



ASML Holding N.V. (ASML)

Updated February 3rd, 2026, by Josh Arnold

Key Metrics

Current Price:	\$1,441	5 Year CAGR Estimate:	9.8%	Market Cap:	\$558 B
Fair Value Price:	\$1,211	5 Year Growth Estimate:	13.0%	Ex-Dividend Date:	04/27/2026
% Fair Value:	119%	5 Year Valuation Multiple Estimate:	-3.4%	Dividend Payment Date:	05/05/2026
Dividend Yield:	0.7%	5 Year Price Target	\$2,231	Years Of Dividend Growth:	9
Dividend Risk Score:	A	Sector:	Information Technology	Rating:	Hold

Overview & Current Events

ASML Holding is one of the largest manufacturers of chip-making equipment in the world. The company's customers include a wide variety of industries, and ASML is present in 16 countries with about 43,000 employees. The company is headquartered in the Netherlands and is listed on both the Euronext Amsterdam and NASDAQ, both under the ASML ticker. ASML has a current market capitalization of \$558 billion and produces more than \$43 billion in annual revenue. ASML reports results in euro but unless otherwise noted, all figures in this report are in USD.

ASML posted fourth quarter and full-year earnings on January 28th, 2026, and results were mixed. The company posted earnings-per-share of \$29.50 for the year ended December 31, 2025, another year of record earnings by a wide margin. Revenue was up 5% year-over-year in the fourth quarter to \$11.45 billion, which was better than expected. Net bookings for the quarter were \$15.55 billion, of which \$8.72 billion was EUV. The backlog at the end of the quarter was nearly \$46 billion.

Gross margin for the year was 52.8% of revenue, while net income was \$11.3 billion. EUV was the primary driver of earnings as the segment grew 39% year-over-year. EUV and immersion products accounted for 90% of systems revenue. The installed base business was \$9.66 billion for the year. Deep UV revenue was off 6%, with most of that decline attributed to China.

ASML is set to cut 1,700 jobs, mainly across its technology and IT units. Most of these will be in the Netherlands, with some in the US, and largely affect management roles. It represents about 4% of total headcount.

We start 2026 with an estimate of \$34.60 in adjusted earnings-per-share, which would be a record by a huge amount, if achieved.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.67	\$4.12	\$6.92	\$6.82	\$10.26	\$15.77	\$15.42	\$21.65	\$20.03	\$29.50	\$34.60	\$63.75
DPS	\$1.15	\$1.31	\$1.78	\$2.34	\$2.86	\$3.95	\$6.64	\$6.45	\$6.71	\$7.37	\$10.12	\$17.05
Shares¹	428	432	426	422	418	404	392	393	393	387	382	365

ASML's earnings growth has been nothing short of outstanding. The company saw its earnings-per-share grow at a rate of 25% annually from 2016 to 2018, but 2019 saw a deviation from that trend. That sort of growth is very difficult to come by in any industry, and ASML's share price has appreciated accordingly. We see 13% growth annually in the coming years as ASML continues to take advantage of favorable macro trends. We see continued outstanding earnings growth from the 2025 base.

We see continued revenue growth as the primary driver of future returns. ASML is the only source of Extreme Ultraviolet, or EUV, lithography machines, which allows customers to produce ever-smaller integrated circuits. In a sense, ASML has what amounts to a monopoly on a very lucrative segment of the semiconductor industry. This should help drive low double digit or better revenue gains in the years to come, on average. We also see operating leverage as revenue rises and gross margins tick higher. We see this as a tailwind for earnings growth as well, amounting to low or

¹ Share count in millions

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mid-single digits annually. We note the fast shipment policy will cause some volatility in gross margins and revenue from quarter to quarter, but longer term, gross margins should remain elevated, and the long-term trajectory of revenue is firmly higher. Exposure to China has turned into a potential headwind, but weak guidance is a chance for ASML to outperform into next year.

For 2025, dividends declared were \$7.37. We note that ASML's dividend policy is quite variable, both in amount declared and the translation between euro and USD.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.7	16.4	16.9	17.8	17.1	15.5	12.9	15.6	11.9	36.3	41.6	35.0
Avg. Yld.	1.4%	1.3%	1.3%	1.4%	1.7%	2.2%	2.8%	2.8%	3.5%	0.7%	0.7%	0.8%

ASML's valuation has exploded higher in recent years as its growth has picked up. We see fair value at 35 times earnings, which is well below the current valuation of 41.6 times earnings. Fair value is based upon the company's impressive growth outlook, but also peer valuations. ASML, in our view, deserves a premium to its peers given its competitive position and growth. Given the rise in the share price, the valuation has deteriorated markedly. We see the yield remaining as an unimportant factor in total returns for the foreseeable future.

