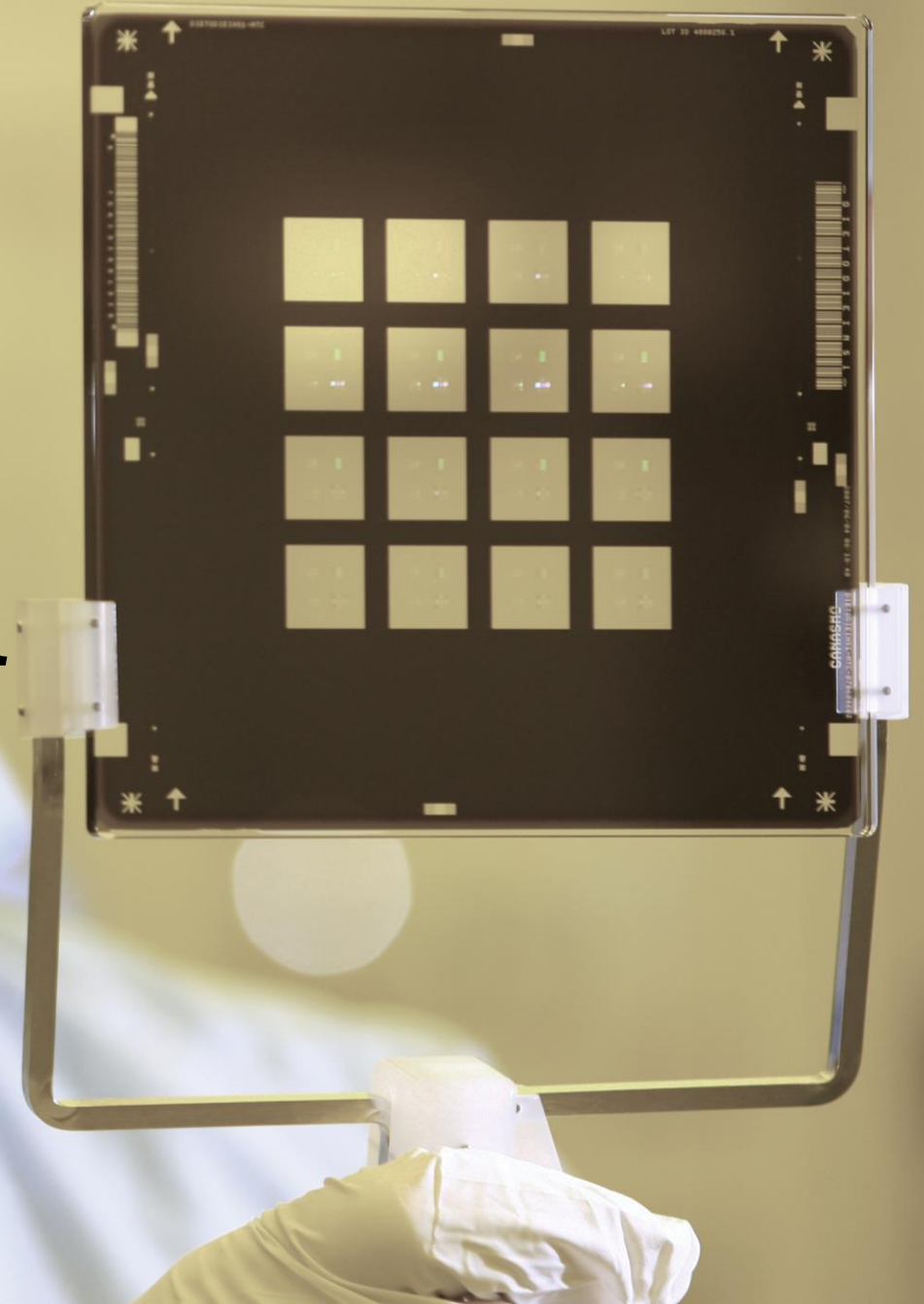




Q4 2023 Financial Results Conference Call

December 13, 2023



Safe Harbor Statement

This presentation and some of our comments during this presentation may contain projections or other forward-looking statements regarding future events, our future financial performance, and/or the future performance of the industry. These statements are predictions and contain risks and uncertainties. We refer you to the documents the Company files from time to time with the Securities and Exchange Commission. These documents contain and identify important factors that could cause the actual results for the Company to differ materially from those contained in our projections or forward-looking statements. These certain factors can be found at www.photonics.com/riskfactors. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee the accuracy of any forecasts or estimates, and we are not obligated to update any forward-looking statements if our expectations change.

