

ASML Holding N.V.

ASML Holding N.V.'s ratings reflect its outstanding positions in lithography tools that are critical to mass semiconductor manufacturing, its unrivalled technological leadership in the subsegment of most advanced extreme ultraviolet (EUV) tools, and a supportive long-term outlook for the semiconductor industry. They also reflect strong cash flow generation, likely to be maintained through the cycle, and ample leverage headroom for the rating.

These factors are balanced by geopolitical risks across both the order book and the supply chain, customer concentration risk and inherently high semiconductor industry volatility.

Key Rating Drivers

Unchallenged Lithography Leadership: ASML has exceptionally strong market positions as the world's leading lithography tool manufacturer, being the only producer of the industry's most advanced EUV lithography machines and having about a 90% share in the immersion deep ultraviolet (DUV) segment. These tools are critical to mass-producing the most advanced, densely packaged leading-edge chips in a cost-efficient way.

Multibillion-euro investments in R&D over the last 30 years create high barriers for entry and lead to strong industry concentration, with only three large lithography tool manufacturers remaining in the market. Fitch Ratings expects ASML to maintain its strong market positions as none of its peers has credible ambitions to develop EUV technology, at least in the short to medium term.

Favourable Growth Outlook: Semiconductor industry expansion should support increasing demand for lithography tools. The recent announcements of exceptionally large investments into artificial intelligence are likely to lead to stronger order intake in the medium term, in our view. ASML's robust pipeline of new products also helps maintain its market leadership and healthy revenue growth.

Overall, ASML expects the semiconductor industry to grow 9% a year on average in 2025-2030, which would be accompanied by above 6% growth in wafer capacity. In addition, we expect capacity additions to be helped by strategic considerations related to semiconductor sovereignty. The company estimates all of this may lead to EUV lithography spending CAGR of 10%-20% in the advanced logic segment, and 15%-25% in the memory (DRAM) segment.

Limited Threat from Alternative Technologies: We consider alternative technologies to pose only a small and distant threat to ASML's lithography market leadership. All of the currently available alternative technologies, including nanoimprint, are inferior in cost and yield in the mass-production of advanced chips. Various start-ups do not promise quick results capable of mass production either.

Semiconductor Industry Volatility: We expect ASML's exposure to semiconductor volatility to be mitigated by its strong order backlog (EUR36 billion at end-2024) and shipment diversification between logic and memory sub-segments (respectively at 47% and 30% of 2024 net sales) that are typically driven by dissimilar factors in their respective demand cycles. ASML's long production lead time, which could be up to two years, suggests semiconductor manufacturers may want to avoid order cancellations if they expect the downturn to be shorter. ASML expects its 2025 revenues to grow by 15% year on year after a broadly stable 2024.

Customer Concentration: ASML's high customer concentration is mitigated by the strong credit quality of its key customers but it remains a rating constraint. Its largest customers are leading semiconductor manufacturers, such as TSMC, Intel Corporation (BBB/Negative) and Samsung Electronics Co, Ltd. (AA-/Stable). Its four largest customers each accounted for more than 10% of net sales and a combined 54% of total sales in 2024. The share of the two largest customers was 30.5%. ASML's three largest customers accounted for 54% of its accounts/finance receivables at end-2024.

Geopolitical Risks: ASML is facing geopolitical risks due to its large customer concentration in Taiwan and China, with sales to the latter hampered by US and Dutch government sanctions aimed at curbing China's access to the newest and more mature lithography technology. This is mitigated by efforts in the US and Europe to bring semiconductor manufacturing back home, supported by financial incentives that boost demand for ASML tools. Customers in China, South Korea and Taiwan represented, 36%, 23% and 15%, respectively, of ASML's 2024 net sales. ASML expects China to account for over 25% of revenue in 2025 but projects its share to decline in 2026.

Tariff Uncertainty Manageable: We believe any significant negative impact from higher US tariffs is likely to be only temporary as the company is partially shielded by its existing US manufacturing capacity and it estimates that it can ultimately pass on most of its tariff-related cost increases to end-customers. Evolving US tariff developments create additional uncertainty for ASML directly but also indirectly through increasing demand volatility as many customers choose to pause their investment decisions until there is tariff certainty. Most of ASML's lithography manufacturing systems are currently exempt from US tariffs.

Strong Cash Flow: We expect ASML to maintain positive cash flow generation even during a moderately weak phase of the semiconductor cycle or under heavier export restrictions. Some operating flexibility to reduce costs in a downturn is provided by over 80% of the cost base being externally sourced materials and a part of R&D being outsourced (22% of R&D was outsourced or relied on flexible labour in 2023).

Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	21,173	27,559	28,263	32,502	33,552	35,152
EBITDA margin (%)	33.2	35.3	34.9	35.5	34.5	35.0
EBITDA leverage (x)	0.6	0.5	0.5	0.4	0.4	0.4
EBITDA net leverage (x)	-0.4	-0.2	-0.8	-0.6	-0.6	-0.6
(CFO-capex)/debt (%)	166.8	69.0	192.2	154.5	144.9	154.8

Source: Fitch Ratings, Fitch Solutions

Peer Analysis

Exceptionally high market shares in its niche segments supported by its technological leadership and ample cash flow generation strongly position ASML compared with its semiconductor wafer fabrication equipment peers, such as KLA Corporation (A/Stable), Applied Materials Inc. and LAM Research Corporation (the latter two are not rated by Fitch but we believe they have strong operating profiles). ASML has higher market shares in its niche of lithography equipment and commands a larger share of wafer fabrication equipment revenue while maintaining a more conservative financial profile than KLA.

Wider comparisons from the semiconductor manufacturing sector include Intel and Samsung, two of ASML's largest customers. These peers are far larger by revenue and in Samsung's case more diversified, but ASML's cash flow profile compares well with both and it has broadly similar revenue volatility and exposure to the semiconductor cycle.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
ASML Holding N.V.	A+/Stable	aa	a	a+	bbb+	aa-	bbb-	a+	aa-	a+
Intel Corporation	BBB/Negative	aa	bbb	bbb+	bbb-	bbb+	bbb+	bbb+	bbb-	bbb+
KLA Corporation	A/Stable	aa	bbb	a+	bbb+	a+	bb-	a+	a	a
Microchip Technology Inc.	BBB/Stable	aa-	bbb	bbb	bbb	bbb	a	a+	bbb	bbb+
Micron Technology Inc.	BBB/Stable	aa	bbb	bbb-	bb+	bbb	bbb	bbb-	bbb	bbb+
NXP Semiconductors N.V.	BBB+/Stable	aa	bbb	bbb+	bbb	bbb+	a-	a+	bbb+	bbb+

Source: Fitch Ratings

Relative Importance of Factor: Higher (Red), Moderate (Blue), Lower (Light Blue)

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
ASML Holding N.V.	A+/Stable	+2	-1	0	-3	+1	-5	0	+1	0
Intel Corporation	BBB/Negative	+6	0	+1	-1	+1	+1	+1	-1	+1
KLA Corporation	A/Stable	+3	-3	+1	-2	+1	-7	+1	0	0
Microchip Technology Inc.	BBB/Stable	+5	0	0	0	0	+3	+4	0	+1
Micron Technology Inc.	BBB/Stable	+6	0	-1	-2	0	0	-1	0	+1
NXP Semiconductors N.V.	BBB+/Stable	+5	-1	0	-1	0	+1	+3	0	0

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR (Red), Within one notch of IDR (Blue), Better positioned than IDR (Light Blue)

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

A positive rating action is unlikely in the short term, due to high customer and geographic concentration and uncertainty driven by geopolitical risks. Over the long term, a positive rating action would require:

- Further tangible improvement in ASML's operating and financial profiles
- A continued commitment to a conservative financial policy
- Continued market share leadership in both leading-edge and non-leading-edge lithography, but also against any alternative technologies with positive lithography growth outlook

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Major loss of market share, likely accompanied by ASML ceding its technological market leadership
- Liquidity — defined as gross cash plus undrawn, committed revolving credit facilities (RCFs) beyond two years, less debt maturities within two years — consistently below EUR1.5 billion
- EBITDA net leverage above 0.8x on a sustained basis and Fitch's expectations of cash flow from operations less capex/total debt below 40% on a sustained basis. However, Fitch recognises that operating losses may be incurred during extreme cyclical contractions.

Liquidity and Debt Structure

ASML maintains a strong cash position, which covered its entire debt of EUR4.7 billion at end-June 2025. It targets sufficient liquidity to ensure continued business growth and to provide buffer against cash flow volatility. As of end-September 2025, ASML held EUR5.1 billion of cash and equivalents. ASML also has access to an undrawn RCF of EUR1.5 billion maturing in May 2030.

