

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)

February 21, 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)

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.

Securities 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

Item 2.02. Results of Operations and Financial Condition.

On February 21, 2024, Photonics, Inc. (the “Company”) issued a press release reporting first quarter fiscal 2024 results.

A copy of the press release is furnished as Exhibit 99.1 to this report. The information contained in this Item 2.02 and the attached Exhibits 99.1, 99.2, 99.3, 99.4, 99.5, 99.6 and 99.7, 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.

On February 21, 2024, the Company will conduct a conference call during which certain unaudited, non-GAAP financial information related to the Company’s operations for the three months ended January 28, 2024 may be disclosed. This information is set forth in Exhibit 99.7.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- [99.1](#) Press Release February 21, 2024.
 - [99.2](#) Condensed Consolidated Statements of Income.
 - [99.3](#) Condensed Consolidated Balance Sheets.
 - [99.4](#) Condensed Consolidated Statements of Cash Flows.
 - [99.5](#) Reconciliation of GAAP to Non-GAAP Financial Information.
 - [99.6](#) Reconciliation of GAAP to Non-GAAP Financial Information (cont.).
 - [99.7](#) Photonics Q1 2024 Financial Results Conference Call February 21, 2024 slides.
-

SIGNATURE

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/ Richelle E. Burr
Name: Richelle E. Burr
Title: Executive Vice President,
Chief Administrative Officer,
General Counsel and Secretary

Date: February 21, 2024



For Further Information:
John P. Jordan
Executive Vice President & CFO
203.740.5671
jjordan@photronics.com

Photronics Reports First Quarter Fiscal 2024 Results

BROOKFIELD, Conn. February 21, 2024 (GLOBE NEWSWIRE) — Photronics, Inc. (NASDAQ:PLAB), a worldwide leader in photomask technologies and solutions, today reported financial results for its first quarter of fiscal year 2024 ended January 28, 2024.

“First quarter revenue increased year-over-year even though typically lower seasonal demand was weaker than anticipated, especially in the beginning of the quarter. Order rates improved through the quarter, continuing into second quarter.” said Frank Lee, chief executive officer. “High-end IC revenue increased both sequentially and year-over-year, primarily in 22nm and 28nm nodes, as customers continue migration to these nodes for improved performance and optimal cost. High-end FPD also increased over last year’s first quarter, but decreased from the fourth quarter due to typically lower seasonal demand for premium smartphone displays that use AMOLED technology. Operating margin increased year-over-year, but contracted sequentially, resulting from operating leverage in the year-over-year result and the impact of higher operating expenses in the sequential comparison. Cash generation remains strong, further strengthening our balance sheet with ample liquidity for our profitable growth investments. The Photronics team continues their outstanding performance, and with expectations for growth in the second quarter, we are building momentum for another record year in 2024.”

First Quarter Fiscal 2024 Results

- Revenue was \$216.3 million, up 2% year-over-year and down 5% sequentially
 - GAAP net income attributable to Photronics, Inc. shareholders was \$26.2 million, or \$0.42 per diluted share, compared with \$14.0 million, or \$0.23 per diluted share in the first quarter 2023 and \$44.6 million, or \$0.72 per diluted share in the fourth quarter of 2023
 - Non-GAAP net income attributable to Photronics, Inc. shareholders was \$29.9 million, or \$0.48 per diluted share, compared with \$24.4 million, or \$0.40 per diluted share in the first quarter 2023 and \$37.2 million, or \$0.60 per diluted share in the fourth quarter of 2023
 - IC revenue was \$157.6 million, up 1% year-over-year and down 4% sequentially
 - FPD revenue was \$58.7 million, up 8% from the same quarter last year and down 7% sequentially
 - Cash generated from operating activities was \$41.5 million, and cash invested in organic growth through capital expenditures was \$43.3 million; we received \$1.1 million in government incentives for investments made
 - Cash balance at the end of the quarter was \$508.5 million, with \$13.0 million in short-term investments and \$23.4 million in debt
-

Second Quarter Fiscal 2024 Guidance

For the second quarter of fiscal 2024, Photronics expects revenue to be between \$226 million and \$236 million and non-GAAP net income attributable to Photronics, Inc. shareholders to be between \$0.50 and \$0.58 per diluted share.

