

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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)

December 11, 2024

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 No.)

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)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
COMMON STOCK, \$0.01 par value per share	PLAB	NASDAQ Global Select Market

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 2.02. Results of Operations and Financial Condition.

On December 11, 2024, Photonics, Inc. (the "Company") issued a press release reporting fourth quarter fiscal 2024 results.

On December 11, 2024, the Company will conduct a conference call with respect to its financial results and other matters during which it will also disclose a slide presentation.

A copy of the press release is furnished as Exhibit 99.1 to this report and a copy of the slide presentation is furnished as Exhibit 99.2 to this report. The information contained in this Item 2.02 and the attached Exhibits 99.1 and 99.2 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1](#) Press Release December 11, 2024.

[99.2](#) Photonics Q4 2024 Financial Results Conference Call December 11, 2024 slides.

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.
(Registrant)

By: /s/ Christopher J. Lutz
Name: Christopher J. Lutz
Title: Vice President,
General Counsel and Secretary

Date: December 11, 2024



For Further Information:
 Ted Moreau
 VP, Investor Relations
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Photronics Reports Full Year and Fourth Quarter Fiscal 2024 Results

BROOKFIELD, Conn. December 11, 2024 (GLOBE NEWSWIRE) — [Photronics, Inc.](#) (NASDAQ:PLAB), a worldwide leader in photomask technologies and solutions, today reported financial results for its full year and fourth quarter of fiscal year 2024 ended October 31, 2024.

“We achieved sequential revenue growth in the fourth quarter, with increased sales in both Integrated Circuits (IC) and Flat Panel Displays (FPD),” said Frank Lee, chief executive officer. “IC growth was driven by strong high-end sales, particularly in the US, while FPD was led by mainstream demand. Photomask demand trends were favorable as we ended the year and we are cautiously optimistic that these trends will continue into 2025, driven by megatrends such as AI, supply chain regionalization, and edge computing. We believe our competitive advantages and market leadership will allow us to grow along with the photomask market growth trajectory. Combined with financial discipline to expand margins and improve cash flow, we are well positioned to continue growing profitably and creating shareholder value.”

Full Year Fiscal 2024 Results

- Revenue was \$866.9 million, down 3% from the previous year.
- GAAP net income attributable to Photronics, Inc. shareholders was \$130.7 million, or \$2.09 per diluted share, compared with \$125.5 million, or \$2.03 per diluted share in 2023.
- Non-GAAP net income attributable to Photronics, Inc. shareholders was \$127.6 million, or \$2.05 per diluted share, compared with \$126.0 million, or \$2.04 per diluted share in 2023.
- IC revenue was \$638.1 million, down 2%.
- FPD revenue was \$228.8 million, down 5%.
- Cash generated from operating activities was \$261.4 million, and cash invested in organic growth through capital expenditures was \$130.9 million.

Fourth Quarter Fiscal 2024 Results

- Revenue was \$222.6 million, down 2% year-over-year and up 6% sequentially.
- GAAP Net income attributable to Photronics, Inc. shareholders was \$33.9 million, or \$0.54 per diluted share, compared with \$44.6 million, or \$0.72 per diluted share in the fourth quarter of 2023 and \$34.4 million, or \$0.55 per diluted share in the third quarter of 2024.
- Non-GAAP Net income attributable to Photronics, Inc. shareholders was \$37.1 million, or \$0.59 per diluted share, compared with \$37.2 million, or \$0.60 per diluted share in the fourth quarter of 2023 and \$31.9 million, or \$0.51 per diluted share in the third quarter of 2024.
- IC revenue was \$163.7 million, down 1% year-over-year and up 5% sequentially.
- FPD revenue was \$58.9 million, down 7% from the same quarter last year and up 7% sequentially.
- Cash generated from operating activities was \$68.4 million, and cash invested in organic growth through capital expenditures was \$43.2 million.
- Cash and Short-term investments at the end of the quarter were \$640.7 million, and Debt was \$18.0 million.

First Quarter Fiscal 2025 Guidance

For the first quarter of fiscal 2025, Photronics expects Revenue to be between \$208 million and \$216 million and non-GAAP Net income attributable to Photronics, Inc. shareholders to be between \$0.43 and \$0.49 per diluted share.

