

# First Quarter 2026 Financial Results Conference Call

Supporting Slides

May 13, 2026



# Safe Harbor

This presentation contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

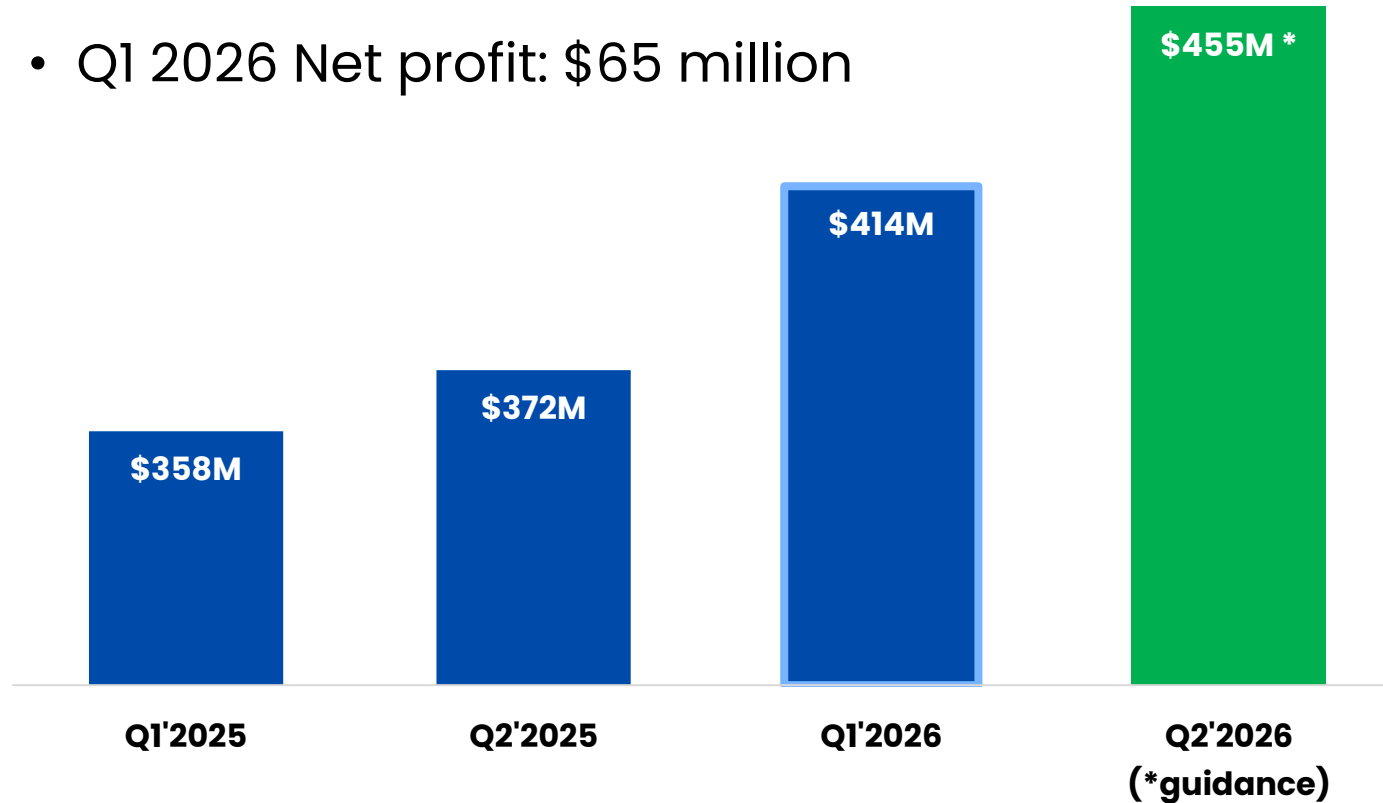
For example, statements regarding expected (i) customer demand, (ii) utilization and cross utilization of our Fabs, (iii) demand from our end markets, (iv) market and technology trends, and (v) results regarding revenues, cash flow, margins and net profits are all forward-looking statements. Actual results may differ materially from those projected or implied by such forward-looking statements due to various risks and uncertainties applicable to Tower Semiconductor’s business as described in the reports filed by Tower Semiconductor Ltd. (“Tower”) with the Securities and Exchange Commission (the “SEC”) and the Israel Securities Authority (“ISA”), including the risks identified under the heading "Risk Factors" in Tower’s most recent filings on Forms 20-F and 6-K. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what impact they will have on the results of operations or financial condition of Tower Semiconductor.

In addition, some of the financial information in this presentation, is non-GAAP financial measures, including, but not limited to, EBITDA, Cash, debt and Net Cash. These non-GAAP financial measures have the same definition as appear in our previously filed quarterly financial results related announcements and/ or other public filings.

