

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 17, 2015

PHOTRONICS, INC.

(Exact name of registrant as specified in its charter)

<u>Connecticut</u>	<u>0-15451</u>	<u>06-0854886</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

<u>15 Secor Road, Brookfield, CT</u>	<u>06804</u>
(Address of Principal Executive Offices)	(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))
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Item 2.02 Results of Operations and Financial Condition

On February 17, 2015, the Company issued a press release reporting first quarter 2015 results. A copy of the press release is attached to this 8-K.

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 18, 2015, 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 February 1, 2015 will be disclosed. This information is set forth in Exhibits 99.6 and 99.7.

EBITDA is a non-GAAP financial measure that the Company defines pursuant to its credit agreement. The Company believes that EBITDA is generally accepted as providing useful information regarding the operational strength and performance of its business, including the ability of the Company to pay interest, service debt and fund capital expenditures. The Company's method for calculating EBITDA may not be comparable to methods used by other companies but is the same method the Company uses for calculating EBITDA under its credit facility.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press Release dated February 17, 2015
 - 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 Net Income to Non-GAAP EBITDA
 - 99.7 Reconciliation of GAAP Operating Income to Non-GAAP Operating Income.
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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: February 18, 2015

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



Press Release

FOR FURTHER INFORMATION:

Pete Broadbent
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PHOTRONICS REPORTS FIRST QUARTER FISCAL 2015 RESULTS

- Quarterly sales of \$123.5 million; within guidance of \$121-126 million
- Non-GAAP net income of \$4.7 million
- Non-GAAP EPS of \$0.07; at high-end of guidance of \$0.02 - \$0.07
- Quarterly high-end IC sales increase 8% sequentially to \$36.4 million
- Non-GAAP EBITDA of \$34 million
- Net Cash of \$29 million
- Agreed to exchange \$57.5 million 3.25% convertible senior notes with 2016 maturity date for 3.25% notes with 2019 maturity date

BROOKFIELD, Connecticut February 17, 2015 — Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported financial results for the fiscal 2015 first quarter ended February 1, 2015.

Constantine (“Deno”) Macricostas, Photronics' chairman and chief executive officer commented, “Our first quarter results reflect renewed high-end demand across our logic, memory and flat panel customers. Our mainstream semiconductor business also held up well in what is normally a seasonally soft environment in the first quarter due to the holiday period.”

“Earnings were at the high end of our expectations due to solid cost controls across a number of categories. Our operating cash flow continued to be strong. Over the past year we have successfully managed to invest in deploying high-end equipment to support our customers while continuing to strengthen our balance sheet and provide financial flexibility for the future,” concluded Macricostas.

Sales for the first quarter of fiscal 2015 were \$123.5 million, an increase of 22% compared with \$101.5 million for the first quarter of fiscal 2014. Sales of semiconductor photomasks were \$101.5 million, or 82% of revenues, during the first quarter of fiscal 2015, and sales of flat panel display (FPD) photomasks were \$22.0 million, or 18% of revenues.

GAAP net income attributable to Photronics, Inc. shareholders for the first quarter of fiscal 2015 was \$3.8 million, or \$0.06 per diluted share, compared with GAAP net income attributable to Photronics, Inc. shareholders of \$2.0 million, or \$0.03 per diluted share, for the first quarter of fiscal 2014. Non-GAAP net income attributable to Photronics, Inc. shareholders for the first quarter of fiscal 2015, which excludes financing expenses of \$0.9 million, was \$4.7 million, or \$0.07 per diluted share. Non-GAAP net income attributable to Photronics, Inc. shareholders for the first quarter of fiscal 2014, which excludes acquisition transaction expenses of \$0.4 million, was \$2.4 million, or \$0.4 per diluted share.

The section below entitled "Non-GAAP Financial Measures" provides a definition and information about the use of non-GAAP financial measures in this press release, and the attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP.

