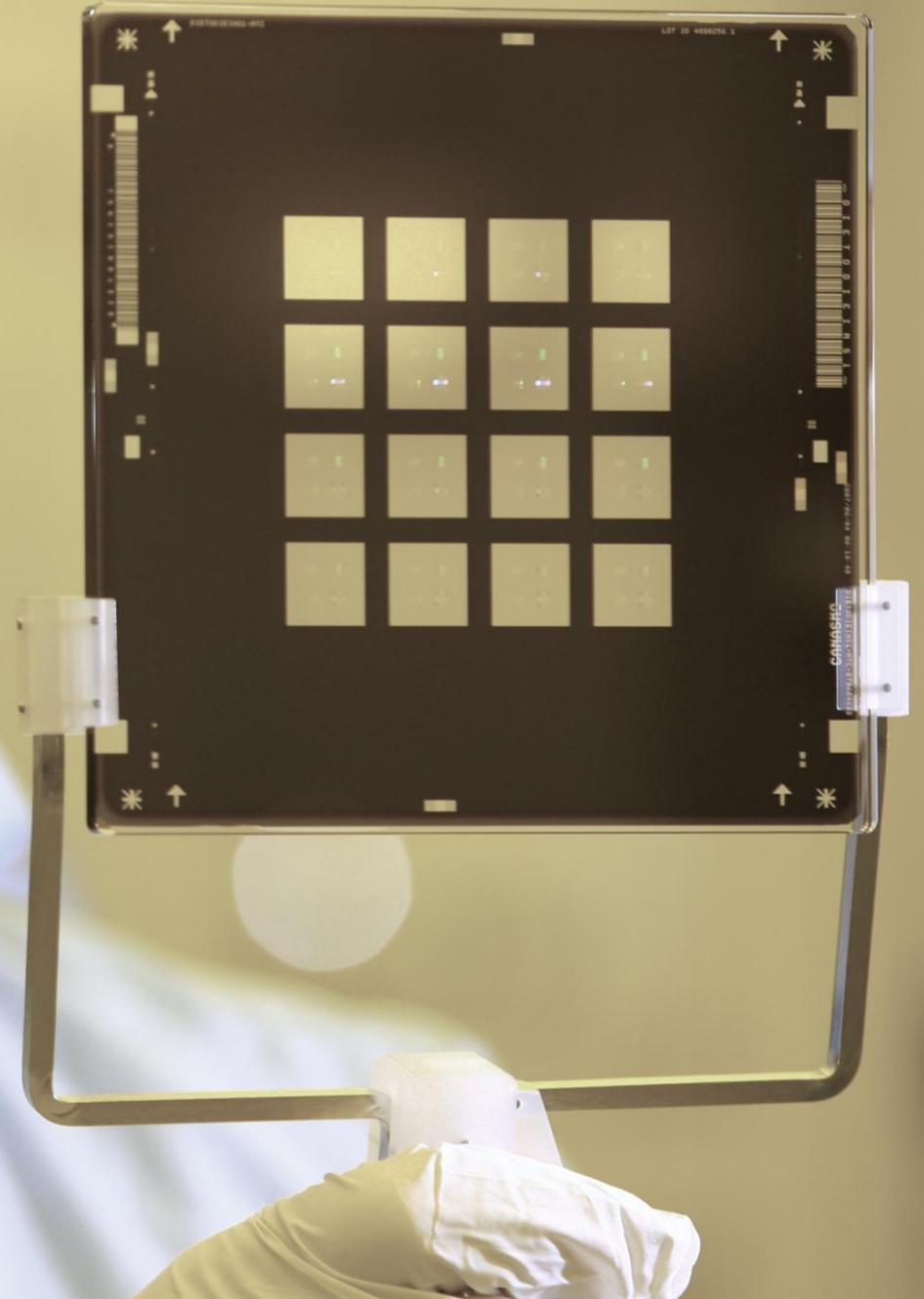




# Investor Presentation

February 2025



# Fiscal Q1 2025 Financial Results

February 26, 2025



# 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 risk factors in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024 and other subsequent filings 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. 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.

