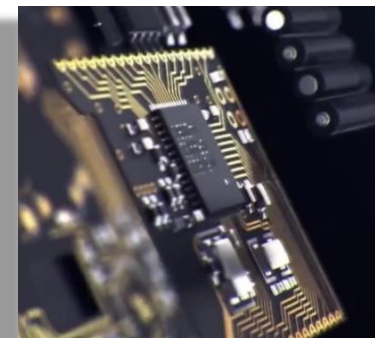
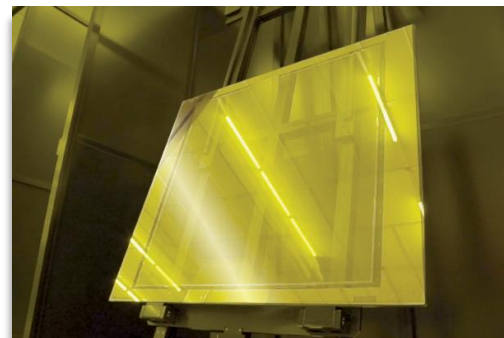
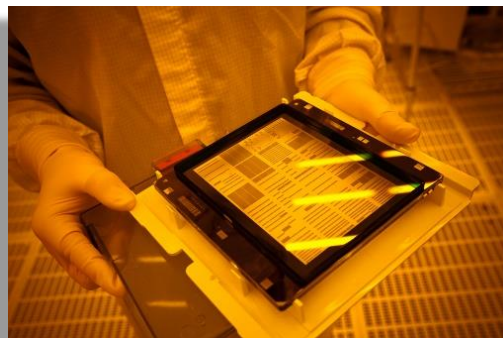


Photronics, Inc.

Q1 2021 Financial Results Conference Call
February 24, 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.

Q1 2021 Summary

- Revenue was \$152.1M, up 2% Q/Q and down 5% Y/Y
 - Sequential FPD growth offsets lower IC demand
 - Revenue to China was down 3% Q/Q primarily due to soft high-end logic demand
- Net income attributable to Photronics, Inc. shareholders of \$8.0M (\$0.13/share)
- Cash balance \$279M
 - \$26M generated from operating activity
 - \$18M invested in capex
 - \$13M returned to investors through share repurchases
- Next phase of FPD capacity investment on track for tool delivery in 2021

Strategic investments driving long-term, profitable growth

Income Statement Summary

\$M (except EPS)	Q121	Q420	Q/Q	Q120	Y/Y
Revenue	\$ 152.1	\$ 149.3	2%	\$ 159.7	(5%)
Gross Profit	\$ 30.5	\$ 31.9	(4%)	\$ 34.6	(12%)
Gross Margin	20.1%	21.4%	(130 bps)	21.7%	(160 bps)
Operating Income	\$ 11.8	\$ 15.0	(21%)	\$ 16.3	(28%)
Operating Margin	7.7%	10.0%	(230 bps)	10.2%	(250 bps)
Other income (expense)	\$ 0.7	(\$ 2.9)	\$ 3.6	\$ 3.7	(\$ 3.0)
Income tax provision	\$ 2.9	\$ 3.5	(\$ 0.5)	\$ 9.1	(\$ 6.1)
Minority interest	\$ 1.5	\$ 2.1	(\$ 0.6)	\$ 0.6	\$ 0.8
Net Income*	\$ 8.0	\$ 6.5	24%	\$ 10.3	(22%)
Diluted EPS*	\$ 0.13	\$ 0.10	\$ 0.03	\$ 0.16	(\$ 0.03)
Days in quarter	92	90	2	94	(2)

*Net income attributable to Photronics, Inc. shareholders

- Gross margin lower due to unfavorable product mix
- Other income / (expense) primarily due to FX gain / (loss)
- Minority interest includes IC JVs in Taiwan and China

