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Stock Selection Guide

Company	Fabrinet		Date	07/16/25
Prepared by	Carpenter		Data taken from	BI Stock Data
Where traded	NYS	Industry	Electronic Components	

Capitalization --- Outstanding Amounts		Reference		
Preferred ($M)		0.0	% Insiders	% Institution
Common (M Shares)		36.2	1.5	85.7
Debt ($M)	5.7	% to Tot Cap	0.3 % Pot Dil	0.7

Symbol: FN

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY 2025 Q3	Sales ($M)	Earnings Per Share
Latest Quarter	872	2.25
Year Ago Quarter	732	2.21
Percentage Change	19.2%	1.8%
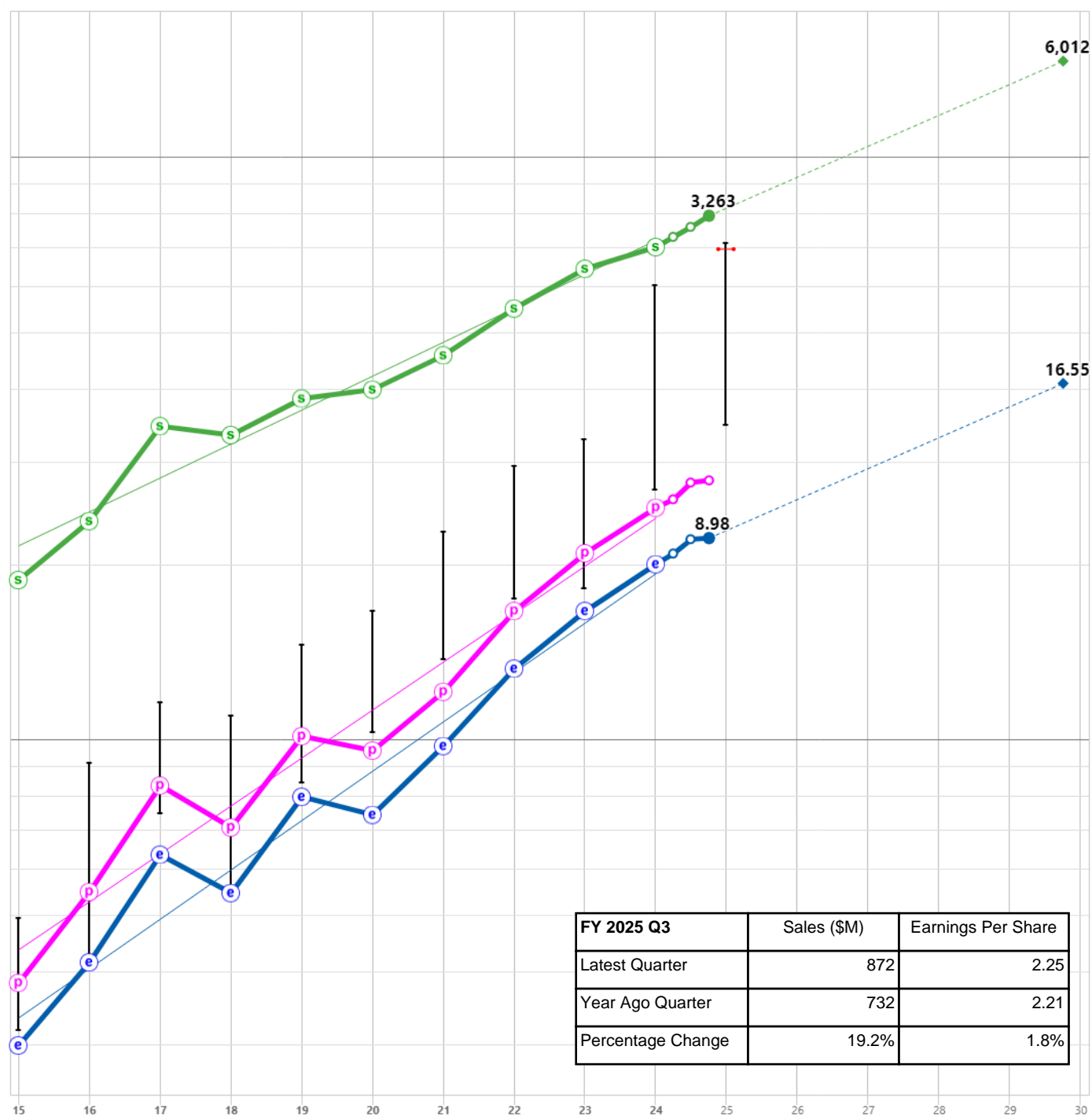
(1) Historical Sales Growth   14.3%