Webcast

A webcast to discuss these results is scheduled for 8:30 a.m. Eastern time on December 11, 2024. The call will be broadcast live and on-demand on the [Events and Presentations](#) link on the Photronics website. Analysts and investors who wish to participate in the Q&A portion of the call should click [here](#). It is suggested that participants register fifteen minutes prior to the call's scheduled start time.

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, 2024, the company had approximately 1,878 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 our Annual Report on Form 10-K for the fiscal year ended October 31, 2023 and other subsequent filings 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. 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.

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 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 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 below.

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

	Three Months Ended			Year Ended	
	October 31, 2024	July 28, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Revenue	\$ 222,628	\$ 210,984	\$ 227,473	\$ 866,946	\$ 892,076
Cost of goods sold	140,326	135,846	142,591	551,000	555,914
Gross Profit	82,302	75,138	84,882	315,946	336,162
Operating Expenses:					
Selling, general and administrative	21,008	19,436	16,731	77,760	69,458
Research and development	5,285	3,555	3,367	16,576	13,654
Total Operating Expenses	26,293	22,991	20,098	94,336	83,112
Other operating (loss) gain	(182)	1	-	(92)	-
Operating Income	55,827	52,148	64,784	221,518	253,050
Non-operating (loss) income, net	(1,034)	10,145	18,660	25,897	16,896
Income Before Income Tax Provision	54,793	62,293	83,444	247,415	269,946
Income tax provision	14,568	14,124	20,288	63,567	70,312
Net Income	40,225	48,169	63,156	183,848	199,634
Net income attributable to noncontrolling interests	6,356	13,781	18,545	53,160	74,149
Net income attributable to Photronics, Inc. shareholders	\$ 33,869	\$ 34,388	\$ 44,611	\$ 130,688	\$ 125,485
Earnings per share:					
Basic	\$ 0.55	\$ 0.56	\$ 0.73	\$ 2.12	\$ 2.05
Diluted	\$ 0.54	\$ 0.55	\$ 0.72	\$ 2.09	\$ 2.03
Weighted-average number of common shares outstanding:					
Basic	61,863	61,815	61,290	61,726	61,139
Diluted	62,456	62,414	62,067	62,391	61,755

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

	<u>October 31,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 598,485	\$ 499,292
Short-term investments	42,184	12,915
Accounts receivable	200,830	194,927
Inventories	56,527	49,963
Other current assets	<u>33,036</u>	<u>28,353</u>
Total current assets	931,062	785,450
Property, plant and equipment, net	745,257	709,244
Other assets	<u>35,740</u>	<u>31,527</u>
Total assets	<u>\$ 1,712,059</u>	<u>\$ 1,526,221</u>
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt	\$ 17,972	\$ 6,621
Accounts payable and accrued liabilities	<u>165,839</u>	<u>178,602</u>
Total current liabilities	183,811	185,223
Long-term debt	25	17,998
Other liabilities	47,464	47,391
Equity:		
Photronics, Inc. shareholders' equity	1,120,864	975,008
Noncontrolling interests	<u>359,895</u>	<u>300,601</u>
Total equity	<u>1,480,759</u>	<u>1,275,609</u>
Total liabilities and equity	<u>\$ 1,712,059</u>	<u>\$ 1,526,221</u>

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

	Year Ended	
	October 31, 2024	October 31, 2023
Cash flows from operating activities:		
Net income	\$ 183,848	\$ 199,634
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82,805	80,835
Share-based compensation	13,890	8,001
Changes in operating assets, liabilities and other	(19,099)	13,706
Net cash provided by operating activities	261,444	302,176
Cash flows from investing activities:		
Purchases of property, plant and equipment	(130,942)	(131,295)
Purchases of short-term investments	(100,558)	(20,192)
Proceeds from maturities of short-term investments	72,836	47,537
Government incentives	2,229	2,522
Other	(30)	(117)
Net cash used in investing activities	(156,465)	(101,545)
Cash flows from financing activities:		
Repayments of debt	(6,621)	(18,439)
Proceeds from share-based arrangements	1,916	1,248
Net settlements of restricted stock awards	(3,025)	(1,302)
Net cash used in financing activities	(7,730)	(18,493)
Effects of exchange rate changes on cash, cash equivalents, and restricted cash	2,127	(2,680)
Net increase in cash, cash equivalents, and restricted cash	99,376	179,458
Cash, cash equivalents, and restricted cash, beginning of period	501,867	322,409
Cash, cash equivalents, and restricted cash, end of period	\$ 601,243	\$ 501,867

