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ASML 2Q25 QT: Cautious tone on 2026 is justified.

16 July 2025

2Q25 revenues of €7.7bn, at the high-end of guidance and 3%/2% above us and consensus. Gross margin at 54%, a 2pt beat, driven by upgrades and a smaller-than-expected tariff impact.

China down 3% QoQ: system revenues of €1.51bn (27% of total) vs. €1.55bn (also 27%) last quarter.

Order intake recovery: €5.5bn vs. consensus €4.4bn and €3.9bn in 1Q25, driven mainly by stronger orders from Logic customers. Backlog exits 1H25 at ~€34bn.

2025 guide of 15% growth reiterated, implying a back-end loaded year. AI-driven demand remains robust across both Logic and Memory.

More cautious on 2026: ASML still prepares for growth, but no longer confirms it, reflecting macro uncertainty. Last quarter, ASML was more explicit in guiding for growth in 2026.

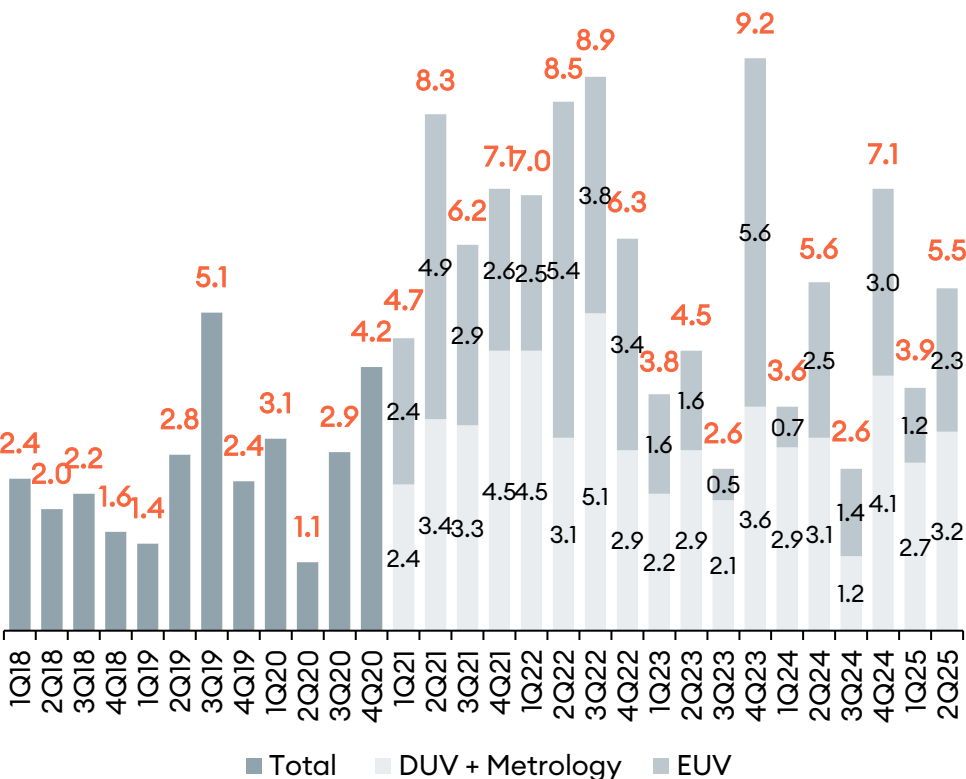
Justified in our cautious view on semicap equipment: Chinese WFE spending is likely to decline further next year, and broader macro uncertainty reduces visibility, even for ASML, despite having the sector's longest lead-times. A downturn or even slowdown could lead to material revisions in equipment spending.

Despite the strong fundamentals of the top 5 vendors, Semicap Equipment is not a good place to be today.