(2) Estimated Future Sales Growth   13.0%

(3) Historical Earnings Per Share Growth   21.5%

(4) Estimated Future Earnings Per Share Growth   13.0%

2 EVALUATING Management   **Fabrinet**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Last 5 Year Avg.
% Pre-tax Profit on Sales	6.2%	7.0%	7.3%	6.4%	8.0%	7.3%	8.0%	9.1%	9.8%	10.8%	9.0%
% Earned on Equity	9.3%	11.5%	14.8%	11.0%	14.4%	11.8%	13.5%	15.9%	16.9%	17.6%	15.2%
% Debt To Capital	7.8%	9.9%	9.6%	8.1%	6.6%	5.8%	4.0%	2.4%	0.9%	0.3%	2.7%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CURRENT PRICE 297.45 (07/16/25)   **52-WEEK HIGH**   303.65   **52-WEEK LOW**   148.55

	A	B	C	D	E	F	G	H
Year	**Price**		**Earnings**	**Price Earnings Ratio**		**Dividend**	**% Payout**	**% High Yield**
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2020	71.2	44.0	3.01	23.7	14.6	0.00	0.0	0.0
2021	97.0	58.9	3.95	24.6	14.9	0.00	0.0	0.0
2022	126.3	74.6	5.36	23.6	13.9	0.00	0.0	0.0
2023	140.2	77.7	6.73	20.8	11.5	0.00	0.0	0.0
2024	257.0	114.8	8.10	31.7	14.2	0.00	0.0	0.0
AVERAGE		**74.0**		**24.9**	**13.8**		**0.0**	
CURRENT/TTM			8.98	33.8	16.5	0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 19.3					**CURRENT PRICE EARNINGS RATIO: 33.1**			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

   Avg. High P/E   24.0   X Estimate High Earnings/Share   16.55   =   Forecasted High Price $ 397.2

B LOW PRICE - NEXT 5 YEARS

   (a) Avg. Low P/E   13.0   X Estimate Low Earnings/Share   8.98   =   Forecasted Low Price $ 116.7

   (b) Avg. Low Price of Last 5 Years   74.0

   (c) Recent Market Low Price   77.7

   (d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}}$ = $\frac{0.00}{0.00\%}$ = 0.0

                                                                                  Selected Forecasted Low Price $ 116.7

C ZONING   using 25%-50%-25%

   Forecasted High Price   397.2   Minus Forecasted Low Price   116.7   =   280.5   Range.   25% of Range   70.1

                          Buy Zone   116.7   to   186.8
                          Hold Zone   186.8   to   327.1
                          Sell Zone   327.1   to   397.2

              Present Market Price of   297.45   is in the   **HOLD**   Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

   $\frac{\text{High Price} \quad 397.2 \quad \text{Minus Current Price} \quad 297.45}{\text{Current Price} \quad 297.45 \quad \text{Minus Low Price} \quad 116.7}$ = $\frac{99.75}{180.75}$ = 0.6   To 1

E PRICE TARGET   (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

   $\frac{\text{High Price} \quad 397.2}{\text{Current Price} \quad 297.45}$ = 1.3354   X   100   =   133.54   -   100   =   33.5   % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend} \quad 0.00}{\text{Current Price} \quad 297.45}$ =   0.0000   =   0.0 %   Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E   **AVERAGE YIELD - USING FORECAST AVERAGE P/E**

   $\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}}$ = $\frac{0.0 \%}{24.00}$ = 0.0 % $\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}}$ = $\frac{0.0 \%}{18.50}$ = 0.0 %

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E   **COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E**

Annualized Appreciation	6.0 %	Annualized Appreciation	0.6 %
Average Yield	0.0 %	Average Yield	0.0 %
Annualized Rate of Return	6.0 %	Annualized Rate of Return	0.6 %