PHOTRONICS, INC.
Reconciliation of GAAP Net income attributable to Photonics, Inc. shareholders to Non-GAAP Net income and
GAAP Diluted Earnings Per Share to Non-GAAP Diluted Earnings Per Share
(in thousands)
(Unaudited)

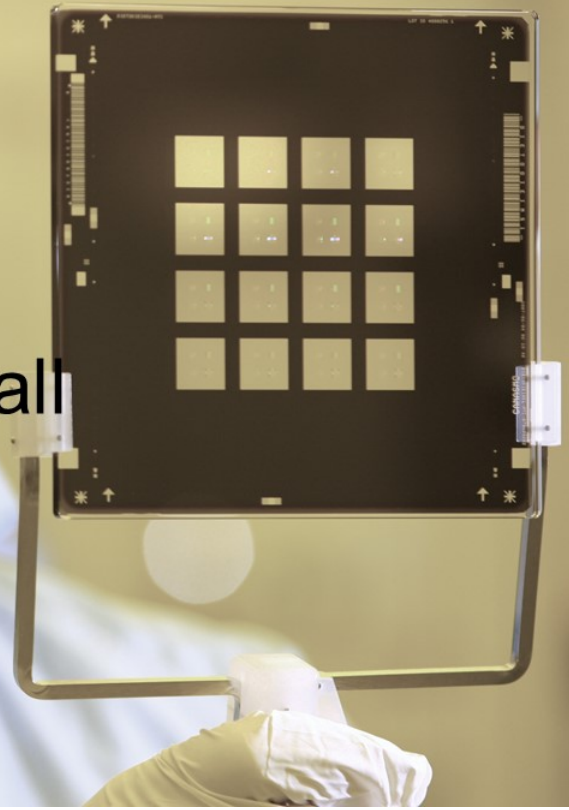
	Three Months ended			Year Ended	
	October 31, 2024	July 28, 2024	October 31, 2023	October 31, 2024	October 31, 2023
GAAP Net Income attributable to Photonics, Inc. shareholders	\$ 33,869	\$ 34,388	\$ 44,611	\$ 130,688	\$ 125,485
FX (gain) loss	7,758	(4,068)	(13,234)	(2,168)	(2,466)
Estimated tax effects of FX (gain) loss	(1,936)	914	3,437	477	317
Estimated noncontrolling interest effects of above	(2,637)	681	2,431	(1,407)	2,676
Non-GAAP Net income attributable to Photonics, Inc. shareholders	\$ 37,054	\$ 31,915	\$ 37,245	\$ 127,590	\$ 126,012
Weighted-average number of common shares outstanding - Diluted	62,456	62,414	62,067	62,391	61,755
GAAP Diluted Earnings Per Share	\$ 0.54	\$ 0.55	\$ 0.72	\$ 2.09	\$ 2.03
Effects of non-GAAP adjustments above	0.05	(0.04)	(0.12)	(0.04)	0.01
Non-GAAP Diluted Earnings Per Share	\$ 0.59	\$ 0.51	\$ 0.60	\$ 2.05	\$ 2.04



Q4 2024 Financial Results Conference Call

December 11, 2024

PHOTRONICS, INC.



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, 2023 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.

Q4 2024 Summary

\$222.6M Revenue	25.1% Operating Margin	\$0.54 EPS	\$0.59 Non-GAAP EPS ¹	\$68.4M Operating Cash Flow	\$640.7M Cash ² and Short- term investments
(2%) Y/Y 6% Q/Q	(340) bps Y/Y 40 bps Q/Q	(25%) Y/Y (2%) Q/Q	(2%) Y/Y 16% Q/Q	(36%) Y/Y (9%) Q/Q	25% Y/Y 6% Q/Q

Revenue improved sequentially with growth in both IC and FPD product lines; high-end IC demand from foundries in the US and Asia were the biggest drivers to growth; long-term demand driven by megatrends such as AI, IoT, and supply chain regionalization.

