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TRUSTED MANUFACTURING PARTNER OF THE WORLD'S LEADING OEMS



Company Overview

May 6, 2019

This presentation and the accompanying oral presentation contain “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements other than statements of historical fact contained in this presentation, including information concerning our business plans and objectives, potential growth opportunities, competitive position, industry environment and potential market opportunities.

Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors including, but not limited to: 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, 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 most recent annual and quarterly reports on Form 10-K and Form 10-Q. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These factors may cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as required by law.

Company Overview

**Global leader in advanced precision optical/
electronic/mechanical manufacturing services**

**Focus on high-mix/low-volume mission-
critical components and modules**

**Diverse end markets including optical
communications, industrial lasers, automotive
and optical sensing**

**Long-lasting customer relationships with
programs extending from new product
introduction (NPI) to volume production**

**Seasoned management team with extensive
and diversified manufacturing experience
in OEM and EMS industries**

Core values:

Total customer satisfaction | Sustainable Manufacturing | Positive work environment | Integrity



- Founded in 2000 by our Chairman of the Board, Tom Mitchell (co-founder of Seagate Technologies)
- Factories in Thailand, China, New Jersey, California and United Kingdom.
- Total employees: >10,000
- Facilities: ~2.0 MM sq. ft.

Products We Manufacture

Optical Communications

- Transceivers
- Modulators
- Optical Amplifiers
- ROADMs
- Silicon Photonics
- Line Cards
- Network Systems



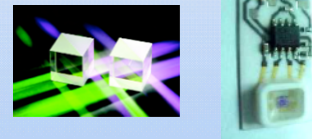
Industrial Lasers

- Fiber Lasers
- Solid-State Lasers
- Gas Lasers
- Ultrafast Lasers



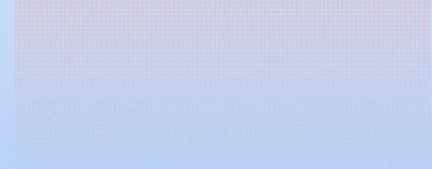
Automotive

- Autonomous Vehicles
- LED & Laser Lighting
- Safety & Control sensors
- Pressure & Temperature Sensors



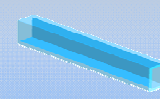
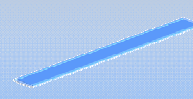
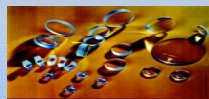
Optical Sensing

- LIDAR
- 3D Sensing
- AR/VR Systems
- Medical Diagnostics
- Metrology & Instrumentation



Customized Optics and Passive Devices – Vertical Integration

- Beam Splitters, Prisms, Laser Crystals, Waveplates, Ferrules



Efficient Global Manufacturing Footprint

Scalable Optical & Electro-Mechanical Assembly

Customized Optics

Quick-turn NPI services



Thailand
Pinehurst campus



Fuzhou, China
Casix



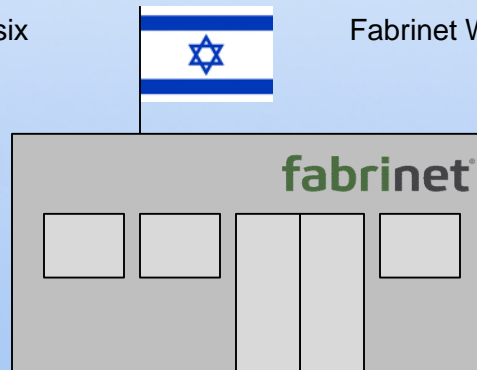
Santa Clara, USA
Fabrinet West



New Jersey, USA
VitroCom



Thailand
Chonburi campus



TBD
Fabrinet Israel



Fabrinet UK

Investment Highlights

- ☒ Large & Growing Addressable Markets

- ☒ Differentiated Business Model with Significant Barriers to Entry

- ☒ Unique Expertise in Precision Manufacturing Technologies Geared To Next Generation Products in Diverse Industries

