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ASML

Annual General Meeting 2018

Veldhoven, the Netherlands, 25 April 2018

Forward looking statements

This document contains statements relating to certain projections, business trends and other matters that are forward-looking, including statements with respect to expected trends and outlook, bookings, expected financial results and trends, including expected sales, EUV revenue, gross margin, R&D and SG&A expenses, and annualized effective tax rate for the first quarter of 2018, and expected financial results and trends for the full year 2018, including the expectation for continued solid growth in sales and profitability in 2018, annual revenue opportunity for ASML and EPS potential by 2020 with significant further growth potential into the next decade, expected industry trends and expected trends in the business environment, statements with respect to the intent of customers to insert EUV into volume manufacturing, ASML's commitment to secure system performance, shipments, and support for volume manufacturing, including availability, productivity, throughput, shipments and the ability to support a growing installed base, including timing of shipments (including planned EUV shipments in 2018 and production capacity in 2019), statements with respect to orders, including High-NA system orders and options, the expected benefits (and performance commitments) of High-NA, including securing ASML's lithography roadmap beyond the next decade, lower costs per function by improving imaging, overlay and productivity, increased numerical aperture of the new optical system on High-NA systems, targeted throughput and the new product portfolio resulting from the addition of High-NA, statements with respect to the DUV productivity milestone, the benefits of HMI's e-beam metrology capabilities, including the introduction of a new class of pattern fidelity control, the reduction of measurement time, the benefits of combining ASML's e-beam metrology with computational lithography software and the potential introduction of multiple e-beams in one system and multi-beam enabling further throughput scaling, shrink being a key driver supporting innovation and providing long-term industry growth, lithography enabling affordable shrink and delivering value to customers, 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 through stable or growing dividends and regularly timed share buybacks in line with our policy, statements about our proposed dividend, dividend policy and intention to repurchase shares and statements with respect to the share repurchase plan for 2018-2019, including the intention to use certain shares to cover employee share plans and cancel the rest of the shares upon repurchase. 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, 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, conditions included in system orders and the risks that systems are not shipped pursuant to orders or as expected because conditions are not met or for any other reason, 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, actual EUV production capacity, delays in EUV systems production and development and volume production by customers, including meeting development requirements for volume production, 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 outcome of intellectual property litigation, availability of raw materials, critical manufacturing equipment and qualified employees, 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, results 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.

Agenda

van de Jaarlijkse Algemene Vergadering van Aandeelhouders van ASML Holding N.V. (de “Vennootschap”), te houden op woensdag 25 april 2018, om 14.00 uur in het Auditorium, ASML Gebouw 7, De Run 6665, Veldhoven

1. Opening
2. Overzicht van de activiteiten, de financiële situatie en de activiteiten op het gebied van maatschappelijk verantwoord ondernemen van de Vennootschap (**Discussiepunt**)

2017 in review: the highlights

- Net sales grew 33% to a record €9.05 billion at 45% gross margin
- Net income grew 44% to a record €2.12 billion resulting in an EPS of €4.93
- Installed Base management sales grew more than 25% to a record €2.68 billion
- EUV Lithography: demonstrated our 125 wafers per hour specification and further improved availability performance.
- DUV lithography: shipped 161 new systems in 2017, a 21% increase from 2016
- Holistic lithography: shipped the first ASML-HMI integrated product, ePfm5
- Closed strategic agreements, including a minority stake investment in Carl Zeiss SMT, enabling next generation EUV technology supporting customer roadmaps beyond the next decade
- Capital return: returned more than € 1 billion to shareholders through dividends and share buybacks

EUV commitment to volume manufacturing continues

Customers

commitment to insert EUV
in volume manufacturing by
ordering systems

- Crossed € 1.1 billion annual revenue mark for EUV, exited 2017 with backlog of 28 EUV systems, value more than € 3 billion
- Q1: 3 EUV systems shipped, 9 EUV orders, 4 High-NA orders for R&D systems from 3 customers and options for 8 early volume systems
- Planned shipments of 20 systems in 2018, production capacity of at least 30 systems in 2019

