

SAFE HARBOR STATEMENT

FOX FACTORY

This presentation does not constitute an offer or invitation for the sale or purchase of securities and has been prepared solely for informational purposes. This presentation contains forwardlooking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forwardlooking statements generally relate to future events or our future financial or operating performance. 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" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

These forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, future economic or market conditions and the other risks and uncertainties described in "Risk Factors" contained in the Company's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q or otherwise described in the Company's other filings with the Securities and Exchange Commission. New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation.

Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no duty to update these forward-looking statements.

This presentation contains certain non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). We use non-GAAP financial measures, including "Adjusted EBITDA," as useful measures of the Company's core operating performance and trends and period-to-period comparisons of the Company's core business. These non-GAAP financial measures have limitations as analytical tools and should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the appendix to this presentation.



AGENDA

FOUNDATION, PERFORMANCE, AND VISION	MIKE DENNISON . CEO
FINANCIAL RECAP AND PLAN	SCOTT HUMPHREY . CFO & TREASURER
POWERED VEHICLES GROUP	TOM FLETCHER . PRESIDENT – PVG BUSINESS & CORPORATE STRATEGY
SPECIALITY SPORTS GROUP	CHRIS TUTTON . PRESIDENT – SSG
GEORGIA MANUFACTURING	RICH WINTERS . PRESIDENT – PVG OPERATIONS
PURPOSE AND INCLUSION	JACKIE MARTIN . CHIEF PURPOSE & INCLUSION OFFICER
CLOSING REMARKS	MIKE DENNISON . CEO



It's a transcendent mindset and aspiration. It's why we can deliver superior performance to top athletes blazing the track and everyday enthusiasts conquering the great outdoors.

TERPILL

150 World Cup Races 23 World Cup Victories 77 World Cup Podiums 4X UCI Downhill World Cup Champion

2021 UCI DOWNHILL WORLD CUP CHAMPION

PART CENCE

MINAR

3X Mint 400 Winner (2015 . 2016 . 2019) 2009 ARCA Series Champion 8 wins, 29 top 5's and 9 poles across ARCA and NASCAR truck series racing

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LOFTON



ICONIC BRAND

- Our brand is our bedrock and guidepost
- Staying true to our heritage
- Enthusiast driven product company
- Three fundamentals of our brand: performance, premium, and people
- Challenging boundaries through innovation

Our purpose is to challenge the impossible and lead in the never-ending pursuit of maximum performance.

OUR NISS ON

MAJOR COMPANY MILESTONES





Bob Fox redefines motorcycle ride dynamics Snowmobiles get the benefit of FOX suspension Entered the SxS and utility quad markets

Entered the

mountain bike

market

Fox launched on Ford F-150 SVT Raptor

BRP introduces watercraft with FOX suspension Fox joins Chrysler for the Jeep Wrangler Mopar Lift Kit



Fox goes public

First production military vehicle, GMV 1.1 Fox partners with Toyota on 2017 TRD Pro Tacoma Fox joins launch of Naval Special Warfare's Combat Craft

LIVE Valve launches on Polaris RZR XP Dynamix Toyota TRD Pro Tundra, 4Runner (Sequoia added in 2019) LIVE Valve launches Pivot, Scott, Giant, & Rocky Mtn bicycles

2018 —



Introduced the first aftermarket electronics kitiQS for Jeep JK

LIVE Valve introduced on **Jeep Gladiator** 2019 Ford Raptor

Fox joins 2020

Rubicon

Fox joins the launch of 2019 Ford Ranger Raptor

Fox introduces LIVE Valve on Honda Talon

Revenue expected to exceed \$1B+

HOW HAVE WE Done so far?

