



# ASML

## The Evolving Secondary Market

An OEM's Perspective

By: Ronald Melief

Vice President ASML Remarketing Services

# Used market observations

- Used is becoming an integral and significant part of the business
  - A substantial part of the ASML shipment in the near future will be used equipment (25% in 2004)
- Active management of the used equipment market
  - Supports our customers in optimizing their installed Base
  - Increases customer satisfaction
  - Strengthens the OEM brand name
  - Complements the OEM product portfolio
  - Facilitates one stop shopping for customers
  - Positively influences the COO of new equipment

**Confidential**



# Used Equipment as business enabler

- Used equipment complements the product portfolio
  - Facilitates cost efficient expansion of existing fabs
  - Enabling the winning of new customers (China, ...)
- Used equipment is anti-cyclical
  - Used equipment is available in downturn when manufacturing load in OEM factory is low
  - Systems remanufactured in downturn provides market share growth opportunities in the upturn (short delivery times)

# OEM challenges

- Different kind of management required to handle the differences and perceptions associated with used equipment.
  - Marketing: prefers new products above cost savings
  - Sales: bonus structure favors new above used equipment
  - Operations: remanufacture process is different from manufacturing of new systems
  - Finance: reporting has to change from margin to ROIC
  - Development: rather develop new products
- Organizations of support, knowledge, parts and EOL issues.

# Conclusion

Used equipment is here to stay....

**Don't fight it, its an opportunity**

- Supports our customers with surplus equipment
- Extends our product portfolio
- Increase market share
- Generates revenue
- Improves the quality of the installed base