



Q3 2023 Financial Results Conference Call

November 13, 2023

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.

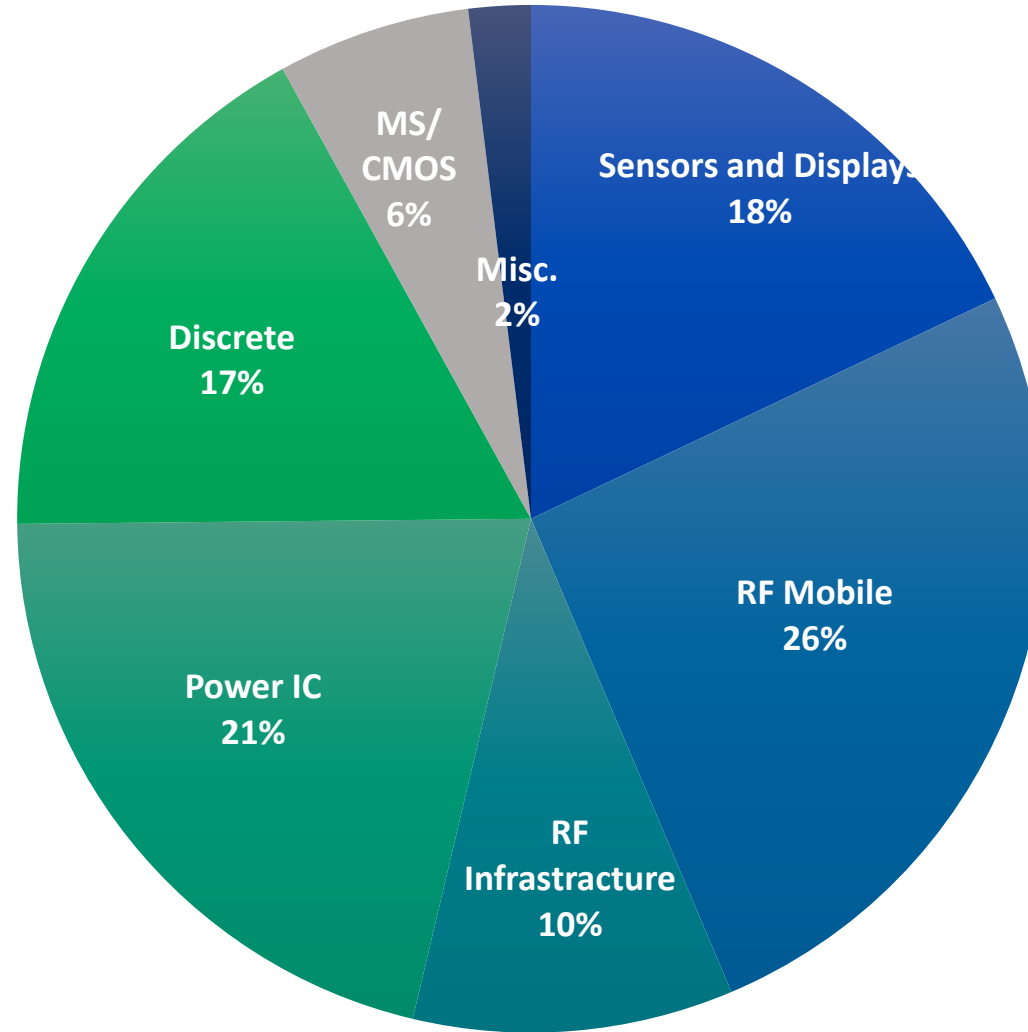
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Q3 2023 Financial Release Conference Call

