

REFINITIV

DELTA REPORT

10-Q

FOXF - FOX FACTORY HOLDING CORP

10-Q - SEPTEMBER 27, 2024 COMPARED TO 10-Q - JUNE 28, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1277

■ CHANGES	307
■ DELETIONS	458
■ ADDITIONS	512

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 28, 2024** **September 27, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 001-36040

Fox Factory Holding Corp.

(Exact name of registrant as specified in its charter)

Delaware

26-1647258

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

2055 Sugarloaf Circle, Suite 300, Duluth GA 30097
(Address of principal executive offices) (Zip Code)

(831) 274-6500
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	FOXF	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Emerging growth company
Non-accelerated filer Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **July 25, 2024** **October 24, 2024**, there were **41,683,211** **41,683,396** shares of the registrant's common stock outstanding.

Fox Factory Holding Corp.

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FOX FACTORY HOLDING CORP.
Condensed Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

	As of
	June 28, 2024
	December 29, 2023
	September 27, 2024
	December 29, 2023
Assets	
Assets	
Assets	
Current assets:	
Current assets:	
Current assets:	
Cash and cash equivalents	
Cash and cash equivalents	

Cash and cash equivalents		
Accounts receivable (net of allowances of \$940 and \$1,158, respectively)		
Accounts receivable (net of allowances of \$1,901 and \$1,158, respectively)		
Inventory		
Prepays and other current assets		
Total current assets		
Property, plant and equipment, net		
Lease right-of-use assets		
Deferred tax assets		
Goodwill		
Trademarks and brands, net		
Customer and distributor relationships, net		
Core technologies, net		
Other assets		
Total assets		
Liabilities and stockholders' equity		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued expenses		
Current portion of long-term debt		
Current portion of long-term debt		
Current portion of long-term debt		
Total current liabilities		
Revolver		
Term A Loan, less current portion		
Term Loans, less current portion		
Other liabilities		
Total liabilities		
Total liabilities		
Total liabilities		
Commitments and contingencies (Refer to Note 8 - Commitments and Contingencies)	Commitments and contingencies (Refer to Note 8 - Commitments and Contingencies)	Commitments and contingencies (Refer to Note 8 - Commitments and Contingencies)
Stockholders' equity		
Stockholders' equity		
Stockholders' equity		
Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of June 28, 2024 and December 29, 2023		
Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of June 28, 2024 and December 29, 2023		
Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of June 28, 2024 and December 29, 2023		
Common stock, \$0.001 par value — 90,000 authorized; 42,572 shares issued and 41,682 outstanding as of June 28, 2024; 42,844 shares issued and 41,954 outstanding as of December 29, 2023		
Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of September 27, 2024 and December 29, 2023		
Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of September 27, 2024 and December 29, 2023		

Preferred stock, \$0.001 par value — 10,000 authorized and no shares issued or outstanding as of September 27, 2024 and December 29, 2023

Common stock, \$0.001 par value — 90,000 authorized; 42,573 shares issued and 41,683 outstanding as of September 27, 2024; 42,844 shares issued and 41,954 outstanding as of December 29, 2023

Additional paid-in capital

Treasury stock, at cost; 890 common shares as of June 28, 2024 and December 29, 2023

Accumulated other comprehensive income

Treasury stock, at cost; 890 common shares as of September 27, 2024 and December 29, 2023

Accumulated other comprehensive (loss) income

Retained earnings

Total stockholders' equity

Total liabilities and stockholders' equity

The accompanying notes are an integral part of these condensed consolidated financial statements.

FOX FACTORY HOLDING CORP. Condensed Consolidated Statements of Income (in thousands, except per share data) (unaudited)					
	For the three months ended June 28, 2024	For the three months ended June 30, 2023	For the six months ended June 28, 2024	For the three months ended June 30, 2023	For the nine months ended
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023	
Net sales					
Cost of sales					
Gross profit					
Operating expenses:					
General and administrative					
General and administrative					
General and administrative					
Sales and marketing					
Research and development					
Amortization of purchased intangibles					
Total operating expenses					
Total operating expenses					
Total operating expenses					
Income from operations					
Interest expense					
Other (income) expense, net					
Other income, net					
Income before income taxes					
(Benefit) provision for income taxes					
Provision (benefit) for income taxes					
Net income					
Earnings per share:					
Earnings per share:					

Earnings per share:

Basic
Basic
Basic
Diluted

Weighted-average shares used to compute earnings per share:

Basic
Basic
Basic
Diluted

The accompanying notes are an integral part of these condensed consolidated financial statements.

FOX FACTORY HOLDING CORP.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands)
(unaudited)

	For the three months ended	For the three months ended	For the six months ended	For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	
				September 27, 2024	September 29, 2023
				September 27, 2024	September 29, 2023
Net income					
Other comprehensive income (loss)					
Interest rate swap					
Interest rate swap					
Interest rate swap					
Change in net unrealized gains, net of tax effects of \$(277) and \$(320) for the three and six months ended June 28, 2024, respectively, and \$210 and \$(361) for the three and six months ended June 30, 2023, respectively					
Change in net unrealized gains, net of tax effects of \$(277) and \$(320) for the three and six months ended June 28, 2024, respectively, and \$210 and \$(361) for the three and six months ended June 30, 2023, respectively					
Change in net unrealized gains, net of tax effects of \$(277) and \$(320) for the three and six months ended June 28, 2024, respectively, and \$210 and \$(361) for the three and six months ended June 30, 2023, respectively					
Less: reclassification of net gains on interest rate swap to net earnings					
Change in net unrealized gains, net of tax effects of \$(1,339) and \$(1,659) for the three and nine months ended September 27, 2024, respectively, and \$(79) and \$(440) for the three and nine months ended September 29, 2023, respectively					
Change in net unrealized gains, net of tax effects of \$(1,339) and \$(1,659) for the three and nine months ended September 27, 2024, respectively, and \$(79) and \$(440) for the three and nine months ended September 29, 2023, respectively					
Change in net unrealized gains, net of tax effects of \$(1,339) and \$(1,659) for the three and nine months ended September 27, 2024, respectively, and \$(79) and \$(440) for the three and nine months ended September 29, 2023, respectively					
Reclassification of net gains on interest rate swap to net earnings					
Net change, net of tax effects					
Foreign currency translation adjustments					

Other comprehensive (loss) income

Comprehensive income (loss)

The accompanying notes are an integral part of these condensed consolidated financial statements.

FOX FACTORY HOLDING CORP.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock		Common Stock		Common Stock		Common Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance - December 30, 2022								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Stock-based compensation expense								
Stock-based compensation expense								
Stock-based compensation expense								
Other comprehensive loss								
Other comprehensive loss								
Other comprehensive loss								
Net income								
Net income								
Net income								
Balance - March 31, 2023								
Balance - March 31, 2023								
Balance - March 31, 2023								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Stock-based compensation expense								
Stock-based compensation expense								
Stock-based compensation expense								
Other comprehensive income								
Other comprehensive income								
Other comprehensive income								
Net income								
Net income								
Net income								
Balance - June 30, 2023								
Balance - June 30, 2023								
Balance - June 30, 2023								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding								

Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding
Stock-based compensation expense
Stock-based compensation expense
Stock-based compensation expense
Other comprehensive loss
Other comprehensive loss
Other comprehensive loss
Net income
Net income
Net income
Balance - September 29, 2023
Balance - September 29, 2023
Balance - September 29, 2023

	Common Stock		Treasury		Additional paid-in capital		Accumulated other comprehensive income		Retained earnings	Total stockholders' equity
	Shares	Amount	Shares	Amount	in capital		income			
Balance - December 29, 2023	42,844	\$ 42	890	\$ (13,754)	\$ 348,346		\$ 9,041	\$ 878,086	\$	1,221,761
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	40	—	—	—	(1,315)		—	—	—	(1,315)
Purchase and retirement of common stock	(378)	—	—	—	(16,077)		Accumulated other comprehensive income	—	(9,082)	(25,159)
Stock-based compensation expense						3,906	—	—	—	3,906
Other comprehensive loss			Shares—	Amount—	Shares—	Amount—	in capital—	income (loss) (208)	Retained earnings—	Total stockholders' equity (3,208)
Balance - December 29, 2023	42,844	\$ 42	890	\$ (13,754)	\$ 348,346		\$ 9,041	\$ 878,086	\$	1,221,761
Balance - March 29, 2024 under equity compensation plans, net of shares repurchased for income tax withholding	42,506	\$ 42	890	\$ (13,754)	\$ 334,860		\$ 5,833	\$ 865,508	\$	1,192,489
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	40	—	—	—	(1,315)		—	—	—	(1,315)
Purchase and retirement of common stock	(368)	—	—	—	(16,029)		—	—	(9,082)	(25,289)
Stock-based compensation expense	—	—	—	—	3,906		—	—	(52)	3,906
Stock-based compensation expense	—	—	—	—	2,203		(3,208)	—	—	(3,208)
Other comprehensive loss	—	—	—	—	—		(2,435)	(3,496)	—	(2,496)
Balance - March 29, 2024	42,506	\$ 42	890	\$ (13,754)	\$ 334,860		\$ 5,833	\$ 865,508	\$	1,192,489
Balance - June 28, 2024 under equity compensation plans, net of shares repurchased for income tax withholding	42,573	\$ 42	890	\$ (13,754)	\$ 335,834		\$ 3,398	\$ 870,863	\$	1,196,383
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	67	—	—	—	(1,229)		—	—	—	(1,229)
Purchase and retirement of common stock	—	—	6	—	—		—	—	(52)	(52)
Stock-based compensation expense	—	—	—	—	2,203		—	—	—	2,203
Other comprehensive loss	—	—	—	—	—		(2,435)	—	—	(2,435)
Net income	—	—	—	—	—		—	5,407	—	5,407
Balance - June 28, 2024	42,573	\$ 42	890	\$ (13,754)	\$ 335,834		\$ 3,398	\$ 870,863	\$	1,196,383
Issuance of common stock under equity compensation plans, net of shares repurchased for income tax withholding	1	—	—	—	(68)		—	—	—	(68)
Purchase and retirement of common stock	—	—	—	—	—		—	—	(49)	(49)
Stock-based compensation expense	—	—	—	—	465		—	—	—	465
Other comprehensive loss	—	—	—	—	—		(4,453)	—	—	(4,453)
Net income	—	—	—	—	—		—	4,780	—	4,780
Balance - September 27, 2024	42,574	\$ 42	890	\$ (13,754)	\$ 336,231		\$ (1,055)	\$ 875,594	\$	1,197,058

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows
 (in thousands)
 (unaudited)

For the six months ended

June 28, 2024

June 30, 2023

For the nine months ended

September 27, 2024

September 29, 2023

OPERATING ACTIVITIES:

Net income

Net income

Net income

Adjustments to reconcile net income to net cash provided by (used in) operating activities:

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization

Provision for inventory reserve

Stock-based compensation

Amortization of acquired inventory step-up

Amortization of loan fees

Amortization of deferred gains on prior swap settlements

Amortization of deferred gains on prior swap settlements

Amortization of deferred gains on prior swap settlements

Loss on disposal of property and equipment

Loss on disposal of property and equipment

Loss on disposal of property and equipment

Deferred taxes

Deferred taxes

Deferred taxes

Changes in operating assets and liabilities, net of effects of acquisitions:

Accounts receivable

Accounts receivable

Accounts receivable

Inventory

Income taxes

Prepays and other assets

Accounts payable

Accrued expenses and other liabilities

Net cash provided by (used in) operating activities

Net cash provided by operating activities

INVESTING ACTIVITIES:

Acquisitions of businesses, net of cash acquired

Acquisitions of businesses, net of cash acquired

Acquisitions of businesses, net of cash acquired

Acquisition of other assets, net of cash acquired

Purchases of property and equipment

Net cash used in investing activities

Net cash used in investing activities

Net cash used in investing activities

FINANCING ACTIVITIES:

Proceeds from revolver

Proceeds from revolver

Proceeds from revolver

Payments on revolver
Proceeds from issuance of debt
Repayment of term debt
Purchase and retirement of common stock
Purchase and retirement of common stock
Purchase and retirement of common stock
Repurchases from stock compensation program, net
Repurchases from stock compensation program, net
Repurchases from stock compensation program, net
Deferred debt issuance/modification costs
Net cash (used in) provided by financing activities
Net cash (used in) provided by financing activities
Net cash (used in) provided by financing activities
Net cash used in financing activities
Net cash used in financing activities
Net cash used in financing activities
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
CHANGE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS—Beginning of period
CASH AND CASH EQUIVALENTS—End of period

The accompanying notes are an integral part of these condensed consolidated financial statements.

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FOX FACTORY HOLDING CORP.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

SUPPLEMENTAL CASH FLOW INFORMATION:	SUPPLEMENTAL CASH FLOW INFORMATION:	For the six months ended		For the nine months ended	
		June 28, 2024	June 30, 2023	September 27, 2024	September 29, 2023
Cash paid during the period for:					
Income tax payment					
Income tax payment					
Income tax payment					
Interest					
Amounts included in the measurement of lease liabilities					
Non-cash operating activities:					
Right-of-use assets obtained in exchange for lease obligations					
Right-of-use assets obtained in exchange for lease obligations					
Right-of-use assets obtained in exchange for lease obligations					
Non-cash investing and financing activities:					
Capital expenditures included in accounts payable					
Capital expenditures included in accounts payable					
Capital expenditures included in accounts payable					

The accompanying notes are an integral part of these condensed consolidated financial statements.

FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
 (in thousands)
 (unaudited)

1. Description of the Business, Basis of Presentation, and Summary of Significant Accounting Policies - Fox Factory Holding Corp. (the "Company") designs, engineers, manufactures, and markets performance-defining products and systems for customers worldwide. Our premium brand, performance-defining products and systems are used primarily on bicycles ("bikes"), side-by-side vehicles ("side-by-sides"), on-road vehicles with and without off-road capabilities, off-road vehicles and trucks, all-terrain vehicles ("ATVs"), snowmobiles, and specialty vehicles and applications. In addition, we also offer premium baseball and softball gear and equipment. Some Certain of our products are specifically designed and marketed to some of the leading cycling and powered vehicle original equipment manufacturers ("OEMs"), while others are distributed to consumers through a global network of dealers and distributors and through direct-to-customer channels.

Throughout this Form 10-Q, unless stated otherwise or as the context otherwise requires, the "Company," "FOX," "Fox Factory," "we," "us," "our," and "ours" refer to Fox Factory Holding Corp. and its operating subsidiaries on a consolidated basis.

Basis of Presentation - The accompanying condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted ("GAAP") in the United States of America ("U.S." or "United States") and applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 29, 2023 included in the Company's Annual Report on Form 10-K, as filed with the SEC on February 23, 2024. In management's opinion, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for any quarter are not necessarily indicative of the results for the full fiscal year.

Fiscal Year Calendar - The Company operates on a 52-53 week 52-53-week fiscal year calendar. For 2024 and 2023, the Company's fiscal year will end or has ended on January 3, 2025 and December 29, 2023, respectively. The 12-month periods ended January 3, 2025 and December 29, 2023, will include or have included 53 and 52 weeks, respectively. The three and six-month nine-month periods ended June 28, 2024 September 27, 2024 and June 30, 2023 September 29, 2023 each included 13 weeks and 26 39 weeks, respectively.

Principles of Consolidation - These condensed consolidated financial statements include the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Summary of Significant Accounting Policies - There have been no changes to our significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023, as filed with the SEC on February 23, 2024 that had a material impact on our condensed consolidated financial statements and related notes.

Revenue Recognition - Revenues are generated from the sale of performance-defining products and systems to customers worldwide. The Company's performance-defining products and systems are solutions that improve performance of powered vehicles, bikes, and baseball and softball gear and equipment. Powered vehicles include side-by-sides, on-road vehicles with off-road capabilities, off-road vehicles and trucks, ATVs, snowmobiles, specialty vehicles and applications, and motorcycles.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product to a customer, generally at the time of shipment. Contracts are generally in the form of purchase orders and are governed by standard terms and conditions. For larger OEMs, the Company may also enter into master agreements. Sales tax and other similar taxes are excluded from revenues. Revenues generated from upfit packages generally do not include the vehicle chassis, as the Company is not the principal in this arrangement and the automotive dealer purchases the chassis directly from the OEM. The Company is required to place a deposit on all Stellantis chassis, however that deposit is refunded when the chassis is sold through to the end customer. For other chassis, the Company entered into floorplan financing agreements, in which the Company pays interest expense based on the duration of time the chassis stay on the Company's premises. Revenues generated from custom upfit packages from the Outside Van subsidiary generally include the vehicle chassis, of which the Company has the risks and rewards of ownership and are recognized over-time as work is performed based on actual costs incurred.

FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
 (in thousands)
 (unaudited)

We elected as a practical expedient to not capitalize the incremental costs to obtain contracts with customers since the amortization period would have been one year or less. Provisions for discounts, rebates, sales incentives, returns, and other adjustments are generally provided for in the period the related sales are recorded, based on management's assessment of historical trends and projection of future results.

Segments - The Company determined that, as of the end of the first quarter of fiscal year 2024, due to the manner in which we began to operate the business to further drive long term value to our **shareholders** **stockholders** and customers, we have three operating and reportable segments. The Company considers operating segments to be components of the Company in which separate financial information is available that is evaluated regularly by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The CODM for the Company is the Chief Executive Officer. Starting in March 2024, the Chief Executive Officer reviews additional financial information by operating and reportable segment for purposes of allocating resources and evaluating financial performance.

Use of Estimates - The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from management's estimates.

Reclassifications - We reclassified certain prior period amounts within our condensed consolidated balance sheets, condensed consolidated statements of other comprehensive income, and condensed consolidated statements of cash flows. The reclassifications did not have any impact on net income.

As of December 29, 2023, the Company classified all of its outstanding balance of the Incremental Term A Loan as non-current based on prepaying our required quarterly amortizing principal amounts for all of fiscal 2024. The prepayment was applied pro-rata to all future quarterly amounts instead. The Company analyzed the materiality of this accidental misclassification of current and non-current debt using Staff Accounting Bulletin No. 99 and concluded that in light of surrounding circumstances, this item would not have altered the judgement of a reasonable person relying on the **annual report**, **Annual Report on Form 10-K**. The current and non-current debt balances as of December 29, 2023 within our condensed consolidated balance sheets in this **quarterly report**, **Quarterly Report on Form 10-Q** are recast to reflect the correct classification. The recast did not have any impact on net income.

Certain Significant Risks and Uncertainties - As of **June 28, 2024** **September 27, 2024**, the Company is subject to those risks common in manufacturing-driven markets, including, but not limited to, competitive forces, dependence on key personnel, customer demand for its products, the successful protection of its proprietary technologies, compliance with government regulations, and the possibility of not being able to obtain additional financing when needed.

International Impacts from international geopolitical conflicts, including continuing tensions between Taiwan and China, the Russian invasion of Ukraine, and the Israel-Palestine conflict, on the global economy, energy supplies and raw materials may prove to negatively impact the Company's business and operations.

Fair Value Measurements and Financial Instruments - The Financial Accounting Standards Board ("FASB") has issued Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, that requires the valuation of assets and liabilities required or permitted to be either recorded or disclosed at fair value based on hierarchy of available inputs as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

The carrying amounts of the Company's financial instruments, including cash, receivables, accounts payable, accrued liabilities, and current portion of long-term debt approximate their fair values due to their short-term nature. The carrying amounts of the Company's revolver and long-term debt, excluding current portion, approximate their fair values because the interest rates vary with the market.

Non-GAAP Financial Measures - Total adjusted EBITDA presents the sum of the results of our three operating segments and unallocated corporate expenses on a consolidated basis. We believe that total adjusted EBITDA is an operating performance measure that measures operating results unaffected by differences in capital structures, capital investment cycles, and ages of related assets among otherwise comparable companies. In reviewing our corporate operating results, we also believe it is important to review the aggregate consolidated performance of all of our segments on the same basis we review the performance of each of our segments and draw comparisons between periods based on the same measure of consolidated performance.

Management believes investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations from one period to the next and would ordinarily add back items that are not part of normal day-to-day operations of our business. By providing total adjusted EBITDA, together with reconciliations, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing strategic initiatives.

However, total adjusted EBITDA is not a measurement of financial performance under U.S. GAAP, and our total adjusted EBITDA may not be comparable to similarly titled measures of other companies. Total adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. For example, total adjusted EBITDA:

- does not reflect the Company's cash expenditures or requirements for capital expenditures or capital commitments;
- does not reflect changes in, or cash requirements for, the Company's working capital needs; and

- does not reflect any costs related to the current or future replacement of assets being depreciated or amortized.

We also use total adjusted EBITDA:

- as a measure of operating performance to assist us in comparing our operating performance on a consistent basis because it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budgets and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- as a basis to calculate incentive compensation payments for our key employees.

Please see [Note 16 – Segment Information](#) for our definition of adjusted EBITDA. Under ASC 280, adjusted EBITDA is our measure of segment profitability and financial performance of our operating segments, and when used in this context, the term adjusted EBITDA is a financial measure prepared in accordance with U.S. GAAP. Adjusted EBITDA reported for the Company on a consolidated basis is a non-U.S. GAAP financial measure.

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Recent Accounting Pronouncements

In September 2022, the FASB issued ASU 2022-04, Liabilities - Supplier Finance Programs (Subtopic 405): Disclosure of Supplier Finance Program Obligations. Under ASU 2022-04, the buyer in a supplier finance program is required to disclose sufficient information to allow a user of the financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The guidance is effective for interim and annual periods beginning after December 15, 2022, with early adoption permitted. These amendments will be applied retrospectively to each period in which a balance sheet is presented, except for the disclosure of rollforward information, which will be applied prospectively. The Company adopted the interim disclosure requirements, as applicable, during the first quarter of 2023 and adopted the annual disclosure requirements, except for the annual rollforward, in the Company's 2023 Annual Report on Form 10-K. The Company expects to adopt the annual rollforward requirement in our 2024 Annual Report on Form 10-K. Refer to the "Bailment Pool Arrangements" section within [Note 8 - Commitments and Contingencies](#) for further details of this adoption.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in ASU 2023-07 require disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity's CODM. The amendments in this update also expand the interim segment disclosure requirements. These amendments do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. The Company is currently reviewing the impact that the adoption of plans to adopt ASU 2023-07 may in the Annual Report on Form 10-K for fiscal year 2024 ending January 3, 2025 and subsequent interim periods. The adoption is not expected to have a material impact on our consolidated financial statements conditions and disclosures, results of operations.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

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(unaudited)

2. Revenues

The following table summarizes total net sales by segment:

	For the three months ended	For the three months ended	For the six months ended		For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	September 27, 2024	September 29, 2023
Powered Vehicles Group						

Aftermarket Applications Group

Specialty Sports Group

Total net sales

The following table summarizes total net sales by sales channel:

	For the three months ended June 28, 2024	For the three months ended June 30, 2023		For the six months ended June 28, 2024	For the six months ended June 30, 2023		For the three months ended September 27, 2024	For the three months ended September 29, 2023	For the nine months ended September 27, 2024	For the nine months ended September 29, 2023
OEM										
Aftermarket/Non-OEM ⁽¹⁾										
Total net sales										

(1) Aftermarket/non-OEM sales include sales to dealers and dealerships, distributors, sales through our websites, retail sales and various others, including Marucci's sales within each of these.

The following table summarizes total net sales generated by geographic location of the customer:

	For the three months ended June 28, 2024	For the three months ended June 30, 2023		For the six months ended June 28, 2024	For the six months ended June 30, 2023		For the three months ended September 27, 2024	For the three months ended September 29, 2023	For the nine months ended September 27, 2024	For the nine months ended September 29, 2023
North America										
Europe										
Asia										
Rest of the world										
Total net sales										

3. Inventory

Inventory consisted of the following:

	June 28, 2024	December 29, 2023
	September 27, 2024	December 29, 2023
Raw materials		
Work-in-process		
Finished goods		
Total inventory		

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4. Prepaid and Other Current Assets

Prepays and other current assets consisted of the following:

	June 28, 2024	December 29, 2023
	September 27, 2024	December 29, 2023
Prepaid chassis deposits		
Advanced payments and prepaid contracts		

Other current assets
Other current assets
Other current assets
Total

5. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following:

	June 28, 2024	December 29, 2023
	September 27, 2024	December 29, 2023
Machinery and manufacturing equipment		
Building and building improvements		
Leasehold improvements		
Internal-use computer software		
Information systems, office equipment and furniture		
Leasehold improvements		
Transportation equipment		
Land and land improvements		
Total property, plant and equipment		
Less: accumulated depreciation and amortization		
Total property, plant and equipment, net		

The Company's long-lived assets by geographic location are as follows:

	June 28, 2024	December 29, 2023
	September 27, 2024	December 29, 2023
United States		
International		
Total long-lived assets		

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6. Accrued Expenses

Accrued expenses consisted of the following:

	June 28, 2024
	June 28, 2024
	June 28, 2024
Payroll and related expenses	September 27, 2024
Payroll and related expenses	September 27, 2024
Payroll and related expenses	September 27, 2024
Income tax payable	
Income tax payable	

Income tax payable
Warranty
Warranty
Warranty
Current portion of lease liabilities
Current portion of lease liabilities
Current portion of lease liabilities
Accrued sales rebate
Accrued sales rebate
Accrued sales rebate
Other accrued expenses
Other accrued expenses
Other accrued expenses
Total
Total
Total

The Company generally provides a limited warranty for products for a one, two or three-year period beginning on: (i) in the case of OEM sales, the date the bike or powered vehicle is purchased from an authorized OEM where the product is incorporated as original equipment on the purchased bike or powered vehicle; (ii) in the case of aftermarket/non-OEM sales, the date the product is originally purchased from an authorized dealer; or (iii) in the case of upfitting sales, the date of the retail sale to an end customer. Activity related to warranties is as follows:

	For the three months ended	For the three months ended	For the six months ended	For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	
			September 27, 2024	September 29, 2023	
	September 27, 2024	September 29, 2023	2024	September 29, 2023	
Beginning warranty liability					
Charge to cost of sales					
Fair value of warranty assumed in acquisition					
Costs incurred					
Ending warranty liability					

**All changes to warranty liability were within normal course of business.*

7. Debt

2022 Credit Facility

On April 5, 2022, the Company entered into a new credit agreement with Wells Fargo Bank, National Association, and other named lenders (the "2022 Credit Facility"). The 2022 Credit Facility, which matures on April 5, 2027, provides for revolving loans, swingline loans and letters of credit up to an aggregate amount of \$650,000.

On April 5, 2022, the Company borrowed \$475,000 under the 2022 Credit Facility, which was used to repay all outstanding amounts owed under the Prior Credit Facility and for general corporate purposes. Future advances under the 2022 Credit Facility will be used to finance working capital, capital expenditures and other general corporate purposes of the Company. To the extent not previously paid, all then-outstanding amounts under the 2022 Credit Facility are due and payable on the maturity date.

The Company paid \$1,980 in debt issuance costs in connection with the 2022 Credit Facility, which were allocated to the revolver and amortized on a straight-line basis over the term of the facility. Additionally, the Company had \$4,473 of remaining unamortized debt issuance costs related to the Prior Credit Facility. The Company expensed \$1,927 of the remaining unamortized debt issuance costs and allocated \$2,546 to the 2022 Credit Facility.

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The Company may borrow, prepay and re-borrow principal under the 2022 Credit Facility during its term. Advances under the 2022 Credit Facility can be either Adjusted Term Secured Overnight Financing Rate ("SOFR") loans or base rate loans. SOFR rate revolving loans bear interest on the outstanding principal amount thereof for each interest period at a rate per annum equal to Term SOFR for such calculation plus 0.10% plus a margin ranging from 1.00% to 2.00%. Base rate revolving loans bear interest on the outstanding principal amount thereof at a rate per annum equal to the highest of (i) Federal Funds Rate plus 0.50%, (ii) the rate of interest in effect for such day as publicly announced from time to time by the lender as its "prime rate", and (iii) Adjusted Term SOFR rate for a one-month tenor plus 1.00%, subject to the interest rate floors set forth therein, plus a margin ranging from 0.00% to 1.00%.

On November 14, 2023, in connection and concurrently with the closing of the Marucci acquisition (as discussed in [Note 15 - Acquisitions](#)), the Company entered into the First Incremental Facility Amendment (the "Amendment") amending the 2022 Credit Facility. The Amendment provided the Company with a term loan in an amount of \$400,000 (the "Incremental Term A Loan") and a delayed draw term loan in an amount of \$200,000 (the "Delayed Draw Term Loan" and, together with the Incremental Term A Loan, the "Incremental Term Loans"), each of which are permitted under the 2022 Credit Facility, subject to satisfaction of certain conditions. The Incremental Term A Loan was fully funded on November 14, 2023 and used to fund a portion of the consideration owed under the Marucci acquisition. The Delayed Draw Term Loan was available to the Company from and including December 6, 2023, until the earlier of (a) May 14, 2024 and (b) the date on which the Delayed Draw Term commitments have been terminated. Each Incremental Term Loan is subject to quarterly amortization payments of principal at a rate of 5.00% per annum. The Incremental Term Loans are in the form of term SOFR loans and base rate loans, at the option of the Company, and have an applicable margin ranging from 0.50% to 1.50% for base rate loans and 1.50% to 2.50% for term SOFR loans, subject to adjustment provisions. Each Incremental Term Loan has a maturity date of April 5, 2027, consistent with the 2022 Credit Facility.

The Company paid \$10,063 in debt issuance costs, of which \$6,709 were allocated to the Term A Loan and \$3,354 were allocated to the Delayed Draw Term Loan. Loan fees allocated to the Term A Loan are amortized using the interest method over the term of the Credit Facility. Loan fees allocated to the Delayed Draw Term Loan were deferred as an asset until the debt was drawn.

On May 13, 2024, the Company borrowed the full amount of \$200,000 of the Delayed Draw Term Loan. The fees were reclassified to a contra-liability account and amortized over the term of the drawn debt using the interest method.

The On July 31, 2024, the Company recently secured entered into the Third Amendment to the Credit Facility to secure an improved covenant profile on its capital structure to provide more flexibility given the uncertain macro environment.

At **June 28, 2024** **September 27, 2024**, the one-month SOFR and three-month SOFR rates were **5.34%** **5.21%** and **5.35%** **5.33%**, respectively. At **June 28, 2024** **September 27, 2024**, our weighted-average interest rate on outstanding borrowing was **7.07%** **6.30%**.

The 2022 Credit Facility is secured by substantially all of the Company's assets, restricts the Company's ability to make certain payments and engage in certain transactions, and requires that the Company satisfy customary financial ratios. The Company was in compliance with the covenants as of **June 28, 2024** **September 27, 2024**.

The following table summarizes the revolver under the 2022 Credit Facility:

	June 28, 2024	December 29, 2023
	September 27, 2024	December 29, 2023
Amount outstanding		
Standby letters of credit		
Available borrowing capacity		
Total borrowing capacity		

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(in thousands)
(unaudited)

As of **June 28, 2024** **September 27, 2024**, future principal payments for term loan debt, including the current portion, **as are** summarized as follows:

For fiscal year	For fiscal year	June 28, 2024	For fiscal year	September 27, 2024
2024 (remaining 6 months)				
2024 (remaining 3 months)				
2025				
2026				
2027				
Total				
Debt issuance cost				
Long-term debt, net of issuance cost				
Less: current portion				
Long-term debt less current portion				

On April 5, 2022, the Company entered into a new executed an interest rate swap agreement (the "2022 Swap Agreement"). and, subsequently, on August 26, 2024, the Company entered into three additional interest rate swap agreements. Through the 2022 Swap Agreement, swap agreements, the Company hedges the variability of cash flows in interest payments associated with \$100,000 the first \$500,000 of its variable rate debt. Refer to [Note 9 - Derivatives and Hedging](#) for further details of the 2022 Swap Agreement. details.

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8. Commitments and Contingencies

Indemnification Agreements - In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. While the outcome of these matters cannot be predicted with certainty, the Company does not believe that the outcome of any claims under indemnification arrangements will have a material effect on the Company's results of operations, financial position or liquidity.