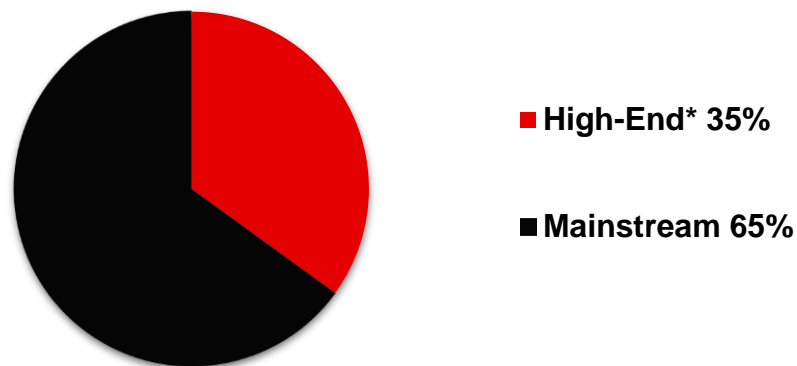
IC Photomask Revenue

\$M	Q121	Q420	Q/Q	Q120	Y/Y
High-End*	\$ 36.8	\$ 38.2	(4%)	\$ 41.0	(10%)
Mainstream	\$ 68.2	\$ 67.8	1%	\$ 65.9	3%
Total	\$ 105.0	\$ 105.9	(1%)	\$ 107.0	(2%)

Total may differ due to rounding

- Memory recovery and mainstream growth offset by soft high-end logic demand
- China revenue down 5% Q/Q and 2% Y/Y; represents 24% of IC revenue
- Outlook
 - Some sectors benefiting from remote work and education
 - Mainstream demand strong
 - Industry responding to chip shortage
 - Macro risk from trade policies and shelter-in-place mandates

Q121 Revenue by Technology



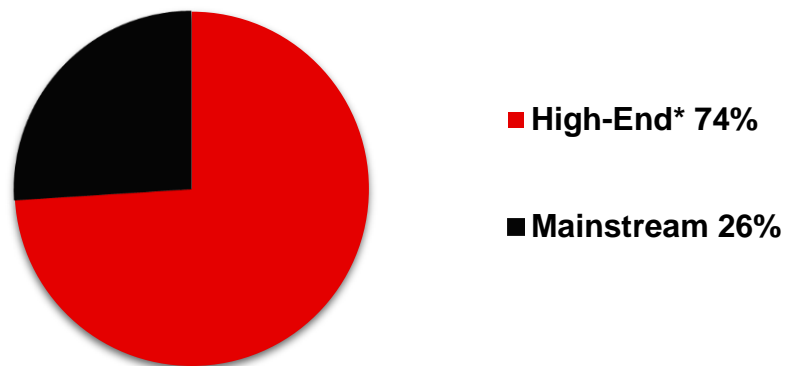
*28nm and smaller
2/24/2021

FPD Photomask Revenue

\$M	Q121	Q420	Q/Q	Q120	Y/Y
High-End*	\$ 34.6	\$ 31.3	11%	\$ 39.8	(13%)
Mainstream	\$ 12.5	\$ 12.1	3%	\$ 13.0	(4%)
Total	\$ 47.1	\$ 43.4	9%	\$ 52.8	(11%)

Total may differ due to rounding

Q121 Revenue by Technology



*≥G10.5, AMOLED and LTPS

2/24/2021

- High-end improved Q/Q on strong AMOLED
- Strong LCD market causes panel makers to run current products, limiting new design activity
- China revenue down 1% Q/Q and 27% Y/Y; represents 51% of FPD revenue
- Outlook
 - Dynamic market environment
 - Smartphone recovery should continue as supply chain adjusts to Huawei ban
 - Technology development drives demand for higher-value masks

Select Financial Data

<u>\$M</u>	<u>Q121</u>	<u>Q420</u>	<u>Q120</u>
Cash	\$ 279	\$ 279	\$ 218
Debt	\$ 98	\$ 69	\$ 54
Net Cash*	\$ 180	\$ 210	\$ 164
Operating Cash Flow	\$ 26	\$ 65	\$ 31
Capital Expenditures	\$ 18	\$ 34	\$ 14
Government Incentives for Capital Equipment	\$ 0.4	-	\$ 2
Share repurchase	\$ 13	\$ 18	\$ 11

- Debt is US equipment lease and local China loans
- Expect 2021 capex to be ~\$100M; completing initial China IC investment and next phase of FPD investment
- Total share repurchases of \$31M under current \$100M authorization
- 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

2/24/2021

Q221 Guidance

Revenue (\$M)	\$153 - \$162
Operating Margin	8% - 12%
Taxes (\$M)	\$3 - \$4
EPS	\$0.14 - \$0.20
Diluted Shares (M)	~63

- 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!