Supporting Slides

Q3 2023 Revenue Breakdown by Market End Applications



Automotive: 17%



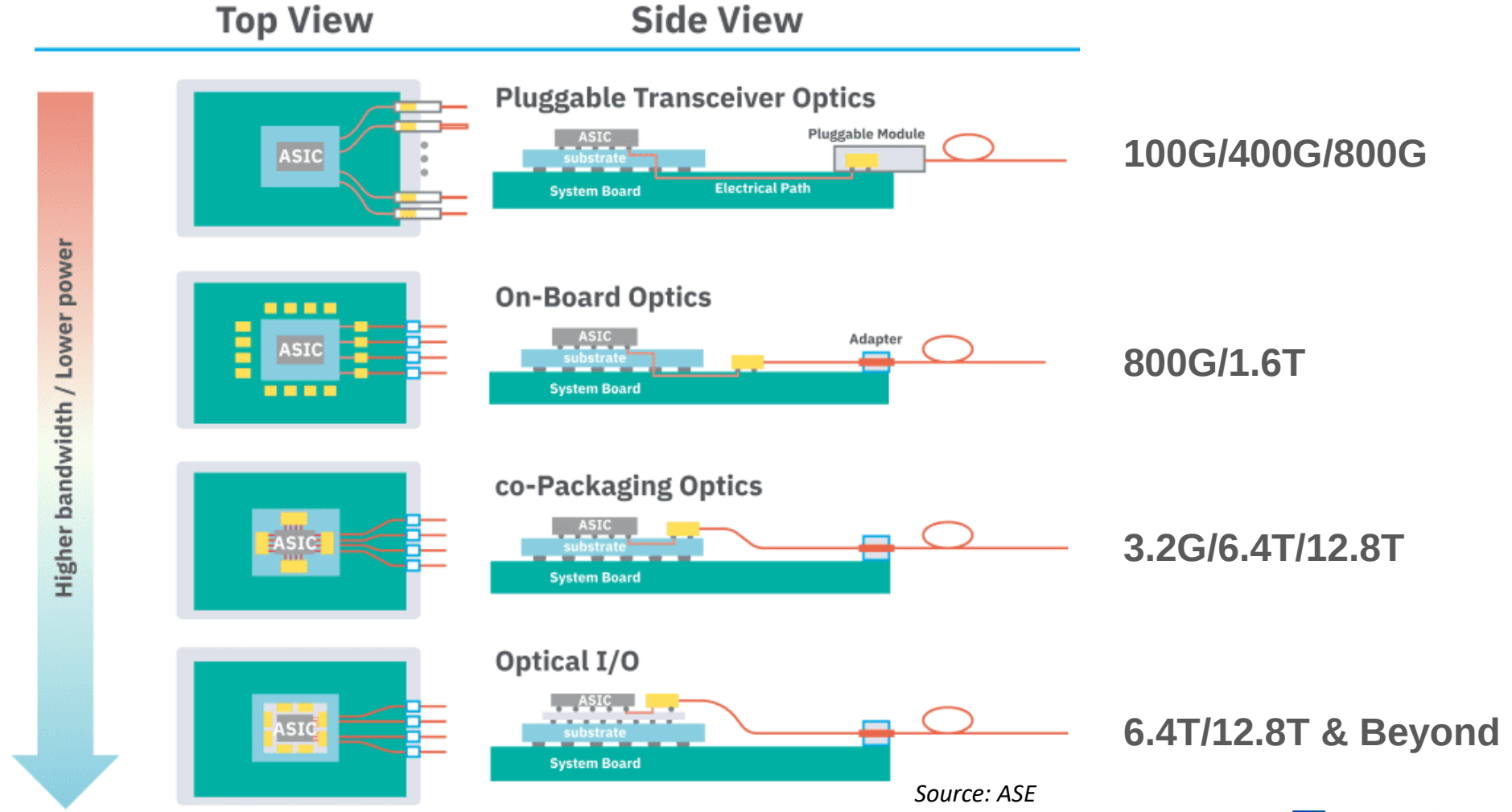
Where **Analog** and **Value** Meet

Analog IC

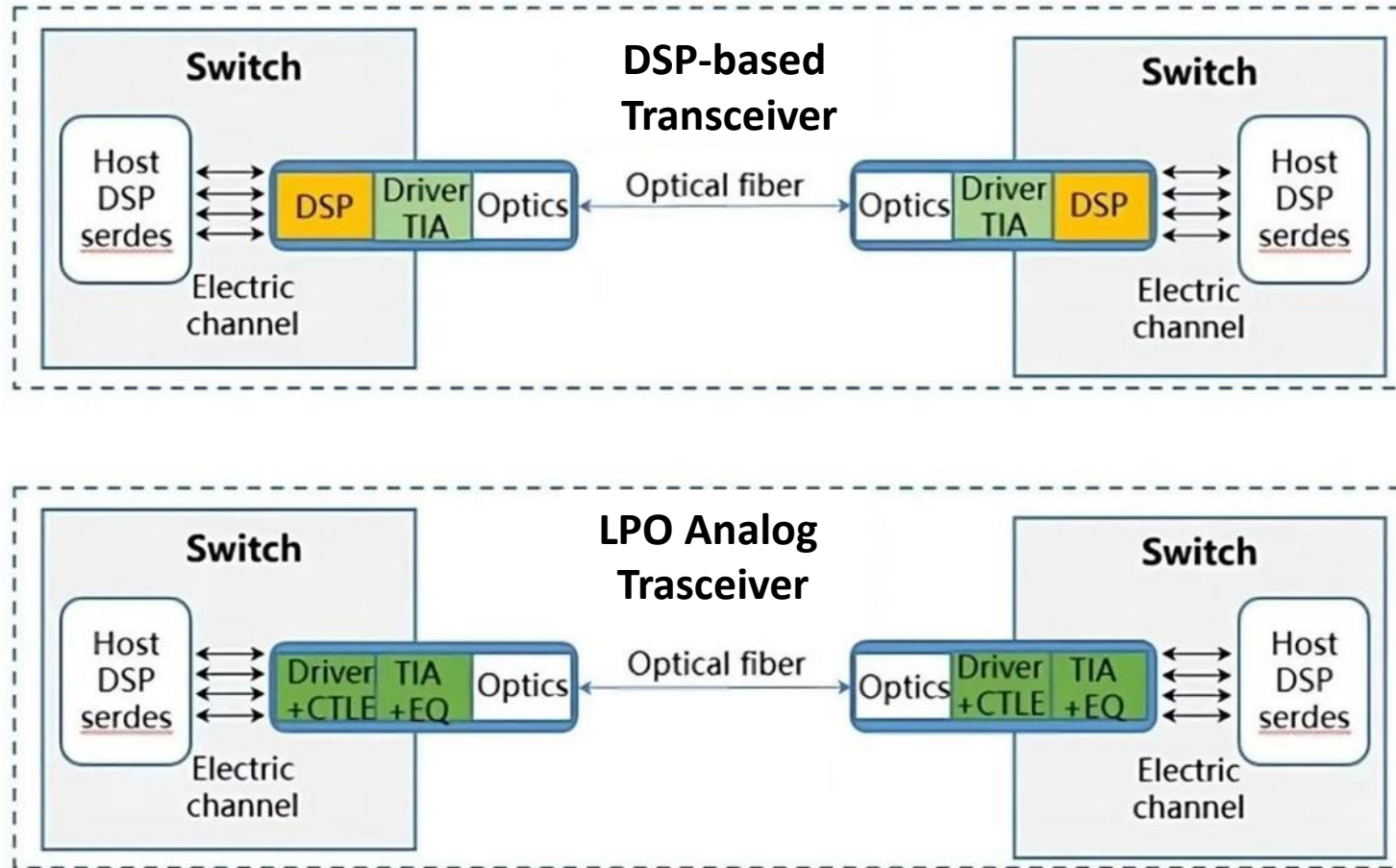
SiPho: from Pluggable to CPO to Optical I/O

Silicon Photonics enables

- Higher Bandwidth (Gbps)
- Lower Power (pJ/bit)
- Lower Cost (\$/Gbps)



SiGe-based Analog Linear Pluggable Optics (LPO) enabling removal of Expensive Digital Signal Processing (DSP)



Linear Drive (no DSP)

