

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) **January 17, 2018**

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 7.01 Regulation FD

On January 17, 2018, Photonics, Inc. (the “Company”) will present at the 20th Annual Needham Growth Conference. The presentation to be used during the event is attached as Exhibit 99.1 to this Form 8-K. The presentation will also be available via webcast. Interested parties may register for the webcast through the Investors section of the Company’s website at www.photonics.com.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Presentation January 17, 2018.

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)

DATE: January 17, 2018

BY /s/ *Richelle E. Burr*

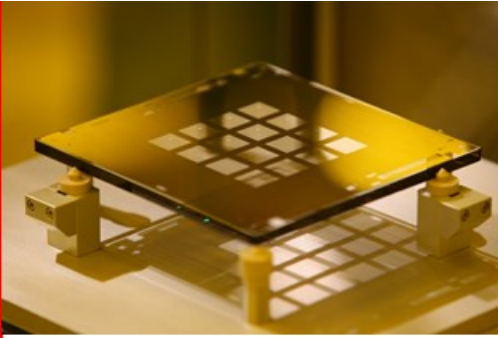
Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.

EXHIBIT INDEX

Exhibit Number	Description
99.1	Presentation January 17, 2018.



Photronics, Inc. Merchant Photomask Leader

20th Annual Needham Growth Conference
January 17, 2018



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”, “should” 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, specifically our most recent Form 10K and Form 10Q.

Non-GAAP Financial Measures

This presentation and some of our comments may reference non-GAAP financial measures. These non-GAAP financial measures exclude certain income or expense items, and are consistent with another way management internally analyzes our results of operations. Non-GAAP information should be considered to be a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP. Please see the “Reconciliation of GAAP to Non-GAAP Financial Information” in this presentation.

A Compelling Investment Thesis

- ▶ **Global merchant photomask market and technology leader**
 - *#1 merchant market share position*
 - *Delivering high-end growth through technology leadership*
- ▶ **Investment strategy aligned with secular growth trends**
 - *China industry expansion*
 - *Technology inflection from LCD to AMOLED*
- ▶ **Expect +40% organic revenue growth over next 3 years**
 - *Strategic investments bring top-line growth*
 - *Operating leverage creates margin expansion*

Agenda

Background

Growth Drivers

Financial Summary

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Background

Growth Drivers

Financial Summary

Photronics at a Glance

- ▶ **Largest merchant photomask manufacturer**
- ▶ **Expanding global footprint to supply increasingly global customer base**
- ▶ **Investing to extend high end leadership**
- ▶ **Strong and flexible balance sheet to fund growth**

2017 Revenue by Product
\$451M



Key Stats

Market Symbol: PLAB

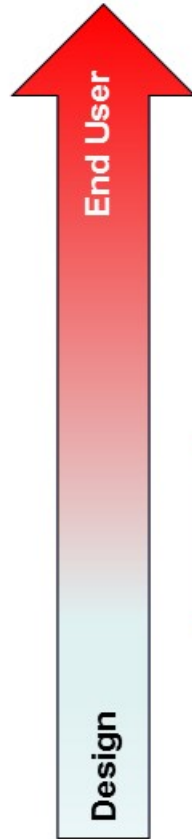
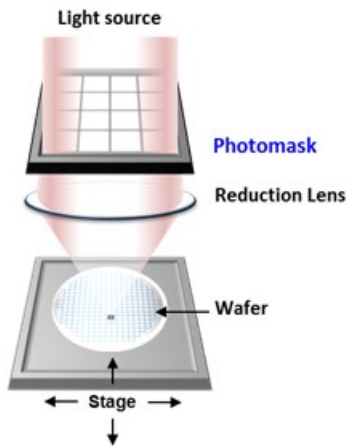
Stock Exchange: NASDAQ

