



Company	Ticker	Sector	Industry
ASML Holding NV ADR	ASML-US	Information Technology	Semiconductors & Semiconductor Equipment

Business Description

ASML Holding N.V. develops, produces, markets, sells, and services advanced semiconductor equipment systems consisting of lithography, metrology, and inspection systems for memory and logic chipmakers. The company provides extreme ultraviolet lithography systems; and deep ultraviolet lithography systems comprising immersion and dry lithography solutions to manufacture various range of semiconductor nodes and technologies. It also offers metrology and inspection systems, including YieldStar optical metrology solutions to assess the quality of patterns on the wafers; and HMI e-beam solutions to locate and analyze individual chip defects. In addition, the company provides computational lithography and lithography process and control software solutions; and refurbishes and upgrades older lithography systems, as well as offers customer support and associated services. It operates in Japan, South Korea, Singapore, Taiwan, China, rest of Asia, the Netherlands, rest of Europe, the Middle East, Africa, and the United States. ASML Holding N.V. was founded in 1984 and is headquartered in Veldhoven, the Netherlands.

Price Chart



Key Info & Metrics

Empirical Research Rank:	@NA
Date Purchased:	06/29/2023
Price:	\$696.74
52-Week Range:	\$379.13 - \$740.21
Dividend Yield:	0.74%
Market Cap (\$M):	\$282,683
Forward Price-to-Earnings:	31

Total Return

Year-to-Date:	28.1%
1 Year:	55.6%
3 Year:	86.6%
5 Year:	267.5%

Investment Case - Updated: March 9, 2023

As of 2022, ASML is the only company which produces and sells extreme ultraviolet (EUV) lithography machines. These machines are necessary to produce leading edge semiconductors. The complexity and expense associated with squeezing more transistors into semiconductors has risen sharply. Precision control at the atomic scale means one of ASML's EUV machines costs between \$150 and \$200 million. ASML's machines are in such high demand that the company exited 2022 with a backlog of over \$42B, enough to cover more than one year's worth of revenue. In early 2023, chip makers are still squeezing performance out of chips designed on older standards, but the lion's share of the logic and memory industry should be converted over to designs requiring ASML's machines in just a few years. Accordingly, the company plans to increase shipments of EUV machines from around 60 in 2022 and 2023 to around 90 per year as soon as 2025. These trends underscore the company's aims to double or triple its total revenue by 2030, equating to a solid double digit compound annual growth rate.

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