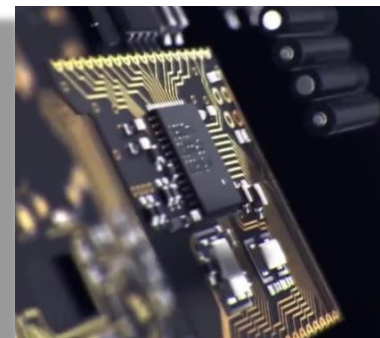
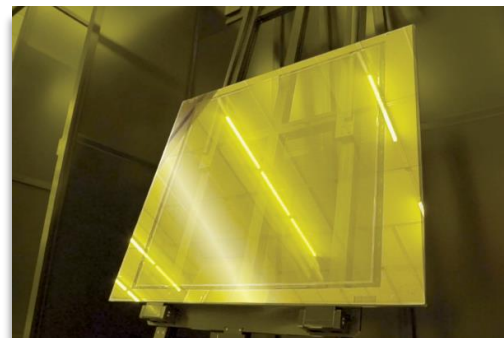
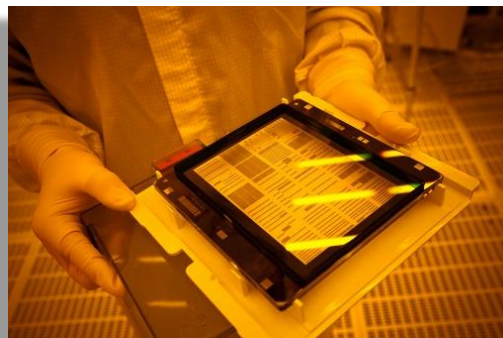
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