# FQ1 2025 Summary

<b>\$212.1M</b> Revenue	<b>24.6%</b> Operating Margin	<b>\$0.68</b> Diluted EPS	<b>\$0.52</b> Non-GAAP Diluted EPS <sup>1</sup>	<b>\$78.5M</b> Operating Cash Flow	<b>\$642.2M</b> Cash <sup>2</sup> and Short- term investments
(2%) Y/Y (5%) Q/Q	(200) bps Y/Y (50) bps Q/Q	62% Y/Y 26% Q/Q	8% Y/Y (12%) Q/Q	89% Y/Y 15% Q/Q	23% Y/Y 0% Q/Q

Revenue declined on sequential seasonality, as expected, in both IC and FPD; maintain long-term demand driven by megatrends such as AI, node migration, and supply chain regionalization

Operating margin reflects lower gross margin due to lower sales volumes; opex declined Q/Q / increased Y/Y; after adjusting for FX, non-GAAP Diluted EPS was \$0.52, above the high end of guidance

Strengthened balance sheet through solid cash flow generation and debt reduction, providing flexibility to support capital allocation strategy, including planned expansion of U.S. IC manufacturing capacity

Capital allocation strategy based upon investing in growth, returning cash to shareholders, and potential business development initiatives, all focused on increasing shareholder value

**Capex investment endorsed by customers to support long-term growth trends of A.I., node migration, and regionalization**

<sup>1</sup>See reconciliation included in this presentation; <sup>2</sup>Includes cash equivalents

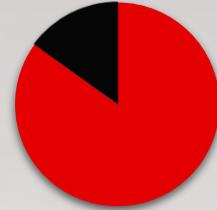
# Revenue by Product Line

IC				
\$M	1Q25	Q/Q	Y/Y	
High-End*	60.1	0%	(1%)	 <ul style="list-style-type: none"> <li>■ High-End* 39%</li> <li>■ Mainstream 61%</li> </ul>
Mainstream	93.9	(9%)	(3%)	
Total	154.0	(6%)	(2%)	

High-end node migration to 22nm and 28nm in Asia  
 Older geometries seeing softness, which tend to be associated with Auto and Industrial end markets

Long-term growth drivers:

- New designs by customers to gain market share and support technology roadmap for megatrends such as A.I.
- Regionalization driving investments for global chip capacity.
- Complex advanced leading-edge nodes require higher number of layers and masks.

FPD				
\$M	1Q25	Q/Q	Y/Y	
High-End*	49.7	3%	(2%)	 <ul style="list-style-type: none"> <li>■ High-End* 85%</li> <li>■ Mainstream 15%</li> </ul>
Mainstream	8.5	(19%)	5%	
Total	58.1	(1%)	(1%)	

Technological capabilities drives high-end market leadership and captured share

Broad demand from customers in China

Long-term growth drivers:

- Technology development drives higher-value mask demand
- Mobile demand is expected to remain strong with rollout of new designs and emerging panel makers winning market share
- AMOLED moving to larger G8.6 form factor driving need to collaborate on mask development; Received initial G8.6 orders

\*IC: 28nm and smaller; FPD: G10.5+, AMOLED and LTPS  
 Totals may differ due to rounding

# Balance Sheet and Cash Flow Metrics

\$M	1Q25	Y/Y	Q/Q
Cash, cash equivalents and Short-term investments	642.2	23%	0%
Debt	2.7	(88%)	(85%)
Operating Cash Flow	78.5	89%	15%
Capital Expenditures	35.2	(19%)	(19%)

Actively controlling cash, cash equivalents, and short-term investments to maintain liquidity and optimize returns; remaining debt to be paid off in Q2 (maturing US equipment leases)

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

Capex targets growth in IC capacity, facility expansion, & end-of-life tool replacement

Strong balance sheet allows us to fund growth investments, return cash to shareholders, consider business development initiatives, and remain resilient to effects of industry downturns

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

# FQ2 2025 Guidance

---

<b>Revenue (\$M)</b>	208 – 216
<b>Operating Margin</b>	23% - 25%
<b>Diluted non-GAAP EPS</b>	\$0.44 - \$0.50
<b>Diluted Shares (M)</b>	~62
<b>Full-year Capex (\$M)</b>	~200

---

Reflects strength in higher end offset by weakness in older geometries

A.I. exposure tied to:

- ASICs
- Custom ICs
- Fast interconnects including silicon photonics and advanced packaging applications.