Order intake up 41% QoQ, driven by Logic

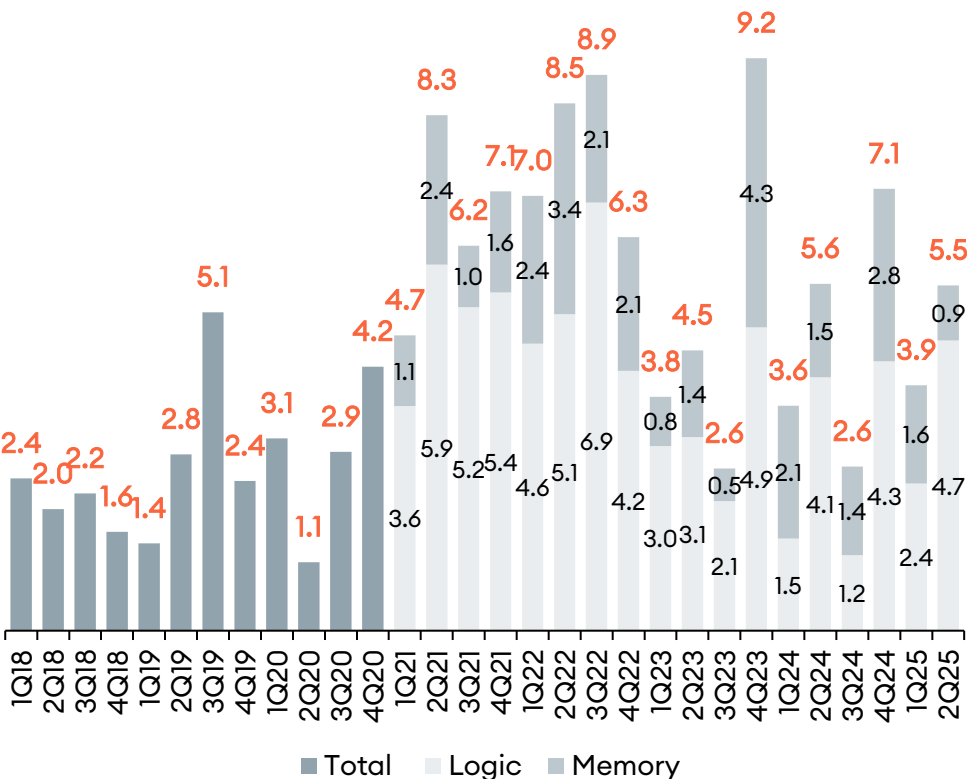
EUV bookings up 93% QoQ

ASML Litho systems bookings by technology (EURbn)



Logic bookings up 97% QoQ, memory down 44%

ASML Litho systems bookings by end market (EURbn)



Source: Corporate reports, and NSR analysis.

Revenues 2/3% above expectations. 2025 guided to be back-end weighted.

