

Stronger-for-longer tailwinds from AI data center capex

- Supreme lithography technology monopoly, LT contracts with large customers, and the fast-growing demands underline ASML's sustainable growth roadmap
- Higher capex for AI data center is the super-tailwinds for ASML
- Initiated ASML01 with BUY and a TP of THB36.5 (€1360, EUR/THB36.92)

A pure play on monopoly lithography supremacy

ASML Holding N.V. (ASML) is one of the last pure monopolies in the world, holding 100% market share in the highly specialized field of Extreme Ultraviolet (EUV) Lithography Machines, the machines crucial for manufacturing cutting-edge semiconductors. This has made ASML an indispensable player in the tech industry, reflected in the U.S.' ban for ASML's EUV machine to China in an attempt to delay the country's tech development. Without its technology, companies like Nvidia, AI developments, and robotics would not exist.

Strategic indispensable under long-term contracts

We believe demand risk for ASML is very low, at least in the next three years, premised on its undisputed supreme technology monopoly, long-term contracts with large customers, and the fast-growing demands for high-end semiconductors. ASML is in a particularly strong position to thrive even amidst the growing global tariff landscape. Unlike other competitors, ASML's customers are large semiconductor foundries, such as TSMC, which rely on long-term contracts for these high-tech machines. The long lead time required to build and deliver ASML's products makes it unlikely that these customers will suddenly cancel orders due to short-term tariff concerns. Additionally, ASML's business model is further solidified by its significant revenue stream from maintenance and services, which accounts for 29% of its total income

Sustainable and solid growths justify its reasonable valuations

With a strong 5-year revenue growth rate of 16%, net profit margins of 40+%, and a return on equity of 30%, ASML's financials are robust. Its forward P/E ratio of 24 indicates a reasonable valuation, particularly considering the company's monopolistic position and strategic advantages. For investors, ASML represents an exceptional long-term investment, with significant upside potential at current levels, especially given its strong buyback program and consistent growth trajectory.

Growing recurring service revenue further solidifies ASML's business model

On top of its strong sales of EUV machines, ASML's business model is further solidified by greater recurring revenue streams from maintenance and services, which accounts for 29% of its total income in 2025. As the installed base of ASML machines grows older, this service revenue is expected to expand.

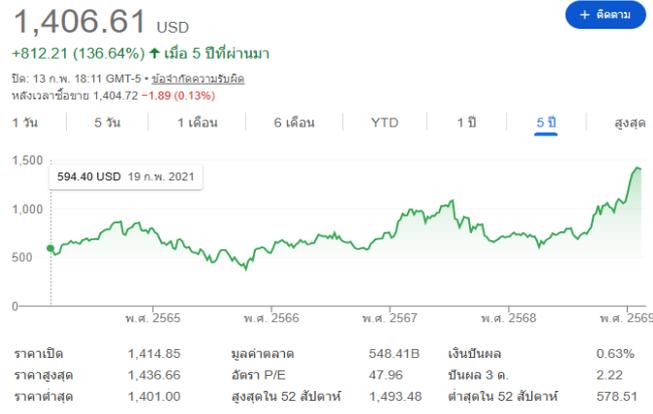
Initiated ASML01 with a BUY and a TP36.5 (€1360, EUR/THB36.92)

ASML's share was trading at €1,190 (USD1,406) as of 13 Feb-26, which reflects ASML's trailing and forward P/E were 48x and 24x 2026E/P/E respectively. Despite ASML's superiority in technology, demand growth and sustainability, and growing recurring service revenue as its compelling advantages, ASML is currently trading at attractive valuation. The company is also aggressively buying back shares, signaling confidence in its future prospects on solid net profits, cash flows, and shareholders' returns.

Analyst

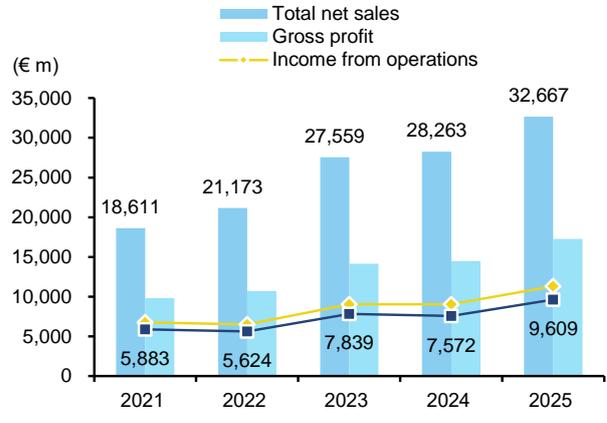
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Exhibit 1: ASML's share price



