

Fourth Quarter and Fiscal Year 2025 Financial Results Conference Call

Supporting Slides

February 11, 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.

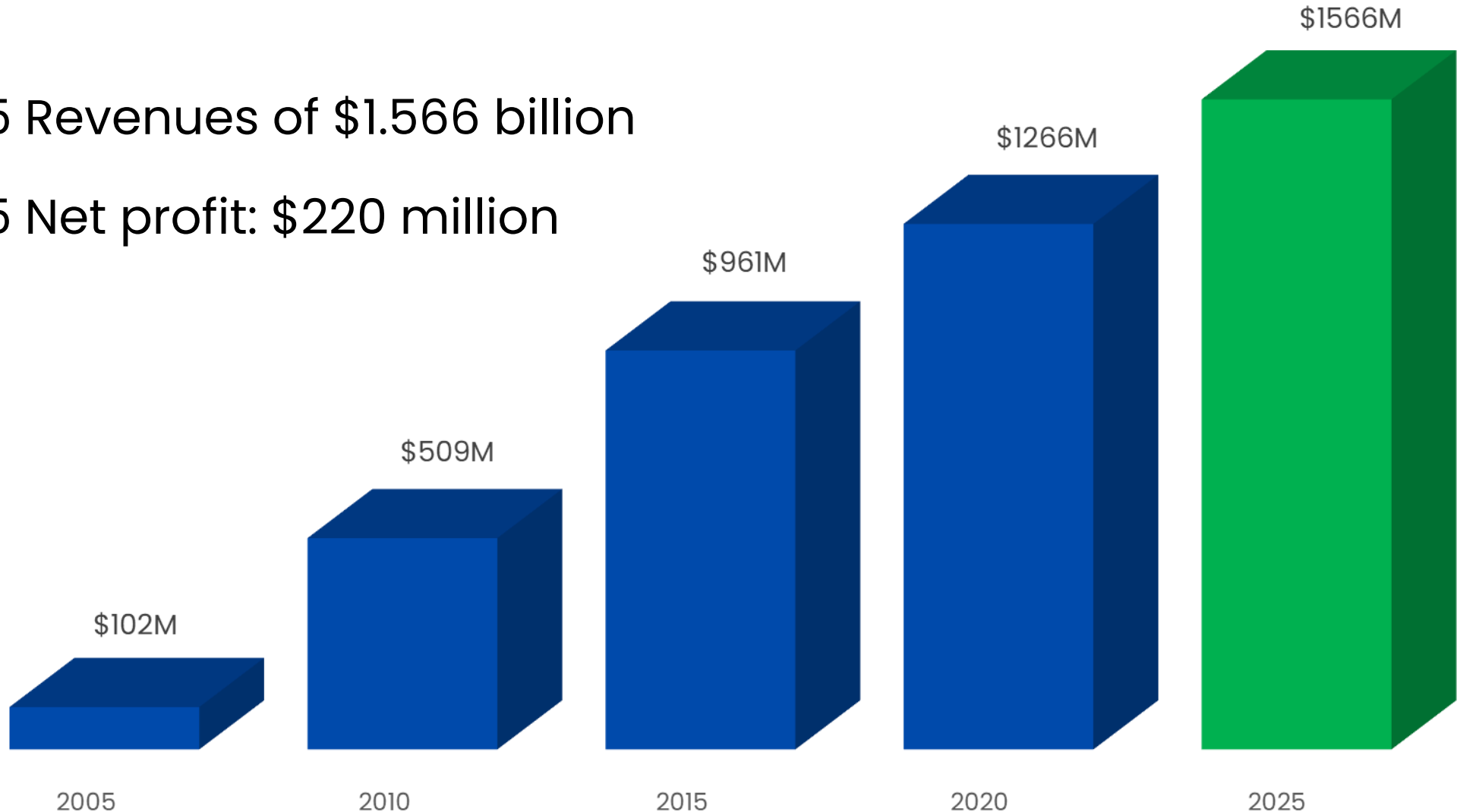
In addition, some of the financial information in this presentation, is non-GAAP financial measures, including, but not limited to, EBITDA, Cash, debt and Net Cash. These non-GAAP financial measures have the same definition as appear in our previously filed quarterly financial results related announcements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