ASML, NSR vs. Consensus (EURm)	4Q24A (Dec '24)	1Q25A (Mar '25)	2Q25A (Jun '25)						3Q25E (Sep '25)					4Q25E (Dec '25)						
Financial Year	Reptd.	Reptd.	Guide	Reptd	NSR	Cons.	Delta vs. NSR	Delta vs. Cons	Guide	NSR	Cons.	Delta	Mid-guid vs. NSR	Mid-guid vs. Cons	Guide	NSR	Cons.	Delta	Mid-guid vs. NSR	Mid-guid vs. Cons
Income Statement (Non-GAAP)																				
Revenue	9,263	7,742	7,200 - 7,700	7,692	7,435	7,541	3.5%	2.0%	7,400 - 7,900	7,687	8,181	(6.0%)	(0.5%)	(6.5%)	9,167 - 9,667	8,112	8,900	(8.9%)	16.1%	5.8%
Year-on-Year Growth (%)	28.0%	24.0%	19.3%	23.2%	19.1%	20.8%			2.5%	3.0%	9.6%				1.7%	(12.4%)	(3.9%)			
Product Sales	7,116	5,740	5,200 - 5,700	5,596	5,434	5,545	3.0%	0.9%	5,400 - 5,900	5,886	6,366	(7.5%)	(4.0%)	(11.2%)	7,471 - 7,971	6,167	6,969	(11.5%)	25.2%	10.8%
Year-on-Year Growth (%)	25.2%	20.6%	14.5%	17.5%	14.1%	16.5%			(4.7%)	(0.7%)	7.4%				8.5%	(13.3%)	(2.1%)			
EUV	2,509	3,215		2,686	2,860	2,410	(6.1%)	11.5%		2,640	2,659	(0.7%)				2,640	2,679	(1.5%)		
Year-on-Year Growth (%)	10.4%	117.8%		82.0%	93.8%	63.3%				27.3%	28.2%					5.2%	6.8%			
DUV	3,843	2,354		2,798	2,402	2,836	16.5%	(1.3%)		2,594	3,078	(15.7%)				2,403	3,326	(27.7%)		
Year-on-Year Growth (%)	18.6%	(27.3%)		(13.6%)	(25.8%)	(12.4%)				(30.5%)	(17.6%)					(37.5%)	(13.5%)			
High-NA	480	--		--	--	211		(100.0%)		480	609	(21.2%)				950	858	10.8%		
Year-on-Year Growth (%)	n.a.	n.a.		#DIV/0!	n.a.	n.a.										97.9%	78.7%			
Metrology and Inspection	285	172		112	172	165	(35.0%)	(32.2%)		172	184	(6.6%)				174	211	(17.6%)		
Year-on-Year Growth (%)	67.0%	261.7%		135.1%	261.7%	246.7%				45.3%	55.5%					(38.9%)	(25.9%)			
Service Sales	2,147	2,001	2,000	2,096	2,001	1,999	4.7%	4.8%	2,000	1,801	1,859	(3.1%)	11.1%	7.6%	1,696	1,945	1,926	1.0%	(12.8%)	(12.0%)
Year-on-Year Growth (%)	38.1%	51.1%	35.0%	41.4%	35.0%	34.9%			29.8%	16.9%	20.7%				(21.0%)	(9.4%)	(10.3%)			
Cost of Goods Sold	(4,473)	(3,562)	(3,600) - (3,619)	(3,562)	(3,502)	(3,650)	1.7%	(2.4%)	(3,700) - (3,792)	(3,723)	(3,969)	(6.2%)				(3,915)	(4,328)	(9.5%)		
Gross Profit	4,790	4,180	3,600 - 4,081	4,130	3,933	3,891	5.0%	6.1%	3,700 - 4,108	3,965	4,211	(5.9%)			4,483 - 4,891	4,197	4,572	(8.2%)	11.7%	2.5%
Gross Margin (%)	51.7%	54.0%	50% - 53%	53.7%	52.9%	51.6%	0.8pts	2.1pts	50% - 52%	51.6%	51.5%	0.1pts	(0.6pts)	(0.5pts)	49% - 51%	51.7%	51.4%	0.4pts	(2.0pts)	(1.7pts)
Operating Expenditure	(1,434)	(1,442)	(1,500)	(1,465)	(1,508)	(1,506)	(2.8%)	(2.7%)	(1,510)	(1,571)	(1,539)	2.1%	(3.9%)	(1.9%)		(1,618)	(1,579)	2.5%		
Operating Profit	3,355	2,738	2,100 - 2,581	2,664	2,425	2,385	9.9%	11.7%	2,190 - 2,598	2,393	2,673	(10.4%)	0.0%	(10.4%)		2,579	2,994	(13.9%)		
Operating Margin (%)	36.2%	35.4%	29% - 34%	34.6%	32.6%	31.6%	2.0pts	3.0pts	30% - 33%	31.1%	32.7%	(1.5pts)	0.1pts	(1.4pts)		31.8%	33.6%	(1.8pts)		
Interest Income / (Expense) + Other Profit Before Tax & Equity Investments	6	49		25	5	12				5	14	(64.3%)				5	12	(59.3%)		
Tax Charge	3,362	2,787		2,689	2,430	2,396				2,398	2,687	(10.7%)				2,584	3,006	(14.0%)		
Tax Rate (%)	(724)	(465)		(487)	(413)	(408)				(408)	(457)					(439)	(515)			
Equity Investments	21.5%	16.7%		18.1%	17.0%	17.0%				17.0%	17.0%					17.0%	17.1%			
Net Income	56	33		89	55	39				55	43					55	45			
Diluted Shares Outstanding (m)	2,693	2,355		2,290	2,072	2,027				2,046	2,273	(10.0%)				2,199	2,536	(13.3%)		
Diluted EPS (EUR)	394	393		388	390	391				389	390	(0.2%)				388	387	0.2%		
Year-on-Year Growth (%)	6.84	6.00		5.90	5.31	5.19	11.1%	13.8%		5.26	5.83	(9.9%)				5.67	6.55	(13.4%)		
	31.6%	49.6%		(13.8%)	32.5%	29.3%				(0.3%)	10.6%					(17.2%)	(4.4%)			

Source: Corporate reports, (stale) Visible Alpha Consensus, and NSR estimates and analysis (pre-model update).