Non-GAAP Financial Measures

Non-GAAP net income attributable to Photronics, Inc. shareholders and non-GAAP earnings per share are "non-GAAP financial measures," as such term is defined by the Securities and Exchange Commission, and may differ from non-GAAP financial measures used by other companies. Photronics, Inc. believes that non-GAAP net income attributable to Photronics, Inc. shareholders and non-GAAP earnings per share that exclude certain non-cash or non-recurring income or expense items are useful for analysts and investors to evaluate Photronics, Inc.'s future on-going performance because they enable a more meaningful comparison of Photronics, Inc.'s projected earnings and performance with its historical results of prior periods. These non-GAAP metrics, in particular non-GAAP net income attributable to Photronics, Inc. shareholders and non-GAAP earnings per share are not intended to represent funds available for Photronics, Inc.'s discretionary use and are not intended to represent, or be used as a substitute for, operating income, net income or cash flows from operations data 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 consolidated statements of operations and must be considered in performing a comprehensive assessment of overall financial performance. Non-GAAP financial information is adjusted for the following items:

- Financing expenses in the first quarter of fiscal 2015 related to the exchange of convertible senior notes are excluded because they are not a part of ongoing operations.
- Transaction expenses in the first quarter of fiscal 2014 related to the joint venture, PDMC, in Taiwan, are excluded because they are not a part of ongoing operations.

The presentation of this financial information should not be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States. The attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP.

A conference call with investors and the media to discuss these results is scheduled for 8:30 a.m. Eastern time on Wednesday, February 18, 2015. The live dial-in number is (408) 774-4601. The call can also be accessed by logging onto Photronics' web site at www.photronics.com. The call will be archived for instant replay access until the Company reports its fiscal 2015 second quarter results.

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Photronics is a leading worldwide manufacturer of photomasks. Photomasks are high precision quartz plates that contain microscopic images of electronic circuits. A key element in the manufacture of semiconductors and flat panel displays, photomasks are used to transfer circuit patterns onto semiconductor wafers and flat panel substrates during the fabrication of integrated circuits, a variety of flat panel displays and, to a lesser extent, other types of electrical and optical components. They are produced in accordance with product designs provided by customers at strategically located manufacturing facilities in Asia, Europe, and North America. Additional information on the Company can be accessed at www.photronics.com

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements made by or on behalf of Photronics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photronics' web site involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices, and other factors. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental, and technological factors as well as decisions we may make in the future regarding our business, capital structure and other matters. These forward-looking statements generally can be identified by phrases such as "believes", "expects", "anticipates", "plans", "projects", "could", "estimate", "intend", "may", "will" and similar expressions. Accordingly, there is no assurance that the Company's expectations will be realized. For a fuller discussion of the factors that may affect the Company's operations, see "Forward Looking Statements" in the Company's Quarterly and Annual Reports to the Securities and Exchange Commission on Forms 10-Q and 10-K. The Company assumes no obligation to provide revisions to any forward-looking statements.

PHOTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended	
	February 1, 2015	February 2, 2014
Net sales	\$ 123,505	\$ 101,542
Costs and expenses:		
Cost of sales	(95,321)	(78,660)
Selling, general and administrative	(11,944)	(12,278)
Research and development	(4,681)	(4,974)
Operating income	11,559	5,630
Other expense, net	(1,283)	(873)
Income before income taxes	10,276	4,757
Income tax provision	(3,134)	(2,716)
Net income	7,142	2,041
Net income attributable to noncontrolling interests	(3,305)	(48)
Net income attributable to Photronics, Inc. shareholders	\$ 3,837	\$ 1,993
Earnings per share:		
Basic	\$ 0.06	\$ 0.03
Diluted	\$ 0.06	\$ 0.03
Weighted-average number of common shares outstanding:		
Basic	66,066	61,200
Diluted	67,020	62,136

PHOTRONICS, INC. AND SUBSIDIARIES**Condensed Consolidated Balance Sheets**

(in thousands)

(Unaudited)