Headquarters: Brookfield, CT

Founded: 1969

Employees: 1,475

All Electronic Devices Need Photomasks



Smartphone
Tablet
PC

Virtual Reality
Automotive
TV

IoT
Industrial
Appliance

Manufacturing Process

Device manufacturing and end product assembly

Photomask

Transports component design to manufacturing process

Component Design

Unique, proprietary IC & FPD circuit design

Agenda

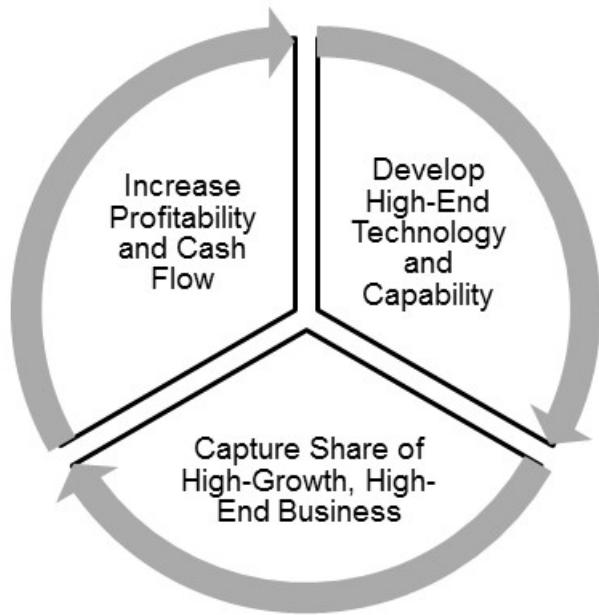