2023 Summary

\$892.1M Revenue	\$125.5M Net Income ¹	\$2.03 EPS ¹	\$2.04 Adjusted ² EPS ¹	\$302.2M OCF	\$499.3M Cash
+8% Y/Y	+6% Y/Y	+5% Y/Y	+23% Y/Y	+10% Y/Y	+56% Y/Y

6th consecutive year of record revenue

Photomask industry flat in 2023 amidst general slowdown in semiconductor and display sector

Margins improved on operating leverage, favorable pricing, and cost control

As largest merchant photomask provider with expansive geographic footprint, Photronics uniquely positioned to benefit from expected long-term growth in photomask demand

Capital allocation strategy and prudent balance sheet management support growth initiatives while increasing ROIC and resilience

Committed to driving long-term, profitable growth through strategic investments

¹Net income attributable to Photronics, Inc. shareholders. ²Adjusted EPS is a non-GAAP measure. See reconciliation included in this presentation.

Q4 2023 Summary

\$227.5M Revenue	\$44.6M Net Income ¹	\$0.72 EPS ¹	\$0.60 Adjusted ² EPS ¹	\$106.6M OCF	\$499.3M Cash
+8% Y/Y +1% Q/Q	+20% Y/Y +65% Q/Q	+20% Y/Y +64% Q/Q	+18% Y/Y +18% Q/Q	+35% Y/Y +24% Q/Q	+56% Y/Y +11% Q/Q

Revenue grew on strong demand across both IC and FPD as customers released new designs and ramped new fabs

Adjusted EPS increased as lower operating profit was more than offset by below-the-line items

Balance sheet fortified due to strong free cash flow generation, debt reduction, and effective management of working capital

Investing in IC capacity to capitalize on market growth trends

Committed to driving long-term, profitable growth through strategic investments

¹Net income attributable to Photronics, Inc. shareholders. ²Adjusted EPS is a non-GAAP measure. See reconciliation included in this presentation.

Long-Term Trends Driving Photomask Demand

Semiconductor: growing capacity and design activity

1. More extensive use of semiconductors **across multiple applications**
2. **Supply chain regionalization** driving investments in semiconductor fabs that creates redundant production capacity and drives photomask demand
3. **Differentiation by design** becoming factor in mainstream (ASIC) and leading-edge applications
4. Expanding EUV adoption drives semi manufacturer **outsourcing of legacy technology nodes**, increasing TAM for merchant suppliers

Display: advanced displays driving innovation

1. Global panel makers **innovating** to win AMOLED market share
2. Growing competition drives innovation and **greater mask value**
3. AMOLED manufacturing moving to **larger form factor**, requiring high-quality, advanced photomask

Design and Manufacturing Complexity is Good for Photomask Demand

Strategic Investment Strategy Sustains Profitable Growth

STRATEGIC APPROACH TO CAPITAL INVESTMENTS

Organic growth through high-return targeted capacity expansion
Enter LTPAs to mitigate investment risk and quickly ramp revenues

GROW REVENUE IN EXCESS OF MARKET

Win market share in growing
IC and FPD markets

Leverage global footprint to benefit
from IC regionalization trends

Capitalize on FPD technology
leadership to continue improving mix

Enter long-term purchase agreements
and obtain process of record

MARGIN EXPANSION IMPROVES PROFITS

Improved pricing environment
in high-end and mainstream IC

Dynamically align asset tool set
to match end-market demand

Increasing benefit from
operating leverage

WINNING THROUGH COMPETITIVE ADVANTAGES

Operational Excellence

Commercial Excellence

Technology Leader

Global Footprint

Proven Approach to Profitably Grow Revenue, Capture Market Share, and Improve ROIC

Income Statement Summary

\$M (except EPS)	GAAP			Non-GAAP ¹		
	Q423	Q/Q	Y/Y	Q423	Q/Q	Y/Y
Revenue	227.5	+1%	+8%			
Gross Profit	84.9	-2%	+6%			
Gross Margin	37.3%	-140 bps	-90 bps			
Operating Income	64.8	-1%	+7%			
Operating Margin	28.5%	-60 bps	-30 bps			
Non-operating income	18.7	+19.6	+7.9	5.4	+1.8	+5.0
Income tax provision	20.3	+26%	+26%	16.9	-3%	+24%
Minority interest	18.5	-13%	+2%	16.1	-19%	-1%
Net income ²	44.6	+65%	+20%	37.2	+18%	+19%
Diluted EPS ²	0.72	+0.28	+0.12	0.60	+0.09	+0.09
Days in quarter	93	+2	+1			

Margins declined due to lower premiums for expedited delivery

Opex decreased as percent of sales as we effectively managed costs

GAAP Non-operating income primarily consists of unrealized FX gain/loss

Non-GAAP removes effect of FX gain/loss

Minority interest reflects net income of IC JVs in Taiwan and China

¹See reconciliation included in this presentation. ²Net income attributable to Photronics, Inc. shareholders.

