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Tower Semiconductor (NASDAQ: TSEM)

TSEM: Tower Semiconductor Beats Q1 Estimates and Raises Expectations; It Collected $240M in Customer Prepayments For 2027

Using EV to 2028 Sales of 10.0xs, we believe TSEM could be worth $277 per share.

Current Price (5/13/2025)	$270.70
Valuation	**$277.00**

OUTLOOK

Tower is a pure-play analog semiconductor wafer foundry that manufactures SiGe, Silicon Photonics, MEMS, RF, embedded flash-based memory, analog/mixed-signal, and CMOS image-sensor devices in the US, Israel, Japan and Italy. It is serving markets in mobile such as RF High Position analog, as well as in CMOS image sensors, and power management. Its new fab in Italy in partnership with STMicro is shipping product and its capacity will continue to ramp over the next two years. The company's new Silicon Photonics products are seeing strong demand in optical transceivers used in AI data centers. The company is flush with $1.5 billion in cash (or $13.31 per share), and increasing capacity as fast as possible to meet demand.

SUMMARY DATA

52-Week High	**270.77**
52-Week Low	**38.09**
One-Year Return (%)	**542.6**
Beta	**0.9**
Average Daily Volume (sh)	**2,633,634**
Shares Outstanding (mil)	**112.6**
Market Capitalization ($mil)	**$30,448**
Short Interest Ratio (days)	**1.0**
Institutional Ownership (%)	**71**
Insider Ownership (%)	**1**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**0.0**
Earnings Per Share (%)	**10.3**
Dividend (%)	**0**
P/E using TTM EPS	**108.7**
P/E using 2026 Estimate	**80.3**
P/E using 2027 Estimate	**52.2**

Risk Level	**Above Average**
Type of Stock	**Large Growth**
Industry	**Elec Comp-Semis**

ZACKS ESTIMATES

Revenue
(In millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	$327 A	$351 A	$371 A	$387 A	$1,436 A
2025	$358 A	$372 A	$396 A	$440 A	$1,566 A
2026	$414 A	$455 E	$486 E	$535 E	$1,890 E
2027					$2,400 E

Earnings per Share
(non-GAAP)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	$0.46 A	$0.53 A	$0.57 A	$0.59 A	$2.15 A
2025	$0.45 A	$0.50 A	$0.55 A	$0.78 A	$2.29 A
2026	$0.65 A	$0.78 E	$0.88 E	$1.06 E	$3.37 E
2027					$5.19 E

WHAT'S NEW

Tower Semiconductor Report Q1 With Revenues on Target, But Much Higher Margins

Tower reported revenues as expected, but with much higher margins. Every margin was significantly higher than last year, and gross margin even beat that of higher-revenue Q4 2025. Incremental revenue is expected to ultimately contribute up to 59% in gross margin, being about 55% now. What is happening is that older products with lower margins are declining and being replaced with new higher margin product and that is happening more rapidly than we expected. As capacity continues to expand, depreciation will weigh on gross margins and offset some of the expansion. Operating income almost doubled, up 96%, while GAAP net income grew 62%, aided by a tax rate of 9% rather than the expected 18%. Non-GAAP net income was up 48%.

Investors were most impressed with the prepayments Tower received from customers to secure their share of photonics products in 2027. The ability to prepay to ensure products that are supply-constrained has always been an option at Tower, but never has it reached these levels. In Q1, the company received prepayments of $290 million from customers to ensure that they would receive at least $1.3 billion in products in 2027. This does not include demand from other customers, but is only a minimum guarantee from the prepayers. They may indeed order more. Tower is capacity-constrained, and demand will outstrip supply for certain products. The company expects to grow SiPho capacity five times from Q4 2025 wafer revenue shipments. While not the same thing, revenues from SiPho in Q4 were $95 million, including some NREs, by the end of 2026. The revenues from SiPho are not purely incremental, as the company is repurposing some capacity and thus eliminating sales of other products.

For Q2 2026, Tower guided to revenues of $455 million plus or minus 5%, a company record. This should result in accelerating year-over-year growth and even higher margins. We are raising our estimates to reflect both the margin expansion and capacity increases. The revenue estimate for 2026 is now $1.9 billion, and is $2.4 billion for 2027. Adjusted EPS has been increased to $3.37 for this year and $5.19 for 2027.

Tower has a target model that shows it reaching a $2.8 billion run rate sometime in 2027. At that level, net income is expected to be $750 million, which yields EPS of approximately $6.52. The company plans to revisit this model in the next quarter or two, and we believe it could be revised upward. It seems that, with the stock's price movement, investors expect that. Since right now the company can sell as much as it can produce of photonics products, it is doing all it can to increase capacity. Given the plans presented by AI companies for buildout, strong demand should continue for many more years into the future.

As of last night's closing price, the company trades at an enterprise value of $29.1 billion, or 12.1x EV to estimated 2027 sales. While the company appears fully valued at current prices, it is now a momentum stock and a photonics/AI data center play, and we see catalysts in: potential increased guidance and continued beat and raises, increased target model, and announcements of new large customers. Right now, the only gating factor is capacity. If investors assume $3 billion in revenues in 2028, with a 10x EV to Sales, with $500 million of the cash spent, the stock price would be $277 per share. Since its recent low at $28.54 on April 4, 2025, the stock has rocketed 848%.