Leveraging IC technical expertise into FPD to drive market leadership

Disciplined cost controls and managing cash to maximize returns and deliver long-term shareholder value

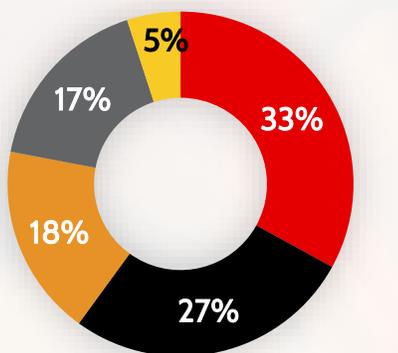
# Corporate Overview



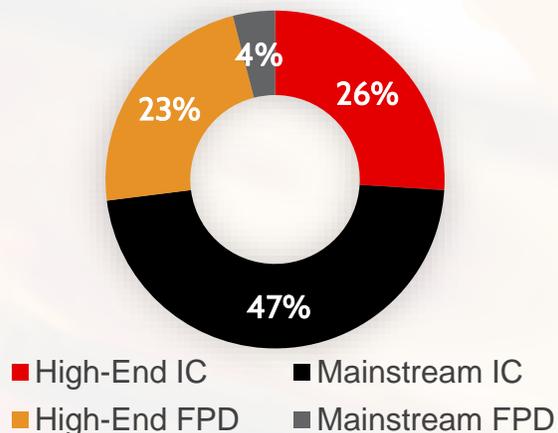
# Photronics Overview (Nasdaq: PLAB)

<b>\$867M</b> Revenue	<b>\$222M</b> Operating Income	<b>\$261M</b> Operating Cash Flow	<b>\$1.4B</b> Market Cap <i>2/20/2025</i>	<b>~1,900</b> Employees	<b>~675</b> Customers	<b>1969</b> Founded
--------------------------	-----------------------------------	--------------------------------------	---	----------------------------	--------------------------	------------------------