Background

Growth Drivers

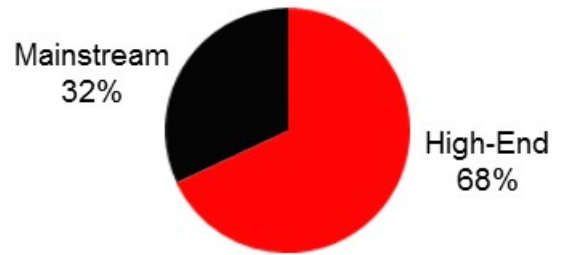
Financial Summary

Extending Leadership Through High-End Investments

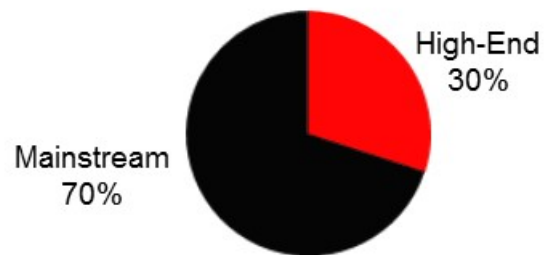
Growth Investment Cycle



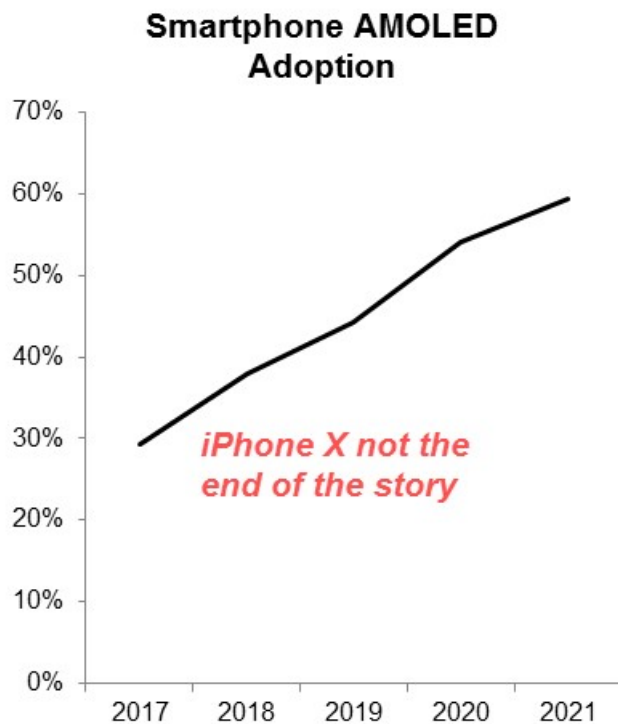
2017 FPD Revenue \$100.4M



2017 IC Revenue \$350.3M



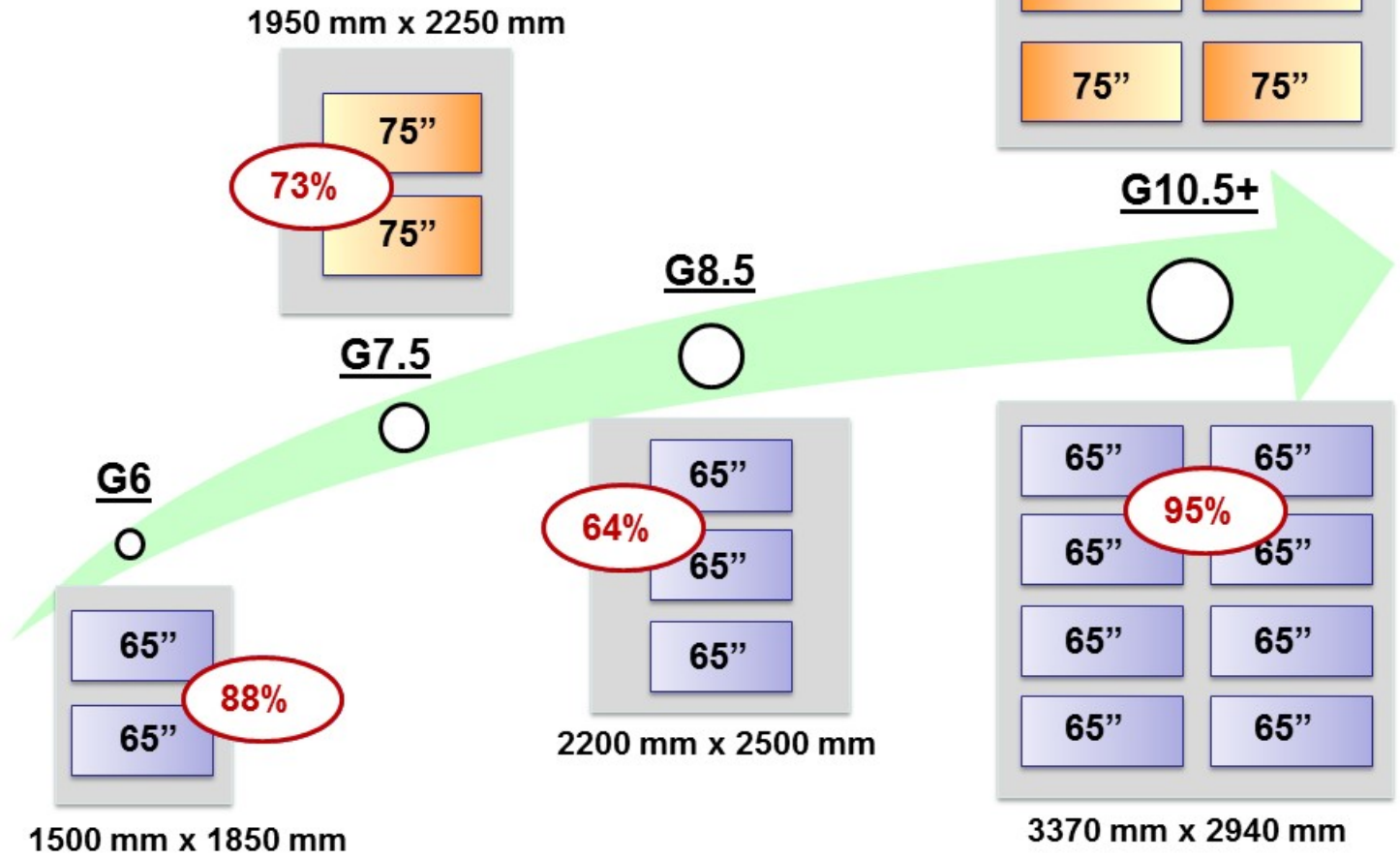
Leveraging Technology Leadership for Mobile Display AMOLED Adoption