Q1 2026 Revenue Breakdown

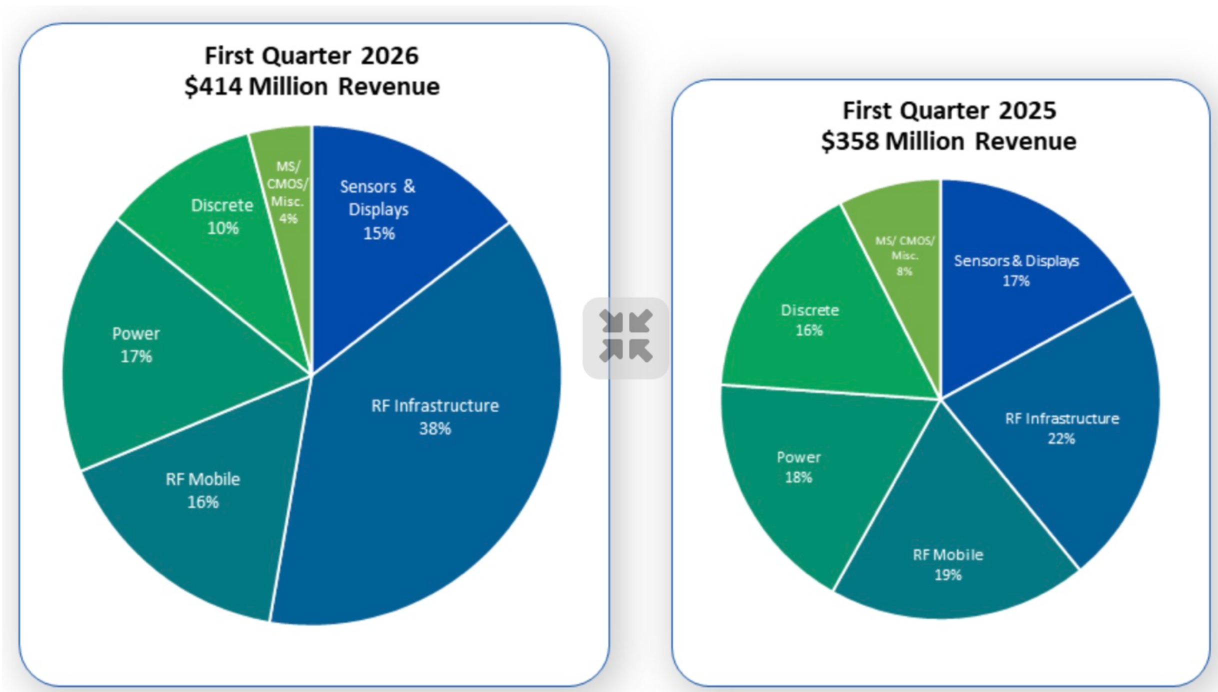
The biggest revenue contribution in the quarter again came from RF infrastructure, surpassing RF Mobile. In Q1, RF Infrastructure grew 100% to $157 million, up from $79 million in Q1 2025. Its percentage contribution to total sales is growing as other sales categories decline. As it becomes a bigger portion of total revenues, growth should continue to accelerate. The company is in the midst of a SiPho production ramp in Fab 2 Migdal Haemek, Fab 3 Newport Beach, Fab 9 San Antonio, and Fab 7 Uozu, Japan, 300mm. In Q1, Tower got the first flow of SiPho revenue shipments from both Fab 2 and Fab 7, with Uozo achieving an impressive 95% yield for the first wafers leaving the factory.

RF mobile was down year over year and is expected to be so for all of 2026, but the company expects it to return to growth in 2027 as orders ship for 2028 phones. The industry is going through a transition from 200mm to 300mm.

Table 1. Dollars of Revenue by Technology in Millions

	Q1 2025	Q1 2026	% Change	$ Change
Total	358.2	413.6	15.5%	55.5
RF Infrastructure	78.8	157.2	99.5%	78.4
RF Mobile	68.1	66.2	-2.7%	-1.9
Power	64.5	70.3	9.1%	5.8
Sensors and Displays	60.9	62.0	1.9%	1.2
Discrete	57.3	41.4	-27.8%	-15.9
MS/CMOS	21.5	16.5	-23.0%	-4.9

Graph 1. Percentage of Total Revenues By Product Line



Source: Tower Semiconductor

Table 2. Fab Capacity Utilization

		Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Fab 1	Migdal Haemek, Israel 6"	65%	75%	85%	70%	65%	NA	NA	NA	NA
Fab 2	Migdal Haemek, Israel 8"	75%	67%	60%	55%	80%	60%	65%	60%	60%
Fab 3	Newport Beach, CA 8"	45%	55%	65%	70%	70%	85%	85%	85%	80%
	TPSCo factories									
Fab 5	Japan 8"	40%	45%	60%	60%	65%	75%	75%	75%	75%
Fab 7	Uozo Japan 12"	75%	85%	85%	90%	90%	90%	90%	90%	90%
Fab 9	San Antonio, 8"	60%	60%	60%	55%	70%	60%	60%	65%	80%
	Quarterly Average Utilization	60%	65%	69%	67%	73%	74%	75%	75%	77%

Q1 2026 Earnings Results

Revenues in Q1 2026 were $414 million versus $358 million in Q1 2025 and were up 15% year over year. The gross margin in Q1 2026 increased to 26.8%, from 20.4% a year earlier, and was even up from 26.7% in Q4 2025 despite lower revenues. Gross margin dollars were up significantly to $111 million or 51.6% as incremental revenues came in higher margins and lower margin products had declining sales.

