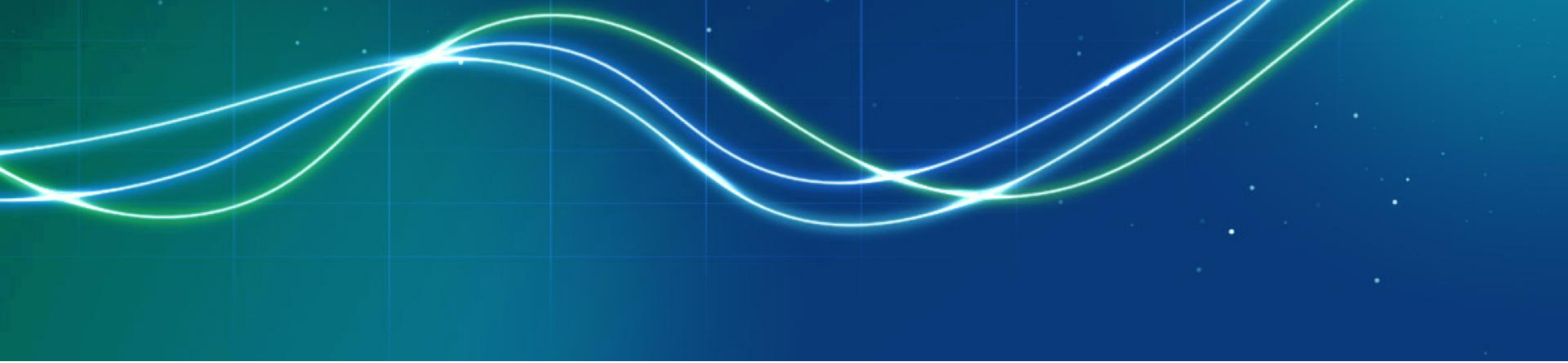
Tower Semiconductor

Where **Analog** and **Value** Meet

Second Quarter 2026 Financial Results Conference Call

Supporting Slides

August 4, 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.

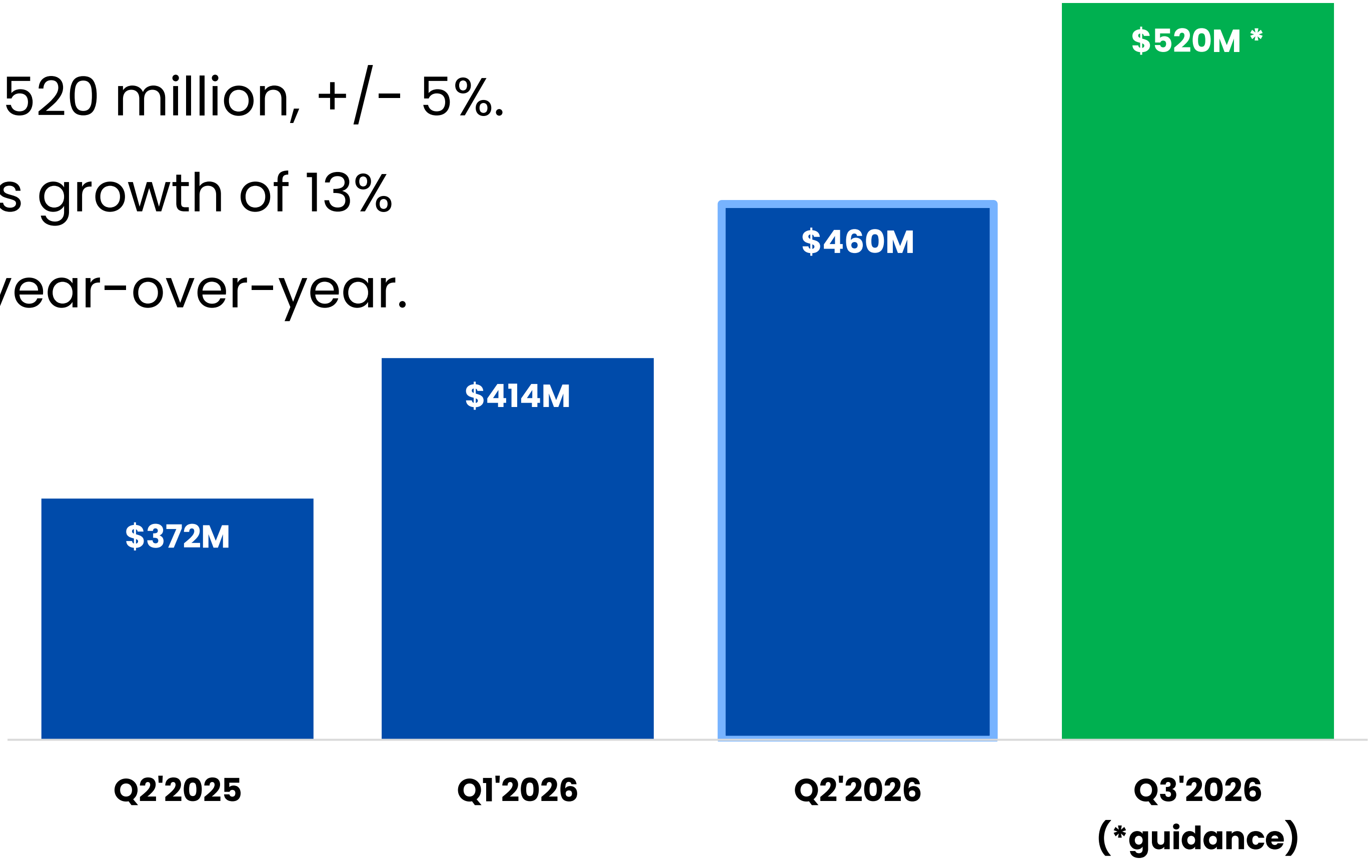
Tower Semiconductor is providing this information as of the date of this presentation and expressly disclaims any obligation to update any of the forward-looking statements or other information contained in this presentation as a result of new information, future events or otherwise.

