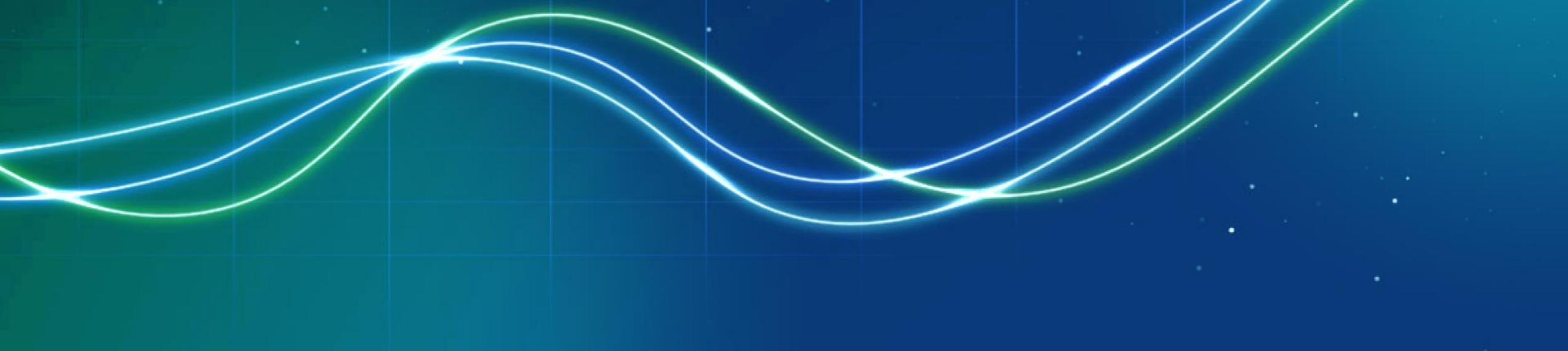


# Fourth Quarter and Fiscal Year 2024 Financial Results Conference Call

Supporting Slides

February 10, 2025



# 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.

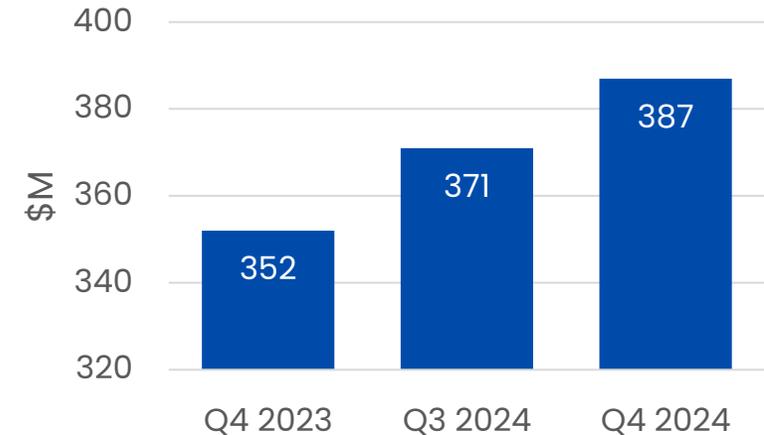
For example, statements regarding expected (i) customer demand, (ii) utilization and cross utilization of our Fabs, (iii) demand from our end markets, (iv) market and technology trends, and (v) results regarding revenues, cash flow, margins and net profits are all forward-looking statements. Actual results 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.

