
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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)
August 9, 2022

Fabrinet
(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-34775
(Commission
File Number)

98-1228572
(IRS Employer
Identification No.)

c/o Intertrust Corporate Services
One Nexus Way, Camana Bay
Grand Cayman
KY1-9005
Cayman Islands

(Address of principal executive offices, including zip code)

+66 2-524-9600

(Registrant's telephone number, including area code)

N/A

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, \$0.01 par value	FN	New York Stock Exchange

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 2.02 Results of Operations and Financial Condition.

On August 15, 2022, Fabrinet (“Fabrinet” or the “Company”) issued a press release regarding its financial results for its fiscal quarter and year ended June 24, 2022. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information in this Item 2.02 and the press release attached hereto as Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*Fiscal 2023 Executive Incentive Plan*

On August 9, 2022, the Compensation Committee (the “Compensation Committee”) of the board of directors of Fabrinet adopted an executive incentive plan (the “Cash Bonus Plan”) for the Company’s fiscal year ending June 30, 2023 (“fiscal 2023”). The Cash Bonus Plan is an incentive program designed to motivate participants to achieve the Company’s financial objectives, and to reward them for their achievements when those objectives are met. All of the Company’s executive officers pursuant to Section 16 of the Exchange Act are eligible to participate in the Cash Bonus Plan (individually, a “Participant,” and collectively, the “Participants”). The Cash Bonus Plan provides for target and maximum bonus amounts as set forth in the table below. The maximum bonus that a Participant may receive under the Cash Bonus Plan is 120% of such Participant’s target bonus.

Name	Fiscal 2023 Target Bonus	Fiscal 2023 Maximum Bonus
Seamus Grady	\$1,495,000	\$1,794,000
Dr. Harpal Gill	\$1,352,390	\$1,622,868
Csaba Sverha	\$488,750	\$586,500
Edward Archer	\$400,000	\$480,000

The amount of bonus actually paid to a Participant under the Cash Bonus Plan will be based 50% on the extent of achievement of a fiscal 2023 revenue metric and 50% on the extent of achievement of a fiscal 2023 non-GAAP operating margin metric. As achievement of each financial metric is considered independently from the other, the Company must meet a threshold for each metric in order for a Participant to receive any credit for that metric. If the Company achieves 100% of a target financial metric, bonuses would be paid out at 100% of the target amount with respect to that financial metric component. If the Company achieves 105% or more of a target financial metric, bonuses would be paid out at 120% of the target amount (which is the maximum) with respect to that financial metric component. Achievement of the revenue or non-GAAP operating margin metric for fiscal 2023 at a level between 100% and 105% of the target metric will result in a bonus amount for the applicable metric that is scaled from 100% to 120% of the target amount in a linear fashion. Achievement of the revenue or non-GAAP operating margin metric for fiscal 2023 at a level between 90% and 100% of the target metric will result in a bonus amount for the applicable metric that is scaled from 20% to 100% of the target amount in a linear fashion.

Fiscal 2023 Salaries

On August 9, 2022, the Compensation Committee approved an increase to the annual base salaries of the Company’s named executive officers set forth below, effective as of June 25, 2022, the first day of fiscal 2023.

Name	Title	Previous Annual Base Salary	Fiscal 2023 Annual Base Salary	Change
Seamus Grady	Chief Executive Officer	\$1,025,000	\$1,150,000	12.2%
Dr. Harpal Gill	President and Chief Operating Officer	\$1,010,000	\$1,040,300	3.0%
Csaba Sverha	Executive Vice President, Chief Financial Officer	\$500,000	\$575,000	15.0%
Edward Archer	Executive Vice President, Sales & Marketing	\$460,000	\$500,000	8.7%

Equity Award Grants

On August 9, 2022, the Compensation Committee approved the grant, effective as of August 18, 2022 (the “Grant Date”), of the following dollar values of restricted share units (“RSUs”), performance share units (“PSUs”) and “stretch” PSUs (“Stretch PSUs”), rounded down to the nearest whole share, to the Company’s named executive officers as a component of their fiscal 2023 compensation:

Name	Grant Date Value of RSUs	Grant Date Value of PSUs	Grant Date Value of “Stretch” PSUs
Seamus Grady	\$2,500,000	\$2,500,000	\$2,500,000
Dr. Harpal Gill	\$1,675,000	\$1,600,000	\$1,600,000
Csaba Sverha	\$850,000	\$850,000	\$850,000
Edward Archer	\$750,000	\$750,000	\$750,000

The grants will be made under the Company’s 2020 Equity Incentive Plan. The RSUs will be scheduled to vest in equal annual installments over a period of three years on each anniversary of the Grant Date, subject to the individual’s continued service with the Company through each such vesting date.

The PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual’s continued service with the Company through such vesting date. Vesting of the PSUs will be based 50% on achievement of a cumulative fiscal 2023 and fiscal 2024 revenue goal (the “PSU Revenue Target”) and 50% on achievement of a cumulative fiscal 2023 and fiscal 2024 non-GAAP operating margin goal (the “PSU Operating Margin Target”). As achievement of each financial goal is considered independently from the other, the Company must meet a threshold for each goal in order for an individual to receive any credit for that goal. If the Company achieves 100% or more of a target financial goal, the PSUs will vest as to 100% of the PSUs allocated to that financial goal. Achievement of the PSU Revenue Target or the PSU Operating Margin Target at a level between 90% and 100% will result in a number of shares vesting for the applicable goal that is scaled from 20% to 100% of the PSUs allocated to that goal in a linear fashion.

The Stretch PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual’s continued service with the Company through such vesting date. Vesting of the Stretch PSUs will be based 50% on achievement of a cumulative fiscal 2023 and fiscal 2024 revenue goal that is 5% higher than the PSU Revenue Target (the “Stretch PSU Revenue Target”) and 50% on achievement of a cumulative fiscal 2023 and fiscal 2024 non-GAAP operating margin goal that is 5% higher than the PSU Operating Margin Target (the “Stretch PSU Operating Margin Target”). As achievement of each financial goal is considered independently from the other, the Company must meet a threshold for each goal in order for an individual to receive any credit for that goal. The Company must exceed the PSU Revenue Target or the PSU Operating Margin Target in order for any of the Stretch PSUs to vest. If the Company achieves 100% or more of a target financial goal, the Stretch PSUs will vest as to 100% of the PSUs allocated to that financial goal. Achievement of the Stretch PSU Revenue Target at a level between its threshold PSU Revenue Target and 100% will result in a number of shares vesting for that goal that is scaled from 0% to 100% of the PSUs allocated to that goal in a linear fashion. Achievement of the Stretch PSU Operating Margin Target at a level between its threshold PSU Operating Margin Target and 100% will result in a number of shares vesting for that goal that is scaled from 0% to 100% of the PSUs allocated to that goal in a linear fashion.

In the event of a change in control of Fabrinet, the awards of PSUs and Stretch PSUs described above that are then outstanding will be treated as follows. To the extent that the performance period has not yet been completed as of the change in control, (1) the performance period for any Company revenue goals will be shortened to end shortly before the change in control and achievement of revenue will be measured based on goals that are prorated for the shortened performance period, and (2) the performance period for any Company operating margin goals will be deemed to be the last four consecutive fiscal quarters of the Company completed before the change in control. Any PSUs for which such applicable goal is deemed achieved will be scheduled to vest subject to the individual’s continued service with Fabrinet through the last date of the award’s original performance period, and will be treated as a time-based award that may be eligible for certain vesting acceleration under Mr. Grady’s Change in Control and Severance Agreement or the Fabrinet Executive Change in Control and Severance Plan, as applicable, upon a qualifying termination during a specified change in control period.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated August 15, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

FABRINET

By: /s/ Csaba Sverha

Csaba Sverha

Executive Vice President, Chief Financial Officer

Date: August 15, 2022

Fabrinet Announces Fourth Quarter and Fiscal Year 2022 Financial Results

- *Record Fourth Quarter Revenue of \$587.9 Million and Fiscal Year 2022 Revenue of \$2.26 Billion*
- *Record Fourth Quarter GAAP and Non-GAAP Net Income per Share Exceeded Guidance*

BANGKOK, Thailand – August 15, 2022 – Fabrinet (NYSE: FN), a leading provider of advanced optical packaging and precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products, today announced its financial results for its fourth quarter and fiscal year ended June 24, 2022.

Seamus Grady, Chief Executive Officer of Fabrinet, said, “We delivered strong fourth quarter results with revenue at the upper end of our guidance range and net income per share that exceeded our guidance. With strong ongoing demand trends, we are optimistic that we can continue to execute well and extend our track record of success in fiscal 2023 and beyond.”

