# 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) November 4, 2019

# **Fabrinet**

(Exact name of registrant as specified in its charter)

Cayman Islands (State or other jurisdiction of incorporation) 001-34775 (Commission File Number) Not Applicable (IRS Employer Identification No.)

c/o Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue
George Town
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)

	ck the appropriate box below if the Form 8-K filing owing provisions (see General Instruction A.2):	g is intended to simultaneously satisfy the filing o	obligation of the registrant under any of the		
	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)				
	Soliciting material pursuant to Rule 14a-12 under	r 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))		
Secu	urities registered pursuant to Section 12(b) of the A	.ct:			
	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).				
Eme	erging growth company $\Box$				
	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 November 4, 2019, Fabrinet issued a press release regarding its financial results for the fiscal quarter ended September 27, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Form 8-K and the exhibit attached 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.

Description

99.1 <u>Press release dated November 4, 2019</u>

### **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.

<b>FABRINET</b>
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By:	/s/ Toh-Seng Ng
_	Toh-Seng Ng
	Executive Vice President, Chief Financial Officer

Date: November 4, 2019

#### **Fabrinet Announces First Quarter Fiscal Year 2020 Financial Results**

**BANGKOK, Thailand – November 4, 2019** – Fabrinet (NYSE: FN), a leading provider of advanced optical packaging and precision optical, electromechanical and electronic manufacturing services to original equipment manufacturers of complex products, today announced its financial results for its first quarter ended September 27, 2019.

Seamus Grady, Chief Executive Officer of Fabrinet, said, "We had a strong start to the year with fiscal first quarter revenue and earnings that exceeded our guidance ranges. We have made significant progress establishing a new product introduction facility in Israel that we expect to be operational in the first part of calendar 2020. We believe Fabrinet Israel can mirror the success we have seen at Fabrinet West in California by attracting new customers and deepening relationships with existing customers. This development, along with our ongoing business success reinforce our confidence as we look ahead."

#### First Quarter Fiscal Year 2020 Financial Highlights

#### **GAAP Results**

- Revenue for the first quarter of fiscal year 2020 was \$399.3 million, compared to revenue of \$377.2 million for the comparable period in fiscal year 2019.
- GAAP net income for the first quarter of fiscal year 2020 was \$25.9 million, compared to GAAP net income of \$27.9 million for the first quarter of fiscal year 2019. GAAP net income for the first quarter of fiscal year 2020 included a foreign exchange loss of \$1.9 million and a mark-to-market loss on the two interest rate swap contracts of \$1.7 million, or \$0.09 per diluted share, compared to a foreign exchange loss of \$3.1 million, or \$0.08 per diluted share, for the first quarter of fiscal year 2019.
- GAAP net income per diluted share for the first quarter of fiscal year 2020 was \$0.69, compared to GAAP net income per diluted share of \$0.75 for the first quarter of fiscal year 2019.

#### **Non-GAAP Results**

- Non-GAAP net income for the first quarter of fiscal year 2020 was \$32.2 million, compared to non-GAAP net income of \$34.1 million for the first quarter of fiscal year 2019. Non-GAAP net income for the first quarter of fiscal year 2020 included a foreign exchange loss of \$1.9 million and a mark-to-market loss on the two interest rate swap contracts of \$1.7 million, or \$0.09 per diluted share, compared to a foreign exchange loss of \$3.1 million, or \$0.08 per diluted share, for the first quarter of fiscal year 2019.
- Non-GAAP net income per diluted share for the first quarter of fiscal year 2020 was \$0.86, compared to non-GAAP net income per diluted share of \$0.92 for the same period a year ago.

#### **Business Outlook**

Based on information available as of November 4, 2019, Fabrinet is issuing guidance for its second fiscal quarter of 2020 ending December 27, 2019, as follows:

- Fabrinet expects second quarter revenue to be in the range of \$408 million to \$416 million.
- GAAP net income per diluted share is expected to be in the range of \$0.74 to \$0.77, based on approximately 37.7 million fully diluted shares outstanding.
- Non-GAAP net income per diluted share is expected to be in the range of \$0.91 to \$0.94, based on approximately 37.7 million fully diluted shares outstanding.

#### **Conference Call Information**

Fabrinet First Quarter Fiscal-Year 2020 Financial Results Call

When: Monday, November 4, 2019

Time: 5:00 p.m. ET

(888) 357-3694, domestic Live Call:

(253) 237-1137, international

Passcode: 3684935

(855) 859-2056, domestic Replay:

(404) 537-3406, international

Passcode: 3684935

Webcast: http://investor.fabrinet.com/ (live and replay)

This press release and any other information related to the call will also be posted on Fabrinet's website at http://investor.fabrinet.com. A recorded version of this webcast will be available approximately two hours after the call and 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 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 expectation that Fabrinet Israel will be operational in the first part of calendar 2020; (2) our belief that Fabrinet Israel can mirror the success of Fabrinet West; and (3) 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 second quarter of fiscal year 2020. 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: 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 Annual Report on Form 10-K, filed on August 20, 2019. 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; severance payments; expenses related to our CFO search; amortization of intangibles; business combination expenses; amortization of deferred debt issuance costs; expenses related to reduction in workforce; and ASC 606 adjustments. 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.