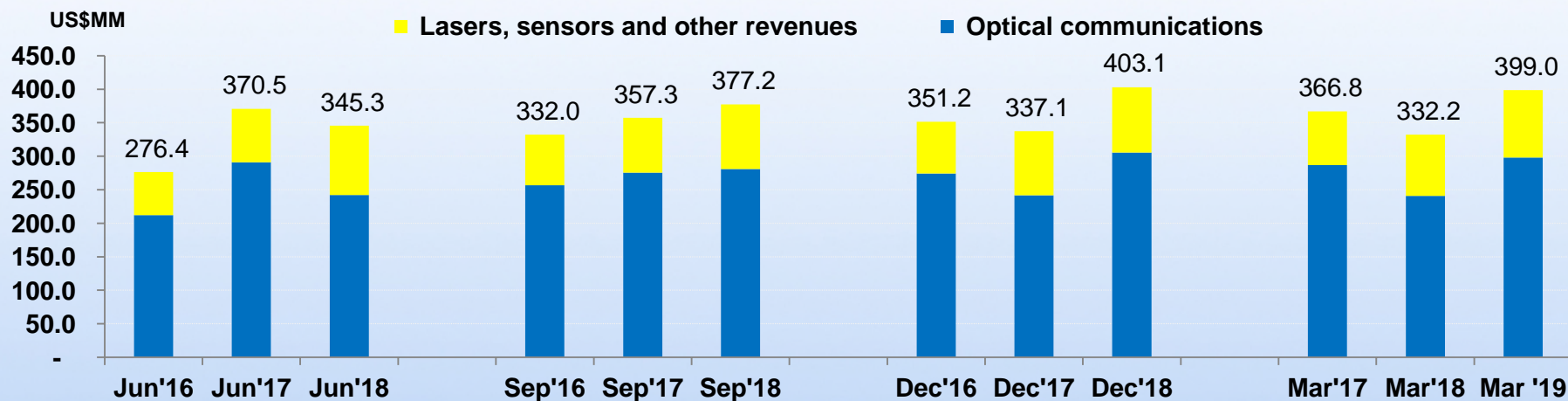
- ☒ Strong Relationships With Industry Leading OEMs

- ☒ Demonstrated Track Record of Growth & Profitability

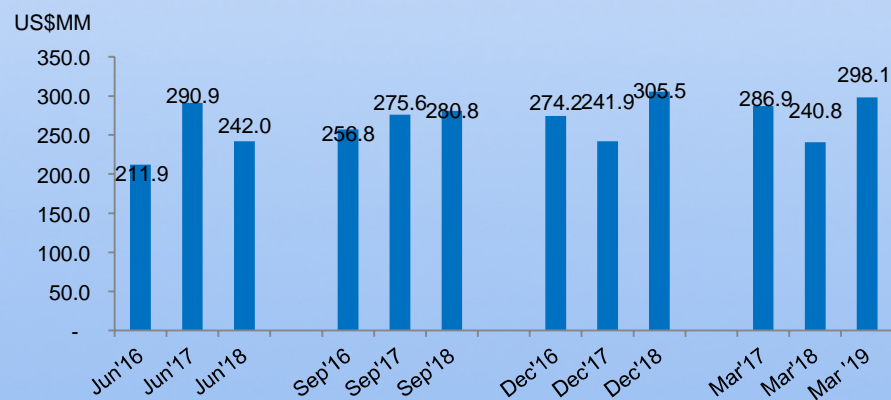
- ☒ Experienced Management Team with History of Execution