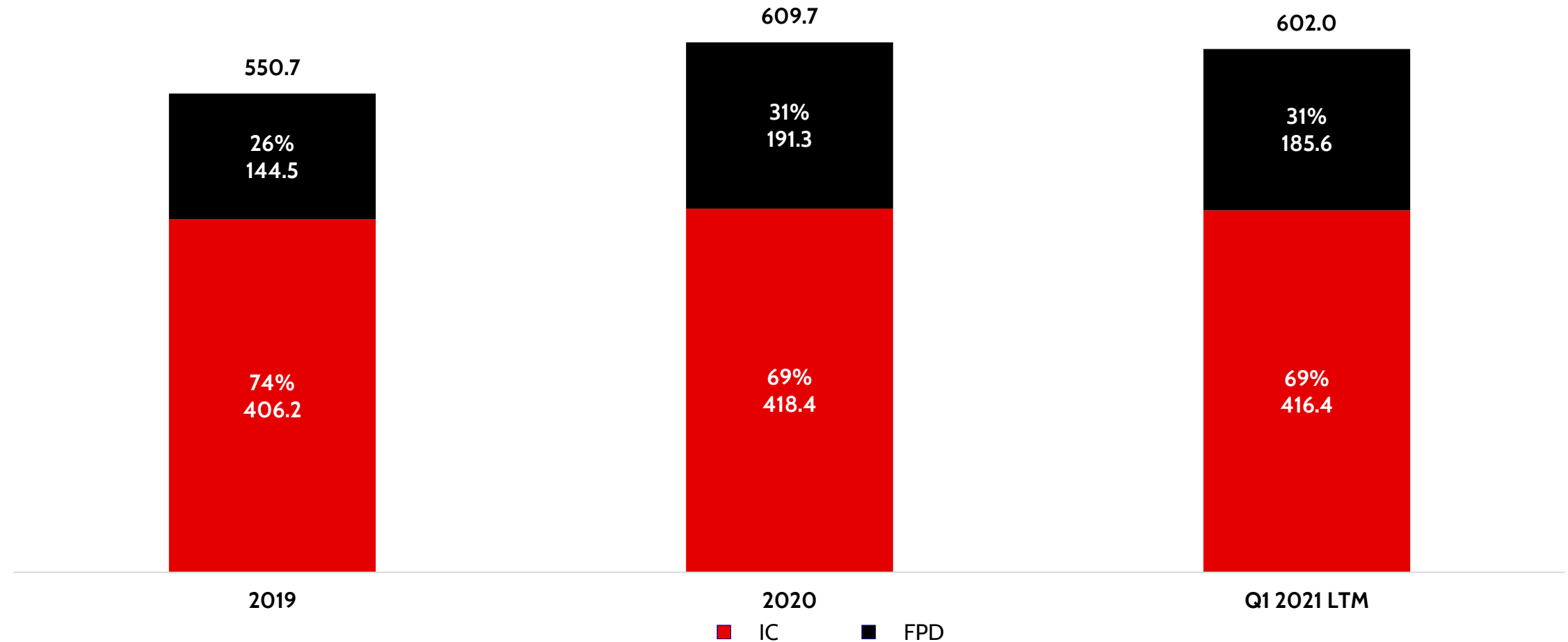
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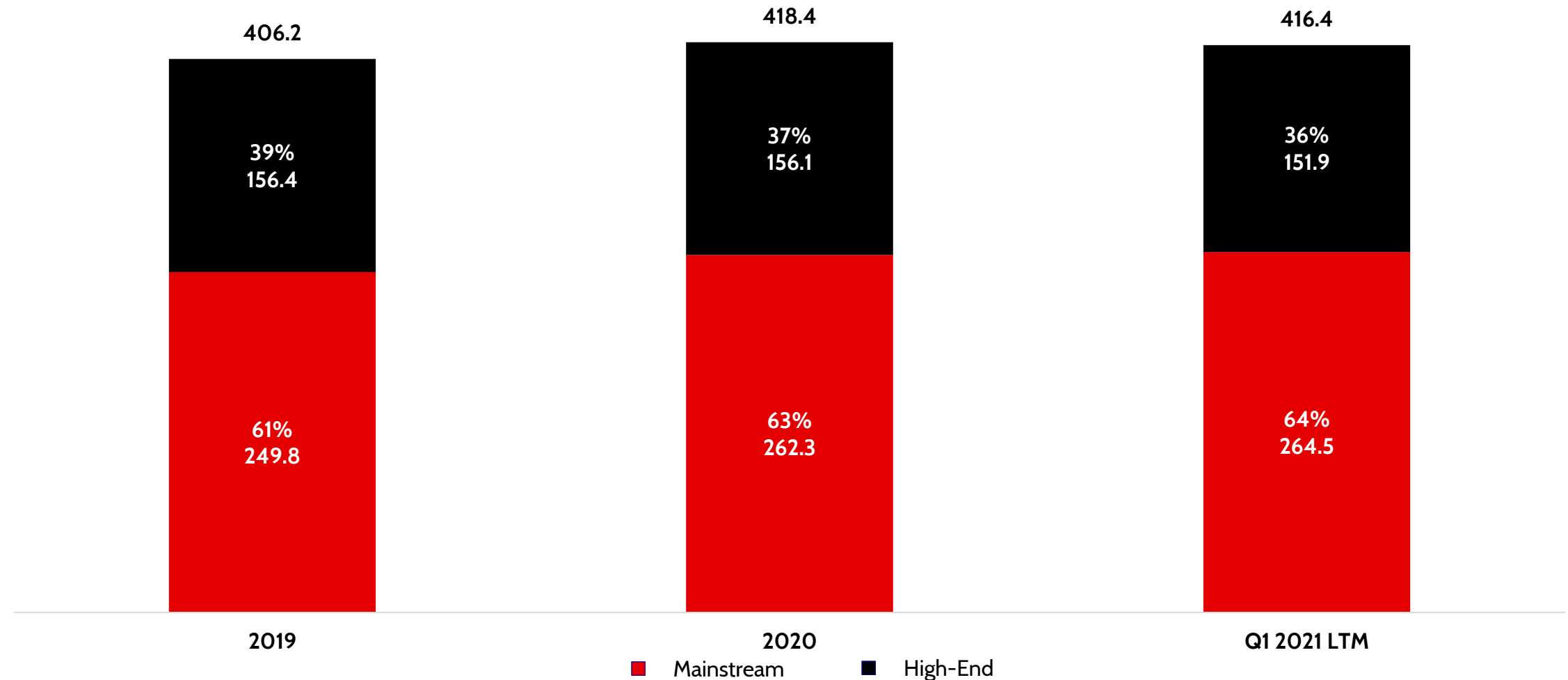
Appendix