Lower Cost

Lower Power

Lower Latency

Larger market for SiGe

Source: Ruijie Networks

Satellite based internet services

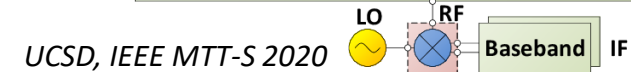
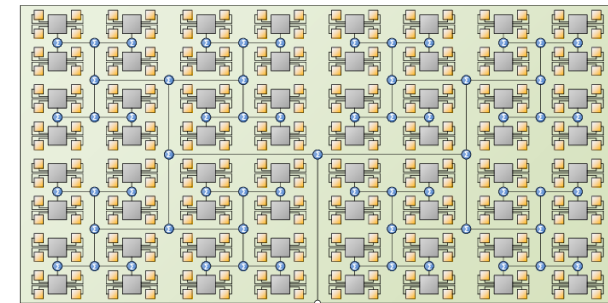
- ▶▶ Terrestrial receiver demand is growing
- ▶▶ SiGe based phased-array are key enablers
- ▶▶ ~250 phase-array ICs per terminal on average
- ▶▶ Emerging growth market for SiGe technology

User Terminal Examples

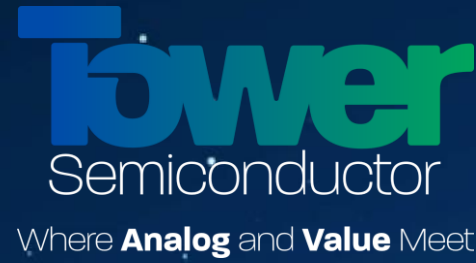


Shown for illustrative purpose only. Not an indication of Tower's content.

256 Element Phased-Array Example



Shown for illustrative purpose only. Not an indication of Tower's content.



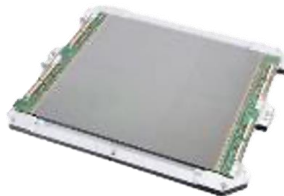
Sensors and Displays

Main Markets and Applications

Medical and Dental X-Ray



- Intra and Extra Oral
- Mammography
- Surgical
- Up to 21cm x 21cm (1 DPW)



Industrial Machine Vision



- 2-D barcode readers
- Food inspection
- Industrial robots
- Display inspection QA
- Solar cell inspection QA
- ITS



High-end Photography

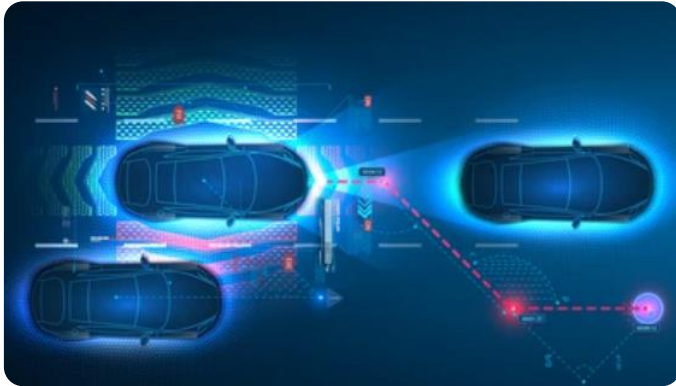


- Cinematography
- Broadcasting
- High end photography

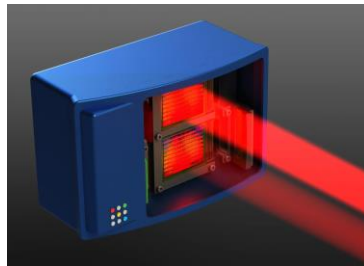


Main Markets and Applications

3D sensing



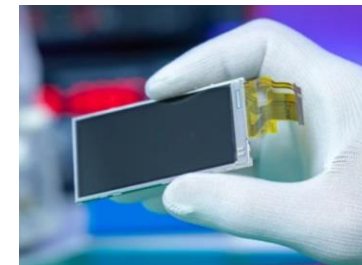
- Automotive (dToF)
- Gaming (iToF/dToF)
- AR/VR depth sensors
- Robotics / Home Robotics (dToF)
- Fast camera autofocus