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

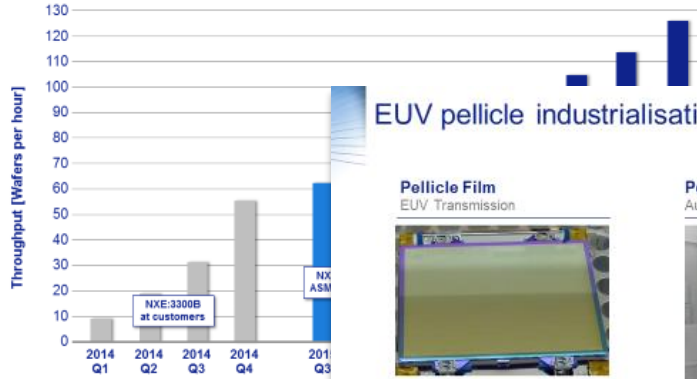
For volume manufacturing of logic and memory, ASML remains committed to deliver:

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

EUV: key technical and commercial milestones met

NXE productivity above 125 wafers per hour

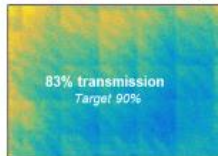
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NXE:3400B ATP test: 26x33mm², 96 fields, 20mJ/cm²

EUV pellicle industrialisation

Pellicle Film
EUV Transmission



Pellicle Mounting
Automated Equipment



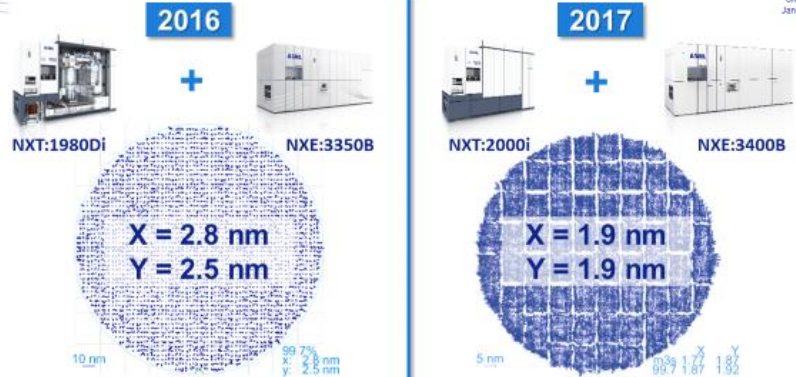
Pellicle Performance
defects, Max Power

— # defects >10 micron

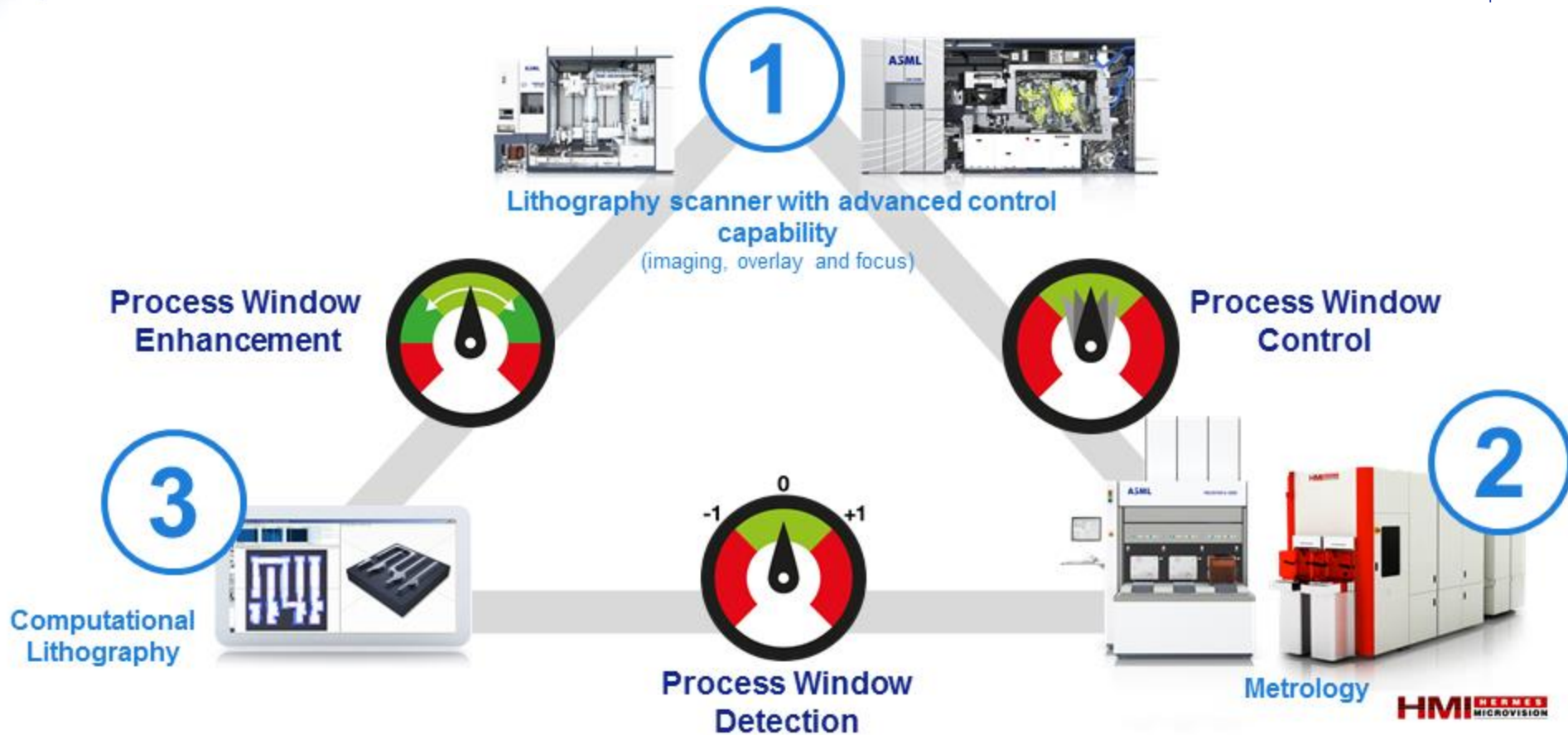
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Matched Immersion to EUV Overlay improved to < 2nm