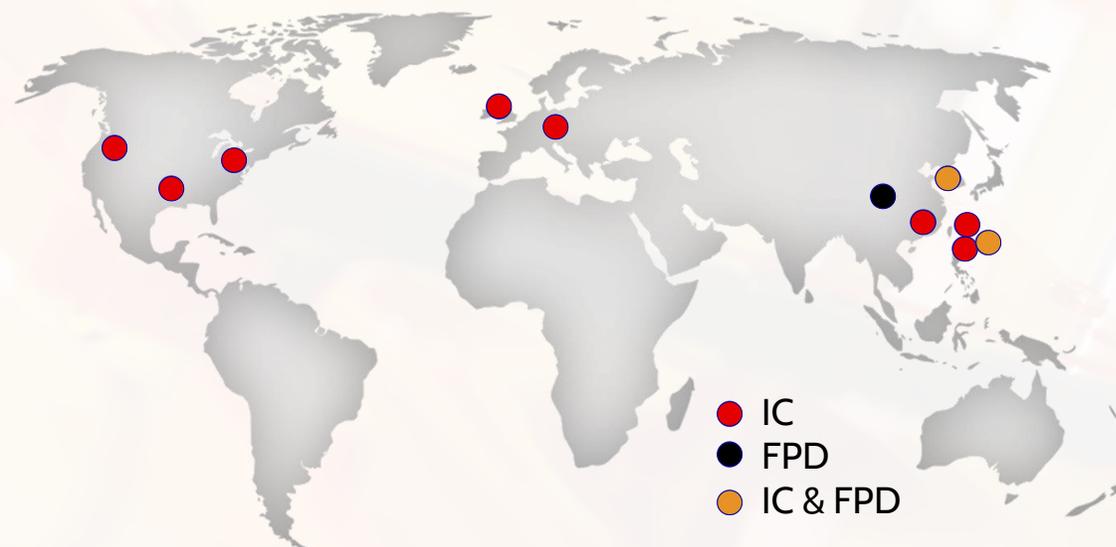
### Revenue By Region



### Revenue By Product Group



### Unmatched Global Footprint 11 STRATEGICALLY LOCATED MANUFACTURING FACILITIES



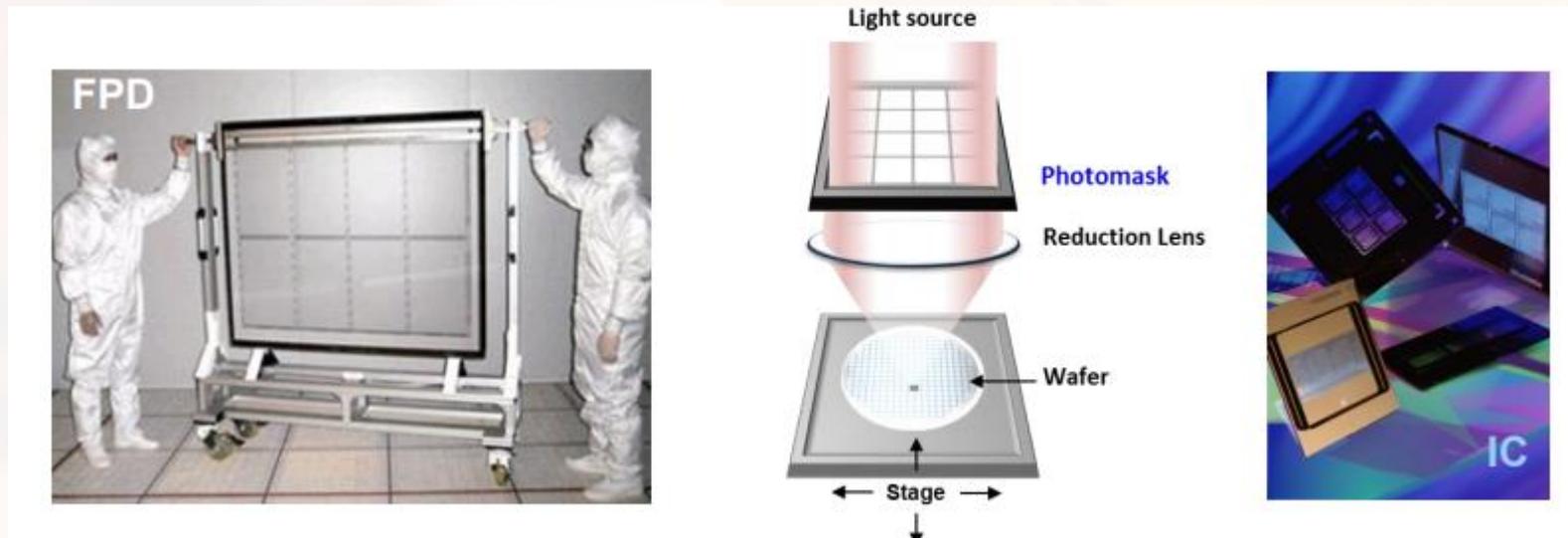
All data reflects Fiscal 2024 unless otherwise noted | IC: Integrated Circuit | FPD: Flat Panel Display