Source: Internal Estimates

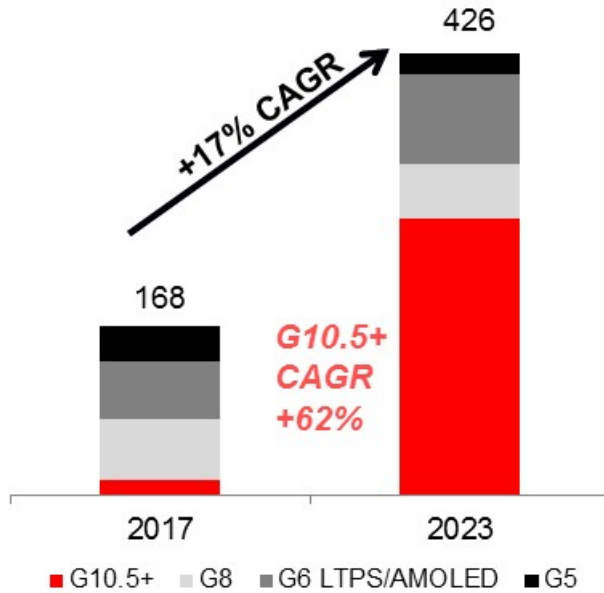
- ▶ **Mobile devices moving from LCD to AMOLED**
 - Superior visual characteristics
 - Lower power consumption
 - Enables flexible format
- ▶ **Increases mask complexity**
 - More mask layers per set
 - Tighter specs on each layer
- ▶ **Installing P-800 in H118**
 - 1st to install this advanced mask writer
 - Produces highest resolution AMOLED masks

G10.5+ Delivers Greater Glass Efficiency



“Made in China 2025” Driving Growth in FPD Market...

China FPD Mask Production Forecast (\$M)



Source: Internal Estimates

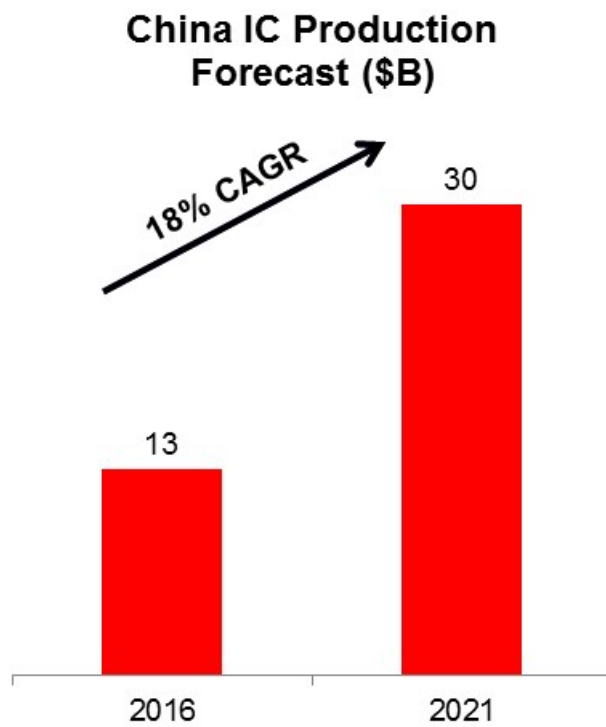
▶ China represents fastest growing display region

- ~40 fabs in production, under construction or being planned
- Expected to be largest display producer within next few years

▶ Photomask opportunities in China are attractive

- Wide range of technology, including AMOLED & G10.5+
- No strong merchant producer

