

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant To Section 13 Or 15(d) Of The Securities Exchange Act Of 1934



Date of report (Date of earliest event reported) **August 14, 2017**

**PHOTRONICS, INC.**

(Exact name of registrant as specified in its charter)

**Connecticut**

(State or other jurisdiction  
of incorporation)

**0-15451**

(Commission  
File Number)

**06-0854886**

(IRS Employer  
Identification Number)

**15 Secor Road, Brookfield, CT**

(Address of Principal Executive Offices)

**06804**

(Zip Code)

Registrant's Telephone Number, including area code **(203) 775-9000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into Material Definitive Agreement**

**Investment Agreement to Expand FPD Manufacturing Into China**

On August 14, 2017 Photronics, Inc. (the “Company”) issued a press release announcing that Photronics UK, Ltd., a wholly owned subsidiary of the Company, signed an investment agreement with Hefei State High-tech Industry Development Zone, in Hefei, China, to establish a manufacturing facility in Hefei, China. Under the terms of the agreement, the Company, through its subsidiary, will invest a minimum of \$160 million to build and operate a facility to engage in research and development, manufacture and sale of a state-of-the-art manufacturing facility for high-end and mainstream FPD photomask production, with capability up to G10.5+ and AMOLED. Hefei State High-tech Industry Development Zone will provide certain investment incentives and support.

A copy of the press release is attached to this 8-K and furnished as Exhibit 99.1 to this report.

**Item 2.02 Results of Operation and Financial Condition**

On August 14, 2017, the Company issued a press release reporting third quarter fiscal 2017 results.

A copy of the press release is furnished as Exhibit 99.2 to this report. The information contained in this Item 2.02 and the attached Exhibits 99.2, 99.3, 99.4, 99.5, and 99.6 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be incorporated by reference in any filing under the Securities Act of 1933 except as shall be expressly set forth by specific reference in such filing.

On August 14, 2017, the Company will conduct a conference call during which certain unaudited, non-GAAP financial information related to the Company’s operations for the three months ended July 30, 2017 will be disclosed. This information is set forth in Exhibit 99.6.

EBITDA is a non-GAAP financial measure that the Company defines pursuant to its credit agreement. The Company believes that EBITDA is generally accepted as providing useful information regarding the operational strength and performance of its business, including the ability of the Company to pay interest, service debt and fund capital expenditures. The Company’s method for calculating EBITDA may not be comparable to methods used by other companies but is the same method the Company uses for calculating EBITDA under its credit facility. The Company has included in the press release certain reconciliation information for EBITDA to its most directly comparable financial measure of net income calculated and reported in accordance with GAAP.

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On August 14, 2017, the Company announced that Sean T. Smith the Company's senior vice president and chief financial officer, will resign from the Company as CFO effective September 4, 2017. Mr. Smith served in this role since 2002. Mr. Smith will remain as principal accounting officer and principal financial officer through September, and then as a consultant through early December, 2017.

The Company has named John P. Jordan as senior vice president, chief financial officer, effective September 5, 2017. Mr. Jordan, 71, has most recently been vice president, chief financial officer, treasurer and controller of AstroNova, Inc. Before joining AstroNova, Mr. Jordan served as vice president, CFO and treasurer of Zygo Corporation from 2011 to 2014. Prior to that he was vice president, CFO and treasurer of Baldwin Technology Company, Inc. for four years.

Mr. Jordan has signed a three year employment agreement with the Company pursuant to which he will be receive an annual rate of compensation of \$345,000 annually, paid biweekly. He will also be granted 30,000 shares of restricted stock. Additionally, Mr. Jordan will receive a company car, plus all related expenses as per company policy, four weeks annual vacation, and is eligible to participate in Photronics' health and insurance plans as described in Photronics' handbook. Mr. Jordan's Employment Agreement also provides for certain severance, confidentiality and non-compete provisions. The Employment Agreement automatically renews for successive one year terms unless terminated as provided for under the Employment Agreement.