2025 guide of €32.5bn and 15% growth reiterated

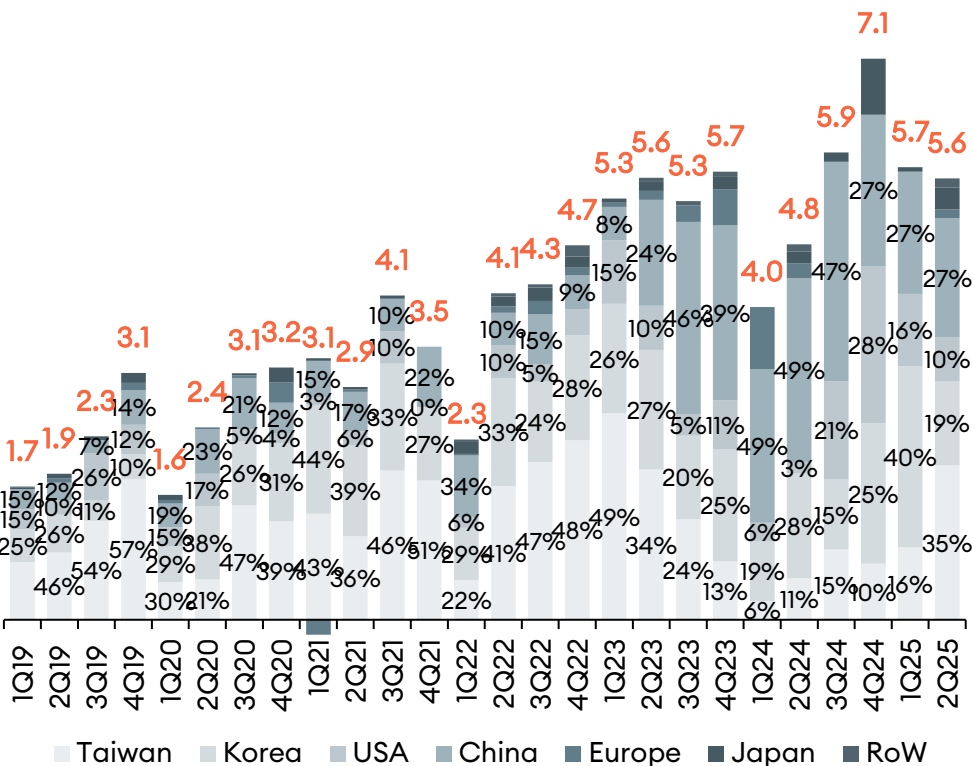
ASML, NSR vs. Consensus (EURm)	2023A (Dec '23)	2024A (Dec '24)	2025E (Dec '25)						
Financial Year	Reptd.	Reptd.	Old Guide	New Guide	NSR	Cons.	Mid-guid vs NSR	Mid-guid vs Cons	Delta
<i>Income Statement (Non-GAAP)</i>									
Revenue	27,559	28,263	30,000 - 35,000	32,500	30,976	32,374	4.9%	0.4%	(4.3%)
Year-on-Year Growth (%)	30.2%	2.6%	15%	15%	9.6%	14.5%	5.4pts	0.5pts	
Product Sales	21,939	21,769		24,707	23,228	24,649	6.4%	0.2%	(5.8%)
Year-on-Year Growth (%)	42.2%	(0.8%)		13%	6.7%	13.2%			
EUV	9,090	7,883			11,355	11,109			2.2%
Year-on-Year Growth (%)	28.4%	(13.3%)			44.0%	40.9%			
DUV	12,300	12,836			9,753	11,518			(15.3%)
Year-on-Year Growth (%)	59.5%	4.4%			(24.0%)	(10.3%)			
High-NA	--	480			1,430	1,650			(13.3%)
Year-on-Year Growth (%)	n.a.	n.a.			197.9%	243.7%			
Metrology and Inspection	549	570			691	721			(4.2%)
Year-on-Year Growth (%)	(14.0%)	3.8%			21.2%	26.5%			
Service Sales	5,620	6,494		7,793	7,748	7,736	0.6%	0.7%	0.2%
Year-on-Year Growth (%)	(2.1%)	15.6%		20%	19.3%	19.1%			
Cost of Goods Sold	(13,422)	(13,771)			(14,702)	(15,542)			(5.4%)
Gross Profit	14,136	14,492		16,900	16,274	16,832	3.8%	0.4%	(3.3%)
Gross Margin (%)	51.3%	51.3%	51-53%	52%	52.5%	52.0%	(0.5pts)	0.0pts	0.5pts
Operating Expenditure	(5,094)	(5,469)			(6,139)	(6,054)			1.4%
Operating Profit	9,042	9,023			10,135	10,777			(6.0%)
Operating Margin (%)	32.8%	31.9%			32.7%	33.3%			(0.6pts)
Interest Income / (Expense) + Other	41	20			64	88			
Profit Before Tax & Equity Investments	9,084	9,042			10,199	10,865			(6.1%)
Tax Charge	(1,436)	(1,681)			(1,725)	(1,837)			
Tax Rate (%)	15.8%	18.6%	17%	17%	16.9%	16.9%	0.1pts	0.1pts	
Equity Investments	191	210			198	170			
Net Income	7,839	7,572			8,672	9,198			(5.7%)
Diluted Shares Outstanding (m)	394	394			390	390			(0.0%)
Diluted EPS (EUR)	19.89	19.24			22.24	23.57			(5.7%)
Year-on-Year Growth (%)	40.5%	(3.3%)			15.6%	22.5%			