# Photomasks: Critical Enabler for IC and FPD Manufacturing

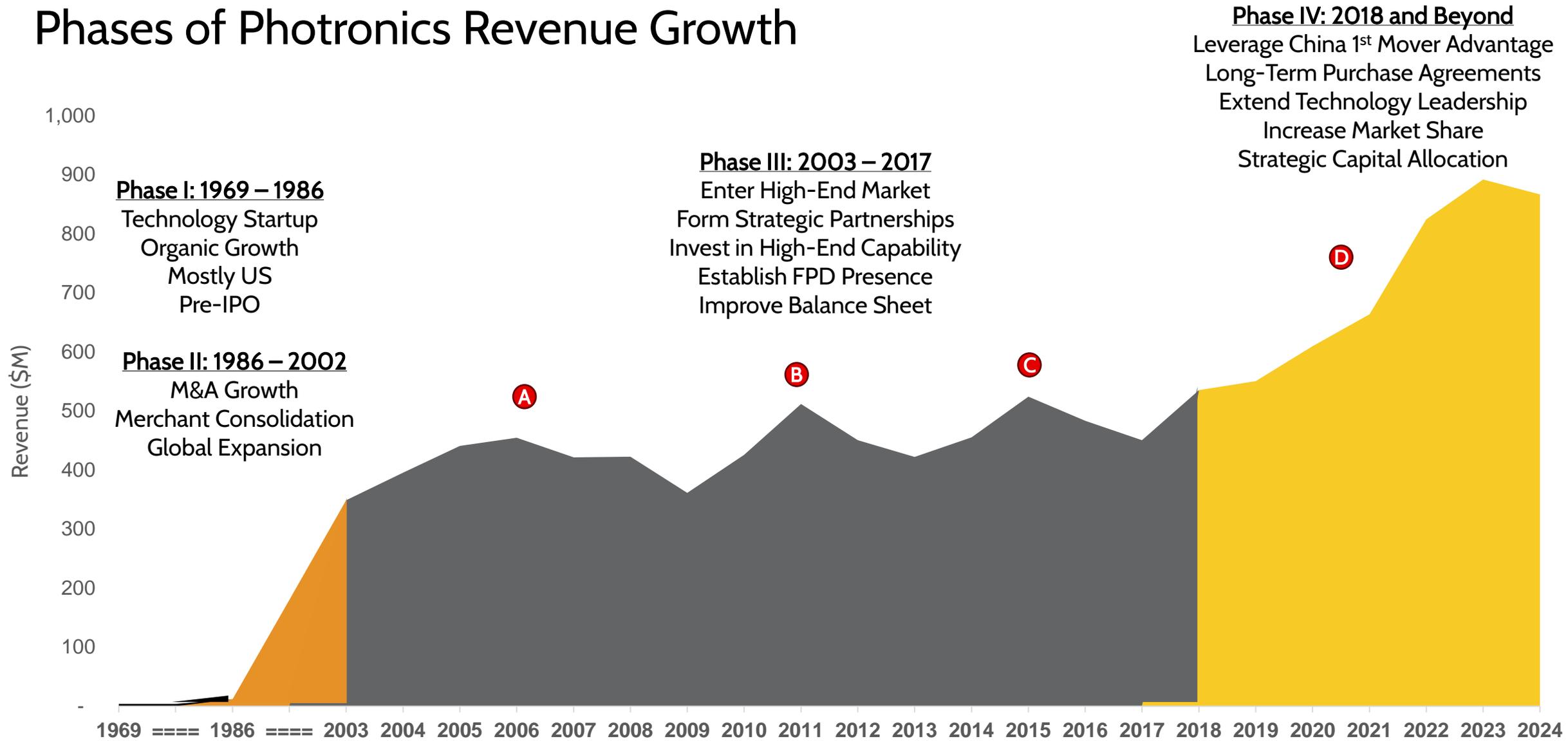
Photomasks carry design information into an exposure system where light transfers the pattern to the wafer

**Integrated Circuit (IC) photomasks** are used to transfer circuit patterns onto semiconductor wafers during the fabrication of integrated circuits.

**Flat Panel Display (FPD) photomasks** are used in the fabrication of flat screen televisions, PC monitors, tablets, mobile devices and other flat panel displays.