- Portfolio of premium and performance defining products
- Diverse world class team
- Expanding while streamlining operations:
 - Primary Locations:
 SSG-Taiwan; PVG-Georgia
 - Building infrastructure for growth and efficiency
- Leveraging innovation across platforms (e.g., Live Valve)
- Creating new markets through strategic targeting and impeccable execution

2013: 2 Continents 2 Locations 670 Employees

2021:

4 CONTINENTS 20 LOCATIONS 3,730 EMPLOYEES

ACQUISITIONS:

7 SIGNIFICANT ACQUISITIONS TO DIVERSIFY AND EXPAND PORTFOLIO





\$2B*

4 DECADES TO \$1B 4 YEARS TO \$2B

\$891M

2020

PREPAR

2021 2022

CAGR 17.6%

2024

2023

2025

*PROJECTED REVENUE CAGR 2020-2025



BRINGING THE MISSION TO LIFE



Capitalize on our premium product positioning Amplify strong connection to our enthusiasts Diversify and expand well-balanced portfolio Innovate at the forefront of the marketplace Find new opportunities for transformational growth In service for our consumers and communities



CAPITALIZE ON OUR Premium product Positioning

- We are a premium product company
- Product leader in every category we enter
- Focus on TAM expansion—white space



AMPLIFY STRONG CONNECTION TO OUR ENTHUSIASTS

- Winning races drives enthusiasm in after market
- Focus on consumer satisfaction and retention
- Empowering consumer who has unprecedented options
- Extend premium product to 360° premium brand experience
 - Bringing consumers and retailers closer
 - Best-in-class after-sales service
- Drive demand through vertical integration

STRATEGIC INTEGRATION FOR MAXIMUM REACH: PVG



= GREATER MARKET LEVERAGE, MARGINS AND CONNECTION TO END USER

STRATEGIC INTEGRATION FOR MAXIMUM **REACH: SSG**



ASTON

= GREATER MARKET LEVERAGE, MARGINS AND CONNECTION TO END USER

5

DIGITAL AND END CONSUMER CONNECTION







DIVERSIFY AND EXPAND WELL-BALANCED PORTFOLIO

Balance after market growth with OEM growth.

Diversifying channels to de-risk our future.







INNOVATE AT Forefront of The marketplace

- Design leading-edge, award-winning products
- Patents / pending applications
 - US: Issued: 251 / Pending: 167
 - International: Issued: 75 / Pending: 47
- Scale innovations across multiple categories (e.g., Live Valve)
- Build for the future–mobility and connectivity

FINDING NEW OPPORTUNITIES FOR TRANSFORMATIONAL GROWTH

M&A is incremental to our 2025 goal:

- Adjacent markets
- Geographic expansion
- New product technologies
- Aligned with our vision and brand

Proven track record of successful M&A:



IN SERVICE FOR OUR CONSUMERS AND COMMUNITIES

Grow the outdoor lifestyle, grow the category Champion efforts to preserve outdoor playgrounds ESG will play crucial role in our future





RECAPSORED SA PLAN

TOVOTIRES

SCOTT HUMPHREY

TOP AND BOTTOM-LINE Performance since ipo

Revenue CAGR of 18.4% and Adj. EPS CAGR of 20.6%

Adj. EBITDA CAGR of 19.9%



FOX defines adjusted EBITDA as net income adjusted for interest expense, net other expense, income taxes, amortization of purchased intangibles, depreciation, stock-based compensation, offering expense, strategic transformation costs, contingent consideration valuation adjustments, acquisition-related compensation expense, litigation-related costs, and certain other acquisition-related costs that are more fully described in the appendix. See appendix for reconciliation of Adjusted EBITDA to its most comparable GAAP measure.

SSG AND PVG REVENUE GROWTH SINCE IPO



NET CASH PROVIDED BY OPERATING ACTIVITIES



OPEX LEVERAGE

- Innovation is key—Investment in R&D expected to continue at the current rate as a % of revenue
- Sales + Marketing:
 - Revenue expected to grow faster than Sales + Marketing providing some leverage
 - Lessons from COVID to provide potential leverage
 - Impacts from acquisitions
- G&A has been higher as a % of revenue since 2020:
 - Expected to remain consistent with recent trends through 2022
 - Expectation is to drop post 2022 as sales continue to increase



AS % OF REVENUE

NON-GAAP OPEX



LIQUIDITY PROFILE

- Current Net Debt / Adj. EBITDA 0.91x
- Long Term <=3x Net Debt to Adj. EBITDA
 - Ok with exceeding 3 times on short term basis for right ROI
- Dry Powder at the end of Q2 FY21: ~\$522M
 - Cash on hand: ~\$275M
 - Line of Credit: ~\$247M
- Room to support both organic and inorganic growth
- M&A:
 - Prior to 2019 our acquisitions were ~\$50M or under
 - SCA in 2020 was ~\$340M

See appendix for reconciliation of Adjusted EBITDA to its most comparable GAAP measure.