Second Quarter 2026 Financial Results Highlights and Third Quarter 2026 Outlook

Q2 2026 revenue: $460 million | Q2 2026 Net profit: $91 million

- Q3 2026 revenue guidance of $520 million, +/- 5%.
  Mid-range guidance represents growth of 13% quarter-over-quarter and 31% year-over-year.

- Firmly committed to delivering quarter-over-quarter revenue growth throughout 2026.



2028 Target Business Model ($M)

	FY 2025	Feb' 2026 Model		Updated Aug' 2026 Model	Incremental vs. Feb' 2026 Model: $M of Increase	Incremental vs. Feb' 2026 Model: % of Incremental Revenue
Revenue	1,566	2,840	1.3X	**3,600**	760	
Gross Profit	364	1,120	1.5X	**1,630**	510	67%
Operating Profit	194	900	1.5X	**1,380**	480	63%
Net Profit	220	750	1.6X	**1,200**	450	59%

** Model assumes 85% utilization across all of Tower's foundry capacity.*

*** Including revenue and margins from the $920M SiGe & SiPho capacity and capability Cap-Ex investments announced prior to Q3'2026 and Japan Track I / Arai related added SiPho Cap-Ex announced on July 14, 2026.*

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2028 Target Business Model ($M)

Revenue	3,600
Cost of Revenue	1,970
Gross Profit	1,630
Gross Margin	***45.3%***
Op-Ex	250
Operating Profit	1,380
Operating Margin	***38.3%***
Net Profit	1,200
Net Profit Margin	***33.3%***