Operating margin increased Q/Q as improved gross margin was partially offset by higher operating expenses; after adjusting for FX, non-GAAP EPS was \$0.59, a 16% increase from Q3 2024.

Strengthened balance sheet by increasing cash and short-term investments balance and reducing debt through solid cash flow generation, providing flexibility to support capital allocation strategy, with announced plans to expand US 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.

Strong Quarter to End the Year, Giving Us Momentum as We Enter 2025

2024 Summary

\$866.9M Revenue	25.6% Operating Margin	\$2.09 EPS	\$2.05 Non-GAAP EPS ¹	\$261.4M Operating Cash Flow	\$640.7M Cash ² and Short- term investments
(3%) Y/Y	(280) bps Y/Y	3% Y/Y	1% Y/Y	(14%) Y/Y	25% Y/Y

Revenue lower due to general semiconductor industry softness following a record fiscal 2023.

Operating margin compression due to impact from operating leverage on gross margin and higher opex; non-GAAP EPS was flat.

Strengthened balance sheet due to cash flow generation, allowing us to increase cash balance while reducing debt.


Multi-pronged capital allocation strategy to invest in growth, return cash to shareholders, and explore business development initiatives.

Managed to Drive Strong Cash Flow Generation and Deliver Sustainable Shareholder Value

Revenue by Product Line

IC

\$M	Q424	Q/Q	Y/Y
High-End*	60.1	21%	4%
Mainstream	103.7	(3%)	(3%)
Total	163.7	5%	(1%)



■ High-End* 37%
■ Mainstream 63%

High-end sales improved on higher foundry demand from the US and Asia; memory was stronger Y/Y.


Mainstream down due to mid-quarter softness that has since stabilized.

Long-term growth drivers:

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

FPD

\$M	Q424	Q/Q	Y/Y
High-End*	48.4	Flat	(9%)
Mainstream	10.5	57%	8%
Total	58.9	7%	(7%)



■ High-End* 82%
■ Mainstream 18%

High-end flat Q/Q as strong G10.5+ sales offset by softer mobile display demand.

Mainstream improved as we allocated capacity during soft high-end demand.

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.

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

Balance Sheet and Cash Flow Metrics

\$M	Q424	Y/Y	Q/Q
Cash, cash equivalents and Short-term investments	640.7	25%	6%
Debt	18.0	(27%)	(10%)
Operating Cash Flow	68.4	(36%)	(9%)
Capital Expenditures	43.2	(18%)	77%

Actively controlling cash, cash equivalents, and short-term investments to maintain liquidity and optimize returns, while also reducing Debt (comprised of US equipment leases).

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

Capex targets growth in IC capacity, tool replacement, & facility expansion.

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

Q1 2025 Guidance

Revenue (\$M)	208 – 216
Operating Margin	23% - 25%
Taxes (\$M)	17 – 19
Diluted non-GAAP EPS	\$0.43 - \$0.49
Diluted Shares (M)	~62
Full-year Capex (M)	200

Reflects typical Q1 seasonality, including Chinese New Year beginning in late January.