# Q4 & FY 2024 Financial Results Highlights

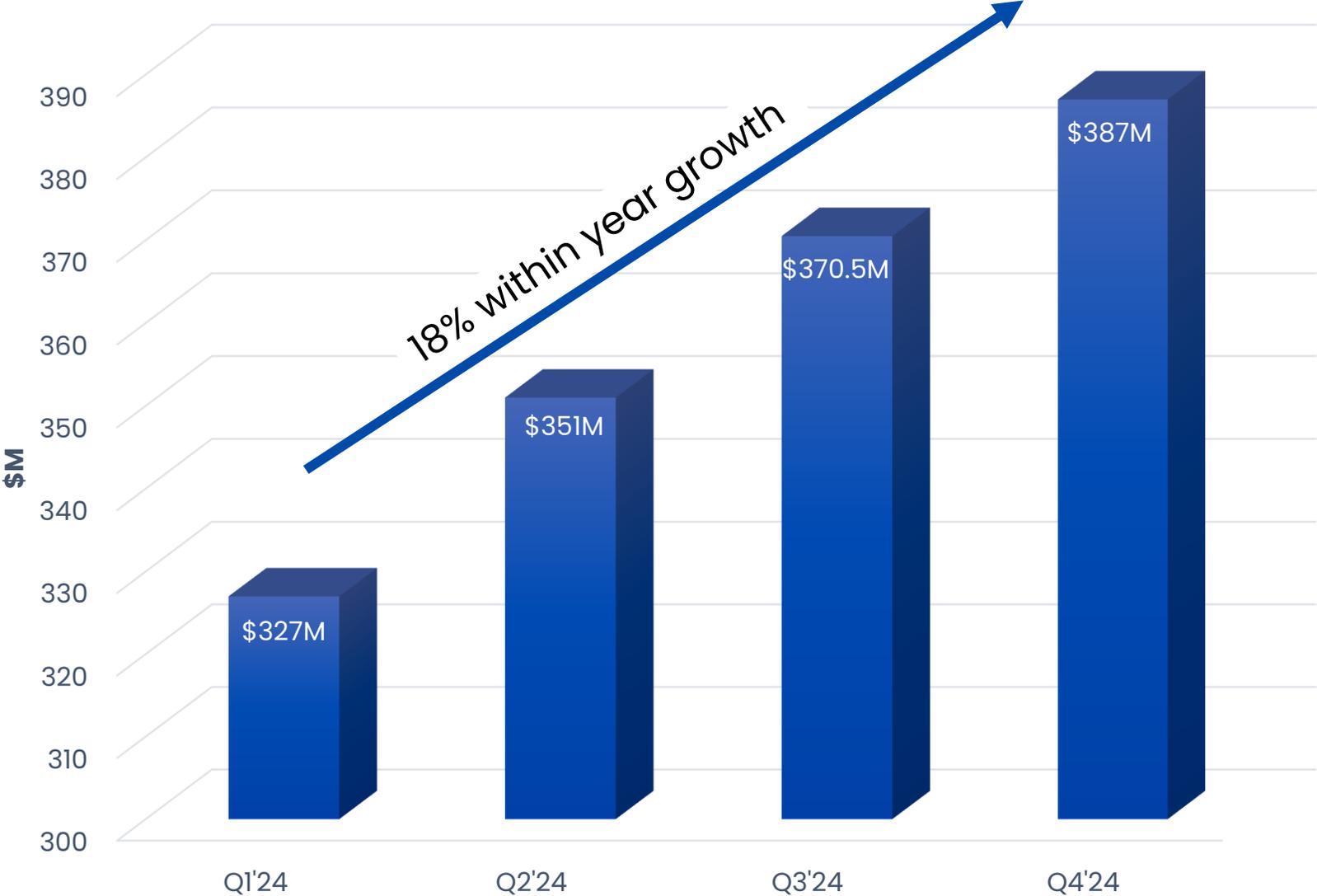
- Q4 2024 revenue: \$387 million
- Net profit: \$55 million
- Fiscal year 2024 revenue: \$1.44 billion
- Net profit: \$208 million