Strong Revenue

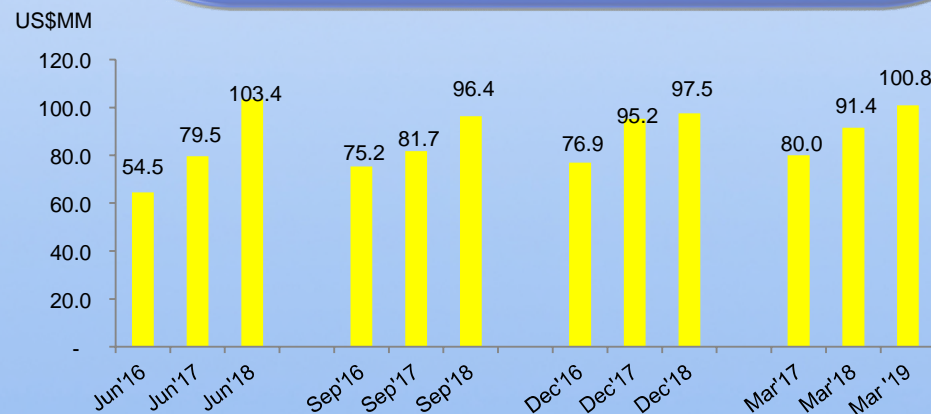
Consolidated revenues



Optical communications revenues

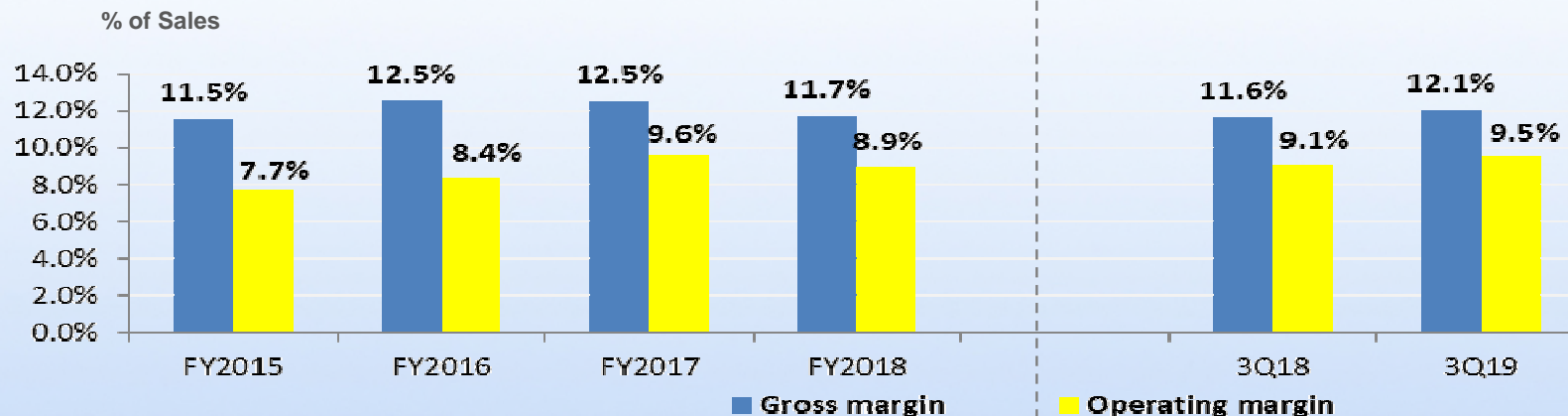


Lasers, sensors & other revenues

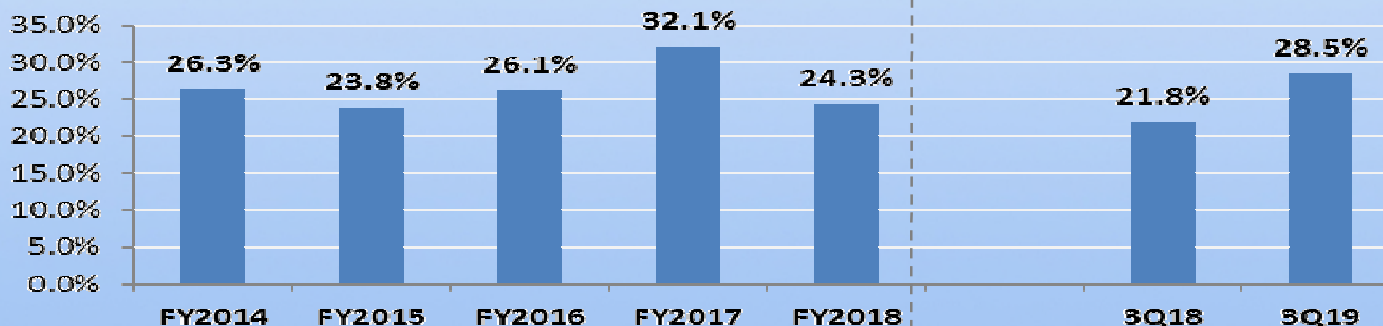


Consistent Profitability Through the Cycles

Non-GAAP gross margin and non-GAAP operating margin ⁽¹⁾



ROIC ⁽²⁾



(1) Excludes share based compensation, executive separation cost, depreciation of fair value uplift/intangibles, business combination expenses, restructuring costs, etc. See Appendix for a reconciliation to most comparable GAAP measures.