There are no arrangements or understandings between Mr. Jordan and any other person pursuant to which Mr. Jordan was appointed as an officer of the Company. There are no family relationships between Mr. Jordan and any director or executive officer of the Company. Mr. Jordan is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The press release issued on August 14, 2017, by the Company announcing the changes discussed above is attached hereto as Exhibit 99.7 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<a href="#">99.1</a>	Press Release Dated August 14, 2017
<a href="#">99.2</a>	Press Release Dated August 14, 2017
<a href="#">99.3</a>	Condensed Consolidated Statements of Income
<a href="#">99.4</a>	Condensed Consolidated Balance Sheets
<a href="#">99.5</a>	Condensed Consolidated Statements of Cash Flows
<a href="#">99.6</a>	Reconciliation of GAAP to Non-GAAP Financial Information
<a href="#">99.7</a>	Press Release Dated August 14, 2017

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PHOTRONICS, INC.**

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(Registrant)

**DATE: August 14, 2017**

**BY /s/ *Richelle E. Burr***

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Richelle E. Burr

Vice President, General Counsel

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PHOTRONICS, INC.



**For Further Information:**  
R. Troy Dewar, CFA  
Director, Investor Relations  
(203) 740-5610  
[tdewar@photronics.com](mailto:tdewar@photronics.com)

*DRAFT – Not for immediate distribution*

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## **Photronics Announces Investment Agreement to Expand FPD Manufacturing into China**

BROOKFIELD, CT — (Marketwired – August 14, 2017) —

- Plan to invest a minimum of \$160 million over the next five years
- State-of-the-art manufacturing facility for high-end and mainstream FPD photomask production, with capability up to G10.5+ and AMOLED
- Located in mature industrial park, centrally located to serve expanding China display market
- Enables more effective customer service for growing China customer base
- Positions Photronics to be clear market and technology leader in growing China display photomask industry

**Photronics, Inc.** (NASDAQ:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today announced plans to broaden its China expansion.

Photronics UK, Ltd., a wholly owned subsidiary of Photronics, Inc., has signed an investment agreement with the Hefei State High-tech Industry Development Zone (High-tech Zone), a national-level high-tech zone in China, to establish a manufacturing facility in Hefei, China. Under the terms of the agreement, Photronics, through its subsidiary, will build and operate a facility to engage in research and development, manufacture and sale of FPD photomasks. In return, the High-tech Zone will provide certain investment incentives and support.

"Today's announcement follows exactly one-year after our announcement to build an IC manufacturing facility in Xiamen, China, and is the next, logical step of our geographic expansion into the country," said Peter Kirlin, chief executive officer. "China is becoming an increasingly important manufacturing region for flat panel display, both LCD and AMOLED. The investment we are announcing today will place Photronics in the strategically enviable position as the largest merchant FPD photomask supplier in China, with leading edge technology for large format displays, including G10.5+, and AMOLED for mobile displays. We are pleased to partner with the High-tech Zone in Hefei and look forward to bringing our technology to the market, enabling our customers to make advanced displays."

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## Investment Details

Over the next five years, Photronics plans to invest a minimum of \$160 million under the agreement, in exchange for certain considerations and investment incentives from the High-tech Zone. Construction is planned to begin in late 2017 and production should start in the early spring of 2019. In conjunction with the investment agreement, Photronics has obtained customer commitments from two of the largest domestic display manufacturers in China, which should help quickly fill the planned production capacity of the facility and enable profitability soon after start up. Financing for the project will be a mix of transferred capital and cash, with the option of local financing.

“The display market in China is very dynamic at the moment, with many leading-edge fabs under construction,” said Kirlin. “We want to take a measured approach to our investment, while continuously monitoring the market as it develops. We have the discipline and flexibility to alter the speed of our investment, and even significantly increase the amount of capital committed if the market develops more quickly.”

## Conference Call

A conference call with investors and the media is scheduled for 4:30 p.m. Eastern time on Monday, August 14, 2017. The call can be accessed by logging onto Photronics' web site at [www.photronics.com](http://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' web site for instant replay access.