Fourth Quarter Fiscal Year 2022 Financial Highlights

GAAP Results

- Revenue for the fourth quarter of fiscal year 2022 was \$587.9 million, compared to \$509.6 million for the fourth quarter of fiscal year 2021.
- GAAP net income for the fourth quarter of fiscal year 2022 was \$56.2 million, compared to \$42.4 million for the fourth quarter of fiscal year 2021.
- GAAP net income per diluted share for the fourth quarter of fiscal year 2022 was \$1.51, compared to \$1.13 for the fourth quarter of fiscal year 2021.

Non-GAAP Results

- Non-GAAP net income for the fourth quarter of fiscal year 2022 was \$62.6 million, compared to \$49.4 million for the fourth quarter of fiscal year 2021.
- Non-GAAP net income per diluted share for the fourth quarter of fiscal year 2022 was \$1.68, compared to \$1.31 for the fourth quarter of fiscal year 2021.

Fiscal Year 2022 Financial Highlights

GAAP Results

- Revenue for fiscal year 2022 was \$2.26 billion, compared to \$1.88 billion for fiscal year 2021.
- GAAP net income for fiscal year 2022 was \$200.4 million, compared to \$148.3 million for fiscal year 2021.
- GAAP net income per diluted share for fiscal year 2022 was \$5.36, compared to \$3.95 for fiscal year 2021.

Non-GAAP Results

- Non-GAAP net income for fiscal year 2022 was \$229.2 million, compared to \$175.5 million for fiscal year 2021.
- Non-GAAP net income per diluted share for fiscal year 2022 was \$6.13, compared to \$4.67 for fiscal year 2021.

Share Repurchase Program Expanded

Fabrinet also announced that its Board of Directors has approved the repurchase of up to an additional \$78.7 million of Fabrinet’s ordinary shares, bringing the aggregate authorization under Fabrinet’s existing share repurchase program to \$247.2 million, with \$100.0 million currently remaining.

Business Outlook

Based on information available as of **August 15, 2022**, Fabrinet is issuing guidance for its first quarter of fiscal year 2023, a 14-week quarter ending September 30, 2022, as follows:

- Fabrinet expects first quarter revenue to be in the range of \$620 million to \$640 million.
- GAAP net income per diluted share is expected to be in the range of \$1.51 to \$1.58, based on approximately 37.6 million fully diluted shares outstanding.
- Non-GAAP net income per diluted share is expected to be in the range of \$1.72 to \$1.79, based on approximately 37.6 million fully diluted shares outstanding.

Conference Call Information

What: Fabrinet Fourth Quarter Fiscal Year 2022 Financial Results Call
When: August 15, 2022
Time: 5:00 p.m. ET
Live Call and <https://investor.fabrinet.com/events-and-presentations/events>
Replay:

A recorded version of this webcast will be available approximately two hours after the call and accessible at <http://investor.fabrinet.com>. The webcast will be archived on Fabrinet's website for a period of one year.

About Fabrinet

Fabrinet is a leading provider of advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services to original equipment manufacturers of complex products, such as optical communication components, modules and subsystems, automotive components, medical devices, industrial lasers and sensors. Fabrinet offers a broad range of advanced optical and electro-mechanical capabilities across the entire manufacturing process, including process design and engineering, supply chain management, manufacturing, advanced packaging, integration, final assembly and testing. Fabrinet focuses on production of high complexity products in any mix and any volume. Fabrinet maintains engineering and manufacturing resources and facilities in Thailand, the United States of America, the People's Republic of China, Israel and the United Kingdom. For more information visit: www.fabrinet.com.