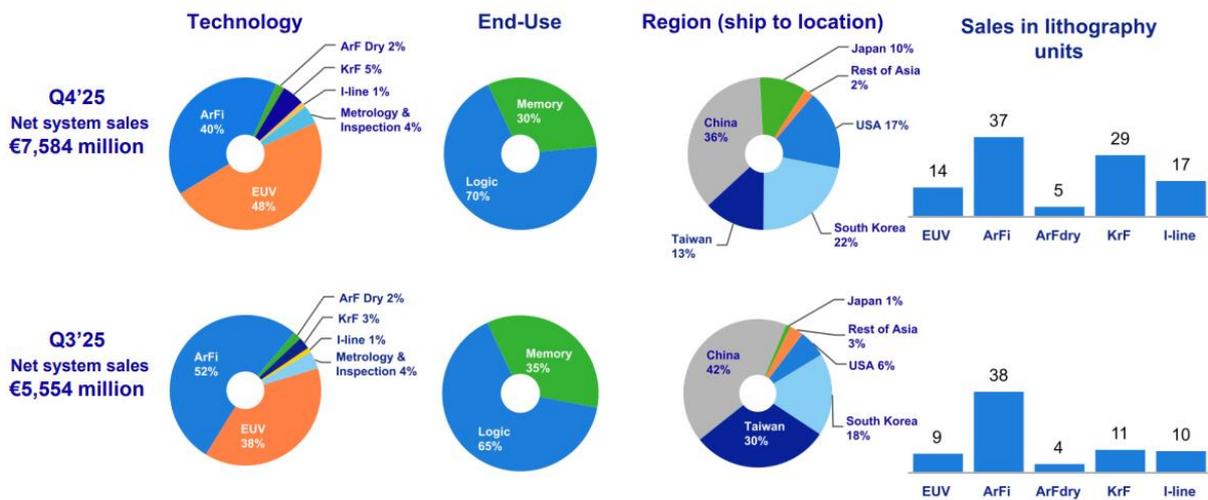
Sources: Google Finance

Exhibit 2: Net sales, gross profit, income from operations



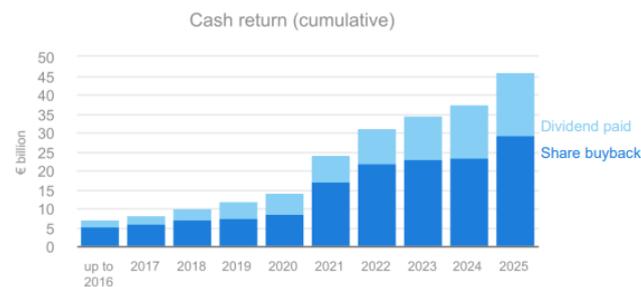
Sources: ASML

Exhibit 3: Net system sales breakdown in 4Q25



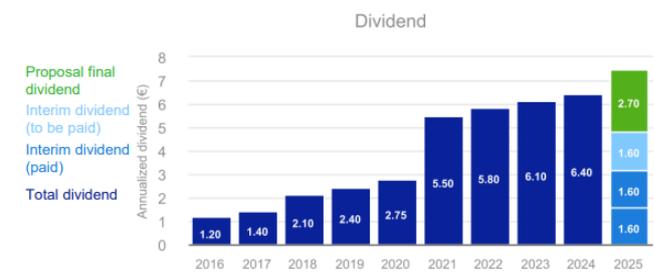
Sources: ASML

Exhibit 4: Cash return (dividend+ share buyback)



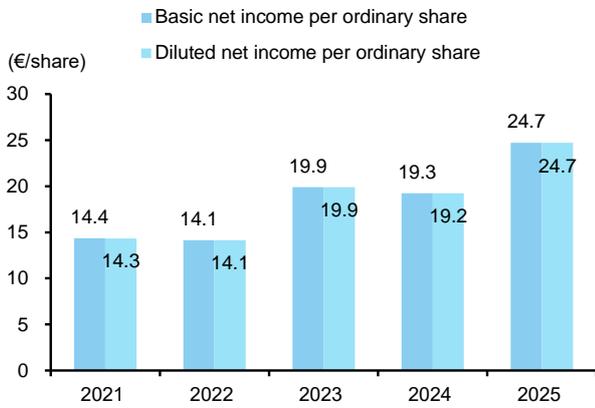
Sources: ASML

Exhibit 5: Dividend



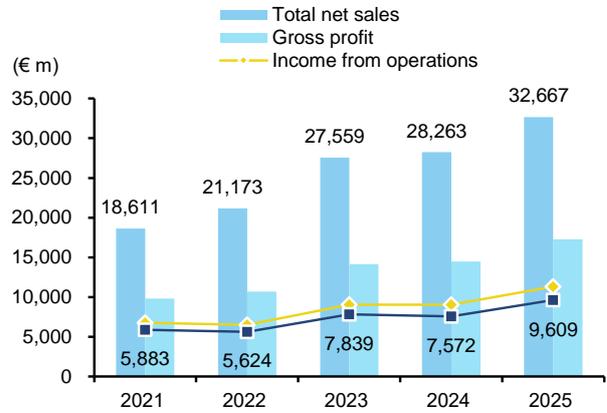
Sources: ASML

Exhibit 6: EPS



Sources: ASML

Exhibit 7: Sales, gross profit, income from operations



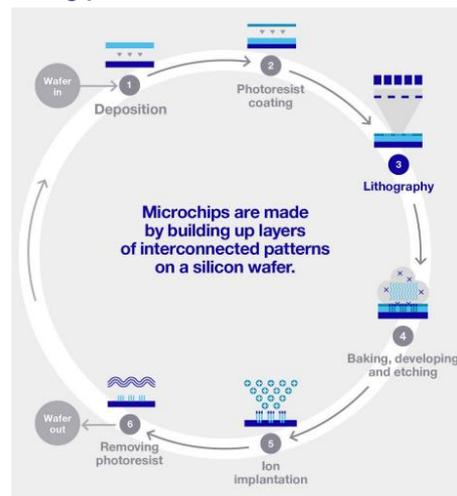
Sources: ASML

Exhibit 8: TP valuation

TP DR/stock		Unit
Exchange rate	36.92	THB/€
Ratio UL: DR	1,200	x
2026E EPS	34.0	RMB/share
2026E P/E	40	x
Market price	1,190	€/share
TP stock	1,360	€/share
TP stock	50,211	THB/share
TP DR	41.8	THB/share
ASML01 market price	36.5	THB/share
% Upside	15%	

Sources: ASML; SET; Globlex Research

Exhibit 9: ASML play an integral role in the microchip manufacturing process



Sources: ASML

GENERAL DISCLAIMER

Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.