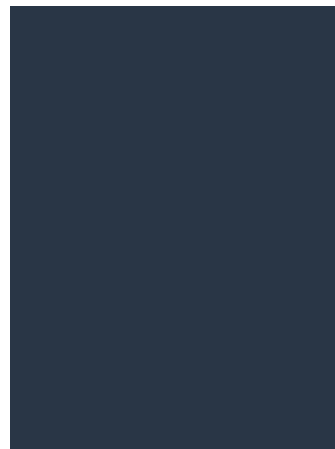
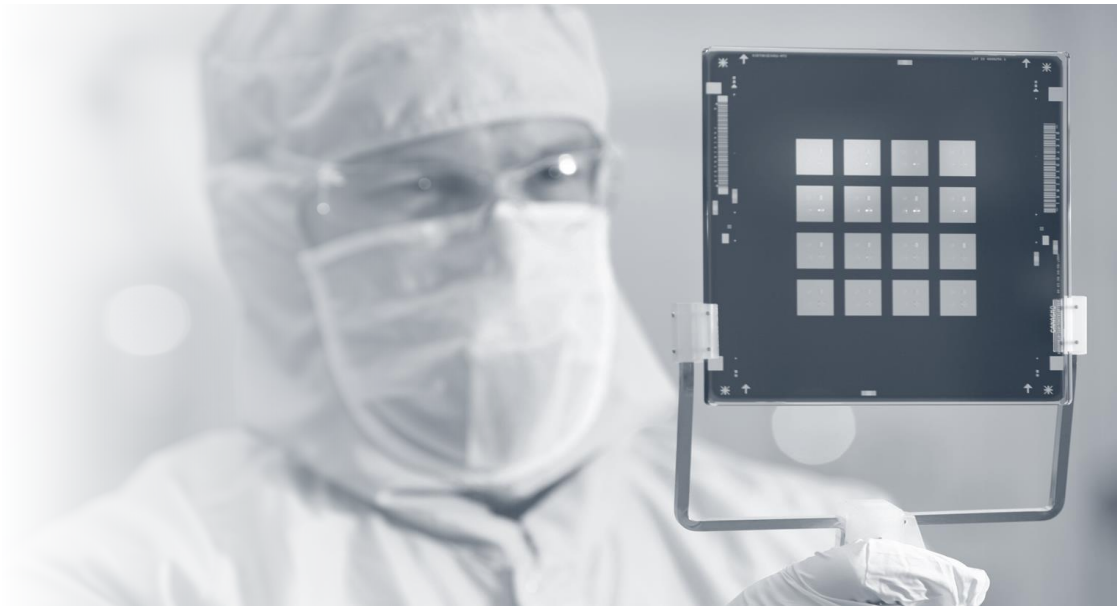
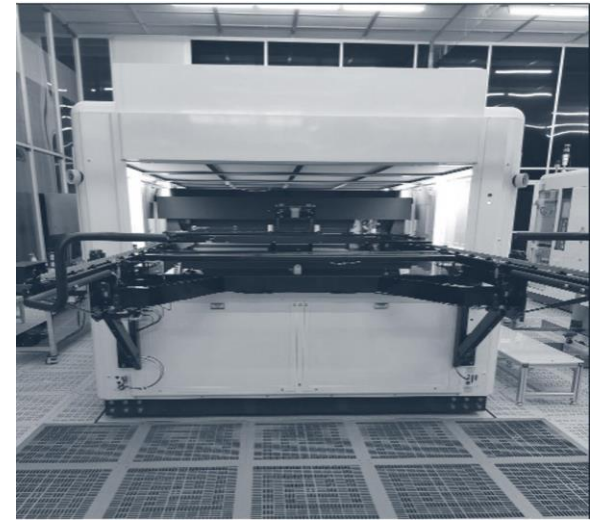
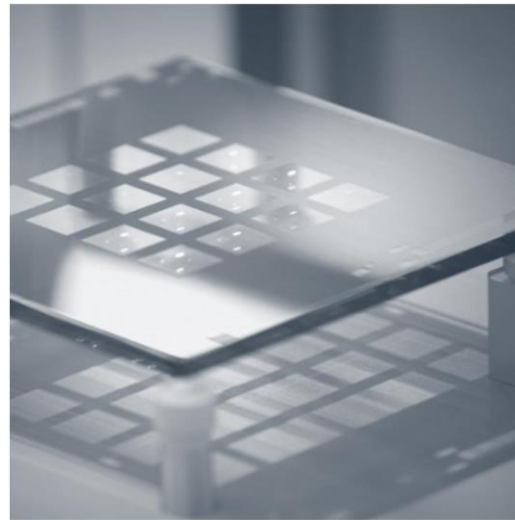




 **PHOTRONICS**

# Investor Presentation

August 2025



# 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 risk factors in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024 and other subsequent filings 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. 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.



