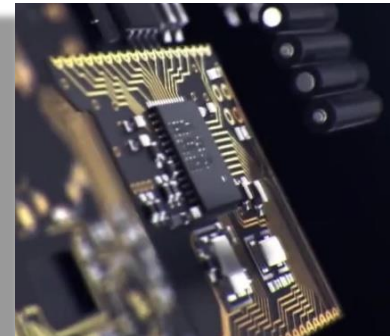
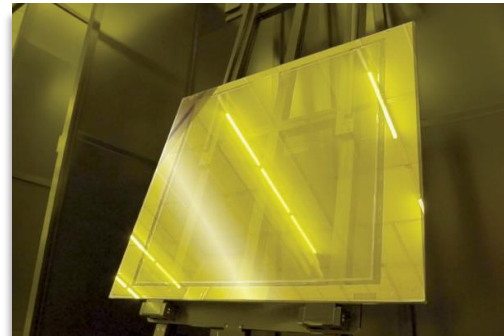
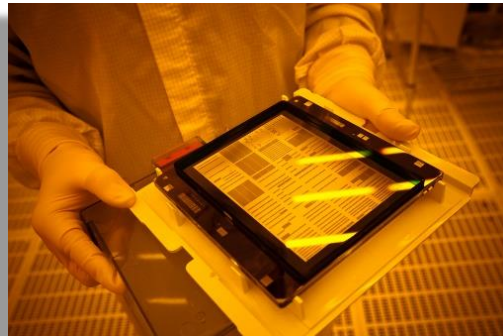


Photronics, Inc.

Q2 2021 Financial Results Conference Call
May 26, 2021



Safe Harbor Statement

This presentation and some of our comments 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. Actual events or results may differ materially from those presented. These statements include words like “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “may”, “plan”, “project”, “in our view” or the negative thereto. 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. If you would like more information on the risks involved in forward-looking statements, please see the documents we file from time to time with the Securities and Exchange Commission.

Q2 2021 Summary

- Revenue was a record \$159.8M, up 5% Q/Q and 12% Y/Y
 - Growth achieved in both IC and FPD on strong design-driven demand
 - Revenue to China was up 16% Q/Q and 23% Y/Y
- Net income attributable to Photronics, Inc. shareholders of \$10.5M (\$0.17/share)
- Cash balance \$256M
 - \$32M generated from operating activity
 - \$56M invested in capex
 - \$10M returned to investors through share repurchases
- Next phase of FPD capacity investment on track for tool delivery in 2021
- Investing to expand mainstream IC capacity

Strategic investments driving long-term, profitable growth

Income Statement Summary

\$M (except EPS)	Q221	Q121	Q/Q	Q220	Y/Y
Revenue	\$ 159.8	\$ 152.1	5%	\$ 142.8	12%
Gross Profit	\$ 39.2	\$ 30.5	29%	\$ 30.4	29%
Gross Margin	24.6%	20.1%	450 bps	21.3%	330 bps
Operating Income	\$ 20.8	\$ 11.8	77%	\$ 12.7	64%
Operating Margin	13.0%	7.7%	530 bps	8.9%	410 bps
Other income (expense)	(\$ 0.8)	\$ 0.7	(\$ 1.5)	(\$ 1.0)	\$ 0.2
Income tax provision	\$ 3.7	\$ 2.9	\$ 0.8	\$ 3.8	(\$ 0.1)
Minority interest	\$ 5.8	\$ 1.5	\$ 4.3	\$ 1.7	\$ 4.1
Net Income*	\$ 10.5	\$ 8.0	31%	\$ 6.3	68%
Diluted EPS*	\$ 0.17	\$ 0.13	\$ 0.04	\$ 0.10	\$ 0.07
Days in quarter	91	92	(1)	91	-

- Margin improved with higher revenue and better mainstream IC ASP
- Incremental margins >110% Q/Q
- Other income / (expense) primarily due to FX gain / (loss); Q221 includes China interest expense subsidy
- Minority interest from IC JVs in Taiwan and China