FY 2025 Financial Results Highlights

- 2025 Revenues of \$1.566 billion
- 2025 Net profit: \$220 million

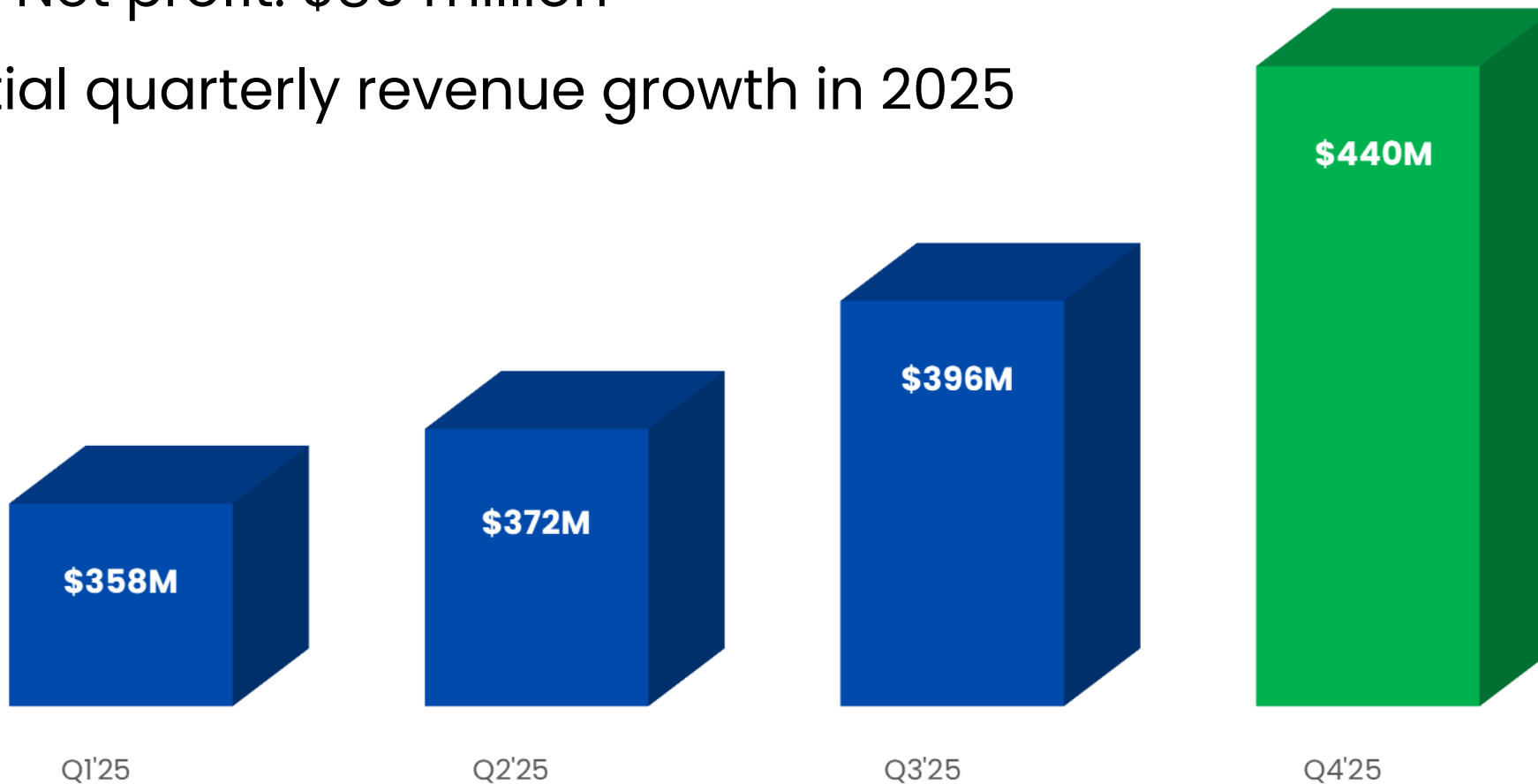
Revenue:



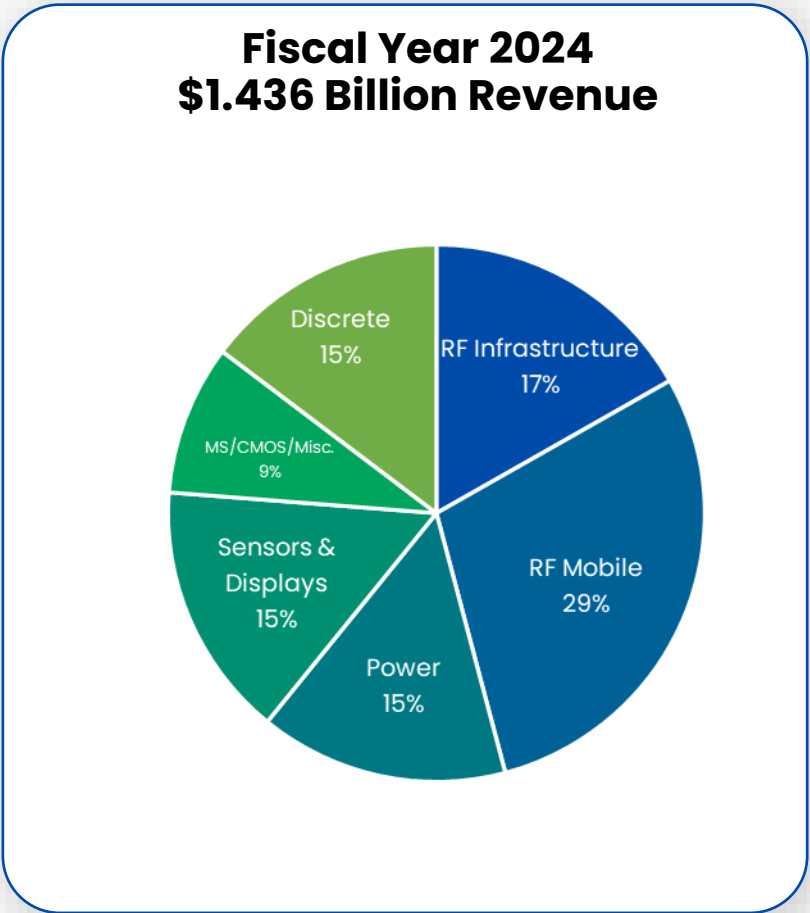
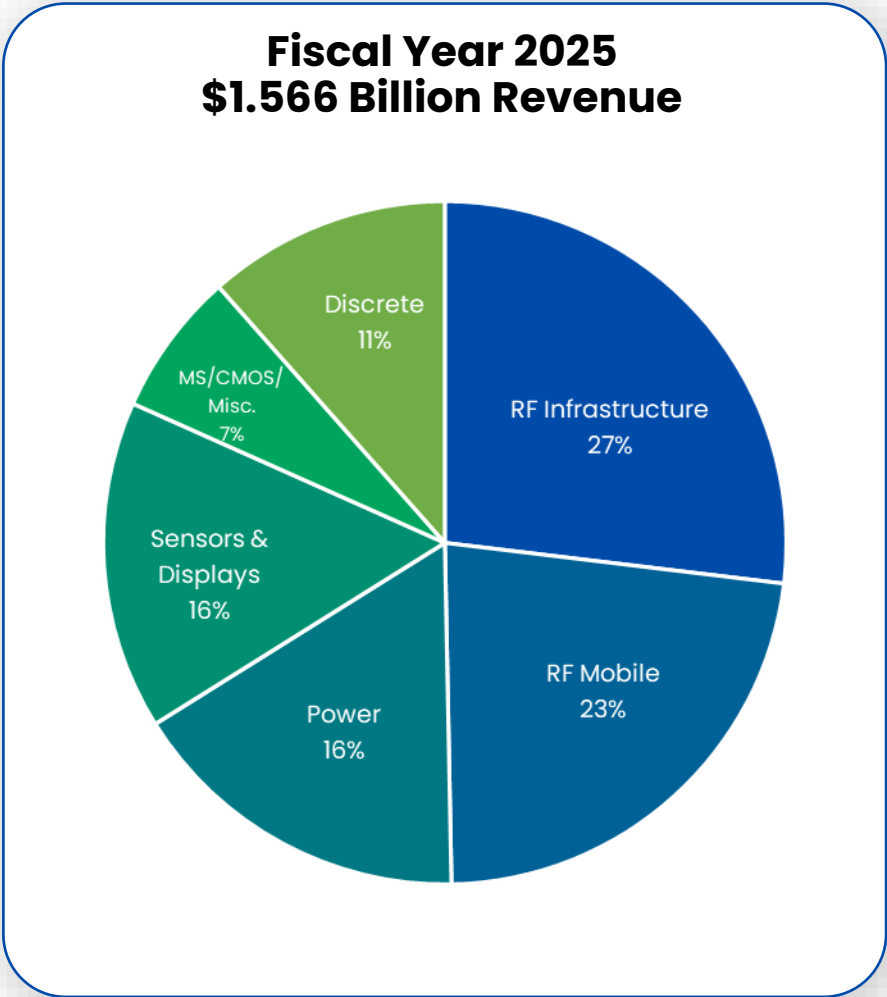
Fourth Quarter 2025 Financial Results Highlights