Forward-Looking Statements

“Safe Harbor” Statement Under U.S. Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include: (1) our optimism about our ability to extend our track record of success in fiscal 2023 and beyond; and (2) all of the statements under the “Business Outlook” section regarding our expected revenue, GAAP and non-GAAP net income per share, and fully diluted shares outstanding for the first quarter of fiscal year 2023. These forward-looking statements involve risks and uncertainties, and actual results could vary materially from these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the effects of the COVID-19 pandemic on our business, particularly the possibility of (1) the growing global economic downturn, (2) extended shutdowns at any of our manufacturing facilities, especially if the pandemic intensifies or returns in various geographic areas, (3) continued disruption to our supply chain, which could increase our costs and affect our ability to procure parts and materials, especially if the pandemic intensifies or returns in various geographic areas, and (4) regional downward demand adjustments from our customers, particularly those in areas affected by the pandemic; less customer demand for our products and services than forecasted; less growth in the optical communications, industrial lasers and sensors markets than we forecast; difficulties expanding into additional markets, such as the semiconductor processing, biotechnology, metrology and materials processing markets; increased competition in the optical manufacturing services markets; difficulties in delivering products and services that compete effectively from a price and performance perspective; our reliance on a small number of customers and suppliers; difficulties in managing our operating costs; difficulties in managing and operating our business across multiple countries (including Thailand, the People's Republic of China, Israel, the U.S. and the U.K.); and other important factors as described in reports and documents we file from time to time with the Securities and Exchange Commission (SEC), including the factors described under the section captioned “Risk Factors” in our Quarterly Report on Form 10-Q filed with the SEC on May 3, 2022. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

Use of Non-GAAP Financials

We refer to the non-GAAP financial measures cited above in making operating decisions because they provide meaningful supplemental information regarding our ongoing operational performance. Non-GAAP net income excludes: share-based compensation expenses; depreciation of fair value uplift; amortization of intangibles; severance payment and others; other expenses in relation to reduction in workforce; and amortization of deferred debt issuance costs. We have excluded these items in order to enhance investors' understanding of our underlying operations. The use of these non-GAAP financial measures has material limitations because they should not be used to evaluate our company without reference to their corresponding GAAP financial measures. As such, we compensate for these material limitations by using these non-GAAP financial measures in conjunction with GAAP financial measures.

These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results, and (3) allow greater transparency with respect to information used by management in making financial and operational decisions. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation.

Investor Contact:

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FABRINET
CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars, except share data and par value)

	June 24, 2022	June 25, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 197,996	\$ 302,969
Short-term restricted cash	220	—
Short-term investments	280,157	244,963
Trade accounts receivable, net of allowance for doubtful accounts of \$1,271 and \$100, respectively	439,330	336,547
Contract assets	13,464	11,878
Inventories	557,145	422,133
Prepaid expenses	11,626	11,398
Other current assets	25,233	22,619
Total current assets	1,525,171	1,352,507
Non-current assets		
Long-term restricted cash	149	154
Property, plant and equipment, net	292,277	241,129
Intangibles, net	3,508	4,371
Operating right-of-use assets	4,084	6,699
Deferred tax assets	9,800	9,428
Other non-current assets	652	1,834
Total non-current assets	310,470	263,615
Total Assets	\$ 1,835,641	\$ 1,616,122
Liabilities and Shareholders' Equity		
Current liabilities		
Long-term borrowings, current portion, net	\$ 12,156	\$ 12,156
Trade accounts payable	439,684	346,555
Fixed assets payable	9,085	19,206
Contract liabilities	1,982	1,680
Capital lease liability, current portion	10	—
Operating lease liabilities, current portion	2,319	2,593
Income tax payable	2,898	3,612
Accrued payroll, bonus and related expenses	20,374	20,464
Accrued expenses	24,758	17,134
Other payables	25,221	20,958
Total current liabilities	538,487	444,358
Non-current liabilities		
Long-term borrowings, non-current portion, net	15,202	27,358
Deferred tax liability	6,001	5,107
Capital lease liability, non-current portion	75	—
Operating lease liabilities, non-current portion	1,476	3,850
Severance liabilities	18,384	19,485
Other non-current liabilities	2,334	3,444
Total non-current liabilities	43,472	59,244
Total Liabilities	581,959	503,602
Commitments and contingencies		
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, \$0.01 par value; no shares issued and outstanding as of June 24, 2022 and June 25, 2021)	—	—
Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 39,048,700 shares and 38,749,045 shares issued as of June 24, 2022 and June 25, 2021, respectively; and 36,436,683 shares and 36,765,456 shares outstanding as of June 24, 2022 and June 25, 2021, respectively)	390	388
Additional paid-in capital	196,667	189,445
Less: Treasury shares (2,612,017 shares and 1,983,589 shares as of June 24, 2022 and June 25, 2021, respectively)	(147,258)	(87,343)
Accumulated other comprehensive loss	(12,793)	(6,266)
Retained earnings	1,216,676	1,016,296
Total Shareholders' Equity	1,253,682	1,112,520
Total Liabilities and Shareholders' Equity	\$ 1,835,641	\$ 1,616,122