*Net income attributable to Photronics, Inc. shareholders

5/26/2021

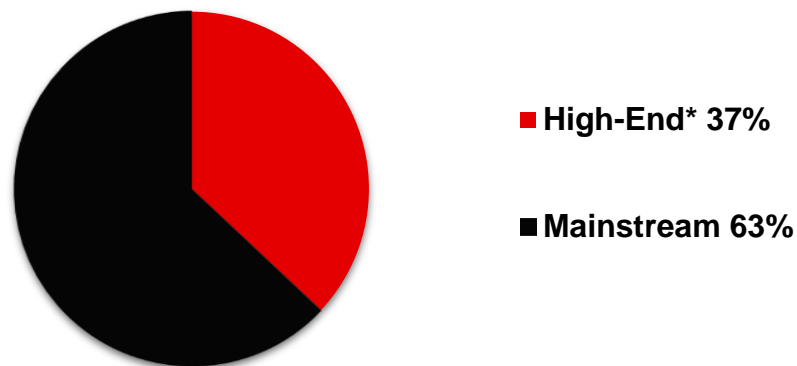
IC Photomask Revenue

\$M	Q221	Q121	Q/Q	Q220	Y/Y
High-End*	\$ 41.3	\$ 36.8	12%	\$ 38.3	8%
Mainstream	\$ 70.7	\$ 68.2	4%	\$ 58.6	21%
Total	\$ 112.0	\$ 105.0	7%	\$ 96.8	16%

Total may differ due to rounding

- High-end growth driven by logic recovery, especially in Taiwan & China
- Mainstream grew on positive demand trends and higher ASP
- China revenue +23% Q/Q and +53% Y/Y; represents 28% of IC revenue
- Outlook
 - Continued strength from remote work and education
 - Mainstream demand strong, with positive pricing
 - Continued macro risk from trade policies and shelter-in-place mandates

Q221 Revenue by Technology



*28nm and smaller
5/26/2021

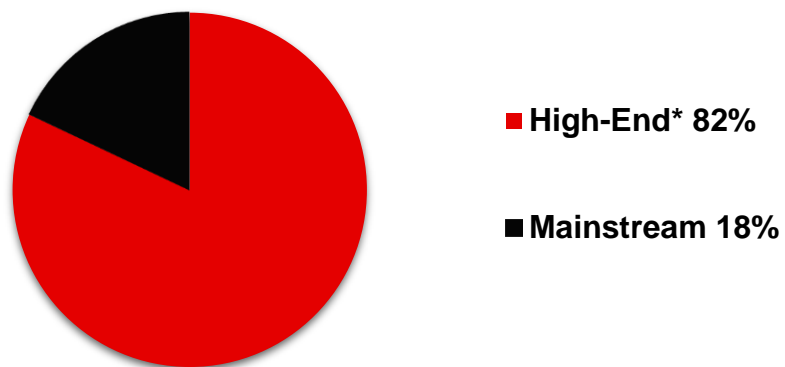
FPD Photomask Revenue

\$M	Q221	Q121	Q/Q	Q220	Y/Y
High-End*	\$ 39.4	\$ 34.6	14%	\$ 31.8	24%
Mainstream	\$ 8.4	\$ 12.5	(33%)	\$ 14.1	(41%)
Total	\$ 47.8	\$ 47.1	1%	\$ 45.9	4%

Total may differ due to rounding

- High-end improved on strong LTPS & AMOLED demand for mobile displays
- Mainstream down as capacity was sold out to meet high-end demand
- China revenue +8% Q/Q and -1% Y/Y; represents 53% of FPD revenue
- Outlook
 - Dynamic market environment
 - Mobile demand strength expected to continue
 - Capacity expansions coming with new tool installations
 - Technology development drives demand for higher-value masks

Q221 Revenue by Technology



*≥G10.5, AMOLED and LTPS

Select Financial Data

<u>\$M</u>	<u>Q221</u>	<u>Q121</u>	<u>Q220</u>
Cash	\$ 256	\$ 279	\$ 238
Debt	\$ 114	\$ 98	\$ 53
Net Cash*	\$ 142	\$ 180	\$ 184
Operating Cash Flow	\$ 32	\$ 26	\$ 31
Capital Expenditures	\$ 56	\$ 18	\$ 16
Government Incentives for Capital Equipment	\$ 5	\$ 0.4	\$ 3
Share repurchase	\$ 10	\$ 13	\$ 6