SOURCE: Fabrinet

**Investor Contact:** Garo Toomajanian ir@fabrinet.com

## **FABRINET**

# **CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**

(in thousands of U.S. dollars, except share data and par value)	September 27, 2019	June 28, 2019
Assets		
Current assets	ф. 160 FDF	Ф. 100.000
Cash and cash equivalents	\$ 168,535	\$ 180,839
Short-term restricted cash	22,180	— 256 402
Short-term investments	238,266	256,493
Trade accounts receivable, net	273,616	260,602
Contract assets	11,620 321,511	12,447
Inventory, net	6,313	293,612 8,827
Prepaid expenses Other current assets	9,122	11,015
Total current assets	1,051,163	1,023,835
Non-current assets	<b>5</b> 400	<b>=</b> 400
Long-term restricted cash	7,402	7,402
Property, plant and equipment, net	212,270	210,686
Intangibles, net	3,661	3,887
Operating right-of-use assets	6,185	2.705
Goodwill	3,603	3,705
Deferred tax assets	5,201	5,679
Other non-current assets	225	124
Total non-current assets	238,547	231,483
Total Assets	\$ 1,289,710	\$1,255,318
Liabilities and Shareholders' Equity		
Current liabilities		
Long-term borrowings, current portion, net	\$ 12,157	\$ 3,250
Trade accounts payable	252,147	257,617
Contract liabilities	2,266	2,239
Capital lease liability, current portion	391	398
Operating lease liability, current portion	1,550	_
Income tax payable	2,534	1,801
Accrued payroll, bonus and related expenses	18,713	16,510
Accrued expenses	12,014	8,997
Other payables	21,649	22,236
Total current liabilities	323,421	313,048
Non-current liabilities		
Long-term borrowings, non-current portion, net	48,631	57,688
Deferred tax liability	3,791	3,561
Capital lease liability, non-current portion	_	102
Operating lease liability, non-current portion	4,635	_
Severance liabilities	15,872	15,209
Other non-current liabilities	2,665	2,611
Total non-current liabilities	75,594	79,171
Total Liabilities	399,015	392,219
Commitments and contingencies		332,213
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, \$0.01 par value; no shares issued and outstanding as of September 27,		
2019 and June 28, 2019) Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 38,389,128 shares and 38,230,753 shares issued; and 37,000,025 shares and 36,841,650 shares outstanding as of September 27, 2019 and June 28, 2019,		_
respectively)	384	382
Additional paid-in capital	160,148	158,299
Less: Treasury shares (1,389,103 shares and 1,389,103 shares as of September 27, 2019 and June 28, 2019,	/48 550	/48 880
respectively)	(47,779)	(47,779)
Accumulated other comprehensive loss	(2,598)	(2,386)
Retained earnings	780,540	754,583
Total Shareholders' Equity	890,695	863,099
Total Liabilities and Shareholders' Equity	\$ 1,289,710	\$1,255,318