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Jan 2018



Holistic Lithography portfolio



Pattern Fidelity Metrology broadens product portfolio

First product (ePfm5) jointly developed with engineering team of HMI



- High-resolution e-beam metrology
- State-of-the-art computational modeling and machine learning
- Creates defect maps for more wafers with a significantly higher accuracy than existing solutions

Holistic Litho products for 7/5 nm nodes launched



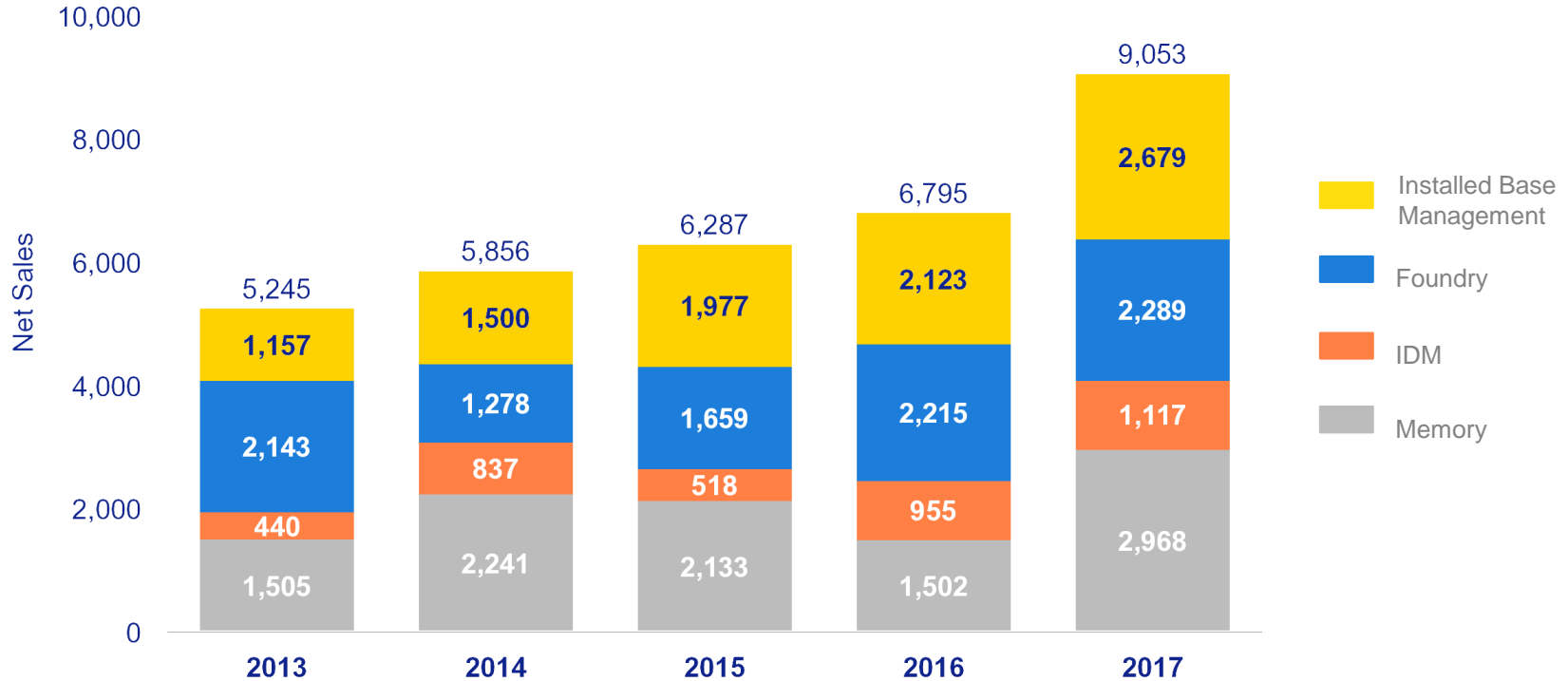
YieldStar 375F

NXT:2000i

NXE:3400B

2017 Financials

Total net sales million € by End-use



Consolidated statements of operations M€

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25 April 2018

	2013	2014	2015	2016	2017	
Net sales	5,245	5,856	6,287	6,795	9,053	+33%
Gross profit	2,177	2,596	2,896	3,044	4,077	
Gross margin %	41.5	44.3	46.1	44.8	45.0	
Other income ¹	64	81	83	94	96	
R&D costs	(882)	(1,074)	(1,068)	(1,106)	(1,260)	
SG&A costs	(312)	(321)	(346)	(375)	(417)	
Income from operations	1,048	1,282	1,565	1,658	2,496	
Operating income as a % of net sales	20.0	21.9	24.9	24.4	27.6	
Net income	1,016	1,197	1,387	1,472	2,119	+44%
Net income as a % of net sales	19.4	20.4	22.1	21.7	23.4	
Earnings per share (basic) €	2.36	2.74	3.22	3.46	4.93	
Earnings per share (diluted) €	2.34	2.72	3.21	3.44	4.91	
Lithography systems sold (units) ²	157	136	169	157	198	
Net booking value ^{3,4}	4,644	4,902	4,639	5,396	9,358	

¹ Customer Co-Investment Program (CCIP).

² Lithography systems do not include metrology and inspection systems.

³ Our net bookings include all system sales orders for which written authorizations have been accepted (for EUV starting with the NXE:3350B).

⁴ Net bookings is calculated without giving effect to the impact of adopting the new Revenue Recognition Standard (ASC 606) and Lease Standard (ASC 842) which ASML will adopt as of January 1, 2018.

Consolidated statements of Cash flows M€

	2013	2014	2015	2016	2017
Net income	1,016	1,197	1,387	1,472	2,119
Net cash provided by (used in) operating activities	1,054	1,025	2,026	1,666	1,799
Net cash provided by (used in) investing activities	(368)	(16)	(1,160)	(3,188)	(1,209)
Net cash provided by (used in) financing activities	(113)	(928)	(834)	1,964	(1,209)
Net increase (decrease) in cash & cash equivalents	563	89	39	448	(648)
Free cash flow*	839	664	1,653	1,341	1,441
Cash and cash equivalents and short-term investments	3,011	2,754	3,409	4,057	3,288

* 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.