IC Product Line

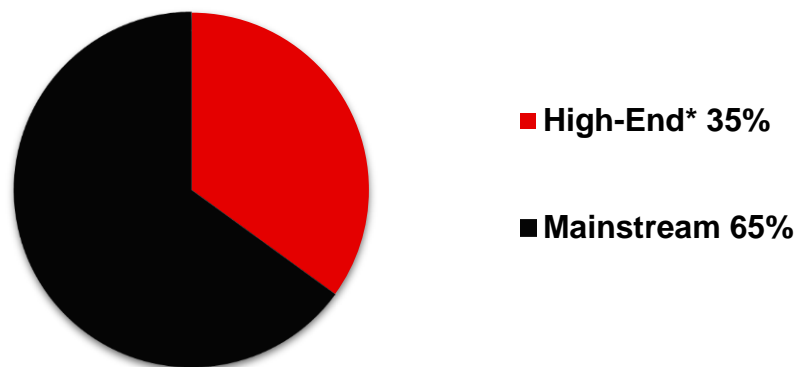
\$M	Q423	Q/Q	Y/Y
High-End*	57.7	27%	30%
Mainstream	<u>106.8</u>	<u>(9%)</u>	<u>(5%)</u>
Total	164.5	1%	5%

High-end increased as stronger design activity drove demand across regions
Mainstream softness Q/Q offset by better high-end demand

Outlook

- New designs by customers to gain market share and support technology roadmap
- Regionalization driving investments for global chip capacity
- Able to maintain pricing in favorable supply/demand dynamic

Q423 Revenue by Technology



*28nm and smaller
Totals may differ due to rounding

FPD Product Line

\$M	Q423	Q/Q	Y/Y
High-End*	53.3	7%	23%
Mainstream	<u>9.7</u>	<u>(13%)</u>	<u>(9%)</u>
Total	63.0	3%	17%

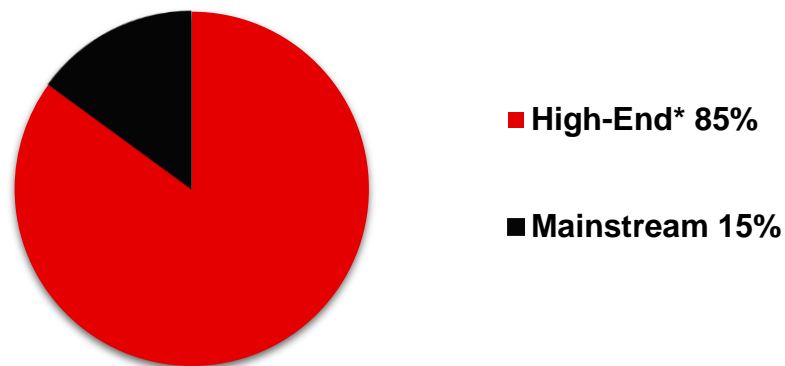
High-end grew on strong mobile display led by AMOLED demand

Mainstream output lowered as more production dedicated to meet strong high-end demand

Outlook

- Technology development drives demand for higher-value masks
- Mobile demand is expected to remain strong with rollout of new designs and emerging panel makers winning market share

Q423 Revenue by Technology



*≥G10.5, AMOLED and LTPS
Totals may differ due to rounding

Balance Sheet and Cash Flow Metrics

\$M	Q423	Y/Y	Q/Q
Cash	499.3	+56%	+11%
Short-term Investments	12.9	-67%	-53%
Debt	24.6	-42%	-8%
Net Cash*	474.7	+71%	+13%
Operating Cash Flow	106.6	+35%	+24%
Capital Expenditures	52.5	-20%	+149%

Continued strong operating cash flow from income generation and working capital management

Debt comprised of US equipment leases

Capex targets growth in IC capacity & facility expansion

Strong balance sheet able to fund investments, share repurchases, and strategic opportunities and remain resilient to effects of industry downturns

Balance Sheet Provides Resilience, Enables Growth Strategy and Shareholder Value Creation

*Net cash is a non-GAAP term. See reconciliation included in this presentation.