Source: Corporate reports, (stale) Visible Alpha Consensus, and NSR estimates and analysis (pre-model update).

China down 3% QoQ, still 27% of revenues.

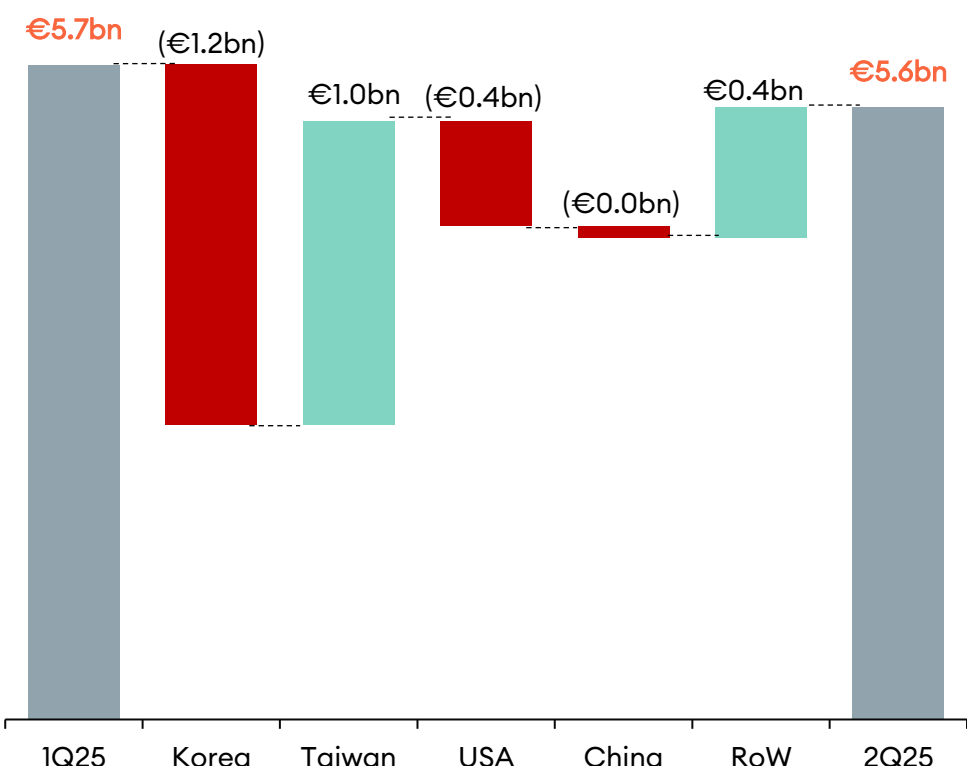
China accounted for 27% of revenues

ASML system sales by geography (EURbn)



Taiwan offset Korea decline

ASML 1Q25 to 2Q25 system sales bridge (EURbn)