Operating expenses were up $6.1 million year over year, or 15%, in line with revenue growth. The operating margin was 15.6% compared to 9.2% last year, and operating income soared to $65 million from $33 million in Q1 2025. Other income was $9.5 million compared to $10.6 million in last year's quarter. The company expects it to typically fluctuate between $8 million and $10 million per quarter.

Pretax profit was $74 million versus $44 million a year ago. Taxes were $6.5 million in the quarter, or 8.8%, versus the expected 18% due to a one-time benefit from the restructuring of TPSCo in Japan.

GAAP net income was $65 million versus $40 million last year, while non-GAAP net income was $75 million versus $51 million a year ago, up 48%.

Diluted GAAP EPS was $0.57 per share, compared with $0.35 last year. Adjusted non-GAAP diluted EPS was $0.65, up from $0.45 a year ago or 46%. The average diluted shares for the quarter were 114.3 million, up from 113.2 million last year. EBITDA for the first quarter of 2026 was $138.8 million compared to $107.1 million a year ago, but down sequentially from $148.6 million in Q4 2025.

Balance Sheet

As of March 31st, the company had cash and short-term deposits of $1.5 billion, or $13.31 in cash per share. Tower received $290 million in prepayments from customers in Q1 for capacity reservations. We estimate it is earning between 4.0% and 4.5% on about $800 million of that amount. Total debt decreased by $5.7 million to $156 million from the last quarter. Its quick ratio was 4.9x, and it has $1.7 billion in working capital. Operating cash flow, excluding changes in working capital (which includes the $290 million from prepayments), was $154 million for the quarter. Free cash flow was a negative $2.8 million for the quarter after spending a net $156 million on capex in the quarter.

Capex expenditures are expected to increase. Maintenance Capex is $200-$240 million per year; Tower is spending another $100 million on Agrate and $255 million in New Mexico, spread in installments through 2026. In addition, the company announced it will spend another $300 million to expand capacity for SiPho and SiGe in Israel, Texas, and Japan until the end of 2026. There is a remaining $552 million still to spend of the planned $920 million. This heavy spending could put the company in negative free cash flow territory for the next year or two.

During the Quarter

On January 5, 2026, Tower and LightIC Technologies, a developer of silicon photonics–based FMCW LiDAR solutions, announced a strategic collaboration leveraging Tower's mature silicon photonics platform to support LightIC's Frequency-Modulated Continuous-Wave (FMCW) LiDAR products, including the Lark™ long-range automotive LiDAR and the FR60™ compact LiDAR for robotics and Physical AI applications.

On February 5, 2026, Tower announced it is scaling silicon photonics for 1.6T data center optical modules designed for NVIDIA networking protocols.

On February 17, 2026, Tower and Scintil Photonics announced the availability of the world's first heterogeneously integrated Dense Wavelength Division Multiplexing (DWDM) laser sources for AI infrastructure using Scintil's SHIP™ (Scintil Heterogeneous Integrated Photonics) technology.

On February 19, 2026, Tower and Xanadu, a leading photonic quantum computing company, announced an expansion of their collaboration in developing advanced silicon photonics for fault-tolerant quantum computers based on Tower's platform. These developments build on prior collaborative technical achievements, including a series of successful joint tapeouts to test and refine Xanadu's designs on Tower Semiconductor process flows.

On March 16, 2026, Tower and Oriole Networks, developer of the PRISM (Photonic Routing Infrastructure for Scalable Models) and PRISM Ultra networking platforms, announced their collaboration to deliver ultra-low, deterministic-latency networking for scale-up and scale-out AI architectures, built on Tower's silicon photonics platform.

On March 23, 2026, Tower and Coherent Corp. (NYSE: COHR) announced they had demonstrated 400 Gbps/lane data transmission using a silicon modulator built in a production-ready silicon photonics (SiPho) process. This will enable 3.2T optical transceivers and extend the silicon capabilities for pluggable transceivers and Co-Packaged Optics (CPO) in datacenter connections. The demonstration showed a clear open eye at 420 Gb/s PAM4 and used Coherent's Indium Phosphate CW high-power laser.

On March 25, 2026, Tower and Nuvoton Technology Corporation (TSE:4919) announced they would restructure TPSCo's business operations. TPSCo, headquartered in Japan, is a Japanese corporation in which Tower holds a 51% equity interest and NTCJ holds the remaining 49% equity interest. TPSCo provides wafer processing and assembly services and currently operates a 12-inch fabrication facility in Uozu, Japan, and an 8-inch fabrication facility in Tonami, Japan.

