



## Photronics Reports Third Quarter Fiscal 2022 Results

August 30, 2022

BROOKFIELD, Conn., Aug. 30, 2022 (GLOBE NEWSWIRE) -- [Photronics, Inc.](#) (NASDAQ:PLAB), a worldwide leader in photomask technologies and solutions, today reported financial results for its fiscal 2022 third quarter ended July 31, 2022.

"We achieved our sixth consecutive quarter of record revenue due to strong end market demand, favorable pricing dynamics, and outstanding performance by the entire organization," said Frank Lee, chief executive officer. "Customers continue to place their trust in Photronics to support their technology roadmap by supplying the high-quality photomasks required for innovative designs that meet consumer demand. We are expanding capacity and growing volumes while controlling costs and capitalizing on operating leverage to deliver higher margins. We are also taking pricing action where appropriate to capture the full value that we are delivering to our customers. Our cash balance grew as we generated strong cash flow from operations, positioning us for continued investments in growth to expand our market-leading presence. I am proud of how the global Photronics team has responded as we look to close out another record year."

### Third Quarter 2022 Results

- Revenue was \$219.9 million, up 8% sequentially and 29% compared with the same period of last year
- Net income attributable to Photronics, Inc. shareholders was \$31.2 million (\$0.51 per diluted share), compared with \$27.4 million (\$0.45 per diluted share) in the second quarter of 2022 and \$17.1 million (\$0.28 per diluted share) in the third quarter 2021
- Integrated circuit (IC) revenue was \$161.3 million, up 11% sequentially and up 37% compared with the same period of last year
- Flat panel display (FPD) revenue was \$58.7 million, flat sequentially and up 11% compared with the same period of last year
- Cash balance increased to \$381 million with \$93 million generated from operating activities and \$12 million invested in growth through capital expenditures

### Fourth Quarter 2022 Guidance

For the fourth quarter of 2022, Photronics expects revenue to be between \$205 million and \$215 million and net income attributable to Photronics, Inc. shareholders to be between \$0.44 and \$0.52 per diluted share.

### Webcast

A webcast to discuss these results is scheduled for 8:30 a.m. Eastern time on Tuesday, August 30, 2022. The event can be accessed through the Investors page of Photronics' website ([www.photronics.com](http://www.photronics.com)) or directly at <https://register.vevent.com/register/B15f5ea35d921040438cfa995c228f1b08>. The webcast 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](http://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](http://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](mailto:jjordan@photronics.com)

**PHOTRONICS, INC.**  
**Condensed Consolidated Statements of Income**  
(in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended			Nine Months Ended	
	July 31, 2022	May 1, 2022	August 1, 2021	July 31, 2022	August 1, 2021
Revenue	\$ 219,948	\$ 204,509	\$ 170,643	\$ 614,283	\$ 482,473
Cost of goods sold	136,085	134,289	125,318	400,338	367,370
Gross Profit	83,863	70,220	45,325	213,945	115,103
Operating Expenses:					
Selling, general and administrative	15,960	16,613	15,083	48,306	43,203
Research and development	4,151	4,206	5,305	14,297	14,390
Total Operating Expenses	20,111	20,819	20,388	62,603	57,593
Other operating (loss) income, net	(23)	-	3,525	(17)	3,525
Operating Income	63,729	49,401	28,462	151,325	61,035
Non-operating income, net	3,641	8,021	3,735	16,370	3,643
Income Before Income Tax Provision	67,370	57,422	32,197	167,695	64,678
Income tax provision	18,146	14,393	7,842	43,717	14,493
Net Income	49,224	43,029	24,355	123,978	50,185
Net income attributable to noncontrolling interests	17,994	15,597	7,279	42,252	14,547
Net income attributable to Photronics, Inc. shareholders	\$ 31,230	\$ 27,432	\$ 17,076	\$ 81,726	\$ 35,638
Earnings per share:					
Basic	\$ 0.51	\$ 0.45	\$ 0.28	\$ 1.35	\$ 0.58
Diluted	\$ 0.51	\$ 0.45	\$ 0.28	\$ 1.34	\$ 0.57
Weighted-average number of common shares outstanding:					
Basic	60,701	60,606	60,884	60,488	61,804
Diluted	61,299	61,145	61,515	61,127	62,362

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

July 31,

October 31,

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 380,833	\$ 276,670
Accounts receivable	206,495	174,447
Inventories	50,313	55,249
Other current assets	<u>40,414</u>	<u>44,250</u>
Total current assets	678,055	550,616
Property, plant and equipment, net	640,805	696,553
Other assets	<u>30,737</u>	<u>47,033</u>
Total assets	\$ 1,349,597	\$ 1,294,202
<b>Liabilities and Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 10,727	\$ 22,248
Accounts payable and accrued liabilities	<u>186,387</u>	<u>153,900</u>
Total current liabilities	197,114	176,148
Long-term debt	46,589	89,446
Other liabilities	25,936	28,046
Photronics, Inc. shareholders' equity	850,318	823,692
Noncontrolling interests	<u>229,640</u>	<u>176,870</u>
Total equity	<u>1,079,958</u>	<u>1,000,562</u>
Total liabilities and equity	\$ 1,349,597	\$ 1,294,202

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

	<u>Nine Months Ended</u>	
	<u>July 31,</u> <u>2022</u>	<u>August 1,</u> <u>2021</u>
Cash flows from operating activities:		
Net income	\$ 123,978	\$ 50,185
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61,210	69,305
Share-based compensation	4,623	4,034
Changes in operating assets, liabilities and other	<u>6,110</u>	<u>(10,428)</u>
Net cash provided by operating activities	<u>195,921</u>	<u>113,096</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(46,337)	(92,301)

Government incentives	1,394	5,775
Other	(179)	(170)
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Net cash used in investing activities	(45,122)	(86,696)
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Cash flows from financing activities:		
Repayments of debt	(51,917)	(13,311)
Purchases of treasury stock	(2,522)	(35,750)
Contributions from noncontrolling interest	24,995	-
Proceeds from share-based arrangements	5,505	2,251
Proceeds from long-term debt	-	20,858
Net settlements of restricted stock awards	(1,463)	(403)
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Net cash used in financing activities	(25,402)	(26,355)
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Effects of exchange rate changes on cash, cash equivalents, and restricted cash	(21,308)	4,602
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Net increase in cash, cash equivalents, and restricted cash	104,089	4,647
Cash, cash equivalents, and restricted cash, beginning of period	279,680	281,602
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Cash, cash equivalents, and restricted cash, end of period	\$ 383,769	\$ <u>286,249</u>



Source: Photronics, Inc.