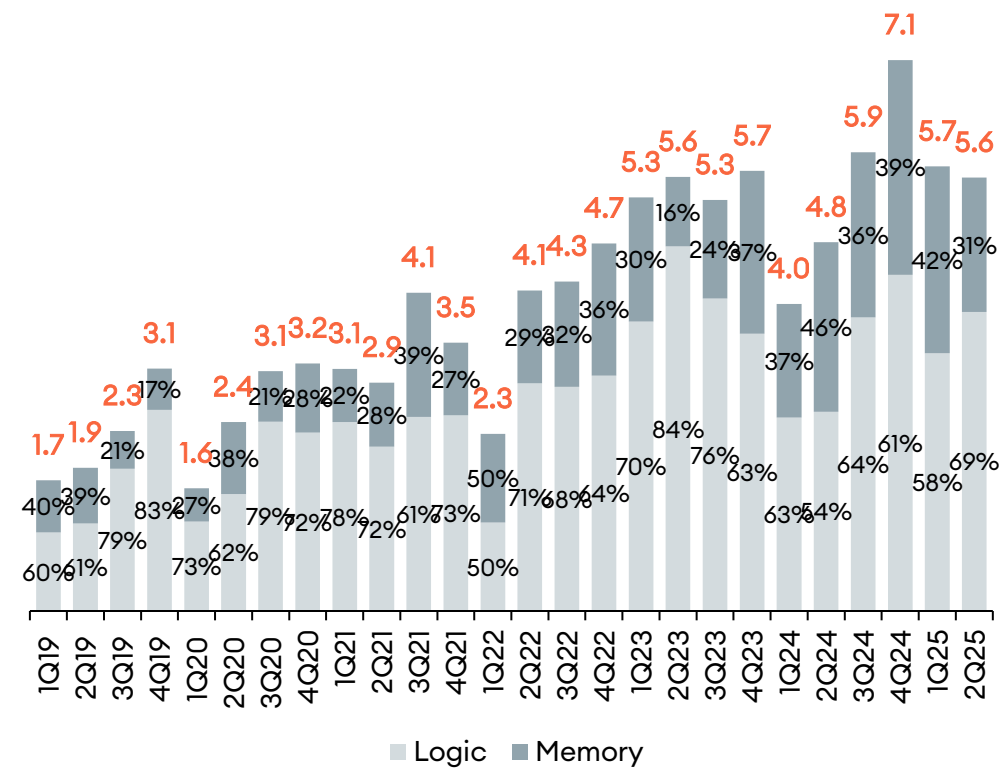


Source: Corporate reports, and NSR analysis.

Logic increased in the mix, EUV sales decreased QoQ

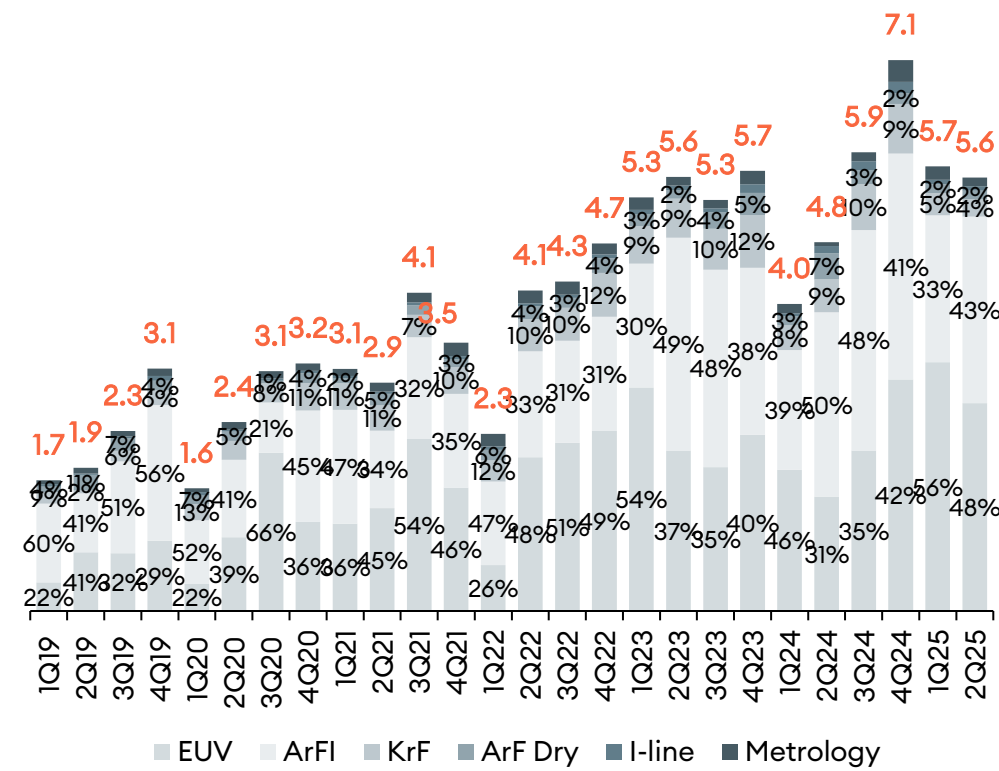
Memory accounted for 31% of revenues

ASML system sales by end-market (EURbn)