## **FABRINET**

# CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (unaudited)

Cost of revenues         (353,309)         (336,901)           Gross profit         45,987         40,276           Selling, general and administrative expenses         (16,000)         (14,437)           Expenses related to reduction in workforce         —         (85)           Operating income, net         29,987         25,754           interest income         2,098         1,444           interest expense         (2,393)         (634)           foreign exchange (loss) gain, net         (2,393)         (368)           Other income, net         377         77           income before income taxes         28,116         29,709           income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax		Three Mo	onths Ended
Revenues         \$ 399,296         \$ 377,177           Cost of revenues         (353,309)         (356,901)           Gross profit         45,987         40,266           Selling, general and administrative expenses         (16,000)         (14,437)           Expenses related to reduction in workforce          (85)           Operating income, net         20,983         1,444           Interest response         (2,393)         (634)           Interest expense         (2,393)         (634)           Other income, net         377         7.77           Income before income taxes         28,116         29,709           Other income, net         28,116         29,709           Other comprehensive (loss) gain, net         28,116         29,709           Income before income taxes         28,116         29,709           Income before income taxes         28,116         29,709           Note income         28,116         29,709           Note of comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         38         -           Chang	(in thousands of IIC dollars, execut now shows data)		
Cost of revenues         (353,309)         (336,901)           Gross profit         45,987         40,276           Selling, general addinistrative expenses         (16,000)         (14,437)           Expenses related to reduction in workforce         29,987         25,754           Operating income, net         29,987         25,754           Interest income         (2,93)         (63,60)           Groeign exchange (loss) gain, net         (1,953)         3,668           Other income, net         37         7           Income before income taxes         28,116         29,709           Income before income taxes         28,116         29,709           Not income         25,507         1,859           Other comprehensive (loss) income, net of tax:         28,116         29,709           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain (loss) on derivative instruments         35         288           Change in net unrealized gain (loss) on derivative instruments         36         (20)           Otal other comprehensive (loss) income, net of tax         21         87           Vet comprehensive income         25,745         27,937           Selection for freign currency translation adjustment	Revenues		
Selling, general and administrative expenses         (16,000)         (14,437)           Expenses related to reduction in workforce         —         (85)           Operating income, net         29,987         25,754           Interest income         (2,933)         (634)           Interest expense         (2,933)         (634)           Foreign exchange (loss) gain, net         (1,953)         3,068           Other income, net         37         77           Income before income taxes         28,116         29,709           Income before income taxes         22,595         27,850           Other comprehensive (loss) income, net of tax:         Sex         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net unrealized gain (loss) on derivative instruments         38         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Examings per share         \$ 0,70         \$ 0,70         \$ 0,70	Cost of revenues	·	
Expenses related to reduction in workforce         —         (85)           Operating income, net         29,987         25,754           Interest income         2,098         1,444           Interest expense         (2,393)         63,458           Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Vet income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         35         28           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Other comprehensive (loss) income, net of tax         39         (20)           Othange in net unrealized gain (loss) on derivative instruments         36         28           Othange in foreign currency translation adjustment         369         (200)           Ottal other comprehensive (loss) income, net of tax         \$2,793         7           Examines per share         \$2,073         \$7,793           Basic	Gross profit	45,987	40,276
Operating income, net         29,987         25,754           Interest income         2,098         1,444           Interest expense         (2,393)         (634)           Order jon exchange (loss) gain, net         (1,953)         3,068           Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         1,859           Very comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         28           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net unrealized gain (loss) on derivative instruments         33         (20           Other comprehensive (loss) income, net of tax         39         (20           Other comprehensive (loss) income, net of tax         36         288           Very comprehensive (loss) income, net of tax         30         (20           Other comprehensive (loss) income, net of tax         30         (20           Very comprehensive income         \$25,745         \$7,937           Very comprehensive income         \$0         5         27,937           Sasingly	Selling, general and administrative expenses	(16,000)	(14,437)
Interest income         2,098         1,444           Interest expense         (2,393)         (634)           Foreign exchange (loss) gain, net         (1,953)         3,068           Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (369)         (200)           Net comprehensive income         \$25,745         \$7,937           Earnings per share         \$0,70         \$0,76           Basic         \$0,70         \$0,76           Diluted         \$0,69         \$0,75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,913         36,625	Expenses related to reduction in workforce	<u> </u>	(85)