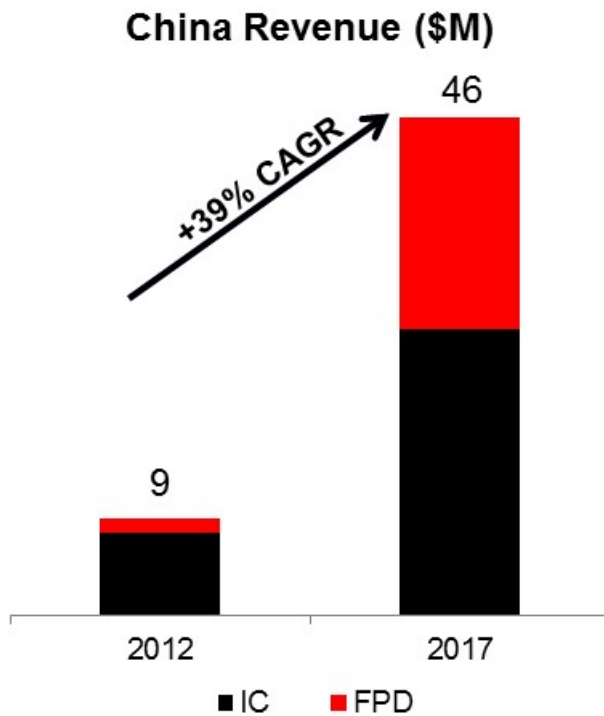
...and IC Market



Source: IC Insights, May 2017

- ▶ **China represents fastest growing semiconductor region**
 - Accommodative government policy (Made in China 2025)
 - Growing domestic producers
 - Investments by multi-nationals
- ▶ **Photomask opportunities in China are attractive**
 - Wide range of nodes in logic and memory
 - No strong domestic merchant mask producer

Successfully Developing China Business



▶ We already have meaningful business in China

- Strong 5-year growth (IC +28% CAGR; FPD +73% CAGR)
- 10% of 2017 revenue (8% of IC; 19% of FPD)

▶ Manufacturing presence in China should accelerate growth

- Customer contracts will help quickly ramp facilities
- Investment incentives reduce risk and improve returns
- IC JV enables us to compete more effectively



Investing in China Operations

	IC	FPD
Announced	August 2016	August 2017
Location	Xiamen	Hefei
Investment (\$M)	\$160M	\$160M
Structure	Majority-owned JV	Wholly-owned
Investment time period	5 years	5 years
Technology	High-end, mainstream, logic, memory	Up to G10.5+, AMOLED
Production start	Early 2019	Spring 2019
Projected sales	\$150M (total for both operations)	

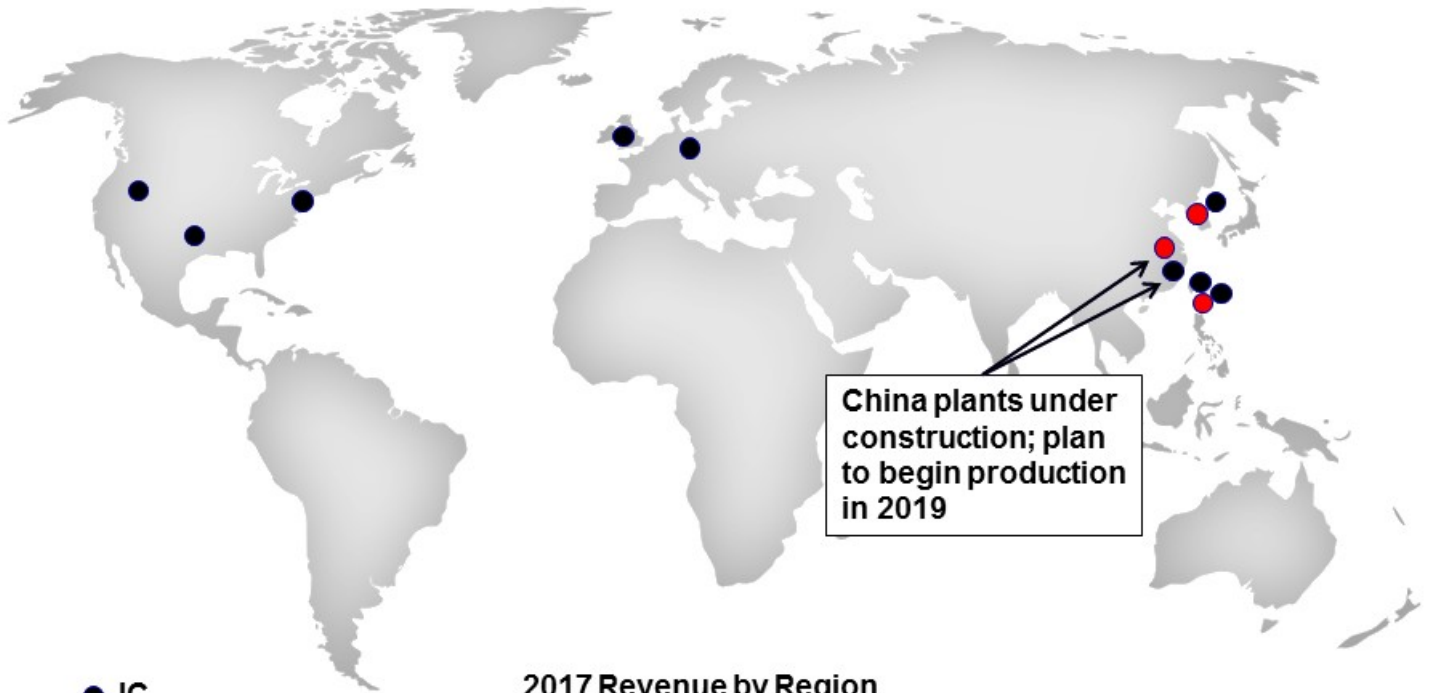
PLAB well positioned for these investments