Tower plans to buy TPSCo's 12-inch 300mm fab and foundry business (Fab 7), while NTCJ will take the 8-inch fab and foundry business (Fab 5). Under the new structure, Tower's new wholly owned subsidiary in Japan will own all of Fab 7's 300mm manufacturing production tools, operations, employees, and business activities. As part of the agreement, Tower has an option to purchase the existing Fab 7 building and land. Contingent upon subsidy approval from Japan's Ministry of Economy, Trade and Industry (METI), Tower will purchase the adjacent land to support the expansion. Tower targets the combined capacity across the existing facility and the intended adjacent expansion to result in four times the current Uozu 300mm capacity once completed.

Given that the company's photonics technologies are already qualified and shipping in volume from Fab 7 Uozu, Tower believes this intended capacity investment to full volume shipments will be substantially accelerated. The first increases in photonics shipments are expected to occur immediately upon each new tool's arrival in the expanded fab footprint. This expansion is targeted to occur in a fab that is presently strongly cash flow positive and is targeted to stay so during the entire build-out period.

The companies will work to ensure continuity without interruption of customer engagements, ongoing operations, and development programs, as well as employee stability, across both facilities. In addition, each party will provide production services to the other party that currently fabricates products at the other party's facility. NTJC is to pay Tower $25 million on the closing date, which is expected to be April 1, 2027.

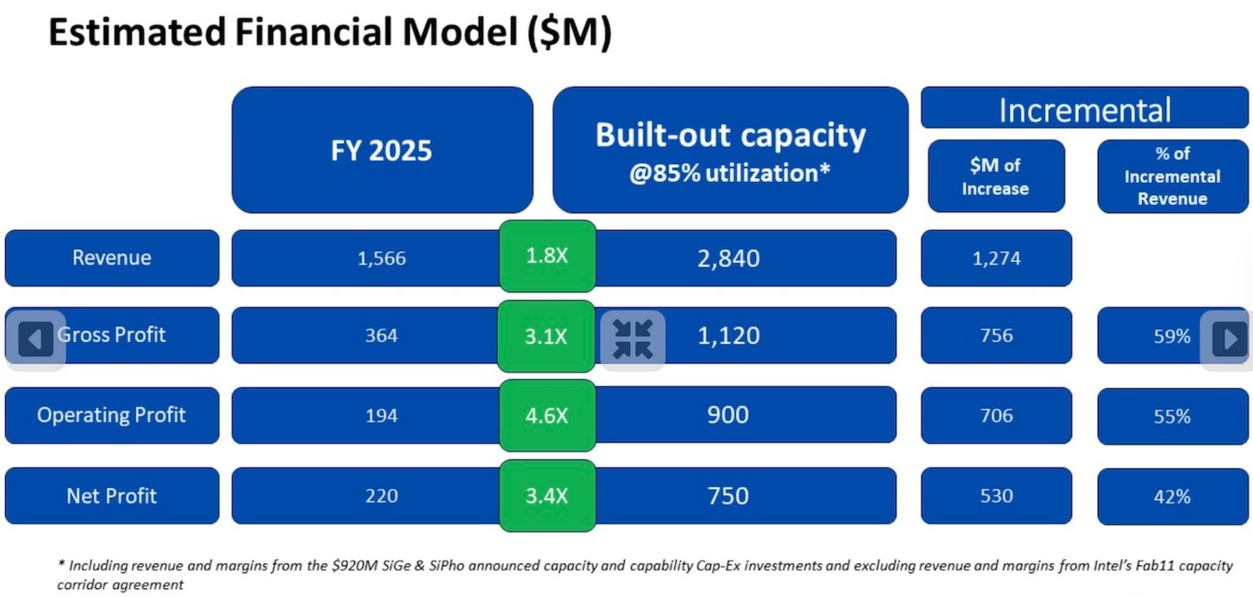
On March 26, 2026, GlobalFoundries announced it is suing Tower Semiconductor, alleging that Tower infringed on eleven GlobalFoundries patents for manufacturing chips for smartphones and other electronic devices. GlobalFoundries said it has filed two complaints in the U.S. District Court for the Western District of Texas and one with the U.S. International Trade Commission (ITC). The ITC case will seek to block the import into the U.S. of chips made by Tower Semiconductor, made with technologies covered by the patents.

After The Quarter Ended

Yesterday, Tower also announced that it has signed silicon photonics contracts totaling $1.3 billion in 2027 revenue with its largest customers and has received $290 million in prepayments from customers for capacity reservations. This initial commitment is further reinforced by an even larger contractual wafer commitment for 2028, for which additional associated prepayments are due by January 2027. The pre-paid capacity reservation is the customer's contractual commitment, with their full demand and Tower shipment forecast being higher. The total 2027 customer demand is further augmented by healthy forecasts from the rich and broad SiPho customer base of over 50 active customers across wide-ranging SiPho-based applications.