Interest expense         (2,393)         (634)           Foreign exchange (loss) gain, net         (1,953)         3,068           Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         28           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0,70         \$ 0.76           Diluted         \$ 0,69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,625	Operating income, net	29,987	25,754
Foreign exchange (loss) gain, net         (1,953)         3,068           Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0,70         \$ 0.76           Diluted         \$ 0,69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,913         36,625	Interest income	2,098	1,444
Other income, net         377         77           Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0,70         \$ 0,76           Diluted         \$ 0,69         \$ 0,75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,913         36,625	Interest expense	(2,393)	(634)
Income before income taxes         28,116         29,709           Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0.70         \$ 0.76           Diluted         \$ 0.69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,913         36,625	Foreign exchange (loss) gain, net	(1,953)	3,068
Income tax expense         (2,159)         (1,859)           Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0.70         \$ 0.76           Diluted         \$ 0.69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         \$ 36,913         36,625	Other income, net	377	77
Net income         25,957         27,850           Other comprehensive (loss) income, net of tax:         35         288           Change in net unrealized gain on available-for-sale securities         35         288           Change in net unrealized gain (loss) on derivative instruments         39         (1)           Change in net retirement benefits plan – prior service cost         83         —           Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0.70         \$ 0.76           Diluted         \$ 0.69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         \$ 36,913         36,625	Income before income taxes	28,116	29,709
Cher comprehensive (loss) income, net of tax:  Change in net unrealized gain on available-for-sale securities Change in net unrealized gain (loss) on derivative instruments Change in net retirement benefits plan – prior service cost Change in foreign currency translation adjustment Change in for	Income tax expense	(2,159)	(1,859)
Change in net unrealized gain on available-for-sale securities Change in net unrealized gain (loss) on derivative instruments Change in net retirement benefits plan – prior service cost Change in foreign currency translation adjustment  (369) (200) Cotal other comprehensive (loss) income, net of tax Cetter comprehensive income  Earnings per share  Basic Solot Solo	Net income	25,957	27,850
Change in net unrealized gain (loss) on derivative instruments  Change in net retirement benefits plan – prior service cost  Change in foreign currency translation adjustment  Change in foreign currency translation adjustment  Change in foreign currency translation adjustment  (369) (200)  Cotal other comprehensive (loss) income, net of tax  (212) 87  Earnings per share  Basic  Source  Source  Basic  \$0.70 \$0.76  Diluted  \$0.69 \$0.75  Weighted-average number of ordinary shares outstanding (thousands of shares)  Basic  36,913 36,625	Other comprehensive (loss) income, net of tax:	<u> </u>	
Change in net retirement benefits plan – prior service cost       83       —         Change in foreign currency translation adjustment       (369)       (200)         Total other comprehensive (loss) income, net of tax       (212)       87         Net comprehensive income       \$ 25,745       \$ 27,937         Earnings per share       \$ 0.70       \$ 0.76         Diluted       \$ 0.69       \$ 0.75         Weighted-average number of ordinary shares outstanding (thousands of shares)       36,913       36,625	Change in net unrealized gain on available-for-sale securities	35	288
Change in foreign currency translation adjustment         (369)         (200)           Total other comprehensive (loss) income, net of tax         (212)         87           Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0.70         \$ 0.76           Diluted         \$ 0.69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)         36,913         36,625	Change in net unrealized gain (loss) on derivative instruments	39	(1)
Total other comprehensive (loss) income, net of tax       (212)       87         Net comprehensive income       \$ 25,745       \$ 27,937         Earnings per share       \$ 0.70       \$ 0.76         Diluted       \$ 0.69       \$ 0.75         Weighted-average number of ordinary shares outstanding (thousands of shares)       36,913       36,625		83	_
Net comprehensive income         \$ 25,745         \$ 27,937           Earnings per share         \$ 0.70         \$ 0.76           Basic         \$ 0.69         \$ 0.75           Diluted         \$ 0.69         \$ 0.75           Weighted-average number of ordinary shares outstanding (thousands of shares)           Basic         36,913         36,625	Change in foreign currency translation adjustment	(369)	(200)
Earnings per share         Basic       \$ 0.70       \$ 0.76         Diluted       \$ 0.69       \$ 0.75         Weighted-average number of ordinary shares outstanding (thousands of shares)         Basic       36,913       36,625	Total other comprehensive (loss) income, net of tax	(212)	87
Basic       \$ 0.70       \$ 0.76         Diluted       \$ 0.69       \$ 0.75         Weighted-average number of ordinary shares outstanding (thousands of shares)         Basic       36,913       36,625	Net comprehensive income	\$ 25,745	\$ 27,937
Diluted \$ 0.69 \$ 0.75  Weighted-average number of ordinary shares outstanding (thousands of shares)  Basic 36,913 36,625	Earnings per share		
Weighted-average number of ordinary shares outstanding (thousands of shares) Basic 36,913 36,625	Basic	\$ 0.70	\$ 0.76
Basic 36,913 36,625	Diluted	\$ 0.69	\$ 0.75
Basic 36,913 36,625	Weighted-average number of ordinary shares outstanding (thousands of shares)		
Diluted 37,529 37,140	The state of the s	36,913	36,625
	Diluted	37,529	37,140