## Outlook

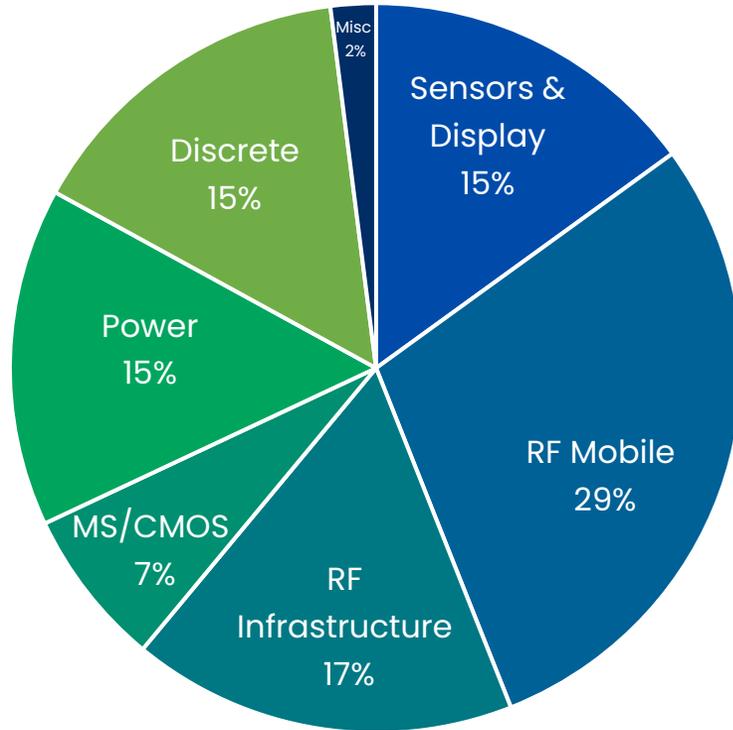
- Q1 2025 revenue guidance of \$358 million, +/- 5%, represents about 10% year-over-year growth.
- 2025 revenue target: year-over-year growth, with sequential quarter-over-quarter revenue growth, and an acceleration in the second half of the year.

# 2024 Revenue Performance



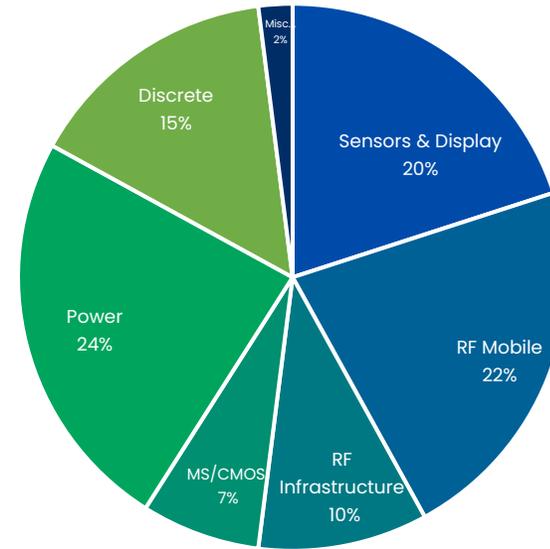
# Full Year Revenue Breakdown by Technology

