes place on April 26, to declare a dividend of € 1.20 per ordinary share
- Share buyback program is currently paused

Dividend history



The dividend for a year is paid in the subsequent year

Capital return



Capital return is cumulative share buyback + dividend (paid and proposed to AGM on April 26)

Outlook

Outlook

- Our guidance for second-quarter:
 - Q2 2017 net sales between € 1.9 and 2.0 billion
 - EUV revenue approximately € 200 million
 - Three NXE:3400B shipments
 - Gross margin between 43 and 44%
 - R&D costs of about € 315 million
 - SG&A costs of about € 100 million
 - Other income (Customer Co-Investment Program) of about € 24 million
 - Effective annualized tax rate between 13 and 14%

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EUV highlights

Commitments to EUV production insertion

Initial customer manufacturing targeted for 7 nm logic and mid-10 nm DRAM node

Customers

show commitment to insert EUV in volume manufacturing by ordering systems

- 3 additional orders for NXE:3400B systems received in Q1
- Backlog now includes 21 EUV systems
- Further orders expected in 2017
- In addition, a total of 4 orders for upgrades (installed base to NXE:3400B) have been received for a value of around EUR 200 million*

ASML

commits to securing system performance, shipments and support required for volume manufacturing

For volume manufacturing of logic and memory, ASML remains committed to deliver:

- Throughput of >125 wafers per hour
- Availability of >90% on average
- Shipments on time in sufficient volume
- Ability to support a larger installed base

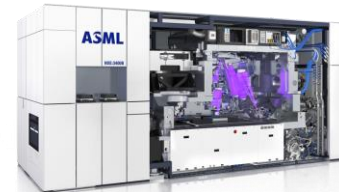
* upgrades are not reflected in our System backlog

NXE:33x0B extendibility / upgradability to NXE:3400B

4 upgrade orders received to date of a total installed base opportunity of 14 systems

ASML

Public
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first shipment

2013
NXE:3300B

resolution

22 nm

productivity

~55 WPH¹

1 - no specification

2015
NXE:3350B

16 nm

~80 WPH²

2 - no specification

2017
NXE:3400B

13 nm

≥ 125 WPH³

3 - specification

Financial statements

Consolidated statements of operations M€

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Net sales	1,333	1,740	1,815	1,907	1,944
Gross profit	568	741	834	901	925
Gross margin %	42.6%	42.6%	46.0%	47.2%	47.6%
Other income ¹	23	23	23	23	24
R&D costs	(275)	(270)	(273)	(287)	(315)
SG&A costs	(89)	(90)	(89)	(107)	(99)
Income from operations	228	404	496	530	535
Operating income %	17.1%	23.2%	27.3%	27.8%	27.5%
Net income	198	354	396	524	452
Net income as a % of net sales	14.9%	20.3%	21.8%	27.5%	23.3%
Earnings per share (basic) €	0.46	0.83	0.93	1.23	1.05
Earnings per share (diluted) €	0.46	0.83	0.93	1.22	1.05
Lithography systems sold (units) ²	33	46	40	38	44
Net booking value ³	835	1,566	1,415	1,580	1,894

¹ Customer Co-Investment Program (CCIP)

² Lithography systems do not include metrology and inspection systems.

³ Our systems backlog and net bookings include all system sales orders for which written authorizations have been accepted (for EUV starting with the NXE:3350B).
As per January 1, 2017 our systems backlog and net bookings also include metrology and inspection systems.

Consolidated statements of Cash flows M€

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Net income	198	354	396	524	452
Net cash provided by (used in) operating activities	(6)	481	(3)	1,193	(168)
Net cash provided by (used in) investing activities	(183)	(24)	(484)	(2,498)	150
Net cash provided by (used in) financing activities	(204)	(607)	1,481	1,293	12
Net increase (decrease) in cash & cash equivalents	(395)	(137)	987	(6)	4
Free cash flow*	(65)	381	(72)	1,097	(212)
Cash and cash equivalents and short-term investments	3,138	2,926	4,313	4,057	3,836

* 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

These numbers have been prepared in conformity with US GAAP

Consolidated Balance sheets M€

Assets	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Cash & cash equivalents and short-term investments	3,138	2,926	4,313	4,057	3,836
Net accounts receivable and finance receivables	1,302	1,362	1,593	1,264	1,426
Inventories, net	2,750	2,715	2,697	2,781	2,996
Other assets	987	1,146	1,164	1,173	1,211
Tax assets	143	228	183	47	171
Goodwill	2,538	2,603	2,571	4,874	4,784
Other intangible assets	706	714	694	1,323	1,279
Property, plant and equipment	1,580	1,609	1,587	1,687	1,622
Total assets	13,144	13,303	14,802	17,206	17,325
Liabilities and shareholders' equity					
Current liabilities	3,248	3,720	3,272	3,281	2,876
Non-current liabilities	1,593	1,434	3,017	4,105	4,206
Shareholders' equity	8,303	8,149	8,513	9,820	10,243
Total liabilities and shareholders' equity	13,144	13,303	14,802	17,206	17,325

These numbers have been prepared in conformity with US GAAP

Forward looking statements

This document contains statements relating to certain projections and business trends that are forward-looking, including statements with respect to expected trends and outlook, including expected customer insertion of EUV in volume manufacturing, including expected volume orders, systems backlog, expected financial results and trends for the second quarter of 2017, 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 2020 with significant further growth potential into the next decade, including further growth potential into the next decade, expected industry trends and expected trends in the business environment, including our expectation that the trends exhibited in the first quarter of 2017 will continue in the second quarter of 2017 and our expectation of healthy demand through the end of 2017, statements with respect to EUV targets, manufacturing, supply chain and service capabilities, and ASML's commitment to secure system performance, shipments and support for volume manufacturing, including availability, productivity, throughput and shipments, including timing of shipments and the ability to support a larger installed base, shrink being a key driver supporting innovation and providing long-term industry growth, lithography enabling affordable shrink and delivering value to customers, expected industry adoption of EUV and statements with respect to the intent of customers to insert EUV into production, the extension of EUV beyond the next decade, the expected continuation of Moore's law and that EUV will continue to enable Moore's law and drive long term value for ASML beyond the next decade, 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 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", "targets", "commits to secure" 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 and volume production by customers, including meeting development requirements for volume production, that demand for EUV systems being sufficient to result in utilization of EUV facilities in which ASML has made significant investments, 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.

The image features the ASML logo in a bold, dark blue, sans-serif font. The logo is positioned on the left side of the frame. The background is a light blue gradient with abstract, flowing white lines that create a sense of movement and depth, resembling stylized waves or a modern architectural design.

ASML