Liquidity and Debt Maturities**Liquidity Analysis**

(EURm)	2025F	2026F	2027F	2028F
Available liquidity				
Beginning cash balance	12,741	16,314	19,335	22,849
Rating case FCF after acquisitions and divestitures	4,581	3,978	4,216	4,486
Total available liquidity (A)	17,322	20,292	23,551	27,335
Liquidity uses				
Debt maturities	-1,009	-957	-701	—
Total liquidity uses (B)	-1,009	-957	-701	—
Liquidity calculation				
Ending cash balance (A+B)	16,314	19,335	22,849	27,335
Revolver availability	1,500	1,500	1,500	1,500
Ending liquidity	17,814	20,835	24,349	28,835
Liquidity score (x)	18.7	22.8	35.7	Not meaningful

Source: Fitch Ratings, Fitch Solutions, ASML Holding N.V.

Scheduled Debt Maturities

(EURm)	31 Dec 24
2025	1,009
2026	957
2027	701
2028	—
2029	748
Thereafter	1,273
Total	4,688

Source: Fitch Ratings, Fitch Solutions, ASML Holding N.V.

Fitch's Key Rating-Case Assumptions**Fitch's Key Assumptions Within the Rating Case for the Issuer**

- Double-digit revenue growth in 2025 and mid-single digit revenue growth in 2026
- Gross margin at 51% in 2025, gradually improving to 53% by 2028 on growing EUV contribution
- R&D expense equal to 14%-15% of revenue
- Working capital outflow at 1%-2% of revenue in 2025-2028
- Capex at 6%-8% of sales in 2025-2028
- Free cash flow fully distributed to shareholders via dividends and share buybacks

Financial Data

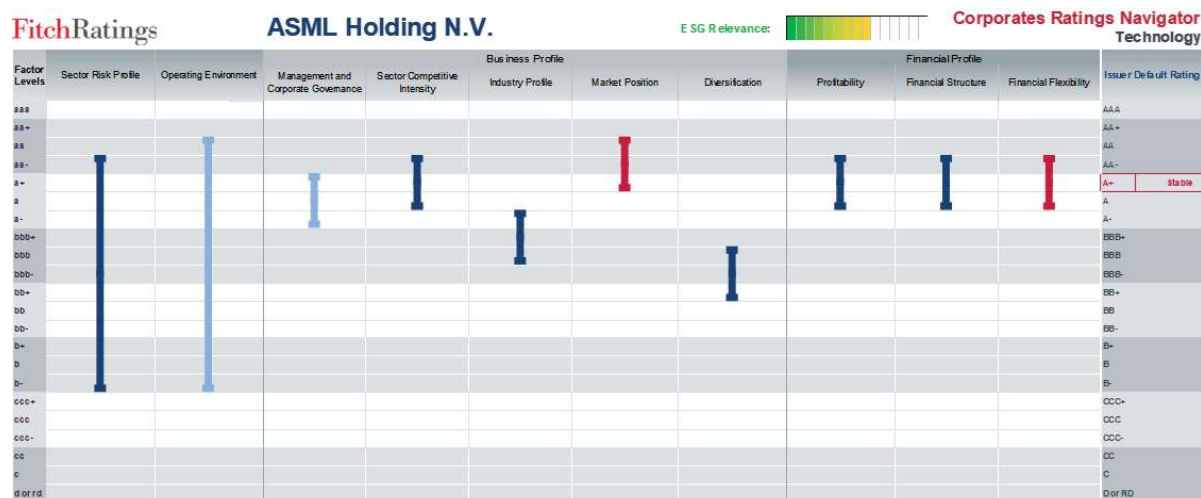
(EURm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	21,173	27,559	28,263	32,502	33,552	35,152
Revenue growth (%)	13.8	30.2	2.6	15.0	3.2	4.8
EBITDA before income from associates	7,020	9,725	9,864	11,535	11,572	12,299
EBITDA margin (%)	33.2	35.3	34.9	35.5	34.5	35.0
EBITDA after associates and minorities	7,199	9,943	10,089	11,765	11,803	12,545
EBIT	6,497	9,038	9,019	10,563	10,569	11,249
EBIT margin (%)	30.7	32.8	31.9	32.5	31.5	32.0
Gross interest expense	-57	-149	24	-136	-130	-129
Pretax income including associate income/loss	6,456	9,275	9,252	10,597	10,599	11,269
Summary balance sheet						
Readily available cash and equivalents	7,376	7,010	12,741	12,314	11,835	12,049
Debt	4,260	4,632	4,688	4,679	4,722	4,720
Net debt	-3,116	-2,379	-8,054	-7,635	-7,113	-7,329
Summary cash flow statement						
EBITDA	7,020	9,725	9,864	11,535	11,572	12,299
Cash interest paid	-82	-138	-160	-136	-130	-129
Cash tax	-1,735	-2,568	-1,098	-1,806	-1,807	-1,920
Dividends received less dividends paid to minorities (inflow/outflow)	178	218	225	231	231	246
Other items before FFO	561	1,626	39	—	—	—
FFO	5,985	9,054	9,039	9,993	10,027	10,645
FFO margin (%)	28.3	32.9	32.0	30.7	29.9	30.3
Change in working capital	2,442	-3,664	2,053	-325	-671	-703
CFO (Fitch-defined)	8,426	5,390	11,093	9,668	9,356	9,942
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-1,319	-2,196	-2,083	—	—	—
Capital intensity (capex/revenue) (%)	6.2	8.0	7.4	—	—	—
Common dividends	-2,560	-2,348	-2,453	—	—	—
FCF	4,547	846	6,557	—	—	—
FCF margin (%)	21.5	3.1	23.2	—	—	—
Net acquisitions and divestitures	—	-34	—	—	—	—
Other investing and financing cash flow items	287	-569	-520	—	—	—
Net debt proceeds	40	393	70	-9	43	-1
Net equity proceeds	-4,558	-901	-376	-5,000	-4,500	-4,000
Total change in cash	317	-264	5,731	-427	-479	215
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-3,879	-4,578	-4,536	-5,087	-5,377	-5,726
FCF after acquisitions and divestitures	4,547	812	6,557	4,581	3,978	4,216
FCF margin after net acquisitions (%)	21.5	2.9	23.2	14.1	11.9	12.0
Gross leverage ratios (x)						