2025 FINANCIAL TARGETS

Projected Revenue Growth @ 17.6% CAGR

NION DHR

- Non-GAAP Gross Margin Target of 36%-37%
- Adj. EBITDA Target of 24%-25%
- Higher Inventory Turns
- CAPEX rate no higher than 4%-5% of revenue
- World Class Processes:
 - Centralized Support Functions
 - Faster M&A Integration
 - ERP standardization
 - Global Standardization of SOX Controls
 - Scalable

BY 2025

EXPECTED REVENUE \$2 BILLON

EXPECTED EBITDA \$500 MILLON





POWERED VEHCLES GROUP

TOM FLETCHER
PVG GROWTH PRECEDED PANDEMIC

- PVG growth trajectory initiated pre-COVID
- Mobility sector suspension leader strengthens Y-o-Y
- DIY and DIFM segments continue to gain momentum



SOURCE: PVG 5 YEAR PLAN TARGETS, USD

PUSI POTENTIAL FURTHER

Winning the race drives our performance culture

Enthusiasts demand brand that wins!

Focus that informs our organization, product & strategy

WINNING IS OUR CULTURE!

5% OVERALL WIN RATE SINCE 2015

8x MINT 400 7x TATTS Finke Desert Race 5x SCORE BAJA 500 4x SCORE San Felipe 250 Started with first BAJA 1000 in 1979!

SCORE, BAJA 500, BAJA 1000 are registered trademarks of Baja Trademarks, LLC.

2021 **BAJA 400**

Bryce Menzies Wins!

FOX-equipped Trophy Trucks sweep Top 6 overall

SOURCE: SCORE INTERNATIONAL® OFF-ROAD RACING BAJA 400 is a registered trademark of Baja Trademarks, LLC.



PVG'S EXPANDING OPPORTUNITY IN THE GREAD OUTDOORS

2025: THE GREAT OUTDOORS OPPORTUNITY

- Diversity in segments and brands stabilizes growth
- End user demographic is economically resilient
- Margin improvements thru integration operational efficiency



PVG PROFILE: A PORTFOLIO OF CATEGORY LEADING BRANDS





ridetech 🛱





OUR ROADMAP: PREMIUM SUSPENSION PRODUCT





SHOCKS



SUSPENSION Systems





PERFORMANCE VEHICLE DEVELOPMENT



END-USER FOCUSED AND CUSTOMER CONNECTIONS

Co-Creating tomorrow's suspension

Connecting dreams with technology

Partnerships because we win!



TAM GROWTH ACROSS ALL SEGMENTS: MAKING MARKETS



1: Internal calculation based on chassis feature set

^{2:} Vehicle population is increasing, trucks are gaining share due to high sales of new and longevity increases

BRAND, SCIENCE & ALCHEMY

People, People, People



OHTEPLACES VENDER BLACES





SPECIALTY Speciality Speciality GROUP

CHRIS TUTTON

WE WORK WITH THE BEST ATHLETES TO CREATE THE BEST PRODUCTS

PRODUCTS THAT WIN RACES.

2021 SEASON 172 Podium Finishes

3 World

RIGA

Champions

2 Olympic

LE - TRENTINO

RENTINO

Valesza

a unithanne

ARLEY

Valessie

BARLEY TRENTINO

Yold Sole

Santini

VALES M

my time for

BARLEY

#Valdibole 2521

Santini

TRENTINO

Ganti

s Medals

DRIVING CONSUMER DEMAND



Global brand for forks and shocks (Fox) Global brand for forks (Marzocchi)

 H^{2}

BUILDING BRAND BRAND ADVOCACY

79

NPS Averaged across 4 brands (August 2021)

A STRONG TRACK RECORD OF GROWTH

12.8% Revenue CAGR over the past 5 years 73.3% growth in 1H 2021 vs. 1H2020

2016 2017 2018 2019 2020 2021 (1st half)

SCALING TO MEET DEMAND

Increased capacity by 50% in suspension and 100% in components GERMANY Expanded Distribution and Service Centre 2 25 TAIWAN Expanded Taichung and Chiayi factories

> AUSTRALIA Acquired Distribution and Service Centre

WHAT'S NEXT?