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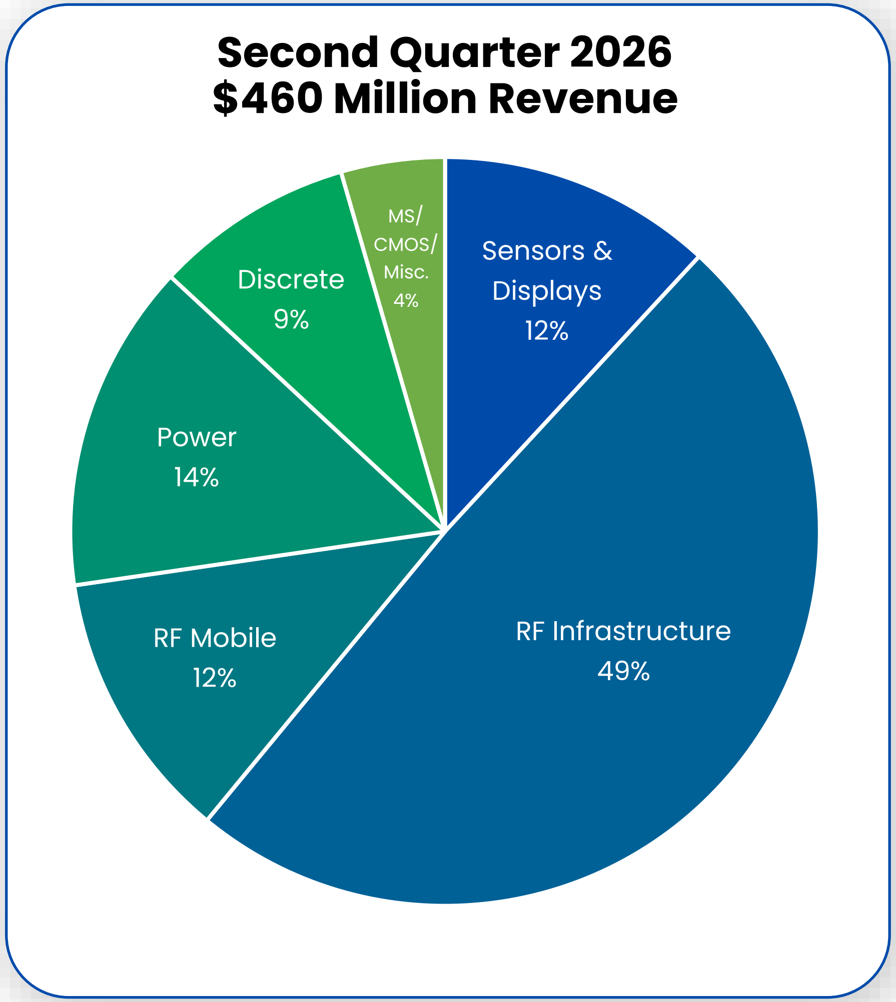
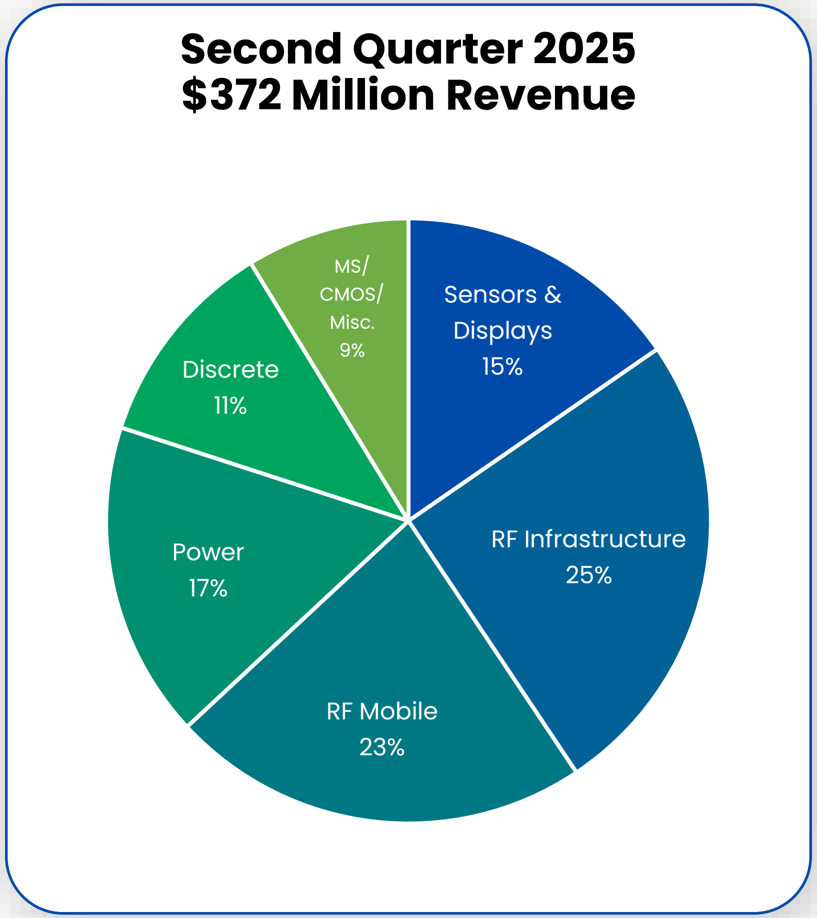
Q2 Year-over-Year Revenue Breakdown by Technology





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Balance Sheet ($ in million)