## About Photronics

Photronics is a leading worldwide manufacturer of photomasks. Photomasks are high precision quartz plates that contain microscopic images of electronic circuits. A key element in the manufacture of semiconductors and flat panel displays, photomasks are used to transfer circuit patterns onto semiconductor wafers and flat panel substrates during the fabrication of integrated circuits, a variety of flat panel displays and, to a lesser extent, other types of electrical and optical components. They are produced in accordance with product designs provided by customers at 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)

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements made by or on behalf of Photronics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photronics' web site involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices, and other factors. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental, and technological factors as well as decisions we may make in the future regarding our business, capital structure and other matters. These forward-looking statements generally can be identified by phrases such as “believes”, “expects”, “anticipates”, “plans”, “projects”, and similar expressions. Accordingly, there is no assurance that the Company's expectations will be realized. For a fuller discussion of the factors that may affect the Company's operations, see "Forward Looking Statements" in the Company's Quarterly and Annual Reports to the Securities and Exchange Commission on Forms 10-Q and 10-K. The Company assumes no obligation to provide revisions to any forward-looking statements.

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**For Further Information:**  
R. Troy Dewar, CFA  
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*DRAFT – not for immediate release*

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### Photronics Reports Third Quarter Fiscal 2017 Results

BROOKFIELD, CT — (Marketwired – August 14, 2017) —

- Third quarter sales were \$111.6 million, up 3% sequentially with moderate growth in both IC and FPD
- Net income attributable to Photronics, Inc. shareholders was \$4.0 million (\$0.06 per diluted share)
- Increased capital expenditures to fund strategic growth brought net cash<sup>1</sup> down slightly during the third quarter to \$277 million; balance sheet retains financial strength and flexibility to fund growth
- Fourth quarter 2017 guidance: sales between \$108 and \$116 million; diluted EPS between \$0.03 and \$0.09

Photronics, Inc. (NASDAQ:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported financial results for fiscal 2017 third quarter ended July 30, 2017.

Third quarter sales were \$111.6 million, up 3% sequentially and down 9% compared with last year. Sales of integrated circuits (IC) photomasks were \$85.1 million, up 3% sequentially and down 7% compared with last year, while sales of flat panel display (FPD) photomasks were \$26.5 million, up 3% sequentially and down 16% compared with last year.

Net income attributable to Photronics, Inc. shareholders was \$4.0 million (\$0.06 per diluted share), compared with \$1.8 million (\$0.03 per diluted share), for the second quarter of 2017; and \$8.1 million (\$0.12 per diluted share) for the third quarter of 2016.

"Third quarter sales improved sequentially as we were able to achieve moderate growth in both IC and FPD," said Peter Kirlin, chief executive officer. "IC sales were generally in line with our expectations, as high-end memory grew and high-end logic remained flat. FPD sales were also higher, although slightly below our expectations due to unfavorable product mix. Operating income was modestly lower as an increase in gross profit was offset mostly by higher R&D, as qualification activity remained robust. As we ramped up capex during the quarter, primarily to complete our FPD investment, our cash balance declined slightly. However, we still have tremendous financial strength and flexibility to fund strategic growth initiatives."

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## Fourth Quarter 2017 Guidance

Kirlin continued, "Our outlook for the fourth quarter calls for performance similar to the third quarter. High-end memory should continue to grow steadily as we've seen every quarter year-to-date. The anticipated recovery in high-end logic has been delayed until 2018. High-end FPD capacity will expand during the quarter, with actual sales growth dependent on the mix of high-end business, which may remain tepid for the quarter. Shifting focus to our balance sheet, our cash balance will likely decrease during the fourth quarter as we ramp up investments for our China expansion." For the fourth quarter of 2017, Photronics expects revenues to be between \$108 million and \$116 million and net income attributable to Photronics, Inc. shareholders to be between \$0.03 and \$0.09 per diluted share.

## Conference Call

A conference call to discuss these results is scheduled for 4:30 p.m. Eastern time on Monday, August 14, 2017. The call can be accessed by logging onto Photronics' web site at [www.photronics.com](http://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' web site for instant replay access.