EBITDA leverage	0.6	0.5	0.5	0.4	0.4	0.4
(CFO-capex)/debt (%)	166.8	69.0	192.2	154.5	144.9	154.8
Net leverage ratios (x)						
EBITDA net leverage	-0.4	-0.2	-0.8	-0.6	-0.6	-0.6
(CFO-capex)/net debt (%)	-228.1	-134.3	-111.9	-94.7	-96.2	-99.7
Coverage ratios (x)						
EBITDA interest coverage	87.6	72.2	63.1	86.5	91.0	97.1
CFO – Cash flow from operations						
Source: Fitch Ratings, Fitch Solutions						

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:

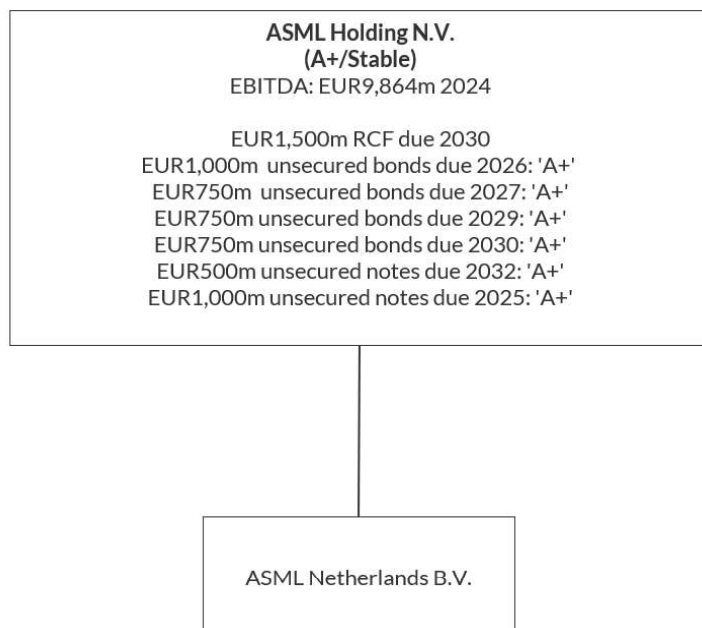
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	
■ Higher Importance	↑ Positive
■ Average Importance	↓ Negative
■ Lower Importance	↕ Evolving
	□ Stable