Capture Market Share Lead in Emerging Segments Innovative Products and Systems Premium Customer Experience

CAPTURE MARKET SHARE

Innovative Products

Scaling Production

Broader Price Points

INNOVATIVE Products

SCALING TO MEET INCREASING DEMAND

Expanding in-house automated and environment-controlled manufacturing

5X increase in internal capacity for wheels (by 2023)

Delivering improved quality, cost and speed to market

DEMOCRATIZING PERFORMANCE

Where We Play Pro/Ultra Enthusiast

Expansion Opportunity Weekend Warrior/ Performance Enthusiast

Not Us Big Box Consumer

EMERGING SEGMENTS

E-MTN E-SUV Gravel

E-MTB

Fastest growing mountain bike category with 62% YOY growth*

*Based on internal data and estimates

PURPOSE BUILT E-MTB SUSPENSION

E-Tuned E-Optimized

E-Live Valve

E-SUV

Mobility meets adventure

Market growth fueled by shifting mobility trends + lifestyle around aspirational adventure

ADVENTURE WITHOUT LIMITS

Legendary FOX performance and durability packaged in an all-new chassis optimized for modern E-SUV applications

Integrated fender and light mounts, plus ABS brake system compatibility delivers maximum versatility

Award-winning Rail damper delivers premium suspension performance with simple yet effective adjustability.

GRAVEL MARKET

The continued shift from road to gravel drove a 25% YOY growth*

*Based on internal data and estimates

SKOOTHER FASTER NORE CONFIDENT

The lightest fork FOX has ever made (1226g)
Optimized 700c chassis with clearance for large volume tires
Sleek crown profile for increased downtube
Clearance and frame compatibility
Lightweight, short travel optimized air spring requires fewer if any volume spacers

\$1 1B* MARKET POTENTIAL



INNOVATIVE PRODUCT AND SYSTEMS

New Materials Connected Technologies

Advanced Manufacturing

ADVANCED MATERIALS

Identify new manufacturing methods that unlock the use of advanced composites, metals and hybrid structures to optimize weight, strength and toughness.

SENSOR TECHNOLOGY

Unlock novel ways to measure performance. Integrate those solutions into our suspension and component product portfolio.

Imagine a bike with the power of digital technology and without the need to charge or keep track of device status. Can

POWER

HARVESTING

heavy batteries become a thing of the past?

ADVANCED MANU-FACTURING

Develop manufacturing methods that ensure quality and allow for the flexibility of a changing product portfolio. Protect trade secrets while leveraging lower cost regions.

PREMIUM CUSTOMER EXPERIENCE

Connected online platforms Enhanced riding experience

Welt States 1900

Global after-sales support
CONNECTED ONLINE PLATFORMS

60% of all after-market revenue online by 2025*



ELEVATING THE EXPERIENCE FOR THE CONNECTED RIDER



GLOBAL AFTER-SALES SUPPORT

4 Owned Service Centers 53 Factory Service Centers 1000's of Certified Technicians 615,000 Annual Services





THANKS

CAN ESPICE FACILITY

RICH WINTERS

9.21.2021

PLANT FLOOR PLAN (GA1 & GA2)



340,000 sq-ft Facility



MACHINE SHOP (GA2)



Machine Shop Details

Approximate Capacity:

 100 Machines & Accessories

Types of Raw Inventory:

- Aluminum Forgings
- Aluminum Castings
- Aluminum Bar Stock

Machine Types Include:

- CNC Lathes
- CNC Mills
- CNC Turning CentersBand Saws
- Deburring Tumblers

Types of Parts Machined:

- Body Caps
- Bearing Housings
- Bearing Caps
- Pistons
- Spring Retainers
- Inner Bodies
- Bodies