Consolidated Balance sheets M€

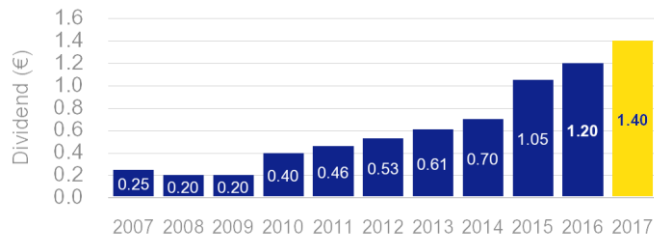
Assets	2013	2014	2015	2016	2017
Cash & cash equivalents and short-term investments	3,011	2,754	3,409	4,057	3,288
Net accounts receivable and finance receivables	1,175	1,304	1,208	1,264	2,096
Inventories, net	2,393	2,550	2,574	2,781	2,958
Other assets	635	835	940	1,173	1,470
Tax assets	296	232	181	47	94
Equity method investments	—	—	—	—	982
Goodwill	2,089	2,358	2,624	4,874	4,541
Other intangible assets	697	724	738	1,323	1,160
Property, plant and equipment	1,218	1,447	1,621	1,687	1,607
Total assets	11,514	12,204	13,295	17,206	18,196
Liabilities and shareholders' equity					
Current liabilities	2,869	2,889	3,107	3,281	3,342
Non-current liabilities	1,723	1,802	1,799	4,105	4,178
Shareholders' equity	6,922	7,513	8,389	9,820	10,676
Total liabilities and shareholders' equity	11,514	12,204	13,295	17,206	18,196

These numbers have been prepared in accordance with US GAAP

Capital return to shareholders

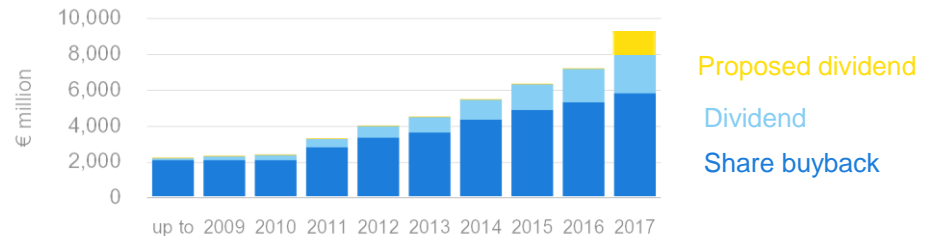
- Paid € 517 million dividend and purchased € 500 million worth of shares in 2017
- Propose to 2018 Annual General Meeting of Shareholders to declare a dividend of € 1.40 per ordinary share
- Announce new share buyback program for 2018-2019 of up to € 2.5 billion, of which 2.4 million shares for employee share plans and the remainder for cancellation

Dividend history



The dividend for a year is paid in the subsequent year

Capital return



Capital return is cumulative share buyback + (proposed) dividend

Q1 results summary

- Net sales of € 2,285 million, net systems sales valued at € 1,668 million, Installed Base Management sales at € 617 million
- Gross margin of 48.7%
- Operating margin of 28.1%
- Net income as a percentage of net sales of 23.6%
- Net bookings of € 2,442 million, excluding High-NA EUV orders

- Installed Base Management equals our service and field option sales

- Net bookings are calculated based upon the new Revenue Recognition Standard (ASC 606) and Lease Standard (ASC 842) which ASML has adopted as of January 1, 2018

Q2 Outlook

- Q2 2018 net sales between € 2.5 billion and € 2.6 billion
 - Including EUV revenue around € 600 million
- Gross margin around 43%
- R&D costs of about € 375 million
- SG&A costs of about € 115 million
- Effective annualized tax rate around 14%

Corporate Governance Code 2016

ASML fully complies with the Dutch Corporate Governance Code 2016

- New Corporate Governance Code effective as per 1 January 2017
- Full review of the implications for ASML's corporate governance structure and internal processes
- Amended processes and rules of procedure to the extent necessary, such as BoM rules and SB rules
- Continued effort to ensure that ASML's practices and procedures are compliant with all rules and regulations, including the Code

The image features the ASML logo in a bold, dark blue, sans-serif font on the left side. The background is a gradient of light blue, with several large, overlapping, curved shapes that resemble stylized waves or abstract architectural forms. On the right side, there are several thin, white, curved lines that sweep across the frame, creating a sense of motion and depth. The overall aesthetic is clean, modern, and professional.

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Agenda

3. Bespreking van de implementatie van de Nederlandse Corporate Governance Code 2016 (**Discussiepunt**)

Agenda

- 4a. Bespreking van de implementatie van het Beloningsbeleid voor de Directie (**Discussiepunt**)

Execution of the Remuneration Policy in 2017 (1/2)

Changes to the Remuneration Policy for the Board of Management were adopted by the Annual General Meeting of Shareholders of April 26, 2017 and became effective per January 1, 2017.