EUV accounted for 48% of revenues

ASML system sales by technology (EURbn)

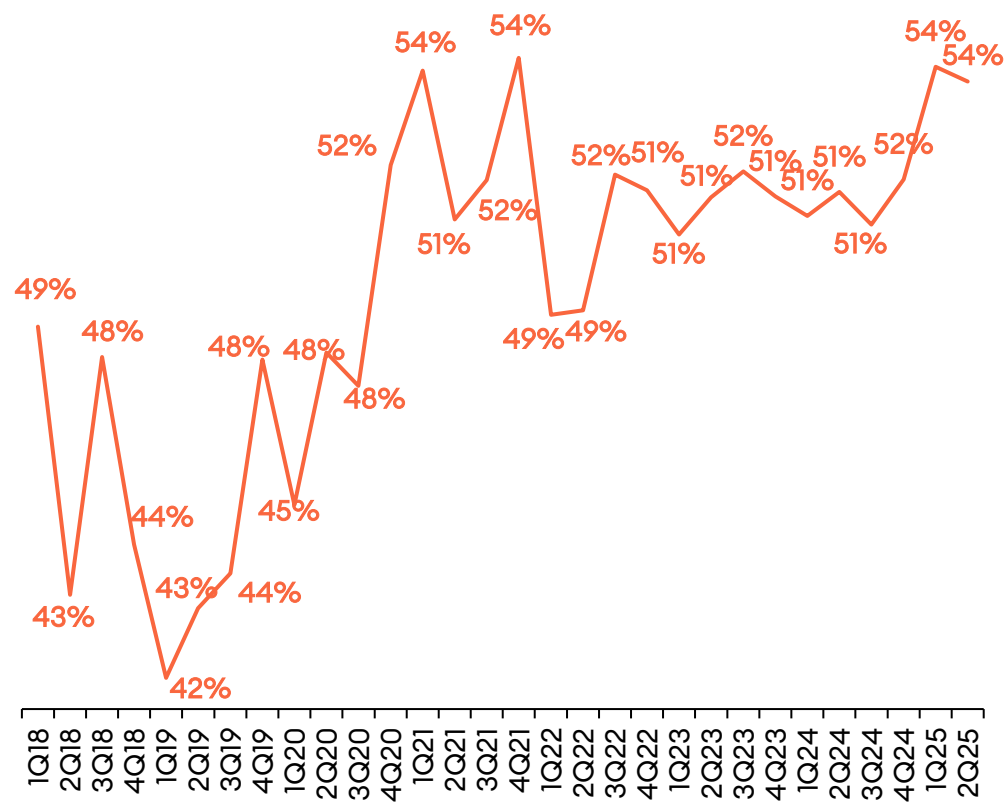


Source: Corporate reports, and NSR analysis.