Global merchant market and technology leader

Strong footprint in Asia

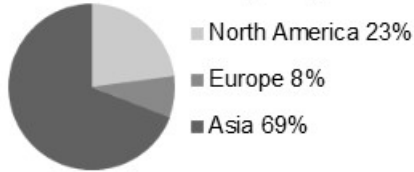
Balance sheet to support investment

Expanding Global Network to Serve Global Customers



● IC
● FPD

2017 Revenue by Region



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Growth Drivers

Financial Summary

Finished 2017 with Momentum

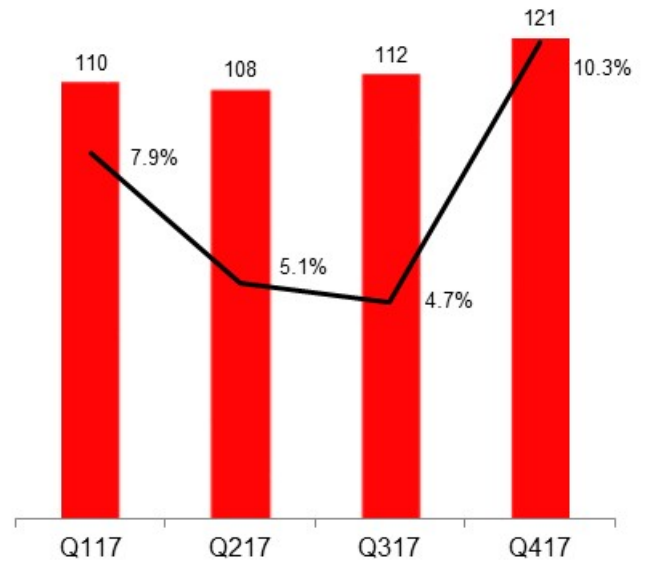
▶ Q4 best quarter of year

- Improving customer demand trends
- Sequential growth in all high-end sectors
 - High-End IC +49%
 - High-End FPD +2%