Legal Proceedings - On February 20, 2024, a complaint alleging violations of federal securities laws and seeking certification as a class action was filed against the Company and certain of its current and former officers in the United States District Court for the Northern District of Georgia in Atlanta. The On August 16, 2024, the plaintiff filed an amended complaint that purports to seek damages on behalf of a putative class of persons who purchased the Company's common stock between May 6, 2021 and November 2, 2023. The amended complaint asserts claims under Sections 10(b) and 20 of the Securities Exchange Act and alleges that the Company and certain current and former officers made material misstatements and omissions to investors regarding demand for the Company's products and its inventory levels. The amended complaint generally seeks money damages, interest, attorneys' fees, and other costs. The Company denies defendants deny all allegations of wrongdoing, believes believe the plaintiffs' plaintiffs' positions are without merit, and intends intend to vigorously defend itself. The Court has entered an order requiring plaintiff to file an amended complaint by August 16, 2024 themselves. On October 15, 2024, and setting the defendants filed a briefing schedule for anticipated motion to dismiss the amended complaint. Per the Court's scheduling order, the plaintiff will file his opposition by December 13, 2024, and defendants will reply by January 13, 2025.

On October 9, 2024, and October 29, 2024, two stockholder derivative complaints were filed in the United States District Court for the Northern District of Georgia against certain of the Company's officers and its directors, with the Company named as a nominal defendant. The cases are assigned to the same judge presiding over the securities fraud class action. The complaints are premised on substantially the same factual allegations as the securities fraud class action, but in these complaints, the plaintiff claims that the Company's officers and directors breached their fiduciary duties or otherwise engaged in wrongdoing by allowing the underlying securities fraud to occur. The defendants deny all allegations of wrongdoing, believe the plaintiffs' claims are without merit, and intend to vigorously defend themselves.

Bailment Pool Arrangements - The Company has relationships with several OEM partners, including General Motors ("GM"), Ford Motor Company ("Ford"), and Stellantis to obtain truck chassis. For Stellantis chassis, the Company pays a cash deposit upon transfer of the chassis to the Company's premises, and records the chassis within prepaids and other current assets on the condensed consolidated balance sheets until the chassis is transferred to the dealer customer's floor plan, at which time the cash deposit is returned to the Company. For GM and Ford, the Company has entered into floor plan financing agreements with the OEM. The Company receives an allocation of chassis and pays interest expense on the allocated value of trucks chassis based on the duration of time they are on the Company's premises. Bailment, which is the non-ownership transfer of the chassis from GM and Ford to the Company, ends when the vehicle is sold to an authorized dealer, or upon authorized return of the vehicle to the manufacturer. The Company does not pay a cash deposit to obtain GM and Ford chassis, and accordingly it does not recognize an asset or a liability related to these chassis. Interest payments made to manufacturer-affiliated finance companies are classified as operating activities in the condensed consolidated statements of cash flows.

At June 28, 2024 September 27, 2024 and December 29, 2023, the Company utilized \$50,028 \$37,398 and \$9,036, out of a maximum of \$51,100 and \$49,400 of Ford allocation of chassis, respectively, and \$4,238 \$9,453 and \$11,362, respectively, out of a maximum of \$49,500 and \$100,000 GM allocation of chassis. The Company incurred interest expense related to chassis on hand of \$201 \$374 and \$450 during the three month months ended June 28, 2024 September 27, 2024 and December 29, 2023, respectively, and \$414 \$789 and \$1,190 \$3,359 during the six nine months ended June 28, 2024 September 27, 2024 and December 29, 2023, respectively.

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9. Derivatives and Hedging

The Company is exposed to certain risks relating to its ongoing business operations. The primary risk managed by using derivative instruments is interest rate risk. The Company utilizes interest rate swaps to limit its exposure to interest rate risk by converting a portion of its floating-rate debt to a fixed-rate basis, thus reducing the impact of interest rate changes on future interest expense. Interest rate swaps involve the receipt of floating-rate amounts in exchange for fixed-rate interest payments based on the SOFR over the lives of the agreements without an exchange of the underlying principal amounts. The Company hedges the variability of cash flows in interest payments associated with the first \$500,000 of its variable rate debt through the interest rate swaps.

As of **June 28, 2024** **September 27, 2024** and December 29, 2023, the Company had the following interest rate swap contracts:

Effective Date	June 28, 2024			December 29, 2023			Unrealized Gain (Loss) in AOCI	Unrealized Gain in AOCI
	Effective Date	Termination Date	Notional Amount	Unrealized Gain in AOCI	Effective Date	Termination Date	Notional Amount	
September 2, 2020								
July 2, 2021								
April 5, 2022								
September 20, 2024								
September 20, 2024								
September 20, 2024								
Total								

On June 11, 2021, the Company terminated its existing swap agreement (the "2020 Swap Agreement") and entered into an interest rate swap agreement (the "2021 Swap Agreement") with a notional amount of \$200,000. On April 5, 2022, the Company terminated its 2021 Swap Agreement and entered into a new interest rate swap agreement (the "2022 Swap Agreement") with a notional amount of \$100,000. The terminated 2020 and 2021 Swap Agreements resulted in unrealized gains of \$324 and \$12,270, respectively, at the termination dates that will continue to be accounted for in accumulated other comprehensive income, or AOCI, and amortized into earnings over the term of the associated debt instrument. On August 26, 2024, the Company entered into new interest rate swap agreements with an aggregate notional amount of \$400,000.

The 2022 Swap Agreement has a maturity date of April 5, 2027 and interest rate swaps are indexed to a three-month Term SOFR (as defined in the 2022 Swap Agreement) agreements. The 2022 Swap Agreement interest rate swaps met the criteria as cash flow hedge hedges under ASC 815, Derivatives and Hedging ("ASC 815"), and are recorded to other assets or other liabilities on the condensed consolidated balance sheets. Refer to [Note 10 - Fair Value Measurements and Financial Instruments](#) for additional information on determining the fair value. The unrealized gains or losses, after tax, will be recorded in accumulated other comprehensive income, a component of equity, and are expected to be reclassified into interest expense on the condensed consolidated statements of (loss) income when the forecasted transactions affect earnings. As required under ASC 815, the interest rate swap contracts' effectiveness will be assessed on a quarterly basis using a quantitative regression analysis.

The unrealized gains and losses net of tax, deferred to accumulated other comprehensive income resulting from the derivative instruments designated as cash flow hedges for the three and six months ended **June 28, 2024** **September 27, 2024** were gains net losses of \$339 \$5,161 and \$1,798 \$3,363, respectively; and for the three and six months ended **June 30, 2023** **September 29, 2023** were gains of \$2,188 \$782 and \$188 \$970, respectively. The reclassifications of unrealized gains from accumulated other comprehensive income into earnings related to the derivative instruments designated as cash flow hedges during the three and six months ended **June 28, 2024** **September 27, 2024** were \$1,775 \$1,779 and \$3,560 \$5,339, respectively; and during the three and six months ended **June 30, 2023** **September 29, 2023** were \$1,063 and \$2,126 \$3,189, respectively.

Over the next 12 months, the Company expects estimates that \$9,032 will be reclassified as a decrease to recognize \$5,911 of the \$7,069 of unrealized gains included in accumulated other comprehensive income interest expense related to the interest rate swap contracts.

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10. Fair Value Measurements and Financial Instruments

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of the following periods:

June 28, 2024	December 29, 2023
September 27, 2024	December 29, 2023

	Level 1	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:																	
Interest Rate Swap																	
Interest Rate Swap																	
Interest Rate Swap																	
Deferred Compensation Plan Investments																	
Deferred Compensation Plan Investments																	
Deferred Compensation Plan Investments																	
Interest Rate Swaps																	
Total assets measured at fair value																	
Liabilities:																	
Incremental Term Loans																	
Incremental Term Loans																	
Incremental Term Loans																	
Revolver																	
Revolver																	
Revolver																	
Interest Rate Swaps																	
Total liabilities measured at fair value																	

There were no transfers of assets or liabilities between Level 1, Level 2, and Level 3 categories of the fair value hierarchy during the three and **six month periods** **nine months** ended **June 28, 2024** **September 27, 2024**.

As of **June 28, 2024** **September 27, 2024**, the carrying amount of the principal under the Company's 2022 Credit Facility - Incremental Term Loans and Revolver approximated fair value because they had variable interest rates that reflected market changes in interest rates and changes in the Company's net leverage ratio.

On June 11, 2021, the **The Company** entered into the **2021 Swap Agreement** to mitigate the cash flow risk associated with changes in interest rates on its variable rate debt. On April 5, 2022, the Company terminated its **2021 Swap Agreement** and entered into the **2022 Swap Agreement**. Refer to **Note 9 - Derivatives and Hedging** for additional details of the agreement. In accordance with ASC 815, an interest rate swap contract is contracts are recognized as an asset or liability on the condensed consolidated balance sheets and are measured at fair value. The fair value was values were estimated based on expected cash flows over the life of the Swap. These expected cash flows were determined using a pricing model that incorporated reasonable assumptions and available market data.

The Company invests in marketable securities to mitigate the risk associated with the investment return on the non-qualified deferred compensation plan provided to executives and non-employee directors. The investments are recorded as cash and cash equivalents at their quoted market price.

11. Stockholders' Equity

Share Repurchase Plan

On November 1, 2023, the Company's Board of Directors authorized a share repurchase plan for up to \$300,000 in shares of the Company's common stock, par value \$0.001 per share. The share repurchase program is scheduled to expire on November 1, 2028. Repurchases of shares of common stock under the stock repurchase plan will be made in accordance with applicable securities laws and may be made under a variety of methods, which may include open market purchases. The stock repurchase program does not obligate the Company to acquire any particular amount of common stock, and it may be suspended or terminated at any time at the Company's discretion.

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There were no repurchases of common stock during the three months ended **June 28, 2024** **September 27, 2024**. During the **six nine** months ended **June 28, 2024** **September 27, 2024**, the Company repurchased approximately 378 shares for \$25,000, at an average price of \$66.03. All repurchased shares were immediately retired. The aggregate cost of share repurchases and average price paid per share exclude 1% excise tax on share repurchases imposed as part of the Inflation Reduction Act of 2022. Common stock was reduced by the number of shares retired at \$0.001 par value per share. The excess purchase price over par value was allocated between additional paid-in capital and retained earnings. As of **June 28, 2024** **September 27, 2024**, authorized repurchases of \$250,000 remain available to the Company.

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Equity Incentive Plans

The following table summarizes the allocation of stock-based compensation in the accompanying condensed consolidated statements of income:

	For the three months ended	For the three months ended	For the six months ended		For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	September 27, 2024	September 29, 2023
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023		
Cost of sales						
Sales and marketing						
Research and development						
General and administrative						
Total						

The Company grants both time-based and performance-based stock awards, which also include a time-based vesting feature. Compensation expense for time-based stock awards is measured at the grant date based on the closing market price of the Company's common stock and recognized ratably over the vesting period.

For performance-based stock awards, compensation expense is measured based on estimates of the number of shares ultimately expected to vest at each reporting date based on management's expectations regarding the relevant performance criteria. The recognition of compensation expense associated with performance-based stock awards requires defined criteria for assessing achievement and judgment in assessing the probability of meeting the performance goals.

The following table summarizes the activity for the Company's unvested restricted stock units ("RSUs") for the **six** nine months ended **June 28, 2024** **September 27, 2024**:

	Unvested RSUs				
	Number of shares outstanding	Number of shares outstanding	Weighted-average grant date fair value	Number of shares outstanding	Weighted-average grant date fair value
Unvested at December 29, 2023					
Granted					
Canceled					
Vested					
Unvested at June 28, 2024					
Unvested at September 27, 2024					

As of **June 28, 2024** **September 27, 2024**, the Company had approximately **\$22,860** **\$19,175** of unrecognized stock-based compensation expense related to RSUs, which will be recognized over the remaining weighted-average vesting period of approximately **2.22** **2.04** years.

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(in thousands, except per share data)
(unaudited)

During the **six** nine months ended **June 28, 2024** **September 27, 2024**, the Company issued performance-based restricted stock units ("PSUs") to certain executives that represent shares potentially issuable in the future. Issuance is based upon the Company's performance, over a three-year performance period, against an adjusted EBITDA margin target. The PSUs vest only upon the achievement of the applicable performance goals for the performance period, and, depending on the actual achievement on the performance goals, the grantee may earn between 0% and 200% of the target PSUs. The **company** **Company** also issued PSUs to certain executives and non-executives based upon the Company's performance, over a four-year performance period, against a trailing 12-month revenue target. These revenue-growth PSUs vest only upon the achievement of the applicable performance goals for the performance period, and, depending on the actual achievement on the performance goals, the grantee may earn either 0% or 100% of the target PSUs. The fair value of PSUs is calculated based on the stock price on the date of grant assuming the performance goals will be achieved.

Notes to Condensed Consolidated Financial Statements
 (in thousands, except per share data)
 (unaudited)

The following table summarizes the activity for the Company's unvested PSUs for the **six** **nine** months ended **June 28, 2024** **September 27, 2024**:

Unvested PSUs					
	Number of shares outstanding	Number of shares outstanding	Weighted-average grant date fair value	Number of shares outstanding	Weighted-average grant date fair value
Unvested at December 29, 2023					
Unvested at December 29, 2023					
Unvested at December 29, 2023					
Granted					
Canceled					
Unvested at June 28, 2024					
Unvested at September 27, 2024					

The stock-based compensation expense recognized each period is dependent upon our estimate of the number of shares that will ultimately vest based on the achievement of certain performance conditions. The Company reduced the attainment percentage during the three months ended September 27, 2024. Future stock-based compensation expense for unvested PSUs could reach a maximum of **\$17,542** **\$27,716** assuming achievement at the maximum level. The unrecognized stock-based compensation expense is expected to be recognized over a weighted average period of **3.14** **2.10** years.

12. Earnings Per Share

Basic earnings per share amounts are computed by dividing net income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share amounts are computed by dividing net income for the period by the weighted average number of shares of common stock and potentially dilutive common stock outstanding during the period. Potentially dilutive common shares include shares issuable upon the exercise of outstanding stock options and vesting of RSUs and PSUs, which are reflected in diluted earnings per share by application of the treasury stock method.

The Company excluded **145** **198** and **103** **134** shares from the calculation of diluted earnings per share for the three and **six** **nine** months ended **June 28, 2024** **September 27, 2024**, and **17** and **53** shares for the **three** and **six** **nine** months ended **June 30, 2023** **September 29, 2023**, respectively, as these shares would have been antidilutive. No potentially antidilutive shares were excluded from the calculation of diluted earnings per share for the three months ended **September 29, 2023**.

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
 (in thousands, except per share data)
 (unaudited)

The following table presents the calculation of basic and diluted earnings per share:

	For the three months ended	For the three months ended			For the six months ended	For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023			
	September 27, 2024	September 29, 2023	2024	September 29, 2023			
Net income							
Weighted average shares used to compute basic earnings per share							
Weighted average shares used to compute basic earnings per share							
Weighted average shares used to compute basic earnings per share							

Dilutive effect of employee stock plans
Weighted average shares used to compute diluted earnings per share
Earnings per share:
Basic
Basic
Basic
Diluted

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

13. Income Taxes

	For the three months ended	For the three months ended	For the six months ended	For the three months ended	For the nine months ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	
(Benefit) provision for income taxes					
Provision (benefit) for income taxes					
Effective tax rates	(7.4)%	16.9 %	(620.1)%	17.7 %	Effective tax rates 9.0 % (26.2)% 15.2 %

For the three months ended June 28, 2024 September 27, 2024, the difference between the Company's effective tax rate of (7.4)% 5.0% and the 21% federal statutory rate resulted primarily was due to a benefit from the favorable U.S. research and development tax credit, offset by the impact of discrete items in proportion to on lower levels of pre-tax income, including a modification of the tax treatment of certain research and development expenditures recognized in prior years.

For the six nine months ended June 28, 2024 September 27, 2024, the difference between the Company's effective tax rate of (620.1)(26.2)% and the 21% federal statutory rate was due to a benefit from the favorable U.S. research and development tax credit, offset by the impact of discrete items in proportion to on lower levels of pre-tax income, including a modification of the tax treatment of certain research and development expenditures recognized in prior years.

For the three months ended June 30, 2023 September 29, 2023, the difference between the Company's effective tax rate of 16.9% 9.0% and the 21% federal statutory rate was due to a benefit from the U.S. research and development tax credit related to multiple periods and lower tax rate on foreign derived intangible income and excess benefit related to stock-based compensation. This benefit was income. These benefits were partially offset by state other non-deductible expenses and foreign withholding state taxes.

For the six nine months ended June 30, 2023 September 29, 2023, the difference between the Company's effective tax rate of 17.7% 15.2% and the 21% federal statutory rate resulted primarily from a lower tax rate on foreign derived intangible income. This income and benefit was from the U.S. research and development tax credit related to multiple periods. These benefits were partially offset by state other non-deductible expenses and local foreign withholding state taxes.