## **FABRINET**

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

Incination of Use Information         Septembry 2018         Septembry 2018           Table Mose from operating activities         \$25,55         \$27,850           National for the period         \$25,55         \$27,850           Adjustments to reconcile net income to net cash provided by operating activities         74,65         74,12           Descrictation and amortization         78         4,12           Loss on disposal of property, plantal equipment         68         46           Loss on disposal of intangibles         -         14           German Jamoritzation of investment discount (premium)         65         924           Amortization of investment discount (premium)         65         -           Amortization of deferred debt issuance costs         2         -           Reversal of allowance for doublind accounts         1,67         -           Unrealized loss (gain) on exchange rate and fair value of foreign currency forward counts         1,67         -           Unrealized loss (gain) on exchange rate and fair value of foreign currency forward         1,67         -           Share-based compensation         7,05         -           Deferred income tax         2,05         -           Reverance liabilities         2,16         -           Reverance liabilities         2,2		Three Mon	iths Ended	
Cash Inovas from operating activities         \$ 2,5957         \$ 27,850           Adjustments to reconcile net income to net cash provided by operating activities         7,465         7,412           Despecation and amoritzation         7,465         7,412           Loss on disposal of property, plant and equipment         8         6.6         9.41           Giann Joss from sales and maturities of available-for-sale securities         (67)         1.78         1.49           Glainy Joss from sales and maturities of available-for-sale securities         2         -         -         1.49         4.63         3.64           Amornization of investment discount (premium)         6.65         6.94         4.04         4.04         4.04         4.02         - <th>4 1 477 1 11 1</th> <th>September 27,</th> <th colspan="2">September 28,</th>	4 1 477 1 11 1	September 27,	September 28,	
Net income for the period         \$ 25,957         \$ 27,850           Adjustments to reconcile net income to net cash provided by operating activities         7,465         7,412           Depreciation and amortization         8         8         6           Loss on disposal of intangibles         -         148           (Gain) loss from sales and maturities of available-for-sale securities         -         178           Amortization of investment discount (premium)         65         (94           Marchage (Reversal of Investment discount (premium)         16         (5           Share-based compensation         59         4,980           Share-based compensation         60         (264         478           Severance liabilities         21         (264         478           Challer on Canal State (Casta)		2019	2018	
Agious must not reconcile net income to net cash provided by operating activities   7,465   7,412     Loss on disposal of property, plant and equipment   8   64     Loss on disposal of property, plant and equipment   67   178     Amontization of investment discount (premium)   65   694     Chirealized loss (gain) on actachange rate and fair value of foreign currency forward contracts   1,479   6,252     Universitized loss (gain) on actachange rate and fair value of foreign currency forward contracts   1,479   6,252     Universitized loss (gain) on actachange rate and fair value of foreign currency forward contracts   1,479   6,252     Universitized loss (gain) on actachange rate and fair value of foreign currency forward contracts   1,479   6,252     Universitized loss (gain) on actachange rate and fair value of foreign currency forward contracts   1,479   6,253   6,295     Universitized compensation   5,995   4,980     Deferred income tax   6,295   6,395   6,295   6,295     Cherred income tax   6,295		\$ 25,957	\$ 27.850	
Dependant on and annoritzation   7,465   7,412   Loss on disposal of intangibles   -   149   (Gain) loss from sales and maturities of available-for-sale securities   67   178   Amortization of investment discount (premium)   65   694   Amortization of deterred delt issuance costs   2   -   (Reversal of) allowance for doubful accounts   1,479   4,232   Unrealized loss (gain) on exchange rate and fair value of foreign currency forward contracts   1,479   4,232   Unrealized loss (gain) on fair value of interest rate swaps   1,671   (50)   Share-based compensation   5,955   4,950   Share-based compensation   705   3   3   Severance liabilities   811   872   Other non-cash expenses   3   262   Reversal of inventory obsolescence   25   4,080   Reversal of inventory obsolescence   25   20   Contract assets   27   20   Inventory   27,534   28,090   Inventory   28,000   28,000   Inventory   28,000   Inventory   28,000   28,000   Inventory   28,000   28,000   Inventory   28,000		Ψ 20,307	Ψ 27,050	
Loss on disposal of property, plant and equipment		7,465	7.412	
Cosin loss of intengibles				
Grain   178   Amortization of investment discount (premium)		_	-	
Amortization of investment discount (premium)         65         (94)           Amortization of deferred debt issuance costs         2         —           (Reversal of) allowance for doubtful accounts         1,79         (4,282)           Umealized loss (gain) on exchange rate and fair value of foreign currency forward contracts         1,671         (300)           Share-based compensation         705         3           Deferred income tax         705         3           Severance liabilities         311         872           Other non-cash expenses         53         (202)           Reversal of inventory obsolescence         (26)         (478)           Changes in operating asserts and liabilities         11,997         (10,887)           Changes in operating asserts and liabilities         22         (28)           Inventory         (27,634)         (28,904)         (28,904)           Other current asserts and non-current asserts         2,22         (297)           Trade accounts payable         (5,263)         (2,182)           Contract liabilities         2,27         —           Income tax payable         (5,263)         (2,182)           Contract liabilities and non-current liabilities         (1,16)         (3,282)           Pieces for		(67)	178	
Amortization of deferred debt issuance costs		( /		
Reversal of pallowance for doubtful accounts   1,479   4,232		2		
Unrealized loss (gain) on exchange rate and fair value of foreign currency forward contracts		(5)		
Unrealized loss (gain) on fair value of interest rate swaps	Unrealized loss (gain) on exchange rate and fair value of foreign currency forward contracts		(4,232)	
Share-based compensation         5.995         4,980           Deferred income tax         705         3           Severance liabilities         811         872           Other non-cash expenses         264         478           Reversal of inventory obsolescence         (264)         478           Changes in operating assets and liabilities         827         (200           Trade accounts receivable         827         (200           Contract assets         827         (250           Contract assets and non-current assets and non-current assets and non-current assets and policities         27         —           Trade accounts payable         (5,263)         29,182         27         —           Income tax payable         (5,263)         29,182         27         —           Income tax payable         (5,263)         2,818         4,247         X         A         2,27         —         —         1,060         0.060         1,176         8,427         X         —         —         1,060         0.060         1,176         8,427         —         —         —         1,060         0.060         1,157         8,422         —         —         —         1,060         0.060         1,055		1,671	(50)	
Severance liabilities         811         872           Other non-cash expenses         53         (282)           Reversal of inventory obsolescence         (264)         (478)           Changes in operating assets and liabilities         Trade accounts receivable         (12.967)         (10.887)           Contract assets         827         (280)           Inventory         (27,634)         (28,904)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,63)         29,182           Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         2,647         34,593           Other current liabilities and non-current liabilities         2,647         34,593           Other current liabilities and non-current liabilities         (6,243)         1,952           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (6,2880)         (1,955)           Proceeds from sales of short-term investments         (6,2880)         (1,955)           Proceeds from sales of short-term investments         (6,343)         (5,410)	Share-based compensation	5,995		