# Corporate Overview

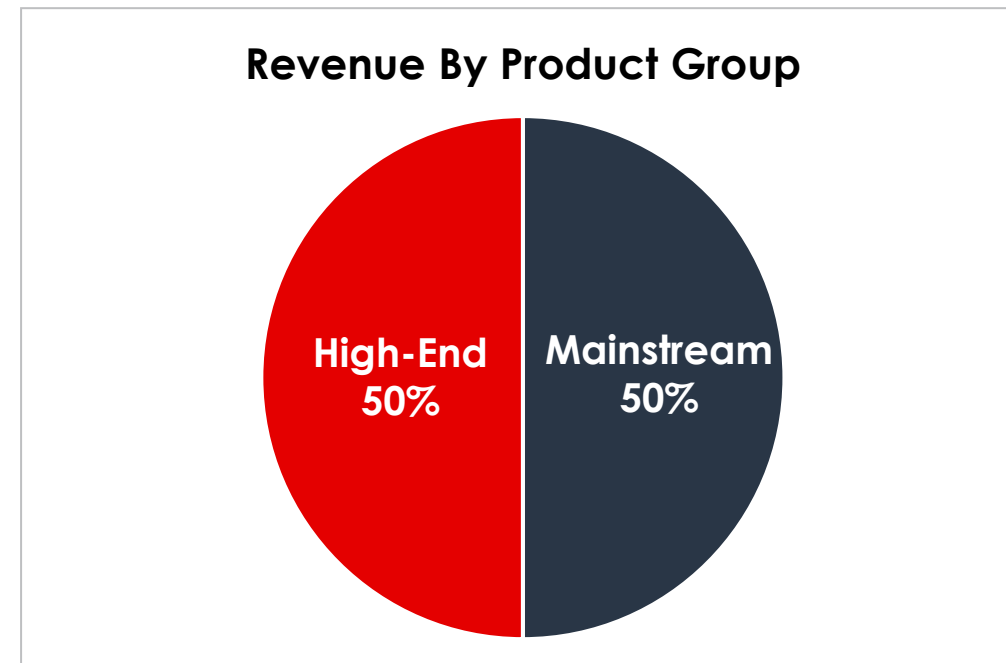
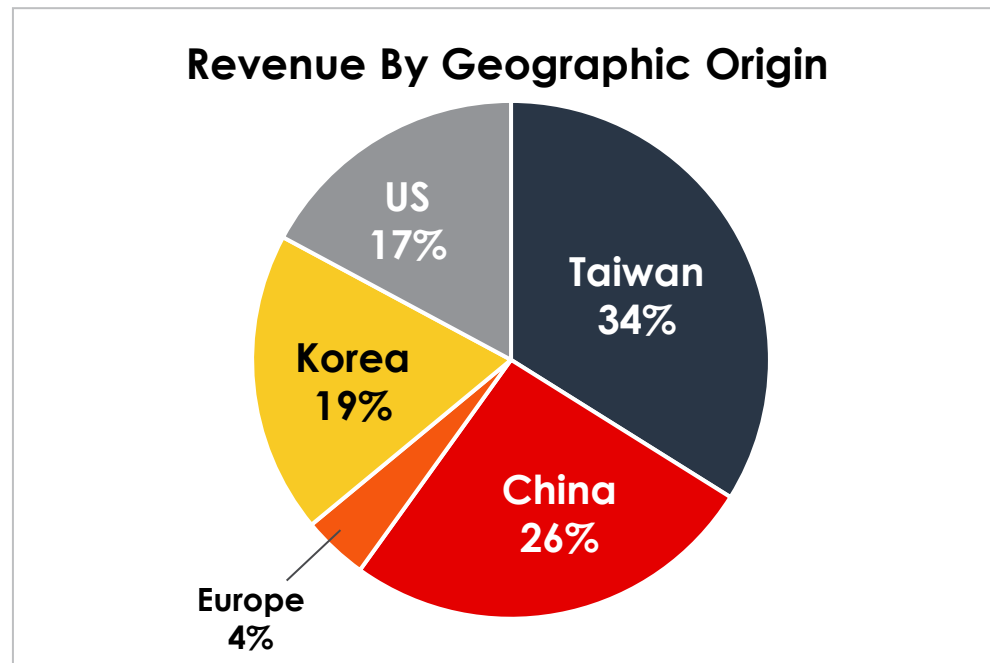


# Photronics Overview (Nasdaq: PLAB)



A Global Merchant Market Leader of Photomasks used in Lithographic Imaging for Semiconductor and Flat Panel Display production

<b>\$856M</b> Revenue	<b>\$212M</b> Operating Income	<b>\$228M</b> Operating Cash Flow	<b>\$1.21B</b> Market Cap 8/21/2025	<b>~1,900</b> Employees	<b>~675</b> Customers	<b>1969</b> Founded
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All data reflects Trailing Twelve Month figures unless otherwise noted  
Totals may differ due to rounding

# Strategic Global Footprint

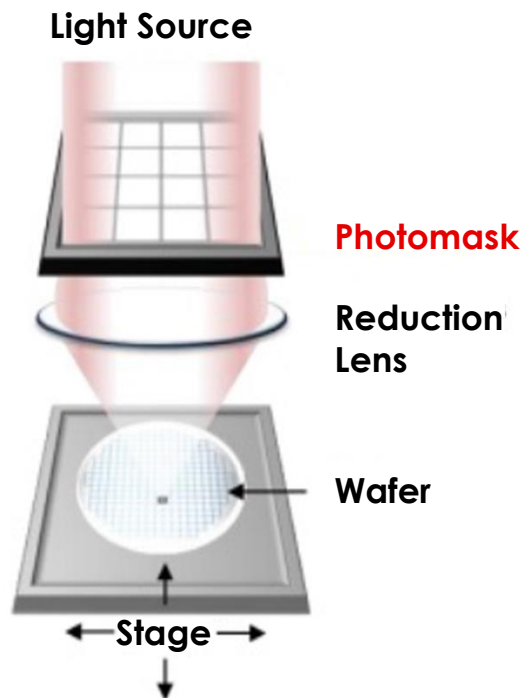


# Photomasks: Critical Enabler for IC and FPD Manufacturing

Photomasks are glass substrates used in lithographic systems to transfer the pattern of semiconductor and flat panel display designs