- Debt is US equipment lease and local China loans
- Expect 2021 capex to be ~\$120M
 - Completing initial China IC investment
 - Next phase of FPD investment
 - Mainstream IC capacity expansion
- Total share repurchases of \$41M under current \$100M plan (Sep 2020)
- Balance sheet able to fund investments, share repurchases, and strategic M&A opportunities

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

Q321 Guidance

Revenue (\$M)	\$162 - \$172
Operating Margin	13% - 16%
Taxes (\$M)	\$4 - \$6
EPS	\$0.19 - \$0.25
Diluted Shares (M)	~62

- Positive industry demand trends
 - Remote work and learning
 - Made in China 2025
 - Advanced display technologies
- Outlook clouded by geopolitical uncertainty
 - Shelter-in-place mandates
 - US/China trade policies
- We remain focused on expanding margins and improving cash flows

Thank you for your interest!

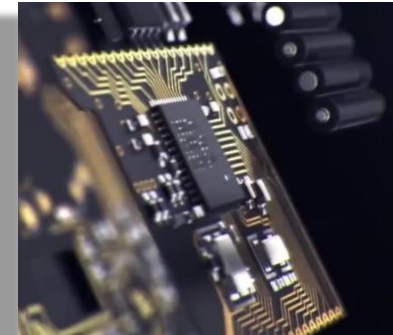
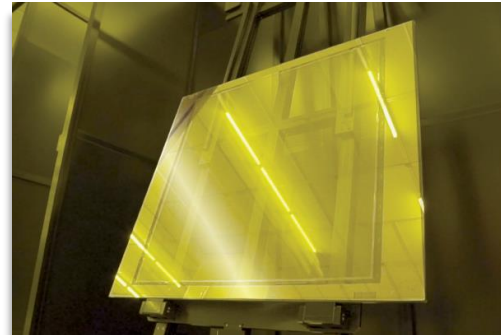
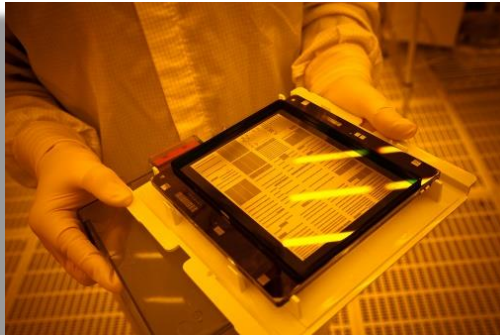
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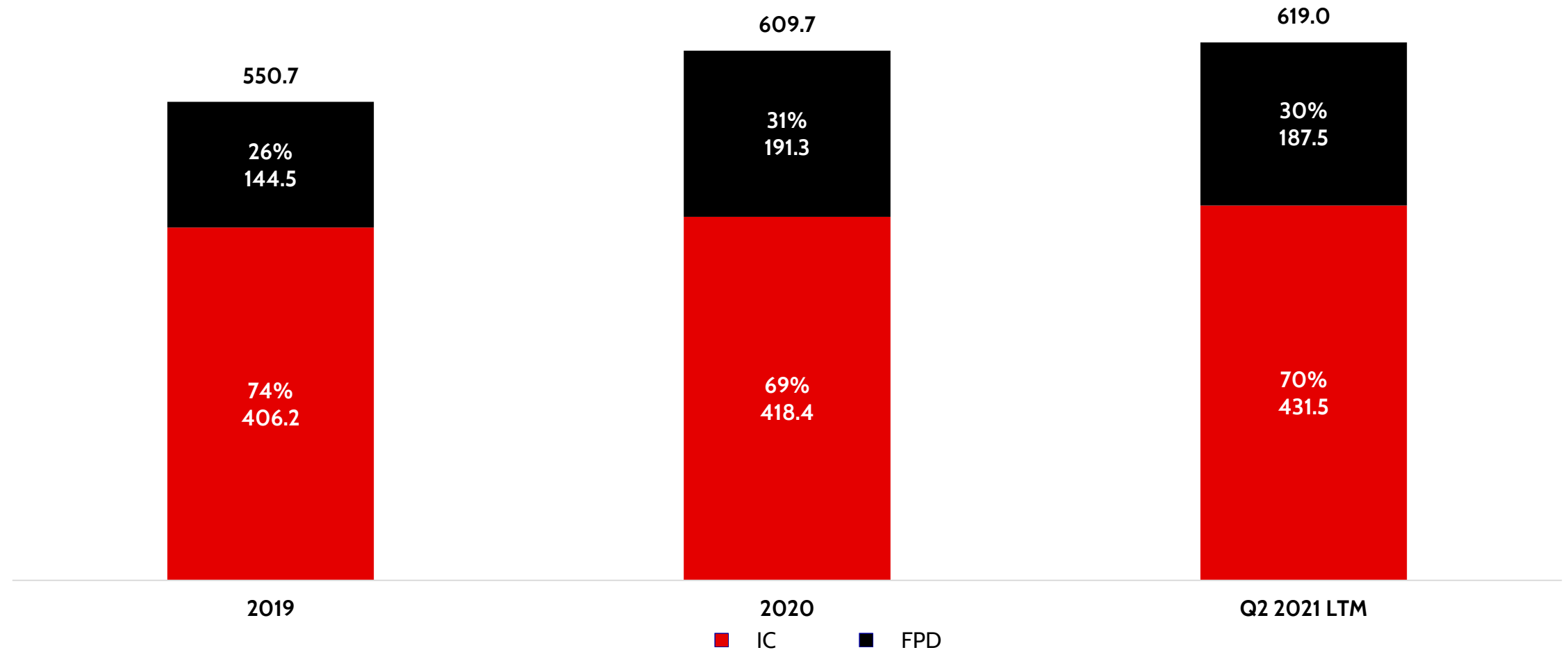
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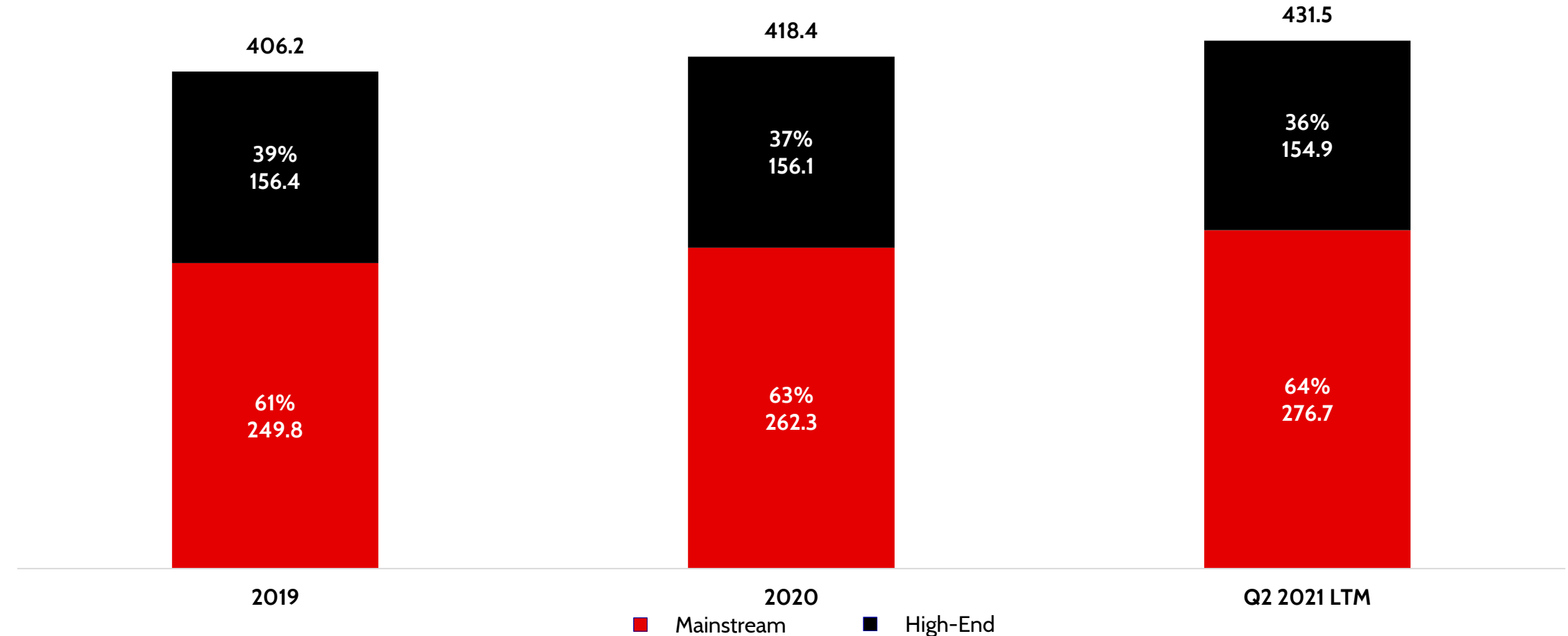
Appendix