## Non-GAAP Financial Measures

Non-GAAP net income attributable to Photronics, Inc. shareholders, non-GAAP earnings per share, and non-GAAP EBITDA are "non-GAAP financial measures" as such term is defined by the Securities and Exchange Commission, and may differ from non-GAAP financial measures used by other companies. The attached financial supplement reconciles Photronics, Inc.'s financial results under GAAP to non-GAAP financial information. Photronics, Inc. believes these non-GAAP financial measures that exclude certain non-cash or non-recurring income or expense items are useful for analysts and investors to evaluate Photronics, Inc.'s future on-going performance because they enable a more meaningful comparison of Photronics, Inc.'s projected earnings and performance with its historical results of prior periods. These non-GAAP metrics are not intended to represent funds available for Photronics, Inc.'s discretionary use and are not intended to represent, or be used as a substitute for, operating income, net income or cash flows from operations data as measured under GAAP. The items excluded from these non-GAAP metrics, but included in the calculation of their closest GAAP equivalent, are significant components of the condensed consolidated statements of income and must be considered in performing a comprehensive assessment of overall financial performance. Non-GAAP financial information is adjusted for the following items:

- Non-recurring tax benefit in fiscal 2016 related to the recognition of certain tax benefits in Taiwan that were determined to be realizable in filings for future tax periods
- Non-recurring net gain on sale of investment in fiscal 2016
- Interest expense, income tax expense/(benefit), depreciation and amortization, and other items are added to GAAP net income to derive non-GAAP EBITDA

Note:

1. Net cash defined as cash and cash equivalents less long-term borrowings (including current portion), as reported in accordance with GAAP.

## About Photronics

Photronics is a leading worldwide manufacturer of photomasks. Photomasks are high precision quartz plates that contain microscopic images of electronic circuits. A key element in the manufacture of semiconductors and flat panel displays, photomasks are used to transfer circuit patterns onto semiconductor wafers and flat panel substrates during the fabrication of integrated circuits, a variety of flat panel displays and, to a lesser extent, other types of electrical and optical components. They are produced in accordance with product designs provided by customers at 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)

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The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements made by or on behalf of Photronics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photronics’ web site involve risks and uncertainties that may affect the Company’s operations, markets, products, services, prices, and other factors. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental, and technological factors as well as decisions we may make in the future regarding our business, capital structure and other matters. These forward-looking statements generally can be identified by phrases such as “believes”, “expects”, “anticipates”, “plans”, “projects”, and similar expressions. Accordingly, there is no assurance that the Company’s expectations will be realized. For a fuller discussion of the factors that may affect the Company’s operations, see "Forward Looking Statements" in the Company’s Quarterly and Annual Reports to the Securities and Exchange Commission on Forms 10-Q and 10-K. The Company assumes no obligation to provide revisions to any forward-looking statements.

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

	Three Months Ended			Nine Months Ended	
	July 30, 2017	April 30, 2017	July 31, 2016	July 30, 2017	July 31, 2016
Net sales	\$ 111,579	\$ 108,297	\$ 123,209	\$ 329,707	\$ 376,088
Costs and expenses:					
Cost of sales	(89,862)	(88,140)	(91,759)	(264,835)	(277,915)
Gross profit	21,717	20,157	31,450	64,872	98,173
Selling, general and administrative	(11,639)	(10,894)	(11,163)	(33,403)	(34,386)
Research and development	(4,812)	(3,726)	(5,466)	(12,023)	(16,613)
Operating income	5,266	5,537	14,821	19,446	47,174
Gain on sale of investment	-	-	157	-	8,940
Other income (expense), net	(134)	(3,622)	1,237	(5,839)	(872)
Income before income taxes	5,132	1,915	16,215	13,607	55,242
Income tax provision	(333)	(431)	(4,762)	(2,814)	(6,136)
Net income	4,799	1,484	11,453	10,793	49,106
Net loss (income) attributable to noncontrolling interests	(798)	313	(3,365)	(3,048)	(8,162)
Net income attributable to Photronics, Inc. shareholders	\$ 4,001	\$ 1,797	\$ 8,088	\$ 7,745	\$ 40,944
Earnings per share:					
Basic	\$ 0.06	\$ 0.03	\$ 0.12	\$ 0.11	\$ 0.61
Diluted	\$ 0.06	\$ 0.03	\$ 0.12	\$ 0.11	\$ 0.56
Weighted-average number of common shares outstanding:					
Basic	68,525	68,426	67,953	68,376	67,377
Diluted	69,380	69,385	74,317	69,311	76,990