- Q4 2025 revenue: \$440 million
- Q4 2025 Net profit: \$80 million
- Sequential quarterly revenue growth in 2025

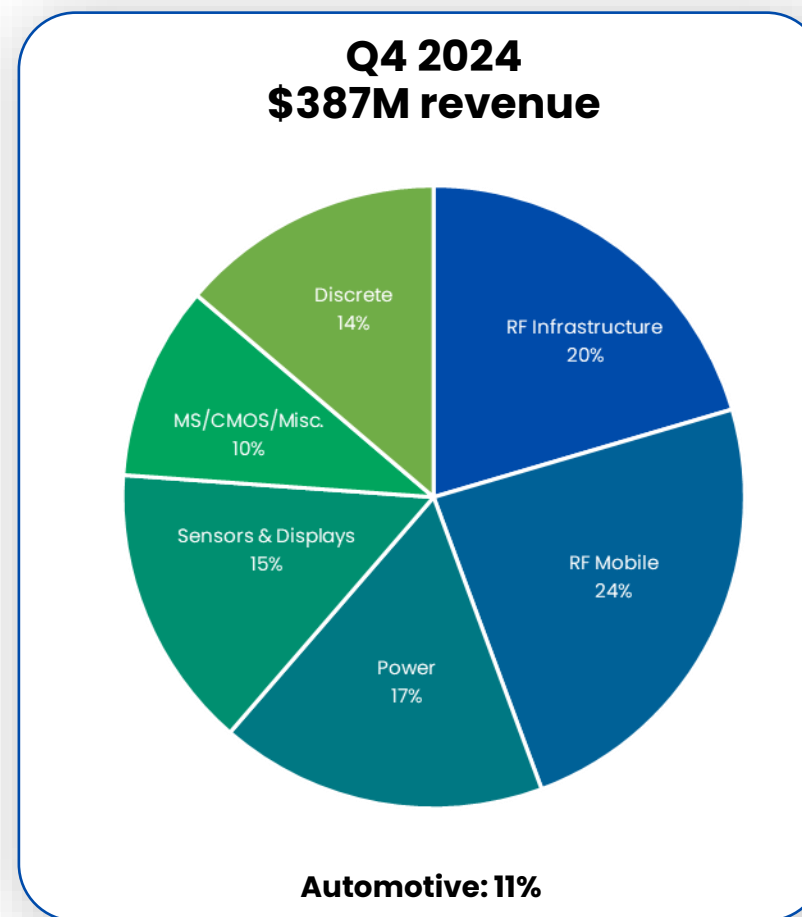
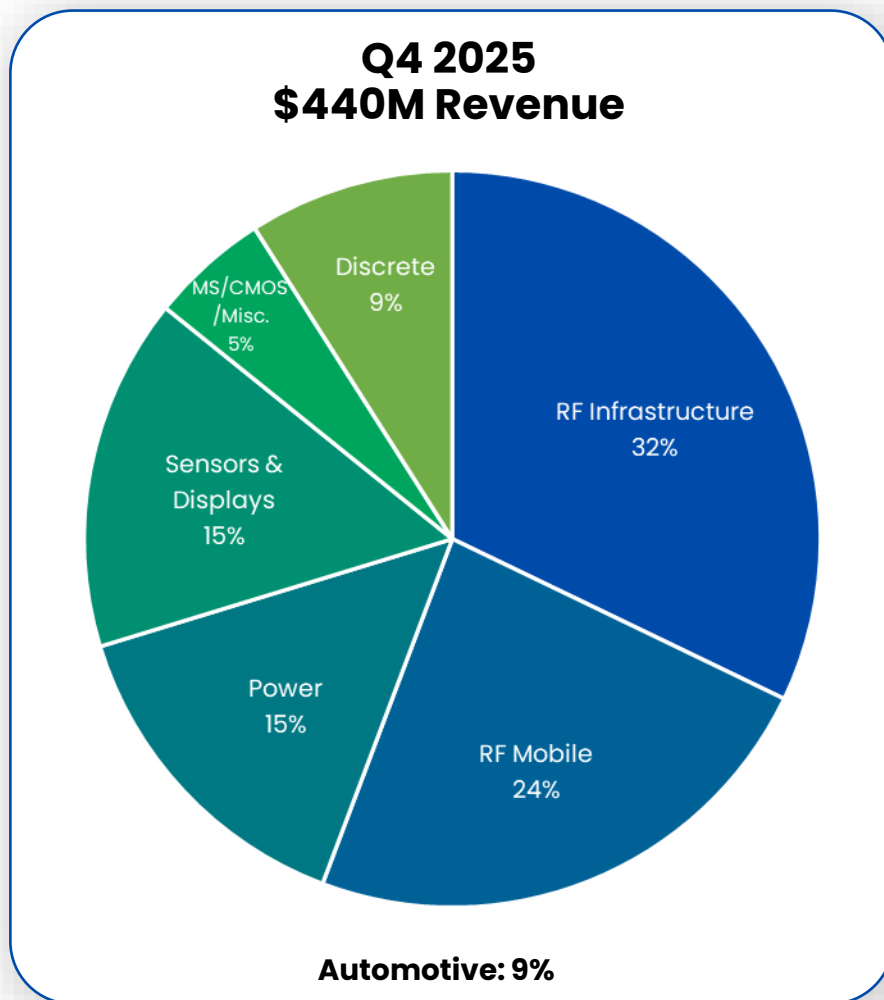
Revenue:



FY 2025 Revenue Breakdown by Technology Vs FY 2024



Q4 2025 Revenue Breakdown by Technology Vs Q4 2024



Financial Model P&L – \$M

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

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

Balance Sheet (\$ in million)

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	235	272
Short-term deposits	917	946
Trade accounts receivable	223	212
Inventories	257	268
Other current assets	78	62
Total current assets	1,710	1,760
Property and equipment, net	1,463	1,287
Other long-term assets, net	149	33
TOTAL ASSETS	3,322	3,080
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	28	48
Trade accounts payable	124	131
Customer prepayment and deferred revenue	26	22
Other current liabilities	86	84
Total current Liabilities	264	285
Long-term debt	133	132
Deferred tax and other long-term liabilities	20	23
TOTAL LIABILITIES	417	440
SHAREHOLDERS' EQUITY	2,905	2,640
TOTAL LIABILITIES & EQUITY	3,322	3,080

Q4'25 P&L vs. Q3'25 and Q4'24 P&L

(in thousands of \$)

	Three Months ended		
	December 31,	September 30,	December 31,
	2025	2025	2024
REVENUE	440,206	395,667	395,667
COST OF REVENUES	322,594	302,622	302,622
GROSS PROFIT	117,612	93,045	93,045
Research and development	24,850	22,056	22,056
Marketing, general and administrative	21,933	20,409	20,409
OPERATING PROFIT	70,829	50,580	50,580
Financing and other income, net	10,735	10,491	10,491
	81,564	61,071	61,071
INCOME TAX EXPENSE, NET	(1,505)	(7,625)	(7,625)
NET PROFIT	80,059	53,446	53,446
Non controlling interest	73	199	199
NET PROFIT ATTRIBUTABLE TO THE COMPANY	80,132	53,645	53,645
 BASIC EARNINGS PER SHARE	 0.71	 0.48	 0.48
DILUTED EARNINGS PER SHARE	0.70	0.47	0.47

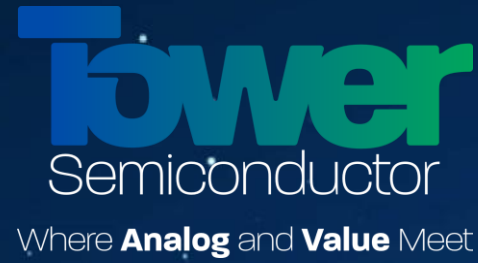
YTD'25 P&L vs. YTD'24 P&L

(in thousands of \$)

	Year ended	
	December 31,	
	2025	2024
REVENUE	1,566,104	1,436,122
COST OF REVENUES	1,202,250	1,096,680
GROSS PROFIT	363,854	339,442
Research and development	86,496	79,434
Marketing, general and administrative	83,186	74,964
Restructuring income, net	--	(6,270)
OPERATING PROFIT	194,172	191,314
Financing and other income, net	46,211	26,113
PROFIT BEFORE INCOME TAX	240,383	217,427
INCOME TAX EXPENSE, NET	(21,569)	(10,205)
NET PROFIT	218,814	207,222
Non controlling interest	1,656	642
NET PROFIT ATTRIBUTABLE TO THE COMPANY	220,470	207,864
 BASIC EARNINGS PER SHARE	 1.97	 1.87
DILUTED EARNINGS PER SHARE	1.94	1.85

Outlook

- Q1 2026 revenue guidance of \$412 million, $\pm 5\%$, represents 15% year-over-year growth.
- Target quarter-over-quarter revenue and profitability increases throughout 2026.



Thank You

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