Operating Environment			Management and Corporate Governance				
aa+	Economic Environment	aa	aa+	Management Strategy	a		
aa	Financial Access	aa	a+	Governance Structure	a		
b-	Systemic Governance	aa	a	Group Structure	a		
ccc+			a-	Financial Transparency	bbb		
			bbb+				
Sector Competitive Intensity			Industry Profile				
aa	Industry Structure	aa	a	Long-Term Growth Potential	bbb		
aa-	Barriers to Entry/Exit	aa	a-	Volatility of Demand	bb		
a+	Relative Power in the Value Chain	bbb	bbb+	Threat of Substitutes	aa		
a			bbb				
a-			bbb-				
Market Position			Diversification				
aa+	Market Share	aa	bbb+	End-Market Diversification	a		
aa	Competitive Advantage	aa	bbb	Customer Concentration	b		
aa-			bbb-				
a+			bb+				
a			bb				
Profitability			Financial Structure				
aa	EBITDA Margin	aa	aa	EBITDA Leverage	aa		
aa-	EBIT margin	aa	aa-	EBITDA net Leverage	aa		
a+	FCF margin	aa	a+	(CFO Capex)/Debt	aa		
a	Volatility of Profitability	bbb	a	Debt/FCF	a		
a-			a-				
Financial Flexibility			Credit-Relevant ESG Derivation				
aa	Financial Discipline	aa	ASML Holding N.V. has 10 ESG potential rating drivers				
aa-	Liquidity	aa	Energy consumption in operations Water usage in semiconductor fabrication process Waste usage in the fabrication and manufacturing process Data security	key driver	0	issues	5
a+	EBITDA Interest Coverage	aa		driver	0	issues	4
a	FX Exposure	bbb		potential driver	10	issues	3
a-							

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Showing top 6 issues.
For further details on Credit-Relevant ESG scoring, see page 3.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, ASML Holding NV, as of December 2025

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDA margin (%)	Capex (EUR Millions)	EBITDA (EUR Millions)	FCF margin (%)	EBITDA net leverage (x)
ASML Holding N.V.	A+						
	A+	2024	34.9	-2,083	9,864	23.2	-0.8
	A	2023	35.3	-2,196	9,725	3.1	-0.2
	A	2022	33.2	-1,319	7,020	21.5	-0.4
KLA Corporation	A						
	A	2024	46.0	-258	4,198	23.1	0.5
	A-	2023	46.4	-314	4,483	24.6	0.6
	A-	2022	47.6	-296	4,225	25.8	0.9
NXP Semiconductors N.V.	BBB+						
	BBB+	2024	39.1	-843	4,742	6.9	1.5
	BBB+	2023	39.9	-918	4,829	11.3	1.4
	BBB	2022	40.9	-1,150	5,067	14.0	1.4
Micron Technology Inc.	BBB						
	BBB	2025	50.1	-13,581	16,042	2.2	0.1
	BBB	2024	37.4	-7,563	8,479	-2.3	0.4
	BBB	2023	23.9	-7,063	3,424	-43.3	0.9
Microchip Technology Inc.	BBB						
	BBB	2025	29.7	-117	1,208	-4.6	3.8
	BBB	2024	47.4	-265	3,364	22.2	1.6
	BBB	2023	50.8	-447	3,943	28.9	1.5

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary							
Revenue		28,263	—	—	—	—	28,263
EBITDA	(a)	9,941	—	—	-78	—	9,864
Depreciation and amortisation		-919	—	—	74	—	-845
EBIT		9,023	—	—	-4	—	9,019
Balance sheet summary							
Debt	(b)	4,688	—	—	—	—	4,688
Of which other off-balance-sheet debt		—	—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—	—
Lease-adjusted debt		4,688	—	—	—	—	4,688
Readily available cash and equivalents	(c)	12,736	5	—	—	-0	12,741
Not readily available cash and equivalents		—	—	—	—	—	—
Cash flow summary							
EBITDA	(a)	9,941	—	—	-78	—	9,864
Dividends received from associates less dividends paid to minorities	(d)	—	—	—	—	225	225
Interest paid	(e)	-160	—	—	—	—	-160
Interest received	(f)	170	—	—	—	—	170
Preferred dividends paid	(g)	—	—	—	—	—	—
Cash tax paid		-1,098	—	—	—	—	-1,098
Other items before FFO		2,561	—	—	4	-2,526	39
FFO	(h)	11,414	—	225	-74	-2,526	9,039
Change in working capital		-248	—	—	—	2,301	2,053
CFO	(i)	11,166	—	225	-74	-225	11,093
Non-operating/nonrecurring cash flow		—	—	—	—	—	—
Capex	(j)	-2,083	—	—	—	—	-2,083
Common dividends paid		-2,453	—	—	—	—	-2,453
FCF		6,630	—	225	-74	-225	6,557
Gross leverage (x)							
EBITDA leverage	b/(a + d)	0.5	—	—	—	—	0.5
(CFO-capex)/debt (%)	(i + j)/b	193.8	—	—	—	—	192.2
Net leverage (x)							
EBITDA net leverage	(b - c)/(a + d)	-0.8	—	—	—	—	-0.8
(CFO-capex)/net debt (%)	(i + j)/(b - c)	-112.9	—	—	—	—	-111.9
Coverage (x)							
EBITDA interest coverage	(a + d)/(-e)	62.1	—	—	—	—	63.1

(EURm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
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CFO – Cash flow from operations

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of EUR306 million.