Webcast

A webcast to discuss these results is scheduled for 8:30 a.m. Eastern time on Wednesday, February 21, 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, 2023, the company had approximately 1,885 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 the documents we file 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. These certain factors can be found at www.photronics.com/riskfactors. 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 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.

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

	Three Months Ended		
	January 28, 2024	October 31, 2023	January 29, 2023
Revenue	\$ 216,334	\$ 227,473	\$ 211,090
Cost of goods sold	137,079	142,591	135,013
Gross Profit	79,255	84,882	76,077
Operating Expenses:			
Selling, general and administrative	18,321	16,731	16,818
Research and development	3,445	3,367	3,302
Total Operating Expenses	21,766	20,098	20,120
Operating Income	57,489	64,784	55,957
Non-operating (loss) income, net	(3,747)	18,660	(14,425)
Income Before Income Tax Provision	53,742	83,444	41,532
Income tax provision	14,660	20,288	12,582
Net Income	39,082	63,156	28,950
Net income attributable to noncontrolling interests	12,902	18,545	14,964
Net income attributable to Photonics, Inc. shareholders	\$ 26,180	\$ 44,611	\$ 13,986
Earnings per share:			
Basic	\$ 0.43	\$ 0.73	\$ 0.23
Diluted	\$ 0.42	\$ 0.72	\$ 0.23
Weighted-average number of common shares outstanding:			
Basic	61,455	61,290	60,894
Diluted	62,283	62,067	61,470

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

	<u>January 28,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 508,518	\$ 499,292
Short-term investments	12,996	12,915
Accounts receivable	203,607	194,927
Inventories	50,680	49,963
Other current assets	31,876	28,353
Total current assets	807,677	785,450
Property, plant and equipment, net	742,671	709,244
Other assets	32,488	31,527
Total assets	\$ 1,582,836	\$ 1,526,221
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt	\$ 20,771	\$ 6,621
Accounts payable and accrued liabilities	164,518	178,602
Total current liabilities	185,289	185,223
Long-term debt	2,655	17,998
Other liabilities	47,838	47,391
Photronics, Inc. shareholders' equity	1,022,956	975,008
Noncontrolling interests	324,098	300,601
Total equity	1,347,054	1,275,609
Total liabilities and equity	\$ 1,582,836	\$ 1,526,221

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

	Three Months Ended	
	January 28, 2024	January 29, 2023
Cash flows from operating activities:		
Net income	\$ 39,082	\$ 28,950
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,702	19,105
Share-based compensation	2,573	1,821
Changes in operating assets, liabilities and other	(20,849)	(22,196)
Net cash provided by operating activities	<u>41,508</u>	<u>27,680</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(43,314)	(31,097)
Purchases of available-for-sale debt securities	(2,436)	-
Proceeds from maturities of available-for-sale debt securities	2,500	-
Government incentives	1,091	1,014
Other	(56)	(87)
Net cash used in investing activities	<u>(42,215)</u>	<u>(30,170)</u>
Cash flows from financing activities:		
Repayments of debt	(1,194)	(9,218)
Proceeds from share-based arrangements	936	672
Net settlements of restricted stock awards	(2,613)	(1,168)
Net cash used in financing activities	<u>(2,871)</u>	<u>(9,714)</u>
Effects of exchange rate changes on cash, cash equivalents, and restricted cash	13,026	27,499
Net increase in cash, cash equivalents, and restricted cash	9,448	15,295
Cash, cash equivalents, and restricted cash, beginning of period	<u>501,867</u>	<u>322,409</u>
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 511,315</u>	<u>\$ 337,704</u>