FABRINET
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended		Year Ended	
	June 24, 2022	June 25, 2021	June 24, 2022	June 25, 2021
<i>(in thousands of U.S. dollars, except per share data)</i>				
Revenues	\$ 587,874	\$ 509,567	\$ 2,262,224	\$ 1,879,350
Cost of revenues	(512,941)	(448,483)	(1,983,630)	(1,657,987)
Gross profit	74,933	61,084	278,594	221,363
Selling, general and administrative expenses	(18,529)	(17,489)	(73,941)	(70,567)
Expenses related to reduction in workforce	—	—	(135)	(43)
Operating income	56,404	43,595	204,518	150,753
Interest income	735	627	2,205	3,783
Interest expense	(85)	(302)	(432)	(1,100)
Foreign exchange gain (loss), net	1,304	284	2,302	508
Other income (expense), net	(276)	(3,863)	(1,627)	(3,460)
Income before income taxes	58,082	40,341	206,966	150,484
Income tax expense	(1,893)	2,072	(6,586)	(2,143)
Net income	56,189	42,413	200,380	148,341
Other comprehensive income (loss), net of tax:				
Change in net unrealized gain (loss) on available-for-sale securities	(2,711)	(245)	(6,326)	(1,182)
Change in net unrealized gain (loss) on derivative instruments	(3,321)	717	(578)	(5,106)
Change in net retirement benefits plan – prior service cost	174	163	622	584
Change in foreign currency translation adjustment	(47)	38	(245)	585
Total other comprehensive income (loss), net of tax	(5,905)	673	(6,527)	(5,119)
Net comprehensive income	\$ 50,284	\$ 43,086	\$ 193,853	\$ 143,222
Earnings per share				
Basic	\$ 1.53	\$ 1.15	\$ 5.43	\$ 4.02
Diluted	\$ 1.51	\$ 1.13	\$ 5.36	\$ 3.95
Weighted-average number of ordinary shares outstanding (thousands of shares)				
Basic	36,668	36,857	36,876	36,872
Diluted	37,222	37,676	37,394	37,555

FABRINET
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended	
	June 24, 2022	June 25, 2021
<i>(in thousands of U.S. dollars)</i>		
Cash flows from operating activities		
Net income for the period	\$ 200,380	\$ 148,341
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	38,738	36,252
Gain on disposal of property, plant and equipment	(101)	13
Gain from sales and maturities of available-for-sale securities	13	(187)
Amortization of discount (premium) of short-term investment	3,691	2,093
Amortization of deferred debt issuance costs	32	32
(Reversal of) allowance for doubtful accounts	1,171	(343)
Unrealized gain on exchange rate and fair value of foreign currency forward contracts	(2,832)	(859)
Amortization of fair value at hedge inception of interest rate swaps	(937)	(1,299)
Share-based compensation	28,048	25,462
Deferred income tax	(191)	(3,473)
Other non-cash expenses	1,390	(450)
Changes in operating assets and liabilities		
Trade accounts receivable	(103,970)	(63,810)
Contract assets	(1,586)	1,378
Inventories	(135,011)	(112,349)
Other current assets and non-current assets	(6,425)	(10,753)
Trade accounts payable	93,499	96,312
Contract liabilities	302	124
Income tax payable	(761)	1,353
Severance liabilities	1,033	3,181
Other current liabilities and non-current liabilities	7,763	1,139
Net cash provided by operating activities	124,246	122,157
Cash flows from investing activities		
Purchase of short-term investments	(198,318)	(244,330)
Proceeds from sales of short-term investments	19,463	79,439
Proceeds from maturities of short-term investments	133,632	179,532
Funds repayment from customer to support transfer of manufacturing operations	—	24,310
Purchase of property, plant and equipment	(89,588)	(46,060)
Purchase of intangibles	(995)	(1,915)
Proceeds from disposal of property, plant and equipment	263	90
Net cash used in investing activities	(135,543)	(8,934)
Cash flows from financing activities		
Repayment of long-term borrowings	(12,188)	(12,188)
Repayment of finance lease liabilities	(7)	(100)
Repurchase of ordinary shares	(59,915)	(18,842)
Withholding tax related to net share settlement of restricted share units	(20,824)	(11,624)
Net cash used in financing activities	(92,934)	(42,754)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (104,231)	\$ 70,469
Movement in cash, cash equivalents and restricted cash		
Cash, cash equivalents and restricted cash at the beginning of period	\$ 303,123	\$ 232,832
Increase (decrease) in cash, cash equivalents and restricted cash	(104,231)	70,469
Effect of exchange rate on cash, cash equivalents and restricted cash	(527)	(178)
Cash, cash equivalents and restricted cash at the end of period	\$ 198,365	\$ 303,123
Non-cash investing and financing activities		
Construction, software and equipment-related payables	\$ 9,085	\$ 19,206