**PHOTRONICS, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets**

(in thousands)

(Unaudited)

	<b>July 30, 2017</b>	<b>October 30, 2016</b>
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 340,572	\$ 314,074
Accounts receivable	91,812	92,636
Inventories	25,668	22,081
Other current assets	10,558	12,795
	<u>468,610</u>	<u>441,586</u>
Total current assets	468,610	441,586
Property, plant and equipment, net	501,720	506,434
Intangible assets, net	18,320	19,854
Other assets	19,948	20,114
	<u>1,008,598</u>	<u>987,988</u>
Total assets	\$ 1,008,598	\$ 987,988
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Current portion of long-term borrowings	\$ 5,541	\$ 5,428
Accounts payable and accrued liabilities	73,769	75,889
	<u>79,310</u>	<u>81,317</u>
Total current liabilities	79,310	81,317
Long-term borrowings	57,776	61,860
Other liabilities	16,384	19,337
Photronics, Inc. shareholders' equity	739,282	710,363
Noncontrolling interests	115,846	115,111
Total equity	<u>855,128</u>	<u>825,474</u>
Total liabilities and equity	\$ 1,008,598	\$ 987,988

**PHOTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**

(in thousands)  
(Unaudited)

	<b>Nine Months Ended</b>	
	<b>July 30, 2017</b>	<b>July 31, 2016</b>
Cash flows from operating activities:		
Net income	\$ 10,793	\$ 49,106
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64,081	60,102
Gain on sale of investment	-	(8,940)
Changes in assets, liabilities and other	(1,085)	(8,881)
<b>Net cash provided by operating activities</b>	<b>73,789</b>	<b>91,387</b>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(38,759)	(44,828)
Acquisition of Business	(5,400)	-
Proceeds from sale of investments	167	101,853
Other	(458)	584
<b>Net cash provided by (used in) investing activities</b>	<b>(44,450)</b>	<b>57,609</b>
Cash flows from financing activities:		
Repayments of long-term borrowings	(4,057)	(56,276)
Proceeds from share-based arrangements	2,529	3,172
Dividends paid to noncontrolling interests	(8,298)	(11,890)
Other	(33)	(19)
<b>Net cash used in financing activities</b>	<b>(9,859)</b>	<b>(65,013)</b>
Effect of exchange rate changes on cash	7,018	1,819
Net increase in cash and cash equivalents	26,498	85,802
Cash and cash equivalents, beginning of period	314,074	205,867
<b>Cash and cash equivalents, end of period</b>	<b>\$ 340,572</b>	<b>\$ 291,669</b>

**PHOTRONICS, INC. AND SUBSIDIARIES****Non-GAAP Financial Measures****Reconciliation of GAAP to Non-GAAP Financial Information**

(in thousands, except per share data)

(Unaudited)

	Three Months Ended			Nine Months Ended	
	July 30, 2017	April 30, 2017	July 31, 2016	July 30, 2017	July 31, 2016
<b>Reconciliation of GAAP to Non-GAAP Net Income</b>					
<b>Attributable to Photronics, Inc. Shareholders and EPS data</b>					
GAAP net income attributable to Photronics, Inc. shareholders	\$ 4,001	\$ 1,797	\$ 8,088	\$ 7,745	\$ 40,944
Income tax benefit (a)	-	-	-	-	(3,004)
Gain on sale of investment, net of tax (b)	-	-	-	-	(8,753)
Non-GAAP net income attributable to Photronics, Inc. shareholders	<u>\$ 4,001</u>	<u>\$ 1,797</u>	<u>\$ 8,088</u>	<u>\$ 7,745</u>	<u>\$ 29,187</u>
Weighted average number of diluted shares outstanding					
GAAP	<u>69,380</u>	<u>69,385</u>	<u>74,317</u>	<u>69,311</u>	<u>76,990</u>
Non-GAAP	<u>69,380</u>	<u>69,385</u>	<u>74,317</u>	<u>69,311</u>	<u>76,990</u>
Net income per diluted share					
GAAP	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.56</u>
Non-GAAP	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.41</u>
<b>Reconciliation of GAAP Net Income to Non-GAAP EBITDA</b>					
GAAP Net Income (c)	\$ 4,799	\$ 1,484	\$ 11,453	\$ 10,793	\$ 49,106
Interest expense	550	550	612	1,658	2,750
Income tax expense	333	431	4,762	2,814	6,136
Depreciation and amortization	21,840	21,345	19,572	64,081	60,102
Other items (d)	984	921	975	2,842	2,848
Non-GAAP EBITDA	<u>\$ 28,506</u>	<u>\$ 24,731</u>	<u>\$ 37,374</u>	<u>\$ 82,188</u>	<u>\$ 120,942</u>