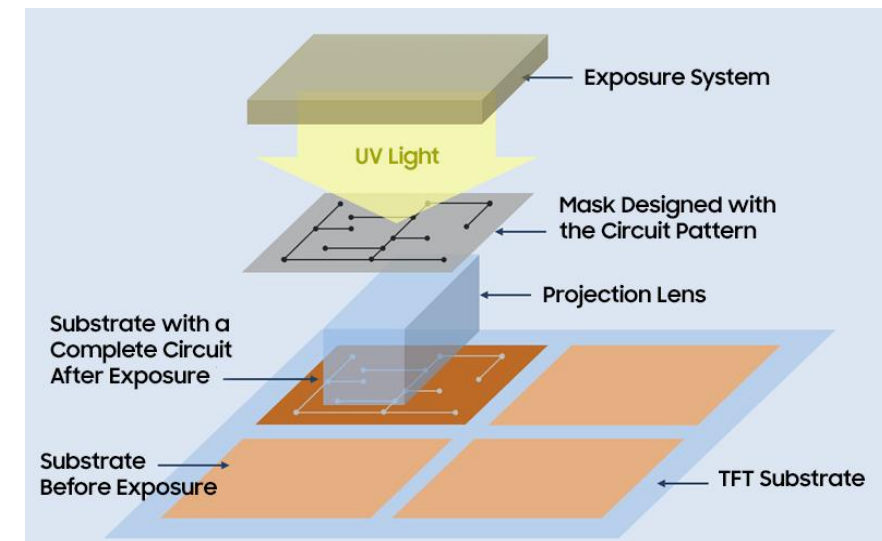


**Integrated Circuit (IC) photomasks** are used to transfer circuit patterns onto semiconductor wafers during the fabrication of integrated circuits.



**Flat Panel Display (FPD) photomasks** are used in the fabrication of flat screen televisions, PC monitors, tablets, mobile devices and other flat panel displays.

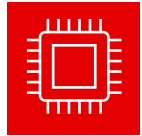
## Exposure Process used to Create a TFT Circuit Pattern



# Compelling Investment Thesis

A **global leader** in the merchant photomasks industry critical for semiconductor manufacturing

## Favorable Industry Trends



**FAB regionalization/reshoring** of the semiconductor industry



**Captives** increased **outsourcing** to merchant suppliers



**Node migration** drives ASP expansion and revenue growth



**Foldable displays** and **higher value masks** drive FPD opportunity

## Operational Excellence



Premier **operational execution** enables preferred supplier status

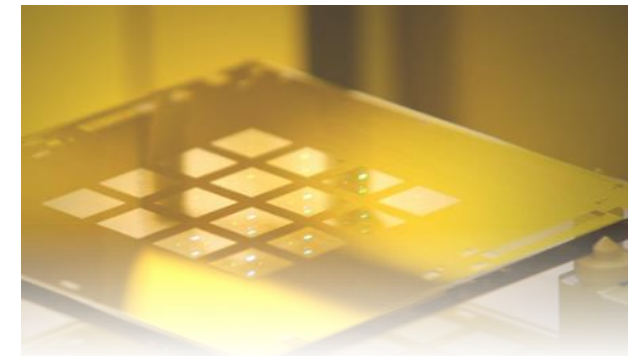


Consistent delivery of **cash flow** for strategic flexibility



# IC: New Chip Designs Drive Photomask Demand

- **Photomasks** are the **foundation of wafer manufacturing** and **critical** to the semiconductor manufacturing process
- A **global leader** of mask production
- **Advances in semiconductor chip designs** drive Photronics revenue



Consumer Electronics



Automotive



Networking Communications



Medical Devices



Industrial



Aerospace & Defense

PRECEDENCE  
RESEARCH

## SEMICONDUCTOR MARKET SIZE 2023 TO 2033 (USD BILLION)



Source: <https://www.precedenceresearch.com/semiconductor-market>



# Global Presence and Supply Chain Regionalization

Our IC manufacturing footprint aligns with customer global semiconductor production regionalization trends, supported by governments globally



Photronics first mover advantage in China has delivered strong revenue growth and cash flow generation