We do not expect the results from any ongoing income tax audits to have a material impact on our consolidated financial condition, results of operations, or cash flows.

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

14. Related Party Transactions

On March 3, 2023, the Company acquired all of the outstanding equity interest of Custom Wheel House, LLC ("Custom Wheel House"). Custom Wheel House has building leases for its office facilities in California. The buildings are owned by the former owner of Custom Wheel House, who is now an employee of the Company. Rent Company until May 2024. Related-party rent expenses under these leases were \$186 and \$371 for the three and six months ended June 28, 2024 September 27, 2024, and \$180 and \$360 for the three and six months ended June 30, 2023 September 29, 2023.

15. Acquisitions

Acquisition of Marucci Sports LLC

On November 14, 2023, the Company, through Fox Factory, Inc., acquired 100% of the issued and outstanding stock of Wheelhouse Holdings Inc. ("Wheelhouse" ("Wheelhouse")) from Compass Group Diversified Holdings LLC for \$567,236, net of cash acquired. Wheelhouse is the parent company of Marucci Sports, LLC ("Marucci"), which is an industry-leading designer, manufacturer, and distributor of premium performance baseball, softball, and other sports-related products. Marucci also develops and licenses franchises for sports training facilities, and its customer base is primarily located in the United States and certain international markets. The Company believes the acquisition advances FOX's position as a diversified provider of market-leading branded products with a proven ability to win over both professional athletes and passionate consumer bases, while positioning the combined company for future profitable growth. This transaction was accounted for as a business combination.

The purchase price of Marucci was preliminarily allocated to the assets acquired and liabilities assumed based on their estimated respective fair values as of November 14, 2023 with the excess purchase price allocated to goodwill. During the six months ended June 28, 2024 September 27, 2024, the Company updated the purchase price allocation and recorded adjustments to net assets of \$892 and goodwill of \$850. The following table summarizes the provisional fair values of the identifiable assets acquired and liabilities assumed at the date of the acquisition:

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

Acquisition consideration

Cash consideration, net of cash acquired	\$ 567,092
Due to sellers	144
Total consideration at closing	<u>\$ 567,236</u>

Fair market values

Accounts receivable	\$ 31,268
Inventory	52,672
Prepaid and other current assets	1,256
Property, plant and equipment	19,257
Lease right-of-use assets	9,423
Trademarks and brands	174,700
Customer and distributor relationships	83,800
Core technologies	20,600
Goodwill	243,940
Other assets	583
Total assets acquired	<u>\$ 637,499</u>
Accounts payable	\$ 13,626
Accrued expenses	10,512
Other current liabilities	1,854
Deferred Taxes	37,282
Other liabilities	6,989
Total liabilities assumed	<u>\$ 70,263</u>
Purchase price allocation	<u>\$ 567,236</u>

The gross contractual accounts receivable acquired in the acquisition was \$32,455, of which \$1,187 was not expected to be collected.

The amounts above represent the Company's provisional fair value estimates related to the acquisition as of November 14, 2023. The Company's valuation is preliminary and subject to the Company's validation of deferred taxes. The Company incurred \$3,798 of acquisition costs in conjunction with the Marucci acquisition, of which \$162 and \$672 were incurred during the three and six month nine months ended June 28, 2024 September 27, 2024, respectively. These costs are classified as general and administrative expenses in the accompanying consolidated statements of income. Additional debt issuance costs of \$6,709 were incurred in association with financing the transaction and are amortized over the term of the Incremental Term Loan A. Refer to [Note 7 - Debt](#) for further details.

The values assigned to the identifiable intangible assets were determined by discounting the estimated future cash flows associated with these assets to their present value. The goodwill of \$243,940 reflects the strategic fit of Marucci with the Company's operations. The weighted average amortization period of the total acquired intangible assets was 16 years. The weighted average amortization periods of the customer and distributor relationship, trade name and trademark, and developed technology assets were 18, 15, and 13 years, respectively. Goodwill is expected to have an indefinite life and will be subject to impairment testing. The goodwill is not deductible for income tax purposes. Marucci previously purchased intangibles in asset acquisitions with a remaining net tax basis approximating \$57,735, which the Company may deduct for income tax purposes.

The results of operations for Marucci have been included in the Company's consolidated statements of income since the closing date of the acquisition on November 14, 2023. The total revenue for Marucci for the three and six nine months ended June 28, 2024 September 27, 2024 amounted to \$41,628 \$49,631 and \$101,217 \$150,848, respectively. The total pre-tax income for Marucci for the three and six nine months ended June 28, 2024 September 27, 2024 amounted to \$2,507 \$4,354 and \$6,872 \$11,226, respectively.

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

16. Segment Information

Due in part to how we operate our business and to best serve our customers, we manage our activities based on three operating segments: Powered Vehicles Group, Aftermarket Applications Group, and Specialty Sports Group. All of our segments design, engineer and manufacture performance-defining products and systems for customers worldwide.

The following is a description of our operating segments.

Powered Vehicles Group: This segment operates 2 plants in the United States. Our premium products sold under the FOX brand are for off-road vehicles and trucks, side-by-sides, on-road vehicles with and without off-road capabilities, ATVs, snowmobiles, specialty vehicles and applications, motorcycles, and commercial trucks. These products are sold through both OEM and aftermarket channels.

Aftermarket Applications Group: This segment operates 15 plants across the United States. Our range of aftermarket applications products includes premium products under the BDS Suspension, Zone Offroad, JKS Manufacturing, RT Pro UTV, 4x4 Posi-Lok, Ridetech, Tuscany, Outside Van, SCA, and Custom Wheel House brands designed for off-road vehicles and trucks, side-by-sides, on-road vehicles with or without off-road capabilities, specialty vehicles and applications, and commercial trucks.

Specialty Sports Group: This segment operates 9 plants and 13 distribution facilities (11 in the United States, 4 in Taiwan, and one facility each in Australia, Canada, Germany, Japan, Sweden, Switzerland, and United Kingdom). Our bike product offerings are used on a wide range of performance mountain bikes, e-bikes and gravel bikes under the FOX, Race Face, Easton Cycling and Marzocchi brands. These products are sold through both OEM and aftermarket channels. Our products for diamond sports include premium baseball and softball equipment under the Marucci, Victus, Lizard Skins, and Baum Bat brands and are sold through dealers and distributors and through direct-to-customer channels.

Net sales and expenses are measured in accordance with the policies and procedures described in Note 1 – Business and Summary of Significant Accounting Policies within our 2023 Form 10-K.

We measure the profitability and financial performance of our operating segments based on adjusted EBITDA. Adjusted EBITDA provides a measure of our underlying segment results that is in line with our approach to risk management. We define adjusted EBITDA as net income adjusted for (a) interest expense, (b) income tax or tax benefits, (c) amortization including amortization of purchased intangibles, (d) depreciation, (e) stock-based compensation, (f) litigation and settlement related expenses, (g) organizational restructuring expenses, (h) acquisition and integration-related expenses, and (i) strategic transformation costs. Adjusted EBITDA Margin is defined as adjusted EBITDA divided by net sales.

Segment asset information is not presented because it is not evaluated by the CODM at the segment level.

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FOX FACTORY HOLDING CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands)
(unaudited)

The tables that follow show selected segment financial information including information for prior comparative period periods. Unallocated corporate expenses are corporate overhead expenses that are not directly attributable to one of our business segments and include unallocated occupancy costs for our corporate headquarters, acquisition costs, other benefit and compensation programs, including performance-based compensation, and administrative expenses such as accounting, finance, legal, human resources, and information technology expenses.

	For the three months ended		For the six months ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net sales				
Power Vehicles Group				
	FOX FACTORY HOLDING CORP.	\$ 140,196	\$ 235,908	\$ 282,443
Aftermarket Applications Group	Notes to Condensed Consolidated Financial Statements (in thousands)	107,129	155,635	208,981
Specialty Sports Group	(unaudited)	123,567	104,884	237,074
Net sales	\$ 348,491	\$ 400,715	\$ 681,963	\$ 800,566
Net income				
(Benefit) provision for income taxes				
Net sales	For the three months ended	39,735	For the nine months ended	81,502
Depreciation and amortization	September 27, 2024	September 29, 2023	September 27, 2023	September 29, 2023
Powered Vehicles Group	20,403	15,397	40,854	28,712
Non-cash stock-based compensation	\$ 109,206	\$ 123,066	\$ 345,244	\$ 405,519
Aftermarket Applications Group	100,283	136,000	309,266	430,091
Specialty Sports Group	149,506	76,025	386,533	295,333
Other acquisition and integration-related expenses (1)	\$ 359,123	\$ 331,117	\$ 1,041,096	\$ 1,131,683
Organizational restructuring expenses				
Strategic transformation costs				
Net income	13,584	35,083	26,691	118,795
Provision (benefit) for income taxes	\$ 44,132	\$ 79,448	(\$ 1,389)	\$ 158,606
Depreciation and amortization	20,845	14,807	61,699	43,519
Non-cash stock-based compensation	15,465	23,882	31,576	41,940
Aftermarket Applications Group	14,466	37,856	29,026	74,209
Other acquisition and integration-related expenses (1)	29,459	34,100	56,092	75,339
Organizational restructuring expenses	(15,123)	(16,849)	(21,198)	(31,882)
Strategic transformation costs	\$ 44,766	\$ 79,448	\$ 84,530	\$ 158,606
Interest and other expense, net	13,772	2,588	40,964	11,087
Adjusted EBITDA	27 \$ 42,026	\$ 63,654	\$ 126,577	\$ 222,260
Powered Vehicles Group				
Aftermarket Applications Group				
Specialty Sports Group				
Unallocated corporate expenses				
Adjusted EBITDA	\$ 42,026	\$ 63,654	\$ 126,577	\$ 222,260

(1) Represents various acquisition-related costs and expenses incurred to integrate acquired entities into the Company's operations and the impact of the finished goods inventory valuation adjustment recorded in connection with the purchase of acquired assets, per period as follows:

	For the three months	For the three months	For the six months	For the three months	For the nine months
	ended	ended	ended	ended	ended
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	September 27, 2024
Acquisition related costs and expenses					
Purchase accounting inventory fair value adjustment					
amortization					
Other acquisition and integration-related expenses					

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023, as filed with the SEC on February 23, 2024, and our other reports and registration statements that we file with the SEC from time to time. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in the "Risk Factors" section included in Part II, Item 1A.

Unless the context otherwise requires, the terms "FOX," the "Company," "we," "us," and "our" in this Quarterly Report on Form 10-Q refer to Fox Factory Holding Corp. and its operating subsidiaries on a consolidated basis.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements, which are subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We may make forward-looking statements in our SEC filings, press releases, news articles, earnings presentations and when we are speaking on behalf of the Company. Forward-looking statements generally relate to future events or our future financial or operating performance that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "would," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "likely," "potential", "remain" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q are subject to numerous risks and uncertainties, including but not limited to risks related to:

- changes in general economic conditions, including market and macro-economic disruptions resulting from escalating tensions between China and Taiwan, the on-going Russian war in Ukraine, the Israel-Palestine conflict, or due to growing inflation or higher interest rates;
- our dependency on a limited number of suppliers for materials, product parts, and vehicle chassis could lead to an increase in material costs, disruptions in our supply chain, or reputational costs;
- our ability to develop new and innovative products in our current end-markets;
- our ability to leverage our technologies and brand to expand into new categories and end-markets;
- the spread of highly infectious or contagious disease, such as COVID-19, could cause severe disruptions in the U.S. and global economy, which could in turn disrupt the business activities and operations of our customers, as well as our businesses and operations;
- our ability to increase our aftermarket penetration;
- our ability to accelerate international growth;
- our exposure to exchange rate fluctuations;
- the loss of key customers;
- our ability to improve operating and supply chain efficiencies;
- our ability to enforce our intellectual property rights;
- our future financial performance, including our sales, cost of sales, gross profit or gross margins, operating expenses, ability to generate positive cash flow and ability to maintain our profitability;
- our ability to maintain our premium brand image and high-performance products;
- our ability to maintain relationships with the professional athletes and race teams we sponsor;
- our ability to selectively add additional dealers and distributors in certain geographic markets;
- the growth of the markets in which we compete, our expectations regarding consumer preferences and our ability to respond to changes in consumer preferences;
- changes in demand for performance-defining products;

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- the loss of key personnel, management and skilled engineers;
- our ability to successfully identify, evaluate and manage potential or completed acquisitions and to benefit from such acquisitions;
- legal and regulatory developments, including the resolution of legal proceedings or regulatory or other governmental inquiries, and the impact of changing emissions and other related climate change regulations in the various jurisdictions in which our products are produced, used, and/or sold;
- the cost of compliance with, or liabilities related to, environmental or other governmental regulations or changes in governmental or industry regulatory standards;
- future disruptions in the operations of our manufacturing facilities;

- our ability to adapt our business model to mitigate the impact of certain changes in tax laws;
- changes in the relative proportion of profit earned in the numerous jurisdictions in which we do business and in tax legislation, case law and other authoritative guidance in those jurisdictions;
- product recalls and product liability claims; and
- future economic or market conditions.

You should not rely upon forward-looking statements as predictions of future events. We based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects and the outcomes of any of the events described in any forward-looking statements are subject to risks, uncertainties, and other factors. In addition to the risks, uncertainties and other factors discussed above and elsewhere in this Quarterly Report on Form 10-Q, the risks, uncertainties and other factors expressed or implied in Part I, Item 1A, "Risk Factors" of our 2023 Annual Report on Form 10-K, as filed with the SEC on February 23, 2024, could cause or contribute to actual results differing materially from those set forth in any forward-looking statement. Moreover, we operate in a very competitive and challenging environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur and you should not place undue reliance on our forward-looking statements. Actual results, events, or circumstances could differ materially from those contemplated by, set forth in, or underlying any forward-looking statements. For all of these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements in Section 27A of the Securities Act and Section 21E of the Exchange Act.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

Critical Accounting Policies and Estimates

There have been no changes to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023, as filed with the SEC on February 23, 2024, that had a material impact on our condensed consolidated financial statements and related notes.

Recent Accounting Pronouncements

See [Note 1 - Description of the Business, Basis of Presentation, and Summary of Significant Accounting Policies](#) to the accompanying notes to unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for further details regarding this topic.

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Results of Operations

The table below summarizes our results of operations:

	For the three months ended		For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	(in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	(in millions)	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Net sales										
Cost of sales										
Gross profit										
Operating expenses:										
General and administrative										
General and administrative										
General and administrative										
Sales and marketing										
Research and development										
Amortization of purchased intangibles										
Total operating expenses										
Total operating expenses										

Total operating expenses
Income from operations
Interest expense
Other (income) expense, net
Other income, net
Income before income taxes
(Benefit) provision for income taxes
Provision (benefit) for income taxes
Net income

**Amounts may not foot due to rounding.*

The following table sets forth selected statement of income data as a percentage of net sales for the periods indicated:

**Percentages may not foot due to rounding.*

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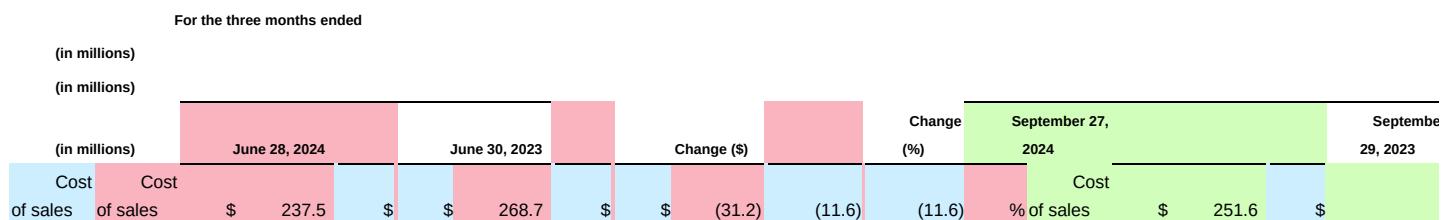
Three months ended June 28, 2024 September 27, 2024 compared to three months ended June 30, 2023 September 29, 2023

Consolidated net sales



Total net sales for the three months ended June 28, 2024 decreased \$52.2 million September 27, 2024 increased \$28.0 million, or 13.0% 8.5%, compared to the three months ended June 30, 2023 September 29, 2023. The decrease increase in net sales is primarily due to product mix and higher interest rates impacting industry and consumer demands and the ongoing bike channel inventory recalibration, offset by the inclusion of \$41.6 million \$49.6 million in net sales from Marucci that was acquired in November 2023, 2023, and a \$27.9 million increase in bike sales, partially offset by a shift in product mix, higher interest rates impacting industry and consumer demands, and higher inventory levels at dealerships. Although bike sales improved compared to prior year, the ongoing channel inventory recalibration and, to a lesser extent, lower end consumer demand remain headwinds.