▶ Strong operating cash flow each quarter

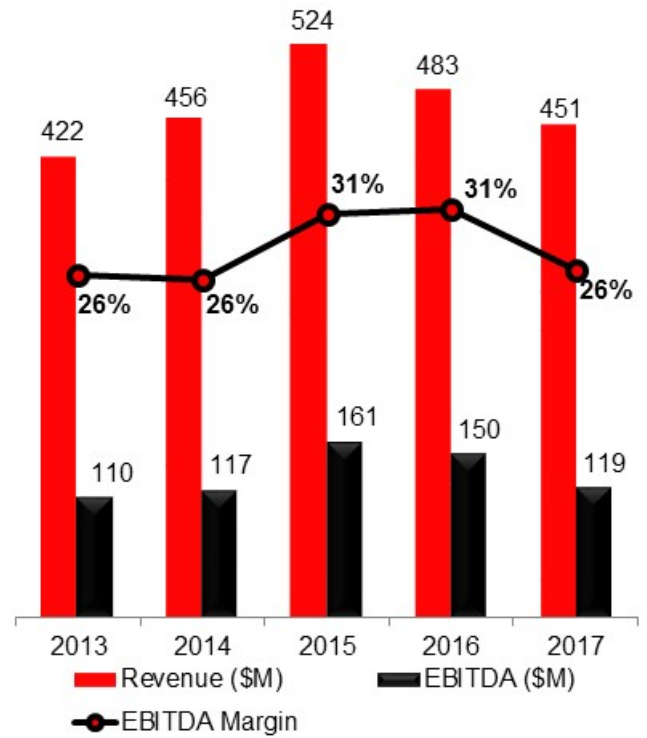
▶ Anticipate trends to continue in 2018

Revenue (\$M)
Operating Margin (%)

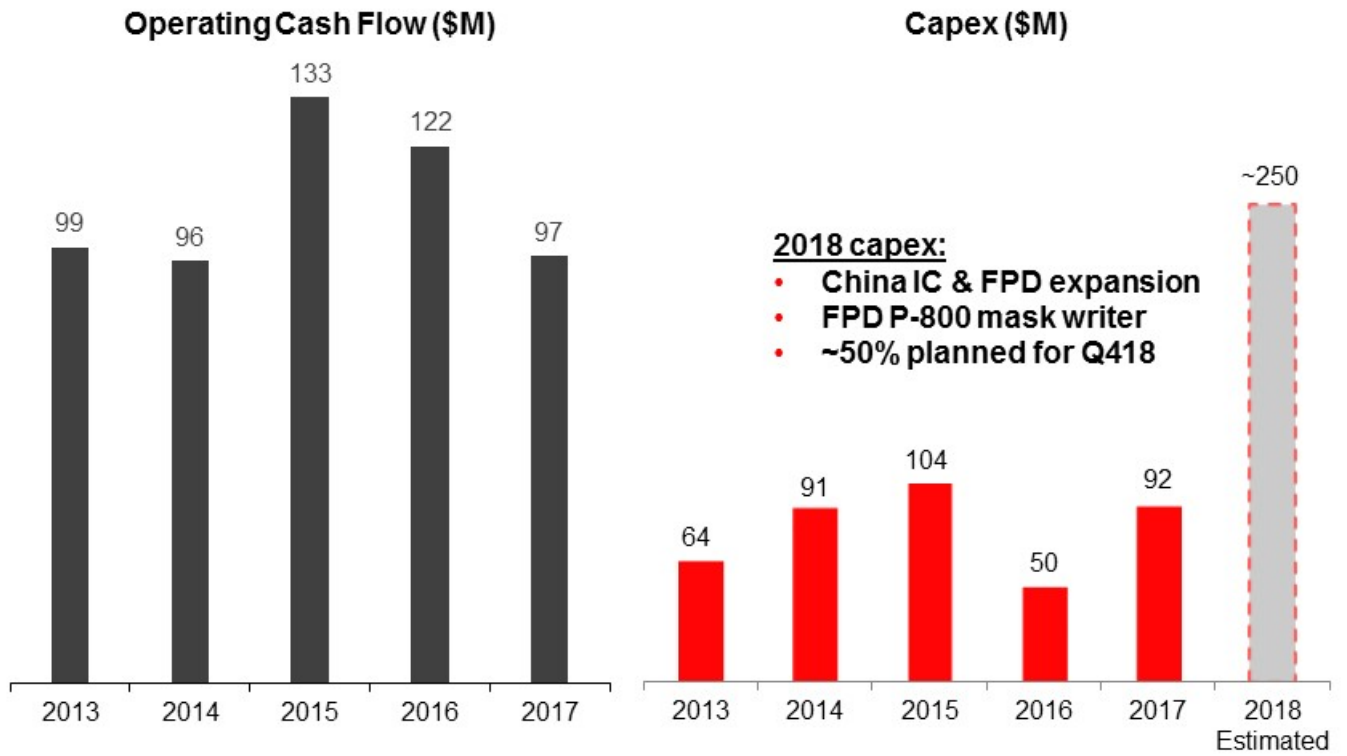


Solid Financial Fundamentals

- ▶ Tremendous operating leverage: 50% target
- ▶ Positive Free Cash Flow since 2009
- ▶ Strong balance sheet
- ▶ Significant net cash position
- ▶ Financial flexibility enables growth investments