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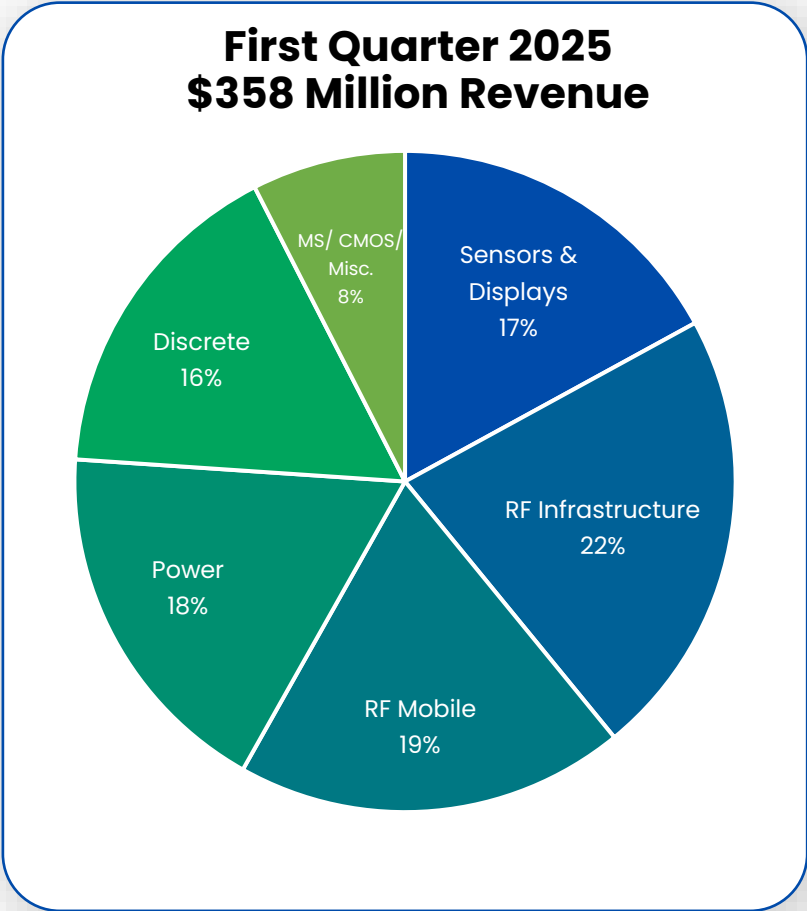
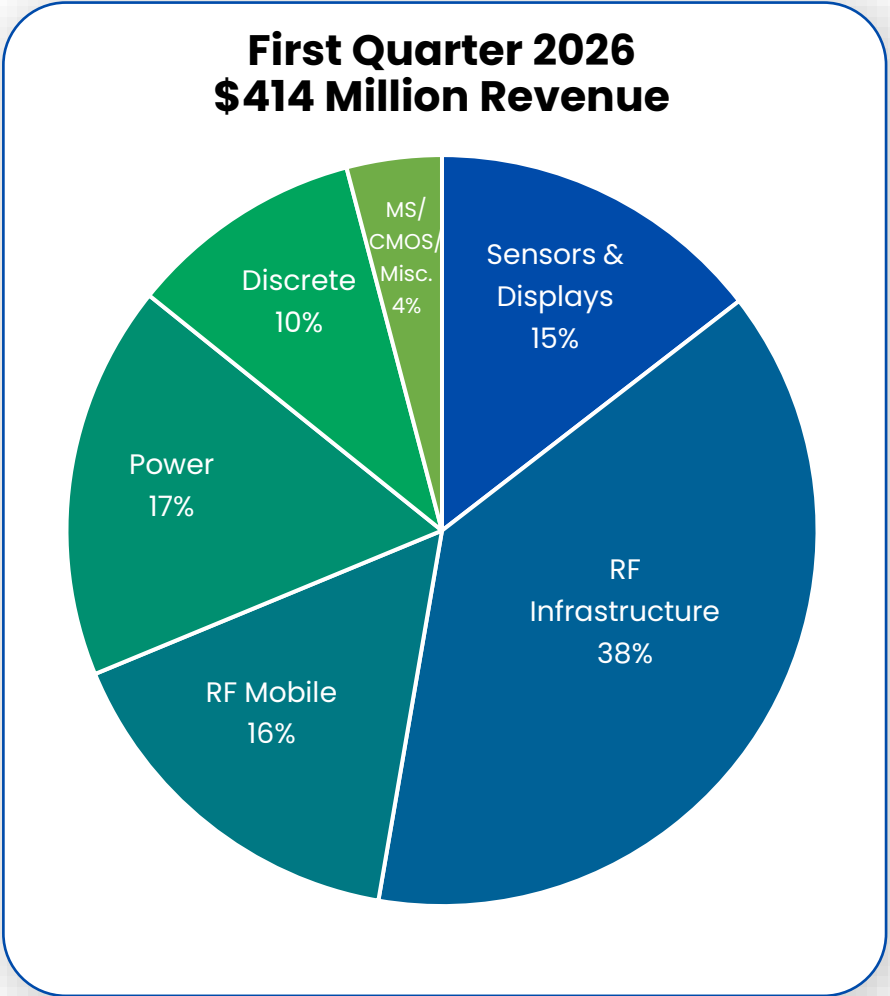
# First Quarter 2026 Financial Results Highlights and Second Quarter 2026 Outlook

- Q1 2026 revenue: \$414 million
- Q1 2026 Net profit: \$65 million



- Q2 2026 revenue guidance of \$455 million, +/- 5%, represents growth of 10% quarter-over-quarter and 22% year-over-year.
- Strongly reiterate our target of quarter-over-quarter revenue and margins growth throughout 2026.