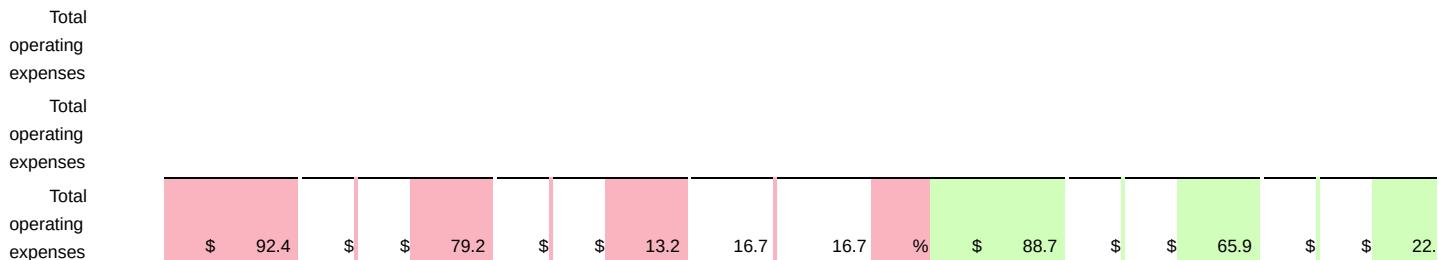
Cost of sales



Cost of sales for the three months ended June 28, 2024 decreased \$31.2 million September 27, 2024 increased \$27.7 million, or 11.6% 12.4%, compared to the three months ended June 30, 2023 September 29, 2023. The decrease increase in cost of sales was primarily due to our decreased sales. Our and a decrease in gross margin decreased 110 of 250 basis points to 31.8% 29.9% for the three months ended June 28, 2024 September 27, 2024 as compared to the same prior fiscal year period are primarily due to a shift in our product line mix and reduced operating leverage on lower volume, partially offset by increased efficiencies at our North American facilities. volume.

Operating expenses



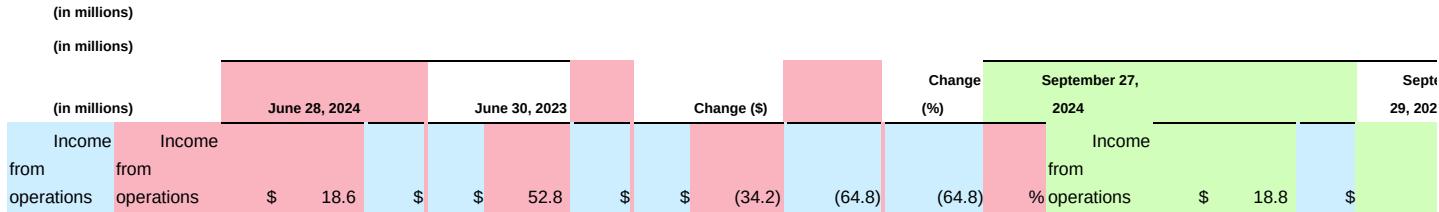


Total operating expenses for the three months ended June 28, 2024 September 27, 2024 were \$92.4 million \$88.7 million, compared to \$79.2 million \$65.9 million for the three months ended June 30, 2023 September 29, 2023. General and administrative expenses increased \$6.8 million, and sales and marketing expenses increased \$3.0 million \$4.6 million primarily due to the inclusion of Marucci operating expenses. Research and development expenses increased \$7.2 million mainly due to personnel investments to support future growth and product innovation and additional benefit from a state research and development tax credit received in prior year. Amortization of purchased intangibles increased by \$3.8 million mainly due to \$4.2 million driven by amortization of additional acquired intangibles.

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Income from operations

For the three months ended

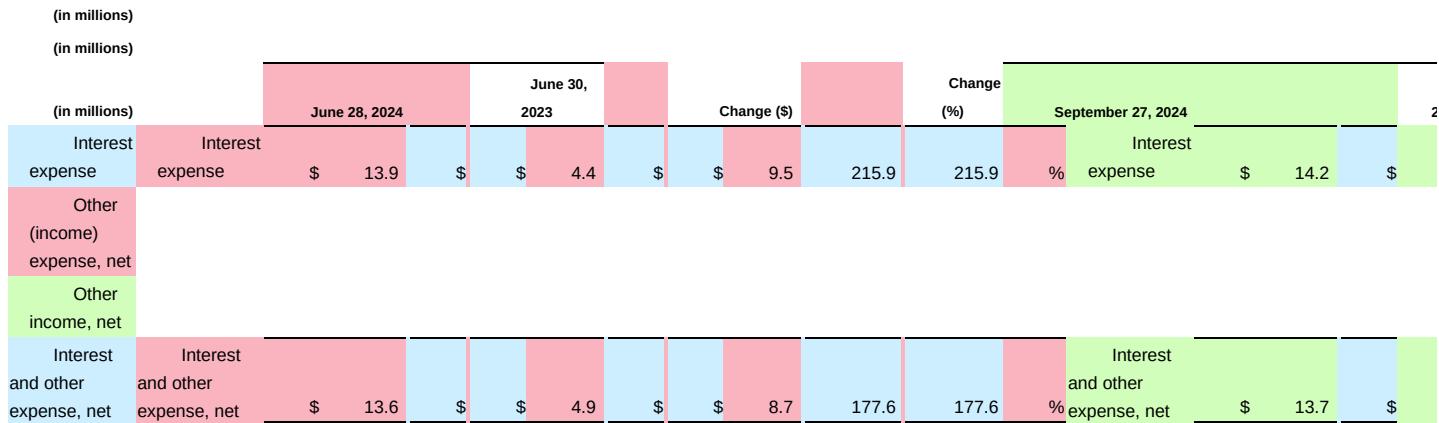


As a result of the factors discussed above, income from operations for the three months ended June 28, 2024 September 27, 2024 decreased \$34.2 million \$22.6 million, or 64.8% 54.6%, compared to income from operations for the three months ended June 30, 2023 September 29, 2023.

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Interest and other expense, net

For the three months ended



Interest and other expense, net for the three months ended **June 28, 2024** **September 27, 2024** increased by **\$8.7 million** **\$11.1 million** to **\$13.6 million** **\$13.7 million**, compared to **\$4.9 million** **\$2.6 million** for the three months ended **June 30, 2023** **September 29, 2023**. Interest expense increased by **\$9.5 million** **\$10.7 million** due to additional debt and higher interest rates.

Income taxes

		For the three months ended								Change (\$)	Change (%)
(in millions)		June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023				
(in millions)											
(Benefit) provision for income taxes		\$ (0.4)	\$ 8.1	\$ (8.5)	(104.9) %						
Provision for income taxes		\$ 0.3	\$ 3.5	\$ (3.2)	(91.4) %						

The effective tax rates were **(7.4)% 5.0%** and **16.9% 9.0%** for the three month periods **months** ended **June 28, 2024** **September 27, 2024** and **June 30, 2023** **September 29, 2023**, respectively.

For the three months ended **June 28, 2024** **September 27, 2024**, the difference between the Company's effective tax rate of **(7.4)% 5.0%** and the 21% federal statutory rate was primarily due to a benefit from the favorable U.S. research and development tax credit, offset by the impact of discrete items in proportion to on lower levels of pre-tax income, including a modification of the tax treatment of certain research and development expenditures recognized in prior years.

For the three months ended **June 30, 2023** **September 29, 2023**, the difference between our effective tax rate of **16.9% 9.0%** and the 21% federal statutory rate resulted primarily was due to a benefit from the U.S. research and development tax credit related to multiple periods and a lower tax rate on foreign derived intangible income and excess benefit related to stock-based compensation. This benefit was income. These benefits were partially offset by state other non-deductible expenses and foreign withholding state taxes.

Net income

		For the three months ended								Change (%)	Change (%)
(in millions)		June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023	Net income	Net income		
(in millions)											
Net income	\$ 5.4	\$ 39.7	\$ (34.3)	\$ (86.4)	(86.4) %	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.8		

As a result of the factors described above, our net income decreased **\$34.3 million** **\$30.5 million**, or **86.4%**, to **\$5.4 million** **\$4.8 million** in the three months ended **June 28, 2024** **September 27, 2024** from **\$39.7 million** **\$35.3 million** for the three months ended **June 30, 2023** **September 29, 2023**.

Segment Review

Due in part to how we operate our business and to best serve our customers, we manage our activities based on three operating segments: Powered Vehicles Group, Aftermarket Applications Group, and Specialty Sports Group.

For additional financial information related to our operating segments including the reconciliation of net income attributable to our common shareholder stockholders to adjusted EBITDA, see [Note 16 – Segment Information](#).

The following table summarizes consolidated net sales and adjusted EBITDA by segment:

For the three months ended									
(in millions)	June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023	Change (\$)	Change (%)	
(in millions)									
Net sales									
Power Vehicles Group									
Power Vehicles Group									
Power Vehicles Group	\$ 117.8	\$ 140.2	\$ (22.4)	(16.0)					
Powered Vehicles Group									
Powered Vehicles Group									
Powered Vehicles Group	\$ 109.3	\$ 123.1	\$ (13.7)	(11.2)					
Aftermarket									
Applications Group									
Specialty Sports Group									
Net sales	Net sales	\$ 348.5	\$ \$ 400.7	\$ \$(52.2)	(13.0)	(13.0)%	Net sales	\$ 359.1	\$ \$ 331.1
Adjusted EBITDA									
Adjusted EBITDA									
Adjusted EBITDA									
Power Vehicles Group									
Power Vehicles Group									
Power Vehicles Group	\$ 15.9	\$ 23.9	\$ (8.0)	(33.5)					
Powered Vehicles Group									
Powered Vehicles Group									
Powered Vehicles Group	\$ 8.9	\$ 26.4	\$ (17.5)	(66.3)					
Aftermarket									
Applications Group									
Specialty Sports Group									
Unallocated corporate expenses									
Adjusted EBITDA	Adjusted EBITDA	\$ 44.2	\$ \$ 79.4	\$ \$(35.2)	(44.3)	(44.3)%	Adjusted EBITDA	\$ 42.0	\$ \$ 63.7

Powered Vehicles Group

Powered Vehicles Group net sales decreased by \$22.4 million \$13.7 million, or 16.0% 11.2%, due to lower industry demand in Power Sports and automotive because of higher interest rates.

Powered Vehicles Group adjusted EBITDA decreased by \$8.0 million \$17.5 million, or 33.5% 66.3%, driven by a decrease in gross profit, partially offset by reductions across operating expenses an increase in personnel investments and additional benefit from our cost control efforts. a state research and development tax credit received in prior year.

Aftermarket Applications Group

Aftermarket Applications Group net sales decreased by \$48.5 million \$35.8 million, or 31.2% 26.3%, driven by lower upfitting sales due to product mix, chassis availability, and higher interest rates impacting industry dealers and consumers. consumers, and higher inventory levels at dealerships.

Aftermarket Applications Group adjusted EBITDA decreased by \$23.6 million \$22.5 million, or 62.4% 70.5%, mainly due to lower gross profit and reduced operating leverage on lower volume. profit.

Specialty Sports Group

Specialty Sports Group net sales increased by \$18.7 million \$77.5 million, or 17.8% 107.6%, primarily due to the inclusion of \$41.6 million \$49.6 million in net sales from Marucci, which we acquired in November 2023, partially offset by a reduction \$27.9 million increase in bike sales. Although bike sales of \$22.9 million because of improved compared to prior year, the ongoing bike channel inventory recalibration and, to a lesser extent, lower end consumer demand. demand remain headwinds.

Specialty Sports Group adjusted EBITDA decreased increased by \$4.9 million \$16.8 million, or 14.4% 85.3%, primarily due to a decline an increase in gross profit driven by the ongoing bike channel inventory recalibration, to a lesser extent, lower end consumer demand, and reduced operating leverage on lower volume, offset by the inclusion of Marucci which grew year over year. Marucci.

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Unallocated corporate expenses

Unallocated corporate expenses consist of corporate overhead expenses that are not directly attributable to one of our business segments and include unallocated occupancy costs for our corporate headquarters, acquisition costs, other benefit and compensation programs, including performance-based compensation, and administrative expenses such as accounting, finance, legal, human resources, and information technology expenses.

Unallocated corporate expenses decreased by \$1.3 million \$1.5 million, or 7.9% 10.5%, driven by cost containment measures.

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Six Nine months ended June 28, 2024 September 27, 2024 compared to six nine months ended June 30, 2023 September 29, 2023

Consolidated net sales									
For the six months ended					For the nine months ended				
(in millions)									
(in millions)	June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023	Net sales	Net sales	Net sales
Net sales	\$ 682.0	\$ 800.6	\$ (118.6)	(14.8)	\$ 1,041.1	\$ 1,041.1	\$ 1,041.1	\$ 1,041.1	\$ 1,041.1

Total net sales for the six nine months ended June 28, 2024 September 27, 2024 decreased \$118.6 million \$90.6 million, or 14.8% 8.0%, compared to the six nine months ended June 30, 2023 September 29, 2023. The decrease in net sales is primarily due to product mix, and higher interest rates impacting industry and consumer demands, higher levels of inventory at dealerships, and the ongoing bike channel inventory recalibration, offset by the inclusion of \$101.2 million \$150.8 million in net sales from Marucci that was acquired in November 2023.

Cost of sales									
For the six months ended					For the nine months ended				
(in millions)									
(in millions)	June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023	Cost of sales	Cost of sales	Cost of sales
Cost of sales	\$ 467.8	\$ 535.2	\$ (67.4)	(12.6)	\$ 719.5	\$ 719.5	\$ 719.5	\$ 719.5	\$ 719.5

Cost of sales for the six nine months ended June 28, 2024 September 27, 2024 decreased \$67.4 million \$39.6 million, or 12.6% 5.2%, compared to the three nine months ended June 30, 2023 September 29, 2023. The decrease in cost of sales was primarily due to our decreased sales. Our gross margin decreased by 170 200 basis points to 31.4% 30.9% for the six nine months ended June 28, 2024 September 27, 2024 as compared to the same prior fiscal year period is primarily due to a shift in our product line mix and operating leverage on lower volume.

Operating expenses

	For the six months ended				For the nine months ended			
	(in millions)							
	June 28, 2024	June 30, 2023	Change (\$)		Change (%)		September 27, 2024	September 29, 2023
Operating expenses:								
General and administrative	\$ 74.4	\$ 64.0	\$ 10.4	16.3	16.3 %	\$ 106.8	\$ 89.7	\$ 13.4
Sales and marketing								
Research and development								
Amortization of purchased intangibles								
Total operating expenses	\$ 186.7	\$ 157.9	\$ 28.8	18.2	18.2 %	\$ 275.3	\$ 223.7	\$ 51.6

Total operating expenses for the **nine months ended June 28, 2024** **September 27, 2024** were **\$186.7 million** **\$275.3 million**, compared to **\$157.9 million** **\$223.7 million** for the **nine months ended June 30, 2023** **September 29, 2023**. Sales General and administrative expenses increased **\$17.1 million** and sales and marketing expenses increased **\$10.5 million** and general and administrative expenses increased **\$10.4 million** **\$15.1 million** primarily due to the inclusion of Marucci operating expenses and **the full nine months of Custom Wheel House operating expenses**, partially offset by our cost containment measures. Research and development expenses increased **\$5.9 million** driven by personnel investments to support future growth and product innovation and the inclusion of Marucci expenses. Amortization of purchased intangibles increased by **\$9.1 million** **\$13.4 million** mainly due to amortization of additional acquired intangibles.

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	Income from operations							
	For the six months ended							
	(in millions)							
	June 28, 2024	June 30, 2023	Change (\$)		Change (%)		September 27, 2024	September 29, 2023
Income from operations	\$ 27.5	\$ 107.5	\$ (80.0)	(74.4)	(74.4) %		Income from operations	\$ 46.3

As a result of the factors discussed above, income from operations for the **six nine** months ended **June 28, 2024** **September 27, 2024** decreased **\$80.0 million** **\$102.5 million** or **74.4%** **68.9%**, compared to income from operations for the **six nine** months ended **June 30, 2023** **September 29, 2023**.