	February 1, 2015	November 2, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 168,610	\$ 192,929
Accounts receivable	99,183	94,515
Inventories	23,786	22,478
Other current assets	28,924	26,570
Total current assets	320,503	336,492
Property, plant and equipment, net	593,020	550,069
Investment in joint venture	93,078	93,122
Intangible assets, net	29,203	30,294
Other assets	17,073	19,206
	<u>\$ 1,052,877</u>	<u>\$ 1,029,183</u>
Liabilities and Equity		
Current liabilities:		
Current portion of long-term borrowings	\$ 10,457	\$ 10,381
Accounts payable and accrued liabilities	166,493	128,736
Total current liabilities	176,950	139,117
Long-term borrowings	129,362	131,805
Other liabilities	18,520	18,767
Photronics, Inc. shareholders' equity	617,109	628,050
Noncontrolling interests	110,936	111,444
Total equity	<u>728,045</u>	<u>739,494</u>
	<u>\$ 1,052,877</u>	<u>\$ 1,029,183</u>

PHOTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Three Months Ended	
	February 1, 2015	February 2, 2014
Cash flows from operating activities:		
Net income	\$ 7,142	\$ 2,041
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,854	17,899
Changes in assets and liabilities and other	(5,696)	(5,743)
Net cash provided by operating activities	<u>22,300</u>	<u>14,197</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(40,371)	(12,184)
Increase in restricted cash	-	(1,698)
Other	43	67
Net cash used in investing activities	<u>(40,328)</u>	<u>(13,815)</u>
Cash flows from financing activities:		
Repayments of long-term borrowings	(2,367)	(23,554)
Payment of deferred financing fees	-	(310)
Proceeds from share-based arrangements	768	518
Net cash used in financing activities	<u>(1,599)</u>	<u>(23,346)</u>
Effect of exchange rate changes on cash	<u>(4,692)</u>	<u>(3,423)</u>
Net decrease in cash and cash equivalents	(24,319)	(26,387)
Cash and cash equivalents, beginning of period	<u>192,929</u>	<u>215,615</u>
Cash and cash equivalents, end of period	<u>\$ 168,610</u>	<u>\$ 189,228</u>

PHOTRONICS, INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Information
(in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	February 1, 2015	February 2, 2014
Reconciliation of GAAP to Non-GAAP Net Income		
Attributable to Photronics, Inc. Shareholders		
GAAP net income attributable to Photronics, Inc. shareholders	\$ 3,837	\$ 1,993
(a) Financing expenses, net of tax	901	-
(b) Acquisition transaction expenses, net of tax	-	437
Non-GAAP net income attributable to Photronics, Inc. shareholders	\$ 4,738	\$ 2,430
Reconciliation of GAAP to Non-GAAP Net Income		
Applicable to Common Shareholders		
Weighted average number of diluted shares outstanding		
GAAP	67,020	62,136
Non-GAAP	67,020	62,136
Net income per diluted share		
GAAP	\$ 0.06	\$ 0.03
Non-GAAP	\$ 0.07	\$ 0.04

- (a) Represents financing expenses related to the exchange of \$57.5 million of 3.25% convertible senior notes, recorded in other expense, net
- (b) Represents transaction expenses in connection with the acquisition of DNP Photomask Technology Taiwan Co., Ltd., a wholly-owned subsidiary of Dai Nippon Printing Co., Ltd.

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

	Three Months Ended	
	February 1, 2015	February 2, 2014
GAAP Net income (a)	\$ 7,142	\$ 2,041
Add: interest expense	1,370	1,984
Add: income tax expense	3,134	2,716
Add: depreciation and amortization	20,607	17,422
Add: special items (b)	1,826	1,542
Non-GAAP EBITDA	\$ 34,079	\$ 25,705

(a) Includes net income attributable to noncontrolling interests.

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

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

	Three Months Ended			
	February 1, 2015		February 2, 2014	
	\$	%	\$	%
GAAP Operating Income	\$ 11,559	9.4%	\$ 5,630	5.6%
(b) Acquisition transaction expenses	-	-	437	0.4
Non-GAAP Operating Income	\$ 11,559	9.4%	\$ 6,067	6.0%

(a) Represents percentage of net sales

(b) Represents transaction expenses in connection with the acquisition of DNP Photomask Technology Taiwan Co., Ltd., a wholly-owned subsidiary of Dai Nippon Printing Co., Ltd.