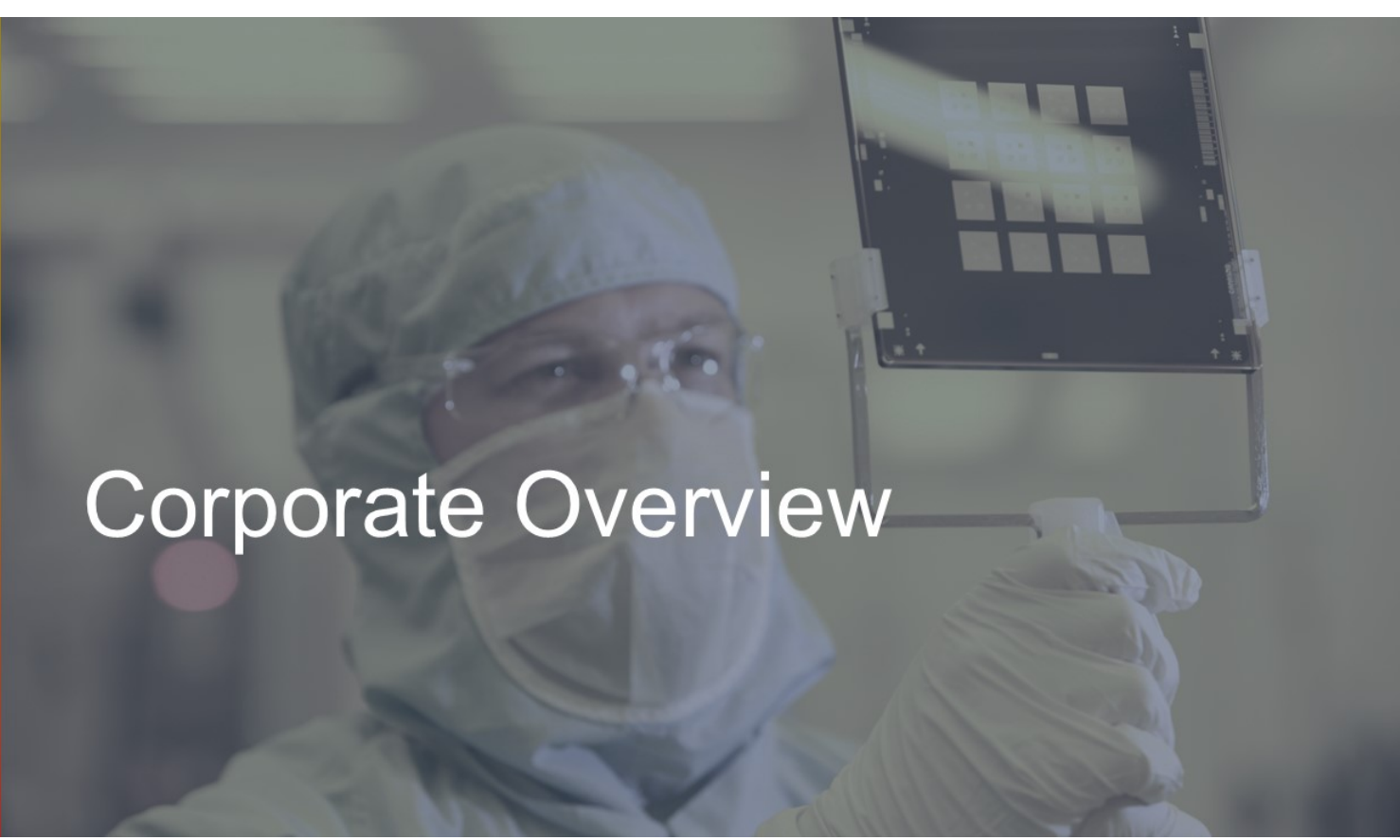
Incorporation of chips in AI, IoT, 5G, and consumer products.

- New designs to capture market share.
- Advanced display technologies.

Outlook clouded by geopolitical uncertainty and macro-economic headwinds.

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

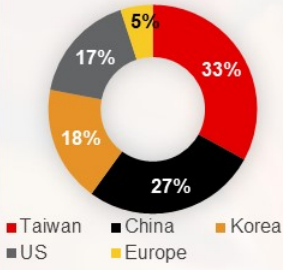
Corporate Overview



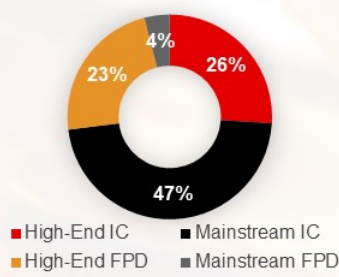
Photronics Overview (Nasdaq: PLAB)

