



Second Quarter 2021 Financial Results Highlights

August 02, 2021

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Q2 2021 Financials Release Highlights

Tower Semiconductor Reports Second Quarter 2021 Record Revenues; Guides Third Quarter Further Strong Revenue Growth

- Second quarter revenue of \$362 million, reflecting record revenue for the company, with year over year 26% organic growth and 17% total growth.
- Significant year over year increases in gross profit, operating profit, and net profit.
- Guides mid-range revenue for the third quarter of 2021 of \$385 million, demonstrating 24% year over year growth and 38% organic growth.
- Expanding the previously announced CapEx plan by an additional \$100 million, to support continued increases in customers' demand for highly differentiated 200mm platforms.
- Established partnership with ST Microelectronics accelerating the volume ramp-up of the Agrate 300mm factory, tripling Tower's 300mm capacity.

Q2 2021 P&L Highlights

(\$ in million, except per share data)	Q2'2021	Q1'2021	Q2'21 / Q1'21	Q2'2020	Q2'21 / Q2'20
Revenue	362	347	+4%	310	+17%
Gross Profit	74	70	+6%	58	+28%
Operating Profit	34	32	+5%	22	+54%
Net Profit	31	28	+9%	19	+62%
EPS basic	\$0.29	\$0.26	+12%	\$0.18	+61%
Adjusted EPS, diluted*	\$0.34	\$0.31	+11%	\$0.22	+58%

Processed Layers (KLPQ)**	Q2'2021	Q1'2021	Q2'21 / Q1'21	Q2'2020	Q2'21 / Q2'20
150mm	451	411	+10%	353	+28%
200mm	5,921	5,772	+3%	5,115	+16%
300mm	1,404	1,375	+2%	903	+55%

* As reconciled in the Q2'2021 press release dated August 2, 2021

** In 8" equivalent, excluding Nuvoton business in the Japanese fabs (in 2020, Panasonic) and Maxim in San Antonio fab | KLPQ = thousands of processed layers per quarter.



Business Outlook: Q3 2021 Revenue Guidance

- Guides revenue for the third quarter of 2021 to be **\$385 million**, with an upward or downward range of 5%
 - Mid-range revenue guidance represents year over year **38%** organic growth and **24%** total growth.
- Expecting continued sequential growth through year's end.

Q2 2021 Balance Sheet Highlights

\$ in thousands

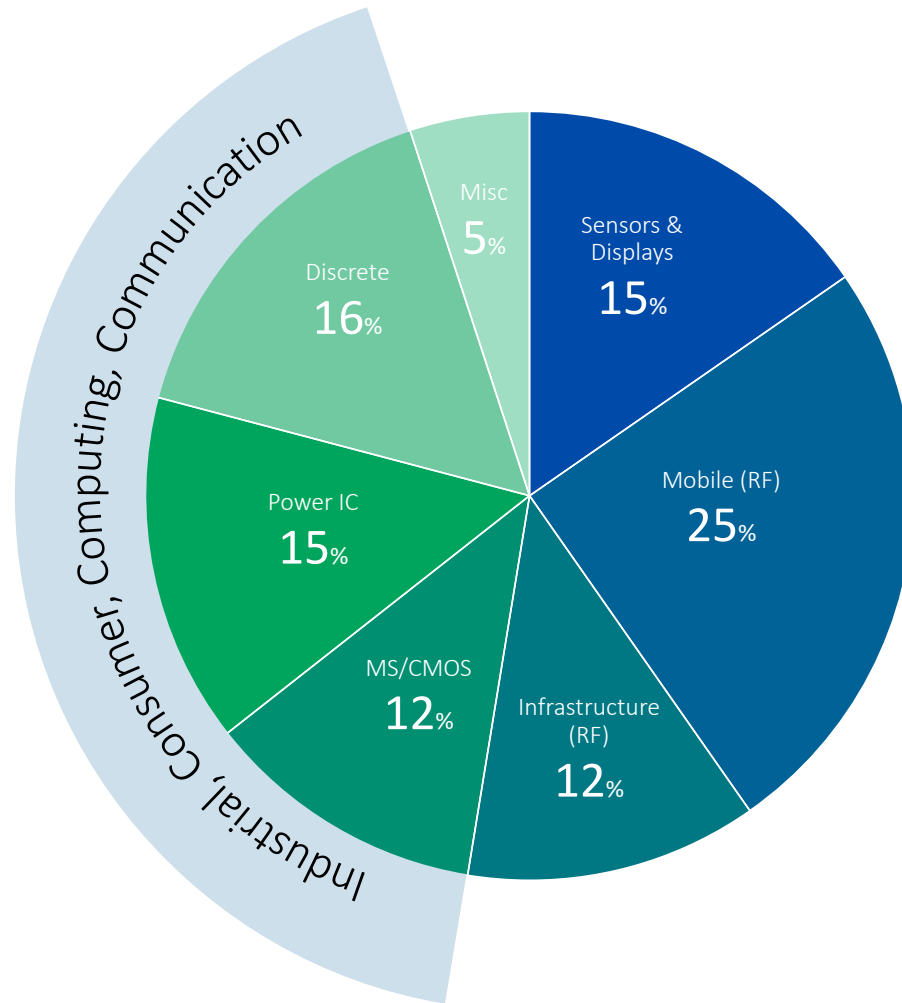
	June 30, 2021	March 31, 2021	December 31, 2020
Cash and Cash Equivalents	215,755	215,581	211,683
Short-term deposits and Marketable securities	513,202	494,413	499,197
Trade accounts receivable	144,868	164,166	162,100
Inventories	209,306	197,189	199,126
PP&E, net	859,589	827,230	839,171
Total Assets	2,132,392	2,077,649	2,094,149
Total Current Liabilities	302,507	273,557	272,912
Long-term Debt	234,500	241,634	283,765
Total Liabilities	614,783	599,620	639,247
Total Shareholders Equity	1,517,609	1,478,029	1,454,902