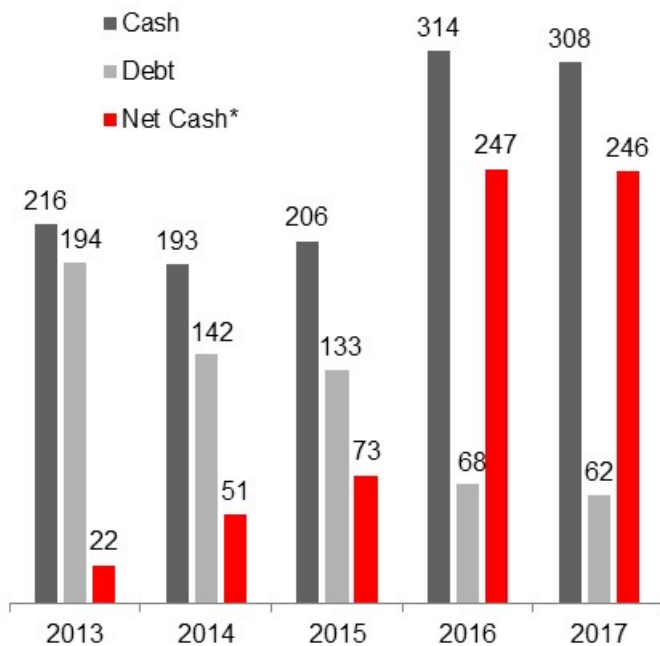


Generating Cash to Fund Investments



Strong and Flexible Balance Sheet

Cash & Debt (\$M)



- ▶ **Clear capital deployment priorities**
 - Fund organic growth
 - Explore strategic M&A
 - Reduce debt (converts become due in 2019)
- ▶ **Anticipate minimum \$75M net cash throughout China investment period**
 - Excellent liquidity position
 - Operating cash generator
 - May use credit facilities to borrow locally in China

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Thank you for your interest!

For Additional Information:

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tdewar@photonics.com



PHOTRONICS, INC. AND SUBSIDIARIES
Non-GAAP Financial Measure
Reconciliation of GAAP Net Income to Non-GAAP EBITDA
(in thousands)
(Unaudited)

	Twelve Months Ended				
	October 29, 2017	October 30, 2016	November 1, 2015	November 2, 2014	November 3, 2013
GAAP Net Income (a)	\$ 21,289	\$ 55,676	\$ 56,859	\$ 32,035	\$ 19,576
Add: interest expense	2,235	3,366	4,991	7,247	7,756
Add: income tax expense (benefit)	5,276	4,798	13,181	9,295	7,229
Add: depreciation and amortization	86,573	82,406	81,653	78,685	71,408
Add: special items (b)	3,627	3,828	4,590	(9,846)	3,974
Non-GAAP EBITDA	<u>\$ 119,000</u>	<u>\$ 150,074</u>	<u>\$ 161,274</u>	<u>\$ 117,416</u>	<u>\$ 109,943</u>

(a) Includes net income attributable to noncontrolling interests, and in the year ended October 30, 2016 includes gain on sale of investment in a foreign entity

(b) Special items consist of stock compensation expense, in the year ended November 1, 2015 includes financing expenses in connection with the exchange of \$57.5 million of 3.25% convertible senior notes, in 2014 noncash gain on acquisition of DNP Photomask Technology Taiwan, Co., Ltd., a wholly-owned subsidiary of Dai Nippon Printing Co., Ltd., and related acquisition transaction expenses.