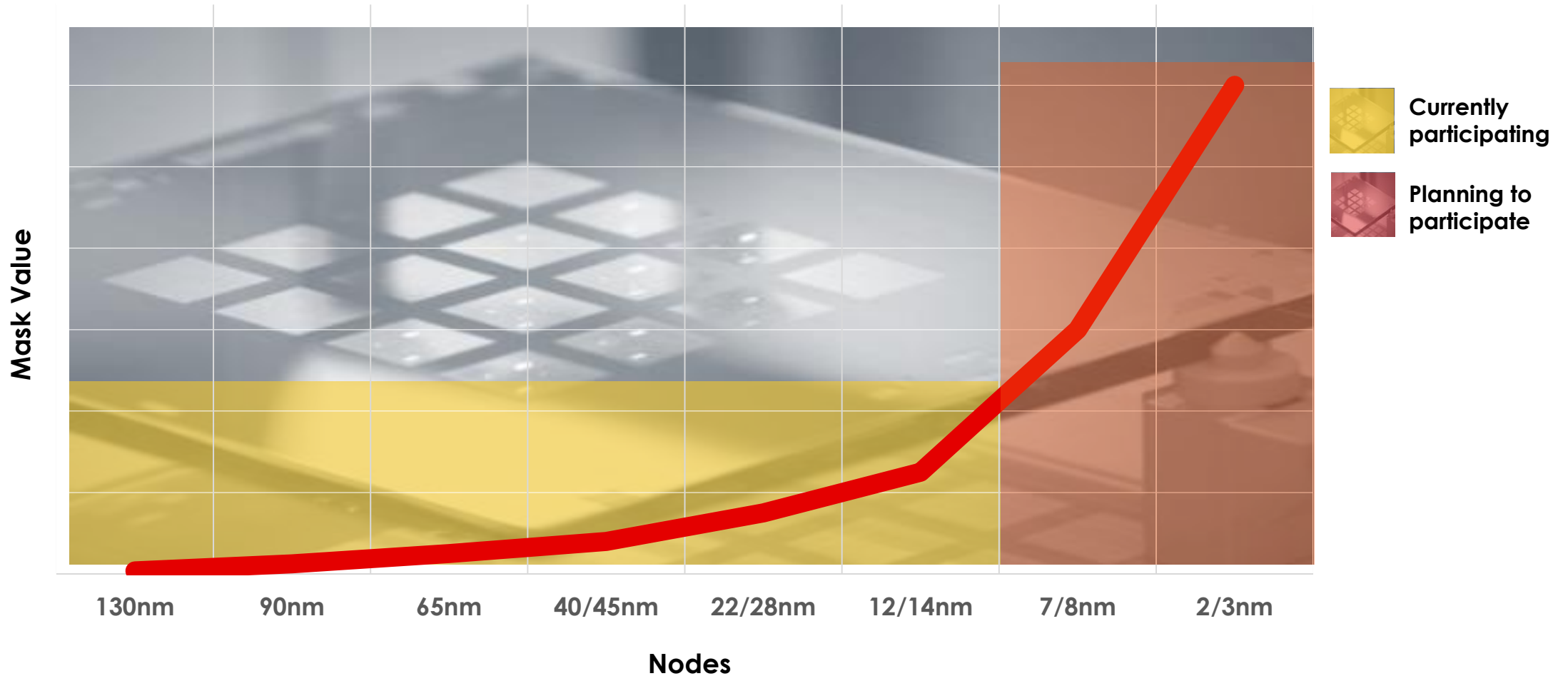


U.S. capacity and capability expansion supports the reshoring of chip production in the U.S.



# Node Migration Drives Mask Set Value

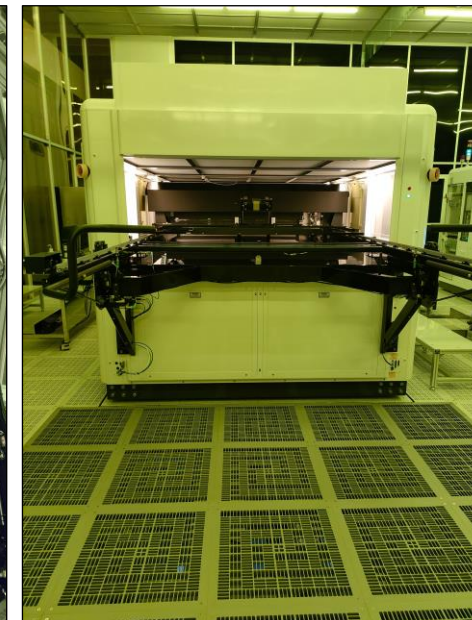
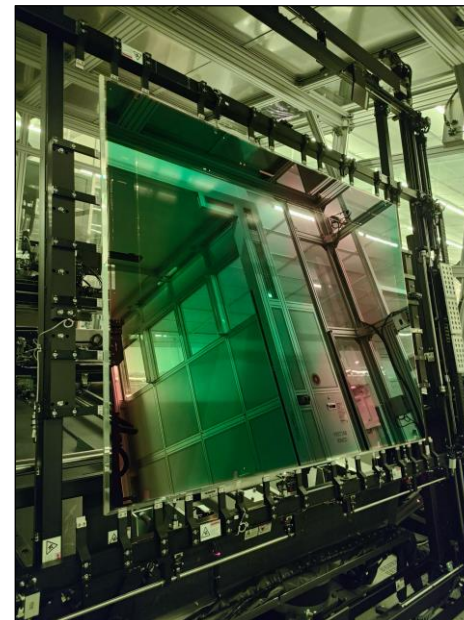
Mask pattern complexity / Mask count per IC Design / Impact of Mask performance on IC yield



Drives higher individual mask ASP, more layers per mask set, and higher barriers of entry for competitors

# FPD: Advanced Displays are Driving Innovation

- Photronics **leverages expertise** gained from IC mask production into FPD mask production
- Consumer electronics with **larger, high-performance displays** increase the complexity of mask production
- Panel makers are developing AMOLED production processes to increase **substrate size to G8.6**, requiring larger, high-quality advanced masks
- Customers rely on Photronics for its **market leading AMOLED technology**



# Competitive Advantages



## Operational Excellence

- Responsive delivery
- High yields
- Cost control
- Supply chain optimization
- Teamwork and execution



## Commercial Excellence

- Customer first
- Trusted partner
- Wafer yield enhancement
- Technology roadmap enabler