## Notes:

- (a) Represents tax benefit primarily related to the recognition of prior period tax benefits and other tax positions no longer deemed necessary in Taiwan  
(b) Represents gain on sale of investment in a foreign entity  
(c) Includes net income attributable to noncontrolling interests, and in 2016 includes gain on sale of investment in a foreign entity  
(d) Consists of stock compensation expense



**For Further Information:**  
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[tdewar@photronics.com](mailto:tdewar@photronics.com)

*DRAFT – Not for immediate distribution*

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### **Photronics Announces Chief Financial Officer Transition**

BROOKFIELD, CT — (Marketwired) – August 14, 2017 —

Photronics, Inc. (NASDAQ:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today announced that Sean T. Smith will retire as senior vice president and chief financial officer of the company, a position he has held since 2002, effective September 4, 2017. Smith will remain with the company as principle accounting officer through September, and then as a consultant through early December, to ensure a smooth transition.

The company also announced that the board of directors has named John P. Jordan as senior vice president and chief financial officer, effective September 5, 2017. Jordan has most recently been interim vice president, chief financial officer, treasurer and controller of AstroNova, Inc. (NASDAQ: ALOT), a global leader in data visualization technologies.

"On behalf of the board of directors, the executive team, and all Photronics employees, I express my sincere gratitude to Sean for his years of service and dedication, and wish him well in his retirement" said Peter Kirlin, chief executive officer. "Under his leadership, the finance organization has been a key player in our drive to become the photomask merchant market leader while at the same time building a balance sheet that positions us to make significant investments in our strategic growth initiatives. Looking forward, I am very excited to have John join the team, and given his wealth of experience, including several years as the CFO of three publicly-held corporations, I am confident that he will be a key asset to the team in driving future growth."

Before joining AstroNova, Jordan served as vice president, CFO and treasurer of Zygo Corporation from 2011 to 2014. Prior to that he was vice president, CFO and treasurer of Baldwin Technology Company, Inc. for four years. Jordan also held senior finance roles at Paxar Corporation, Amscan and Bodwell Fashion Group. He began his career in public accounting and has a BSBA in Accounting from the University of Florida.

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## About Photronics

Photronics is a leading worldwide manufacturer of photomasks. Photomasks are high precision quartz plates that contain microscopic images of electronic circuits. A key element in the manufacture of semiconductors and flat panel displays, photomasks are used to transfer circuit patterns onto semiconductor wafers and flat panel substrates during the fabrication of integrated circuits, a variety of flat panel displays and, to a lesser extent, other types of electrical and optical components. They are produced in accordance with product designs provided by customers at 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)

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements made by or on behalf of Photronics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photronics’ web site involve risks and uncertainties that may affect the Company’s operations, markets, products, services, prices, and other factors. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental, and technological factors as well as decisions we may make in the future regarding our business, capital structure and other matters. These forward-looking statements generally can be identified by phrases such as “believes”, “expects”, “anticipates”, “plans”, “projects”, and similar expressions. Accordingly, there is no assurance that the Company’s expectations will be realized. For a fuller discussion of the factors that may affect the Company’s operations, see “Forward Looking Statements” in the Company’s Quarterly and Annual Reports to the Securities and Exchange Commission on Forms 10-Q and 10-K. The Company assumes no obligation to provide revisions to any forward-looking statements.

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