# Phases of Photronics Revenue Growth



Technology inflections catalyze Future Demand:



G7.5 Display Substrate



High-End IC Memory



High-End IC Logic



G10.5+ Display Substrate  
 AMOLED Mobile  
 "Made In China 2025"

# Compelling Investment Thesis

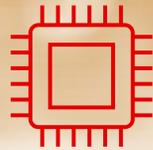


## GLOBAL LEADER in the **merchant** photomask industry

---

Trusted supplier due to rapid response of high-quality masks

Broad technology suite and geographic presence



## POSITIVE DEMAND TRENDS drive **strategic growth** investments

---

Semiconductor industry expansion driving design activity across all nodes

Advanced displays require additional layers and leading mask technologies



## SOLID EXECUTION driven by a **culture of** sustainable performance

---

Driving operational excellence through core competencies

Competitive advantage in industry with high barriers to entry



## INVESTMENT STRATEGY To deliver **sustainable cash** flow generation

---

Supports organic growth initiatives

Targets industry demand and technology trends

**Demonstrated Success Delivering Value to Customers and Creating Value for Shareholders**

# Core Competencies Serve as Competitive Advantages



## Operational Excellence

Responsive delivery  
High yields  
Cost control  
Supply chain optimization  
Teamwork and execution



## Commercial Excellence

Customer first  
Trusted partner  
Wafer yield enhancement  
Technology roadmap enabler



## Technology Leader

Process expertise  
Advanced Process-of-Record  
High barriers to entry



## Global Footprint

Close to customer  
Aligned with end markets  
Flexible supply chain

# Long-Term Trends Driving Photomask Demand

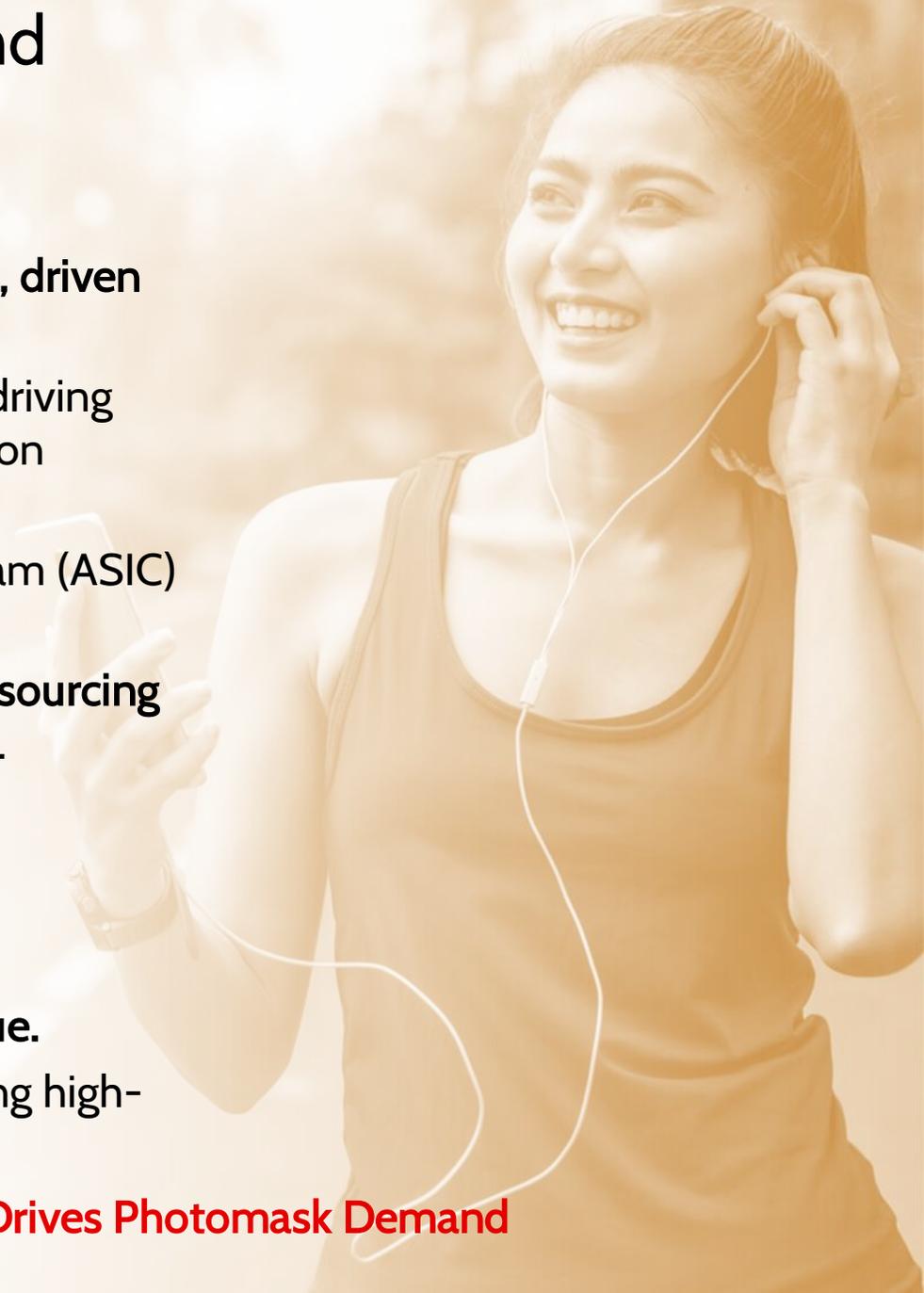
## Semiconductor: growing capacity and design activity