Total Revenue



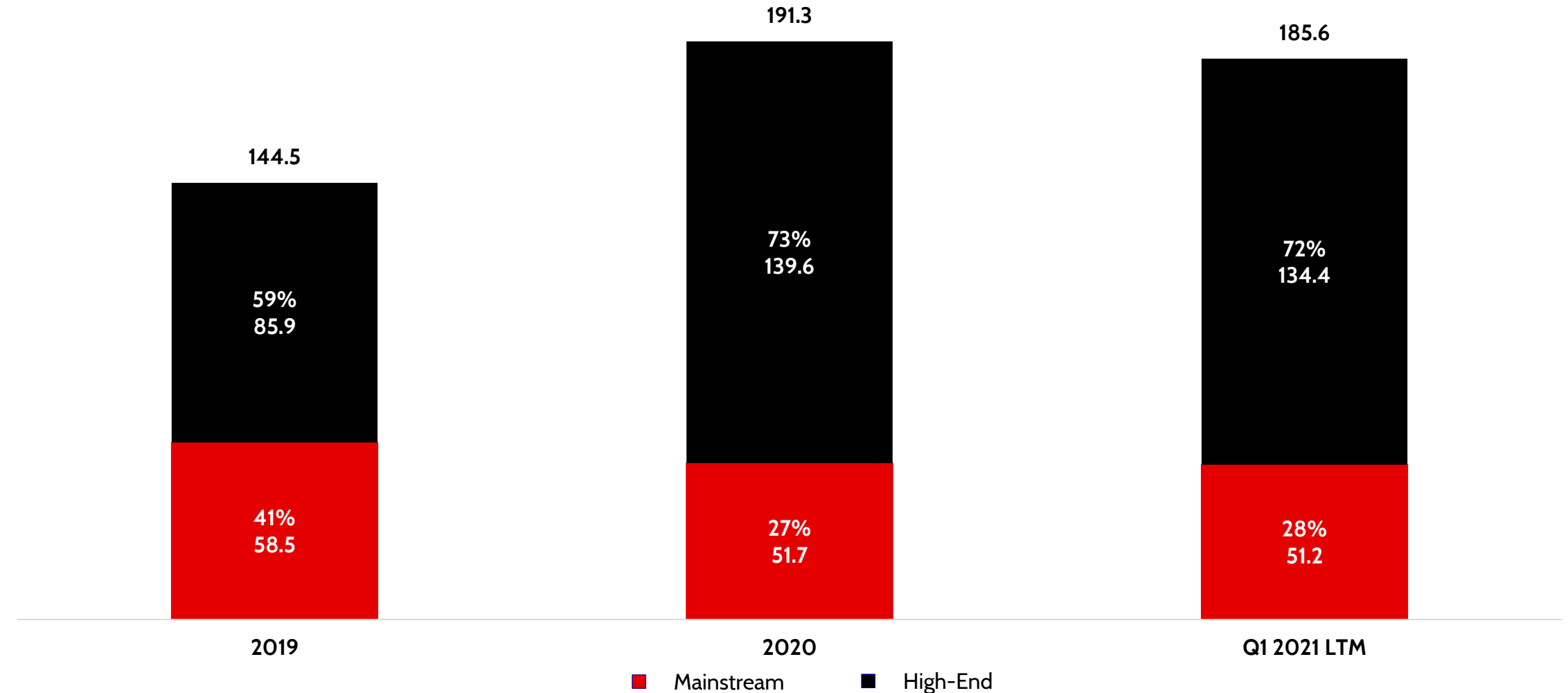
Total may differ due to rounding

IC Photomask Revenue



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

FPD Photomask Revenue



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