Gross margins broadly flat sequentially

Gross margins declined 0.3pts sequentially

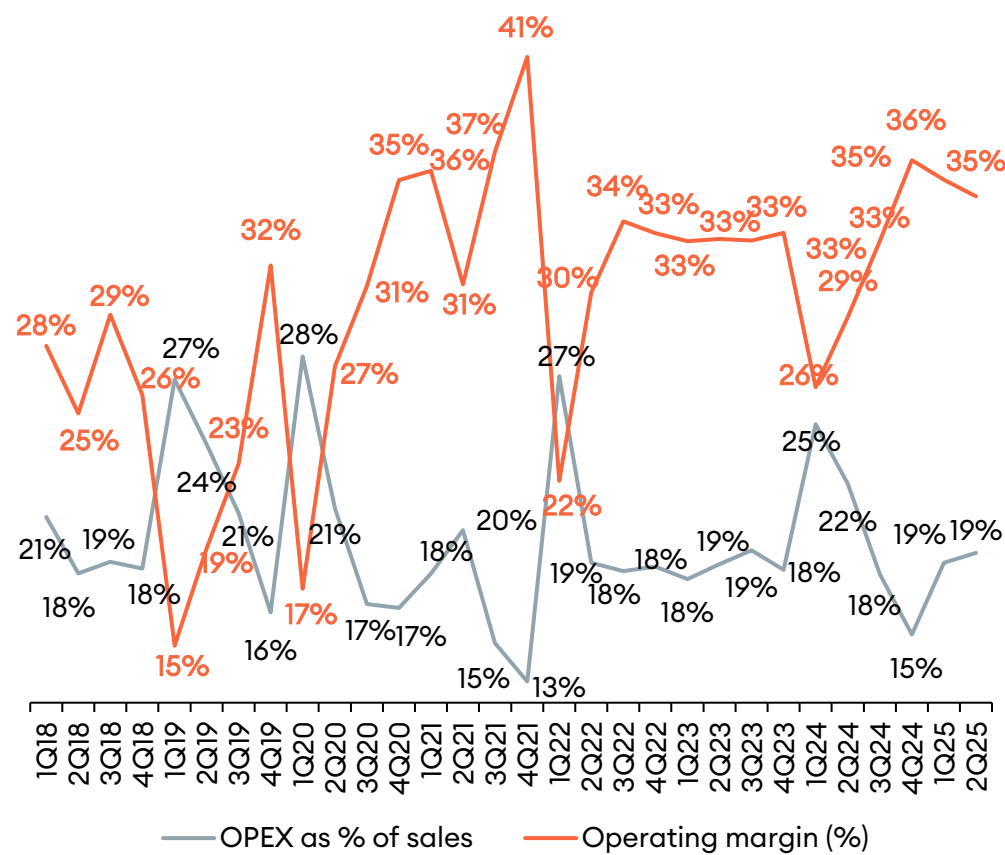
ASML Gross Margin (%)



Source: Corporate reports, and NSR analysis.

EBIT margin declined 0.7pts

ASML Operating Margin (%)



Relevant Further Research

- Deep dive into Chinese Semicap: How much of a headwind for Western players? (27 June 2025) – [Link](#)
- The Great Replatforming, part I – the Special Theory (26 June 2025) – [Link](#)
- Bible 1Q25 – Semicap: Not everyone can gain market share - (30 May 2025) – [Link](#)
- AMAT 2FQ25: Cautious semicap stance justified. Neutral, \$190 - (16 May 2025) – [Link](#)
- Chinese Lithography: Recent news flow confirms it is 15-20 years behind - (5 May 2025) – [Link](#)
- KLA 3FQ25: strong quarter & guide. Tariff risks keep us cautious. - (1 May 2025) – [Link](#)
- Tariffs & Semicap equipment: the baseline & what's next - (24 April 2025) – [Link](#)
- LAM 2FQ25: beat driven by NAND upgrades & GAA. We are cautious. - (24 April 2025) – [Link](#)
- ASML 1Q25 Results: FY25 guide maintained despite tariff uncertainty. We are cautious. - (17 April 2025) – [Link](#)
- Tokyo Electron 4FQ25: back-end weighted FY26 guide at risk. We are cautious. - (15 April 2025) – [Link](#)
- AMAT acquiring a 9% stake in Besi. Our take - (15 April 2025) – [Link](#)
- Getting over Tariffs – Step back. Rethink. Move on. - (11 April 2025) – [Link](#)
- Semiconductors in the crash: Relative valuations walked back 15 years in 18 months. - (7 April 2025) – [Link](#)
- AI infrastructure growth, 2024-2027: Who wins inside the chip? – (25 March 2025) – [Link](#)
- Semicap in 2025 and beyond, with TechInsights. – (5 March 2025) – [Link](#)
- LAM Research 2025 CMD: What did we learn? – (20 February 2025) – [Link](#)
- Chinese WFE imports almost doubled MoM in December. Our take. – (23 January 2025) – [Link](#)
- Semi cycle update 4Q24: Recovery weaker but still on for 2025 – (16 January 2025) – [Link](#)
- Tokyo Electron 2FQ25: China declining; 2025 outlook still positive; we are cautious. Neutral, ¥24,300. – (12 November 2024) - [Link](#)
- AMAT & ASML initiation: Arms dealers win, whichever the war – (20 May 2018) – [Link](#)

Disclosures

12 month historical recommendation changes are available on request

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