1. More extensive use of semiconductors across multiple applications, driven by megatrends such as AI and IoT.
2. Supply chain regionalization supported by governments globally driving investments in semiconductor fabs that creates redundant production capacity and drives photomask demand.
3. Differentiation by design becoming competitive factor in mainstream (ASIC) and leading-edge applications.
4. Expanding EUV adoption drives semi manufacturer photomask 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 panel competition drives innovation and greater mask value.
3. AMOLED manufacturing moving to larger G8.6 form factor, requiring high-quality, advanced photomasks.

**Innovative Designs and Manufacturing Complexity Drives Photomask Demand**



# Supply Chain Regionalization Driving Global Semiconductor Investments

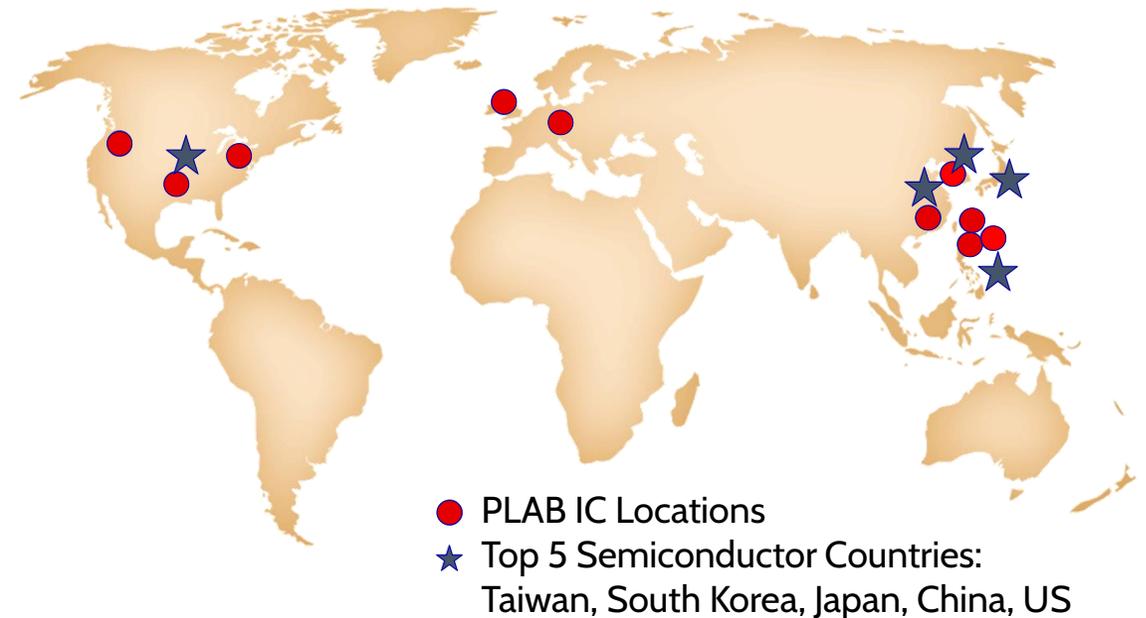
Concerns around national security and supply chain reliability are driving regional investments in semiconductor manufacturing.