# Q1 Year-over-Year Revenue Breakdown by Technology



# Balance Sheet (\$ in million)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Cash and cash equivalents	243	235
Short-term deposits	1,255	917
Trade accounts receivable	214	223
Inventories	255	257
Other current assets	62	78
<b>Total current assets</b>	<b>2,029</b>	<b>1,710</b>
Property and equipment, net	1,530	1,462
Other long-term assets, net	142	150
<b>TOTAL ASSETS</b>	<b>3,701</b>	<b>3,322</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term debt	25	28
Trade accounts payable	121	124
Customer prepayment and deferred revenue	127	26
Other current liabilities	88	86
<b>Total current Liabilities</b>	<b>361</b>	<b>264</b>
Long-term debt	131	133
Long-term customers' advances	215	2
Other long-term liabilities	20	19
<b>TOTAL LIABILITIES</b>	<b>727</b>	<b>418</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>2,974</b>	<b>2,904</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,701</b>	<b>3,322</b>

# Q1'26 P&L vs. Q4'25 and Q1'25 P&L

(in thousands of \$)

	Three Months ended		
	March 31,	December 31,	March 31,
	2026	2025	2025
<b>REVENUE</b>	<b>413,631</b>	<b>440,206</b>	<b>358,170</b>
COST OF REVENUES	302,680	322,594	284,999
<b>GROSS PROFIT</b>	<b>110,951</b>	<b>117,612</b>	<b>73,171</b>
Research and development	23,530	24,850	20,172
Marketing, general and administrative	22,856	21,933	20,101
<b>OPERATING PROFIT</b>	<b>64,565</b>	<b>70,829</b>	<b>32,898</b>
Financing and other income, net	9,518	10,735	10,598
<b>PROFIT BEFORE INCOME TAX</b>	<b>74,083</b>	<b>81,564</b>	<b>43,496</b>
INCOME TAX EXPENSE, NET	(6,518)	(1,505)	(3,779)
<b>NET PROFIT</b>	<b>67,565</b>	<b>80,059</b>	<b>39,717</b>
Non controlling interest	(2,533)	73	425
<b>NET PROFIT ATTRIBUTABLE TO THE COMPANY</b>	<b>65,032</b>	<b>80,132</b>	<b>40,142</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.58</b>	<b>0.71</b>	<b>0.36</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>0.57</b>	<b>0.70</b>	<b>0.35</b>
<b>GAAP NET PROFIT</b>	<b>65,032</b>	<b>80,132</b>	<b>40,142</b>
Stock based compensation and amortization of acquired intangible assets	9,441	9,393	10,335
<b>ADJUSTED NET PROFIT</b>	<b>74,473</b>	<b>89,525</b>	<b>50,477</b>
<b>ADJUSTED EARNINGS PER SHARE:</b>			
Basic	<b>0.66</b>	<b>0.80</b>	<b>0.45</b>
Diluted	<b>0.65</b>	<b>0.78</b>	<b>0.45</b>

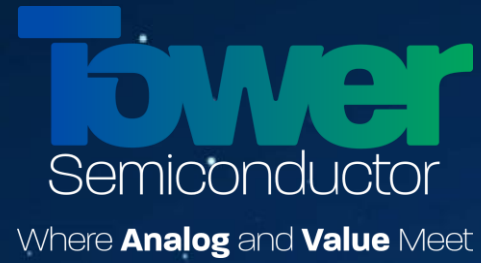
# Estimated Financial Model (\$M)

	FY 2025		Built-out capacity @85% utilization*	Incremental	
				\$M of Increase	% of Incremental Revenue
Revenue	1,566	1.8X	2,840	1,274	
Gross Profit	364	3.1X	1,120	756	59%
Operating Profit	194	4.6X	900	706	55%
Net Profit	220	3.4X	750	530	42%

\* Including revenue and margins from the \$920M SiGe & SiPho announced capacity and capability Cap-Ex investments and excluding revenue and margins from Intel's Fab11 capacity corridor agreement

# Estimated Financial Model P&L - \$M

Revenue	2,840
Cost of Revenue	1,720
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Gross Profit	1,120
<b>Gross Margin</b>	<b>39.4%</b>
Op-Ex	220
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Operating Profit	900
<b>Operating Margin</b>	<b>31.7%</b>
Net Profit	750
<b>Net Profit Margin</b>	<b>26.4%</b>



# Thank You

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