PHOTRONICS, INC.
Reconciliation of GAAP to Non-GAAP Financial Information
(in thousands)
(Unaudited)

	Three Months ended		
	January 28, 2024	October 31, 2023	January 29, 2023
Reconciliation of GAAP to Non-GAAP Non-operating (loss) Income:			
GAAP Non-operating (loss) income, net	\$ (3,747)	\$ 18,660	\$ (14,425)
FX (gain) loss	8,909	(13,234)	16,944
Non-GAAP Non-operating (loss) income, net	<u>\$ 5,162</u>	<u>\$ 5,426</u>	<u>\$ 2,519</u>
Reconciliation of GAAP to Non-GAAP Income tax provision:			
GAAP Income tax provision	\$ 14,660	\$ 20,288	\$ 12,582
Estimated tax effects of FX (gain) loss	(2,244)	3,437	(4,506)
Non-GAAP Income tax provision	<u>\$ 16,904</u>	<u>\$ 16,851</u>	<u>\$ 17,088</u>
Reconciliation of GAAP to Non-GAAP Noncontrolling interests:			
GAAP Noncontrolling interests	\$ 12,902	\$ 18,545	\$ 14,964
Estimated noncontrolling interest effects of above	(2,939)	2,431	(2,060)
Non-GAAP Noncontrolling interests	<u>\$ 15,841</u>	<u>\$ 16,114</u>	<u>\$ 17,024</u>
Reconciliation of GAAP to Non-GAAP Net Income:			
GAAP Net Income	\$ 26,180	\$ 44,611	\$ 13,986
FX (gain) loss	8,909	(13,234)	16,944
Estimated tax effects of above	(2,244)	3,437	(4,506)
Estimated noncontrolling interest effects of above	(2,939)	2,431	(2,060)
Non-GAAP Net Income	<u>\$ 29,906</u>	<u>\$ 37,245</u>	<u>\$ 24,364</u>
Weighted-average number of common shares outstanding - Diluted	<u>62,283</u>	<u>62,067</u>	<u>61,470</u>
Reconciliation of GAAP to Non-GAAP EPS:			
GAAP diluted earnings per share	\$ 0.42	\$ 0.72	\$ 0.23
Effects of the above adjustments	\$ 0.06	\$ (0.12)	\$ 0.17
Non-GAAP diluted earnings per share	<u>\$ 0.48</u>	<u>\$ 0.60</u>	<u>\$ 0.40</u>

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

	<u>Three Months Ended</u> <u>January 28,</u> <u>2024</u>
GAAP Net cash provided by operating activities	\$ 41,508
Purchases of property, plant and equipment	(43,314)
Free Cash Flow	<u>\$ (1,806)</u>

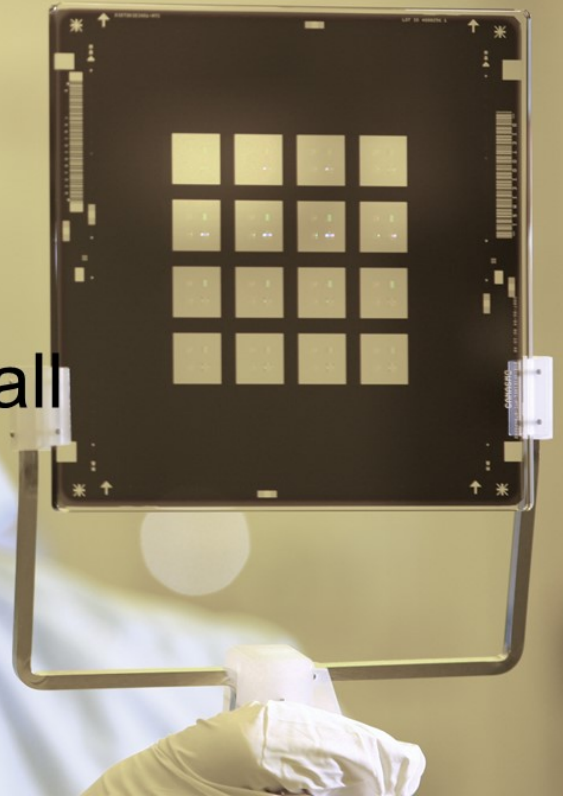
Reconciliation of Cash and cash equivalents to Net Cash:

	<u>January 28,</u> <u>2024</u>	<u>As of</u>	<u>October 31,</u> <u>2023</u>	<u>January 29,</u> <u>2023</u>
Cash and cash equivalents	\$ 508,518	\$	499,292	\$ 334,792
Current portion of Long-term debt	(20,771)		(6,621)	(6,541)
Long-term Debt	<u>(2,655)</u>		<u>(17,998)</u>	<u>(27,323)</u>
Net Cash	<u>\$ 485,092</u>	\$	<u>474,673</u>	<u>\$ 300,928</u>



Q1 2024 Financial Results Conference Call

February 21, 2024



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.photronics.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.

Q1 2024 Summary

\$216.3M Revenue	26.6% Operating Margin	\$0.42 EPS ¹	\$0.48 Adjusted ² EPS ¹	\$41.5M OCF	\$508.5M Cash
+2% Y/Y (5%) Q/Q	+10 bps Y/Y (190) bps Q/Q	+83% Y/Y (42%) Q/Q	+20% Y/Y (20%) Q/Q	+50% Y/Y (61%) Q/Q	+52% Y/Y +2% Q/Q

Revenue improved Y/Y and down Q/Q; slow start to quarter for IC; demand strengthened during the quarter, positioning for stronger Q2

Adjusted EPS improved Y/Y on operating leverage; lower Q/Q on decreased volume and higher operating expense

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

Year-over-year Growth in Earnings and Cash Flow as we Effectively Manage Costs and Working Capital

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

Income Statement Summary

\$M (except EPS)	GAAP			Non-GAAP ¹		
	Q124	Q/Q	Y/Y	Q124	Q/Q	Y/Y
Revenue	216.3	(5%)	2%			
Gross Profit	79.3	(7%)	4%			
Gross Margin	36.6%	(70) bps	60 bps			
Operating Income	57.5	(11%)	3%			
Operating Margin	26.6%	(190) bps	10 bps			
Non-operating (loss) income	(3.7)	(22.4)	10.7	5.2	(0.3)	2.6
Income tax provision	14.7	(28%)	17%	16.9	0%	(1%)
Minority interest	12.9	(30%)	(14%)	15.8	(2%)	(7%)
Net income ²	26.2	(41%)	87%	29.9	(20%)	23%
Diluted EPS ²	0.42	(0.30)	0.19	0.48	(0.12)	0.08
Days in quarter	89	(4)	(1)			

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

Gross margins down Q/Q and up Y/Y on operating leverage and change in revenue

Opex increased due to higher SG&A driven by higher compensation expense

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

Revenue by Product Line

IC

\$M	Q124	Q/Q	Y/Y
High-End*	60.9	6%	27%
Mainstream	96.7	(9%)	(11%)
Total	157.6	(4%)	1%



■ High-End* 39%
■ Mainstream 61%

High-end increased on strong demand from Asia foundries; Y/Y also saw contribution from US

Mainstream softness primarily in Asia

Growth drivers:

- 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

FPD

\$M	Q124	Q/Q	Y/Y
High-End*	50.6	(5%)	11%
Mainstream	8.1	(16%)	(8%)
Total	58.7	(7%)	8%



■ High-End* 86%
■ Mainstream 14%

High-end grew Y/Y on strong AMOLED demand; Q/Q softer due to premium smartphone seasonality

Mainstream lower due to soft demand at beginning of Q1

Growth drivers:

- 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

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

Balance Sheet and Cash Flow Metrics

\$M	Q124	Y/Y	Q/Q
Cash	508.5	52%	2%
Short-term Investments	13.0	(67%)	1%
Debt	23.4	(31%)	(5%)
Net Cash*	485.1	61%	2%
Operating Cash Flow	41.5	50%	(61%)
Capital Expenditures	43.3	39%	(17%)

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.