Semiconductor fabs are capitalizing on government incentives to build capacity in US, Europe, and Asia.

Regionalization creates additional semiconductor production, increasing global demand for photomasks.

Photronics has operations in 4 of the top 5 countries for semiconductor manufacturing.

## Our IC Manufacturing Footprint Aligns with Global Semiconductor Production



**Broad Geographic Presence-Positioned to Benefit from this Trend**

# Advanced Displays are Driving Innovation

AMOLED displays continue to **gain market share in mobile displays**, including smartphones, tablets, and PC.

Emerging panel makers releasing **new AMOLED displays** to gain market share against established incumbents.

Panel makers incorporating additional functionality into displays (e.g., biometric sensors), **increasing value and complexity of mask set**.

**New form factors** (e.g., flexible or rollable displays) requiring AMOLED technology continue to be introduced.

Panel makers are developing AMOLED production process to increase **substrate size to G8.6**, requiring larger, high-quality advanced masks.

**Mini- or Micro-LED** are future technologies that could drive additional mask demand across many applications.

**Innovation and Design Complexity Favors Us as Technology Leader**

# 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 earn 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**

# Appendix



# Non-GAAP Financial Measures

Non-GAAP Net Income attributable to Photronics, Inc. shareholders and non-GAAP diluted earnings per share are "non-GAAP financial measures" as such term is defined by Regulation G of 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 on-going performance because they enable a more meaningful comparison of our projected performance with our historical results. These non-GAAP metrics are not a measure of consolidated operating results under U.S. GAAP and should not be considered as an alternative to Net income (loss), Net income (loss) per share, or any other measure of consolidated results under U.S. 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 statement of income and must be considered in performing a comprehensive assessment of overall financial performance. Please refer to the non-GAAP reconciliations on the following page.

# Non-GAAP Financial Measures

## PHOTRONICS, INC.

### Reconciliation of GAAP Net income and Earnings per Share attributable to Photronics, Inc. shareholders to Non-GAAP Net income and Earnings per Share

#### attributable to Photronics, Inc. shareholders

(in thousands, except per share amounts)

(Unaudited)

	<u>Three Months ended</u>		
	<u>February 2, 2025</u>	<u>October 31, 2024</u>	<u>January 28, 2024</u>
GAAP Net income attributable to Photronics, Inc. shareholders	\$ 42,851	\$ 33,869	\$ 26,180
FX (gain) loss	(18,443)	7,758	8,909
Estimated tax effects of FX (gain) loss	5,152	(1,936)	(2,244)
Estimated noncontrolling interest effects of above	2,823	(2,637)	(2,939)
<b>Non-GAAP Net income attributable to Photronics, Inc. shareholders</b>	<b><u>\$ 32,383</u></b>	<b><u>\$ 37,054</u></b>	<b><u>\$ 29,906</u></b>
<b>Weighted-average number of common shares outstanding - Diluted</b>	<b><u>62,661</u></b>	<b><u>62,456</u></b>	<b><u>62,283</u></b>
GAAP Diluted earnings per share attributable to Photronics, Inc. shareholders	\$ 0.68	\$ 0.54	\$ 0.42
Effects of non-GAAP adjustments above	(0.16)	0.05	0.06
<b>Non-GAAP Diluted earnings per share attributable to Photronics, Inc. shareholders</b>	<b><u>\$ 0.52</u></b>	<b><u>\$ 0.59</u></b>	<b><u>\$ 0.48</u></b>