The Target Business Model

The current revenue target is $2.8 billion to be reached as a run rate sometime in 2027. Incremental revenues are expected at a 59% gross margin, compared to the previously expected gross margin above 50%. More dramatically, through operating leverage, this incremental gross margin should reach 42% incremental net margins rather than the previous expectation of 24%. So, assuming 85% capacity utilization, revenues would increase by 86% to $2.8 billion and net income by 140% to $750 million compared to the original estimate of $500 million. During the company's Q4 2025 earnings call, the company announced an additional investment of $270 million in SiPho to reach a total of $920 million in capex to be spent by the end of 2027. 40% of the $920 million has already been spent. Given the company's recent results and expectations, this model looks to be conservative. On today's call, management indicated that it would be giving it another look and perhaps updating it in the next one to two quarters.



Estimated Financial Model ($M)

	FY 2025		Built-out capacity @85% utilization*	Incremental: $M of Increase	Incremental: % 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*

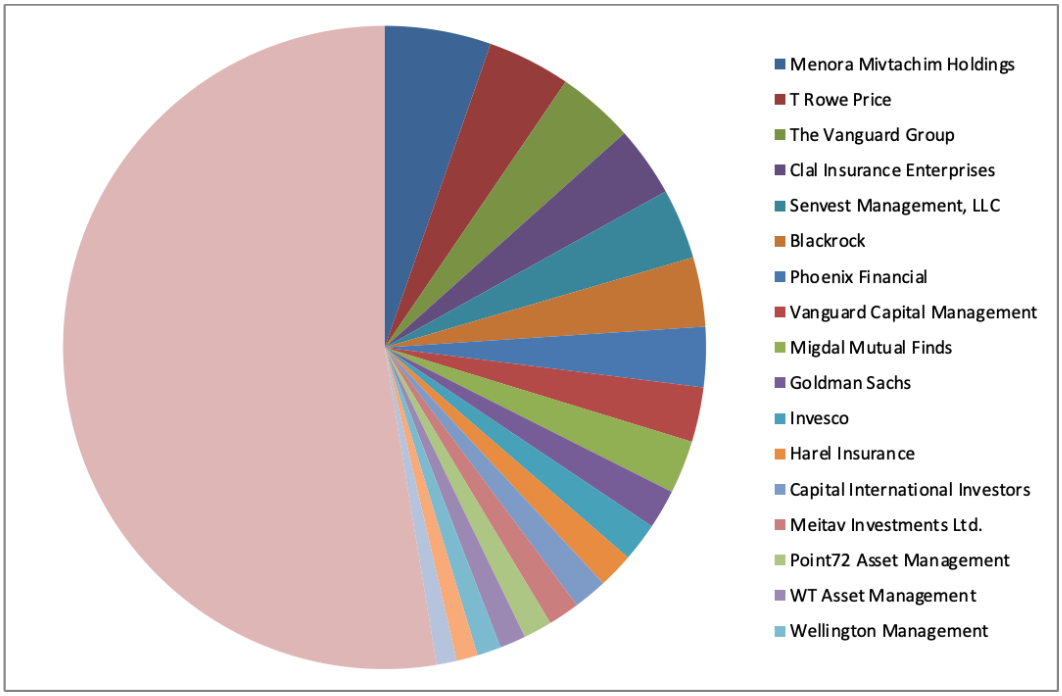
Source: Tower Semiconductor

VALUATION

TSEM trades at an enterprise value of $29.1 billion, or 12.1 EV to estimated sales for 2027, higher than its peers, who trade at an average of 6.0x. However, if we look at the components of that average, we see that Taiwan Semiconductor trades at 9.5xs and is much more mature than Tower. At 10xs 2028 revenues of $3 billion, TSEM stock would be worth approximately $277 per share.

Foundry Companies	Ticker	EPS 26E	EPS 27E	Price	PE 2026E	PE 2027E	Growth Rate	PE/Growth	Sales 2027E	EV/Sales	EV
Company											
GLOBALFOUNDRIES	GFS	1.89	2.48	72.15	38.2	29.1	31.2%	1.2	8.1	5.0	41
SMIC	0981.HK	0.13	0.17	9.47	74.3	57.0	30.4%	2.4	13.2	7.1	94
Taiwan Semiconductor	TSM	15.45	19.29	397.28	25.7	20.6	24.9%	1.0	210.0	9.5	2,005
United Microelectronics	UMC	0.69	0.80	16.06	23.3	20.1	15.9%	1.5	9.7	3.7	36
Average					40.4	31.7		1.5	60.2	6.4	544