\$867M Revenue	\$222M Operating Income	\$261M Operating Cash Flow	\$1.6B Market Cap <small>12/3/2024</small>	~1,900 Employees	~675 Customers	1969 Founded
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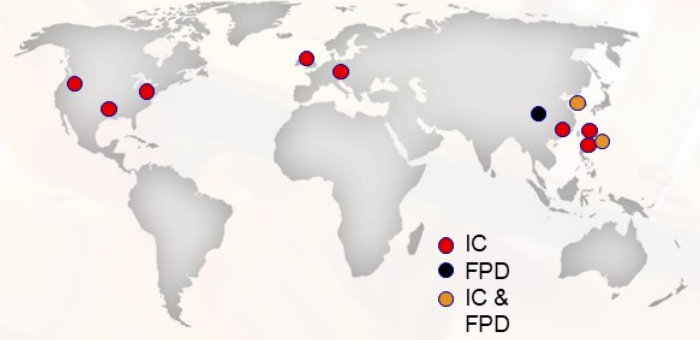
Revenue By Region



Revenue By Product Group



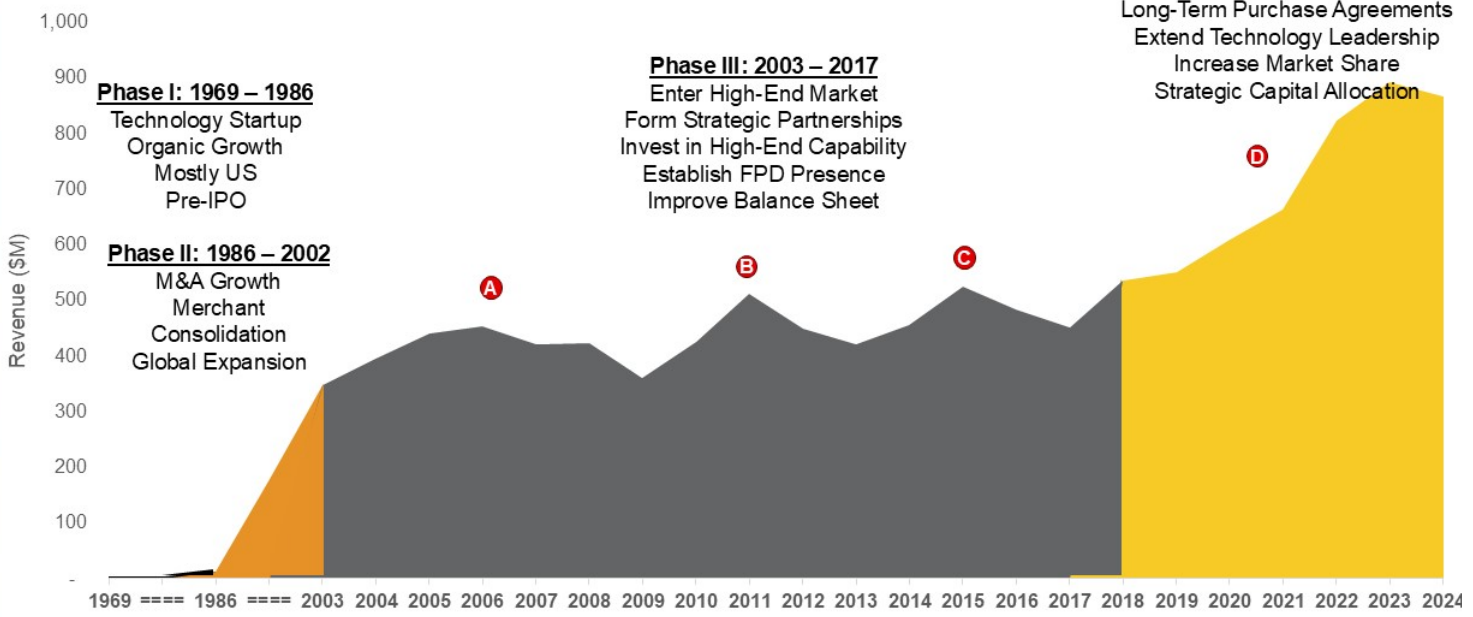
Unmatched Global Footprint
11 STRATEGICALLY LOCATED MANUFACTURING FACILITIES