Q2 2024 Guidance

Revenue (\$M)	226 – 236
Operating Margin	27% - 29%
Taxes (\$M)	17 – 19
Diluted non-GAAP EPS	\$0.50 - \$0.58
Diluted Shares (M)	~62
Full-year Capex (\$M)	~140

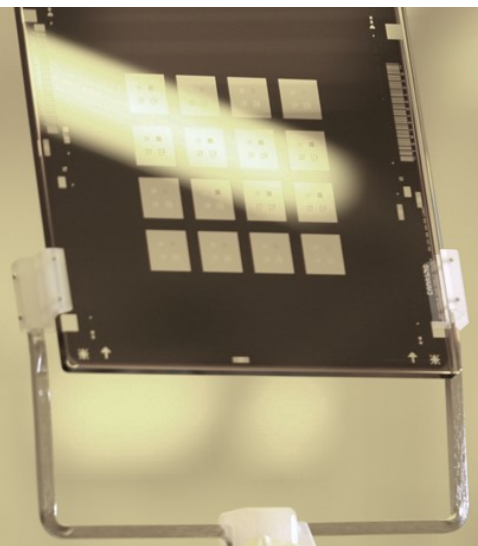
Incorporation of chips in IoT, 5G, Crypto and consumer products

- New designs to capture market share
- Advanced display technologies

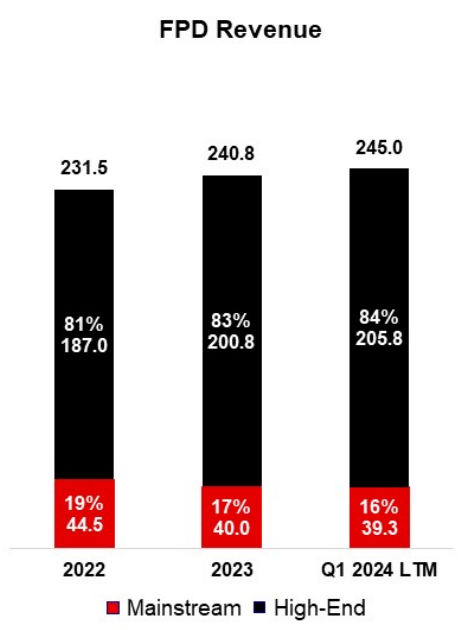
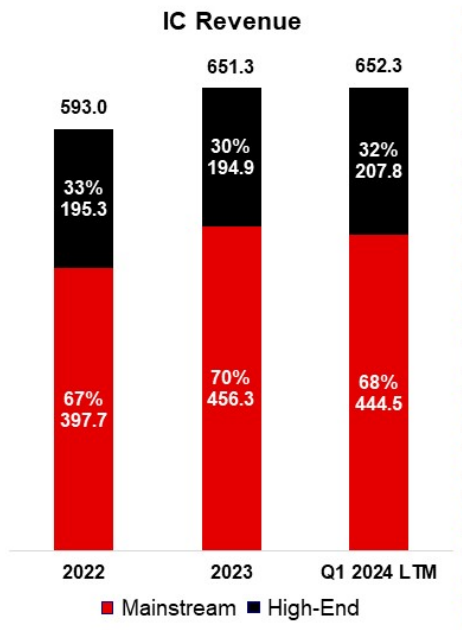
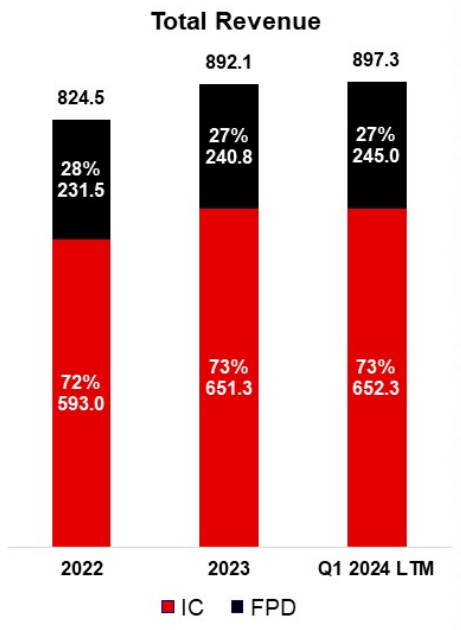
Outlook clouded by geopolitical uncertainty and macro-economic headwinds