Q1 2024 Guidance

Revenue (\$M)	217-225
Operating Margin	27%-29%
Taxes (\$M)	11-15
Diluted non-GAAP EPS	\$0.45-\$0.53
Diluted Shares (M)	~62
Full-year Capex (M)	~140

Incorporation of chips in IoT, 5G, Crypto and consumer products

- New designs to capture market share
- Advanced display technologies

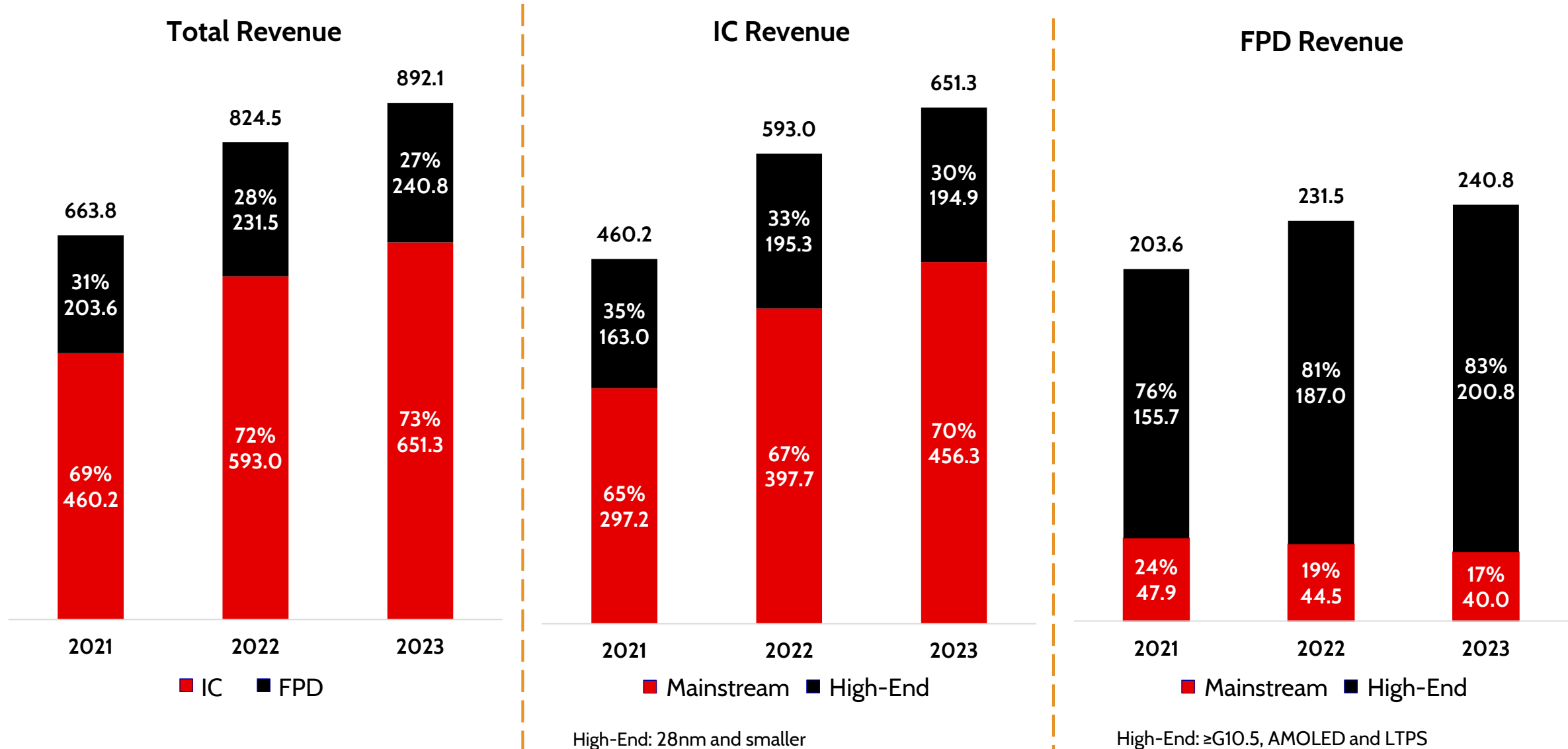
Outlook clouded by geopolitical uncertainty and macro-economic headwinds

Driving margin expansion and cash flows to deliver long-term shareholder value

Appendix



Revenue by Product Group (\$M)