(2) Return on Invested Capital = Non-GAAP net income divided by average invested capital. Invested capital = total debt + shareholder equity – cash & equivalents, marketable securities and restricted cash. For ROIC in the current fiscal quarter and the prior year fiscal quarter, Non-GAAP net income is annualized by multiplying the fiscal quarter's Non-GAAP net income by 4. See Appendix for a reconciliation to most comparable GAAP measures.

Recent Financial Performance

Key Financials		
US\$MM, except per share figures		
	3 months ended	
	29-Mar-19	28-Dec-18
Revenue	399.0	403.1
<i>Y-o-Y change</i>	20%	20%
Gross profit (<i>non-GAAP</i>) ⁽¹⁾	48.1	46.9
<i>Gross margin (non-GAAP)</i> ⁽¹⁾	12.1%	11.6%
Operating profit (<i>non-GAAP</i>) ⁽¹⁾	38.0	37.5
<i>Operating margin (non-GAAP)</i> ⁽¹⁾	9.5%	9.3%
Net Income (GAAP)	30.1	32.2
Net Income (Non-GAAP) ⁽²⁾	35.8	37.2
Diluted EPS (GAAP)	0.76	0.84
Diluted EPS (Non-GAAP) ⁽²⁾	0.92	0.97

(1) Non-GAAP financial measure. See Appendix for a reconciliation to most comparable GAAP measures.

(2) Adjusted for share based compensation & non-recurring charges (business combination expenses, amortization of debt issuance costs, etc.), net of income tax effects. See Appendix for a reconciliation to most comparable GAAP measures.

- Q3 revenue of \$399.0 MM was above guidance range
- Q3 non-GAAP gross margin of 12.1% was within target range of 12-12.5%
- Q3 non-GAAP EPS of \$0.92 was above guidance including \$0.08 FX mark-to-market headwind

Balance Sheet Supports Growth

Selected Items	
US\$MM	As of Mar 29, 2019
Cash, cash equivalents ⁽¹⁾	408.9
Working capital ⁽²⁾	294.3
Property, plant & equipment, net	209.1
Total debt ⁽³⁾	61.8
Total shareholders' equity	828.9

(1) Cash & cash equivalents include marketable securities and restricted cash

(2) Calculated as Trade accounts receivable + Inventory – Trade accounts payable

(3) Calculated as the sum of current & long-term debt, net of unamortized debt issuance costs



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Thank You



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Appendix

Non-GAAP Reconciliation of Gross Margin and Operating Margin

Reconciliation of GAAP Gross Profit and GAAP Gross Margin to Non-GAAP Gross Profit and Non-GAAP Gross Margin

(in thousands of U.S. dollars)	Three Months Ended			Twelve Months Ended			
	March 29, 2019	December 28, 2018	March 30, 2018	June 29, 2018	June 30, 2017	June 24, 2016	June 26, 2015
Revenue	\$ 398,951	\$ 403,080	\$ 332,213	\$ 1,371,925	\$ 1,420,490	\$ 976,747	\$ 773,587
Gross profit (GAAP)	\$ 46,758	\$ 45,564	\$ 36,933	\$ 153,412	\$ 171,460	\$ 119,523	\$ 87,773
Share-based compensation expenses	1,237	1,300	1,564	6,784	5,318	1,979	1,451
Depreciation of fair value uplift	82	84	88	330	147	-	-
Gross profit (Non-GAAP)	<u>\$ 48,077</u>	<u>\$ 46,948</u>	<u>\$ 38,585</u>	<u>\$ 160,526</u>	<u>\$ 176,925</u>	<u>\$ 122,502</u>	<u>\$ 89,224</u>
Gross margin (GAAP)	11.7%	11.3%	11.1%	11.2%	12.1%	12.2%	11.3%
Gross margin (Non-GAAP)	12.1%	11.6%	11.6%	11.7%	12.5%	12.5%	11.5%

Reconciliation of GAAP Operating Profit and GAAP Operating Margin to GAAP Operating Profit and Non-GAAP Operating Margin