All data are last twelve months as of 10/31/2024 unless otherwise noted | IC: Integrated Circuit | FPD: Flat Panel Display

Phases of Photonics Revenue Growth

Phase IV: 2018 and Beyond
 Leverage China 1st Mover Advantage
 Long-Term Purchase Agreements
 Extend Technology Leadership
 Increase Market Share
 Strategic Capital Allocation



Technology inflections catalyze Future Demand:

- A** G7.5 Display Substrate
- B** High-End IC Memory
- C** High-End IC Logic
- D** 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 know-how
- 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

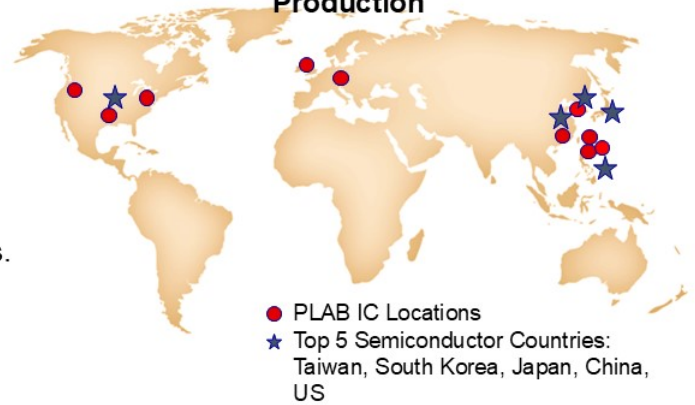
Concerns around national security and supply chain reliability are driving regional investments in semiconductor manufacturing.

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



Unmatched 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

Clear Capital Deployment Priorities Supported by Strong Balance Sheet

Fund organic growth

Increase IC capacity

Maintain technical leadership

Expand capacity to support customer demand

Financial discipline to improve ROIC

Share repurchase

Repurchased 12M shares, returning \$130M to shareholders since 2018

\$100M remaining under current authorization

Business development initiatives

IC & FPD photomask industry, including strategic partnerships or joint ventures

Adjacencies to increase revenue diversification

\$M	2024
Cash and Short-term Investments	641
Debt	18
Operating Cash Flow	261
Capital Expenditures	131

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

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

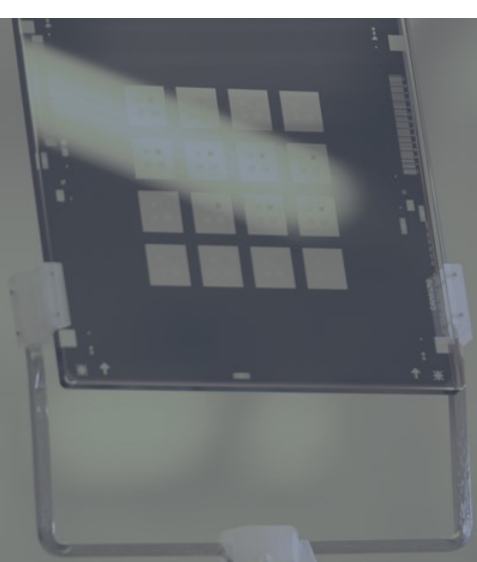
- Improved pricing environment in high-end and mainstream IC
- Dynamically align asset tool set to match end-market demand
- Increasing benefit from operating leverage