OWNERSHIP



INCOME STATEMENT

	March Q1 25	June Q2 25	Sept Q3 25	Dec Q4 25	March Q1 26	June Q2 26E	Sept Q3 26E	Dec Q4 26E	2024	2025	2026E	2027E
REVENUE	358.2	372.1	395.7	440.2	413.6	455.0	486.0	535.0	1,436.1	1,566.1	1,889.6	2,400.0
Yr-to-yr Gr.	9%	6%	7%	14%	15%	22%	23%	22%	1%	9%	21%	27%
OPERATING EXPENSES												
Cost of goods sold	285.0	292.0	302.6	322.6	302.7	321.3	335.2	356.8	1,096.7	1,202.3	1,316.0	1,545.7
Gross Margin	73.2	80.0	93.0	117.6	111.0	133.7	150.8	178.2	339.4	363.9	573.6	854.3
% of Sales	20.4%	21.5%	23.5%	26.7%	26.8%	29.4%	31.0%	33.3%	23.6%	23.2%	30.4%	35.6%
R&D	20.2	19.4	22.1	24.9	23.5	24.0	24.5	25.0	79.4	86.5	97.0	110.0
M, G&A	20.1	20.7	20.4	21.9	22.9	23.5	25.0	26.6	75.0	83.2	98.0	100.0
One-time charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.3)	0.0	0.0	0.0
Tot Operating Exp.	40.3	40.2	42.5	46.8	46.4	47.5	49.5	51.6	148.1	169.7	195.0	210.0
Operating Income	32.9	39.9	50.6	70.8	64.6	86.2	101.3	126.6	191.3	194.2	378.6	644.3
Yr-to-yr Gr.	-3%	-28%	-9%	53%	96%	116%	100%	79%	-65%	1%	95%	70%
Operating Margin	9.2%	10.7%	12.8%	16.1%	15.6%	18.9%	20.8%	23.7%	13%	12%	20%	27%
Interest & other non-cash financing	10.6	14.4	10.5	10.7	9.5	9.5	9.5	9.5	26.1	46.2	38.1	32.0
Gain from acqusiition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	43.5	54.3	61.1	81.6	74.1	95.7	110.8	136.1	217.4	240.4	416.7	676.3
Profit margin	12.1%	14.6%	15.4%	18.5%	17.9%	21.0%	22.8%	25.4%	15.1%	14.0%	14.0%	14.0%
Taxes	(3.8)	(8.7)	(7.6)	(1.5)	(6.5)	(17.2)	(19.9)	(24.5)	(10.2)	(21.6)	(68.2)	(121.7)
Tax Rate	8.7%	16.0%	12.5%	1.8%	8.8%	18.0%	18.0%	18.0%	4.7%	9.0%	16.4%	18.0%
Profit before non-controlling	39.7	45.6	53.4	80.1	67.6	78.5	90.8	111.6	207.2	218.8	348.5	554.6
Minority Income	0.4	1.0	0.2	0.1	(2.5)	0.0	0.0	0.0	0.6	1.7	(2.5)	0.0
GAAP Net income	40.1	46.6	53.6	80.1	65.0	78.5	90.8	111.6	207.9	220.5	346.0	554.6
Yr-to-yr Gr.	-10%	-13%	-2%	45%	62%	69%	69%	39%	-60%	6%	57%	60%
Net Margin %	11%	13%	14%	18%	16%	17%	19%	21%	14%	14%	18%	23%
Non-GAAP Net Income	50.5	57.1	62.7	89.5	74.5	89.5	100.3	121.6	241.0	259.9	385.9	596.8
Yr-to-yr Gr.	-3%	-3%	-2%	35%	48%	57%	60%	36%	0%	8%	48%	55%
GAAP primary EPS	$0.36	$0.42	$0.48	$0.71	$0.58	$0.70	$0.80	$0.99	$1.87	$1.97	$3.06	$4.89
Fully diluted GAAP EPS	$0.35	$0.41	$0.47	$0.70	$0.57	$0.69	$0.79	$0.97	$1.85	$1.94	$3.02	$4.82
Adj Non-GAAP EPS-Fully dil.	**$0.45**	**$0.50**	**$0.55**	**$0.78**	**$0.65**	**$0.78**	**$0.88**	**$1.06**	**$2.15**	**$2.29**	**$3.37**	**$5.19**
Yr-to-yr Gr.	-4%	-4%	-3%	33%	46%	55%	59%	35%	-1%	7%	47%	54%
Primary Share Out	111.6	111.8	112.1	112.4	112.6	112.8	113.0	113.2	111.2	112.0	112.9	113.5
Fully Diluted GAAP	113.2	113.3	113.8	114.2	114.3	114.3	114.3	114.8	112.3	113.6	114.5	115.0
EBITDA	**107.1**	**114.5**	**127.0**	**148.6**	**138.8**	**160.8**	**177.7**	**201.6**	**448.8**	**497.3**	**678.6**	**944.3**
EBITDA Margin	30%	31%	32%	34%	34%	35%	37%	38%	31%	32%	36%	39%
Yr-to-yr Gr.	-3%	-14%	-1%	7%	12%	15%	14%	12%	-12%	11%	36%	39%