Safety, Quality, Competitive Advantage, & Recession Resiliency

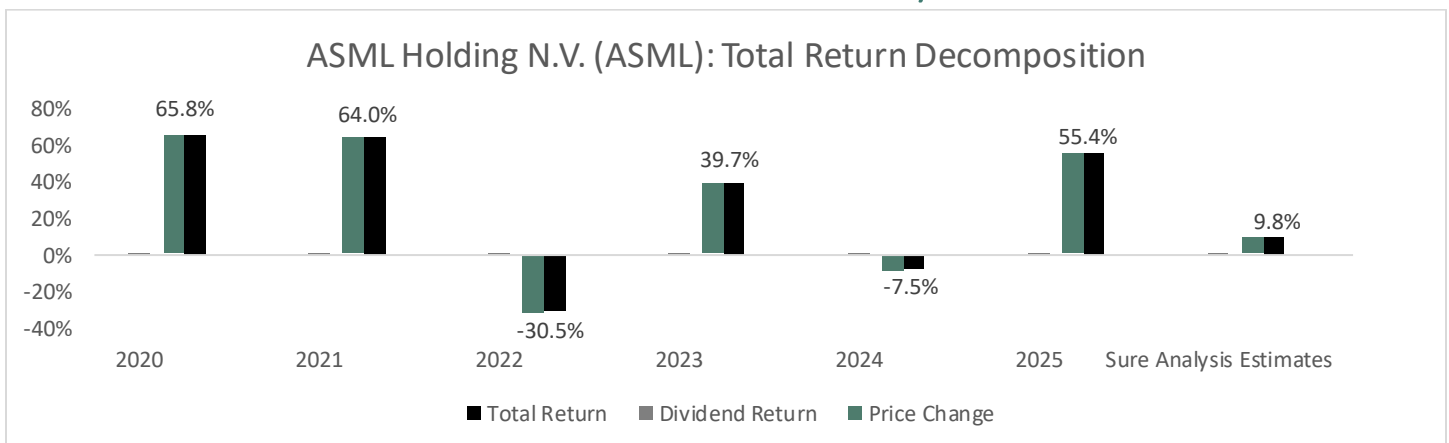
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	43%	32%	26%	34%	28%	25%	43%	30%	33%	25%	29%	27%

ASML's competitive advantage is in its EUV capabilities. ASML has a monopoly in this next-generation technology, and we see this as a significant advantage for years to come. The dividend is also secure at 29% of earnings. ASML is committed to returning excess capital to shareholders and has grown its dividend enormously in the past decade; we see sizable payout growth continuing. Finally, ASML will be susceptible to recessions given it produces products for industries that have cyclical demand. Indeed, the company produced a loss in 2009. We note, however, that the company thrived in 2020, and continues to do so today.

Final Thoughts & Recommendation

We see ASML as a very attractive growth story, although the stock is now richly valued. ASML's first mover advantage in EUV technology is extremely valuable, and historical earnings growth validates that growth story. Total projected returns of 9.8% have us moving the stock from buy to hold. We see the growth runway for ASML as very long. We note 13% growth, a 0.7% yield, and a 3.4% headwind from the valuation after a massive rally into and after Q4 earnings.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	7,609	10,150	12,923	13,232	15,964	22,020	22,329	29,835	30,590	36,868
Gross Profit	3,481	4,553	5,939	5,911	7,763	11,606	11,284	15,304	15,685	19,477
Gross Margin	45.7%	44.9%	46.0%	44.7%	48.6%	52.7%	50.5%	51.3%	51.3%	52.8%
SG&A Exp.	415	472	576	583	622	859	998	1,205	1,262	1,420
D&A Exp.	395	473	499	502	561	557	615	801	994	1,158
Operating Profit	1,842	2,654	3,501	3,124	4,627	7,734	6,856	9,789	9,766	12,755
Operating Margin	24.2%	26.2%	27.1%	23.6%	29.0%	35.1%	30.7%	32.8%	31.9%	34.6%
Net Profit	1,724	2,359	3,060	2,902	4,058	6,725	5,931	8,487	8,195	10,845
Net Margin	22.7%	23.2%	23.7%	21.9%	25.4%	30.5%	25.9%	28.4%	26.8%	29.4%
Free Cash Flow	1,484	1,654	2,909	2,676	4,142	11,720	7,559	3,515	9,831	12,445
Income Tax	259	347	415	215	630	1,208	1,023	1,554	1,819	2,272

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	18,189	21,821	23,035	25,349	33,538	34,228	38,929	44,169	50,561	59,388
Cash & Equivalents	3,073	2,710	3,570	3,957	7,441	7,871	7,795	7,743	13,253	15,646
Accounts Receivable	740	2,088	1,714	2,002	1,612	3,428	5,709	4,791	4,659	4,068
Inventories	2,940	3,546	3,934	4,267	5,620	5,864	7,721	9,784	11,333	13,423
Goodwill & Int. Ass.	6,551	6,847	6,457	6,324	6,984	6,236	5,789	5,892	5,421	6,023
Total Liabilities	7,808	8,893	9,718	11,244	16,484	22,747	29,480	29,299	31,334	36,354
Accounts Payable	627	1,005	1,103	1,190	1,695	2,396	2,751	2,595	---	---
Long-Term Debt	3,509	3,629	3,462	3,482	5,754	4,614	4,569	5,120	3,826	3,182
Shareholder's Equity	10,382	12,928	13,316	14,105	17,054	11,481	9,449	14,870	19,226	---
D/E Ratio	0.34	0.28	0.26	0.25	0.34	0.48	0.40	0.34	0.20	0.14

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.5%	11.8%	13.6%	12.0%	13.8%	19.8%	16.2%	20.4%	17.3%	19.8%
Return on Equity	17.6%	20.2%	23.3%	21.2%	26.0%	47.1%	56.7%	69.8%	48.1%	51.4%
ROIC	14.2%	15.5%	18.4%	16.9%	20.1%	34.6%	38.7%	49.9%	38.1%	42.9%
Shares Out.	428	432	426	422	418	404	398	394	394	389
Revenue/Share	17.79	23.52	30.31	31.39	38.09	53.66	56.09	75.70	77.72	94.80
FCF/Share	4.24	3.47	3.83	6.82	6.35	9.88	28.56	18.99	8.92	32.00

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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