Cash Flow

\$ in thousands	Q2 2021	Q1 2021	Q2 2020
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	215,581	211,683	251,348
Net cash provided by operating activities	93,250	87,413	66,603
Investments in property and equipment, net	(56,184)	(49,415)	(62,537)
Debt repaid, net	(19,769)	(29,375)	(5,000)
Effect of Japanese Yen exchange rate change over cash balance	(68)	(3,478)	682
Exercise of options	--	364	1,127
Investments in short-term deposits, marketable securities and other assets, net	(17,055)	(1,611)	6,570
CASH AND CASH EQUIVALENTS - END OF PERIOD	215,755	215,581	258,793

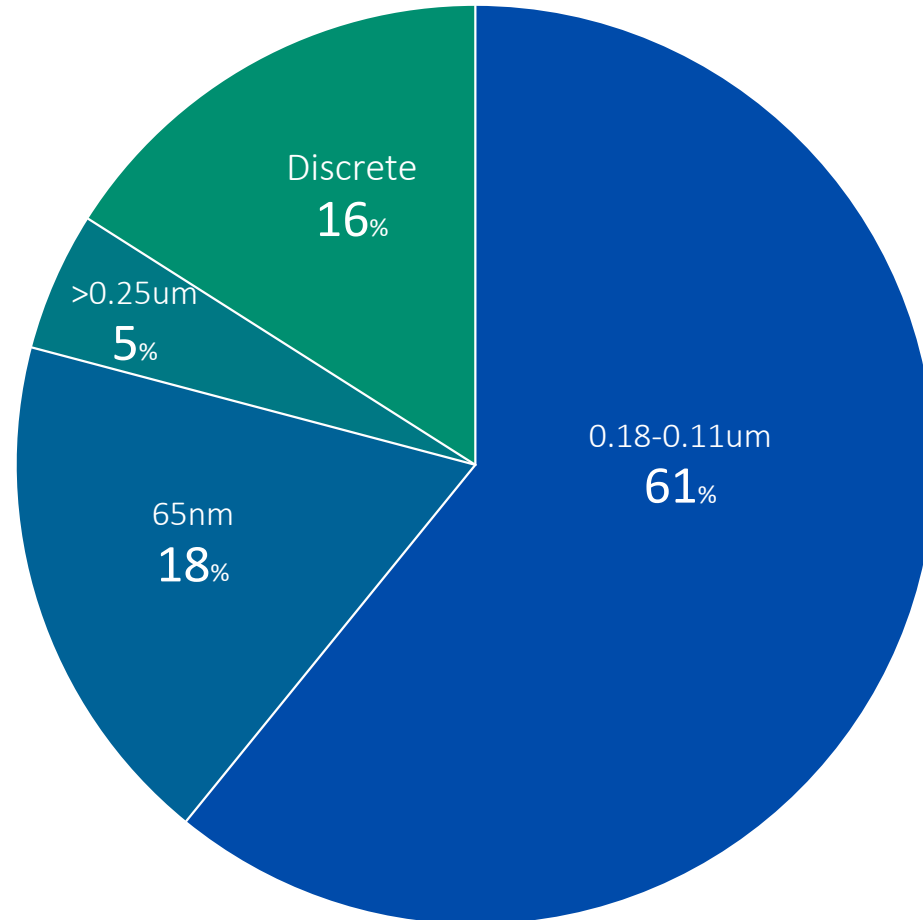
Q2 2021 Revenue Breakdown by Market End Applications



Automotive
12%
(Within all segments)



Q2 2021 Revenue Breakdown by Technology Nodes





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