Other non-cash expenses         53         (282)           Reversal of inventory obsolescence         (26)         (478)           Changes in operating assets and liabilities         Trade accounts receivable         (12,967)         (10,887)           Contract assets         827         (280)           Inventory         (27,634)         (28,904)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,263)         29,182           Contract liabilities         77         —           Income tax payable         (5,263)         29,182           Other current liabilities and non-current liabilities         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,533           Income tax payable         (62,800)         1,655           Net cash provided by operating activities         (62,800)         1,655           Net cash growided by operating activities         (62,800)         1,955           Proceeds from investing activities         (62,800)         1,955           Proceeds from maturities of short-term investments         (62,800)         1,656	Deferred income tax	705	3	
Reversal of inventory obsolescence         (264)         (478)           Changes in operating assets and liabilities         (12,967)         (10,887)           Contract assets         827         (280)           Inventory         (27,634)         (28,044)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         5,263         29,182           Contract liabilities         73         1,680           Other current liabilities and non-current liabilities         733         1,680           Other current liabilities and non-current liabilities         2,647         34,593           Other current liabilities and non-current liabilities         6,642         34,593           Other current liabilities and non-current liabilities         2,647         34,593           Net cash provided by operating activities         2,647         34,593           Net scap provided by operating activities         6,842         1,955           Proceeds from investing activities         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of intangibles         (264)         (28           Purchase of intangibles         (246)         (28	Severance liabilities	811	872	
Changes in operating assets and liabilities         (12,967)         (10,887)           Trade accounts receivable         (27,634)         (28,004)           Contract assets         (27,634)         (28,004)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,63)         29,182           Contract liabilities         27         —           Income tax payable         (33         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         (2,647)         34,533           Cash flows from investing activities         (62,880)         (1,955)           Proceeds from sales of short-term investments         (62,880)         (1,955)           Proceeds from maturities of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         (62,880)         (1,955)           Proceeds from analyties of short-term investments         (82,800)         (1,955)           Proceeds from analyties of short-term investments         (82,800)         (1,955)           Proceeds from analyties of short-term investments         (82,800)         (780)           Putchase of property, plant and equipment	Other non-cash expenses	53	(282)	
Trade accounts receivable         (12,967)         (10,887)           Contract assets         827         (28,094)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,263)         29,182           Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Purchase of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         (62,880)         (1,955)           Proceeds from maturities of short-term investments         (62,800)         (1,955)           Proceeds from financing activities         (63,34)         (5,410)           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (60,938)         —           Net cash provided by investing activities         (1,676)         36,601	Reversal of inventory obsolescence	(264)	(478)	
Contract assets         827         (280)           Inventory         (27,634)         (28,904)           Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,263)         29,182           Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (62,880)         (1,955)           Proceeds from sales of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         31,673         19,863           Proceeds from sales of short-term investments         31,673         19,863           Proceeds from sales of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         (62,343)         (5,410)           Purchase of intangibles         (246)         (78           Net cash provided by investing activities         (153)         —           Proceeds from long-term borrowings         (60,938)         (813)           Repayment	Changes in operating assets and liabilities			
Inventory	Trade accounts receivable	(12,967)	(10,887)	
Other current assets and non-current assets         4,225         (979)           Trade accounts payable         (5,263)         29,182           Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (62,880)         (1,555)           Purchase of short-term investments         (62,880)         1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         (6,343)         (5,410)           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of property, plant and equipment         (78)         36,601           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities         (153)         —           Proceeds from long-term borrowings         (60,938)         —           Repayment of long-term borrowings         (60,938)         —	Contract assets	827	(280)	
Trade accounts payable         (5,63)         29,182           Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (62,880)         (1,955)           Purchase of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         (6,343)         (5,410)           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of long-term borrowings         60,938         —           Repayment of capital lease liability         (109)         (123)           Repayment of capital lease liability         (109)         (123)           Net cas	Inventory	(27,634)	(28,904)	
Contract liabilities         27         —           Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         8         2,647         34,593           Cash flows from investing activities         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities         (153)         —           Payment of debit issuance costs         (153)         —           Porceeds from long-term borrowings         (60,938)         813           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Withholding tax related to net share settlement of restricted share units         (4,144)			(979)	
Income tax payable         733         1,680           Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (62,880)         (1,955)           Proceeds from sales of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         31,673         19,863           Proceeds from maturities of short-term investments         31,673         19,863           Proceeds from sales of short-term investments         (6,343)         (5,410)           Proceeds from sale of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         (153)         -           Repayment of debt issuance costs         (153)         -           Proceeds from long-term borrowings         (60,938)         (813)           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (1	Trade accounts payable	(5,263)	29,182	
Other current liabilities and non-current liabilities         (1,176)         8,427           Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         8           Purchase of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of legistrated borrowings         (60,938)         —           Repayment of capital lease liability         (109)         (123)           Repayment of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         (4,104)         (3,904)           Net increase in cas	Contract liabilities		_	