## Technology Leader

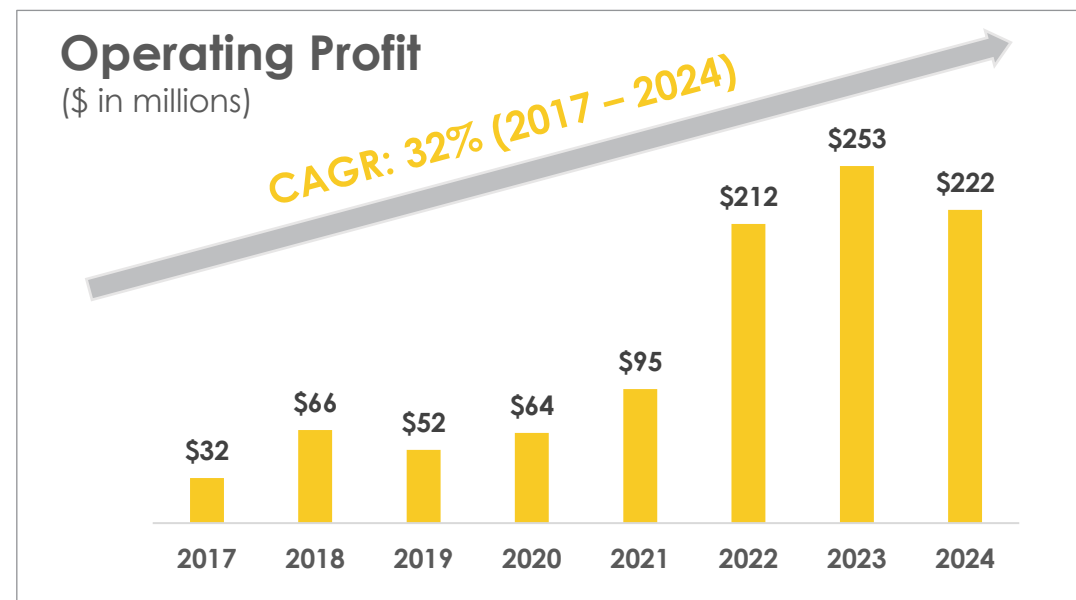
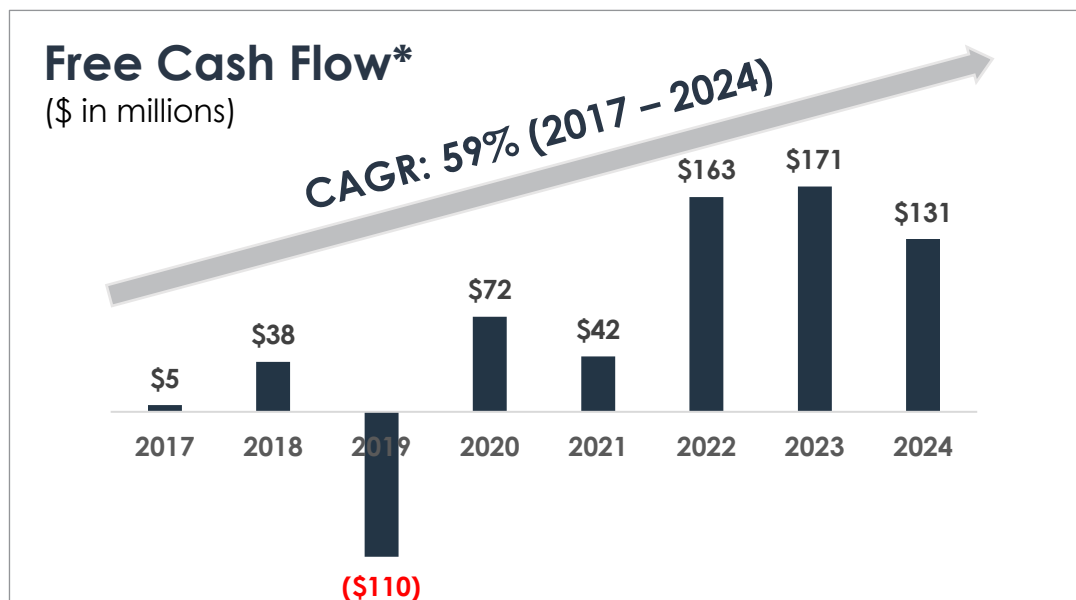
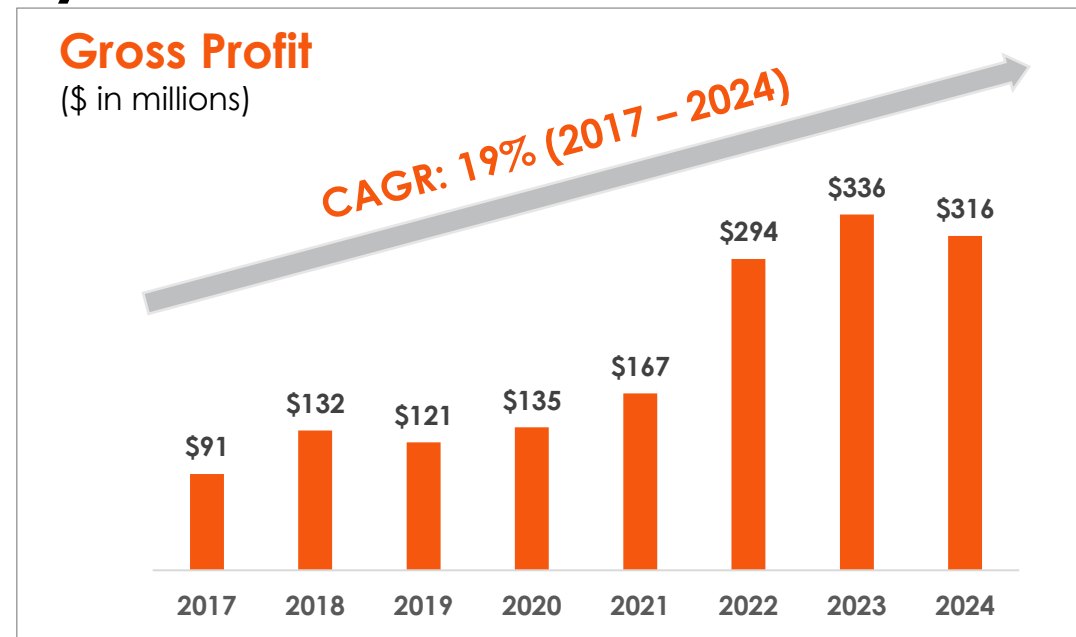
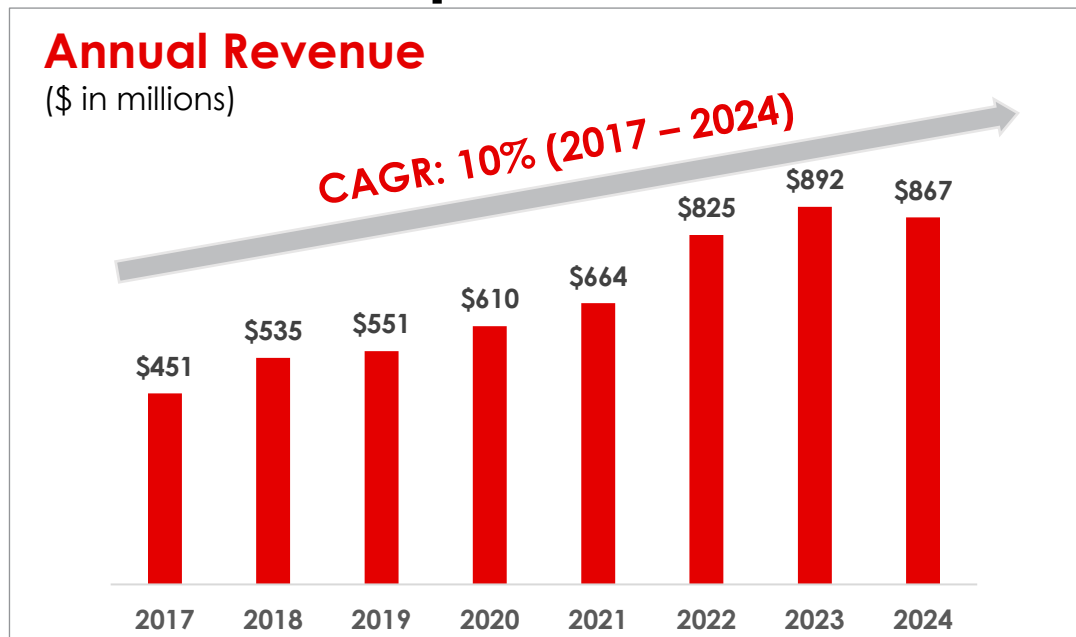
- Process expertise
- Advanced Process-of-Record
- High barriers to entry