Interest and other expense, net														
For the six months ended					For the nine months ended									
(in millions)														
(in millions)														
Interest expense	Interest expense	\$ 27.2	\$ 7.9	\$ 19.3	244.3	244.3	Interest expense	\$ 41.4	\$					
Other expense, net	Interest and other expense, net	\$ 27.2	\$ 8.5	\$ 18.7	220.0	220.0	Interest and other expense, net	\$ 40.9	\$					

Interest and other expense, net for the **six nine** months ended **June 28, 2024** **September 27, 2024** increased by **\$18.7 million** **\$29.8 million** **\$40.9 million**, compared to **\$8.5 million** **\$11.1 million** for the **six nine** months ended **June 30, 2023** **September 29, 2023**. Interest expense increased by **\$19.3 million** **\$30.0 million** to **\$27.2 million** **\$41.4 million** due to additional debt and higher interest rates.

Income taxes														
For the six months ended					For the nine months ended									
(in millions)														
(in millions)														
(Benefit) provision for income taxes	(Benefit) provision for income taxes	\$ (1.6)	\$ 17.5	\$ (19.1)	(109.1)	(109.1)	(Benefit) provision for income taxes	\$ (1.4)	\$					

The effective tax rates were **(620.1)** **(26.2)%** and **17.7%** **15.2%** for the **six month periods** **nine months ended June 28, 2024** **September 27, 2024** and **June 30, 2023** **September 29, 2023**, respectively.

For the **six nine** months ended **June 28, 2024** **September 27, 2024**, the difference between the Company's effective tax rate of **(620.1)** **(26.2)%** and the 21% federal statutory rate was due to a benefit from the favorable U.S. research and development tax credit, offset by the impact of discrete items in proportion to on lower levels of pre-tax income, including a modification of the tax treatment of certain research and development expenditures recognized in prior years.

For the **six nine** months ended **June 30, 2023** **September 29, 2023**, the difference between our effective tax rate of **17.7%** **15.2%** and the 21% federal statutory rate resulted primarily due to from a lower tax rate on foreign derived intangible income. This income and benefit was from the U.S. research and development tax credit related to multiple periods. These benefits were partially offset by state other non-deductible expenses and foreign withholding state taxes.

Net income														
For the six months ended					For the nine months ended									
(in millions)														
(in millions)														
Net income	Net income	\$ 1.9	\$ 81.5	\$ (79.6)	(97.7)	(97.7)	Net income	\$ 6.7	\$					

As a result of the factors described above, our net income decreased **\$79.6 million** **\$110.1 million**, or **97.7%** **94.3%** to **\$1.9 million** in **\$6.7 million** for the **six** **nine** months ended **June 28, 2024** **September 27, 2024** from **\$81.5 million** **\$116.8 million** for the **six** **nine** months ended **June 30, 2023** **September 29, 2023**.

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Segment Review

For additional financial information related to our operating segments including the reconciliation of net income attributable to our common **shareholder** **stockholders** to adjusted EBITDA, see [Note 16 – Segment Information](#).

The following table summarizes consolidated net sales and adjusted EBITDA by segment:

	For the six months ended		For the nine months ended			September 27, 2024		September 29, 2023		Change	Change
	(in millions)	June 28, 2024	June 30, 2023	Change (\$)	Change (%)	September 27, 2024	September 29, 2023	Change (\$)	Change (%)		
Net sales											
Power Vehicles Group											
Power Vehicles Group											
Power Vehicles Group	\$ 235.9	\$ 282.4	\$ (46.5)	(16.5)	%						
Powered Vehicles Group											
Powered Vehicles Group											
Powered Vehicles Group	\$ 345.2	\$ 405.5	\$ (60.3)	(14.9)	%						
Aftermarket											
Applications Group											
Specialty Sports Group											
Net sales	Net sales	\$ 682.0	\$ 800.6	\$ \$(118.6)	(14.8)%	Net sales	\$ 1,041.1	\$ 1,131.7	\$ \$(90.6)	(8.0)%	
Adjusted EBITDA											
Adjusted EBITDA											
Adjusted EBITDA											
Power Vehicles Group											
Power Vehicles Group											
Power Vehicles Group	\$ 31.8	\$ 41.6	\$ (9.8)	(23.6)	%						
Powered Vehicles Group											
Powered Vehicles Group											
Powered Vehicles Group	\$ 40.7	\$ 67.9	\$ (27.2)	(40.1)	%						
Aftermarket											
Applications Group											
Specialty Sports Group											
Unallocated corporate expenses	Adjusted EBITDA	\$ 84.6	\$ 158.6	\$ \$(74.0)	(46.7)%	Adjusted EBITDA	\$ 126.6	\$ 222.3	\$ \$(95.7)	(43.0)%	
Adjusted EBITDA											

Powered Vehicles Group

Powered Vehicles Group net sales decreased by **\$46.5 million** **\$60.3 million**, or **16.5%** **14.9%**, due to lower industry demand in Power Sports and automotive because of higher interest rates.

Powered Vehicles Group adjusted EBITDA decreased by \$9.8 million \$27.2 million, or 23.6% 40.1%, driven by mainly due to a decrease in gross profit, partially offset by reductions across operating expenses from our cost control efforts. profit.

Aftermarket Applications Group

Aftermarket Applications Group net sales decreased by \$85.4 million \$121.1 million, or 29.0% 28.1%, driven by lower upfitting sales due to product mix, chassis availability, and higher interest rates impacting industry dealers and consumers. consumers, and higher inventory levels at dealerships.

Aftermarket Applications Group adjusted EBITDA decreased by \$45.1 million \$67.6 million, or 60.9% 63.8%, mainly due to lower gross profit and reduced operating leverage on lower volume. profit.

Specialty Sports Group

Specialty Sports Group net sales increased by \$13.3 million \$90.8 million, or 5.9% 30.7%, primarily due to the inclusion of \$101.2 million \$150.8 million in net sales from Marucci, partially offset by a reduction in bike sales of \$87.9 million \$60.0 million because of the ongoing bike channel inventory recalibration and, to a lesser extent, lower end consumer demand.

Specialty Sports Group adjusted EBITDA decreased by \$22.6 million \$5.9 million, or 29.8% 6.2%, primarily due to a decline in gross profit driven by the ongoing bike channel inventory recalibration, to a lesser extent, lower end consumer demand, and reduced operating leverage on lower volume, offset by the inclusion of Marucci which grew year over year.

Unallocated corporate expenses

Unallocated corporate expenses decreased by \$3.5 million \$5.0 million, or 10.6%, driven by cost containment measures.

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Liquidity and Capital Resources

Our primary cash needs are to support working capital, interest on debt, employee compensation, capital expenditures, acquisitions, debt repayments, and other general corporate purposes. Historically, we generally financed our liquidity needs with operating cash flows, borrowings under our Prior Credit Facility and our 2022 Credit Facility, and the issuance of common stock. These sources of liquidity may be impacted by events described in [Cautionary Note Regarding Forward-Looking Statements](#) and [Part II, Item 1A. Risk Factors](#).

As of **June 28, 2024** **September 27, 2024**, we held \$17.8 million \$31.0 million of our \$82.2 million \$89.2 million of cash and cash equivalents in accounts of our subsidiaries outside of the U.S., which we may repatriate.

A summary of our operating, investing and financing activities is shown in the following table:

(in millions)		For the six months ended		For the nine months ended	
		(in millions)	June 28, 2024	(in millions)	September 27, 2024
Net cash provided by (used in) operating activities					
Net cash provided by operating activities					
Net cash used in investing activities					
Net cash (used in) provided by financing activities					
Net cash used in financing activities					
Effect of exchange rate changes on cash and cash equivalents					
Change in cash and cash equivalents					

*Amounts may not foot due to rounding.

We expect that cash on hand, cash flow from operations and availability under our 2022 Credit Facility will be sufficient to fund our operations during the next 12 months from the date of this Form 10-Q and beyond.

Operating activities

In the **six** **nine** months ended **June 28, 2024** **September 27, 2024**, net cash provided by operating activities was \$36.0 million \$50.1 million. Our investment in operating assets and liabilities is a result of an increase in prepaids and other assets inventory of \$35.7 million \$29.0 million, a decrease in income taxes payable of \$23.2 million \$25.3 million, and an increase in inventory accounts receivable of \$7.8 million \$21.8 million, partially offset by an increase in accounts payable of \$34.6 million \$24.2 million, a decrease in accounts receivable of \$12.0 million, and an increase in accrued expenses and other liabilities of \$2.9 million. The increase \$11.3 million, and a decrease in prepaids and other assets is primarily due to carrying new model year chassis to meet current year production needs for the upfitting product lines and, to a lesser degree, slowing sales of older model years. \$9.9 million. The decrease in income taxes payable is mainly due to lower income tax expense and our income tax payments. The increase in inventory is mainly due to timing and some seasonal inventory. The change in our accounts receivable reflects an increase in our sales and the timing of customer collections. The decrease in prepaids and other assets is primarily due to lower chassis deposits as we worked to sell through model year 2024. The increase in accrued expenses and other liabilities is mainly due to

additional leases. The change in our accounts payable is driven by timing of inventory purchases and vendor payments. The change in our accounts receivable reflects a decrease in our sales and the timing of customer collections.

In the **six** nine months ended **June 30, 2023** **September 29, 2023**, net cash used in provided by operating activities was **\$3.3 million** **\$126.7 million**. Our investment in operating assets and liabilities is a result of increases in prepaids and other assets of **\$112.2 million** **\$53.5 million** primarily due to carrying more chassis to meet current year production needs for the upfitting product lines, and decreases in accounts payable of **\$41.6 million** **\$51.4 million**, income taxes payable of **\$16.4 million** **\$20.4 million** and accrued expenses and other liabilities of **\$6.5 million**, of **\$7.3 million**, partially offset by decreases in accounts receivable of **\$32.7 million** **\$53.3 million** and inventory of **\$13.1 million** **\$20.4 million**. The change in our accounts receivable reflects a shift in our product line mix, mix and the timing of customer collections. The change in our accounts payable is driven by timing of inventory purchases and vendor payments. The change in accrued expenses and other liabilities is primarily due to payments made for compensation and tax related accruals. The decrease in inventory reflects our continued efforts to optimize inventory levels.

Investing activities

In the **six** nine months ended **June 28, 2024** **September 27, 2024** and **June 30, 2023** **September 29, 2023**, net cash used in investing activities consisted of **\$26.6 million** **\$42.5 million** and **\$156.5 million** **\$165.4 million**, respectively. Investing activities for the **six** nine months ended **June 28, 2024** **September 27, 2024** consisted of **\$21.2 million** **\$32.1 million** of property and equipment additions, **\$5.0 million** of cash consideration for our acquisitions and **\$0.4 million** **\$5.3 million** of cash consideration for our acquisition of other assets, assets, and **\$5.0 million** of cash consideration for our acquisitions. Investing activities for the **six** nine months ended **June 30, 2023** **September 29, 2023** consisted of **\$130.9 million** of cash consideration for our purchase of Custom Wheel House, **\$23.2 million** **\$32.0 million** of property and equipment additions and **\$2.4 million** in cash consideration for our purchase of other assets.

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Financing activities

In the **six** nine months ended **June 28, 2024** **September 27, 2024**, net cash used in financing activities was **\$10.7 million** **\$1.7 million**, and consisted of the proceeds from our 2022 Credit Facility revolver of **\$119.0 million** **\$169.0 million** and draw from the Delayed Draw Term Loan of \$200.0 million that were used to support our working capital, offset by payments of **\$295.0 million** **\$329.0 million** to reduce the revolver borrowings, **\$7.1 million** **\$13.2 million** repayments on our **Term A Loan**, term loans, **\$25.0 million** to repurchase shares of our common stock for retirement, and payments of **\$2.5 million** **\$2.6 million** to repurchase shares of our common stock to cover withholding taxes from our stock-based compensation program.

In the **six** nine months ended **June 30, 2023** **September 29, 2023**, net cash provided by financing activities was **\$119.8 million** **\$16.2 million**, and consisted of the proceeds from our 2022 Credit Facility of \$210.0 million that were used to support our working capital and the purchase of Custom Wheel House, partially offset by payments of **\$85.0 million** **\$220.0 million** to reduce the revolver borrowings and payments of **\$5.2 million** **\$6.2 million** to repurchase shares of our common stock to cover withholding taxes from our stock-based compensation program.

2022 Credit Facility

On April 5, 2022, the Company entered into a new credit agreement with Wells Fargo Bank, National Association, and other named lenders (the "2022 Credit Facility"). The 2022 Credit Facility, which matures on April 5, 2027, provides for revolving loans, swingline loans and letters of credit up to an aggregate amount of \$650.0 million.

On April 5, 2022, the Company borrowed \$475.0 million under the 2022 Credit Facility, which was used to repay all outstanding amounts owed under the Prior Credit Facility and for general corporate purposes. Future advances under the 2022 Credit Facility will be used to finance working capital, capital expenditures and other general corporate purposes of the Company. To the extent not previously paid, all then-outstanding amounts under the 2022 Credit Facility are due and payable on the maturity date.

The Company paid \$2.0 million in debt issuance costs in connection with the 2022 Credit Facility, which were allocated to the revolver and amortized on a straight-line basis over the term of the facility. Additionally, the Company had \$4.5 million of remaining unamortized debt issuance costs related to the Prior Credit Facility. The Company expensed \$1.9 million of the remaining unamortized debt issuance costs and allocated \$2.5 million to the 2022 Credit Facility.

The Company may borrow, prepay and re-borrow principal under the 2022 Credit Facility during its term. Advances under the 2022 Credit Facility can be either Adjusted Term SOFR loans or base rate loans. SOFR rate revolving loans bear interest on the outstanding principal amount thereof for each interest period at a rate per annum equal to Term SOFR for such calculation plus 0.10% plus a margin ranging from 1.00% to 2.00%. Base rate revolving loans bear interest on the outstanding principal amount thereof at a rate per annum equal to the highest of (i) Federal Funds Rate plus 0.50%, (ii) the rate of interest in effect for such day as publicly announced from time to time by the lender as its "prime rate", and (iii) Adjusted Term SOFR rate for a one-month tenor plus 1.00%, subject to the interest rate floors set forth therein, plus a margin ranging from 0.00% to 1.00%. At **June 28, 2024** **September 27, 2024**, the one-month SOFR and three-month SOFR rates were **5.34%** **5.21%** and **5.35%** **5.33%**, respectively. At **June 28, 2024** **September 27, 2024**, our weighted-average interest rate on outstanding borrowing was **7.07%** **6.30%**.

On November 14, 2023, in connection and concurrently with the closing of the Marucci acquisition, the Company entered into the First Incremental Facility Amendment (the "Amendment" or "Amendment") amending the 2022 Credit Facility. The Amendment provided the Company with the Incremental Term A Loan in an amount of \$400.0 million and the Delayed Draw Term Loan in an amount of \$200.0 million, each of which are permitted under the 2022 Credit Facility, subject to satisfaction of certain conditions. The Incremental Term A Loan was fully funded on November 14, 2023 and used to fund a portion of the consideration owed under the Marucci acquisition. The Delayed Draw Term Loan was available to the Company for up to six months commencing on December 6, 2023, until the earlier of (a) May 14, 2024 and (b) the date on which the Delayed Draw Term commitments have been terminated. Each Incremental Term Loan is subject to quarterly amortization payments of principal at a rate of 5.00% per annum. The Incremental Term Loans are in the form of term SOFR loans and base rate loans, at the option of the Company, and have an applicable margin ranging from 0.50% to 1.50% for base rate loans and 1.50% to 2.50% for term SOFR loans, subject to adjustment provisions. Each Incremental Term Loan has a maturity date of April 5, 2027, consistent with the 2022 Credit Facility.

The Company paid \$10.1 million in debt issuance costs, of which \$6.7 million were allocated to the Term A Loan and \$3.4 million were allocated to the Delayed Draw Term Loan. Loan fees allocated to the Term A Loan are amortized using the interest method over the term of the Credit Facility. Loan fees allocated to the Delayed Draw Term Loan were deferred as an asset until the debt is drawn.

On May 13, 2024, the Company borrowed the full amount of \$200,000 of the Delayed Draw Term Loan. The fees were reclassified to a contra-liability account and amortized over the term of the drawn debt using the interest method.