Source: Fitch Ratings, Fitch Solutions, ASML Holding N.V.

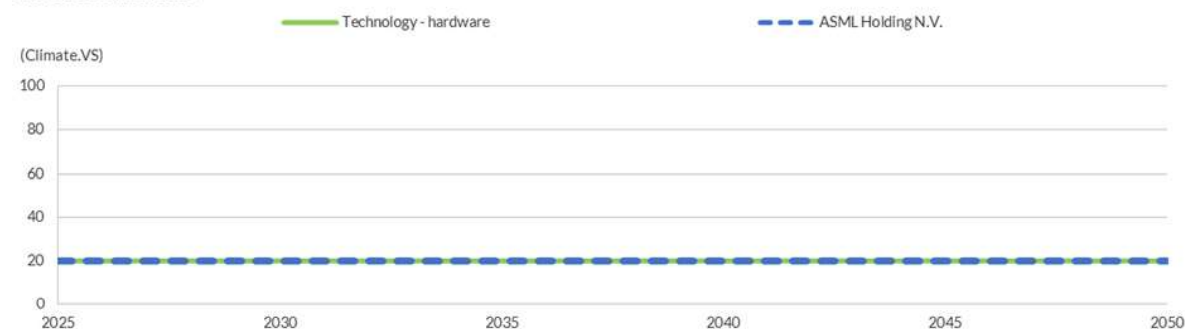
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The 2024 revenue-weighted Climate.VS for ASML for 2035 is 20 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VSEvolution

As of 31 December 2024



Source: FitchRatings

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Credit-Relevant ESG Derivation

ASML Holding N.V. has 10 ESG potential rating drivers

- ASML Holding N.V. has exposure to energy productivity risk but this has very low impact on the rating.
- ASML Holding N.V. has exposure to water management risk but this has very low impact on the rating.
- ASML Holding N.V. has exposure to waste & impact management risk but this has very low impact on the rating.
- ASML Holding N.V. has exposure to customer accountability risk but this has very low impact on the rating.
- ASML Holding N.V. has exposure to labor relations & practices risk and employee recruitment & retention risk but this has very low impact on the rating.
- ASML Holding N.V. has exposure to shifting consumer preferences but this has very low impact on the rating.

Showing top 6 issues

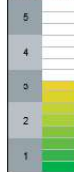
key-driver	0	issues	5
driver	0	issues	4
potential driver	10	issues	3
not a rating driver	1	issues	2
	3	issues	1

ESG Relevance to Credit Rating

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	2	Emissions from the fabrication process	Profitability
Energy Management	3	Energy consumption in operations	Profitability
Water & Wastewater Management	0	Water usage in semi-conductor fabrication process	Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste usage in the fabrication and manufacturing process	Profitability
Exposure to Environmental Impacts	1	n.a.	n.a.

E Relevance



How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

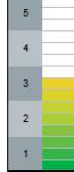
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-sector issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security	Sector Trend; Company's Market Position; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; employee recruitment and retention	Sector Trend; Company's Market Position; Sector Competitive Intensity; Profitability
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Shift in consumer preferences and social trends	Diversification; Sector Trend; Company's Market Position; Profitability

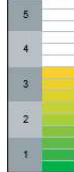
S Relevance



Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

G Relevance



CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Marginally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Long-Term IDR

A+

Senior Unsecured Debt - Long-Term Rating

A+

Outlook

Long-Term Foreign-Currency IDR

Stable

[Click here for the full list of ratings](#)

Highest ESG Relevance Scores

Environmental

3

Social

3

Governance

3

2035 Climate Vulnerability Signal: 20

Applicable Criteria

[Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)
[Corporate Rating Criteria \(June 2025\)](#)
[Sector Navigators – Addendum to the Corporate Rating Criteria \(June 2025\)](#)

Related Research

[Global Corporates Sector Forecasts Monitor - September 2025](#)
[EMEA Technology – Peer Credit Analysis \(May 2025\)](#)

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