Total may differ due to rounding

Non-GAAP Financial Measures

Non-GAAP Net Income attributable to Photronics, Inc. shareholders and non-GAAP earnings per share, Free Cash Flow, and Net Cash are "non-GAAP financial measures" as such term is defined by the Securities and Exchange Commission, and may differ from similarly named non-GAAP financial measures used by other companies. The attached financial supplement reconciles Photronics, Inc. financial results under GAAP to non-GAAP financial information. We believe these non-GAAP financial measures that exclude certain items are useful for analysts and investors to evaluate our future on-going performance because they enable a more meaningful comparison of our projected performance with our historical results. These non-GAAP metrics are not intended to represent funds available for our discretionary use and are not intended to represent, or be used as a substitute for, gross profit, operating income, net income, cash and cash equivalents, or cash flows from operations, 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 balance sheets and statement of cash flows and must be considered in performing a comprehensive assessment of overall financial performance. Please refer to the non-GAAP reconciliations on the following pages.

Non-GAAP Financial Measures

PHOTRONICS, INC.

Reconciliation of GAAP to Non-GAAP Financial Information

(in thousands)

(Unaudited)

	Three Months ended			Year ended	
	October 31, 2023	July 30, 2023	October 31, 2022	October 31, 2023	October 31, 2022
Reconciliation of GAAP to Non-GAAP Non-operating (loss) Income:					
GAAP Non-operating (loss) income, net	\$ 18,660	\$ (911)	\$ 10,797	\$ 16,896	\$ 27,167
FX (gain) loss	(13,234)	4,543	(10,369)	(2,466)	(27,344)
Non-GAAP Non-operating (loss) income, net	\$ 5,426	\$ 3,632	\$ 428	\$ 14,430	\$ (177)
Reconciliation of GAAP to Non-GAAP Income tax provision:					
GAAP Income tax provision	\$ 20,288	\$ 16,098	\$ 16,074	\$ 70,312	\$ 59,791
Estimated tax effects of FX (gain) loss	3,437	(1,193)	2,522	317	5,933
Non-GAAP Income tax provision	\$ 16,851	\$ 17,291	\$ 13,552	\$ 69,995	\$ 53,858
Reconciliation of GAAP to Non-GAAP Noncontrolling interests:					
GAAP Noncontrolling interests	\$ 18,545	\$ 21,296	\$ 18,204	\$ 74,149	\$ 60,456
Estimated noncontrolling interest effects of above	2,431	1,328	1,990	2,676	4,275
Non-GAAP Noncontrolling interests	\$ 16,114	\$ 19,968	\$ 16,214	\$ 71,473	\$ 56,181
Reconciliation of GAAP to Non-GAAP Net Income:					
GAAP Net Income	\$ 44,611	\$ 26,959	\$ 37,060	\$ 125,485	\$ 118,786
FX (gain) loss	(13,234)	4,543	(10,369)	(2,466)	(27,344)
Estimated tax effects of above	3,437	(1,193)	2,522	317	5,933
Estimated noncontrolling interest effects of above	2,431	1,328	1,990	2,676	4,275
Non-GAAP Net Income	\$ 37,245	\$ 31,637	\$ 31,203	\$ 126,012	\$ 101,650
Weighted-average number of common shares outstanding - Diluted	62,067	61,974	61,374	61,755	61,189
Reconciliation of GAAP to Non-GAAP EPS:					
GAAP diluted earnings per share	\$ 0.72	\$ 0.44	\$ 0.60	\$ 2.03	\$ 1.94
Effects of the above adjustments	\$ (0.12)	\$ 0.07	\$ (0.10)	\$ 0.01	\$ (0.28)
Non-GAAP diluted earnings per share	\$ 0.60	\$ 0.51	\$ 0.51	\$ 2.04	\$ 1.66

Non-GAAP Financial Measures

PHOTRONICS, INC.

Reconciliation of GAAP to Non-GAAP Financial Information (cont.)

(in thousands)

(Unaudited)

Reconciliation of Net cash provided by operating activities to Free Cash Flow

	Year ended
	October 31,
	2023
GAAP Net cash provided by operating activities	\$ 302,176
Purchases of property, plant and equipment	(131,295)
Free Cash Flow	<u>\$ 170,881</u>

Reconciliation of Cash and cash equivalents to Net Cash:

	As of	
	October 31,	October 31,
	2023	2022
Cash and cash equivalents	\$ 499,292	\$ 319,680
Current portion of Long-term debt	(6,621)	(10,024)
Long-term Debt	(17,998)	(32,310)
Net Cash	<u>\$ 474,673</u>	<u>\$ 277,346</u>