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On July 31, 2024, the Company recently secured entered into the Third Amendment to the Credit Facility to secure an improved covenant profile on its capital structure to provide more flexibility given the uncertain macro environment.

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The Company continues to work on gaining further flexibility.

The 2022 Credit Facility is secured by substantially all of the Company's assets, restricts the Company's ability to make certain payments and engage in certain transactions, and requires that the Company satisfy customary financial ratios. The Company was in compliance with the covenants as of June 28, 2024 September 27, 2024.

Material Cash Requirements

There have been no material changes to the information in our material cash requirements related to commitments or contractual obligations from those reported in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023, as filed with the SEC on February 23, 2024.

Inflation

Historically, inflation has not had a material effect on our results of operations. However, significant increases in inflation, particularly those related to wages and increases in the cost of raw materials have and could continue to have an adverse impact on our business, financial condition and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to the disclosures discussed in the section "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 29, 2023, as filed with the SEC on February 23, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, under the direction and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 28, 2024 September 27, 2024. Based on the evaluation of our disclosure controls and procedures as of June 28, 2024 September 27, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal controls over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On February 20, 2024, a complaint alleging violations of federal securities laws and seeking certification as a class action was filed against the Company and certain of its current and former officers in the United States District Court for the Northern District of Georgia in Atlanta. The plaintiff filed an amended complaint that purports to seek damages on behalf of a putative class of persons who purchased the Company's common stock between May 6, 2021 and November 2, 2023. The amended complaint asserts claims under Sections 10(b) and 20 of the Securities Exchange Act and alleges that the Company and certain current and former officers made material misstatements and omissions to investors regarding demand for the Company's products and its inventory levels. The amended complaint generally seeks money damages, interest, attorneys' fees, and other costs. The Company denies defendants deny all allegations of wrongdoing, believes believe the plaintiffs' plaintiff's positions are without merit, and intends intend to vigorously defend itself. The Court has entered an order requiring plaintiff to file an amended complaint by August 16, 2024 themselves. On October 15, 2024, and setting the defendants filed a briefing schedule for anticipated motion to dismiss the amended complaint. Per the Court's scheduling order, the plaintiff will file his opposition by December 13, 2024, and defendants will reply by January 13, 2025.

On October 9, 2024, and October 29, 2024, two stockholder derivative complaints were filed in the United States District Court for the Northern District of Georgia against certain of the Company's officers and its directors, with the Company named as a nominal defendant. The cases are assigned to the same judge presiding over the securities fraud class action. The complaints are premised on substantially the same factual allegations as the securities fraud class action, but in these complaints, the plaintiff claims that the Company's officers and directors breached their fiduciary duties or otherwise engaged in wrongdoing by allowing the underlying securities fraud to occur. The defendants deny all allegations of wrongdoing, believe the plaintiffs' claims are without merit, and intend to vigorously defend themselves.

ITEM 1A. RISK FACTORS

Work stoppages or other disruptions, including those that involve our customers, could adversely affect our operating results.

A portion of our goods move through ports on the coasts of the U.S. We have a global supply chain, and we import products from our third-party vendors and our Fox Taiwan facility into the U.S. largely through these ports. Dockworkers, none of whom are our employees, must offload freight from ships arriving at these ports. We do not control the activities of these employees or seaports, and we could suffer supply chain disruptions due to any disputes, capacity shortages, slowdowns, or shutdowns that may occur, as was experienced in February 2015, in relation to certain ports on the West Coast of the U.S. Most recently, the International Longshoremen's Association ("ILA"), which negotiates on behalf of 45,000 dockworkers at three dozen ports from Maine to Texas and collectively handles about half of seaborne imports into the U.S., began a member strike due to disagreements with the United States Maritime Alliance. While the ILA strike was suspended after two days and dockworkers returned to ports following an improved wage offer and tentative agreement with the United States Maritime Alliance, the parties continue to negotiate on a long-term agreement. The 2015 strike lasted longer than we forecasted, and any similar labor dispute in the future or any slowdown or stoppage relating to the ongoing labor agreement negotiations, including the reinstatement of a strike by the ILA, could potentially have a negative effect on both our financial condition and results of operations. Further, the improved wage offer outlined in the tentative agreement with the ILA could increase import and export

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costs. Additionally, the Baltimore Francis Scott Key bridge accident in March 2024 leading to the suspension of activity in the Port of Baltimore caused rerouting of shipping vessels, which may create congestion and delays in other ports, including certain East Coast ports through which we import products, increase fuel costs for shipping, and have long-standing impacts on supply chains in the retail and manufacturing industries. While the Port of Baltimore opened up to maritime traffic on June 10, 2024, the bridge that is not expected to be rebuilt until late 2028 and further work to clear out wreckage and continue maintenance of the port may continue to cause delays in the Port of Baltimore and other East Coast ports where activities are rerouted. The incident has also raised concerns regarding deteriorating infrastructure throughout the U.S., which may further cause shipping delays and harm results of operation as such infrastructure is replaced or updated with new safety measures. Furthermore, the ongoing effects of the COVID-19 pandemic increased uncertainty for global supply chains, as port congestion and shipping container shortages have become exacerbated, which could adversely affect our operating results.

Work stoppages, labor disputes, and other disruptions involving our customers or otherwise could also adversely affect our operating results. For example, the United Auto Workers Union ("UAW") 2023 strike impacted Ford Motor Company, General Motors, and Stellantis after the UAW was unable to reach a deal with the three automakers. Automotive OEMs are some of the largest customers of our powered vehicle suspension products. Recently, the UAW again threatened strikes against one of Ford Motor Company's units and Stellantis, though Ford and the UAW reached a tentative agreement prior to any strike activity by workers. The 2023 UAW strike may have lingering effects that could continue to impact the automotive industry. Any such lingering effects may adversely impact our own business, financial condition, or results of operation. Any future strikes, including those the threatened 2024 UAW strikes and including any strikes against our customers, are highly unpredictable and may

negatively affect our business. The ultimate impact on our business, financial position, and results of operations will depend on factors beyond our control, including the duration and scope of labor strikes.

U.S. policies related to global trade and tariffs could have a material adverse effect on our results of operations.

The current domestic and international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. In 2018, the U.S. imposed tariffs of 25% on steel and 10% on aluminum, with only a handful of countries exempt from the increase. Throughout the Trump Administration, the U.S. and China imposed a variety of tariffs on most goods traded between the two countries. The U.S. and the European Union also imposed tariffs on each other's products stemming from a dispute at the World Trade Organization related to aircraft. The Biden Administration and U.S. Congress have created significant uncertainty about their review of tariffs and future relationships between the U.S. and other countries with respect to regulations. Recently, a coalition of U.S. producers of aluminum extrusions filed a petition with U.S. trade authorities requesting the imposition of anti-dumping duties against imports of aluminum extrusions from 15 countries. The U.S. Department of Commerce began investigations based on the petitions and, following preliminary determinations, the U.S. Customs and Border Patrol started collecting anti-dumping duty cash deposits in May 2024. The final phase of hearings occurred in October 2024. The International Trade Commission is expected to announce final determinations on November 12, 2024, with the issuance of orders to follow. Because aluminum is one the primary raw materials used in the production of our products, our operating results could be adversely impacted by the imposition of duties on extruded aluminum.

While we have limited exposure to implemented tariffs at this time, any expansion in the types of tariffs implemented has the potential to negatively impact our supply chain costs and the operating performance of our customers, which in turn may negatively affect our sales, gross margin, and operating performance. Additionally, there is a risk that continued U.S. tariffs on imports could be met with additional retaliatory tariffs on U.S.-produced exports and that the broader trade uncertainty could intensify. This has the potential to significantly impact global trade and economic conditions in many of the regions where we do business and have a material adverse effect on our results of operations.

Except as noted in this Item 1A, there have been no material changes to the risk factors described in our Form 10-K for the 2023 fiscal year ended December 29, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table contains the details related to the repurchase of common stock based on the date of trade during the quarter ended **June 28, 2024** **September 27, 2024**:

Period
Period
Period
3/30-5/3
3/30-5/3
3/30-5/3
5/4-5/31
5/4-5/31
5/4-5/31
6/1-6/28
6/1-6/28
6/1-6/28
6/29-8/2
6/29-8/2
6/29-8/2
8/3-8/30
8/3-8/30
8/3-8/30
8/31-9/27
8/31-9/27
8/31-9/27

Total		
Total		
Total		
(1) Shares acquired from holders of restricted stock unit awards to satisfy tax-withholding obligations.		
(1) Shares acquired from holders of restricted stock unit awards to satisfy tax-withholding obligations.		
(1) Shares acquired from holders of restricted stock unit awards to satisfy tax-withholding obligations.		
(2) The average price paid per share excludes excise tax on share repurchases imposed as part of the Inflation Reduction Act of 2022.		
(3) On November 1, 2023, the Company's Board of Directors authorized a share repurchase plan for up to \$300 million in shares of the Company's common stock, par value \$0.001 per share. Refer to Note 11, Stockholders' Equity for further details.	(3) On November 1, 2023, the Company's Board of Directors authorized a share repurchase plan for up to \$300 million in shares of the Company's common stock, par value \$0.001 per share. Refer to Note 11, Stockholders' Equity for further details.	(3) On November 1, 2023, the Company's Board of Directors authorized a share repurchase plan for up to \$300 million in shares of the Company's common stock, par value \$0.001 per share. Refer to Note 11, Stockholders' Equity for further details.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended **June 28, 2024** **September 27, 2024**, none of our officers or directors (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

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ITEM 6. EXHIBITS

Incorporated by Reference					Filed or Furnished Herewith
Exhibit Number	Exhibit Description	Form	File No.	Filing Date	
3.1	Second Amended and Restated Certificate of Incorporation	10-Q	001-36040	August 4, 2023	
3.2	Second Amended and Restated Bylaws	8-K	001-36040	August 1, 2024	
10.1	Second Third Amendment to Credit Agreement, and First Amendment to Guaranty and Security Agreement dated July 31, 2024				X
10.2	Amendment to Pilot Agreement, dated September 25, 2024				X
10.3†	Executive Separation and Release Agreement, dated August 13, 2024, between Fox Factory, Inc., Fox Factory Holding Corp., and Thomas L. Fletcher.	8-K	001-36040	August 15, 2024	
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.				X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.				X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended.				X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover page formatted as Inline XBRL and contained in Exhibit 101				

† Management contract or compensatory plan.

X Filed herewith

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned
thereunto duly authorized.

FOX FACTORY HOLDING CORP.

August 1, October 31, 2024

By: /s/ Dennis C. Schemm

Dennis C. Schemm, Chief Financial Officer
(Principal Financial Officer)

FOX FACTORY HOLDING CORP.

August 1, October 31, 2024

By: /s/ Brendan R. Enick

Brendan R. Enick, Chief Accounting Officer
(Principal Accounting Officer)

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Exhibit 10.1

EXHIBIT 10.1

**SECOND THIRD AMENDMENT TO CREDIT AGREEMENT AND FIRST
THIS THIRD AMENDMENT TO GUARANTY AND SECURITY AGREEMENT**

THIS SECOND AMENDMENT TO CREDIT AGREEMENT AND FIRST AMENDMENT TO GUARANTY AND SECURITY AGREEMENT (this "Amendment") is made and entered into as of June 5, 2024 July 31, 2024 (the "Amendment Effective Date"), by and among FOX FACTORY HOLDING CORP., a Delaware corporation (the "Borrower"), certain of the Grantors Borrower's subsidiaries identified as "Grantors" party to the Security Agreement (as herein defined) on the signature pages hereto (each a "Grantor" and collectively, the "Grantors", together with the Borrower, each a "Loan Party" and collectively, the "Loan Parties"), certain of the Lenders (as herein defined) identified on the signature pages hereto as the "Required Lenders" (the "Required Lenders") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (the "Administrative Agent") for the Secured Parties (as defined in the Security Agreement) Credit Agreement referred to below).

RECITALS

WHEREAS, the Borrower, the lenders from time to time party thereto (the "Lenders") and the Administrative Agent have entered into a Credit Agreement, dated as of April 5, 2022 (as amended pursuant to that certain First Incremental Facility Amendment, dated as of November 14, 2023, that certain Second Amendment to Credit Agreement and First Amendment to Guaranty and Security Agreement, dated as of June 5, 2024, and as further amended, restated, supplemented, replaced, increased, refinanced or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has notified the Administrative Agent that it is requesting that (a) the Credit Agreement be amended pursuant to the terms hereof and (b) the Administrative Agent and the Required Lenders amend the Credit Agreement to effect such amendments as may be necessary or appropriate in connection with the Credit Agreement, the Borrower foregoing; and certain of its Subsidiaries have entered into the Guaranty and Security Agreement, dated as of April 5, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), in favor of the Administrative Agent for the benefit of the Secured Parties;

WHEREAS, MARUCCI SPORTS, LLC, a Delaware limited liability company ("Marucci") desires to enter into an agreement (the "License Agreement") for the licensing of certain trademarks and other intellectual property (the "Licensed Property") owned by MLB Advanced Media, L.P., whereby Marucci would be permitted to utilize the Licensed Property in connection with the manufacture, distribution, promotion, advertisement and sale of certain of Marucci's products (the "Licensed Products");

WHEREAS, the Credit Agreement, and Security Agreement require Marucci to grant a security interest in the Licensed Products;

WHEREAS, the License Agreement permits the grant of security interests in the Licensed Products only when certain conditions set forth in the License Agreement are met;

WHEREAS, the Borrower and the Grantors have requested that Administrative Agent, the Required Lenders and the Loan Parties agree to make certain amendments to that the Credit Agreement and the Security Agreement to (i) allow Marucci to enter into the License Agreement and (ii) exclude the Licensed Products from the security interests granted is hereby, subject to the Administrative Agent for the benefit of the Secured Parties by Marucci terms and to the extent Wheelhouse Holdings Inc., a Delaware corporation ("Wheelhouse"), obtains any rights in the Licensed Products, Wheelhouse, upon the execution and delivery conditions of this Amendment, Agreement, subject amended as provided below in order to effect the provisions set forth in this Amendment Agreement; terms, conditions and

WHEREAS, the parties now desire to amend the Credit Agreement and the Security Agreement as amendments set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions, premises and other mutual covenants set forth in this Amendment, Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Administrative Agent, the Required Lenders and the Loan Parties hereby agree as follows:

Section 1. Definitions. Unless otherwise defined herein, all capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Security Agreement, as applicable. Agreement.

Section 2. Amendments to the Credit Agreement.

(A) Section 1.01 of From and after the Amendment Effective Date (as defined below), the Credit Agreement is hereby shall be amended to add the following definitions thereto by deleting Section 7.01 therein and inserting a new Section 7.01 as set forth below in proper alphabetical order: replacement thereof:

"Section 7.01 Licensed MLB Products Consolidated Net Leverage Ratio" has the meaning specified in the definition of "MLB License Agreement".

"Marucci" shall mean Marucci Sports, LLC, a Delaware limited liability company.

"MLB License Agreement" means that certain License Agreement, dated on or around June 6, 2024, by and between Marucci, as licensee, and MLB Advanced Media, L.P., as licensor, whereby Marucci is permitted to utilize certain trademarks and other intellectual property owned by MLB Advanced Media, L.P. in connection with the manufacture, distribution, promotion, advertisement and sale of certain of Marucci's products outlined in Schedule E of the MLB License Agreement (the "Licensed MLB Products").

(B) Section 8.02 of the Credit Agreement is hereby amended to add the following language after clause (i):

"Notwithstanding anything set forth (i) in this Section 8.02, (ii) elsewhere in the Credit Agreement or (iii) in any other Loan Document to the contrary, the Borrower will not, and will not permit any of its Subsidiaries, including but not limited to Marucci, to create, incur, assume or suffer to exist any Lien on any of the Licensed MLB Products, except for Liens in favor of the Administrative Agent for the benefit of the Secured Parties in the event the Licensed MLB Products cease to be Excluded Property (as defined in the Guaranty and Security

Agreement) through compliance with the conditions set forth in Section 13(S) The Borrower will maintain, (i) as of the MLB License Agreement.

(C) Clause (iv) end of Section 8.08 each Fiscal Quarter ending after the Closing Date through the Fiscal Quarter ending June 30, 2024, a Consolidated Net Leverage Ratio of not greater than 4.00:1.00, (ii) as of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(iv) clause (a) shall not apply to (x) customary provisions in leases, licenses and other contracts entered into in the ordinary course of business and (y) the MLB License Agreement."