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		
	January 28, 2024	October 31, 2023	January 29, 2023
Reconciliation of GAAP to Non-GAAP Non-operating (loss) income:			
GAAP Non-operating (loss) income, net	\$ (3,747)	\$ 18,660	\$ (14,425)
FX (gain) loss	8,909	(13,234)	16,944
Non-GAAP Non-operating (loss) income, net	<u>\$ 5,162</u>	<u>\$ 5,426</u>	<u>\$ 2,519</u>
Reconciliation of GAAP to Non-GAAP Income tax provision:			
GAAP Income tax provision	\$ 14,660	\$ 20,288	\$ 12,582
Estimated tax effects of FX (gain) loss	(2,244)	3,437	(4,506)
Non-GAAP Income tax provision	<u>\$ 16,904</u>	<u>\$ 16,851</u>	<u>\$ 17,088</u>
Reconciliation of GAAP to Non-GAAP Noncontrolling Interests:			
GAAP Noncontrolling Interests	\$ 12,902	\$ 18,545	\$ 14,964
Estimated noncontrolling interest effects of above	(2,939)	2,431	(2,060)
Non-GAAP Noncontrolling interests	<u>\$ 15,841</u>	<u>\$ 16,114</u>	<u>\$ 17,024</u>
Reconciliation of GAAP to Non-GAAP Net Income:			
GAAP Net Income	\$ 26,180	\$ 44,611	\$ 13,986
FX (gain) loss	8,909	(13,234)	16,944
Estimated tax effects of above	(2,244)	3,437	(4,506)
Estimated noncontrolling interest effects of above	(2,939)	2,431	(2,060)
Non-GAAP Net Income	<u>\$ 29,906</u>	<u>\$ 37,245</u>	<u>\$ 24,364</u>
Weighted-average number of common shares outstanding - Diluted	<u>62,283</u>	<u>62,067</u>	<u>61,470</u>
Reconciliation of GAAP to Non-GAAP EPS:			
GAAP diluted earnings per share	\$ 0.42	\$ 0.72	\$ 0.23
Effects of the above adjustments	\$ 0.06	\$ (0.12)	\$ 0.17
Non-GAAP diluted earnings per share	<u>\$ 0.48</u>	<u>\$ 0.60</u>	<u>\$ 0.40</u>

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

	<u>Three Months Ended</u> <u>January 28,</u> <u>2024</u>
GAAP Net cash provided by operating activities	\$ 41,508
Purchases of property, plant and equipment	(43,314)
Free Cash Flow	<u>\$ (1,806)</u>

Reconciliation of Cash and cash equivalents to Net Cash:

	<u>As of</u>		
	<u>January 28,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>	<u>January 29,</u> <u>2023</u>
Cash and cash equivalents	\$ 508,518	\$ 499,292	\$ 334,792
Current portion of Long-term debt	(20,771)	(6,621)	(6,541)
Long-term Debt	(2,655)	(17,998)	(27,323)
Net Cash	<u>\$ 485,092</u>	<u>\$ 474,673</u>	<u>\$ 300,928</u>