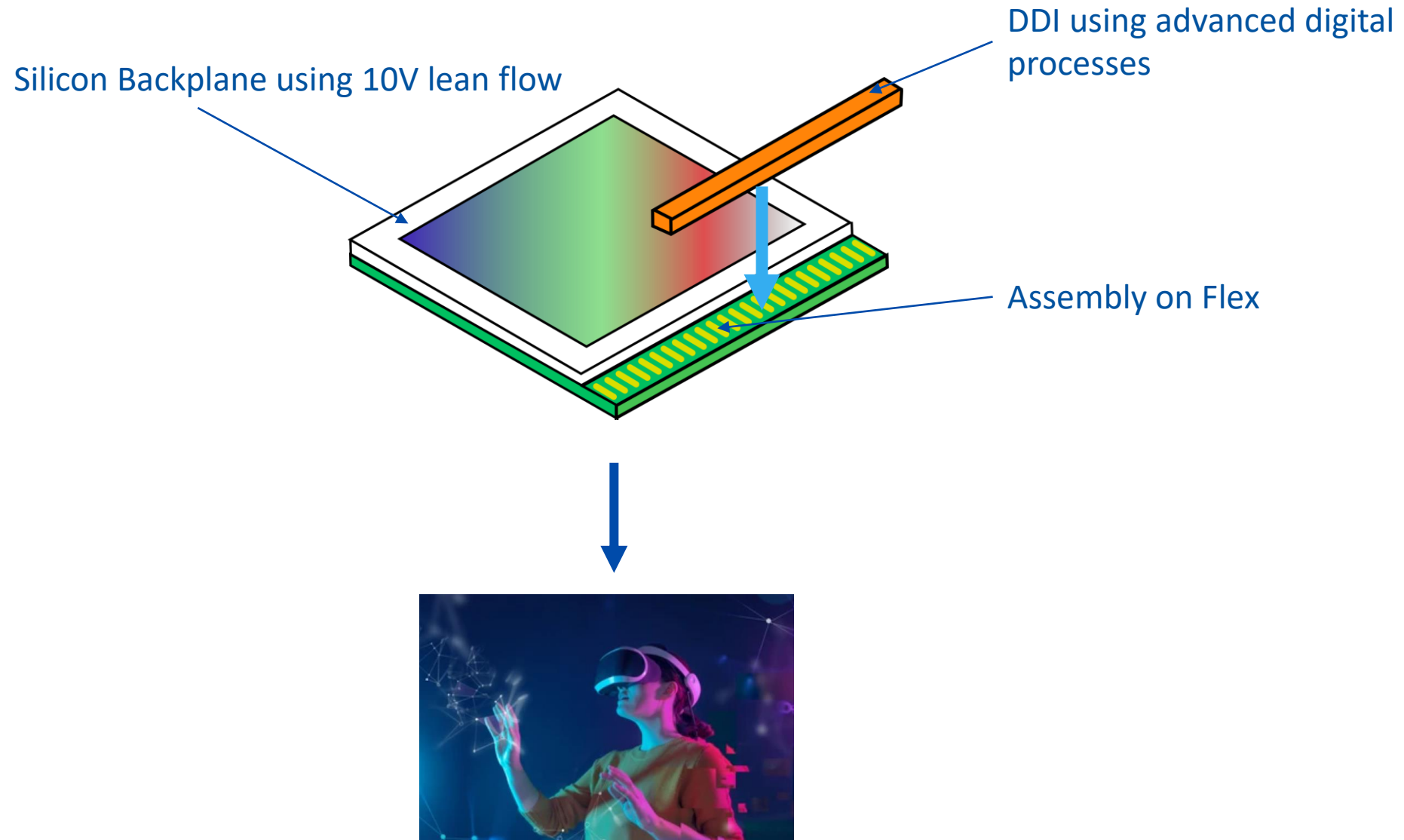
Displays



- uOLED displays for VR goggles
- uLED on Silicon for next generation displays



OLED on Silicon (OLEDoS) Backplane for VR



Long-term Financial Model

Financial Model (\$M)

	Q3 2023 Annualized Run Rate	Built-out capacity@85% utilization*	Incremental	
			\$M	% of Incremental Revenue
Revenue	1,432	1.9X	2,660	1,228
Gross Profit	347	2.1X	740	393
Operating Profit	195	2.9X	560	365
Net Profit	208 **	2.4X	500	292

* Including New Mexico capacity corridor and Agrate capacity based on previously announced Cap-Ex investments

** Excluding Intel merger contract termination fees received in Q3'2023, net of associated cost and taxes



Thank You

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