**FY'24**



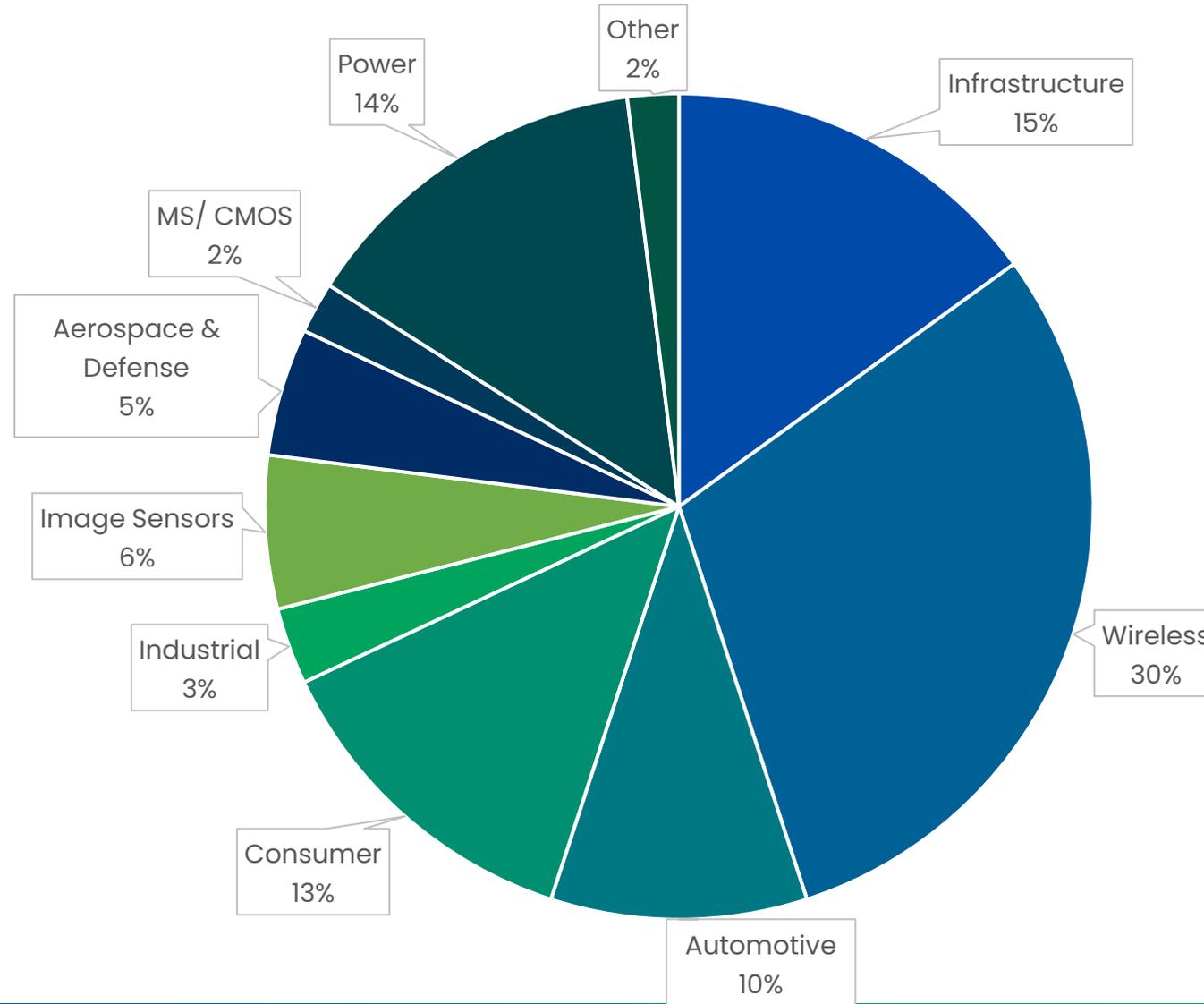
**Automotive: 10%**

**FY'23**



**Automotive: 17%**

# FY 2024 Revenue breakdown by End Market Application



# Balance Sheets (\$ in million)

	December 31, 2024	September 30, 2024	December 31, 2023
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	272	271	261
Short-term deposits	946	894	791
Marketable securities	-	40	185
Trade accounts receivable	212	196	154
Inventories	268	272	282
Other current assets	62	41	36
<b>Total Current Assets</b>	<b>1,760</b>	<b>1,714</b>	<b>1,709</b>
Long-term investments			
Property and equipment, net	1,287	1,295	1,156
Intangible assets, net	10	11	12
Other long-term assets, net	23	40	41
<b>TOTAL ASSETS</b>	<b>3,080</b>	<b>3,060</b>	<b>2,918</b>
<b>CURRENT LIABILITIES</b>			
Short-term debt	48	62	59
Trade accounts payable	131	130	139
Customer prepayment and deferred revenue	22	28	18
Other current liabilities	84	75	60
<b>Total Current Liabilities</b>	<b>285</b>	<b>295</b>	<b>276</b>
Long-term debt	132	132	173
Customers' advances	8	10	26
Deferred tax and other long-term liabilities	15	15	16
<b>TOTAL LIABILITIES</b>	<b>440</b>	<b>452</b>	<b>491</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>2,640</b>	<b>2,608</b>	<b>2,427</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,080</b>	<b>3,060</b>	<b>2,918</b>

# Cash Reports (\$ in million)

	<b>Q4'24</b>	<b>Q3'24</b>	<b>Q4'23</b>
Cash opening balance, excluding securities & deposits	<b>271</b>	<b>265</b>	<b>315</b>
Cash from operating activities	101	125	126
Cap-Ex, net	(93)	(128)	(136)
Proceeds from (investments in) short- term deposits & investments, net	(4)	19	(37)
Debt repaid and others, net	(3)	(10)	(7)
Cash closing balance, excluding securities & deposits	<b>272</b>	<b>271</b>	<b>261</b>

	<b>FY'24</b>	<b>FY'23</b>
Cash opening balance, excluding securities & deposits	<b>261</b>	<b>341</b>
Cash from operating activities	449	677
Cap-Ex, net	(431)	(432)
Proceeds from (investments in) short- term deposits & investments, net	30	(289)
Debt repaid and others, net	(37)	(36)
Cash closing balance, excluding securities & deposits	<b>272</b>	<b>261</b>

\*Cash from operations includes \$280M received, net in FY'23 in relation to Intel termination compensation and includes \$5M from reorganization and restructure of the operations in Japan in FY'24.