WINNING THROUGH COMPETITIVE ADVANTAGES

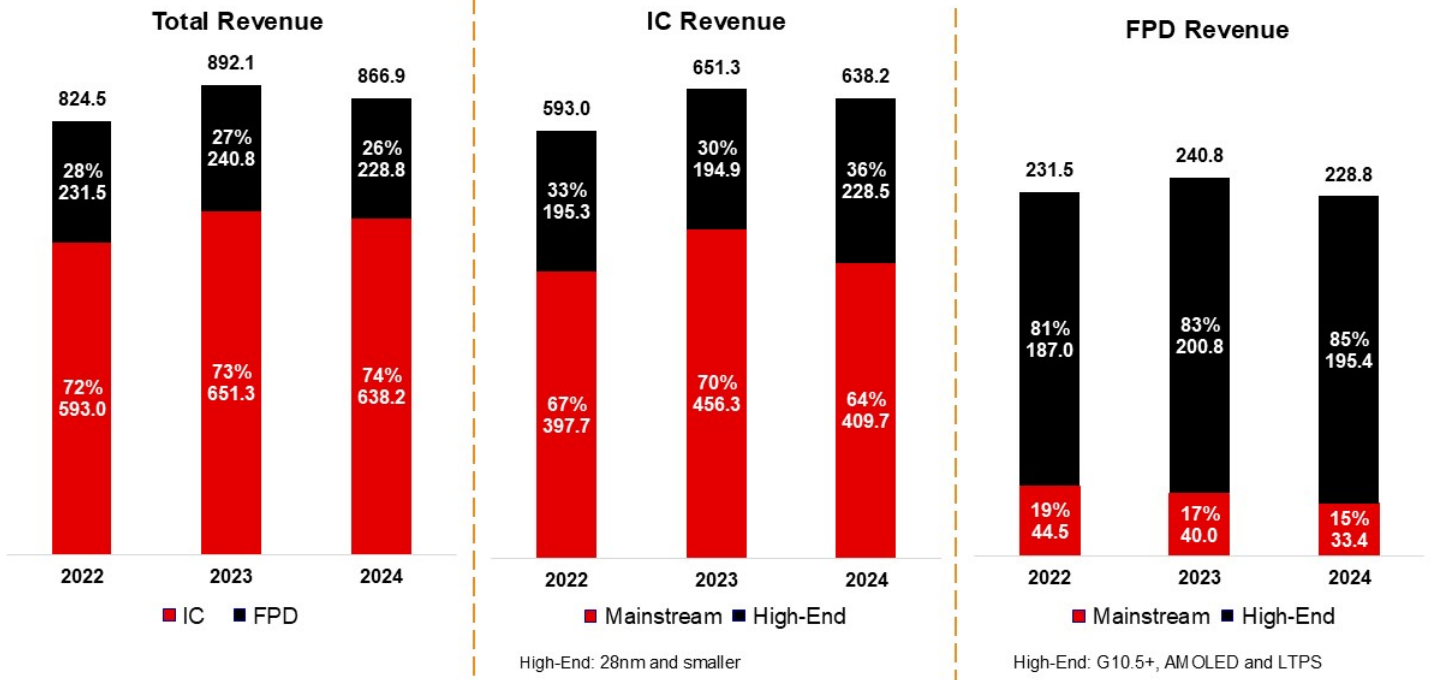
- Operational Excellence
- Commercial Excellence
- Technology Leader
- Global Footprint

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

Appendix



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 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 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 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 attributable to Photronics, Inc. shareholders to Non-GAAP Net income and GAAP Diluted Earnings Per Share to Non-GAAP Diluted Earnings Per Share

(in thousands)
(Unaudited)

	Three Months ended			Year Ended	
	October 31, 2024	July 28, 2024	October 31, 2023	October 31, 2024	October 31, 2023
GAAP Net Income attributable to Photronics, Inc. shareholders	\$ 33,869	\$ 34,388	\$ 44,611	\$ 130,688	\$ 125,485
FX (gain) loss	7,758	(4,068)	(13,234)	(2,168)	(2,466)
Estimated tax effects of FX (gain) loss	(1,936)	914	3,437	477	317
Estimated noncontrolling interest effects of above	(2,637)	681	2,431	(1,407)	2,676
Non-GAAP Net income attributable to Photronics, Inc. shareholders	\$ 37,054	\$ 31,915	\$ 37,245	\$ 127,590	\$ 126,012
Weighted-average number of common shares outstanding - Diluted	62,456	62,414	62,067	62,391	61,755
GAAP Diluted Earnings Per Share	\$ 0.54	\$ 0.55	\$ 0.72	\$ 2.09	\$ 2.03
Effects of non-GAAP adjustments above	0.05	(0.04)	(0.12)	(0.04)	0.01
Non-GAAP Diluted Earnings Per Share	\$ 0.59	\$ 0.51	\$ 0.60	\$ 2.05	\$ 2.04