Net cash provided by operating activities         2,647         34,593           Cash flows from investing activities         (62,880)         (1,955)           Purchase of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (26)         (78           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities         (153)         —           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         (60,938)         —           Repayment of long-term borrowings         (60,938)         —           Repayment of capital lease liability         (109)         (123)           Repayment of capital lease liability         (109)         (123)           Repayment of spiral lease liability         (109)         (123)           Repayment of spiral lease liability         (109)         (123)           Repayment of spiral lease liability         (109)         (123)	1 7	733		
Cash flows from investing activities         (62,880)         (1,955)           Purchase of short-term investments         49,472         24,181           Proceeds from sales of short-term investments         31,673         19,863           Proceeds from maturities of short-term investments         (6,343)         (5,410)           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         (60,938)         (813)           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         (109)         (123)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         (4,406)         (13,318)           Net increase in cash, cash equivalents and restricted cash         9,917         57,876           Movement in cash, cas	Other current liabilities and non-current liabilities	(1,176)	8,427	
Purchase of short-term investments         (62,880)         (1,955)           Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         78           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities           Proceeds from long-term borrowings         (153)         —           Proceeds from borrowings         (60,938)         —           Repayment of long-term borrowings         (60,938)         —           Repayment of capital lease liability         (109)         (123)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents a	Net cash provided by operating activities	2,647	34,593	
Proceeds from sales of short-term investments         49,472         24,181           Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         9,917         57,876	Cash flows from investing activities			
Proceeds from maturities of short-term investments         31,673         19,863           Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         (4,406)         (13,318)           Net cash used in financing activities         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         (41)         667     <	Purchase of short-term investments	(62,880)	(1,955)	
Purchase of property, plant and equipment         (6,343)         (5,410)           Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         11,676         36,601           Cash flows from financing activities           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         (4,406)         (13,318)           Net increase in cash, cash equivalents and restricted cash         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         41         667           Cash, cash equivalents and restricted cash at end of period         18,241	Proceeds from sales of short-term investments	49,472	24,181	
Purchase of intangibles         (246)         (78)           Net cash provided by investing activities         36,601           Cash flows from financing activities         11,676         36,601           Payment of debt issuance costs         (153)         —           Proceeds from long-term borrowings         60,938         —           Repayment of long-term borrowings         (60,938)         (813)           Repayment of capital lease liability         (109)         (123)           Release of restricted cash held in connection with business acquisition         —         (3,478)           Withholding tax related to net share settlement of restricted share units         (4,144)         (8,904)           Net cash used in financing activities         (4,406)         (13,318)           Net increase in cash, cash equivalents and restricted cash         9,917         57,876           Movement in cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         9,917         57,876           Effect of exchange rate on cash, cash equivalents and restricted cash         41         667           Cash, cash equivalents and restricted cash at end of period         \$198,117         \$219,976           Non-cash investing and financing activities         \$198,117	Proceeds from maturities of short-term investments	31,673	19,863	
Net cash provided by investing activities11,67636,601Cash flows from financing activities1Payment of debt issuance costs(153)—Proceeds from long-term borrowings60,938—Repayment of long-term borrowings(60,938)(813)Repayment of capital lease liability(109)(123)Release of restricted cash held in connection with business acquisition—(3,478)Withholding tax related to net share settlement of restricted share units(4,144)(8,904)Net cash used in financing activities(4,406)(13,318)Net increase in cash, cash equivalents and restricted cash9,91757,876Movement in cash, cash equivalents and restricted cash188,241161,433Increase in cash, cash equivalents and restricted cash9,91757,876Effect of exchange rate on cash, cash equivalents and restricted cash(41)667Cash, cash equivalents and restricted cash at end of period\$ 198,117\$ 219,976Non-cash investing and financing activities	Purchase of property, plant and equipment	(6,343)	(5,410)	
Cash flows from financing activitiesPayment of debt issuance costs(153)—Proceeds from long-term borrowings60,938—Repayment of long-term borrowings(60,938)(813)Repayment of capital lease liability(109)(123)Release of restricted cash held in connection with business acquisition—(3,478)Withholding tax related to net share settlement of restricted share units(4,144)(8,904)Net cash used in financing activities(4,406)(13,318)Net increase in cash, cash equivalents and restricted cash9,91757,876Movement in cash, cash equivalents and restricted cash9,91757,876Effect of exchange rate on cash, cash equivalents and restricted cash9,91757,876Effect of exchange rate on cash, cash equivalents and restricted cash(41)667Cash, cash equivalents and restricted cash at end of period\$198,117\$219,976Non-cash investing and financing activities	Purchase of intangibles	(246)	(78)	
Payment of debt issuance costs(153)—Proceeds from long-term borrowings60,938—Repayment of long-term borrowings(60,938)(813)Repayment of capital lease liability(109)(123)Release of restricted cash held in connection with business acquisition—(3,478)Withholding tax related to net share settlement of restricted share units(4,144)(8,904)Net cash used in financing activities(4,406)(13,318)Net increase in cash, cash equivalents and restricted cash9,91757,876Movement in cash, cash equivalents and restricted cash188,241161,433Increase in cash, cash equivalents and restricted cash9,91757,876Effect of exchange rate on cash, cash equivalents and restricted cash9,91757,876Cash, cash equivalents and restricted cash at end of period188,241161,433Cash, cash equivalents and restricted cash at end of period188,241167,433Cash, cash equivalents and restricted cash at end of period\$198,117\$219,976Non-cash investing and financing activities	Net cash provided by investing activities	11,676	36,601	
Payment of debt issuance costs(153)—Proceeds from long-term borrowings60,938—Repayment of long-term borrowings(60,938)(813)Repayment of capital lease liability(109)(123)Release of restricted cash held in connection with business acquisition—(3,478)Withholding tax related to net share settlement of restricted share units(4,144)(8,904)Net cash used in financing activities(4,406)(13,318)Net increase in cash, cash equivalents and restricted cash9,91757,876Movement in cash, cash equivalents and restricted cash188,241161,433Increase in cash, cash equivalents and restricted cash9,91757,876Effect of exchange rate on cash, cash equivalents and restricted cash9,91757,876Cash, cash equivalents and restricted cash at end of period188,241161,433Cash, cash equivalents and restricted cash at end of period188,241167,433Cash, cash equivalents and restricted cash at end of period\$198,117\$219,976Non-cash investing and financing activities	Cash flows from financing activities			
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Effect of exchange rate on cash, cash equivalents and restricted cash  Cash, cash equivalents and restricted cash at end of period  Non-cash investing and financing activities  (41) 667  \$ 198,117 \$ 219,976				
Cash, cash equivalents and restricted cash at end of period  Non-cash investing and financing activities  \$ 198,117 \$ 219,976				
Non-cash investing and financing activities				
		<u>\$ 198,117</u>	\$ 219,976	
Construction, software and equipment-related payables \$ 9,816 \$ 3,830				
	Construction, software and equipment-related payables	\$ 9,816	\$ 3,830	

