

# Corporate Credit > Europe Investment Grade



## ASML HOLDING NV

Updated: Oct 2, 2015

### Trade Idea:

- Buy

### Investment Rationale:

- Despite having outperformed the rest of the market again in June , the level of Z+ 78 (offer) for a 8 yr BBB+ / Baa1 is still attractive, especially when taking into account that the company hold a global monopoly in the lithographic equipment which is indispensable in the production of current and next generation chips - furthermore the company is owned by its customers. (Intel, Samsung etc)
- Since no other company in the world can produce the lithographic machines ASML only real threat is an alternative to semiconductor chips is invented – unlikely
- There are no new material developments since last update, despite the tightening the bond still offers good value compared to similar rated tech names in Euro's
- We met the CEO on the 26th of February: they announced that no issuance should be expected, at least in the mid term. Next maturity is in June 2017
- From a credit perspective ASMLs half year earnings gives no cause to change the buy recommendation

### Recommendation(s):

| Coupon | Maturity   | S&P | Moody's | Analyst    | Iss Amt in Mio € | Yield | Govt Spread | Target Spread | Risk Level | Cash Price | ISIN         | Cap. Structure |
|--------|------------|-----|---------|------------|------------------|-------|-------------|---------------|------------|------------|--------------|----------------|
| 3.375  | 19.09.2023 | N/A | Baa2    | Rosenkilde | 750              | 1,70  | 122         | 70            | 140        | 113.65     | XS0972530561 | senior         |

\* Levels as of 08/03/2015