## Global Footprint

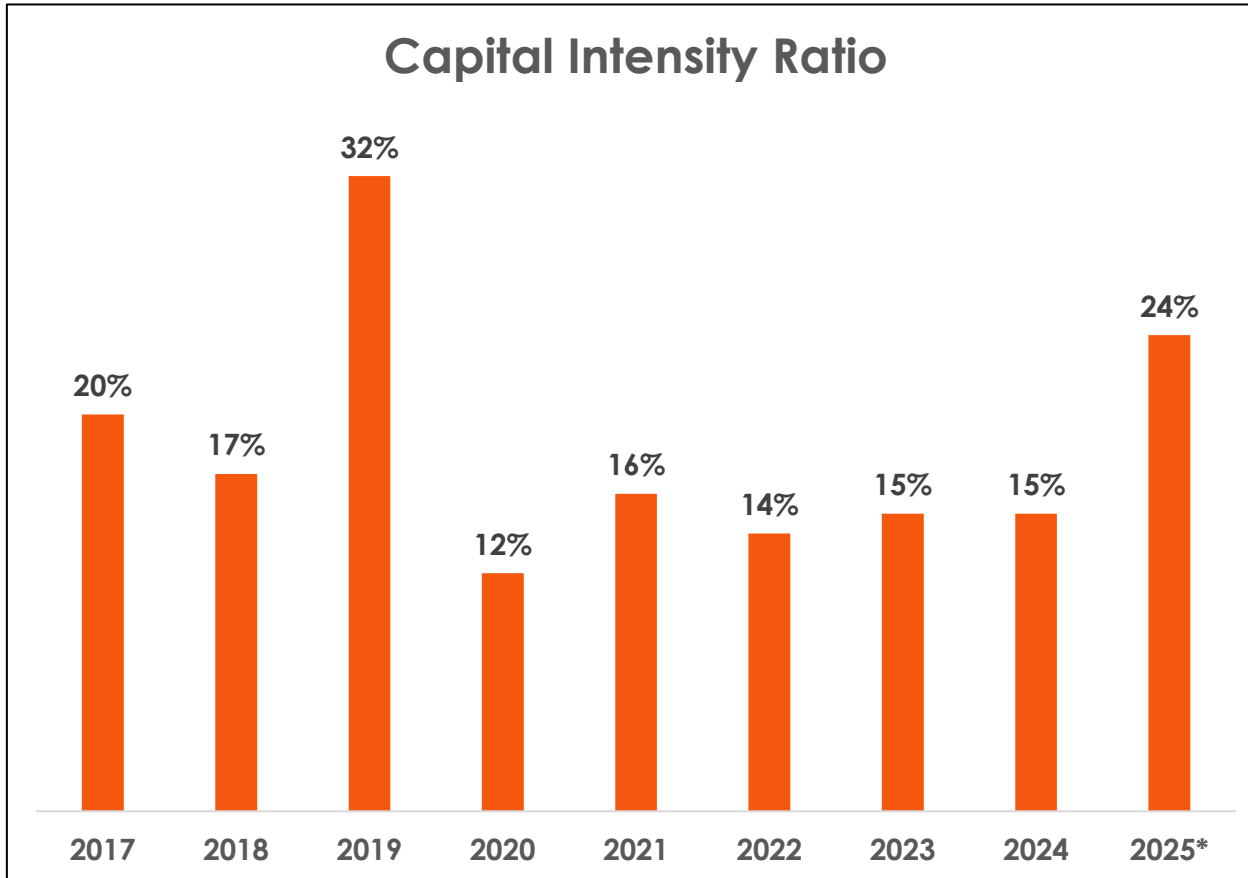
- Close to customer
- Aligned with end markets
- Flexible supply chain