# FABRINET UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

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

	As of	As of
	September 27,	September 28,
(amount in thousands)	2019	2018
Cash and cash equivalents	\$ 168,535	\$ 219,976
Restricted cash	29,582	
Cash, cash equivalents and restricted cash	\$ 198,117	\$ 219,976

# FABRINET RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

		Three Months Ended		
		iber 27, 19		nber 28, 118
(in thousands of U.S. dollars, except per share data)	Net income	Diluted EPS	Net income	Diluted EPS
GAAP measures	\$25,957	\$ 0.69	\$27,850	\$ 0.75
Items reconciling GAAP net income & EPS to non-GAAP net income & EPS:				
Related to cost of revenues:				
Share-based compensation expenses	1,720	0.05	1,847	0.05
Depreciation of fair value uplift	79	0.00	89	0.00
ASC 606 adoption impact on gross profit			(31)	0.00
Total related to gross profit	1,799	0.05	1,905	0.05
Related to selling, general and administrative expenses:				
Share-based compensation expenses	4,275	0.11	3,133	0.08
Expenses related to CFO search	_		190	0.01
Amortization of intangibles	143	0.00	192	0.01
Business combination expenses	_		182	0.00
Severance payment			585	0.02
Total related to selling, general and administrative expenses	4,418	0.12	4,282	0.12
Related to other incomes and other expenses:				
Expenses related to reduction in workforce	_	_	85	0.00
Amortization of deferred debt issuance costs	2	0.00	_	_
Total related to other incomes and other expenses	2	0.00	85	0.00
Total related to net income & EPS	6,219	0.17	6,272	0.17
Non-GAAP measures	\$32,176	\$ 0.86	\$34,122	\$ 0.92
Shares used in computing diluted net income per share				
GAAP diluted shares		37,529		37,140
Non-GAAP diluted shares		37,529		37,140

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

		Three Months Ended		led
	Sep	tember 27,	Sep	tember 28,
(amount in thousands)		2019		2018
Net cash provided by operating activities	\$	2,647	\$	34,593
Less: Purchase of property, plant and equipment		(6,343)		(5,410)
Non-GAAP free cash flow	\$	(3,696)	\$	29,183

# FABRINET GUIDANCE FOR QUARTER ENDING DECEMBER 27, 2019 RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

	Diluted EPS	
GAAP net income per diluted share:	\$0.74 to \$0.77	
Related to cost of revenues:		
Share-based compensation expenses	0.04	
Total related to gross profit	0.04	
Related to selling, general and administrative expenses:		
Share-based compensation expenses	0.12	
Expenses related to our CFO search	0.01	
Total related to selling, general and administrative expenses	0.13	
Total related to net income & EPS		
Non-GAAP net income per diluted share	\$0.91 to \$0.94	