FABRINET
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

Supplemental disclosures	Year Ended	
	June 24, 2022	June 25, 2021
Cash paid for		
Interest	\$ 2,244	\$ 2,438
Taxes	\$ 9,296	\$ 7,945
Cash received for interest	\$ 1,603	\$ 4,445
Non-cash investing and financing activities		
Construction, software and equipment related payables	\$ 9,085	\$ 19,206

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	As of	
	June 24, 2022	June 25, 2021
<i>(amount in thousands)</i>		
Cash and cash equivalents	\$ 197,996	\$ 302,969
Restricted cash	369	154
Cash, cash equivalents and restricted cash	<u>\$ 198,365</u>	<u>\$ 303,123</u>

FABRINET
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

	Three Months Ended				Year Ended			
	June 24, 2022		June 25, 2021		June 24, 2022		June 25, 2021	
	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS
(in thousands of U.S. dollars, except share data)								
GAAP measures	\$ 56,189	\$ 1.51	\$ 42,413	\$ 1.13	\$ 200,380	\$ 5.36	\$ 148,341	\$ 3.95
Items reconciling GAAP net income & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	1,388	0.04	1,380	0.04	5,967	0.16	6,185	0.16
Depreciation of fair value uplift	—	—	91	0.00	92	0.00	347	0.01
Total related to gross profit	1,388	0.04	1,471	0.04	6,059	0.16	6,532	0.17
Related to selling, general and administrative expenses:								
Share-based compensation expenses	4,959	0.13	5,340	0.14	22,081	0.59	19,277	0.52
Amortization of intangibles	94	0.00	124	0.00	422	0.01	506	0.01
Severance payment and others	—	—	—	—	105	0.00	755	0.02
Total related to selling, general and administrative expenses	5,053	0.13	5,464	0.14	22,608	0.60	20,538	0.55
Related to other incomes and other expenses:								
Other expenses in relation to reduction in workforce	—	—	—	—	135	0.01	43	0.00
Amortization of deferred debt issuance costs	8	0.00	8	0.00	32	0.00	32	0.00
Total related to other incomes and other expenses	8	0.00	8	0.00	167	0.01	75	0.00
Total related to net income & EPS	6,449	0.17	6,943	0.18	28,834	0.77	27,145	0.72
Non-GAAP measures	\$ 62,638	\$ 1.68	\$ 49,356	\$ 1.31	\$ 229,214	\$ 6.13	\$ 175,486	\$ 4.67
Shares used in computing diluted net income per share								
GAAP diluted shares		37,222		37,676		37,394		37,555
Non-GAAP diluted shares		37,222		37,676		37,394		37,555

FABRINET
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

(amount in thousands)

	Three Months Ended		Year Ended	
	June 24, 2022	June 25, 2021	June 24, 2022	June 25, 2021
Net cash provided by operating activities	\$ 16,349	\$ 42,841	\$ 124,246	\$ 122,157
Less: Purchase of property, plant and equipment	(14,261)	(12,791)	(89,588)	(46,060)
Non-GAAP free cash flow	<u>\$ 2,088</u>	<u>\$ 30,050</u>	<u>\$ 34,658</u>	<u>\$ 76,097</u>

FABRINET
GUIDANCE FOR QUARTER ENDING SEPTEMBER 30, 2022
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

	Diluted EPS
GAAP net income per diluted share:	\$1.51 to \$1.58
Related to cost of revenues:	
Share-based compensation expenses	0.06
Total related to gross profit	0.06
Related to selling, general and administrative expenses:	
Share-based compensation expenses	0.15
Total related to selling, general and administrative expenses	0.15
Total related to net income & EPS	0.21
Non-GAAP net income per diluted share	\$1.72 to \$1.79