	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	231	235
Short-term deposits	1,250	917
Trade accounts receivable	203	223
Inventories	244	257
Other current assets	57	78
Total current assets	**1,985**	**1,710**
Property and equipment, net	1,650	1,463
Other long-term assets, net	136	149
TOTAL ASSETS	**3,771**	**3,322**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	17	28
Trade accounts payable	123	124
Customer prepayment and deferred revenue	176	26
Other current liabilities	88	86
Total current Liabilities	**404**	**264**
Long-term debt	125	133
Long-term customers' advances	145	2
Other long-term liabilities	26	18
TOTAL LIABILITIES	**700**	**417**
SHAREHOLDERS' EQUITY	**3,071**	**2,905**
TOTAL LIABILITIES & EQUITY	**3,771**	**3,322**

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Q2'26 P&L vs. Q1'26 P&L (in thousands of $)

	Three Months ended	
	June 30, 2026	March 31, 2026
REVENUE	**460,079**	**413,631**
COST OF REVENUE	322,307	302,680
GROSS PROFIT	**137,772**	**110,951**
Research and development	23,569	23,530
Marketing, general and administrative	23,913	22,856
OPERATING PROFIT	**90,290**	**64,565**
Financing and other income, net	15,902	9,518
PROFIT BEFORE INCOME TAX	**106,192**	**74,083**
INCOME TAX EXPENSE, NET	(15,573)	(6,518)
NET PROFIT	**90,619**	**67,565**
Non controlling interest	150	(2,533)
NET PROFIT ATTRIBUTABLE TO THE COMPANY	**90,769**	**65,032**
BASIC EARNINGS PER SHARE	**0.80**	**0.58**
DILUTED EARNINGS PER SHARE	**0.79**	**0.57**
GAAP NET PROFIT	**90,769**	**65,032**
Stock based compensation and amortization of acquired intangible assets	9,941	9,441
ADJUSTED NET PROFIT	**100,710**	**74,473**
ADJUSTED EARNINGS PER SHARE:		
Basic	**0.89**	**0.66**
Diluted	**0.88**	**0.65**

Q2’26 P&L vs. Q2’25 P&L (in thousands of $)

	Three Months ended	
	June 30, 2026	June 30, 2025
REVENUE	**460,079**	**372,061**
COST OF REVENUE	322,307	292,035
GROSS PROFIT	**137,772**	**80,026**
Research and development	23,569	19,418
Marketing, general and administrative	23,913	20,743
OPERATING PROFIT	**90,290**	**39,865**
Financing and other income, net	15,902	14,387
PROFIT BEFORE INCOME TAX	**106,192**	**54,252**
INCOME TAX EXPENSE, NET	(15,573)	(8,660)
NET PROFIT	**90,619**	**45,592**
Non controlling interest	150	959
NET PROFIT ATTRIBUTABLE TO THE COMPANY	**90,769**	**46,551**
BASIC EARNINGS PER SHARE	**0.80**	**0.42**
DILUTED EARNINGS PER SHARE	**0.79**	**0.41**
GAAP NET PROFIT	**90,769**	**46,551**
Stock based compensation and amortization of acquired intangible assets	9,941	10,595
ADJUSTED NET PROFIT	**100,710**	**57,146**
ADJUSTED EARNINGS PER SHARE:		
Basic	**0.89**	**0.51**
Diluted	**0.88**	**0.50**

H1'26 P&L vs. H1'25 P&L
(in thousands of $)

	Six months ended June 30, 2026	Six months ended June 30, 2025
REVENUE	**873,710**	**730,231**
COST OF REVENUE	624,987	577,034
GROSS PROFIT	**248,723**	**153,197**
Research and development	47,099	39,590
Marketing, general and administrative	46,769	40,844
OPERATING PROFIT	**154,855**	**72,763**
Financing and other income, net	25,420	24,985
PROFIT BEFORE INCOME TAX	**180,275**	**97,748**
INCOME TAX EXPENSE, NET	(22,091)	(12,439)
NET PROFIT	**158,184**	**85,309**
Non controlling interest	(2,383)	1,384
NET PROFIT ATTRIBUTABLE TO THE COMPANY	**155,801**	**86,693**
BASIC EARNINGS PER SHARE	**1.38**	**0.78**
DILUTED EARNINGS PER SHARE	**1.36**	**0.77**
GAAP NET PROFIT	**155,801**	**86,693**
Stock based compensation and amortization of acquired intangible assets	19,382	20,930
ADJUSTED NET PROFIT	**175,183**	**107,623**
ADJUSTED EARNINGS PER SHARE:		
Basic	**1.55**	**0.96**
Diluted	**1.53**	**0.95**

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Thank You

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