



Photronics Reports First Quarter Fiscal 2022 Results and Updates Long-Term Target Model

February 23, 2022

BROOKFIELD, Conn., Feb. 23, 2022 (GLOBE NEWSWIRE) -- [Photronics, Inc.](#) (NASDAQ:PLAB), a worldwide leader in photomask technologies and solutions, today reported financial results for its fiscal 2022 first quarter ended January 30, 2022.

"Strong end-market demand trends have continued into 2022, helping us achieve our fourth consecutive quarter of record revenue," said Peter Kirlin, chief executive officer. "Our investment strategy is producing the intended results as demonstrated by growth in excess of market rates. We've aligned our operations and technology to serve the strongest sectors of the market, such as AMOLED for mobile displays, high-end logic devices for advanced electronics and mainstream IC to support the proliferation of chips needed for the enablement of the internet of things."

First Quarter 2022 Results

- Revenue was \$189.8 million, up 5% sequentially and 25% year-over-year
- Net income attributable to Photronics, Inc. shareholders was \$23.1 million (\$0.38 per diluted share), compared with fourth quarter 2021 net income of \$19.8 million (\$0.33 per diluted share) – a 15% sequential increase in EPS, and first quarter 2021 net income of \$8.0 million (\$0.13 per diluted share) – nearly 300% year-over-year increase
- Integrated circuit (IC) revenue in the first quarter was \$129.8 million, up 3% sequentially and 24% compared with the first quarter of last year
- Flat panel display (FPD) revenue was \$60.1 million, up 8% over last quarter and 27% over the same period last year

"Market dynamics and Photronics' execution have driven profitability levels that propelled the Company well beyond the projections in the target model we provided in December 2020," concluded Kirlin. "Significant indicators from the market and other market participants are that these conditions will continue well into the future. We have therefore included an updated target model in the supplemental information issued in connection with our conference call later today."

Second Quarter 2022 Guidance

For the second quarter of 2022, Photronics expects revenue to be between \$188 million and \$196 million, and net income attributable to Photronics, Inc. shareholders to be between \$0.32 and \$0.38 per diluted share.

Conference Call

A conference call to discuss these results is scheduled for 8:30 a.m. Eastern time on Wednesday, February 23, 2022. The call can be accessed by logging onto Photronics' website at www.photronics.com. The live dial-in number is (877) 377-7095 or (408) 774-4601 outside of the United States and Canada. The call will be archived on Photronics' website.

About Photronics

[Photronics](#) is a leading worldwide manufacturer of integrated circuit (IC) and flat panel display (FPD) [photomasks](#). High precision quartz plates that contain microscopic images of electronic circuits, photomasks are a key element in the IC and FPD manufacturing process. Founded in 1969, Photronics has been a trusted photomask supplier for over 50 years. As of October 31, 2021, the company had 1,728 employees. The company operates 11 strategically located [manufacturing facilities](#) in Asia, Europe, and North America. Additional information on the company can be accessed at www.photronics.com.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements" regarding our industry, our strategic position, and our financial and operating results. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results, performance or achievements to differ materially. Please refer to the documents we file with the Securities and Exchange Commission. These documents contain and identify important factors that could cause our actual results to differ materially from those contained in these forward-looking statements. These certain factors can be found at www.photronics.com/riskfactors. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We are under no duty to update any of the forward-looking statements after the date of this release to conform these statements to actual results.

For Further Information:

John P. Jordan
Executive Vice President & CFO
203.740.5671
jjordan@photronics.com

(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		
	January 30, 2022	October 31, 2021	January 31, 2021
Revenue	\$ 189,827	\$ 181,288	\$ 152,067
Cost of goods sold	<u>129,964</u>	<u>129,347</u>	<u>121,538</u>
Gross Profit	59,863	51,941	30,529
Operating Expenses:			
Selling, general and administrative	15,727	14,322	14,053
Research and development	<u>5,939</u>	<u>4,100</u>	<u>4,710</u>
Total Operating Expenses	21,666	18,422	18,763
Operating Income	38,197	33,519	11,766
Non-operating income, net	<u>4,707</u>	<u>3,809</u>	<u>680</u>
Income Before Income Tax Provision	42,904	37,328	12,446
Income tax provision	<u>11,178</u>	<u>8,697</u>	<u>2,937</u>
Net Income	31,726	28,631	9,509
Net income attributable to noncontrolling interests	<u>8,662</u>	<u>8,820</u>	<u>1,473</u>
Net income attributable to Photonics, Inc. shareholders	\$ 23,064	\$ 19,811	\$ 8,036
Earnings per share:			
Basic	\$ 0.38	\$ 0.33	\$ 0.13
Diluted	\$ 0.38	\$ 0.33	\$ 0.13
Weighted-average number of common shares outstanding:			
Basic	60,158	60,216	62,475
Diluted	60,936	60,908	63,005

PHOTRONICS, INC.
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	January 30, 2022	October 31, 2021
Assets		

Current assets:		
Cash and cash equivalents	\$ 314,195	\$ 276,670
Accounts receivable	170,673	174,447
Inventories	61,971	55,249
Other current assets	<u>50,940</u>	<u>44,250</u>
Total current assets	597,779	550,616
Property, plant and equipment, net	692,289	696,553
Other assets	<u>45,180</u>	<u>47,033</u>
Total assets	\$ 1,335,248	\$ 1,294,202

Liabilities and Equity

Current liabilities:		
Current portion of long-term debt	\$ 18,307	\$ 22,248
Accounts payable and accrued liabilities	<u>172,787</u>	<u>153,900</u>
Total current liabilities	191,094	176,148
Long-term debt	78,540	89,446
Other liabilities	26,448	28,046
Photronics, Inc. shareholders' equity	838,425	823,692
Noncontrolling interests	<u>200,741</u>	<u>176,870</u>
Total equity	<u>1,039,166</u>	<u>1,000,562</u>
Total liabilities and equity	\$ 1,335,248	\$ 1,294,202

PHOTRONICS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended	
	January 30, 2022	January 31, 2021
Cash flows from operating activities:		
Net income	\$ 31,726	\$ 9,509
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,810	23,724
Share-based compensation	1,457	1,301
Changes in operating assets, liabilities and other	<u>5,137</u>	<u>(8,247)</u>
Net cash provided by operating activities	<u>59,130</u>	<u>26,287</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(19,175)	(17,532)
Government incentives	-	397
Other	<u>(43)</u>	<u>(61)</u>
Net cash used in investing activities	<u>(19,218)</u>	<u>(17,196)</u>

Cash flows from financing activities:		
Repayments of debt	(15,192)	(7,796)
Purchases of treasury stock	(2,522)	(13,209)
Contribution from noncontrolling interest	14,997	-
Proceeds from long-term debt	-	6,205
Proceeds from share-based arrangements	3,840	765
Net settlements of restricted stock awards	<u>(1,458)</u>	<u>(315)</u>
Net cash used in financing activities	<u>(335)</u>	<u>(14,350)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	<u>(2,057)</u>	<u>5,195</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	37,520	(64)
Cash, cash equivalents, and restricted cash, beginning of period	<u>279,680</u>	<u>281,602</u>
Cash, cash equivalents, and restricted cash, end of period	\$ 317,200	\$ <u><u>281,538</u></u>



Source: Photronics, Inc.