(in thousands of U.S. dollars)	Three Months Ended			Twelve Months Ended			
	March 29, 2019	December 28, 2018	March 30, 2018	June 29, 2018	June 30, 2017	June 24, 2016	June 26, 2015
Revenue	\$ 398,951	\$ 403,080	\$ 332,213	\$ 1,371,925	\$ 1,420,490	\$ 976,747	\$ 773,587
Operating profit (GAAP)	\$ 32,303	\$ 32,518	\$ 24,515	\$ 93,824	\$ 105,834	\$ 69,806	\$ 47,160
Share-based compensation expenses	4,424	3,969	5,326	22,581	26,507	9,927	8,028
Depreciation of fair value uplift	82	84	88	330	147	-	-
Cost resulting from a non-recurring warranty charge	-	-	-	-	-	1,000	-
Executive separation costs	-	-	-	-	577	1,360	-
Investigation costs	-	-	-	-	-	-	3,242
Expenses related to reduction in workforce	323	319	-	1,776	-	-	1,153
Expenses related to CFO/CEO search	285	382	-	204	203	-	-
Debt administration expenses	-	-	-	-	320	-	-
Amortization of intangibles	163	176	205	781	607	-	-
Business combination expenses	88	58	-	117	1790	-	-
Severance payment	348	16	-	2,142	-	-	-
Income related to flooding	-	-	-	-	-	(36)	-
Operating profit (Non-GAAP)	<u>\$ 38,016</u>	<u>\$ 37,522</u>	<u>\$ 30,134</u>	<u>\$ 121,754</u>	<u>\$ 135,985</u>	<u>\$ 82,057</u>	<u>\$ 59,583</u>
Operating margin (GAAP)	8.1%	8.1%	7.4%	6.8%	7.5%	7.1%	6.1%
Operating margin (Non-GAAP)	9.5%	9.3%	9.1%	8.9%	9.6%	8.4%	7.7%

Non-GAAP Reconciliation of Net Profit and EPS

(in thousands of U.S. dollars, except per share data)

Three Months Ended

Mar 29, 2019

Dec 28, 2018

Mar 30, 2018

Net income

Diluted EPS

Net income

Diluted EPS

Net income

Diluted EPS

Net profit (GAAP measures)

28,635

0.76

1,742

0.05

21,053

0.55

Items reconciling GAAP net (loss) income & EPS to non-GAAP net

Related to cost of revenues:

Share-based compensation expenses

1,237

0.03

357

0.01

1,564

0.04

Depreciation of fair value uplift

82

0.00

28

0.00

88

0.00

Total related to gross profit

1,319

0.04

385

0.01

1,652

0.04

Related to selling, general and administrative expenses:

Share-based compensation expenses

3,187

0.08

1,314

0.04

3,762

0.10

Expenses related to CFO/CEO search

285

0.01

95

0.00

-

-

Amortization of intangibles

163

0.00

54

0.00

205

0.01

Business combination expenses

88

0.00

12

0.00

-

-

Severance payment

348

0.01

120

0.00

-

-

Total related to selling, general and administrative expenses

4,071

0.11

1,595

0.04

3,967

0.10

Related to other incomes and other expenses:

Expenses related to reduction in workforce

323

0.01

-

-

-

-

Amortization of debt issuance costs

-

-

-

-

238

0.01

Total related to other incomes and other expenses

323

0.01

-

-

238

0.01

Total related to net income & EPS

5,713

0.15

1,980

0.05

5,857

0.16

Net profit (Non-GAAP measures)

34,348

0.92

3,722

0.10

26,910

0.71

Shares used in computing diluted net income per share

GAAP diluted shares

37,539

37,539

38,055

Non-GAAP diluted shares

37,539

37,539

38,055

Type	F1Q18	F2Q18	F3Q18	F4Q18	F1Q19	F2Q19	F3Q19
Optical	77%	72%	72%	70%	74%	76%	75%
Datacom	39%	40%	36%	35%	36%	32%	27%
Telecom	61%	60%	64%	65%	64%	68%	73%
Non-Optical	23%	28%	28%	30%	26%	24%	25%

Optical and non-optical revenue mix presented as % of total revenue.
Datacom and telecom revenue mix presented as % of optical revenue.