Section 3. Amendments to Security Agreement.

(A) Section 1.1 end of the Security Agreement is hereby amended to restate the definition Fiscal Quarter ending September 27, 2024, a Consolidated Net Leverage Ratio of "Excluded Property" in its entirety not greater than 4.75:1.00, (iii) as follows:

"Excluded Property" shall mean (i) (A) any voting Capital Stock in excess of 65% of the issued and outstanding voting Capital Stock of any Foreign Subsidiary and (B) any Capital Stock of any non-wholly owned Subsidiary to the extent that the granting of a security interest in such Capital Stock is prohibited by the applicable joint venture, shareholder, stock purchase or similar agreement relating to such Capital Stock, (ii) any rights or interest in any contract, lease, permit, license, or license agreement covering real or personal property of any Grantor if under the terms of such contract, lease, permit, license, or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein is prohibited as a matter of law or under the terms of such contract, lease, permit, license, or license agreement and such prohibition or restriction has not been waived or the consent end of the other party to such contract, lease, permit, license, or license agreement has Fiscal Quarter ending January 3, 2025, a Consolidated Net Leverage Ratio of not been obtained (provided, that, the foregoing exclusions shall in no way be construed to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 greater than 4.75:1.00, (iv) as of the UCC or other applicable law) end of the Fiscal Quarter ending April 4, 2025, (iii) margin stock, (iv) any United States intent-to-use Trademark applications to the extent that, and solely during the period in which, the grant a Consolidated Net Leverage Ratio of a security interest therein would impair the validity or enforceability of such intent-to-use Trademark applications under applicable federal law, not greater than 4.25:1.00 and (v) as of the Licensed MLB Products; end of the Fiscal Quarter ending July 4, 2025 and each Fiscal Quarter thereafter, a Consolidated Net Leverage Ratio of not greater than 4.00:1.00; provided, that "Excluded Property" such permitted ratio shall, not include any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property); at the Borrower's election, increase by 0.50:1.00 for the first four Fiscal Quarters following a Permitted Acquisition exceeding \$75,000,000; provided further, that, no such election by the Licensed MLB Products Borrower shall automatically cease cause the permitted ratio to be Excluded Property, without further action exceed 4.75:1.00.

Section 3. Conditions Precedent to Effectiveness. This Amendment shall become effective as of the day and year first set forth above (the "Amendment Effective Date") upon the satisfaction or waiver of the following conditions:

- a. Executed Amendment. The Administrative Agent shall have received counterparts of this Amendment, executed by a duly authorized officer of each party hereto.
- b. Fees and Expenses. The Administrative Agent shall have received all fees and other amounts due and payable by any party Loan Party on or prior to this Agreement, upon compliance with the conditions date hereof, including (i) those fees set forth in Section 13(S) that certain Third Amendment Fee Letter, dated as of the MLB License Agreement.

(B) Section 6.1 of the Security Agreement is hereby amended to add the following clause (d) after clause (c):

(d) Upon the written request of the Required Lenders or the Administrative Agent acting at the direction of the Required Lenders, Amendment Effective Date, by and at the sole expense of Marucci and between the Borrower Marucci and the Borrower shall, within thirty (30) days of such notice, take any and all actions necessary under Section 13(S) of the MLB License Agreement to permit the grant of a security interest in the Licensed MLB Products.

(C) Article VII of the Security Agreement is hereby amended to add the following Section 7.8 after Section 7.7:

Section 7.8 Certain Collateral. Notwithstanding anything set forth in any Loan Document to the contrary, the parties hereto agree that:

- (a) the grant of rights in the Licensed MLB Products represents a non- assignable security interest and not conveyance of ownership;
- (b) the Administrative Agent and the other Secured Parties shall not be entitled to complete works-in-process or raw materials used to create the Licensed MLB Products; and
- (c) if the Administrative Agent or the other Secured Parties wish to sell the Licensed MLB Products upon the occurrence and continuance of an Event of Default, then such Secured Party shall first offer MLB Advanced Media, L.P. the opportunity to purchase such Licensed MLB Products at the lesser of the lowest applicable wholesale value therefor (factoring in the age and condition of the Licensed MLB Products) or the lowest "qualified bid". A "qualified bid" shall be any bona fide, arm's length bid offered other than by a party (1) who MLB Advanced Media, L.P. would not approve as a purchaser under the MLB License Agreement, or (2) who is related to or affiliated with Marucci (including, without limitation, a Licensee Affiliate (as defined in the MLB License Agreement)). In the event MLB Advanced Media, L.P. does not exercise such option to purchase the inventory, Marucci shall obtain MLB Advanced Media, L.P.'s written approval of such sale upon at least fifteen (15) MLB Advanced Media, L.P. business days' advance written notice to MLB Advanced Media, L.P.; it being understood that MLB Advanced Media, L.P. may grant or deny approval in its sole discretion. If approval is denied, MLB Advanced Media, L.P. shall be entitled to order the destruction or return of such Licensed MLB Products upon the payment (ii) to the Administrative Agent (for the benefit of the Secured Parties) by MLB Advanced Media, L.P. of the actual manufacturer's cost of such goods factoring in the age and condition of the inventory. If approval is granted, the sale shall be conditioned upon (1) the extent invoiced, reimbursement or payment to MLB Advanced Media, L.P. of all Royalties (as defined in reasonable out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by the MLB License Agreement) due to MLB Advanced Media, L.P. on such sales, based on the terms of the MLB License Agreement, within fifteen (15) days from such sale (and Borrower under any outstanding obligations owed to MLB Advanced Media, L.P., if requested by MLB Advanced Media, L.P.), (2) such Secured Party's carrying of insurance of the type required of Marucci in Schedule M of the MLB License Agreement prior to consummating such sale, (3) MLB Advanced Media, L.P.'s approval of said Licensed MLB Products pursuant to Section 10 of the MLB

License Agreement, (4) the manner of the sale (including, without limitation, Licensed Territory (as defined in the MLB License Agreement), method of distribution and License Period (as defined in the MLB License Agreement)) complying in all aspects of the MLB License Agreement; and (5) such Secured Party's agreement to indemnify MLB Advanced Media, L.P. and each of its affiliates referenced in Paragraph 7(C) of the MLB License Agreement from all claims relating to such sale. Loan Document.

Section 4. Amendment Agreement is a "Loan Document". This Amendment Agreement is a Loan Document and all references to a "Loan Document" in the Credit Agreement and the other Loan Documents (including, without limitation, all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this Amendment Agreement. Amendment.

Section 5. Representations and Warranties; No Default. Each Loan Party represents and warrants to the Administrative Agent and the Lenders, that, (a) the representations and warranties made by such Loan Party set forth in the Loan Documents to which it is a party are true and correct in all material respects (except to the extent any such representation and warranty by its terms is qualified by materiality or Material Adverse Effect, in which case such representation and warranty (as so qualified) is true and correct in all respects), in each case on and as of the date hereof (or true and correct in all material respects of a specified date, if earlier) and (b) no Default or Event of Default exists, or would result, from the consummation of the transactions contemplated by this Amendment Agreement on the date hereof.

Section 6. Reaffirmation of Obligations. Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this Amendment, **Agreement**, (b) affirms all of its obligations under the Loan Documents to which it is a party and (c) agrees that this Amendment **Agreement** does not operate to reduce or discharge its obligations under the Loan Documents to which it is a party.

Section 7. Reaffirmation of Security Interests. Each Loan Party (a) affirms that each of the Liens granted by such Loan Party in or pursuant to the Loan Documents to which it is a party are valid and subsisting and (b) agrees that this Amendment **Agreement** does not in any manner impair or otherwise adversely affect any of the Liens granted by such Loan Party in or pursuant to the Loan Documents to which it is a party.

Section 8. No Other Changes. Except as modified hereby, all of the terms and provisions of the Loan Documents shall remain in full force and effect.

Section 9. Counterparts; Delivery. This Amendment **Agreement** may be executed in any number of counterparts and by the various parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment **Agreement** by telecopy or in any other electronic format (such as .pdf format) shall be effective as delivery of a manually executed original counterpart of this **Amendment Agreement**. Subject to Section 11.18 of the Credit Agreement, execution of this Amendment **Agreement** shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a

manually executed signature, physical delivery thereof or the use of a paper based recordkeeping system, as the case may be.

Section 10. Governing Law. This Amendment **Agreement** shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned have caused this Amendment **Agreement** to be duly executed and delivered as of the date first above written.

ADMINISTRATIVE AGENT:

ADMINISTRATIVE AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ Corey Coward

Name: Corey Coward

By: /s/ Corey Coward

Name: Corey Coward

Title: Senior Vice

President

Signature Page to Third Amendment to Credit Agreement

REQUIRED LENDERS: LENDERS:

WELLS FARGO BANK, OF AMERICA, N.A. NATIONAL ASSOCIATION,
as a Lender

By: /s/ Ryan Maples

Name: Ryan Maples

Title: Sr. By: /s/ Corey Coward

Name: Corey Coward

Title: Senior Vice

President

REQUIRED LENDERS: LENDERS:

CAPITAL ONE, Bank of America, NA, as a Lender

By: /s/ Ryan Maples

Name: Ryan Maples

Title: Senior Vice President

REQUIRED LENDERS:

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Timothy Miller

Name: Timothy Miller

Title: Duly Authorized Signatory

Jackson

Name: Larry D. Jackson

Title: Senior Vice President

By: /s/ Larry D.

REQUIRED LENDERS: LENDERS:

CAPITAL ONE, NATIONAL ASSOCIATION, as a Lender

By: /s/ Alfredo Wang

Name: Alfredo Wang

Title: Duly Authorized Signatory

REQUIRED LENDERS:

CITIZENS BANK,
as a Lender

By: /s/ Karmyn Paul

Name: Karmyn Paul

Title: Senior Vice President

Kennedy

Name: Douglas Kennedy

Title: Senior Vice President

By: /s/ Douglas

Signature Page to Third Amendment to Credit Agreement

Signature Page to Second Amendment to Credit Agreement and First Amendment to Guaranty and Security Agreement

REQUIRED LENDERS: LENDERS:

HSBC BANK USA, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Ketak Sampat

Name: Ketak Sampat

By: /s/ Ketak Sampat

Name: Ketak Sampat

Title: Senior Vice President

REQUIRED LENDERS:

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Larry D. Jackson

Name: Larry D. Jackson

Title: Senior Vice President

REQUIRED LENDERS: LENDERS:

REGIONS BANK,
as a Lender

By: /s/ Ryan Franco
Name: Ryan Franco
By: /s/ Cheryl L. Shelhart

Name: Cheryl L. Shelhart
Title: Managing Director

REQUIRED LENDERS:

TD Bank, NA

By: /s/ Kristen Schmidt
Name: Kristen Schmidt
Title: Managing Director

REQUIRED LENDERS: LENDERS:

TD BANK NA, UNITED, N.A.,
as a Lender

By: /s/ Nate Barrett
Name: Nate Barrett
Title: Atlanta Head of Middle Market

Gordon
Name: Adam Gordon
Title: Southeast Regional Executive

By: /s/ Adam

Signature Page to Third Amendment to Credit Agreement

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REQUIRED LENDERS: BORROWER:

TRUIST BANK,
as a Lender

By: /s/ Lisa Garling
Name: Lisa Garling
Title: Director

REQUIRED LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Corey Coward
Name: Corey Coward
Title: Senior Vice President

BORROWER:

FOX FACTORY HOLDING CORP.,
a Delaware corporation

By: /s/ Dennis C. Shemmm
Name: Dennis C. Schemm
Title: Chief Financial Officer

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OTHER LOAN PARTIES:

FOX FACTORY, INC.,
a California corporation

By: /s/ Dennis C. Shemmm
Name: Dennis C. Schemm
Title: Chief Financial Officer

ST USA HOLDING CORP.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemmm
Name: Dennis C. Schemm
Title: Chief Financial Officer

GRANTOR:

FOX FACTORY HOLDINGFF US ACQUISITION CORP.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemmm
Name: Dennis C. Schemm
Title: Chief Financial Officer

Signature Page to Second Amendment to Credit Agreement and First Amendment to Guaranty and Security Agreement

FOX FACTORYSCA PERFORMANCE HOLDINGS, INC.,
a California corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

ST USA HOLDING CORP.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

FF US ACQUISITION CORP.
SCA PERFORMANCE, INC.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

SCA PERFORMANCE HOLDINGS

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ROCKY RIDGE TRUCKS, INC.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

SCA PERFORMANCE, INC.
CWH BLOCKER CORP.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

By: /s/ Dennis

C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

:

ROCKY RIDGE TRUCKS, INC.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

CWH BLOCKER CORP.,
a Delaware corporation

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

CWH HOLDCO LLC,
a Delaware limited liability company

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

CUSTOM WHEEL HOUSE, LLC,
a Delaware limited liability company

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

WHEELHOUSE HOLDINGS INC.,
a Delaware corporation

By: /s/ Dennis C. Shemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

By: /s/ Dennis C. Schemm
Name: Dennis C. Schemm
Title: Chief Financial Officer

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MARUCCI SPORTS, LLC,
a Delaware limited liability company

By: /s/ Brendan R. Enick

By: /s/ Brendan E. Enick

Name: Brendan E. Enick

Name: Brendan R. Enick

Title: Treasurer

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Exhibit 10.2

AMENDMENT TO PILOT AGREEMENT

THIS AMENDMENT, dated as of September 25, 2024, between **GAINESVILLE AND HALL COUNTYDEVELOPMENT AUTHORITY** (the "Authority"), a public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Georgia, and **FOX FACTORY, INC.**, a California corporation (the "Lessee").

WITNESSETH:

WHEREAS, the Authority and the Lessee have heretofore entered into a Pilot Agreement, dated as of June 1, 2020 (said Pilot Agreement, as from time to time modified or amended, is herein called the "Agreement"); and

WHEREAS, the Authority and the Lessee have now determined that it is necessary to amend the Agreement in certain respects; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter contained, the Authority and the Lessee agree to and do hereby amend the Agreement as follows:

Section 1. The Agreement shall be amended by deleting the first sentence of Section 5(b) in its entirety and substituting the following in lieu thereof:

"In the event that the Company fails to establish its North American manufacturing headquarters at the 2020 Project or on the 23-acre site it owns in Gainesville Industrial Park West and to establish a research and development facility at the 2020 Project or adjacent to Road Atlanta within Hall County, all on or before December 31, 2026 (hereinafter referred to as the "Headquarters Requirement"), then the Company agrees to make an additional payment (the "Additional Payment") to the taxing authorities in the amount determined below."

Section 2. This Amendment shall be retroactive to June 1, 2020.

Section 3. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4. All other terms of the Agreement shall continue in full force and effect subject to this Amendment as set forth herein.

IN WITNESS WHEREOF, the Authority and the Lessee have caused this Amendment to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers as of the day first above written.

**GAINESVILLE AND HALL COUNTY
DEVELOPMENT AUTHORITY**

By: /s/ William Bagwell
Chairman

Attest: /s/ Treadwell Syfan
Secretary

(SEAL)

FOX FACTORY, INC.

By: /s/ Dennis C. Schemm
Title: Chief Financial Officer
(CORPORATE SEAL)

EXHIBIT 31.1

**CERTIFICATION OF DISCLOSURE IN FOX FACTORY HOLDING CORP'S
QUARTERLY REPORT FILED ON FORM 10-Q**

I, Michael C. Dennison, certify that:

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1. I have reviewed this Quarterly Report on Form 10-Q of Fox Factory Holding Corp.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 1, October 31, 2024

/s/ Michael C. Dennison
 Michael C. Dennison
 Chief Executive Officer
 (Principal Executive Officer)

EXHIBIT 31.2

**CERTIFICATION OF DISCLOSURE IN FOX FACTORY HOLDING CORP'S
 QUARTERLY REPORT FILED ON FORM 10-Q**

I, Dennis C. Schemm, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fox Factory Holding Corp.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly

during the period in which this report is being prepared;

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 1, October 31, 2024

/s/ Dennis C. Schemm

Dennis C. Schemm

Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned hereby certify, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in their capacities as officers of Fox Factory Holding Corp. (the "Company"), that, to their knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended **June 28, 2024** **September 27, 2024** fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the financial statements included in such report.

August 1, October 31, 2024

/s/ Michael C. Dennison

Michael C. Dennison

Chief Executive Officer

(Principal Executive Officer)

/s/ Dennis C. Schemm

Dennis C. Schemm

Chief Financial Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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