Some highlights of the execution of the Remuneration Policy in 2017 are:

1. Base salaries of the BoM have not been increased
2. Short-Term Incentive (STI) payout over 2017 has been 91.1% of max (136.7% of target (65%), i.e. 88.9% of base salary)
 - Qualitative performance criteria (Technology Leadership Index and Market Position): one achieved between target and maximum performance level, the other at maximum
 - Financial performance criteria:
 - EBIT margin: 150% payout of target
 - EUV shipments: 100% payout of target
 - Free Cash Flow: 150% payout of target

Execution of the Remuneration Policy in 2017 (2/2)

3. Long-Term Incentive (LTI) payout over performance period 2015-2016-2017 has been 75% of max
 - ASML ranked 4th in the ROAIC Peer Group (leading to a payout of 63% of max)
 - The qualitative target was evaluated at 94% of max
 - Total is 69% of max, however, the Supervisory Board decided to use its discretion and increase payout to 75% of max, to better reflect company achievements during 3-year performance period.

Agenda

- 4b. Voorstel tot vaststelling van de overeenkomstig de Nederlandse wet opgestelde jaarrekening van de Venootschap over het boekjaar 2017 (**Stempunt**)

Agenda



Stemming gesloten

Proefstemming

“Ik heb het ASML Experience Center al bezocht.”



- 4b. Voorstel tot vaststelling van de overeenkomstig de Nederlandse wet opgestelde jaarrekening van de Venootschap over het boekjaar 2017 (**Stempunt**)

Agenda

- 4c. Toelichting op het reserverings- en dividendbeleid van de Vennootschap (**Discussiepunt**)



- 4d. Voorstel tot vaststelling van een dividend van EUR 1,40 per gewoon aandeel (**Stempunt**)



- 5a. Voorstel tot verlening van decharge aan de leden van de Directie voor de uitoefening van hun functie in het boekjaar 2017
(Stempunt)



- 5b. Voorstel tot verlening van decharge aan de leden van de Raad van Commissarissen voor de uitoefening van hun functie in het boekjaar 2017 (**Stempunt**)



6. Voorstel tot goedkeuring van het aantal aandelen toe te kennen aan de Directie (**Stempunt**)

7. Samenstelling van de Directie (**Discussiepunt**)

8. Samenstelling van de Raad van Commissarissen
(2 stempunten; 1 discussiepunt)



- 8a. Voorstel tot herbenoeming van de heer J.M.C. (Hans) Stork als lid van de Raad van Commissarissen **(Stempunt)**



- 8b. Voorstel tot benoeming van mevrouw T.L. (Terri) Kelly als lid van de Raad van Commissarissen (**Stempunt**)

- 8c. Samenstelling van de Raad van Commissarissen in 2019
(Discussiepunt)



9. Voorstel tot benoeming van KPMG Accountants N.V. als externe accountant voor het rapportagejaar 2019 (**Stempunt**)

10. Voorstellen om de Directie aan te wijzen als het orgaan dat bevoegd is tot uitgifte van gewone aandelen of tot toekenning van rechten tot het verwerven van gewone aandelen, alsmede tot het beperken of uitsluiten van het aan de aandeelhouders toekomende voorkeursrecht **(4 Stempunten)**



- 10a. Aanwijzing tot uitgifte van gewone aandelen of tot toekenning van rechten tot het verwerven van gewone aandelen tot 5% voor algemene doeleinden **(Stempunt)**



- 10b. Aanwijzing tot het beperken of uitsluiten van voorkeursrechten met betrekking tot agendapunt 10a) **(Stempunt)**



- 10c. Aanwijzing tot uitgifte van aandelen of tot toekenning van rechten tot het verwerven van gewone aandelen tot 5% in verband met of ter gelegenheid van fusies, acquisities en/of (strategische) allianties **(Stempunt)**



- 10d. Aanwijzing tot het beperken of uitsluiten van voorkeursrechten met betrekking tot agendapunt 10 c) **(Stempunt)**

11. Voorstellen om de Directie te machtigen om gewone aandelen te verwerven tot 20% van het geplaatst aandelenkapitaal
(2 Stempunten)



- 11a. Machtiging om gewone aandelen in te kopen tot een maximum van 10% van het geplaatste kapitaal (**Stempunt**)



- 11b. Machtiging om additioneel gewone aandelen in te kopen tot een maximum van 10% van het geplaatste kapitaal (**Stempunt**)



12. Voorstel tot intrekking van gewone aandelen (**Stempunt**)

Agenda

13. Rondvraag

14. Sluiting

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