Benefits:

- Quality control of critical components like Pistons
- Improved agility for high mix parts like Bodies



Anodizing Details

Racking:

- Custom Titanium Racks
- Pieces per rack dependent
 on size of part
- 90-1008 Pieces Per Rack

Capacity:

- Current: 49,000
 Racks/Year
- Total: 98,000 Racks/Year

Additional Space For:

- 6 Anodize Tanks: Type II
 or Type III
- 3 Dye Tanks
- 4 Seal Tanks

Current Anodize Types:

- Clear Type II
- Black Type II
- Orange Type II
- Blue Type II

Anodizing Steps & Time:

- 1. Cleaning (5 min)
- 2. Etching (2 min)
- 3. Desmutting (5 min)
- 4. Anodizing (50 min)
- 5. Dyeing (17 min)
- 6. Sealing (30 min)

Quality Benefits:

- 1,500 Hour UV Fade Resistance
- 336 Hours Corrosion Resistance
- Reduced Shipping Defects

ASSEMBLY (GA1)



Off Road Assembly Details

Current Types of Customers:

- Aftermarket B2C & B2B
- OE Applications
- Race Applications
- Intercompany: Lifts & Upfitting

Shock Series Produced:

- Performance Series 2.0
- Performance Elite 2.5
- Factory Race 3.0
- Live-Valve 3.5

Shock Architectures Supported:

- Monotube IFP
- Piggybacks
- Remote Reservoir
- Live-Valve
- Coil-Overs



Power Sports Assembly Details

Current Examples of Customers:

- Yamaha
- Kawasaki

Vehicle Markets Supported:

- Snowmobile
- UTV
- ATV
- Snow Bike

Shock Architectures Supported:

- Monotube IFP
- Piggybacks
- Remote Reservoir
- Live-Valve
- Coil-Overs

Lines in Transition from CA:

- Polaris
- BRP

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- Honda
- Arctic Cat
- Intercompany: Ridetech





THE JOURNEY BEGAN... TO BECOME A NEW KIND OF CHAMPION

in the adventure of nurturing an inclusive workplace that fuels creating a better world.

PLANTING OUR ROOTS: PURPOSE

To challenge the impossible and lead in the never-ending pursuit of maximum performance.

CONNECTING OUR ROOTS: CORE VALUES



LEADERSHIP

Do the right thing, act respectfully, value others & hold each other accountable

TRUST

Foster openness, communicate authentically & deliver on commitments



COLLABORATION

Empower all to effectively communicate & work together across teams Embrace change as an opportunity for growth with ambition & readiness

AGILITY



SERVICE

Take pride in humbly & consistently delivering quality experiences & results

INGENUITY

Innovate continuously with a "never done" mindset, because good is never enough

SOLIDIFYING **OUR ROOTS:** WHERE WE'RE HEADED

Be one of the world's best companies to work for.

+

Continue to out-innovate, outpace and outthink the competition.







MATERIALITY ASSESSMENT



FRONTIERS

PROGRESS HAPPENS WHEN WE CHALLENGE ROMERS

TODAY WE COMMIT

TO THE DEVICE OF A BETTER WORLD

all all and the second second

PKK.

TO BEND AND BREAK FROM LERS

TO PUSH DOTENTIAL wheteeth

IN RELENTLESS PURSUIT OF A FULURE

WHERE PEOPLE AND PLANEL COME FIRST.

ADD WHERE ADD ENTURE ADD ENTURE SNEVER DONE



THE PEOPLE Frontier

To unite together in shared well-being and adventure

THE Planet Frontier

To enjoy, protect and renew our global playground.

THE Product Frontier

To redefine performance through sustainable innovation.

THE BUSINESS FUNDAMENTALS

To drive the highest standards of ethics, controls and governance







TOGETHER WE RIDE!



No matter where we go, how big an obstacle, or how far of a distance we have to travel, we are always stronger when we ride together.





Trail Trust champions sustainable adventure for all. Together, we'll turn adventurers into advocates.