Total Revenue



Total may differ due to rounding

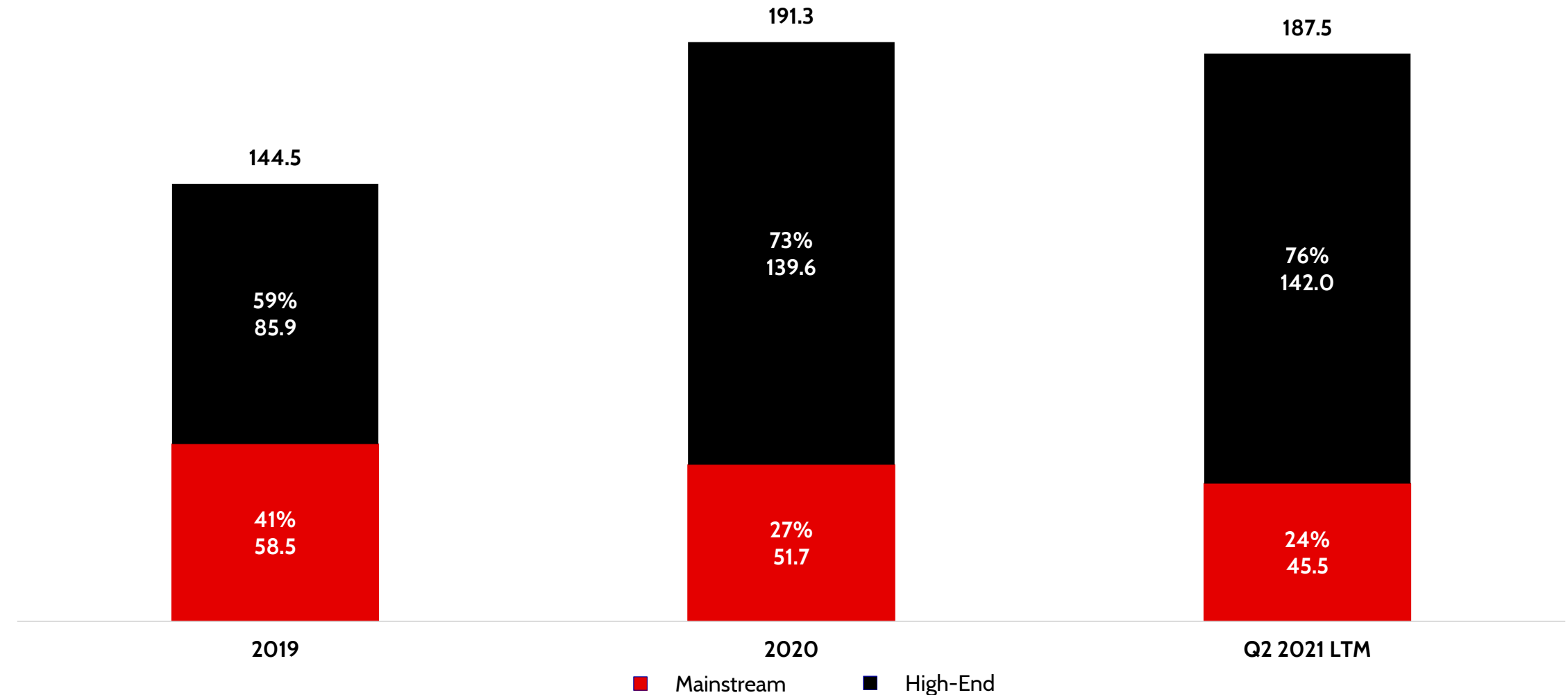
IC Photomask Revenue



High-End: 28nm and smaller; total may differ due to rounding

■ Mainstream ■ High-End

FPD Photomask Revenue



High-End: ≥G10.5, AMOLED and LTPS; total may differ due to rounding

■ Mainstream ■ High-End