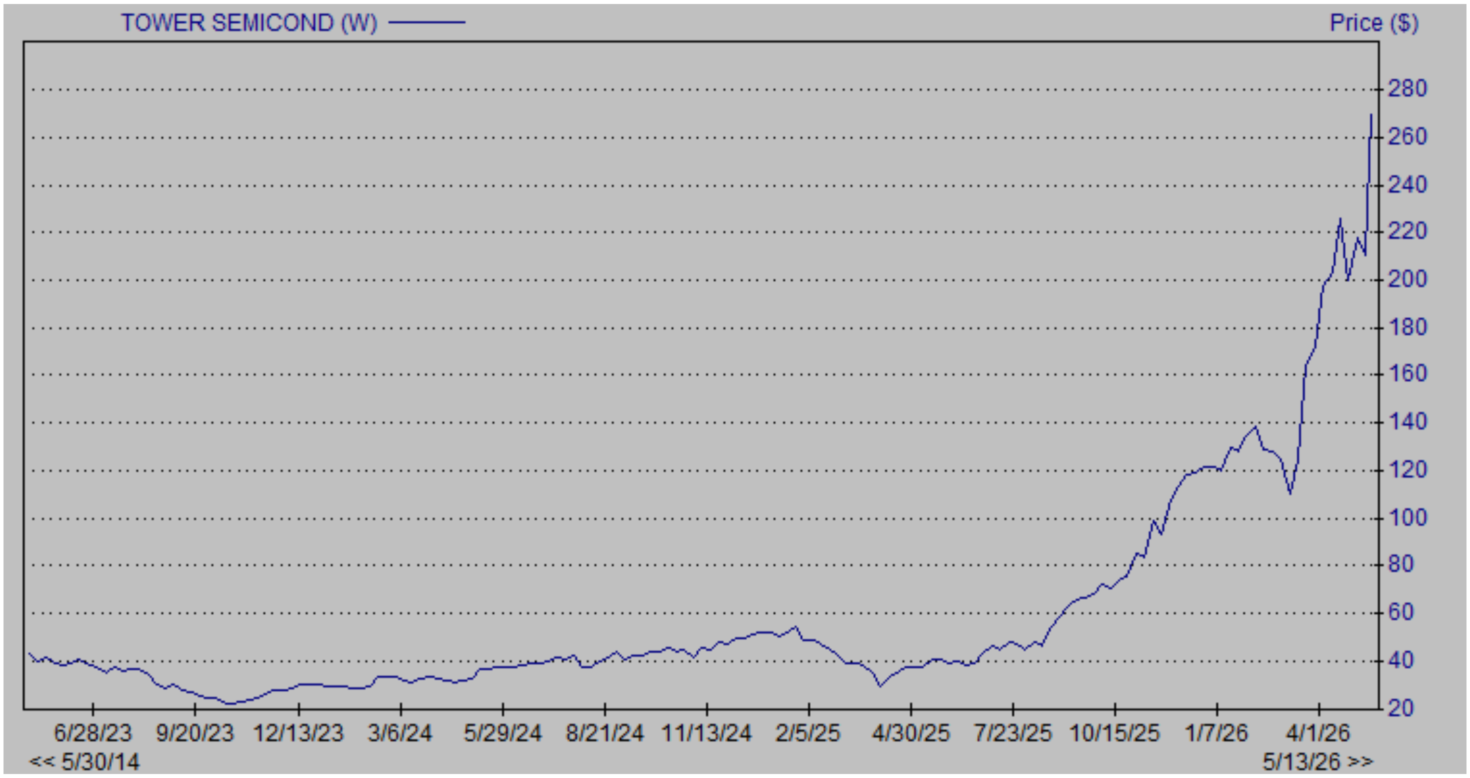
BALANCE SHEET

$ in thousands	Mar 31, 2026	Dec 31, 2025	Qtr-Qtr % Change	Mar 31, 2025	Yr-Yr % Change
CURRENT ASSETS					
Cash and cash equivalents	**$243,309**	**$235,369**	3.4%	**$274,818**	-11.5%
Short term deposits	**1,255,239**	**916,541**	37.0%	**906,446**	38.5%
Trade accounts receivable	213,840	222,795	-4.0%	219,496	-2.6%
Inventories	254,833	256,855	-0.8%	276,072	-7.7%
Other current assets	61,720	78,062	-20.9%	51,429	20.0%
Total current assets	2,028,941	1,709,622	18.7%	1,728,261	17.4%
PROPERTY AND EQUIPMENT, NET	1,529,281	1,463,056	4.5%	1,346,213	13.6%
Other long-term assets	142,398	149,612	-4.8%	34,131	317.2%
TOTAL ASSETS	3,700,620	3,322,290	11.4%	3,108,605	19.0%
CURRENT LIABILITIES					
Short term debt	**25,108**	**28,112**	-10.7%	**27,490**	-8.7%
Trade accounts payable	121,049	123,915	-2.3%	118,318	2.3%
Deferred revenue	127,307	25,581	397.7%	17,233	638.7%
Other current liabilities	86,899	86,139	0.9%	86,421	0.6%
Total current liabilities	360,363	263,747	36.6%	249,462	44.5%
LONG-TERM DEBT	**130,748**	**133,406**	-2.0%	**134,835**	-3.0%
LONG-TERM CUSTOMERS' ADVANCES	215,413	1,932	11049.7%	NA	NA
OTHER LONG-TERM LIABILITIES	19,996	20,554	-2.7%	22,293	-10.3%
Total liabilities	726,520	417,707	73.9%	406,590	78.7%
SHAREHOLDERS' EQUITY	2,974,100	2,904,583	2.4%	2,640,180	12.6%
TOTAL LIABILITIES AND EQUITY	$3,700,620	$3,322,290	11.4%	$3,046,770	21.5%
Current Ratio	5.6	6.5	-13.1%	6.9	-18.7%
Quick Ratio	4.9	5.5	-10.6%	5.8	-15.4%
Working Capital	1,668,578	1,445,875	15.4%	1,478,799	12.8%
Debt Percent of Assets	4.2%	4.9%	-13.4%	5.2%	-19.3%
Debt to Equity	0.1	0.1	-5.8%	0.1	-14.8%
Cash and equivalents	1,498,548	1,151,910	30.1%	1,181,264	26.9%
Cash and equivalents per share	$13.31	$10.25	29.9%	$10.59	25.7%
Debt	155,856	161,518	-3.5%	162,325	-4.0%
Change in cash	346,638	(71,392)	-585.5%	(36,981)	-1037.3%
Change in debt	(5,662)	(2,569)	120.4%	(18,488)	-69.4%

