



Global Growth Company: ASML

Jannis Fingberg, CFA, Business Analyst

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<p>ASML (ASML.AS) is a global leader in the semiconductor industry that provides chipmakers with hardware, software and services to produce patterns on silicon through lithography. The company is the undisputed leader in extreme ultraviolet (“EUV”) lithography tools, machines that are essential for the production of advanced integrated circuits (“ICs”) or microchips. ASML is a core holding of the Jensen Global Quality Growth Strategy due to its exceptional competitive advantages that have resulted in a 100% market share in the most complex chip making tools, as well as its strong long-term growth and profitability outlook. Critically, ASML and its management team have a track record of value creation for shareholders.</p>		<p>ASML Symbol: (ASML.AS)</p> <p>Year Founded 1984</p> <p>Headquarters Veldhoven, Netherlands</p> <p>Entered Strategy Global: 2023</p>

Know What You Own

Fundamentally, the market has attempted to evaluate at least three ASML-specific developments over the last few months.

- **Succession.** Christophe Fouquet became CEO after the retirement of long-term CEO Peter Wenning (66) in April. We see Fouquet’s appointment as business as usual and a sign of continuity. Fouquet has been at the firm for 16 years, and he stands for a focus on driving innovation at the leading edge. Fouquet has been deeply involved in High NA delivery and thus should be well positioned to oversee the development of the next generation of Hyper NA tools. We expect that the new CEO will present his strategic vision for ASML at the firm’s upcoming capital markets day in November.
- **Price negotiations.** The market had concerns with some potential orderbook weakness revealed during ASML’s first quarter 2024 results. Separately, comments by one of the company’s customers praising its latest tools’ capabilities but questioning their high price contributed to temporary share price weakness. We believe that ASML and its key customers are interdependent and work well together in developing the next generation of tools. Nevertheless, every new (and more expensive) tool introduction is a price negotiation, but this is a normal course of action. We remain confident that material orders for ASML’s latest tools are in the process of materializing.
- **Headquarters location.** ASML is located in the small town of Veldhoven in the Netherlands. There have been rumors that ASML may move its headquarters to a different location, possibly even to the United States. We view such a move as unlikely, as ASML has spent decades building up a complex ecosystem of suppliers, engineers and research universities across Europe with Veldhoven as its center.

Outlook

We maintain strong conviction in ASML’s long-term prospects driven by its technological leadership, management quality and demand support from some of the most powerful secular drivers we currently see.



5500 Meadows Road, Suite 200
 Lake Oswego, OR 97035
 800.221.4384
 To contact us:
jenseninvestment.com/contact-us

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