# Structural Improvement to Profitability

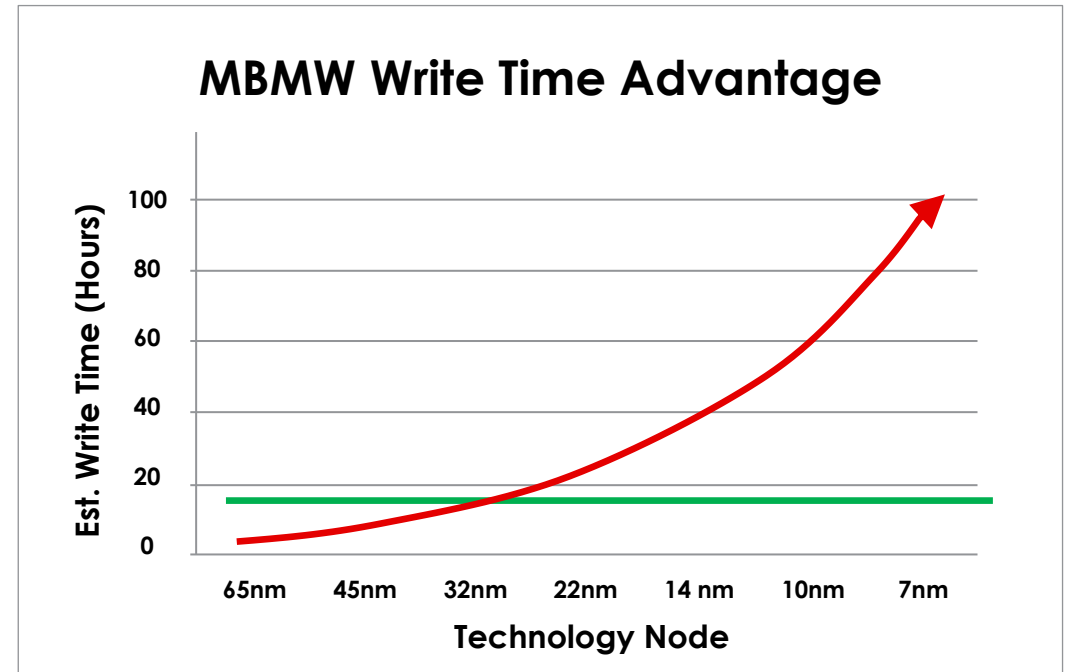


\*Free Cash Flow is a non-GAAP financial measure. See reconciliation of Operating Cash Flow to Free Cash Flow in the Appendix.

# Capital Expenditures



**Multi-Beam Mask Writer expands technical and production capability through improved cycle time and extends complex patterning opportunities**



The Capital Intensity Ratio is defined as Capex divided by Revenue

\* 2025 reflects \$200M capex guidance divided by consensus revenue estimates as of August 26, 2025.



# Fiscal Q3 2025 Financial Results

BATTERY  
COVER

# FQ3 2025 Summary

<b>FQ3 2025</b>	<b>\$210.4M Revenue</b>	<b>33.7% Gross Margin</b>	<b>22.9% Operating Margin</b>	<b>\$0.39 Diluted EPS</b>	<b>\$0.51 Non-GAAP Diluted EPS<sup>1</sup></b>
<b>FQ2 2025</b>	<b>\$211.0M</b>	<b>36.9%</b>	<b>26.4%</b>	<b>\$0.15</b>	<b>\$0.40</b>
<b>FQ3 2024</b>	<b>\$211.0M</b>	<b>35.6%</b>	<b>24.7%</b>	<b>\$0.55</b>	<b>\$0.51</b>

- Revenue recovered in the U.S. at the high-end and grew in Korea for both IC and FPD offset by geopolitical uncertainty; maintain long-term demand driven by regionalization, node migration, and overall semiconductor demand
- Gross margin of 33.7% resulted from better-than-expected revenue
- Operating margin also benefited as both revenue and gross margin were higher-than-expected; non-GAAP Diluted EPS of \$0.51 reflects a greater profitability contribution from Photronics, Inc. compared with FQ2 2025
- Repurchased 1.18 million shares for \$20.7 million.