Promoting responsible recreation

01

Building and maintaining trails

02

03

Expanding opportunities

Investing in partnerships

INDIGENOUS YOUTH MOUNTAIN BIKE PROGRAM



"Creating a Positive Future for Off-Highway Vehicle Recreation"











GIRLS RIDING TOGETHER











2021 ENBAR 2022 REPORT 2023- EXPAND





FOUNDATION PERFORMANCE VISION

RIDEFOX









APPENDIX: ADJUSTED EBITDA RECONCILIATION

(\$ IN MILLIONS)	FISCAL YEAR									YEAR TO DATE	
	2013	2014	2015	2016	2017	2018	2019	2020	Q2'20	Q2'21	
Net income	\$24.1	\$27.7	\$25.0	\$35.7	\$43.2	\$85.4	\$94.5	\$91.7	\$21.9	\$82.3	
Provision for income taxes	10.6	6.6	9.3	7.4	21.1	5.5	14.1	12.8	4.1	10.8	
Depreciation and amortization	7.8	9.7	13.1	8.8	9.9	14.2	17.6	33.9	15.0	21.0	
Non-cash stock-based compensation	2.5	4.0	4.9	6.2	8.7	7.3	6.9	8.6	4.0	5.9	
Fair value adjustment of contingent consideration and acquisition related compensation	_	2.9	6.9	5.9	1.4	_	_	_	-	-	
Patent litigation related expenses	—	-	-	2.7	4.7	7.2	4.4	2.0	1.1	0.5	
Other acquisition and integration related expenses (1)	0.3	3.6	3.0	1.0	1.9	0.9	2.7	14.9	12.2	2.8	
Strategic transformation costs (2)	_	-	-	-	-	-	1.7	2.8	1.7	1.3	
Tax reform implementation costs and related	_	-	-	-	-	0.5	0.2	-	_	_	
Offering expense	_	0.5	0.2	0.6	0.1	_	_	-	_	_	
Costs associated with tax benefit	_	0.2	_	_	_	_	_	-	_	_	
Management fees (related party)	0.3	_	_	_	_	_	_	_	_	_	
Interest and other expense, net	4.0	0.3	1.1	2.5	2.8	3.6	4.1	9.6	4.9	5.5	
Adjusted EBITDA	\$49.6	\$55.5	\$63.5	\$70.8	\$93.8	\$124.6	\$146.2	\$176.3	\$65.0	\$130.1	
Divided by Sales	\$273.0	\$307.0	\$366.8	\$403.1	\$475.6	\$619.2	\$751.0	\$890.6	\$367.5	\$609.3	
Adjusted EBITDA margin	18.2%	18.1%	17.3%	17.6%	19.7%	20.1%	19.5%	19.8%	17.7%	21.3%	

*Note: Amounts may not foot due to rounding.

(1) Represents various acquisition-related costs and expenses incurred to integrate acquired entities into the Company's operations, excluding \$321 in stock-based compensation for the six month period ended July 2, 2021, and \$215 in stock-based compensation for the six month period ended July 3, 2020, as well as the impact of the finished goods inventory valuation adjustment recorded in connection with the purchase of acquired assets.

(2) Represents costs associated with various strategic initiatives including the expansion of the Powered Vehicles Group's manufacturing operations. For the six month period ended July 2, 2021, \$1,289 is classified as cost of sales. For the six month period ended July 3, 2020, \$821 is classified as operating expenses, and \$879 is classified as cost of sales.