\*Cap-Ex, net includes \$23M paid, net in FY'23 and \$3M received in FY'24 in relation to the reorganization and restructure of the operations in Japan.

# Q4'24 P&L vs. Q3'24 and Q4'23 P&L

(in thousands of \$)

	Three months ended		
	December 31,	September 30,	December 31,
	2024	2024	2023
REVENUES	\$ 387,191	\$ 370,512	\$ 351,711
COST OF REVENUES	300,338	277,451	267,294
GROSS PROFIT	<u>86,853</u>	<u>93,061</u>	<u>84,417</u>
OPERATING COSTS AND EXPENSES:			
Research and development	20,622	19,867	20,849
Marketing, general and administrative	19,812	17,432	18,401
	<u>40,434</u>	<u>37,299</u>	<u>39,250</u>
OPERATING PROFIT	46,419	55,762	45,167
FINANCING AND OTHER INCOME, NET	8,315	6,104	16,682
PROFIT BEFORE INCOME TAX	54,734	61,866	61,849
INCOME TAX EXPENSE, NET	(2,149)	(7,026)	(10,130)
NET PROFIT	52,585	54,840	51,719
NON CONTROLLING INTEREST	2,553	(193)	2,128
NET PROFIT ATTRIBUTABLE TO THE COMPANY	<u>\$ 55,138</u>	<u>\$ 54,647</u>	<u>\$ 53,847</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.49</u>	<u>\$ 0.49</u>	<u>\$ 0.49</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.49</u>	<u>\$ 0.49</u>	<u>\$ 0.48</u>
GAAP NET PROFIT	\$ 55,138	\$ 54,647	\$ 53,847
Stock based compensation	10,684	8,611	6,662
Amortization of acquired intangible assets	574	448	442
ADJUSTED NET PROFIT	<u>\$ 66,396</u>	<u>\$ 63,706</u>	<u>\$ 60,951</u>
ADJUSTED EARNINGS PER SHARE			
Basic	<u>\$ 0.60</u>	<u>\$ 0.57</u>	<u>\$ 0.55</u>
Diluted	<u>\$ 0.59</u>	<u>\$ 0.57</u>	<u>\$ 0.55</u>

# FY'24 P&L vs. FY'23 P&L

(in thousands of \$)

	Year ended	
	December 31,	
	2024	2023
REVENUES	\$ 1,436,122	\$ 1,422,680
COST OF REVENUES	1,096,680	1,069,161
GROSS PROFIT	<u>339,442</u>	<u>353,519</u>
OPERATING COSTS AND EXPENSES:		
Research and development	79,434	79,808
Marketing, general and administrative	74,964	72,454
Restructuring income, net	(6,270)	(32,506)
Merger-contract termination fee, net	--	(313,501)
	<u>148,128</u>	<u>(193,745)</u>
OPERATING PROFIT	191,314	547,264
FINANCING AND OTHER INCOME, NET	26,113	37,578
PROFIT BEFORE INCOME TAX	217,427	584,842
INCOME TAX EXPENSE, NET	(10,205)	(65,312)
NET PROFIT	207,222	519,530
NON CONTROLLING INTEREST	642	(1,036)
NET PROFIT ATTRIBUTABLE TO THE COMPANY	<u>\$ 207,864</u>	<u>\$ 518,494</u>
BASIC EARNINGS PER SHARE	<u>\$ 1.87</u>	<u>\$ 4.70</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.85</u>	<u>\$ 4.66</u>
GAAP NET PROFIT	\$ 207,864	\$ 518,494
Stock based compensation	33,837	27,931
Amortization of acquired intangible assets	1,918	1,923
Restructuring income, net	(2,634)	(11,224)
Merger-contract termination fee, net	--	(289,988)
ADJUSTED NET PROFIT	<u>\$ 240,985</u>	<u>\$ 247,136</u>
ADJUSTED DILUTED EARNINGS PER SHARE		
Basic	<u>\$ 2.17</u>	<u>\$ 2.24</u>
Diluted	<u>\$ 2.15</u>	<u>\$ 2.22</u>



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

# Thank You

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