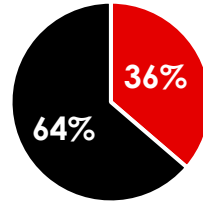
<sup>1</sup>See reconciliation included in this presentation



# Revenue by Product Line

## IC

\$M	3Q25	Q/Q	Y/Y
High-End*	53.6	(10%)	8%
Mainstream	94.2	(3%)	(12%)
Total	147.8	(5%)	(5%)

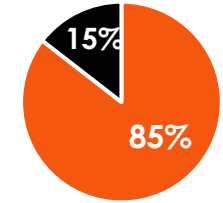


■ High-End\* ■ Mainstream

- Recognized a high-end recovery in the U.S. on strong order patterns
- Both High-End and Mainstream expected to continue experiencing node migration to smaller IC geometries
- Demand in Asia tempered because of geopolitical and tariff related concerns

## FPD

\$M	3Q25	Q/Q	Y/Y
High-End*	53.5	23%	11%
Mainstream	9.1	(21%)	36%
Total	62.6	14%	14%



■ High-End\* ■ Mainstream

- Technological capabilities drives high-end market leadership
- Strong demand from customers in Korea and China continues
- Strength in higher end mobile applications and benefit from larger, more complex panel sizes using AMOLED display technology such as G10.5 and G8.6

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

# Balance Sheet and Cash Flow Metrics

\$M	3Q25	2Q25	3Q24
Cash, cash equivalents and Short-term investments	575.8	558.4	606.4
Debt	0.03	0.03	20.1
Operating Cash Flow	50.1	31.5	75.1
Capital Expenditures	24.8	60.5	24.4

- Operating cash flow positive across all major geographic regions
- FQ3 capex expanded IC facility and capacity in the U.S. & end-of-life tool replacement globally

## Capital allocation:

- **Organic growth investments:** target capex of \$200M in fiscal 2025 with a portion to expand U.S. operations as previously announced
- **Business development initiatives:** leverage and enhance core competencies
- **Return cash to shareholders:** Repurchased \$97M Fiscal YTD; Increased authorization by \$25M, \$28M currently authorized

# FQ4 2025 Guidance

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<b>Revenue (\$M)</b>	201 – 209
<b>Operating Margin</b>	20% - 22%
<b>Diluted non-GAAP EPS</b>	\$0.42 - \$0.48
<b>Diluted Shares (M)</b>	~58
<b>Full-year Capex (\$M)</b>	~200

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## Assumptions:

- Cautious demand environment and tariff uncertainty continues
- Continued node migration towards higher end
- Weighted average diluted shares reflects opportunistic stock repurchases through FQ3 2025
- Reiterated fiscal 2025 capex target of \$200 million



# Appendix



# Non-GAAP Financial Measures

Non-GAAP Net Income attributable to Photronics, Inc. shareholders, non-GAAP diluted earnings per share attributable to Photronics, Inc. shareholders and Free Cash Flow are "non-GAAP financial measures" as such term is defined by Regulation G of 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 on-going performance because they enable a more meaningful comparison of our projected performance with our historical results. These non-GAAP metrics are not a measure of consolidated operating results under U.S. GAAP and should not be considered as an alternative to Net income (loss), Net income (loss) per share, Net Cash provided by operating activities or any other measure of consolidated results under U.S. 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 statement of income and must be considered in performing a comprehensive assessment of overall financial performance. Please refer to the non-GAAP reconciliations on the following page.

# Non-GAAP Financial Measures

## PHOTRONICS, INC.

### Reconciliation of GAAP Net income and Earnings per Share attributable to Photronics, Inc. shareholders to Non-GAAP Net income and Earnings per

#### Share attributable to Photronics, Inc. shareholders

(in thousands, except per share amounts)

(Unaudited)

	<u>Three Months ended</u>		
	<u>August 3, 2025</u>	<u>May 4, 2025</u>	<u>July 28, 2024</u>
GAAP Net income attributable to Photronics, Inc. shareholders	\$ 22,891	\$ 8,861	\$ 34,388
FX (gain) loss	14,258	31,111	(4,068)
Estimated tax effects of FX (gain) loss	(3,663)	(8,337)	914
Estimated noncontrolling interest effects of above	(4,130)	(7,376)	681
<b>Non-GAAP Net income attributable to Photronics, Inc. shareholders</b>	<b><u>\$ 29,356</u></b>	<b><u>\$ 24,259</u></b>	<b><u>\$ 31,915</u></b>
<b>Weighted-average number of common shares outstanding - Diluted</b>	<b><u>58,068</u></b>	<b><u>60,974</u></b>	<b><u>62,414</u></b>
GAAP Diluted earnings per share attributable to Photronics, Inc. shareholders	\$ 0.39	\$ 0.15	\$ 0.55
Effects of non-GAAP adjustments above	0.12	0.25	(0.04)
<b>Non-GAAP Diluted earnings per share attributable to Photronics, Inc. shareholders</b>	<b><u>\$ 0.51</u></b>	<b><u>\$ 0.40</u></b>	<b><u>\$ 0.51</u></b>

# Non-GAAP Financial Measures



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

*Reconciliation of Operating Cash flow to Free Cash flow:*

	Twelve Months ended							
	October 2017	October 2018	October 2019	October 2020	October 2021	October 2022	October 2023	October 2024
Net cash provided by operating activities	\$ 96,833	\$ 130,567	\$ 68,386	\$ 143,046	\$ 150,772	\$ 275,187	\$ 302,176	\$ 261,444
Cash used for Purchases of property, plant and equipment	(91,965)	(92,585)	(178,375)	(70,815)	(109,099)	(112,338)	(131,295)	(130,942)
Free Cash Flow	<u>\$ 4,868</u>	<u>\$ 37,982</u>	<u>\$ (109,989)</u>	<u>\$ 72,231</u>	<u>\$ 41,673</u>	<u>\$ 162,849</u>	<u>\$ 170,881</u>	<u>\$ 130,502</u>