APPENDIX: NON-GAAP ADJUSTED EARNINGS PER SHARE RECONCILIATION

(\$ IN MILLIONS)	FISCAL YEAR								YEAR TO DATE	
	2013	2014	2015	2016	2017	2018	2019	2020	Q2'20	Q2'21
Net Income attributable to FOX stockholders	\$24.1	\$27.7	\$25.0	\$35.7	\$43.1	\$84.0	\$93.0	\$90.7	\$20.9	\$82.3
Amortization of purchased intangibles	5.4	5.5	8.5	3.0	3.0	6.1	6.3	17.6	7.8	10.0
Patent litigation related expenses	_	_	-	2.7	4.7	7.2	4.4	2.0	1.1	0.5
Fair value adjustment of contingent consideration and acquisition related compensation	_	-	6.9	6.4	1.4	-	_	-	_	-
Other acquisition and integration related expenses (1)	0.3	3.6	2.5	1.0	1.9	0.9	2.7	15.4	12.4	3.2
Offering expense	-	0.4	0.2	0.6	0.1	-	_	_	-	-
Reapportionment audit resolution tax benefit	-	_	-	(0.5)	_	-	_	_	_	-
Strategic transformation costs (2)	_	_	_	_	_	_	1.7	2.8	1.7	1.3
Tax reform implementation costs and related	-	_	-	_	_	0.5	0.2	_	_	-
Settlement of audit and recognition of tax position	-	_	-	_		(9.8)	_	_	_	-
Tax reform legislation impacts	-	_	-	_	9.3	0.3	_	_	_	_
Non-cash expense for un-amortized loan origination fees	1.4	_	_	_	_	_	_	_	_	_
Contingent consideration valuation adjustment	-	1.9	_	_	-	-	_	_	-	-
One-time tax benefit net of cost	-	(3.8)	_	_	-	-	_	_	-	-
Management fees (related party)	0.3	-	_	_	-	-	_	_	-	-
Tax impacts of reconciliation items above (3)	(2.3)	(2.2)	(4.9)	(2.5)	(2.0)	(2.4)	(2.0)	(4.6)	(3.6)	(1.7)
Non-GAAP adjusted net income	\$29.2	\$33.1	\$38.3	\$46.4	\$61.5	\$86.7	\$106.3	\$123.8	\$40.2	\$95.5
Weighted average shares (diluted)	35.7	37.8	37.9	37.8	38.7	39.0	39.2	40.8	39.4	42.4
Non-GAAP adjusted EPS (diluted)	\$0.82	\$0.88	\$1.01	\$1.23	\$1.59	\$2.22	\$2.72	\$3.03	\$1.02	\$2.25

*Note: Amounts may not foot due to rounding.

(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.

(2) Represents costs associated with various strategic initiatives including the expansion of the Powered Vehicles Group's manufacturing operations. For the six month period ended July 2, 2021, \$1,289 is classified as cost of sales. For the six month period ended July 3, 2020, \$821 is classified as operating expenses, and \$879 is classified as cost of sales.

(3) Tax impact calculated based on the respective year to date effective tax rate

APPENDIX: NON-GAAP OPEX RECONCILIATION



	FISCAL YEAR						YEAR TO DATE	
(\$ IN MILLIONS)	2016	2017	2018	2019	2020	Q2'20	Q2'21	
Operating expense	\$80.8	\$87.4	\$111.0	\$129.9	\$175.4	\$85.7	\$110.4	
Amortization of purchased intangibles	(3.0)	(3.0)	(6.1)	(6.3)	(17.6)	(7.8)	(10.0)	
Fair value adjustment of contingent consideration and acquisition related compensation	(5.9)	(1.4)	_	_	_	_	_	
Patent litigation-related expenses	(2.7)	(4.7)	(7.2)	(4.4)	(2.0)	(1.1)	(0.5)	
Tax reform implementation costs	_	_	(0.4)	(0.2)	_	_	_	
Other acquisition and integration related expenses (1)	(0.8)	(1.7)	(0.9)	(1.6)	(15.4)	(12.3)	(3.2)	
Strategic transformation costs (2)	-	-	_	(1.1)	(1.1)	(0.8)	_	
Offering expense	(0.6)	(0.1)	_	_	_	_	_	
Non-GAAP operating expense	\$67.8	76.6	\$96.3	\$116.3	\$139.4	\$63.6	\$96.8	
Divided by sales	\$403.1	\$475.6	\$619.2	\$751.0	\$890.6	\$367.5	\$609.3	
Non-GAAP operating expense as a percentage of sales	16.8%	16.1%	15.6%	15.5%	15.7%	17.3%	15.9%	

*Note: Amounts may not foot due to rounding.

(1) Represents various acquisition-related costs and expenses incurred to integrate acquired entities into the Company's operations.

(2) Represents costs associated with various strategic initiatives including the expansion of the Powered Vehicles Group's manufacturing operations