CASH FLOW

	Year 2022	Year 2023	Year 2024	3-Mo 3/31/25	3-Mo 6/30/25	3-Mo 9/30/25	3-Mo 12/31/25	Year 2025	3-Mo 3/31/26
CASH FLOWS - OPERATING ACTIVITIES									
Net profit (loss)	$ 266,471	$ 519,530	$ 207,222	$ 39,717	$ 45,592	$ 53,446	$ 80,059	$ 218,814	$ 67,565
Income and non-cash expense items:									
Depreciation and amortization	292,638	258,021	266,279	74,228	74,636	76,456	77,792	303,112	82,925
Effect of fair value measurement on debt	10,362	(1,632)	133	0	0	0	0	0	0
Other expense (income), net	6,934	(7,047)	24,721	558	3,559	(122)	6,532	10,527	3,107
		532							
Changes in assets and liabilities:									
Trade accounts receivable	(15,232)	(3,160)	(60,169)	(6,354)	4,972	1,853	(10,969)	(10,498)	8,566
Other assets	20,427	(9,541)	(33,992)	5,622	(5,002)	6,770	(30,888)	(25,453)	17,521
Inventories	(77,891)	8,682	4,778	(4,128)	(7,745)	(1,983)	25,656	11,800	769
Other long-term assets	0	0	0	0	0	0	(111,018)	(111,018)	6,057
Trade accounts payable	(20,893)	(8,254)	35,784	(11,114)	8,218	(6,516)	(4,695)	(12,157)	8,722
Deferred revenue	(30,069)	(35,676)	(14,783)	(1,119)	(7,297)	4,223	8,352	(1,832)	30,091
Other current liabilities	61,033	(70,163)	22,021	3,718	5,580	2,958	1,573	12,029	(1,840)
Employee related liabilities	2,956	(1,210)	0	0	0	0	0	0	0
Deferred tax liability, net	13,084	27,011	0	0	0	0	0	0	0
Other long-term liabilities	0	0	(3,312)	(3,893)	86	2,338	(178)	158	1,370
Increase in customer advances				(3,313)	NA	NA	(2,678)		285,116
Net cash provided by operating activities	**529,820**	**676,561**	**448,682**	**93,922**	**122,599**	**139,423**	**39,538**	**395,482**	**509,969**
CASH FLOWS - INVESTING ACTIVITIES									
Investments in property and equipment, net	**(213,537)**	**(432,184)**	**(431,653)**	**(111,411)**	**(110,682)**	**(103,490)**	**(110,978)**	**(436,561)**	**(156,368)**
Interest bearing deposits, including designated deposits	(115,911)	(288,663)	31,414	44,470	(28,000)	(20,000)	42,000	38,470	(340,000)
Net cash provided by (used in) investing activities	(329,448)	(720,847)	(400,239)	(66,941)	(138,682)	(123,490)	(68,978)	(398,091)	(496,368)
CASH FLOWS - FINANCING ACTIVITIES									
Exercise of warrants and options	44	0	0	0	0	0	0	0	0
Debt repayment	(78,379)	(32,346)	(32,455)	(26,874)	5,104	(6,875)	(4,708)	(33,353)	(4,581)
Proceeds from investment in subsidiary	11,685	1,932	0	0	0	0	0	0	0
Net cash used in financing activities	(66,650)	(30,414)	(32,455)	(26,874)	5,104	(6,875)	(4,708)	(33,353)	(4,581)
Effect of foreign exchange rate change	(3,893)	(5,395)	(4,758)	2,817	1,454	(1,609)	(3,225)	(563)	(1,080)
INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	129,829	(80,095)	11,230	2,924	(9,525)	7,449	(37,373)	(36,525)	7,940
CASH & CASH EQTS - BEGINNING OF PERIOD	210,930	340,759	260,664	271,894	274,818	265,293	272,742	271,894	235,369
CASH & CASH EQUIVALENTS - END OF PERIOD	340,759	260,664	271,894	274,818	265,293	272,742	235,369	235,369	243,309
Operating Cash Flow	$ 576,405	$ 768,872	$ 498,355	$ 114,503	$ 123,787	$ 129,780	$ 164,383	$ 532,453	$ 153,597
Free cash flow	$ 362,868	$ 336,688	$ 66,702	$ 3,092	$ 13,105	$ 26,290	$ 53,405	$ 95,892	$ (2,771)

HISTORICAL STOCK PRICE



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